



**For Immediate Release**

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**2013-14 BUDGET ADOPTED BY RETHINKWASTE BOARD OF DIRECTORS**  
*Higher Revenues and Constrained Costs Produce Strong Financial Results*

**SAN CARLOS, CA - June 28, 2013** – The RethinkWaste Board of Directors adopted its 2013-14 fiscal year budget yesterday which reflects strong financial results from higher revenues and modest operating cost increases over the next twelve months. Revenues are up due to higher projected volumes at the Shoreway Environmental Center Transfer Station and higher commodity revenues for recyclables. Prudent management of controllable expenditures and operating and disposal and processing contracts tied to indices has also constrained costs; Shoreway Environmental Center operating expenses are increasing less than 2%. The adopted FY13-14 budget includes revenues of \$41,579,200 and operating expenses of \$38,723,050 (RethinkWaste program budget of \$3,295,950 and Shoreway operations budget of \$35,427,100) resulting in net income of \$2,856,150. Net income is used to pay non-operating obligations (i.e., bond principal payment and capital expenditures) and fund reserve balances.

“We are pleased these strong financial results will allow us to meet all our debt service obligations and all cash reserve requirements with \$9.2 million set aside in various cash reserve categories,” remarked Kevin McCarthy, Executive Director of RethinkWaste. “Our cash reserves are an important buffer against financial or operational emergencies and result in a more predictable, and stable cost structure for our Member Agencies.”

The adopted budget is in alignment with the Agency’s Strategic Plan and funds programs to meet ongoing contract administration and recycling program and operational obligations captured in the 12 Member Agency franchise agreements with Recology San Mateo County, the Shoreway operations agreement with South Bay Recycling and the Joint Powers Authority Agreement. Please see **Attachment 1** for a listing of key Agency priorities for FY13-14.

The budget also reflects cost savings from the Shoreway Environmental Center master plan project. Due to exceptional project management by staff, the \$47 million project will be completed more than \$1 million under budget.

“The adopted budget captures an ongoing effort by the JPA to support its Member Agencies with a cost effective business model that meets their contractual needs,” McCarthy said. “The JPA budget largely reflects non-discretionary costs (contractually driven) and the JPA budget is less than 3% of the total collection costs in the franchised service area. RethinkWaste also continues to be a non-PERs agency with no long-term pension obligations for our seven current employees, though one contract employee has PERS benefits. We also have no collective bargaining agreements with our employees.”

In a related action, the Board also voted to pay off (redeem) one year early a bond obligation of \$3 million to the City of Burlingame. This \$3 million bond was part of the financing package for the Shoreway master plan improvements substantially completed in 2011. Early redemption of the bonds will save \$150,000 in interest payments.

### RethinkWaste

Rethink Waste 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. RethinkWaste owns and manages the Shoreway Environmental Center which receives all the recyclables, organic materials, and materials (i.e. solid waste) collected in its service area. RethinkWaste also provides strategic oversight, support and management of service providers that collect, process, recycle and dispose of materials for its Member Agencies. RethinkWaste (i.e., South Bayside Waste Management Authority) was formed in 1982. For more information on RethinkWaste, please visit our website at [www.RethinkWaste.org](http://www.RethinkWaste.org) or follow us at [www.Facebook.com/rethinkwaste](http://www.Facebook.com/rethinkwaste) or [www.Twitter.com/rethinkwaste](http://www.Twitter.com/rethinkwaste).

## ATTACHMENT 1 - FY13-14 KEY PRIORITIES

The adopted budget funds the following key priorities:

- Continued oversight and contract administration support for the 12 collection services franchise agreements with Recology San Mateo County (RSMC), including follow-up work on audit findings and financial auditing. This work is accomplished with two full-time employees, one fewer than when the 12 new franchise agreements went into effect on January 1, 2011. SBWMA staff has also taken over from Recology full responsibility for all public education activities given the elimination of the Recology Public Education Manager position. Recology still maintains full management responsibility for the Commercial Recycling Outreach program.
- Continued oversight of the South Bay Recycling (SBR) Shoreway operations and management of all disposal and processing contracts with one full-time employee.
- Closeout of the Shoreway master plan construction activities with key milestones including completion of the landscaping and signage, and public education areas in front of the Transfer Station.
- Management of the annual contractor compensation adjustment process, including review of the 2014 RSMC and SBR compensation applications, and completion of final reports (RSMC, SBR and consolidated report) for 2014. This is accomplished in-house with one full-time employee which has **saved ratepayers \$200,000 per year** for an outside rate consultant.
- Support of existing recycling programs, notably ongoing residential public outreach; AB 341 commercial recycling outreach; expanded outreach to support multi-family recycling; research and develop a non-exclusive franchise permit system for commercial recyclers; and oversight and expanded outreach for the HHW door to door collection services for 10 Member Agencies.
- Management of the Shoreway Education Center tour program, including the school tours and public tours. This program is managing over 5,000 tour visitors per year with one full-time employee and one part-time employee.
- Continuing the long range planning process including analyzing existing collection and processing systems, evaluating new processing technologies, and investigating policy and outreach tools to support higher diversion levels in a cost effective manner.
- Management of all ongoing capital repairs and maintenance at the 16-acre Shoreway facility, including nearly 200,000 square feet of building space and \$20 million in equipment owned by the SBWMA. This work is managed by the same employee that manages the SBR contract and all disposal and processing contracts.
- Management of a procurement process for the processing of our residential and commercial organics; existing contracts with two compost facility operators expire at the end of 2014.
- Approval of a closure plan for the Shoreway remediation work which is expected to be more than **\$1 million under budget**.
- Continue to identify and pursue new third party tonnage into the Shoreway facility to help offset our fixed costs.

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