



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: September 26, 2019 Board of Directors Meeting
Subject: Executive Director's Report

Staff and Agency partners are currently operating in a period of extreme high volume supporting numerous critical path projects, programs and facility initiatives since our last Board meeting. Here are highlights:

1. Administration & Finance:

a. Bond Refunding/Refinancing—And...that's a Wrap!

This project is completely finished. The final step of this year-long transaction was to pay off the 2009A Bond balance on their earliest call date, which was September 1st. As requested by the Board, a portion of them were designated "Green Bonds," the first for infrastructure in San Mateo County. All transaction fees have been paid out. Per Board direction, the \$20M net proceeds from this transaction have been received by the SBWMA's Bond Trustee, New York Bank, and awaits funding instructions for our various capital projects. [Here is the link](#) to the 147-page final transaction report for those with a keen financial interest and sturdy eyesight. Excellent team work on the part of the Board, the Finance Committee, John Mangini, Hilary Gans, Jean Savaree (SBWMA Attorney at ADCL), KNN, Stradling, and the others.

b. Administrative/Financial Services Contract Transition—Smooth transition began July 1st

Thanks to the cooperative efforts of the City of San Carlos, City of Redwood City and Staff leadership, we have now closed the books on FY18/19 with the San Carlos Finance team's help and are working smoothly with Redwood City's Finance team. Yes, there were a few bumps along the way, but John Mangini and Cyndi Urman demonstrated tremendous leadership in making this transition happen smoothly. The SBWMA's AP, AR, Banking and Investment tasks have all successfully transferred over. Not a small feat. We recently acknowledged the great work the San Carlos team provided for us by sharing a nice lunch and I forwarded a heartfelt note of the Agency's appreciation to San Carlos City Manager, Jeff Maltbie for the years of excellent service that the team provided to us. The bar has been set quite high for the Redwood City team!

c. Recology and SBR Compensation Applications -To be considered today

A joint Board and TAC meeting was held on September 12th to review the 2020 Compensation Applications from our key contracting partners, Recology and SBR. As in past rate years, these proposed adjustments directly tie to the relevant industry CPI indices. In addition to these standard reviews, Staff presented projections for Recology's 2021 rate year by Member Agency, since these negotiated costs are known. Staff also presented a "dry run" calcs for the new Service Level Adjustments (SLA) that will also be implemented next year for rate year 2021. Remember that these

calcs address the costs related to member agency-specific growth over a three-year rolling average and this calculation will be “live” during next year’s review (for 2021). This entire set of 2020 costs, the 2021 step up costs, and the SLA “dry run” calcs will all be presented to the Board today for consideration under agenda items 6B (Recology) and 7A (SBR).

d. Major Grants-CAEATFA Grant Funding in play

Staff is currently working with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to secure sales tax reimbursement for the Organics-to-Energy (O2E) pilot project equipment. \$185,250 has been approved to date, and we’re working with their staff on additional funding for the anticipated roll-out phase of the O2E projects. Staff is also working to identify similar additional grants to support our other CIP projects. More to report on in the future. Thank you Hilary Gans, Grant Ligon, and our grant specialists Momentum (formerly “the Grant Farm”) for a strong effort—free money comes with a LOT of obstacles. In the future, Grant Ligon will lead this quest!

e. Staffing Update—All Vacancies filled

Two SBWMA Fellows have recently been promoted into staff positions. Joanna Rosales (formerly Public Spaces Fellow) is now the Outreach and Communications Coordinator. Adele Halili (formerly Environmental Education Fellow) is now the Environmental Education Associate. Congratulations ladies-your hard work and commitment to our Agency’s mission has been recognized and it has paid off!

After an active summer recruitment period, four new Fellows will start with the SBWMA, joining current Public Spaces Fellow Shirley Ng. Their information and start dates are referenced below. We are excited for them to start and have been impressed with their wonderfully diverse perspectives that they will bring to their/our work.

Table 1: 2019/20 Long Range Plan Programs Fellows

<p><u>Public Spaces Team</u></p>	<p>Shirley Ng Existing Fellow, Year 2</p> <p>Juan Miranda UC Santa Barbara Start Date: October 2</p>
<p><u>Environmental Education Team</u></p>	<p>Janelle Osteen UC Berkeley Start Date: October 7</p> <p>Laura Wessberg Minnesota State Univ., Moorhead, Start Date: October 7</p> <p>Nadia Thompson Duke University Start Date: October 14</p>

2. Committee Updates:

a. Finance Committee Meeting (no meeting held)

b. Legislative/Regulatory Committee (September 10th--Executive Committee Mtg)

Agency co-sponsored AB 1509 (Mullin) is now a 2-year bill and is expected to be heard in the Senate Environmental Quality Committee in February/March 2020. Staff has been working with EEC and co-sponsors and authors on new language to further define the scope of the bill. New amendments will be made before the bill's next hearing. As expected, strong opposition to this bill has emerged from the consumer electronics and manufacturing.

Agenda item 9D provides details of bills that our legislative advocate, EEC, is currently tracking for us.

Important note: On July 31st, SBWMA Staff hosted the entire 13 member staff from Assembly Member Speaker Pro Tem Kevin Mullin's district and Sacramento offices at our Shoreway Center's Rethinker Room in the MRF. SBWMA Staff began this all-day retreat with an SBWMA capabilities and priorities overview with an incredibly spirited Q + A session. A facility tour immediately followed and lunch was shared with both teams. There was an incredible focus on the pressing LI Battery issue and the Mullin team met the SBR workers and saw the facility that is at risk everyday from this situation. Their team then spent the rest of the day conducting their annual staff retreat (we stepped out of course). As a result of this visit, the Mullin team has hardened their resolve to get AB 1509 passed into law next year. They are a wonderful, intellectually-curious group and we're glad they represent the Agency in Sacramento.

c. Pub Ed/Outreach Subcommittee (no meeting held)

d. Technical Advisory Committee (September 12th - Joint Study Session)

e. Zero Waste Committee (No meeting held)

3. Collection and Recycling Program Support and Compliance:

a. Franchise Agreement "Amendment One" Process

Continued to November Study Session and Board meeting.

b. Community Outreach and Environmental Education

i. Public Tours – *On hold thru mid-2020 due to construction/lack of parking*

Public Tours of the Shoreway facility have temporarily been suspended through mid-2020 due to major construction projects at the facility and no space for visitor parking. Schools and business tours are still being held.

ii. **Exciting New Scientific Educational Exhibit for School Tours—*The Micro Safari is here!!***



RethinkWaste's New Micro Safari Unit

A cutting-edge new educational exhibit has been received and installed in the Rethinker Room of our MRF. This powerful microscope's real-time images of living micro organisms in our soil are projected onto a high-definition TV monitor/screen to allow students to learn about the essential components in our soil and why it's so important to preserve them. This tool will be a cornerstone teaching tool in our Agency's Heathy Soils educational discussion that will be part of every school tour. This is the second unit in the County and we've already begun to use it!

Shout out to Environmental Education Manager, Emi Hashizume and the high-octane EE team!! See unit in action (left) with the Micro Safari's local inventor and developer, Soroosh Hedayati.

iii. **Compost Campaign – *Rethink Compost: Every meal. Every day.***

On September 16, a new outreach and education campaign was launched to educate residential customers to compost their food scraps into their green compost cart. The campaign will run through the end of November and consists of a website hub (RethinkCompost.org) that hosts a variety of key compost information for residents. There will also be social media posts, a community pledge, Facebook advertising, Google Ads, creation of a compost-only electronic newsletter, newspaper advertising, and a direct mail piece.

iv. **Rethink Recycling Day – *Join us October 27!***

Due to extensive construction at Shoreway, this year's event will be held at the San Carlos library. We hope you can join us for a Fix-It Clinic, workshops on Food Preservation, a clothing swap and more! More information can be found at www.rethinkwaste.org/rrd

v. **SB 1383 Action Planning Update**

HF&H has been hard at work to identify compliance gaps, consider compliance options, and prepare a SB 1383 Action Plan and planning-level cost estimate. As mentioned previously, SB 1383 will require a significant effort by the SBWMA and to some extent the Member Agencies to expand current programs, adopt new policies, and implement of new programs to achieve SB 1383 compliance. **Attachment A** is a SB 1383 Informational Report that highlights the key SB 1383 compliance areas and the anticipated policy and program changes for the SBWMA, reflecting HF&H's preliminary analysis. It also presents the timeline for the preparation of the SB 1383 Action Plan, ending with a presentation of the plan to the Board in March 2020. The November 7 Board and TAC Study Session will go into an in-depth discussion of the SB 1383 Action Plan prepared by HF&H.

vi. **San Mateo County's Disposable Foodware Ordinance Initiative**

The SMC's Office of Sustainability (OOS) is leading the charge in creating an ordinance that bans non-recyclable foodware at food establishments located in unincorporated areas in the County. Similar to the Plastic Bag Ordinance, it is the OOS' genuine hope that all 20 cities in the County join this effort to clean up our local communities from the scourge of this litter. The many community-wide benefits are outlined in agenda item 9C. This ordinance will be a giant step forward in litter reduction and the use of single-use, non-recyclable plastics. This ordinance is in complete alignment with our Agency's mission and waste reduction goals. We need to embrace it!

4. **Shoreway Operations and Contract Management**

a. **Shoreway Buyback Center**—*Center was Temporary Closed beginning August 16th*

On August 5th, the state's largest independent recycler closed operations at their 284 buyback centers that were located in the parking lots of major grocery stores. Several of these centers were located in our service area. This unexpected action created serious traffic overload at our facility which resulted in safety issues on the public right away and with our neighbors.

Despite their heroic impromptu response efforts, SBR staff experienced challenges in keeping up with the public demand to redeem their CRV bottles and cans while still meeting their core responsibilities to handle, process and transport over 1,000 tons of garbage, recyclables, and organics received at our site every day. After 10 exasperating days, and in with consultation with SBR, Recology, our Board Chair and Agency Counsel, I made the decision to temporarily suspend this program until we could properly assess the situation and the associated costs to operate this service.

Agenda item 6A provides an informational assessment of this situation on how to move forward and Staff seeks Board input to determine our path forward.

b. **Organics-to-Energy Project**

The OREX press unit has been delivered and site work is underway for the entire pilot's mechanical and equipment installation. Equipment is being staged in the tour parking lot which means that **we've had to suspend the public tour program through the late spring.** This action does not affect the Shoreway school tour program which represents 85% of our tour guests each year.

c. **MRF Upgrades—Phase I**

During the summer, Staff has worked closely with BHS (CAD equipment design; engineering; sales; finance and executive suite) to finalize the solid technical, contractual and pricing details for this phase of MRF upgrades. An SBWMA Facilities Contract Team (FCT) was formed to support all Agency projects and their related contractual elements to provide essential technical support. The FCT meets weekly and consists of (as needed): myself, Hilary Gans, John Mangini, Grant Ligon, Kai Ruess (SBWMA attorney), Bill Tanner (Tanner Pacific, SBWMA Construction Mgmt firm), Rob Kalkbrenner (Capital Projects mgmt. consultant).

d. **2019 SBR Battery Count and Report:**

A MRF battery count was repeated this year in September by SBR for the purposes of tracking Lithium Ion battery counts and the associated fire risk posed by these batteries as they are processed through the

Shoreway MRF. The data in **Table 1** below shows batteries entering though the recycling into the MRF over the first 8 months of 2019 compared to the same period in 2017.

Table 1.

Battery Sort Test	Number of Batteries		Increase in Batteries	
Battery Type	2017 Count/Hr	2019 Count/Hr	2017 v 2019	Trend/interpretation
Lithium Single	4.4	5.8	25%	Lithium battery increase
Lithium Pack (multi-cell)	1.1	1.1	4%	Lithium battery increase
Nicad	9.4	3.7	-163%	NiCad battery decrease
Alkaline	311	170	-82%	Alkaline battery decrease
Lead-Acid	.9	.6	-57%	
Totals	326.2	181.3	-80%	

The sampling data indicates the following trends relating to batteries entering the MRF:

1. There is an overall decrease of 80% in the Total number of batteries entering the MRF.
2. The reduction in number the number of batteries come from Alkaline and NiCad category.
3. The number of Lithium batteries entering the MRF has increased 25%.

While a decrease in batteries entering the MRF is a positive trend, the batteries that pose a fire hazard are actually increasing. This change is predictable based on the marketplace switch to rechargeable lithium batteries from other battery types.

Table 2.

Curbside Battery Collection Program	Total Number of Batteries	Average per Month	% Decrease
2017 (Sample period Jan-Aug)	64,060	8,008	
2019 (Sample period Jan-Aug)	62,026	7,753	-17%

Respectfully submitted,

Joe La Mariana
Executive Director

Attachments

Attachment A – HF&H SB 1383 Informational Report



SB 1383 OVERVIEW

In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets in a State-wide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. As it pertains to organic waste, SB 1383 establishes the following targets:

- 50%** Reduction in State-wide disposal of organic waste by 2020.
- 75%** Reduction in State-wide disposal of organic waste by 2025.
- 20%** Recovery of edible food currently disposed for human consumption by 2025.



SUMMARY OF ANTICIPATED SBWMA POLICY AND PROGRAM CHANGES

Ordinances and Policy Changes. SB 1383 requires the implementation and/or amendment of several ordinances and policies by jurisdictions including, but not limited to: a mandatory residential and commercial organics service ordinance, an enforcement ordinance, a CALGreen C&D ordinance, a Model Water Efficient Landscaping Ordinance (MWELo), and procurement policies aligned with the State's Public Resources Code. SB 1383 also identifies several policies that jurisdictions may not adopt because such policies would impede organics disposal reduction. To address this requirement, SBWMA anticipates development of model ordinances and procurement policies and support member agencies in their adoption of the ordinances and policies. It is also anticipated that Member Agencies, which are not currently in compliance with CALGreen and MWELo, will take on adoption of those ordinances and policies.

Organics Collection and Processing. SB 1383's standard-compliance approach requires jurisdictions to provide recyclables, organics, and solid waste collection services for all generators (subject to limited waivers and self-hauling). To comply, SBWMA will need to expand its recyclables and organics collection program to reach all generators, including provision of organics service multi-family and commercial customers that currently do not have organics service. Recology will need to deliver organics and recycling containers to these generators and provide on-going collection service to these customers; and, SBR will handle more recyclables and organics and less solid waste. SB 1383 allows for alternative approaches to expanding collection services to all generators, including approaches that may incorporate the organics-to-energy (O2E) project at the Shoreway Facility. These options will be explored as part of the Action Planning.

Self-Haul Program. SB 1383 requires self-haulers to manage their organics so materials are processed at an appropriate facility. Jurisdictions are required to verify self-hauler compliance and report the number of self-haulers approved to operate within their jurisdictions. To facilitate the tracking of approved self-haulers, SBWMA will explore the option of procuring a software system and provide on-going staffing for maintaining the self-haul database and tracking self-hauler compliance with SB 1383.



Edible Food Recovery. SB 1383 requires that jurisdictions educate edible food generators, increase access to edible food recovery organizations and services, monitor edible food generator compliance, and potentially increase edible food recovery capacity. It is anticipated that SBWMA’s role in edible food recovery will be primarily focused on education and coordination of roles and responsibilities with the County, as well as on-going maintenance of an accurate list of commercial edible food generators. The County of San Mateo is actively engaged in food recovery efforts and plans to grow the food recovery capacity County-wide to support the SBWMA, Member Agencies, and other jurisdictions in the County.

Education & Outreach. SB 1383 has specific education requirements for jurisdictions. It is anticipated that the majority of the education requirements will be integrated into SBWMA’s on-going education efforts, through SBWMA’s annual service brochures, newsletters, billing inserts, and more. SBWMA may need to perform a focused education campaign to roll-out recyclables and organics service to all non-subscribing commercial and multi-family customers.

Contamination Monitoring. SB 1383 requires contamination monitoring of customers’ materials through random container inspections on an annual basis. To address this requirement, SBWMA is considering options to allocate additional staffing for container contamination monitoring, amend their agreement with Recology to delegate this responsibility to Recology, or engage a contractor.

Enforcement. SB 1383 requires annual compliance reviews of all commercial accounts that generate two cubic yards or more per week of solid waste; inspection of edible food generators and recovery organizations/services; verification of self-hauler compliance; investigation of complaints; and verification of waivers issued. SBWMA can take responsibility for many of these tasks on behalf of the Member Agencies with additional staffing, amendment of the Recology agreement delegate this responsibility to Recology, and/or use of contractors. Commencing in January 1, 2024, SB 1383 requires jurisdictions to take enforcement actions against non-compliant entities such as customers, self-haulers, and food recovery organizations/services. To address these requirements, SBWMA, as part of the Action Planning process, is exploring approaches for issuing notice of violations and assessing penalties, including taking on this role on behalf of the Member Agencies.

Organic Waste Product Procurement. SB 1383 requires that jurisdictions meet minimum recovered organic waste product procurement targets through the purchase of compost, renewable gas, and/or electricity from biomass conversion. SBWMA’s Member Agencies may comply individually or collectively to this requirement through one or more procurement strategies. The Action Plan is exploring the purchase of compost and use of renewable gas, including gas that may be generated by the O2E project.

Reporting. SB 1383 requires significant annual reporting, as well as on-going maintenance of an “implementation record” that documents compliance with regulations. SBWMA will need to amend their current annual AB 939 reporting process in coordination with Member Agencies to aggregate and report the additional data required. It may look at software solutions to facilitate this process and manage the data.



ANTICIPATED ACTION PLANNING SCHEDULE

Action Item	Anticipated Date
Provide Informational Report in Board Package	September 26, 2019
Draft Compliance Action Plan	October 25, 2019
Present to TAC and Board at Joint Meeting	November 7, 2019
Present Action Plan Update to Board	November 21, 2019
Finalize Action Plan	December 13, 2019
Present to Finance Committee	January, 2020
Present to Zero Waste Committee	January, 2020
Present to Public Education and Outreach	January, 2020
Release of Final Regulations by CalRecycle	January 31, 2020 (+/-)
Present Final Action Plan to Board	March 26, 2020