



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: June 25, 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 uncharted and 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-quality services, as follows:

a. **Recology Operations:**

All Residential, Commercial, and Multi-Family Dwelling collection services continue at our homes, multi-family dwellings, and businesses that are open as regularly scheduled.

b. **South Bay Recycling (SBR) Operations:**

All franchised supported operations at the Shoreway Transfer Station and MRF continue uninterrupted. Preceding the SIP order, SBR implemented numerous safety practices for their field and office-based work force which appears to be paying off with their ability to provide uninterrupted services to our ratepayers. **The Public Recycling Center remains closed due to our inability to practice safe distancing practices for SBR workers in this small space, but expect to open later this Summer immediately upon the completion of the BHS MRF Phase I equipment installation.**

c. **SBWMA Administrative Program Staff Ops:** All Staff continues to work remotely from home or, when needed, at Shoreway as our administrative offices remain closed. All regular meetings continue to occur, and Staff remains in contact with all Board/TAC members, contractors, and Agency/industry partners, as needed.

2. **Administration & Finance:**

a. **FY 20/21 Budget and 6-month Transition Budget**

A transition period budget of 6 months has been developed by Staff and awaits Board approval at today's meeting as agenda item 8A.

3. **Committee Updates:**

a. **Finance Committee Meeting** (no meeting held)

b. **Legislative/Regulatory Committee** (June 9th -- Executive Committee Mtg)

The California State Legislature continues to move forward on priority legislation. The Agency's legislative and regulatory lobbyists, EEC continue to advocate with a small coalition of local governments, waste haulers, and nonprofits to pressure the Senate and Assembly to fund organic waste processing infrastructure in an economic recovery package.

After months of discussion and coordinating, EEC and Staff hosted a very successful inaugural call with 10 like-minded public agencies to align with our Agency's 2020 Long Range Plan mission statement and guiding principles. We thank the EEC team for developing this concept as a way to amplify our Agency's legislative and regulatory voice in Sacramento and beyond. This informal coalition is in the process of defining its strategic vision and goals with the hope to coordinate shared funding and legislative priorities, including the crucial need for SB 1383 infrastructure funding.

Agenda item 12A provides details of legislative activities EEC is currently working on for us.

c. **Pub Ed/Outreach Subcommittee** (June 24th)

This meeting has not yet occurred as of this document's writing.

d. **Technical Advisory Committee** (no meeting held)

e. **Zero Waste Committee** (June 25th)

This meeting has not yet occurred as of this document's writing.

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

a. **Community Outreach and Environmental Education**

i. **Multi-Family Dwelling Service Guide**

Similar to the service guide for single family households, Staff has been collaborating closely with contractor SGA and Recology in the development and distribution of a service guide for multi-family dwelling residents. This guide provides a summary of the scope of services available to residents living in apartments, condominiums, or townhomes. It highlights the full range of program guidelines and participation requirements regarding the services provided by Recology and includes other useful information regarding recycling and proper disposal of household hazardous waste. The service guide will be mailed directly to residents as well as available online, and it will be offered in English, Spanish, and Chinese to reach a wider audience. The Guide is currently in the process of being finalized and is expected to be mailed this Summer through A. Maciel Printing, a print and mail house.

ii. **Environmental Education Update**

The Environmental Education team has wrapped up the school year by hosting video calls with classes and Green Teams from schools that participated in the RethinkWaste In-Schools Program. In June, a total of 10 virtual presentations and Green Team celebrations were facilitated, along with custodian recognitions.

The Environmental Education is also continuing to work closely with the County's Office of Education and other community partners and agencies on a range of projects, including the development of standardized distance learning resources, planning for outdoor learning

spaces on school campuses, and summer fellowship and professional development opportunities for educators.

iii. **Rethink Battery Outreach Campaign**

The “Take Charge: Rethink Batteries” Campaign will continue to run until early July via Facebook, Instagram, Google, and YouTube advertising. Currently, the campaign is running English, Spanish, and Chinese ads targeted towards residents 25-50 in single-family and multi-family households. Initial campaign summaries from the first month show that the campaign has been very successful in reaching and engaging residents. We have seen huge increases to the website’s battery page (which can be accessed at www.RethinkBatteries.org) and thousands of views to the videos developed – 5 in English and two each in Spanish ([link to Spanish video](#)) and Chinese ([link to Chinese video](#)). Below are screenshots and links to the Spanish and Chinese version of the “Four Steps to Responsible Battery Disposal for Multi-Family Residents” video.



5. **Shoreway Operations and Contract Management**

a. **SBR Compensation Adjustment Request**

Upon completion of our internal financial and legal review of SBR’s request, I issued a response letter on June 2nd, 2020. SBR responded to my letter on June 10th. SBR’s request remains in active discussion and legal review. The Board will be advised of any milestone in this process moving forward.

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

Our facility has experienced a temporary reduction of materials required for the cost-effective commencement of this pilot’s operations due to the COVID crisis. To address this issue, Staff has aggressively sought to secure targeted materials from other facilities. As of this writing, we are finalizing an agreement with the City of Sunnyvale to provide a short-term bridge (90 days) of targeted in-bound organic materials to augment the current level materials that are currently being received at the facility. All terms have been verbally agreed upon. No out-of-pocket expenses for the Agency are anticipated for this agreement. When executed, Staff will determine a final training/system commissioning start date of the new system.

c. **MRF Upgrades – Phase I**

This installation project continues to be executed as budgeted and on time. Completion is planned for late July. Staff, SBR management and the BHS/Titus installation team have done an extraordinary job of scheduling and anticipating the operational and equipment refurbishment needs of the facility. Incredibly well-done team!

d. **Everett Labs Pilot**

Staff has been working with Everest Labs located in Fremont, California on an advanced sorting technology pilot. Everest is new in the MRF sorting equipment space and is developing robotic sorting systems and software to identify and differentiate recyclable materials processed at MRFs. In the proposed project, Everest will install at no cost to the SBWMA, an optical system that will count the individual items (by material type) traveling through the sort system – no actual sorting robots will be installed. The information collected from the pilot will benefit the SBWMA by helping determine the effectiveness of MRF Phase I equipment install and the opportunity for recovering additional recyclables through the Phase II equipment installation.

e. **EPA Food Waste Grant Opportunity**

SBWMA staff is pursuing an EPA grant in support of the Organics-to-Energy (O2E) Pilot project. The EPA has issued a call for proposals specifically to advance the research and adoption the anerobic digestion of food waste. The grant range is \$30k to \$300k and is only available to public agencies. SBWMA staff is teaming with Anaergia, the engineering firm Kennedy/Jenks, and the four partner Bay Area wastewater treatment plants (Silicon Valley Waste Clean Water, EBMUD, South SF WWTP and Marin Sanitary). Kennedy/Jenks has done extensive work and published multiple papers on food waste digestion at WWTPs and is currently working for SVCW on research specific to this topic. The grant opportunity is a national competition and applications are due July 15th.

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

During the past year, a Staff and Recology workgroup have been meeting to evaluate alternative fuels for use in Recology's new fleet that will be procured between 2021 and 2026 per the terms of the restated and amended franchise agreement. The goal is to seek a fuel-source(s) that's in alignment with the SBWMA's new 2020 Long Range Plan environmental goals and the Climate Action Goals of our member agencies. This workgroup consists of myself, Hilary Gans, John Mangini, Matt Southworth and Grant Ligon (SBWMA); and Mike Kelly, Tim Hester and Mario Puccinelli (Recology), with the recent addition of Bennie Anselmo and Jim Mendoza (Recology corporate). This group will be presenting its preliminary findings to the Zero Waste Committee on June 25th. We've learned that these technologies are all in early emerging stages and the group seeks Zero Waste Committee cost-trade-off input and overarching financial direction. Upon obtaining this feedback, Staff anticipates expanding this discussion with a presentation to the full Board in September. This is a multi-layered and extremely complex, yet exciting project with significant financial implications, (some are quite challenging) and strong environmental benefits for our community.

Respectfully submitted,



Joe La Mariana
Executive Director

STAFF REPORT

To: SBWMA Board Members
From: Joe LaMariana, Executive Director
Date: June 25, 2020 SBWMA Board of Directors meeting
Subject: Discussion of COVID-19 Impacts

Recommendation

This is a discussion item only and no action is required.

Summary

Due to a change in San Mateo County Public Health orders, and as reported last month, the Shoreway facility re-opened to the general public on May 4th. As expected, the public gate volumes, classified as “self-haul” began quite slowly. We are encouraged with a continued uptick in public and commercial materials (expressed in cubic yards and tons in **Attachment A**).

As previously noted, the no-charge Public Recycling Center (PRC) remains closed until late summer. The BHS Phase I equipment installation project must be completed to clear this area of extensive support equipment and the new/old equipment staging areas to allow SBR employees to be provided with proper social distancing protocols. A community-wide public notification campaign will be implemented to advise our ratepayers when this popular and important service is re-opened. Staff estimates that this re-opening will occur in August.

Using proper COVID safety protocols and with full public health order compliance, Staff is planning/contemplating reactivating the SBWMA facility public tour program in the fall by engaging smaller groups.

Analysis

Staff and SBR management have worked in strong collaboration to resume normal operational activities on the site (excluding the PRC, as noted above) since May 4th.

Attachment A provides a year-over-year comparative review of in-bound self-haul materials onto our site. The facility closure to the public is clearly reflected in the March, April and early May statistics.

The facility closure to the public in mid-March impacted March 2020 revenue by 42% compared to the prior year/month. April 2020 revenue of \$43,551 was from Recology’s business units outside of the SBWMA service area generating only 4% of the prior year/month revenue. The public gate was open for most of May 2020 with revenue down 29% vs the prior year. Revenue for the second half of May 2020 was down 18% compared to the same period in 2019.

As stated in the Executive Director’s Report (agenda item #6), the COVID/Shelter In Place public health order has negatively (and dramatically) impacted the Commercial Organics volumes collected from the service area and, hence, delayed the start date of the Organics-to-Energy (O2E) pilot project from March to August. Staff is aggressively seeking additional relevant materials from alternative sources to expedite this start date.

Fiscal Impact

Public gate revenue for the period of March 2020 to May 2020 is down \$1.6 million compared to the same period in 2019.

Attachments:

Attachment A---Shoreway In-Bound Public Volume Reports: Year over Year (2019 vs. 2020)

ATTACHMENT A – Shoreway In-Bound Public Volume Reports: Year over Year (2019 vs. 2020)

<u>Self Haul Variance 2020 vs. 2019</u>					
	Jan	Feb	Mar	Apr	May
Inbound Tons	(151)	525	(760)	(1,884)	(807)
Inbound Yards	972	3,929	(6,883)	(16,710)	(4,576)
Total Revenue	\$ 15,159	\$ 225,671	\$ (396,066)	\$ (942,395)	\$ (306,838)
<u>Variance %</u>					
Inbound Tons	-8%	29%	-37%	-85%	-36%
Inbound Yards	6%	29%	-44%	-100%	-26%
Total Revenue	2%	28%	-42%	-96%	-29%

<u>2020 Self Haul Statistics</u>					
	Jan	Feb	Mar	Apr	May
Inbound Tons	1,831	2,360	1,304	325	1,437
Inbound Yards	16,870	17,413	8,865	-	13,358
Total Revenue	\$ 944,536	\$ 1,032,395	\$ 539,031	\$ 43,551	\$ 739,766

<u>2019 Self Haul Statistics</u>					
	Jan	Feb	Mar	Apr	May
Inbound Tons	1,982	1,834	2,064	2,208	2,244
Inbound Yards	15,898	13,485	15,748	16,710	17,934
Total Revenue	\$ 929,377	\$ 806,724	\$ 935,097	\$ 985,946	\$ 1,046,604