A Message from Our Executive Director

2019 was a year of accomplishment. We started implementing numerous projects and programs while also growing as an Agency. We also started comprehensive planning for SB 1383, a sweeping new California State law aimed at reducing organic waste that is landfilled, which has major long term implications to our service area customers. There was nothing short of excitement, new energy, and high activity at RethinkWaste in 2019.

We began the year with a newly hired legislative and regulatory firm to increase our presence in Sacramento that resulted with us co-sponsoring legislation to make battery manufacturers responsible for the safe handling and disposal of their batteries. While the bill (AB 1509) did not yet get to the Governor’s desk, it did make it through the California Assembly on a 63-0 vote; a big win in our books! The bill is still active in 2020 and we look forward to sharing more in next year’s report.

In 2019, RethinkWaste issued the first ever Green Bonds in San Mateo County for green infrastructure and waste reduction. With approval from our member agencies, we were able to pull $20 million in capital from the refinancing to help fund our Organics-to-Energy pilot and to make improvements to the Materials Recovery Facility (MRF), while still reducing our annual debt service by almost $500,000 a year. The Organics-to-Energy project also received additional support from San Mateo County, who provided an instrumental $1 million grant to help offset the costs. The installation of the project began in Summer 2019, while the Agency’s MRF Phase 1 upgrades were approved by the Board of Directors. A doubling of accomplishments for our facility to move into a new decade.

Our achievements don’t end there; we entered into a new 10 year disposal contract with Ox Mountain Landfill through 2029 and extended South Bay Recycling’s facilities operating agreement to until 2023.

In the midst of this activity, RethinkWaste hired a new Management Analyst, filling a previously vacant and now re-tooled position. Additionally, staffing resources were also authorized to support the Agency’s expanded mandated goals, including a part-time and limited-term technical support for capital projects and ongoing support for the Agency’s mandated public and environmental education goals.

Finally, we successfully transitioned to a new accounting services provider, approved an Environmental Preferable Purchasing policy to better align with our mission and values, completed a major compost outreach campaign, and revamped our RethinkWaste.org website with a new look and feel that also includes a new tour scheduler.

We are so grateful to share our 2019 accomplishments, which were only made possible through the collaborative work of our dedicated Board of Directors, Technical Advisory Committee members that represent our member agencies and the community we serve, Agency Staff, and of course our incredible contractors – Recology and South Bay Recycling. On behalf of all of us, we thank you so much for your continued support and look forward to bringing you more success stories in 2020.

Joe La Mariana
Executive Director
OUR MISSION

To cost effectively design, implement and manage innovative waste reduction and recycling programs and facility infrastructure that fulfills our fiduciary responsibilities to our Member Agencies while achieving community environmental and economic goals.
RethinkWaste: Who Are We?

We are a joint powers authority representing 12 local public agencies (Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, County of San Mateo and West Bay Sanitary District) in San Mateo County. We own the Shoreway Environmental Center in San Carlos, where all recyclables, organic materials, and solid waste are collected, handled, processed and then transported to their final destination.

Staff

Joe La Mariana
Executive Director

Hilary Gans
Senior Facilities and Contracts Manager

John Mangini
Senior Finance Manager

Julia Au
Outreach and Communications Manager

Emi Hashizume
Environmental Education Manager

Grant Ligon
Senior Management Analyst

Cyndi Urman
Clerk of the Board/Executive Assistant

Matt Southworth
Senior Facility Projects Engineer
(part time, limited-term)

Joanna Rosales
Outreach and Communications Coordinator

Adele Halili
Environmental Education Associate

Juan Miranda
Public Spaces Fellow (limited term)

Shirley Ng
Public Spaces Fellow (limited term)

Janelle Osteen
Environmental Education Fellow (limited term)

Nadia Thompson
Environmental Education Fellow (limited term)

Laura Wessberg
Environmental Education Fellow (limited term)
Collection and Diversion

Residential Program Overview

Residents in the RethinkWaste service area continue to strongly embrace the weekly Recycle, Compost, and Garbage collection programs. Measured residential diversion rates have leveled off since the inception of this program in 2011. 2019 saw recycling diversion decrease significantly, likely an effect of the changing foreign recycling markets, but organic waste increased, signaling an important improvement as the State heads towards 75% organic waste diversion.

The measured diversion rates are calculated by comparing the amount of materials Recology collected that were recycled or processed as compost versus those that were sent to the landfill for disposal.

Residential Diversion Rate

<table>
<thead>
<tr>
<th>Tons Collected</th>
<th>2018 = 66.35%</th>
<th>2019 = 66.63%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>41,212</td>
<td>38,878</td>
</tr>
<tr>
<td>Composting (Organics)</td>
<td>77,497</td>
<td>80,906</td>
</tr>
<tr>
<td>Garbage</td>
<td>60,197</td>
<td>59,998</td>
</tr>
</tbody>
</table>

Percentage change in residential diversion rates from 2018 to 2019.

Recycling 5.66%    Composting 4.40%    Garbage 0.33%
Collection and Diversion

Commercial Overview

Businesses and multi-family complexes in the RethinkWaste service area continue to incrementally divert more materials away from landfill incrementally each year. With AB 341 (Mandatory Commercial Recycling) and AB 1826 (Mandatory Organics Recycling) in full implementation, RethinkWaste continues to work in strong partnership with Recology to educate businesses and multi-family complexes on how they can increase commercial waste diversion.

2019 saw increases in the commercial sector for recycling and organics diversion and decreases in materials sent to landfill. 2019 also saw a large increase in MFD composting, likely due to an expansion of AB 1826 law that now requires generators of 4 or more cubic yards of solid waste, recycling, and organic waste to have composting services.

Commercial Diversion Rate

Multi-Family Diversion Rate
480,385 tons of waste materials were handled by the Shoreway facility in 2019

Shoreway Environmental Center

The RethinkWaste owned 16-acre Shoreway Environmental Center, continues to be integral to the success of the collection services and a valuable asset not only to the RethinkWaste Member Agencies, but to the entire region. The Shoreway Materials Recovery Facility is a LEED® Gold certified building.

The Shoreway Environmental Center receives all the residential and commercial recyclables, organic materials and solid waste collected in the service area by Recology San Mateo County. In 2019, 480,385 tons of materials were handled on this site making it one of the largest facilities in Northern California. The facility is operated by South Bay Recycling on the Agency’s behalf by contract that expires on December 31, 2023.

In 2019, the Shoreway Environmental Center underwent the initial stages of several planned major upgrades. First up was the Public Recycling Center, which was updated to help improve the operational efficiency and customer experience (see photo below).

Percentage change in solid waste from 2018 to 2019 at Shoreway.

Shoreway Facility Tons

<table>
<thead>
<tr>
<th></th>
<th>Tons Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste (MSW)</td>
<td>220,593</td>
</tr>
<tr>
<td>Recycling (MRF)</td>
<td>79,446</td>
</tr>
<tr>
<td>Bulky Item, C&amp;D materials</td>
<td>50,814</td>
</tr>
<tr>
<td>Organics (Transfer Station)</td>
<td>120,427</td>
</tr>
</tbody>
</table>

2018 2019

RethinkWaste 2019 Annual Report
Shoreway Environmental Center Upgrades

The major project that began at the Shoreway Environmental Center was the installation of the organics extrusion system in Summer 2019 (see below photo). This Organics-to-Energy pilot project, when completed in Spring 2020, will turn source-separated organic materials and targeted black cart organic waste into slurry for biodigestion. The pilot phase will process around 50-70 tons of source-separated organics that are currently sent to a composting facility along with 25 tons of targeted, organics-rich loads of black cart trash daily.

This innovative project will be funded by the proceeds from the refinancing of the 2009 Bonds through the issuance of new Solid Waste Enterprise Refunding Revenue Bonds. The Series 2019B Bonds were issued to raise $20 million in new money proceeds to fund priority capital projects, including the Organics-to-Energy pilot and two major upgrades (Phase 1 and 2) to the Materials Recovery Facility (MRF).

MRF Phase 1 was approved by the Board in June 2019 and will include more high-speed, mechanical optical sorting of small fiber materials to reduce contaminates while capturing even higher value grade paper. There will also be an enhanced glass cleanup system that will remove glass system contaminants and increase commodity capture revenue through a combination of magnets, screening, and air jets. This project is expected to be completed in mid-2020.
Tours Program

In 2019, the RethinkWaste team hosted 229 tours at Shoreway Environmental Center! Despite on-site construction during the latter half of 2019 and the temporary suspension of public tours during the construction, the Tour Program still managed to reach a total of 5,932 visitors. Tour participants included 4,417 students and chaperones, 568 staff from businesses and organizations, and 947 members of the community (both within and outside of the RethinkWaste service area). Additionally, more than half of the visiting school groups received no-cost bus services to transport students, teachers, and chaperones to and from Shoreway.

The RethinkWaste Tour Program continues to offer a unique experience – since 2011, over 45,000 visitors have enjoyed front row seats to see and hear how a solid waste facility operates. The tour includes information about where compostable, recyclable, and landfill materials are taken, how they are processed, and the correct bins they belong in. Visitors can positively impact their home, school, and work communities by practicing and sharing their new knowledge of resource conservation and waste reduction. RethinkWaste Staff takes it one step further by asking participants to think critically about their role in waste generation and consider the importance of decreasing the waste they produce.

In July of 2019, the Shoreway Environmental Center introduced an exciting new exhibit, the MicroSafari. The MicroSafari provides visitors the platform to magnify and examine the microscopic ecosystems within a compost sample. Tour participants discover the wide variety of organisms that create compost and learn why it’s so important to be mindful of what goes into the compost bin.

2019 Environmental Education Accomplishments

<table>
<thead>
<tr>
<th>accomplishment</th>
<th>quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>School and public tours</td>
<td>229</td>
</tr>
<tr>
<td>Tour visitors</td>
<td>5,932</td>
</tr>
<tr>
<td>No-cost bus trips for 3rd-5th grade classes</td>
<td>76</td>
</tr>
<tr>
<td>Cubic yards of free compost</td>
<td>48</td>
</tr>
</tbody>
</table>
Community Events & Activities

Trash to Art Contest

In the spring, RethinkWaste held the 7th annual Trash to Art contest for 3rd through 5th graders attending school in the RethinkWaste service area. As in previous years, submissions were accepted in 2 categories: Class and Individual. The contest challenges students to create art pieces from items that are normally thrown away. Of the 32 entries, six winning pieces were selected and recognized at the RethinkWaste Earth Day event.

1st place: Individual category
Natalie T., 4th Grade Arroyo School, San Carlos for “RethinkWaste and Create Something Magical”

1st place: Class category
Mr. Chamblin’s Service Learning Class North Hillsborough School, Hillsborough for “Decomposing Vending Machine”

Earth Day @ Shoreway (April 22, 2019)

RethinkWaste’s 2019 Earth Day was a wonderful community celebration! This year, almost 400 visitors joined the festivities held at Shoreway. Guests enjoyed arts and crafts, games and raffle prizes, a petting zoo, face painting, tours of the Transfer Station and MRF, informational booths from local vendors and partner organizations, free compost, and lunch.
Rethink Recycling Day (October 28, 2019)

In October, RethinkWaste held its second annual Rethink Recycling Day at the San Carlos Library. Throughout the afternoon, 109 visitors took part in activities like the fix-it clinic, a clothing swap, workshops on pickling and jamming, and a raffle. Winning submissions from the 2019 poster contest were also displayed and the attending artists were recognized and awarded.

Poster Contest

The 6th annual RethinkWaste poster contest was a huge success! Creative, colorful artwork was submitted by over 100 students representing 15 different schools in the RethinkWaste service area. This year’s theme, “4 R’s in the Classroom,” encouraged students to express how they best practice the 4R’s (Reduce, Reuse, Recycle, Rot) at school. Three winners and two honorable mentions received prizes and were recognized at their home City Council Meetings. The 1st place poster is also featured on the side of a Recology truck with routes throughout the winning artist’s city.

1st place
Kyle E., 5th Grade, Roosevelt School, Redwood City for “The 4R’s”
Long Range Plan: Pilot to Programs

In May 2019, the Board of Directors approved establishing two Long Range Pilots as permanent programs based on the success of the pilots. The In-Schools Program dramatically impacted waste diversion rates and behavior change within school communities. The Public Spaces Program demonstrated that new infrastructure such as bins and signage can increase diversion in public spaces.

In School Programs

The In-Schools Program focuses on providing direct support to schools in the form of education and infrastructure, which not only helps schools jump start their waste diversion programs but also aids in sustaining their programs. In-school education has an influence far beyond the campus by positively influencing the entire community by reinforcing efforts to recycle and compost at home.

In January 2019, the In-Schools Pilot was off to a strong start working with select schools in Redwood City and by June we had a total of nine schools participating in the pilot. Staff kicked-off the new school year in Fall 2019 by providing refresher education and assistance to schools participating in the initial pilot program and by winter, Staff was ready to roll-out the program at six new elementary schools across the RethinkWaste service area. Staff will continue to actively work with each school for a minimum of three years to ensure long-term success of their waste diversion programs.

Staff reached at total of 15 schools in 2019:

**Burlingame**
- McKinley Elementary  

**Foster City**
- Foster City Elementary

**Redwood City**
- Connect Charter  
- Fair Oaks Elementary (closed after 2018/2019 academic year)  
- Hoover Community School  
- KIPP Excelencia  
- McKinley Middle

**San Carlos**
- Arroyo School  
- Arundel Elementary  
- Brittan Acres Elementary

**San Mateo**
- Baywood Elementary

The schools received new bin infrastructure, signage, technical assistance, environmental education, and trainings for staff and custodial teams. Staff conducted 78 classroom presentations and 25 assemblies, in addition to a full week’s worth of lunchtime bin monitoring for each campus. By participating in the program, the majority of schools achieved a dramatic increase in recycling and composting, with an average diversion rate of 67%!
Public Spaces Program

RethinkWaste's Public Spaces Program focuses on increasing diversion from public spaces including parks and active downtown corridors.

In 2019, the Public Spaces team collected data to identify the best signage in both parks and downtown areas. Following the addition of recycle and compost options in four select pilot parks, and testing different types of signage in both select parks and downtown areas in Redwood City and San Carlos, the data showed that multi-lingual signage with colors that matched the 3-cart system and images of accepted and unaccepted items were most effective. RethinkWaste Staff then continued to collaborate with San Carlos and Redwood City to expand the pilot to more public areas and into a full-fledged program.

In Fall 2019, the program expanded to Burlingame parks when Burlingame City Staff expressed interest in adding the established signage to all their parks. Throughout 2019, RethinkWaste Staff conducted almost 40 park waste audits, over 30 downtown waste audits and continued to monitor the parks and downtown areas used in the pilot.

RethinkWaste Staff conducted the following in 2019:

- 36 park waste audits
- 32 downtown area waste audits
Public Outreach and Education

2019 was a year of action for RethinkWaste’s public education and outreach programs.

The Public Education and Outreach Subcommittee, which consists of RethinkWaste and Recology Staff, Board and TAC members, strategized outreach and education opportunities and programs. Some of the public education and outreach highlights include:

**RethinkWaste Website**
A revamp of the RethinkWaste website was completed in 2019. Through an RFP process, the Agency hired a contractor to redesign RethinkWaste.org into an aesthetically appealing and easy to navigate website on both the front and back end. The new website better communicates, educates, and engages with our community. In 2019, we had over 120,000 pageviews to our site.

**Brochures & Newsletters**
Staff refreshed outdated outreach collateral including the Buddy Bag postcard and Bulky Item Collection brochure in English, Spanish, and Chinese. Staff also created a new Shoreway brochure on what is accepted at the Public Recycling Center and Transfer Station. Two printed Rethinker newsletters were also distributed, along with an electronic copy for the Fall/Winter edition.

**Social Media**
We had over 370,000 impressions and over 16,000 engagements/interactions on Facebook and Twitter. In August 2019, RethinkWaste started an Instagram (@rethinkwasteorg) account and made 50 posts before the end of the calendar year that had nearly 4,000 impressions and 486 engagements.

**Single-Family Household Service Guide**
A new service guide was developed in conjunction with our partner Recology to re-educate residents of what goes into each cart, collection services, and the Shoreway Environmental Center. This guide will be mailed to 95,000 single-family households in Spring of 2020.

**Rethink Compost Campaign**
RethinkWaste, in conjunction with Recology, rolled out the “Rethink Compost: Every Meal. Every Day” campaign that utilized research and survey data to increase overall composting in the service area. The campaign targeted single-family residents and used a multi-channel outreach approach. There was a website hub (RethinkCompost.org), social media posts, a community pledge, Facebook and Google ads, a compost only e-newsletter, and newspaper ads. The 2.5 month campaign also promoted Recology’s free kitchen pails and a new kitchen pail maintenance tip card was also developed.
The last several years have been some of the more challenging time in our industry with world events having substantially reduced recycling income and at the State increasing its demands on the industry towards its goal of Zero Waste. These colliding events have tested SBWMA Staff and Board. This report details a number of the actions taken. I’m proud of our Board for approving Staff recommendations to update and modernize our recycling operations and install the state-of-the-art Organics-to-Energy System.

I thank my Board colleagues for the courage and passion to support the resources to accomplish our Mission and all without having to pass these costs to the ratepayers, thanks to the creative refinancing of our bond indebtedness. I’m honored to serve with such a tenanted group of dedicated elected officials.

— Jay Benton, 2019 RethinkWaste Board Chair
2019 Board Meeting Highlights

January 2019
• Annual Financial Audit for FY2018 completed and mid-year budget was favorable.
• San Mateo County grant of $1M for Organics-to-Energy pilot awarded.
• Board approves the 2019-2020 Public Education Plan.
• Board approves 2-year contract with Environmental and Energy Consulting for California legislative and regulatory services.

February 2019
• Board approves a new three year financial and accounting services contract with the City of Redwood City.
• Board approves contract to develop a new RethinkWaste website.
• Board approves a contract for Bond and Disclosure Counsel to manage the 2019 Bond Refunding process.

March 2019
• Study Session for the Board on SB 1383: California’s Mandatory Organics Waste Recycling Law regulations and implementation.

April 2019
• Board approves engaging HF&H Consultants to provide SB 1383 planning support, including assessing baseline conditions and evaluating solutions.

May 2019
• Board approves a resolution authorizing the issuance of nearly $50 million in Solid Waste Enterprise Revenue Bonds.
• Board approves execution of continued disposal services with Republic Services for Ox Mountain Landfill until December 31, 2029.

June 2019
• Board approves the FY 19/20 RethinkWaste Operations budget and proposed 2019 tip fee adjustment.
• Board approves RethinkWaste Environmentally Preferable Purchasing and Practices Policy.
• Board approves a contract with Bulk Handling Systems for design and engineering the Materials Recovery Facility Phase 1 equipment upgrades.

September 2019
• Board approves Recology and South Bay Recycling’s 2020 Compensation Applications.
• Board approves a three year contract extension with South Bay Recycling for the Operations of the Shoreway Environmental Center.

November 2019
• Joint Board and TAC Study Session held to discuss SB 1383 compliance planning and review and discuss the draft 2020-2024 RethinkWaste Long Range Plan.
• Board approves funding for an unbudgeted Part-Time Limited-Term Senior Facility Projects Engineer position.
Financials

Each year, the RethinkWaste Board of Directors approves an agency-wide operating budget which includes revenues, expenditures, a capital projects plan for the Shoreway facility, and budget reserves. Sources of revenue include tipping fees charged at the Shoreway Environmental Center, the sale of recyclable commodities, and investment income. In 2019, there was an additional grant revenue budgeted from San Mateo County for the Organics-to-Energy pilot.

These revenue sources fund program expenditures related to administration, franchise contract compliance and support, mandated waste diversion and recycling programs, Shoreway operations (includes our contractor’s operating budget), and capital improvements. The adopted, revised mid-year FY 19/20 budget was for $56.4 million in revenues and expenditures of $51.3 million; these figures are exclusive of capital expenditures.

RethinkWaste continues to be a non-PERs agency, with no long-term pension obligations. This results in the cost-effective delivery of the agency’s services using a quasi public/private business model.

RethinkWaste Fiscal Year 2020 Mid-Year Budget Revenue

- **Shoreway Franchise Revenue**: $36.7 Million (3%)
- **Shoreway Public Revenue**: $12.6 Million (9%)
- **Commodity Sales, Net**: $5.3 Million (22%)
- **RethinkWaste Other Revenue**: $1.8 Million (65%)

RethinkWaste Fiscal Year 2020 Mid-Year Budget Expense

- **SBR Operating Contract**: $20.7 Million (3%)
- **Shoreway Disposal & Processing**: $20.5 Million (5%)
- **RethinkWaste Program Expense**: $3.8 Million (5%)
- **Bond Interest Expense**: $2.4 Million (7%)
- **Franchise Fees to City of San Carlos**: $2.3 Million (40%)
- **Shoreway Other Expense**: $1.6 Million (40%)

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- **Shoreway Other Expense**: $1.6 Million (40%)