



# EXECUTIVE DIRECTOR'S REPORT





## STAFF REPORT

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To: SBWMA Board Members  
From: Kevin McCarthy, Executive Director  
Date: February 26, 2015 Board of Directors Meeting  
Subject: Executive Director's Report

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### Board Agenda/Packet Items

Staff is making good progress on rollout of the Commercial Recyclers Reporting Ordinance with an update provided in agenda item 10A. Notably, good briefing sessions were held with Member Agency staff on February 12<sup>th</sup> and two sessions with affected businesses on February 19<sup>th</sup>.

Please see agenda item 10B for a schedule of important financial and rate setting milestones in calendar year 2015, including budget review schedule and solid waste rate setting process. Staff will update this each month with any changes.

A listing of future potential Board agenda items can be found under agenda item 10D. This is also updated monthly. Notable upcoming Board agenda items include a staff presentation on the draft Long Range Plan at the March 26<sup>th</sup> meeting, and a preliminary FY1516 budget discussion at the April 23<sup>rd</sup> Board.

### Program and Operational Update

#### *Recology to Acquire Community Recycling (member of SBR, LLC)*

On December 17, 2014 the Board approved the consent to Assignment of majority interest in South Bay Recycling, LLC to Recology, Inc. SBR has not yet filed updated required legal documents which need to be filed on or before Recology's acquisition of Community Recycling's interest in SBR. Staff was recently notified that the close of the transaction (i.e., Recology purchasing Community Recycling) is now expected on February 27, 2015.

#### *Impacted Port of Oakland Operations Affect Shoreway MRF Operations*

Port of Oakland operations continue to be impacted thus affecting SBR's ability to move baled commodities to market. The labor contract between the International Longshore and Warehouse Union (ILWU) and Pacific Maritime Association (PMA) for 29 west coast ports has not been resolved. The port congestion is getting worse with port closures on three weekdays (February 12, 16, and 19) and they did not work this past weekend. As a result steamship lines are beginning to temporarily by-pass the Port of Oakland and return directly to Asia. There is no public evidence that the Federal Mediator or Labor Secretary have made progress in bringing the ILWU and PMA closer to an agreement, though the intensity of federal government involvement is ratcheting up.

SBR is no longer using the Newark warehouse with SBR recently moving some remaining inventory from Newark to the Redwood City warehouse. One-third of that former Newark inventory has already been shipped out to the Port via the Redwood City warehouse.

Over the past two weeks, SBR has sent some baled fiber from the Shoreway MRF facility to the Redwood City warehouse during periods when the Port of Oakland was congested to the point of gridlock or closed. Currently, the Redwood City warehouse is at about 25% of total bale storage capacity; this bale storage capacity represents over three weeks of MRF generation. SBR continues to ship material from the warehouse whenever possible, and

to it when necessary. Although the port situation is tenuous, the Redwood City warehouse will be able to handle inbound volumes from the MRF regardless of what happens at the port over the next three to five weeks.

A link to a recent article on the port situation is below.

<http://www.recyclingtoday.com/west-coast-port-workers-ilwu-pma.aspx>

### **Announcements**

Staff would like to extend a warm welcome to City of San Mateo Councilmember Rick Bonilla as our newest Board Member. Mr. Bonilla was recently appointed to the City Council to fill the vacancy for the City Council position vacated by Robert Ross. For a brief bio on Mr. Bonilla please see

<http://www.cityofsanmateo.org/index.aspx?nid=2940>

### **News of Interest**

Staff would also like to congratulate Assemblymember Rich Gordon for his recent appointment to Chair the newly formed Select Committee on Waste Reduction and Recycling in 21st Century California. An excerpt from a Recycling News story dated on February 11, 2015 is below:

"I am honored to serve as Chair of the Select Committee on Waste Reduction and Recycling in 21st Century California," said Assemblyman Gordon. "This committee will examine waste reduction and recycling programs with the goal of furthering innovative solutions to ensure California continues to remain at the forefront of reducing waste and living sustainably."

"I am proud that California leads the country with an approximate 65 percent diversion rate across all materials, and that our recycling industry supports more than 140,000 green jobs throughout the state," continued Gordon. "With this new select committee, we can identify additional opportunities to expand and improve waste reduction programs in California. As Chair, my primary goal will be to inspire and challenge Californians to achieve the highest waste reduction, recycling, and reuse goals in the nation. Through innovation and creativity, sound advancements in science and technology, and efficient programs that improve economic vitality and environmental sustainability, we can build a stronger California."

Since his election, Assemblyman Gordon has authored five key pieces of legislation pertaining to beverage container and tire recycling programs in California, all of which were signed into law. In 2012, he was named Recycling Legislator of the Year by Californians Against Waste. "Assemblyman Gordon has been a leader in addressing environmental challenges and seizing opportunities in growing California's recycling economy," said Mark Murray, Executive Director of Californians Against Waste. "It's little surprise that Speaker Atkins would entrust him with this responsibility."