



A Public Agency

SBWMA Technical Advisory Committee (TAC) Meeting

THURSDAY, March 13, 2014 at 2:00 p.m.

San Carlos Library
Conference Room A
610 Elm Street, San Carlos, CA 94070

1. Roll Call

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so.

Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting.

If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

3. Approval of Consent Calendar:

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

A. Adopt the February 13, 2014 TAC Meeting Minutes

4. New Business:

- A. Review of Draft Ordinance Implementing a Recycling Reporting System for Commercial Recycling Haulers
- B. Staff Overview of Recology and SBR 2013 Annual Reports

5. Staff Updates

A. Potential Future Agenda Items

6. TAC Member Comments

7. Adjourn

MEMBER AGENCIES

ATHERTON * BELMONT * BURLINGAME * EAST PALO ALTO * FOSTER CITY * HILLSBOROUGH * MENLO PARK * REDWOOD CITY
* SAN CARLOS * SAN MATEO * COUNTY OF SAN MATEO * WEST BAY SANITARY DISTRICT



A Public Agency

CONSENT CALENDAR

DRAFT MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE TECHNICAL ADVISORY COMMITTEE
February 13, 2014 – 2:00 p.m.
San Carlos Library Conference Room A

Call to Order: 2:07 PM

1. Roll Call

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough		X	West Bay Sanitary District	X (late)	

2. Public Comment

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None

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A. Adopt the January 13, 2014 TAC Meeting Minutes

Motion/Second: Gibbons/Murray

Voice Vote: All in favor

4. New Business:

A. Additional Third Party Tons into the Shoreway Environmental Center MRF

Executive Director McCarthy noted that the facility was designed for additional processing capacity and that when the Board approved accepting 3rd party tons, there were conditions including a host fee and limited to 15,000 tons. He added that Recology would like to commit additional tons into the facility from outside the service area, which is good news, but the tons would require a second shift, and there are concerns that the space may not be big enough, and that the VRS contract isn't finalized. He explained that this is why staff is recommending a 6 month approval for now to assess how the facility is handling

the capacity and the second shift.

Member Porter asked what the possible facility upgrades needed would be.

Executive Director McCarthy explained that a canopy may need to be added to extend the tipping floor, because the extra tons may not fit, noting that the facility permit doesn't allow material to be stored outside.

Member Porter asked to do a lifecycle cost analysis to ensure the extra tons would make a profit.

Executive Director McCarthy stated that with the current arrangement the profit is \$3.70/ton. He added that the plan is to try and negotiate a higher host fee.

Chair Oskoui recommended increasing the host fee to cover the cost of the facility improvements, and asked if there was a termination clause.

Executive Director McCarthy answered yes there is a termination clause.

Member Walter asked if there was a planned outreach approach to get the tons into the facility in the short 6 month time frame.

Executive Director McCarthy noted that the request is solely based on tons Recology has already committed, and that Recology would like a long term agreement, but staff is recommending this 6 month assessment period to start with.

B. Review of Draft Ordinance Implementing a Recycling Permit System for Commercial Recyclers

Staff Feldman gave an overview of why the SBWMA would want to implement a permit system for commercial recyclers. He noted that it is not related to AB939 compliance, but is to help fill in a complete picture of commercial diversion in the SBWMA service area.

Counsel Lanzone explained that he needed more time to look at it, and that he thought of it more as an information reporting system, which is well within the powers of the JPA. He noted that the ordinance should include a civil administrative penalty and cut back on enforcement. He added that the idea would be for the haulers to provide information electronically to the SBWMA. He noted that he would redo the ordinance and that the next steps would be to send a new draft to the TAC members and City Attorneys.

Member Murray asked if the ordinance would only be adopted by the SBWMA, or if the individual cities would adopt it. She also commented that it could be pretty expensive to do the outreach, and expressed concern over how many haulers would be subject to this, noting that it could be hundreds, and asked if the haulers would know how to report the information.

Counsel Lanzone answered that only the SBWMA would adopt the ordinance.

Staff Feldman added that the more reporting the better, the more haulers reporting the more accurate the diversion number becomes. He acknowledged that getting the ordinance in the field is the hardest part, and added that staff could help haulers fill out the information.

Member Galli asked how the penalties would be applied and expressed concern over the language in the ordinance stating that if a business doesn't comply with the reporting they wouldn't be able to do business in the City.

Counsel Lanzone answered that the penalties would be applied via letter asking for reporting, and that he planned to remove the language about not being able to do business.

Chair Oskoui noted that the permit fee should cover the administrative costs of the ordinance.

Vice Chair Rodericks asked if the reporting information would be given by jurisdiction.

Staff Feldman answered that the reporting system will be set up to get the information jurisdictionally, but that it might not happen.

Member Porter commented that there is a lot of value in each Agency knowing, and would like to see if information can be collected by jurisdiction.

Member Porter commented that there should be some kind of penalty for not registering and reporting.

Chair Oskoui suggested a lot of public relations with Board members and community, and to be clear what the goals and benefits are to businesses.

Staff Feldman noted that the plan was to host workshops with the business community before implementing the ordinance.

Member Murray thought an incentive component would be a good idea and suggested that participating haulers become recommended haulers in each Agency.

Member Walter asked for clarification on how a hauler would be defined.

Executive Director McCarthy explained that back haulers would be on the list of haulers.

Member Galli suggested making it clear why the information is needed and how the ordinance will be enforced at the community meetings.

Chair Oskoui suggested including an implementation plan when this item is presented to the Board.

5. Staff Updates

A. Potential Future Agenda Items

Executive Director McCarthy gave an overview of what the TAC could look for on future agendas. Noting specifically that April, May and June would be the budget process and that in April staff would be coming to the TAC for feedback on FY15 programs, and that at the moment staff is heavily into research and benchmarking to see what similar agencies are doing.

6. TAC Member Comments

7. Adjourn 3:04PM



A Public Agency

NEW BUSINESS



STAFF UPDATE

To: SBWMA TAC Members
From: Cliff Feldman, Recycling Programs Manager
Date: March 13, 2014 TAC Meeting
Subject: Review of Draft Ordinance Implementing a Recycling Reporting System for Commercial Recycling Haulers

Recommendation

This is an informational report and no action is necessary.

Analysis

On November 7, 2013 and again on February 13, 2014, this item was presented to the TAC. Staff provided an update on progress in developing an SBWMA-wide Ordinance to implement reporting requirements for non-franchised commercial recycling haulers (e.g., paper recycling companies, scrap metal haulers, construction and demolition debris haulers, businesses that backhaul recyclables and/or compostables to distribution centers, etc.) in an effort to begin collecting diversion data that is currently unavailable. Implementation of reporting requirements assumes RethinkWaste will adopt an Ordinance requiring recycling hauling companies to submit quarterly reports on the volumes and types of recyclable materials that are collected in our service area. Data will be requested by Member Agency if available. Obtaining such data is critical for future waste diversion planning purposes, but it is not required for AB 939 compliance.

The revised version of the draft Ordinance is provided as **Attachment A**. Per the last discussion with the TAC, the revised draft Ordinance reflects changing the system from requiring permits to simply requiring applicants to register and then provide reports quarterly. Other revisions include a significant simplification in enforcement to only administer an administrative fine for non-compliance, delineating the Ordinance will become effective on January 1, 2015 and sections 2, 3 and 4 concerning severability and applicable Government Code sections.

The primary rationale for adopting this Ordinance is to enable RethinkWaste to develop a more complete picture of existing diversion efforts for the commercial sector, since the only diversion information currently available is provided by the Member Agencies franchised service provider, Recology San Mateo County. Based solely on the Recology data, the current commercial diversion rate for 2013 was 28%. The actual overall commercial diversion rate is likely much higher once we factor in diversion data from non-franchised haulers.

As the JPA is responsible for service area wide diversion (i.e., waste reduction, recycling and composting programs) planning, it makes sense for the JPA to implement one Ordinance as opposed to individual Member Agencies implementing separate Ordinances. It would also make it easier for companies that have to comply with the Ordinance to have one point of contact to direct questions and get registered in lieu of having to deal with multiple jurisdictions. It would also guarantee that data is collected for all Member Agencies instead of relying on the Member Agencies individually to adopt and implement Ordinances as some Member Agencies may choose not to.

Staff has incorporated the feedback provided by the TAC at the November 7, 2013 and February 13, 2014 meetings and SBWMA legal counsel in preparing a draft Ordinance. The Ordinance is being crafted to encourage commercial recycling haulers to provide the needed data while the SBWMA's enforcement activities will be limited. In addition, the Ordinance is not intended to place an undue burden on recycling haulers nor require significant JPA resources to implement.

The draft Ordinance will be revised further pending additional feedback from TAC and Member Agencies legal counsel. The Ordinance will then be presented to the Board for consideration of adopting the Ordinance at the March 27th Board meeting.

Background

At the May 23, 2013 Board meeting, staff shared the preliminary results of this research project on Non-Exclusive Franchise Options for Commercial Recycling. Staff explained that developing a non-exclusive permit system will result in capturing data from many of the independent recycling companies that haul recyclables in the RethinkWaste service area. In addition, Staff conveyed why this data is critical for RethinkWaste to ascertain how best to focus its efforts in the pursuit of increasing diversion from the commercial sector which still contributes approximately two-thirds of all the garbage generated in this service area. The challenges faced and best practices employed were highlighted in order to guide RethinkWaste in developing a policy and program that will be successful and to provide detailed information to interested stakeholders during the stakeholder engagement process. Another staff report on this project was provided to the Board for its October 24, 2013 meeting and a discussion on this item was referred to the TAC for its November 7, 2013 meeting. In addition, a staff update on this project was included in the Board packet for the February 27, 2014 meeting.

Section 4.01(B)(1) of the Member Agencies Franchise Agreements with Recology provide the company the non-exclusive right to collect source separated recyclables and compost from commercial accounts. Therefore, the open market competition for the collection of recycling and compost which has always characterized our service area has been preserved. While Recology's commercial recycling collection services and commercial recycling outreach staff of nine full time employees are paid for through the Member Agency's solid waste rates, the businesses in the service area are not bound to subscribing to Recology's collection service. Many businesses offer commodities for sale in the marketplace, such as high-grade paper and corrugated cardboard, and many others backhaul recyclables and/or compostables to their distribution facilities (e.g., large grocery stores). In addition, per AB341 (California's Mandatory Commercial Recycling Law), commencing July 1, 2012, all businesses that generate four cubic yards or more of garbage per week or multifamily dwelling complexes of five units or more are required to recycle.

Fiscal Impact

The approved FY13/14 budget includes \$50,000 to develop and plan for the implementation of an SBWMA-wide Ordinance implementing a reporting system for commercial recycling haulers. This funding will enable staff to conduct a stakeholder engagement process, develop the initial public education strategy and materials, and pursue the initial implementation of the reporting system. For future implementation, staff will not be proposing any additional staff to administer this program but will rely on the support of outside contractors if needed. Proposed funding will be provided in the draft FY15 budget to be presented at the May 22, 2014 Board meeting.

Attachment:

Attachment A –Draft SBWMA Ordinance No. 002: Recycling Reporting Requirements for Commercial Recycling Haulers



ORDINANCE NO. 002

ORDINANCE OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY ADOPTING RECYCLING REPORTING REQUIREMENTS FOR COMMERCIAL RECYCLING HAULERS

IT IS ORDAINED by the Board of Directors of SBWMA as follows:

SECTION I: The following ordinance regarding Commercial Recycling Reporting is adopted:

I. Findings

A. The Board of Directors finds that there is a need to implement a Reporting System for Commercial Recycling Haulers to begin collecting recycling diversion data that is currently unavailable.

B. Currently the Agency receives recycling diversion data only from the Member Agencies franchised recycling service provider, Recology San Mateo County. Based solely on the Recology data, the most recently reported annual commercial recycling diversion rate for Agency Service Area in 2013 was 28%.

C. Implementation of a Reporting System requiring Commercial Recycling Haulers to submit quarterly reports on the volumes and types of recyclable materials that are collected within the Agency Service Area would allow the Agency to develop a more complete picture of existing recycling diversion efforts for the commercial sector.

D. Implementing a Reporting System for Commercial Recycling Haulers will enable the Agency to capture data that is needed for future planning purposes related to increasing recycling diversion to better meet State mandates.

II. Purpose

A. This Ordinance establishes a system for registering Commercial Recycling Haulers who are performing services in the Agency Service Area and receiving from them information on the volume and types of Recyclable Materials that they collect in the Agency Service Area. To achieve this reporting

requirement, each Commercial Recycling Hauler will be required to submit to Agency a Recycling Report quarterly.

B. This Ordinance is not intended to preclude a Commercial Entity or a building or demolition contractor from contracting with more than one Commercial Recycling Hauler or from donating, selling or otherwise disposing or hauling Recyclable Materials.

III. Definitions

“Agency” means the South Bayside Waste Management Authority (SBWMA) or Rethink Waste, which is a joint powers authority comprised of the Member Agencies.

“Agency Clerk” means the SBWMA Board Secretary.

“Agency Service Area” means the service area comprised of the Member Agencies, which include the following: 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, sections of unincorporated San Mateo County, and West Bay Sanitary District.

"Applicant" means any person, business, firm, limited liability company, association, partnership, political subdivision, government agency, municipality, public or private corporation, or any other entity whatsoever who is required to register and report to the Agency.

“Board of Directors” means the governing body of the Agency.

“Collection Container” means any container used to store and collect Solid Waste, Targeted Recyclable Materials, Organic Materials, or any other material targeted for collection by a Recycling Hauler.

“C&D Debris” ("Construction and Demolition Debris" or “C&D”) means materials resulting from construction, renovation, remodeling, repair, or demolition operations on any Residential, Commercial or other structure or pavement.

"Commercial" means a business activity including, but not limited to, retail sales, wholesale sales, services, research and development, government, private schools, colleges and universities, non-profit, hospital, manufacturing, institutional and industrial operations, but excluding businesses conducted upon residential property which are permitted under applicable zoning regulations and are not the primary use of the property.

“Commercial Entity” means a Commercial business that generates Recyclable Materials and/or Organic Materials in the Agency’s Service Area.

“Commercial Recyclables” means Recyclable Materials generated by a Commercial business.

“Commercial Recycling Hauler” means a Person or Entity engaged in commercial hauling of Recyclable Materials in the Agency Service Area.

“Director” means the Executive Director of the Agency or designee.

“Discarded Material” means Solid Waste, Targeted Recyclable Materials, and Organic Materials placed by a Generator in a Collection Container and/or at a location that is designated for Collection pursuant to a Member Agency’s Code.

"Food Scraps" means a subset of Organic Materials including: (i) all kitchen and table food waste, and animal or vegetable fruit, grain, dairy or fish waste that attends or results from the storage, preparation, cooking or handling of foodstuffs, with the exception of animal excrement, (ii) paper waste contaminated with putrescible material, and (iii) biodegradable plastic food service ware.

“Generator” means any Person whose act or process produces Solid Waste, Targeted Recyclable Materials, or Organic Materials.

“Member Agencies” means the following jurisdictions: the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, and San Mateo; the towns of Atherton and Hillsborough; the County of San Mateo; and the West Bay Sanitary District.

“Organic Materials” means those materials that will decompose and/or putrefy and that the Agency permits, directs, or requires Generators to separate from Solid Waste and Targeted Recyclable Materials for collection in specially designated containers for Organic Materials collection. Organic Materials include Plant Materials, Food Scraps, paper contaminated with Food Scraps, biodegradable plastic food service ware, pieces of unpainted and untreated wood, and pieces of unpainted and untreated wallboard. No Discarded Material shall be considered Organic Materials, unless such material is separated from Solid Waste and Targeted Recyclable Material.

“Person” means any individual of Commercial Entity.

“Recycling Hauler” means an entity that engages in the activity of hauling or transporting Targeted Recyclable Materials and/or Organic Materials generated by Commercial businesses, but does not include haulers and transporters of

electronic scrap (as defined by California Public Resources Code §66273), universal waste, hazardous waste or radioactive waste.

"Recyclable Materials" means discarded commingled or source separated materials including C&D Debris that can be re-used, remanufactured, reconstituted, or recycled.

"Recycling Registration " means the registration of Commercial Recycling Haulers required by this Ordinance to provide information on Recyclable Materials and/or Organic Materials hauled in the Agency's Service Area.

"Recycling Report" means the report providing information on the volume and types of Recyclable Materials and/or Organic Materials transported by the Recycling Hauler in the Agency's Service Area.

"Solid Waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, as defined in California Public Resources Code §40191.

"Targeted Recyclable Materials" means a subset of Recyclable Materials that includes: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, paperboard, paper egg cartons, telephone books, books, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard; paper milk cartons; glass containers of any color (including brown, blue, clear, and green); aluminum (including food and beverage containers, foil, small pieces of scrap metal); scrap metal (ferrous and non-ferrous) steel, tin or bi-metal; plastics (i.e., both thermoform and thermoset plastics); and C & D Debris.

IV. Commercial Recycling Hauler Registration

A. Commercial Recycling Haulers shall register with the Agency and provide Recycling Reports as set forth in this Ordinance in the Agency Service Area.

B. Registration shall be in writing and submitted in a format specified by the Director, and pay administrative fee to the Agency in an amount established by the Board of Directors.

C. Registration of a Commercial Recycling Haulers shall be renewed every two years.

V. Appeals

Persons or Commercial Entities that are dissatisfied with any decision or determination of the Director pursuant to this Ordinance shall have the right to appeal that decision to the Board of Directors if the appeal is filed with the Agency Clerk fifteen (15) days of the decision of Director.

VI. Reporting Requirements

A. Commercial Recycling Haulers shall be required to submit a report each calendar quarter to the Agency providing data on the volume and type of Recyclable Materials hauled during that calendar quarter from Commercial Entities in the Agency Service Area. To the extent feasible, the data provided in the Recycling Report should be attributable to the jurisdiction of the Member Agency where it was generated. The Recycling Report shall be due to the Agency thirty (30) calendar days after the end of each calendar quarter as follows: First Quarter (January-February-March) report due April 30; Second Quarter (April-May-June) report due July 30; Third Quarter (July-August-September) report due October 30; Fourth Quarter (October-November-December) report due January 30.

The format of the Recycling Report and submittal guidelines shall be determined by the Director. The data to be included by the Commercial Recycling Hauler in the Recycling Report must provide to the furthest extent possible the specific volumes and types of Recyclable Materials by weight (e.g., tons) and by the source of generation.

VII. Civil Administrative Penalties

Recycling Haulers that fail to comply with any or all of the provisions of this Ordinance shall be subject to the issuance of civil administrative penalty in the amount of \$100 for the first failure to comply, \$250 for the second failure to comply, and \$500 for each subsequent failure to comply.

A. The Director shall establish the procedures and notification protocol to administer civil administrative penalties.

VIII. Enforcement

Except as otherwise expressly provided, the provisions of this Ordinance shall be administered and enforced within the Agency Service Area by the Director or other staff and enforcement officials designated by the Director. The remedies set forth herein are cumulative to any other remedy available to the Agency or Member Agencies.

IX. Effective Date:

This Ordinance shall not be effective until January 1, 2015. It is the intent of the Agency to provide Commercial Recycling Haulers with advance information and assistance with the terms of this Ordinance.

SECTION 2: Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The SBWMA Board hereby declares that it would have adopted this Ordinance and such section, subsection, sentence, clause, phrase or portion may be declared invalid or unconstitutional.

SECTION 3: Pursuant to Section 36937 of the Government Code of the State of California, this Ordinance shall not take effect and be in full force and effect until thirty (30) days from its final passage and pursuant to Section IX above shall not be in effect until January 1, 2015.

SECTION 4: The Clerk of the Board shall cause this Ordinance to be published and posted in accordance with the requirements of Section 36933 of the Government Code of the State of California.

Introduced this _____ day of _____, 2014.

PASSED AND ADOPTED as an Ordinance of the Board of Directors of the SBWMA at a regular meeting thereof held on the _____ day of _____, 2014.

AYES, BOARD MEMBERS: _____

NOES, BOARD MEMBERS: _____

ABSENT, BOARD MEMBERS: _____

ABSTAIN BOARD MEMBERS: _____

Chair of the SBWMA

ATTEST:

Clerk of the SBWMA Board of Directors



STAFF UPDATE

To: SBWMA TAC Members
From: Hilary Gans, Operations Contracts Manager
Cliff Feldman, Recycling Programs Manager
Date: March 13, 2014 TAC Meeting
Subject: Staff Overview of Recology and SBR 2013 Annual Reports

Recommendation

This is an informational report and no action is necessary.

Analysis

The attached Annual Reports for calendar year 2013 were submitted on time by Recology San Mateo County (Recology) and South Bay Recycling (SBR).

Overview of Recology 2013 Annual Report

The Recology Annual Report is required to consolidate all of the Garbage, Recycling and Compost materials collected data provided in the Monthly and Quarterly reports. This includes the complete reporting of tonnage by material type in total and by Member Agency. The report also includes the year-end tabulation of Liquidated Damages, Performance Incentives and Disincentives, Customer Call Center data, Commercial Recycling Program activity metrics, Operational Information, Review of Contractor's Billings, Customer Service Plan for the next year, and the company's Climate Action Report.

Please note that while all of the information provided in the Recology Annual Report is by and large self-reported by the company, due to the financial implications of many figures the SBWMA audits the reported data. The Liquidated Damages and Performance Incentives/Disincentives figures reported by Recology have not yet been audited; however, the numbers provided for 2012 reflect the unaudited reported numbers and the audited/adjusted numbers used in the Recology 2014 Compensation Application approved by the Board on September 26, 2013.

1. Compliance

Liquidated Damages – Recology reported a total of \$13,400 in Liquidated Damages for 2013 (\$4,500 reported for 2012 and adjusted to \$29,950). The Liquidated Damages were reported in the following five categories: \$2,100 for complaints regarding collection hours, damage to private property and failure to resolve such claims (\$1,050 reported in 2012 and adjusted to \$6,000); \$500 for complaints regarding improper container placement (\$0 reported in 2012); \$7,750 for complaints regarding unacceptable employee behavior (\$250 reported in 2012 and adjusted to \$16,750); \$50 for complaints regarding spills of discards and failure to clean up (\$0 reported for 2012); \$3,000 for complaints regarding leaks/spills of vehicle fluids (\$3,000 reported for 2012 and adjusted to \$7,000). The Member Agencies should receive payment directly from Recology for the reported Liquidated Damages.

Performance Incentives and Disincentives – Recology reports a net Performance Incentive payment due to the company of \$260,210.09 (\$493,121 in 2012). The company reports a Disincentive payment of \$7,800 for 156 Missed Pick-Ups events (\$2,050 for 41 events in 2012); an Incentive payment of \$10,360

for the Average Speed of Answer (\$6,006 in 2012); and an Incentive payment of \$257,650.09 for Overall Diversion (\$489,165 in 2012). The payment of Performance Incentives and Disincentives is included in the company's 2015 Application for an Adjustment to Compensation (i.e., 2015 rates) due to the SBWMA and Member Agencies on June 13, 2014.

Review of Customer Billings – Recology reports that it complied with the billing review requirements prescribed in the Franchise Agreement(s) and 39,912 accounts were physically audited in 2013 (34,375 in 2012).

Customer Service Plan – This plan describes the tasks of the customer service call center staff and supervisor, their training strategy and the company's strategies to attract and retain customer service representatives. The plan also reports on website metrics including the number of E-bill Payments (85,354 in 2013; 70,888 in 2012), number of Online Phone Payments (9,320 in 2013; 8,421 in 2012), number of Bulky Items Collection Events scheduled (3,111 in 2013; 1,621 in 2012) and other requests for service. Recology reports no changes to its computer systems or training activities for 2013 (same as 2012) and no planned changes for 2014 (also same as prior year).

Climate Action Report – Recology's Climate Action Report provides the year-end results of the company's greenhouse gas related emissions. The company reports total emissions for 2013 of 10,214.86 MTCO₂E (10,841.60 for 2012) with Biodiesel accounting for 99+% (similar to 2012). The electric meter for Recology's operations is shared with SBR. However, for 2013, SBR provided Recology an estimate that it used 424,176 kWh, equivalent to 191.628 MTCO₂E (this data was not reported in 2012).

2. Operational Overview

Collection Services – Recology reports operating a total of 120 vehicles providing service to Single-Family, Multi-Family, Commercial and Member Agency Facilities. The company reports a total of 93,819 Single-Family accounts (94,078 in 2012); 10,479 Multi-Family and Commercial accounts (10,517 in 2012); and 563 Member Agency Facility accounts (565 in 2012). The company reports the total route labor hours expended providing service to all four service sectors to be 243,133.43 which is slightly less than the 256,202.19 route labor hours reported for 2012.

Overview of SBR 2013 Annual Report

In its Annual Report, SBR is required to provide a complete reporting of tonnage by material type; commodity marketing results; and events, activities and changes in operations throughout the year. SBR has also provided a description of the three main areas of services that it performs for the SBWMA: MRF operations and materials marketing, transfer station operations, and material transportation.

In addition to its role in monitoring daily activities at the Shoreway Center, SBWMA staff has reviewed the monthly and annual reports provided by SBR and has provided a compliance and operational overview of the services provided in 2013 below.

1. Compliance

Operational Obligations – SBR has provided reliable and uninterrupted materials handling services at the MRF, at the transfer station, and has transported materials from these facilities to the off-site processing and disposal locations without issue throughout 2013.

Scale Operation, Payment, and Reporting Obligations – SBR has operated the Shoreway scale system accurately, has collected payments from self-haul customers and remitted these funds to the SBWMA without issue throughout 2013. The monthly reporting of tonnage into and out of Shoreway is complex and SBWMA staff has spent a considerable amount of time reviewing and working with SBR to correct their monthly tonnage reports. The reporting of commodity revenue in particular has required many corrections and adjustments throughout the year. SBR was very cooperative in making the necessary corrections. Their monthly invoice to the SBWMA for services has also been error-prone in reported tonnage and other issues. SBWMA staff spent a great deal of effort ensuring that tonnage is properly reported, that the SBWMA receives appropriate commodity revenue, and that the compensation to SBR is correct. SBR's annual compensation adjustment application for 2014 was submitted without any major issues and the review by SBWMA went smoothly.

Other Contractual Obligations – There are numerous contractual obligations contained in the Operations Agreement that are monitored throughout the year by SBWMA staff. During 2013, SBR had no contractual violations, liquidated damages, or contract breaches.

Regulatory Compliance - There are several Federal and State regulatory agencies that oversee environmental, health, and safety compliance for SBR's operations at the Shoreway Center. SBR has reported receiving no violations during year 2013 from any regulatory agency.

2. Operational Overview

MRF Operations – SBR has maintained a high level of diversion (-93%) for franchise single stream recyclables processed at the MRF. The recovered materials were marketed by SBR and sold for total revenue of \$10,564,083 which is \$1,286,520 more than prior year (this increase was the result of slightly higher commodity values and tonnages sold over prior year). SBR has satisfactorily maintained the single stream processing equipment and the MRF building and has kept the building and perimeter area clean. The public recycling center (PRC) volumes were 1,467 in 2013 compared to 1,480 in 2012.

Transfer Station Operations – SBR has inspected and cleaned the organics and C&D materials to meet the specifications of the off-site processors and no loads were rejected in 2013. SBR's self-haul diversion efforts have been significantly hampered by a change in C&D material specification at Zanker Road that resulted in a 37% decrease in diversion over prior year (32,488 tons in 2013 compared to 44,820 in 2012). SBR did not improve on the hand-sorted level of recovery at the transfer station i.e., recycling of scrap metal, mattresses, and other reusable items from self-haul loads (1,053 tons in 2013 compared to 1,059 tons 2012). SBR has satisfactorily maintained the transfer station building and has kept the building, tunnels and perimeter area clean.

Transportation – With roughly 14,200 truck-trips, SBR transported 355,301 tons of trash, organics, and C&D from the transfer station. By consistently achieving average payloads in excess of 25 tons per load - well above the industry average - SBR has helped reduce adverse impacts of truck traffic and fuel consumption. No truck accidents were reported by SBR in 2013.

Other - SBR has been very helpful in their support of special events and of the tours program at Shoreway (e.g., Earth Day, 2-million Tons event, Night at Shoreway, etc.). SBR has also assisted and worked cooperatively with SBWMA staff in the repair and maintenance projects routinely conducted on the Shoreway buildings and equipment.

Background

Article 9 (Record Keeping and Reporting) of the Franchise Agreements between Recology and the Member Agencies prescribes the content requirements and timing of submittal of the company's Annual Report. Article 9, Section 9.06 of the Operations Agreement between the SBWMA and SBR requires the SBR to submit an Annual Report

Attachments:

Attachment A – [Recology 2013 Annual Report](#)

Attachment B – [SBR 2013 Annual Report](#)



A Public Agency

STAFF UPDATES



STAFF UPDATE

April – September 2014 Potential Future TAC Agenda Items

April 10, 2014

- Discussion on Commercial Recycling Best Practices (TBD, may be a Special Board Workshop)

May 8, 2014

- TBD?

June 12, 2014

- TBD?

July 10, 2014

- Discussion on 2015 Contractor Compensation Applications

September 11, 2014 (Joint meeting with Board; Special Board Meeting)

- Final Review of 2015 Contractor Compensation Applications (SBWMA Rate Reports Included in September 17, 2014 BOD packet)