



**A Public Agency**

# EXECUTIVE DIRECTOR'S REPORT



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
**Date:** November 17, 2022 Board of Directors Meeting  
**Subject:** Executive Director's Report

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

### 1. Contractor Updates:

#### a. Recology San Mateo County (Recology)

Planning talks continue between Recology and staff on several important topics, including 1. costing out of 1383-mandated collection and program management services and 2. re-activating the Shoreway site's licensing agreement renewal. The current agreement was extended and it expires on June 30, 2023. The SBWMA Board has provided staff with clear direction to maintain the same terms while syncing the term expiration dates to coincide with the Franchise Agreement's expiration which is December 31, 2035. Staff will work collaboratively with Recology to present a revised site licensing agreement for board consideration in early 2023.

#### b. South Bay Recycling (SBR) Operations

SBR has been conducting a Fall cleaning of the facilities that includes pressure washing the buildings and pavement and refreshing the landscaping. This effort is important to keeping the 12-year-old facility looking its best and is greatly appreciated!

### 2. Administration & Finance:

#### a. FY 2023 Budget

The FY 2023 SBWMA Budget reflects staff recommendations to manage revenues and expenses during the period January 1, 2023 through December 31, 2023 with the goal of meeting the established bond covenant ratio and maintain agency/system cash flow obligation. Costs in the Shoreway Operations expense section of the budget are projected to increase fairly significantly compared to prior years due to contractual obligations, which is triggering the need for increased budgeted tip fees. The Shoreway Operators compensation is increasing 8% due to index based contract adjustments and projected volume increases; Disposal and Processing is projected to increase 9% due index based adjustments, volume increase and the Newby Island organics processing contract extension increase of 21% in 2023. Property insurance is also projected to increase 24% over the adopted FY 2022 Budget (the current property insurance premium is just shy

or \$2.1M). At Finance Committee direction, staff is working with agency broker, Risk Strategies, to create an alternative insurance coverage model called a “captive” insurance program that could provide the agency with better cost containment and program control in the future. This model will be reviewed at the January Finance Committee meeting. If the numbers make sense, this item will then be brought forward to the Board for consideration.

**b. Operations Agreement RFQ Update**

Staff and consultants completed the Phase 2 parallel negotiations process. Seven rounds of negotiation meetings have been completed for each proposer, for a total of fourteen meetings. Modifications to the Operations Agreement have been made to balance risk and proposers have submitted final cost proposals reflecting the modifications discussed during the negotiation meetings. Cost proposals show a large increase over current costs and both proposers are well qualified and propose contract terms that would meet SBWMA’s operating needs and responsibilities. For more details and information on staff’s recommendation, proposal evaluation and costs, see Agenda Item 7A.

**c. Site Optimization Study Update**

Since the kick-off meeting on May 16, 2022, the SCS team continued their technical review and evaluation of the site conditions and needs, including seeking input from key stakeholders of the Shoreway Environmental Center, such as Recology and SBR, and leading discussions with the City of San Carlos and County of San Mateo to pursue expanding the operations to adjacent or nearby sites. The SCS team evaluated multiple draft-level site layout options and presented three options during the FY2023 Budget/CIP study session on October 27th. A final findings and recommendations technical report will be presented for Board approval at the January 26, 2023 Board meeting. With Board acceptance and approval to move forward, staff will create a work plan to develop a facility master plan to meet future site operational needs for Board review in June 2023.

**3. Committee Updates:**

- a. **Finance Committee Meeting** (no meeting held)
- b. **Legislative Committee** (next meeting December 5)
- c. **Pub Ed/Outreach Committee** (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. SB 1383 Update**

**Contamination Monitoring Route Reviews**

The SBWMA, SCS Engineers, and Blue Strike Environmental, with support from Recology, completed the first annual SB 1383-required contamination monitoring route reviews the week of 10/30-11/4.

Data collected from the route reviews will help inform the SBWMA about contamination issues on specific routes in each Member Agency, including what materials are incorrectly found in each cart/bin. SBWMA staff will share out the route review report at the next Board of Directors meeting. More information is included in the staff report for SB 1383 Implementation Updates under agenda item 9A.

**b. Community Outreach and Environmental Education**

**i. Environmental Education (EE) Program Update**

The Environmental Education (EE) team completed its first full In-Schools Program rollout of the year at College Park Elementary School in San Mateo. In addition to providing new compost and recycling bins in lunch and common spaces, the EE team conducted assemblies and lunch bin monitoring over the course of two weeks. Future assemblies at St. Charles School (San Carlos) are scheduled for late November.

The team is supporting several San Carlos School District campuses in their Green Teams initiatives by providing equipment and assistance with training, starting with a Green Team kick-off meeting at White Oaks Elementary in mid-October. This month, the team delivered equipment to Arundel Elementary School and plans to support the facilitation of Green Team meetings at Arundel and Brittan Acres Elementary.

**ii. Public Spaces Program Update**

Staff led a presentation at Barrett Community Center in Belmont to discuss the importance of sorting and reducing waste at the community level. The six Barrett Community Center representatives in attendance will disseminate waste reduction methodologies and encourage proper sorting behavior change to more than 600 children in the upcoming months.

**iii. Shoreway Tours**

The Tours team continues to offer both in-person and virtual tours of the Shoreway Environmental Center. The last month featured our regularly scheduled Public Tours on the first Thursday of the month. On November 10, the team hosted the first in-person tour for elementary school students (in a new split-tour process) since before the pandemic. We are thrilled to welcome back classes to Shoreway!

**iv. Rethink Recycling Days**

The 5th annual Rethink Recycling Day events this past October were a successful entry back into in-person events for staff. Staff hosted two in-person tours on Saturday, October 22nd where around 45 visitors from our service area joined us to learn about what happens to their waste. On Tuesday, October 25th nearly 40 attendees participated in waste-related craft activities, story-time, and recognition of the 2022 Poster Contest winners. On Wednesday, October 26th, around 20 community members attended and participated in a virtual soap workshop led by a guest instructor. See a few photos from the events in **Attachment A**.

**c. New Recycling Startup in the SBWMA Service Area**

SBWMA staff have been notified by a few Member Agencies about a new Seattle-based recycling startup, Ridwell, operating in the service area. Ridwell offers subscriptions to collect various items including plastic film, textiles, batteries, and lightbulbs for recycling from homes and apartments. SBWMA staff are staying informed on the developments of the operations and will notify Member Agencies as new information becomes available.

## 5. Shoreway Operations and Contract Management

### a. Commodity Prices

As presented last month, the pricing for recycled commodities are at a historical low with mixed paper being moved at near zero value. Container grades are fairing better but are still at market lows. Port and shipping issues are still requiring overflow bales to be stored onsite.

### b. Construction on Shoreway Road

A new phase of construction on Shoreway Road by Silicon Valley Clean Water (SVCW) have severely constricted traffic on Shoreway to one lane north and south of the facility and created congestion and unsafe traffic issues. Concerns have been raised to SVCW and there are some efforts being made to reduce impacts.

### c. Facility Happenings

Fire suppression system corrections are now being addressed by Walschon as approved by the Board in October as required by the insurance companies.

Respectfully submitted,



Joe La Mariana  
Executive Director

### Attachments:

Attachment A – Photos from Rethink Recycling Day

Attachment A: Photos from Rethink Recycling Days (RRD)



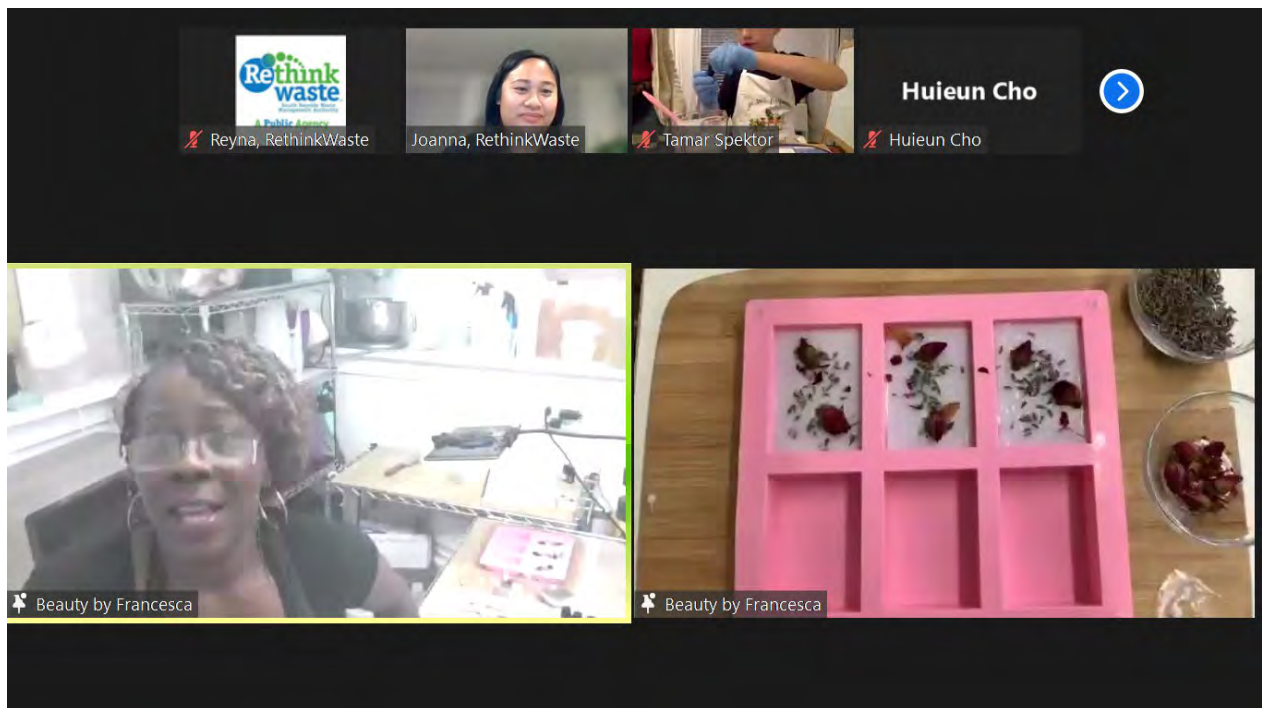
Saturday, October 22: Chiara Barausky-da Silva and Andy Zhang leading and In-Person Shoreway Facility Tour inside the Materials Recovery Facility





**October 25: RRD Kids Workshop. Top, Daphny Pan leads a crafting activity. Above, all seven of our 2022 Poster Contest winners together with their certificates!**





*October 26: Screenshot from Soap Webinar lead by guest speaker Francesca*