



EXECUTIVE DIRECTOR'S REPORT



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Date: November 20, 2014 Board of Directors Meeting
Subject: Executive Director's Report

Board Agenda/Packet Items

You may have noticed that the Board agenda has been reorganized and streamlined. It is now structured around the JPA's key functional areas (Administration and Finance, Collection and Recycling Programs, and Shoreway Operations). Staff updates have been eliminated and this Executive Director's Report created to better communicate critical information including sharing industry news or stories of interest. Informational items have been grouped together at the end of the agenda. I welcome feedback so let me know your thoughts on these changes.

Staff has also modified its staff report templates to add a new "summary" section to provide the Board a brief snapshot of what the purpose of the item is, and what action or feedback is requested of the Board. The analysis section of the staff report will continue to serve the purpose of providing a rationale for any recommended action and state any alternatives to the recommendation as appropriate.

Program and Operational Update

Recology to Acquire Community Recycling (member of SBR LLC)

On October 30th George McGrath, Chief Operating Officer of Recology, notified me of a pending transaction in which Recology would acquire Community Recycling and some affiliated companies. Community Recycling is one of the two partners (members) in the South Bay Recycling (SBR) LLC that is under contract to the JPA to operate the Shoreway Environmental Center. Such an acquisition would trigger a requirement for SBR to request the Board's consent and approval of the assignment of the Shoreway Operations Agreement to the SBR LLC with Recology now holding membership interest. The other partner is Potential Industries and will not be changing. On November 11th a formal request for consent to assignment was received and the request is now under review by JPA staff and legal counsel; see **Attachment A** for copy of letter from SBR. Recology has stated its intent to close this transaction by early January 2015 and as such is requesting staff consideration to schedule a special Board meeting in December. Further details on this significant issue and its implications can be discussed at the Board meeting.

November 6th Visioning Workshop

We had a successful Long Range Plan visioning workshop on November 6th which was well-attended by Board and TAC members, Member Agency staff and community leaders. We have received lots of great feedback on the quality of the speakers, notably regarding Jerry Powell, our lunchtime keynote speaker. We have posted the speaker bios and presentations on our website at:

<http://www.rethinkwaste.org/about/board-of-directors/long-range-plan>

Information shared at the workshop will be considered by staff in the evaluation of program and policy alternatives. A progress report on Long Range Plan activities completed to date is included in this Board packet under agenda item 6A.

Announcements

Please join us at the RethinkWaste offices (upstairs at San Carlos Library) for a holiday luncheon at 12:30 pm preceding the November 20th Board meeting.

News of Interest

I thought you might enjoy this recent article on a famous Atherton resident, including some nice pictures and quotes about trash day at his house.

<http://www.49ers.com/news/article-1/A-Day-in-the-Life-Jim-Harbaugh/c9288cb7-11ca-4d2d-a7d5-6a45887c35ab>

Attachments:

A – November 11, 2014 Correspondence from SBR re: Request for Consent to Assignment for Shoreway Operations Agreement



November 11, 2014

South Bayside Waste Management Authority (SBWMA)
Mr. Kevin McCarthy
Executive Director
610 Elm Street, Suite #202
San Carlos, CA 94070

Re: Request for Consent to Assignment
Agreement For Operation Of The Shoreway Recycling and Disposal Center

Dear Mr. McCarthy,

The purpose of this letter is to request that South Bayside Waste Management Authority (SBWMA) consider and provide consent for Community Recycling & Resource Recovery, Inc. to assign its 60% membership interest in South Bay Recycling, LLC., (SBR) to Recology Inc. (Recology).

This request is made pursuant to section 12.03 of the Agreement For Operation Of The Shoreway Recycling and Disposal Center. This request must include the following documents from the proposed Assignee: three years of financial statements, proof of 10 years operating experience, compliance with safety, environmental protection, and laws. Recology has advised us that within the next business day they will be delivering documents referred to above. We also understand we are obligated under Paragraph 12.3-C-1 to pay your investigation costs and attorney fees.

We appreciate your consideration and would request that the Board take up this request for assignment before the end of the year. Please feel to call me at anytime regarding this important matter.

Best Regards,

A handwritten signature in blue ink, appearing to read "John Richardson", is written over the "Best Regards," text.

John Richardson
Senior Vice President

CC: Dan Domonoske, VP

751 Laurel St., Suite 209 | San Carlos, California 94070-3113
Tel 650.802.8355 | Fax 650.412.2495 | www.sbrecycling.net