



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: January 28, 2021 Board of Directors Meeting
Subject: Executive Director's Report

Staff and Agency partners continue to be hard at work in the new year supporting numerous projects, programs, and facility initiatives. Here are the highlights:

1. **COVID-19/Shelter-In-Place (SIP) Status 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.

Recently, SBR's glass processor, Strategic Materials (Fairfield, CA) has experienced a COVID-related plant closure. This is a most unfortunate situation for their workers and our program's ability to recycle glass in the near future. This is particularly challenging for our recycling program because Strategic is the only industrial-size glass processor in the greater Bay Area/northern California marketplace. SBR's management is evaluating options should this situation exceed our limited emergency storage capacity of these materials.

Preceding the SIP order, both Recology and 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.

SBWMA Administrative Program Staff Ops:

All Staff continues to work remotely from home or, when needed, at Shoreway as our administrative offices remain closed at least through Spring 2021 based on the current COVID-19 climate. All regular meetings continue to occur, and Staff remains in continued contact with the Executive Committee, all Board and TAC members, contractors, and Agency/industry partners, as needed.

2. Administration & Finance:

a. Upcoming major procurements

- i. **The Agency's Operating Agreement with South Bay Recycling was executed on January 1, 2011 and expires on December 31, 2023.** There is no ability to extend this agreement beyond this date. The base term of this contract was 10 years and the SBWMA Board exercised a single, unilateral 3-year extension on September 26, 2019. This agreement currently averages about \$20M per year and the public procurement process is expected to take a full two years, plus about a year to mobilize a new contractor should the process warrants a transition. Staff will present a proposed workplan for Board consideration later this spring.
- ii. **The Agency's Construction and Demolition Processing agreement with Zanker Road Resource Management was executed on February 1, 2017 and expires on January 31, 2022.** This agreement currently averages about \$3.7M per year and the public procurement process is expected to take between 6-8 months. It should be noted that the Zanker facility is the sole, industrial-scaled processing facility of its kind for this grade of material in the greater bay area marketplace. At Board direction, Staff will seek to identify other processing options for this and all grades of materials when economically feasible.

These two procurement processes will be managed by Grant Ligon, Sr. Management Analyst

b. One year extension with R3 on audit work

The SBWMA intends to enter into a professional services agreement with R3 Consulting to perform the 2020 annual audit of Recology and South Bay Recycling for a cost of \$49,270, which is \$560 less than the cost of the 2019 annual audit due to a 5% reduction in estimated hours to perform the audit tasks. Staff intends to RFQ the audit services for a multi-year term beginning in 2021, coinciding with the start of Restated and Amended Franchise Agreements with Recology of San Mateo County.

3. Committee Updates:

a. Finance Committee Meeting (January 12)

The Finance Committee reviewed the final audited fiscal year finance statements for FY 19/20 and the approval of the 2021 investment policy. The Committee's future composition was also discussed. Today's Agenda Item 4D discusses this matter further.

b. Legislative/Regulatory Committee (January 5)

There was discussion at the Executive Committee by Interim Board Chair Aguirre to create a separate Legislative and Regulatory Committee with regular meetings with SBWMA (Non-Executive Committee) Board members. This discussion has been continued with staff and the Agency's legislative and regulatory lobbyist EEC. Staff expects this discussion to continue after the Board's 2021 Leadership elections being held at today's Board meeting.

More information about legislation can be found in today's Agenda Item 9C.

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 Update**

The Town of Atherton completed their exit on December 10, 2020 when all Member Agencies approved the Town's withdrawal from the SBWMA. The Bond Defeasance transaction was completed on December 18th finalizing the JPA exit action. The Town of Atherton reimbursed all actual transaction costs which totaled \$92k--\$100k were estimated).

b. **SB 1383 Update**

The agency has opened recruitment for a Program Manager II (SB 1383 Compliance and Recycling Programs). This position is an essential component of the Agency's (and its Member Agencies) SB 1383 Compliance Plan implementation. This posting closes on February 12 at 4 p.m. Please refer qualified candidates to our website for full job description and application details at:

www.rethinkwaste.org/jobs.

This position will report to newly promoted Senior Manager Julia Au (Senior Outreach, Education and Compliance Manager). Ms. Au now joins the Agency's Senior Leadership Team, including myself, John Mangini (Senior Finance Manager), and Hilary Gans (Senior Engineering & Operations Manager).

c. **Community Outreach and Environmental Education**

i. **2021 Shred and E-Scrap Events finalized**

Thank you to all our Member Agencies who worked with Emi Hashizume (Environmental Education Manager) to coordinate this year's upcoming events for shredding and e-scrap recycling. Please check our website at www.rethinkwaste.org/communityevents for the full schedule.

ii. **Environmental Education (EE) Update**

Staff participated in a series of webinars to school administrators, educators and parents/families along with local community partners and environmental organizations on available educational resources, services, and programs available for classes and students. More information can be found here: <http://bit.ly/smcoe-cbelp>. In addition, the EE team continues to work on distance learning materials. Our lesson booklet now encompasses 11 lessons, with a separate "Ryan's Week" lesson booklet with staff adding new audio instructions to increase accessibility for students. All current lessons can be found on our website at www.rethinkwaste.org/teachingtools. The EE team will present further updates about the In-Schools Program as part of 8A.

Our 2020 poster contest winners were recognized that their respective City Council meetings in December and January. We recently received the following note from the family of one of our winners and wanted to share the positive impact it had in their lives.

“Thank you so very kindly for everything you have done with this very special project, from start to finish!! You are absolutely amazing and your organization is so blessed to have such a dedicated team member!

Our family is forever grateful to you in lightening things up for the kids, during these very difficult times. This has given all of us a glimpse of hope in humanity and human kindness. You have been a perfect example of what we have been trying to teach our two girls everyday. Again, with sincere gratitude for everything you do:)”

*Our deepest appreciation,
The Knight family*

iii. Public Spaces Update

Staff recently delivered new signage to San Mateo and Foster City to be installed in a few of their parks. Staff plans to conduct waste audits in the Spring to gauge how well the signs are in helping park-goers appropriately sort.

iv. Batteries

Outreach and Education

A holiday battery outreach campaign began December 14, 2020 and concludes January 29, 2021. This campaign focuses on increasing battery bucket locations at MFDs, while also creating more awareness around embedded batteries and how to safely dispose of items that may contain them. The campaign is being run on Google, Youtube, Facebook, Instagram, San Mateo Daily Journal (digital) and at the Redwood City DMV (video) in English, Spanish, and Chinese. A mid-campaign report shows enormous success, especially when compared to the battery outreach campaign completed in Summer 2020. The Spanish ads have especially been very successful compared to the last campaign. A full campaign report will be shared at the next Board meeting.

Multi-Family Battery Collection Buckets

Recology has increase its multi-family battery collection buckets from 227 accounts in 2019 to 301. To date, 338 buckets have been delivered as some accounts have multiple buckets.

5. Shoreway Operations and Contract Management

Work activity, site traffic and most material volumes at the Shoreway facility are at pre-COVID levels.

a. BHS Equipment—Phase One Equipment Installation is now complete

A six-month \$6M equipment installation project was completed at the end of July, on-time and on-budget. In mid-December, an extended period of equipment commissioning and performance testing was completed. The new sorting equipment successfully passed three key performance tests independently conducted by Sloan Vasquez Consultants, including production standards for Fiber Purity; Fiber Recovery; and Container Recovery Percentages. Final payment was recently authorized accordingly.

b. Recyclable Market issues:

Over the holidays, SBR advised Staff of an unexpected cargo disruption at west coast ports that is impeding the solid waste industry’s ability to move fiber materials to far east Asian manufacturing markets. These materials—cardboard and mixed paper—are now being stored under emergency

conditions on our site, but we have extremely limited space. This material represents about 60% of the total amount of materials recovered in our MRF. Unlike many recycling commodity brokers, SBR has successfully moved part, but not all, of our stored Agency's affected materials. Staff will provide Executive Committee and Board updates as necessary, should this situation be protracted.

c. Airport Land Acquisition Project

Preliminary work continues to advance the SBWMA's long-term planning desire to access a small portion of undeveloped San Carlos airport (County-owned) property immediately adjacent to the Shoreway Environment Center in 2023/24 and beyond. After briefing Airport management, Staff expects to review plans with Federal Aviation Administration (FAA) planners for approval, and anticipates a FAA ruling by early fall. Should a favorable FAA ruling be secured, Staff will work diligently with the County Manager's Office and Staff to create a viable, mutually beneficial agreement for SBWMA Board and County Board of Supervisors' consideration anticipated for 2022.

d. Shoreway Facility/Site Needs Assessment Project

Staff is formulating an action plan to review and optimize the current and future needs of our facility site. Workplan details will follow to the Zero Waste and Finance Committees, and then to the Board for its consideration later this spring.

6. Other News and Announcements

- a. A recent SF Chronicle editorial mentions the 2016 fire at the Shoreway facility. This is great news to get major attention. In addition, the editorial references the Statewide Commission on Recycling Markets and Recycling's policy recommendations report specifically calls our lithium-ion batteries. This inclusion is due in part to our Agency's relentless efforts in getting the word out about the issue with battery safety and facility fires.

Link to article: <https://www.sfchronicle.com/opinion/editorials/article/Editorial-Why-California-recycling-is-a-dumpster-15859984.php>

Link to Statewide Commission on Recycling Markets and Curbside Recycling policy recommendations report:

<https://drive.google.com/drive/folders/1DJ8smXgUC4sAoja3SjmQKQfBCrKdfmTH>

Respectfully submitted,



Joe La Mariana
Executive Director