



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: August 20, 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-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. [No COVID-19 cases have been recorded by Recology within their collection operations.](#)

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. [Two COVID cases have been recorded within SBR's operations.](#)

[The Public Recycling Center reopened to the public on Monday, August 3 now that MRF Phase 1 construction has concluded.](#) Shortly thereafter, Staff prepared social media and traditional announcements for member agency use in their electronic newsletters and other public notice vehicles. As a Burlingame resident, I noticed this announcement in its city e-newsletter late last week (week of August 3rd). Hopefully your agency has also included this information in its announcements as well. So far the use of the PRC has been steady and no issues with traffic to report.

SBWMA Administrative Program Staff Ops:

All Staff continues to work remotely from home or, when needed, at Shoreway as our administrative offices remain closed and will be closed at least through December 2020. [In an abundance of caution, I recently advised Agency Staff and the Executive Committee that our administrative offices will remain closed through December 31st pending a public health order release, and a targeted return to the office on January 4th.](#) 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:

In the near future, Staff will issue three RFPs for CEQA, Hazardous Waste review, and Architectural/Engineering technical services to support the Agency's feasibility study for its proposed request to access a small portion of unimproved County property on the northern portion of the San Carlos airport's FAA-dictated emergency area. These services were included in the recently adopted six-month FY2020 budget.

3. Committee Updates:

- a. **Finance Committee Meeting** (no meeting held)
- b. **Legislative/Regulatory Committee** (August 4th – Did not discuss at this Executive Committee Mtg; update only)

The California State Legislature continues to move forward on priority legislation (COVID response; economic recovery and wildfire aid). 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.

- c. **Pub Ed/Outreach Subcommittee** (no meeting held)
- d. **Technical Advisory Committee** (no meeting held)
- e. **Zero Waste Committee** (July 23rd)

The Committee, Staff and Recology discussed collection fleet electrification needs and major current cost and current performance challenges. Recology committed to providing the SBWMA with two pilot Zero Emissions Vehicles (ZEV) collection vehicles from their preferred manufacturer (Autocar) for pilot use by January 2022. The ZWC also provided Staff and Recology with enthusiastic support and policy direction to expeditiously proceed with a five collection vehicle pilot project (including the two mentioned above), as well as continuing its market research, evaluation and site planning for an anticipated future fleet conversion. More details in 5e of this Staff Report. Staff and Recology will engage the ZWC with their findings and associated costs during this process. All financial decisions exceeding the Agency's internal approval limits will be presented for Board consideration.

4. Collection and Recycling Program Support and Compliance:

- a. **Community Outreach and Environmental Education**

- i. **Public Spaces Program Update**

The Public Spaces team continues to be busy working with pilot cities – San Carlos and Redwood City – to expand existing infrastructure, including adding and updating downtown and parks signage. The team has also been working with representatives from the cities of San Mateo, Foster City, and Menlo Park to add signage to existing parks receptacles (to ensure items are going in the correct receptacle) or purchasing new receptacles. During this pandemic, residents continue to utilize the parks as a place to enjoy outside time and have

been using the receptacles. We hope they use them correctly to ensure proper sorting and disposal.

ii. **Environmental Education Update**

The Environmental Education (EE) team continues to update and develop distance learning resources for schools, recently adding a cooking compost lesson and a litter activity to the repertoire. The EE team is preparing for the upcoming school year by creating a full video presentation that will serve as a substitute or supplemental resource for in-person presentations and assemblies that are usually offered.

The EE team is also continuing to collaborate with San Mateo County's Office of Education and other community partners and agencies on a range of projects, including the development of a COVID waste infrastructure guide for schools and support facilitating two, one-week San Mateo Environmental Learning Collaborative (SMELC) summer institutes for teachers, including one on waste.

iii. **Shoreway Tours Are Going Virtual**

SBWMA Staff is currently in the planning stages for virtual tours of the Shoreway Environmental Center for schools, business groups, and the general public. The virtual tours are expected to be a hybrid of pre-taped segments and live virtual discussion and active engagements with tour staff. Staff is expecting to offer tours starting mid-September.

iv. **RethinkWaste Webinars**

Staff has held two successful webinars since Shelter-in-Place, including one on Earth Day and another on "The Other R's" in late June. Both had over 30 attendees and were coordinated with Recology Staff. The next webinar is scheduled for August 27 and the topic will be on Food Waste. Staff anticipates holding more webinars this fall on various waste reduction topics.

5. **Shoreway Operations and Contract Management**

a. **SBR Compensation Adjustment Request**

By mutual agreement between Staff and SBR, and with the concurrence of Board Chair Jay Benton, this item is anticipated to be agendized for review/consideration at the November 19th Board meeting.

b. **Organics-to-Energy (O2E) Project Update**

As previously reported, the O2E pilot project was installed on-schedule, but the system has not yet been put into production due to the facility's dramatic drop in in-bound organics tonnage resulting from the closure of eating establishments as required by the Shelter-in-Place order. The commercial source separated organics (SSO) collection routes that were delivering 120 tons per day to the Shoreway transfer station *pre-COVID* are now at 35-45 tons per day. The 60% drop in SSO tonnage has disrupted the O2E operations plan such that it's not yet cost effective to operate the system (the system needs over 100 tons per day to be cost effective). In an effort to make progress during Shelter-in-Place, Staff will begin "System Testing" in September where small batches of organics will be processed on an ad hoc basis. The goals of the testing period will be to conduct training on the system, verify all system operations, and introduce WWTPs to the liquid organic slurry.

c. **MRF Upgrades – Phase I (BHS/Titus Equipment Installation)**

Completion of the MRF Phase I sort line equipment was completed on July 20th as scheduled. The Phase I upgrades included several components including new infeed system, new battery (and metal) removal system, and high-speed optical sorting of mid-sized cardboard and containers. Over the course of the installation, the MRF was shut down for three scheduled “construction days” where recyclables were shipped to Green Waste Recovery for off-site processing. Since the system startup, SBR has seen a 20% improvement in system productivity, there has not been any substantial downtime, and the system has effectively sorted the recyclables delivered from the residential and commercial collection routes. Staff will provide a detailed assessment of the system improvements and benefits at the September Board meeting.

Currently, Staff and SBR are working with BHS on “tuning” the system controls and completing final “punch list” items that include adjustment, repair, and replacement of items (including worn parts in the OCC screens). After the punch list is completed and the system is functioning “normally,” Staff will initiate the system performance testing process. Upon successful completion, the SBWMA will issue its final payment to BHS.

d. **Everest Labs Pilot**

In July, four (4) technically innovative Everest Labs (EL) high-scan units were installed in the MRF to coincide with the MRF upgrades identified above. This is a mutually beneficial opportunity. EL gets to beta test these units in a “real world” environment and will share its data with the Agency at no charge. EL has provided the SBWMA these units for the next year at no-cost to the Agency and under a license that was extensively reviewed by our legal team. The Agency incurred a \$6k cost to accommodate this equipment’s power needs. Staff believes that this one-time expense is well-worth the benefits expected to be realized from this project. Staff expects the detailed facility production and performance data will greatly assist the analytical assessment of our MRF capabilities and identify remaining gaps in operational efficiencies and material marketing opportunities. This source data is expected to be instrumental in Staff’s technical design proposal for its MRF Phase II equipment upgrade project that’s anticipated for Board consideration in mid-2021.

e. **Recology’s Transition to Zero Emissions Vehicles (ZEV):**

This is an exciting, far-reaching, and, quite-frankly, a bit daunting topic.

Since mid-2019, a joint Staff/Recology workgroup (workgroup) has researched and evaluated cleaner-burning, alternative-fuel options to power Recology’s new collection vehicle fleet that’s expected to coincide with its planned fleet replacement plans per the restated and amended Franchise Agreement. This workgroup updated the Zero Waste Committee (ZWC) during their June 26th and July 23rd committee meetings of its to-date findings regarding the timing, costs and options currently available to transition the fleet. The ZWC consists of SBWMA Board Members Michael Brownrigg, Chair (Burlingame); Rick Bonilla (City of San Mateo); Fran Dehn (WBSD); Bill Widmer (Atherton); and Davina Hurt (Belmont). The workgroup consists of SBWMA Staff--Joe La Mariana, Matt Southworth (project lead), Hilary Gans, John Mangini, Grant Ligon; and Recology senior management--Mike Kelly and Tim Hester (Recology SMC), with strong technical engagement from Bennie Anselmo and Jim Mendoza (Recology Corporate).

Recology’s current fleet of 144 renewable diesel-fueled vehicles is planned to be replaced during the 2021-2026 timeframe to meet Recology’s rigorous operational performance standards through December 31, 2035. The 70+ vehicles planned for replacement between 2021-23 are not considered

ZEV candidates because the current technology performance lag and extreme pricing differences do not match our Agency's current needs. The workgroup and ZWC has identified 54 collection vehicles to be replaced between 2024-26 and 16 pickup trucks as viable candidates for ZEV conversion. Therefore, these 70 vehicles are the SBWMA/Recology ZEV project's focus.

The workgroup was investigating alternative fuels for feasibility and environmental benefits, but the California Air Resources Board (CARB) recently issued its first ruling directed at heavy trucks requiring future purchases to be ZEV. More rules directed at heavy trucks are expected. The ZEV rules are based on the State goals for climate action for the year 2030 as required by AB 32 and on the fact that the Bay Area is considered an air quality non-attainment zone. The only commercially available trucks that meet CARB ZEV requirements have battery-electric propulsion.

Therefore, our investigation changed to a planning effort on the part of Recology to evaluate the feasibility of ZEV trucks in the SBWMA service area and plan on procuring the vehicles to meet CARB requirements. Planning for the SBWMA involves the required battery charging infrastructure for the ZEVs. An eventual complete transition to battery-electric vehicles would more than double the site's current electrical power consumption.

A battery-electric ZEV (currently) has a much higher purchase price than does an equivalent diesel-powered vehicle (not factoring in many potential sources of ZEV funding available to us and Recology as vehicle owner). This cost is offset to some degree by much lower fuel expenses and expected lower maintenance expenses. However, combining the costs, the expected life-cycle cost of ZEVs is higher by 20-30% based on Recology's current experience. This estimate assumes that ZEV trucks can perform as a one-to-one replacement for conventional trucks. This has yet to be publicly demonstrated. Recology is planning the testing of two pilot ZEV vehicles starting in January 2022. ZEV trucks from Recology's preferred manufacturer are expected in 2024, which is coincidentally the first year that CARB will require minimum purchases of ZEVs. According to the fleet replacement schedule, a total of 54 heavy trucks would be bought in 2024-2026. CARB would require a minimum of 5 trucks from this group be ZEVs. However, if all were ZEVs, it would still not meet the carbon reduction goal of AB32 for 2030. The degree of aggressiveness in purchasing ZEVs -between 5 and 54 - is up to the Board. Keep in mind that these Autocar ZEVs (but not Class 8 Refuse ZEVs in general) would be new technology. The SBWMA would be responsible for extra costs of the ZEVs over that of purchasing and operating an equivalent number of conventional trucks, and of the EV charging infrastructure (for which discussions with PG&E and Peninsula Clean Energy about their funding and technical assistance options have already started).

Respectfully submitted,



Joe La Mariana
Executive Director