



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: April 23, 2020 Board of Directors Meeting
Subject: Executive Director's Report

Staff and Agency partners continue to be hard at work supporting numerous critical path projects, programs, and facility initiatives in these unprecedented times. Here are the highlights:

1. COVID-19/Shelter-In-Place (SIP) Update:

As previously reported, the SBWMA and its primary partners have taken extreme measures to protect our colleagues while continuing with high-level service delivery as follows:

- a. **Recology Ops:** All Residential, Commercial, and Multi-Family Dwelling collection services continue as regularly scheduled. The Customer Service Center also has continued its regular services. Preceding the SIP order, Recology implemented numerous safety practices for their field and office-based work force and it appears to be paying off with their ability to provide uninterrupted services to our ratepayers.

With direction provided at the April Board meeting, the appointment-based Bulky Item Collection/Abandoned Waste programs have been temporarily suspended until the SIP order is lifted due to health concerns for the assigned Recology workers while providing this “non-essential” service.

- b. **South Bayside Recycling (SBR) Ops:** All franchised supported operations continue uninterrupted. Preceding the SIP order, SBR implemented numerous safety practices for their field and office-based work force and it appears to be paying off with their ability to provide uninterrupted services to our ratepayers.

As previously reported, all public access at the Shoreway facility has been suspended for the duration of the SIP order to reduce employee interface, thereby minimizing “non-essential” exposure. Because of a significant reduction of materials are being received onsite, a number of SBR employees have been reassigned to perform necessary facility maintenance activities since March 17th through the conclusion of the May 3rd SIP order period. In consultation with Chair Benton and Agency Attorney Savaree, I authorized this action.

On April 14th, SBR furloughed (without pay) an additional four (4) “regular” SBR drivers and four (4) “casual pool” drivers to a reduced workload. Board Member Bonilla has expressly requested that

these drivers receive a similar reassignment during this SIP order period. This request is discussed further in Agenda item 7B in this packet.

- c. **SBWMA Administrative Program Staff Ops:** The City of San Carlos has directed that the library building remain closed, so all Staff have been working from home. All regular meetings continue to occur and Staff remains in frequent contact with all Board/TAC members, contractors, Agency/industry partners, as needed. We are now power users of Zoom.

2. **Administration & Finance:**

- a. **FY 2020 Budget** (Six-month period: July 1-December 31, 2020)
A transition period fiscal year budget is under development for Finance Committee review on May 12th. The Board will review this draft at its May meeting. Although this will be an abbreviated, six month transition period, all franchise system and tip fee expenses and revenues will be calculated through June 30, 2021 to provide an accurate financial snapshot of our financial systems during the Agency's traditional fiscal period. We particularly welcome Board and TAC input during this unusual time to create a meaningful end budget product.
- b. **Important SB 1383 planning note regarding budget planning:** Staff will include estimated mandated SB 1383 program implementation expenses in the draft budget. These year-one SB 1383 program expenses are currently estimated at +\$927k, which includes a proposed new Program Manager II position. At this writing, the SB 1383 regulations have completed final legal review and CalRecycle is now required to solicit final public comments on the minor changes that emerged from this review. Staff and our industry colleagues will submit comment letters to these final regs by the May 20th due date. Our response will include a strong request to minimize implemented costs that are projected. Final regs should then be released this summer/fall and the mandatory implementation process will begin immediately thereafter.
- c. **FY (CY) 2021 Budget:** A FY2021 budget will be presented for Finance Committee review on October 13th and then be reviewed at a joint TAC/Board study session on October 22nd, with final Board consideration on November 19th. Staff and HF&H will include final SB 1383 program implementation elements and costs at either the September Board meeting or October study session.

3. **Committee Updates:**

- a. **Finance Committee Meeting** (no meeting held)
- b. **Legislative/Regulatory Committee** (April 7th -- Executive Committee Mtg)
As a result of COVID-19, the California State Legislature has been on recess since March 17th, with a scheduled end date of May 4th, but that could be extended. Due to the on-going COVID-19 situation, its impacts on the state budget and legislative process along with requests to reduce bill loads, Asm. Mullin, Asm. Berman, and Sen. Hill have decided to not move AB 1509 forward this year, which means the bill is officially dead for the legislative session. While we are disappointed, this news was not unexpected. We hope to continue to work on the very important issue of battery safety and disposal for the next legislative session with our co-sponsors and our legislative delegation.

Agenda item 9A provides details of legislative activities EEC is currently working on for us.

- c. **Pub Ed/Outreach Subcommittee** (no meeting held)
- d. **Technical Advisory Committee** (no meeting held)

- e. **Zero Waste Committee** (no meeting held)

4. **Collection and Recycling Program Support and Compliance:**

- a. **Town of Atherton**

A letter is being prepared from the SBWMA to Atherton in response to the Notice of Intent letter received dated March 18th. There are no other items to report on this topic at this time.

- b. **Community Outreach and Environmental Education**
Earth Day Q&A with Recology

To celebrate the 50th anniversary of Earth Day and engage our residents during this shelter at home times, the SBWMA has partnered with Recology to host an Earth Day Q&A on Earth Day (April 22) from 11 a.m. to Noon. We will give a short presentation of what we do, proper sorting habits, what happens with your waste, and waste reduction tips followed by a questions and answer session to answer questions about waste reduction. Please join us if you're able. Link to register can be found here: <https://bit.ly/2UUvBXz>

5. **Shoreway Operations and Contract Management**

- a. **SBR Compensation Adjustment Request**

Internal review continues on SBR's recent compensation adjustment request. This requests totals about \$1.6M per year. Next step: Staff anticipates that the internal review results will be discussed at the May 12th Finance Committee meeting.

- b. **Temporary Reassignment of Designated SBR Staff to Alternative Projects During SIP**

See Agenda item 7B for discussion and a proposed action step on this item.

- c. **Organics-to-Energy Project Update**

Positive news to report--Fire suppression system installation has begun and is anticipated to be completed in early May. Based on this timing, Staff expects final equipment commissioning and Anaergia training of SBR's staff will be completed in mid/late May. Scaled production will then begin and ramp up immediately thereafter. We expect to be in full pilot production (50-70 tons per day) in June. Very exciting times!

- d. **MRF Upgrades – Phase I**

BHS' installation sub-contractor, Titus, continues its large-scale retrofit and new equipment installation work continues on time and on budget. This essential equipment modernization work is being performed 6pm-6am (Tuesday-Fridays) and 24/2 on Saturdays and Sundays. With several planned exceptions in May and June, this work is being completed while the facility routinely processes recyclable materials during its normal days/hours of operation. This is the result of extreme planning and tight project sequencing between Staff, SBR, BHS and Titus. Excellent work folks!

Staff has issued an RFP to process our recyclables during those limited full-plant closures in May and June while the BHS/Titus team require full access to the existing equipment to fully integrate the new equipment into the existing machinery, which will result in the Phase 1 sorting process of the future.

- e. **Recology Fleet transition: Evaluation of Alternative fuels in new fleet**

The Recology/SBWMA Staff team continues in its research and evaluation of alternative fuel types for Recology's upcoming fleet transition planned for 2022. The team is focused on the economical and environmentally viability of three fuel types, each with their own significant pros and cons. They are:

Renewable Diesel (extensive field use/time-tested. Currently in use with Recology fleet)

Renewable Bio-Gas (considerable history; significant negative equipment impacts)

Electric (exciting, emerging technology with no history from which to make informed large-scale acquisition decisions; extreme capital cost differential)

On a high-level, this review has not resulted in the clear, definitive choice that we had hoped. This workgroup will welcome Zero Waste Committee/Board input on how to move forward.

The workgroup anticipates having an informational presentation and discussion with the Zero Waste Committee in June. There are some reality check/exciting items to review.

Respectfully submitted,



Joe La Mariana
Executive Director