



A Public Agency

EXECUTIVE DIRECTOR'S REPORT

STAFF REPORT

To: SBWMA Board Members
 From: Joe La Mariana, Executive Director
 Date: April 26, 2018 Board of Directors Meeting
 Subject: Executive Director's Report

The following projects and initiatives highlight staff efforts since the last Board meeting:

1. Administration & Finance:

A. FY 18/19 Budget Development & Approval Process-*Note Revised Timeline*

Per our Executive and Finance Committees direction, Staff will deliver the following revised timeline in the approval of the FY18/19 Operating Budget, Capital Expense Forecast, and Reserves Balance Projections:

April 10:	Finance Committee:	DRAFT FY18/19 Budget review (completed)
May 10:	Finance Committee:	DRAFT (v.2) FY18/19 Budget review (NEW MEETING ADDED)
May 24:	BOD Meeting:	DRAFT (v.3) FY18/19 Budget presented 5-Year Cap Ex w/emphasis on MRF; Food Waste-2-Energy Pilot
June 28:	BOD Meeting:	FINAL FY18/19 Budget*

*Interim Senior Finance Manager is out of Country from 4/20-5/26.

B. Senior Finance Manager (SFM) Recruitment-*Recruitment Completed*

Great news to report—Mr. John Mangini accepted our offer to serve as the Agency's Sr. Finance Manager with a start date of May 7th. Mr. Mangini was a Controller with Republic Services' San Mateo County Division based in Daly City. In this capacity, he was responsible for all financial transactions, analytical and administrative deliverables for this firm's Daly City and Half Moon Bay franchise agreements; the Ox Mountain landfill; and Republic Services' open-market activities. He was also tasked with de-commissioning the Mussel-Rock transfer station. Prior to this role, Mr. Mangini served over 20 years in various ascending financial management roles at the international transportation firm DHL, including over 10 years as a regional controller. Because Mr. Mangini's application came directly from the Agency's direct recruitment postings, a \$45k retainer fee pay out to Kimmel & Associates was avoided since their recruiting efforts were provided to the agency on a contingency-only basis. Mr. Mangini and his family are longtime residents of San Carlos.

I'd like to thank these folks for their time and keen insights as they joined me on our two recruitment panels:

Staff interview Panel:

- Marshall Moran (*interim Sr. Finance Manager*)
- Carol Augustine; Finance Director, Burlingame (*TAC/Finance Committee member*)
- Jan Cooke, Finance Director, Hillsborough (*TAC member*)

Board Interview Panel:

- Charlie Bronitsky; Council Member, Foster City (*SBWMA Board Chair*)
- Jay Benton; Council Member, Hillsborough (*SBWMA Board Vice Chair/ Finance Committee Member*)

- **Marshall Moran** (*Interim Sr. Finance Manager*)

Coverage/training notes: As previously noted, Mr. Moran will be out of the country through the end of May. We have taken extensive measures to ensure smooth coverage for payroll and financial transactions during this period. Mr. Moran will return to serve as our technical lead for the 2019 Contractor's Compensation Adjustment Application process that begins on June 15th, while also training Mr. Mangini on the finer points of the position. During Mr. Moran's absence, our agency's ability to respond to advanced analysis and financial inquiries from our member agencies will be limited. Please route any time-sensitive requests that are required during this period directly to my attention and we will find a way to accommodate your needs.

C. Shoreway Facility Insurance for FY18/19: See Agenda Item 5A for Details

Mr. John O'Neill will in attendance to provide some situational remarks and answer questions on this topic.

D. Major Public Procurements:

1. Administrative Services:

At Executive Committee direction and with Board approval today, Staff will extend the City of San Carlos' existing contract for Accounting and Financial support services by one year (July 1, 2018 - June 30, 2018). A *Request for Proposal (RFP)* was successfully executed this spring and two qualified responses were received from the City of San Carlos (incumbent) and the City of Redwood City. At this time, an extension is recommended to allow our new Sr. Finance Manager to become onboarded and trained before determining how he would like to recommend moving forward with these services in the future.

2. Disposal/Landfill Services:

Staff is currently evaluating two *Request for Qualifications (RFQ)* responses that were received this week (as of this writing) for technical assistance in the upcoming landfill services contract. Our current 15-year disposal contract with Republic Services at their Ox Mountain Landfill (in Half Moon Bay) is currently valued at about \$10M/yr. and expires on December 31, 2019. With an anticipated 15-year term (an industry standard term for these services), and with a time-value of money factor, this new contract is expected to be greater than \$150M. Staff strongly believes that an engineering review is required to perform technical due diligence on complex issues that may emerge during the evaluation and selection process during the RFP phase of this assignment. Staff expects to have a recommendation for the engineering support services for Board consideration at the May 26th meeting.

E. Committee Updates: Plenty of Board Engagement

1. Legislative & Regulatory Committee (*Executive Committee*) (4/3)

Reviewed 25 proposed solid waste/environmental bills that are currently active in this legislative session. The L&R Committee provided Staff with specific direction on the following bills (four support letters are attached):

- **AB2110 (Eggman) *Right to Repair Act*** (*Support-letter sent*) ([Fact sheet](#), [Bill Language](#))
- **AB2379 (Bloom) *Plastic Microfibers*** (*Support-Letter sent*) ([Factsheet](#), [Bill Language](#))
- **SB1335 (Allen) *Sustainable Take-Out Food Packaging*** (*Support- "Sign on" Letter sent*) ([Factsheet](#), [Bill Language](#))
- **AB2766 (Berman) *Plastic Market Development*** (*Support- "Sign on" Letter sent*) ([Factsheet](#), [Bill Language](#))

2. Public Education & Outreach Committee (4/4)

Committee had its second meeting which included a review of outreach/budget priorities and strategies for the remaining FY.

3. Finance Committee (4/10):

Reviewed Draft FY18/19 Budget. Due to global market uncertainties and other relevant factors, Staff received significant direction and numerous inquiries that resulted in a desire for the committee to meet again to review Staff research and responses. This meeting will be held on May 10th. Therefore, the Draft FY18/19 Operating Budget will be previewed at the May 24th meeting, rather than at this April meeting.

4. **Zero Landfill Committee (TBD):**

Staff is seeking Board direction regarding the ZLF committee composition and strategic timing expectations so that we can move forward with the committee's reactivation in the very near future.

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

A. **Franchise Agreement Negotiations**—*Seven Member Agencies Complete: Five to go!!*

Redwood City became the 7th member agency to formally approve their Franchise Agreement on March 26th. The JPA-deciding (8th) vote is scheduled for Council consideration in Menlo Park on April 24th.

Staff and Recology continue to work in strong collaboration to support the remaining member agency's efforts to fully execute their respective restated and modified Franchise Agreements with Recology. Belmont, East Palo Alto, County of San Mateo, and Atherton are all anticipated to be completed by the SBWMA Board's June 28th meeting. The historical status of the approvals is shown in **Attachment 1**.

B. **Lithium-Ion Battery Recommendations**-*Recology's Recommendations at May BOD Meeting:*

Per Executive Committee direction, Staff continues to work closely with Recology to refine their recommendations for collection program modifications (and their costs) for Board consideration.

3. **Shoreway Operations and Contract Management**-*Fiber Keeps Moving; Huge Revenue Hit*

A. **Commodity Market Update**

While the market conditions for fiber continue to deteriorate due to China's import restrictions, SBR has been able to find market outlets for paper from the Shoreway MRF. SBR continues to employ additional sort labor clean the paper to make a marketable grade paper. This additional sort labor is increasing operational costs while the fiber commodity sale prices are declining. Both factors are impacting the current budget and are making FY18/19 MRF budgeting challenging.

B. **Operations Update**

SBWMA staff continues to work with the sort system manufacturer BHS to develop near and long-term enhancements that will improve the fiber quality to meet China's higher paper quality standard. SBR is continuing to test the mixed paper and make operations changes to improve the marketability of fiber product.

Respectfully submitted,



Joe La Mariana
Executive Director

Attachments:

- A. Franchise Agreement Execution Status by Member Agency; Elected Body Consideration Tracker
- B. Agency support letters for AB2110; AB2379; SB1335 and AB2766

Attachment 1
Franchise Agreement Execution Status by Member Agency:
Elected Body Consideration Tracker

SBWMA Member Agency	City Council Consideration Date	Status/Comments
City of San Mateo	November 6, 2017	Council approved: 5-0
Hillsborough	November 13, 2017	Council approved: 5-0
San Carlos	November 13, 2017	Council approved: 5-0
Foster City	November 20, 2017	Council approved: 5-0
Burlingame	January 16, 2018	Council approved: 5-0
West Bay Sanitary District	January 24, 2018	Board approved: 5-0
Redwood City	March 26, 2018	Council approved: 7-0
Menlo Park	April 24, 2018	Agendized for council consideration <i>Note: If approved, this agency action will represent the deciding vote (Number 8) that's necessary to formally ratify the SBWMA JPA governance requirement (see footnote #2 below).</i>
East Palo Alto	April 3, 2018 June 2018 (Final CC)	Council provided staff with formal direction to conclude Franchise Agreement discussions between EPA and Recology. Staff anticipates presenting final recommendations to Council in June.
Belmont	May/June 2018	Final Council consideration per Staff.
County of San Mateo	June 2018—TBD	Down to one final discussion item before forwarding package to BOS for consideration per Staff.
Atherton	June 2018--TBD	Discussions remain in progress. Council consideration date yet unknown per Staff.

***Notes:**

- JPA Agreement states that each member agency's individual Franchise Agreement be fully executed by June 30, 2018.
- Per the section 7.1.1 of the "Second Amended and Restated Joint Exercise of Powers Agreement, South Bayside Waste Management Authority" (aka "JPA Governance Agreement") "two thirds of the members agencies (or 8 member agencies) are required to approve this Franchise Agreement for it to become ratified.



A Public Agency

April 4, 2018

Assemblymember Bill Quirk, Chair
Assembly Committee on Environmental Safety and Toxic Materials
1020 N St, Room 171
Sacramento, CA 95814
Fax: (916)-319-3950

RE: AB 2379 (Bloom) Polyester Microfiber Pollution Education & Reduction—SUPPORT

Dear Chair Quirk,

RethinkWaste would like to express our support for AB 2379, by Assemblymember Richard Bloom, a measure that will require clothing made predominantly of plastic to bear a label warning of plastic microfiber shedding during regular washing and recommending hand washing the item in order to reduce the impact.

RethinkWaste (i.e., South Bayside Waste Management Authority) is a joint powers authority of twelve public Agencies (Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, the County of San Mateo and the West Bay Sanitary District) in San Mateo County, California and is a leader in the delivery of innovative waste reduction and recycling programs.

Plastic microfibers from clothing, which shed from synthetic fabric during washing, have emerged as a unique and widespread source of plastic pollution. Washing machines and wastewater treatment plants aren't designed to filter out microfibers, resulting in a large number of microfibers being released into waterways. Unlike natural fibers, synthetic fibers don't biodegrade and persist in the environment for long periods of time.

Microfibers are making their way from synthetic clothing to the seafood and water that we consume. A study on the presence of microfibers in seafood found that 25% of fish and 30% of shellfish purchased at a fish market in California contained microfibers. A survey of water samples from around the world found that 94% of water samples from the United States contained plastic microfibers.

AB 2379 is an important first step in approaching the complicated issue of microfiber pollution. For these reasons we urge your support of AB 2379 when heard in the Assembly Committee on Environmental Safety and Toxic Materials.

Sincerely,

Joe La Mariana,
Executive Director, RethinkWaste

cc: Members, Assembly Committee on Environmental Safety and Toxic Materials
Assemblymember Richard Bloom

610 Elm Street, Suite 202 P: 650-802-3500
San Carlos, CA 94070 F: 650-802-3501 RethinkWaste.org

MEMBER AGENCIES: Town of Atherton • City of Belmont • City of Burlingame • City of East Palo Alto • City of Foster City • Town of Hillsborough
City of Menlo Park • City of Redwood City • City of San Carlos • City of San Mateo • County of San Mateo • West Bay Sanitary District



A Public Agency

April 4, 2018

Assemblymember Al Muratsuchi, Chair
Assembly Natural Resources Committee
1020 N St, Room 164
Sacramento, CA 95814
Fax: (916)-319-2192

RE: AB 2110 (Eggman) The Right to Repair Act- SUPPORT

Dear Assemblymember Muratsuchi,

RethinkWaste would like to express our support for AB 2110, the Right to Repair Act by Assemblymember Susan Talamantes Eggman, which would require manufacturers of electronics to make diagnostic and repair information, as well as parts for repair, available to owners of electronics and independent repair shops.

RethinkWaste (i.e., South Bayside Waste Management Authority) is a joint powers authority of twelve public Agencies (Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, the County of San Mateo and the West Bay Sanitary District) in San Mateo County, California and is a leader in the delivery of innovative waste reduction and recycling programs. The growth of electronic waste is a problem for our County as it is for the entire state.

When manufacturers of electronics are the only entity that hold the correct information and parts to make repairs, they're able to set artificially high prices for repair that ultimately result in a high overturn of electronics. Right to repair will give independent electronics repair shops the necessary information and tools they need to safely and effectively make repairs to extend the life of electronics.

Empowering electronics repair will create more jobs locally within the communities where repairs are needed, rather than overseas factory jobs. Our electronic waste problem is exacerbated by the inability to affordably repair devices that still have life left in them. This bill provides consumers with more options to affordably repair electronics which will help to reduce the generation of electronic waste.

For these reasons we urge your support of AB 2110 when heard in the Assembly Natural Resources Committee.

Sincerely,

Joe La Mariana, Executive Director
RethinkWaste

cc: Members, Assembly Natural Resources Committee
Assemblymember Susan Talamantes Eggman
Ms. Elizabeth MacMillan, Principal Consultant, Assembly Natural Resources Committee

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MEMBER AGENCIES: Town of Atherton • City of Belmont • City of Burlingame • City of East Palo Alto • City of Foster City • Town of Hillsborough
City of Menlo Park • City of Redwood City • City of San Carlos • City of San Mateo • County of San Mateo • West Bay Sanitary District

UPDATED APRIL 6, 2018



April 6, 2018

Senator Bob Wieckowski
Chair, Senate Environmental Quality Committee
State Capitol, Room 2205
Sacramento, CA 95814

Re: SB 1335 (Allen) – Sustainable Take-Out Food Packaging for State Parks, Beaches, and Facilities - SUPPORT

Dear Chair Wieckowski,

The undersigned organizations are in strong support of Senator Allen’s SB 1335, which would ensure that take-out food packaging provided at California state parks, beaches, and facilities is made of sustainable materials, and that the used packaging is actually captured for recycling and composting at a rate of 75% or higher.

Plastic take-out food packaging makes up a disproportionately large share of non-recyclable waste and continues to grow at an unsustainable rate. Take-out food packaging has been the second most common category of litter (behind only tobacco products) found during California Coastal Clean-Up days since record keeping began in 1989. With

recyclable and compostable alternatives easily available and affordable, there is no reason to continue using materials that pollute our public spaces.

Take-out food packaging that fails to be captured for recycling or composting often makes its way into the natural environment. Once there, plastic packaging breaks down into impossible-to-clean-up pieces and is ingested by fish and other marine life. A recent study by UC Davis surveying fish and shellfish sold at local fish markets found that a quarter of fish and a third of shellfish intended for human consumption contained plastic debris. These small plastic pieces are not just choking the ocean, they have made their way into the worldwide supply of drinking water. A 2017 study by Orb Media and the University of Minnesota School of Public Health found microplastics in 80% of human drinking water all around the world – from New York to New Delhi.

State parks and beaches are the natural leaders to begin the transition to sustainable packaging at the state level as these public spaces are at the forefront of the battle against pollution, particularly plastic pollution. The transition to sustainable packaging at state facilities would provide an opportunity for the state to lead by example and exemplify the feasibility of sustainable take-out food packaging policies.

Stemming the stream of take-out food packaging is a necessary step in beginning to address the global environmental health crisis of plastic pollution and assist California in meeting its goal of diverting 75% of waste from landfills by 2020. Thus, the undersigned organizations urge your “AYE” vote on SB 1335 when it is heard in the Senate Environmental Quality Committee on April 18, 2018.

If you have any questions, please contact Mark Murray with Californians Against Waste at (916) 443-5422.

Respectfully,

Mark Murray
Executive Director
Californians Against Waste

Andria Ventura
Toxics Program Manager
Clean Water Action

Jay Ziegler
Director of External Affairs & Policy
The Nature Conservancy

Leslie Mintz Tamminen
Ocean Program Director
Seventh Generation Advisors

Rico Mastrodonato
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Rachel Sarnoff
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The 5 Gyres Institute

Kim Delfino
California Program Director
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Sarah Sikich
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California Coastkeeper Alliance

David Lewis
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Jackie Nuñez
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Jena Price
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Angela T. Howe, Esq.
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Stiv Wilson
Campaigns Director
The Story of Stuff Project

Dianna Cohen
Chief Executive Officer
Plastic Pollution Coalition

Katie Allen
Executive Director
Algalita Marine Research and Education

Andy Keller
Founder
Chico Bag

Paul Koretz
Council Member, 5th District
Los Angeles City Council

Dan Jacobson
State Director
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Paloma Aguirre
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Samuel Molina
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Mary Alice Escarsega-Fechner
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Jessica Toth
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Associate Director of US Office
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Chris Brokate
Founder, Director
Clean River Alliance

Ruth Abbe
President
Zero Waste USA

Ron Sundergill
Senior Director - Pacific Region Office
National Parks Conservation Association

Cc: Senator Ben Allen
Members, Senate Environmental Quality Committee,
Genevieve Wong, Consultant, Senate Environmental Quality Committee

UPDATED APRIL 6, 2018



April 4, 2018

Assemblymember Al Muratsuchi
Chair, Assembly Natural Resources Committee
1020 N St, Room 164
Sacramento, CA 95814

Re: AB 2766 (Berman): California Plastic Recycling – SUPPORT

Dear Chair Muratsuchi,

The undersigned organizations are in strong support of Assemblymember Berman’s AB 2766, which would reinstate California’s successful Plastic Market Development program (PMD) for an additional five years. California’s PMD program sunsetted in December 2017 after the legislative vehicle carrying its extension was stalled due to provisions unrelated to the PMD program. Now, the jobs and environmental benefits of recycling in California are at risk.

Drastic drops in oil prices have had the effect of undermining the demand and price for California-generated recycled plastic. California’s Plastic Market Development program (PMD) has succeeded in increasing processing and use of recycled plastic in-state, spurring private investment and jobs.

Prior to the enactment of this program, less than 2% of plastic beverage containers collected for recycling were processed and manufactured into new products in California. The remainder was exported. By 2016, more than 100,000 tons of recycled plastic beverage containers were processed and utilized by California manufacturers.

Currently, there are approximately a dozen companies processing plastic, and more than three dozen California manufacturers that use recycled plastic. Together, these companies employ hundreds of Californians.

In addition to the loss of recycling industry jobs, failure to reinstate this important program would also mean a loss of the great environmental benefits from using recycled material in California – use of recycled PET compared to virgin resin generates a 71% reduction in

greenhouse gas emissions, while the use of recycled HPDE generates a 67% reduction in greenhouse gas emissions.

AB 2766 would ensure that plastic bottles recycled in California stay in California for processing and remanufacturing, rather than imported to foreign markets.

Accordingly, the undersigned organizations urge your support of the bill when it is heard in the Assembly Natural Resources Committee on April 9, 2018.

Sincerely,

Mark Murray
Executive Director
Californians Against Waste

Chris Brokate
Founder, Director
Clean River Alliance

Linda Escalante
Southern California Legislative Director
Natural Resources Defense Council (NRDC)

Mary Alice Escarsega-Fechner
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Laura McKaughan
President
Northern California Recycling Association

Monica Wilson
Associate Director of US Office
Global Alliance for Incinerator Alternatives

Gary Graham Hughes
Senior California Advocacy Campaigner
Friends of the Earth – US

Brian Chung
Founder and CEO
Bioplastic Recycling

cc: Assemblymember Marc Berman
Members, Assembly Natural Resources Committee
Elizabeth MacMillan, Principal Consultant, Assembly Natural Resources Committee