

ALPINE, AMADOR, BUTTE, CALAVERAS, COLUSA, DEL NORTE,
EL DORADO, GLENN, IMPERIAL, INYO, LAKE, LASSEN



MADERA, MARIPOSA, MODOC, MONO, NEVADA, PLUMAS,
SHASTA, SIERRA, SISKIYOU, TEHAMA, TRINITY, TUOLUMNE

CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY
VICE CHAIR – MICHAEL RANALLI, EL DORADO COUNTY
EXECUTIVE DIRECTOR – GREG NORTON

TECHNICAL ADVISORY GROUP (TAG)
TAG CHAIR – RACHEL ROSS, TEHAMA COUNTY
TAG VICE CHAIR – JIM MCHARGUE, AMADOR COUNTY
PROGRAM MANAGER – MARY PITTO

**Rural Counties' Environmental Services Joint Powers Authority
Board of Directors' & Technical Advisory Meeting
1215 K Street, Suite 1650 Conference Room
Sacramento, CA**

Thursday, December 6, 2018 9:00 a.m. – 3:00 p.m.

Only those items that indicate a specific time will be heard at the assigned time. All other items may be taken out of sequence to accommodate the Board, the staff, and the general public. Indicated time allocations are for planning purposes only and actual times will vary from those indicated.

I. Call to Order, Self-Introductions, and Determination of Quorum

II. Business Matters

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Discussion and possible action related to the following:

- A. Approval of Minutes from the Meeting of October 18, 2018 – Supervisor Kobseff, ESJPA Chair (*pp 3-8*)
- B. Review and approval of the 2019 ESJPA Budget – Lisa McCargar, Chief Financial Officer, RCRC (*pp 9- 11; 10 minutes*)
- C. Review and approval of the 2019 Contract Services Agreement between ESJPA and RCRC – Mary Pitto, ESJPA Program Manager (*pp 13-22; 5 minutes*)
- D. ESJPA Staffing – Paul Smith, Vice President of Government Affairs, RCRC
- E. Review of RCRC Solid Waste Policy Principles – Mary Pitto (*pp 23-24; 5 minutes*)

III. Public Comment

Any person may address the Board on any matter relevant to the Authority's business, but not otherwise on the agenda.

IV. Presentations

- A. EcoHero Lexi Presentation – Alexander Lovelace, EcoHero Show (*30 minutes*)
- B. Teaming Up: Affordable Outreach Strategies - Traci Hukill, Marketing Consultant, N&R Publications (*30 minutes*)
- C. Presentation on Governmental Enterprise Funds - Michael Coleman, Fiscal Policy Advisor, California Local Government Finance Almanac (*30 minutes*)
- D. Report from CalRecycle – Marshall Graham, Supervisor, Environmental Program Manager, CalRecycle (*10 minutes*)

V. Legislative Update

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(This item may be heard at any time during the meeting depending upon the availability of staff) Discussion of Legislation – Paul Smith, Vice President of Government Affairs (*pp 27-28; 10 minutes*)

VI. Member County Concerns/Comments

VII. Solid Waste/Regulatory Update

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Discussion and possible action related to the following:

A. CalRecycle

- SB 1383 Regulations and AB 1826 – Mary Pitto, EJSPA Program Manager (*5 minutes*)
- Mandatory Commercial Recycling – Mary Pitto (*pp 31-45; 5 minutes*)
- Processing Payment Emergency Regulations – Mary Pitto (*pp 47-59; 5 minutes*)
- AB 901 Recycling and Disposal Reporting Regulations – Larry Sweetser, ESJPA Consultant (*5 minutes*)
- Electronic Wastes - Larry Sweetser (*5 minutes*)
- Lithium Batteries – Larry Sweetser (*5 minutes*)

B. State Water Resources Control Board

- Waste Discharge Permit Fees – Larry Sweetser (*5 minutes*)
- Statewide Industrial General Storm Water Permit - Larry Sweetser (*pp 61-69; 5 minutes*)

C. Department of Toxic Substances Control

- Enforcement Actions – Larry Sweetser (*pp 71-72; 5 minutes*)
- HHW Sorting Update – Larry Sweetser (*5 minutes*)

D. Extended Producer Responsibility

- CA Product Stewardship Council Update – Doug Kobold, Executive Director, CPSC (*pp 73-84; 5 minutes*)
- Carpet America Recovery Effort (CARE) Update – Lisa Mekis, CA Senior Associate, CARE (*pp 85-90; 10 minutes*)
- PaintCare Update – Daria Kent, Northern California Regional Coordinator, PaintCare (*5 minutes*)
- Mattress Recycling Council Update – Liz Wagner, CA Territory Representative, MRC (*pp 91-96; 5 minutes*)

E. Grant Program Update – Larry Sweetser (*pp 97-104; 5 minutes*)

F. Highlights of November/December CalRecycle Meetings – Larry Sweetser (*pp 105-108; 5 minutes*)

G. Other Regulatory Announcements/Issues of Interest

- CalRecycle – Wildfire Debris Cleanup and Recovery (*pp 109-112*)
- CalRecycle In the Loop (*pp 113-115*)
- CalRecycle E-Waste Updates (*pp 117-118*)
- Cal EPA CUPA Newsletters (*pp 119-136*)

VIII. Agenda Suggestions, Member County Presentation Volunteer, Workshop Topics for Next ESJPA Board Meeting Scheduled Thursday, March 21, 2019.

IX. Articles of Interest
(pp 139-164)

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X. Adjournment



12:00 PM Holiday Luncheon



1:00 PM

Technical Advisory Group Breakout Session

This afternoon session is a presentation regarding solid waste management opportunities and there is also a training session by our very own ESJPA consultant! You are invited and encouraged to participate in this afternoon session.

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- A. Changes in California's Electricity Markets: Threats and Opportunities for Solid Waste – Michael Day, Utility/SmartGrid Team Lead, Trane Climate Solutions/Ingersoll-Rand
- B. Solid Waste Management 101 – The one and only Larry Sweetser, ESJPA Consultant (pp167-168)



Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, please contact our offices at least 72 hours prior to the meeting by calling (916) 447-4806.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on an agenda item at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The final agenda for this meeting of the Board of Directors of the Rural Counties' Environmental Services Joint Powers Authority will be duly posted at its offices: 1215 K Street, 16th Floor, Sacramento, California at least 72 hours prior to the meeting.

Agenda Item II

BUSINESS MATTERS

ALPINE, AMADOR, BUTTE, CALAVERAS, COLUSA DEL NORTE,
EL DORADO, GLENN, IMPERIAL, INYO, LAKE, LASSEN



MADERA, MARIPOSA, MODOC, MONO, NEVADA, PLUMAS,
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PROGRAM MANAGER – MARY PITTO

**Minutes of the Rural Counties'
Environmental Services Joint Powers Authority
Board of Directors Meeting
1215 K Street, Suite 1650, Sacramento, CA**

Thursday October 18, 2018

MEMBERS REPRESENTED

Michael Kobseff, Chair and Supervisor	Siskiyou County
Lynn Morgan, Supervisor	Amador County
Jim McHargue, Director	Amador County
Steve Rodowick, Recycle Coordinator	Butte County
Todd Storti, Deputy Director	Butte County
Eric Miller, Manager	Butte County
Lavell Waiwaiole, Recycling Program Coordinator	Calaveras County
Mike Azevedo, Assistant Director	Colusa County
Ted Ward, Director	Del Norte County
Greg Stanton, Division Director	El Dorado County
Barbara Houghton, Manager	El Dorado County
Talia Richardson, Engineering Technician	Glenn County
Lars Ewing, Public Services Director	Lake County
Jim Steel, Supervisor	Lake County
Tom Valentino, Manager	Lassen County
Gracie Phillips, Program Coordinator	Lassen county
Ahmad Alkhayyat, Public Works Director	Madera County
Justin Nadler Solid Waste Superintendent	Mono County
Mara Solomon, Solid Waste Manager	Plumas County
John Heath, Supervisor Engineer	Shasta County
Arthur Boyd, Recycling Coordinator	Siskiyou County
Rachel Ross, Agency Manager	Tehama County
Diane Rader, Deputy Director	Trinity County
Diane Green, Solid Waste Tech	Tuolumne County

STAFF IN ATTENDANCE:

Mary Pitto, ESJPA Program Manager	RCRC Governmental Affairs
Larry Sweetser, ESJPA Consultant	Sweetser and Associates, Inc.
Paul Smith, VP Governmental Affairs	RCRC Staff
Julie Lunn, RCRC Office Assistant	RCRC Staff

GUEST SPEAKERS:

Michael Koewler, Sacramento Rendering
Dennis Albani, CA Advocates
Steven Sander, CalRecycle
Liz Wagner, MRC

Bryce Howard, South Lake Refuse
Christy Pestoni, South Lake Refuse
Doug Kobold, CPSC

OTHERS IN ATTENDANCE:

Willie Carpenter, CalRecycle
Alex Souza, CalRecycle
Curt Fujii, Fujii Civil Engineering

Robert Carlson, Mendocino County
John Pabst, ACES
Deb Phillips- Greater Valley CC

MEMBERS NOT REPRESENTED

Alpine County, Imperial County, Inyo County, Mariposa County, Modoc County, Nevada County, Sierra County.

I. Call to Order, Determination of Quorum and Self Introductions

Supervisor Kobseff, ESJPA Chair, called the meeting to order at 9:00 a.m.
A Quorum was Determined. Self-introductions were made.

II. Business Matters

A. Approval of Minutes August 16, 2018 Meeting.

Supervisor Kobseff ESJPA Chair, called for the approval of the minutes from the August 1, 2018 Board of Directors meeting. The motion to approve minutes was made by Arthur Boyd, Siskiyou County and seconded by Ted Ward, Del Norte County. The motion passed unanimously.

B. Review and Approval of the 2019 Meeting Schedule-The Motion to Approve was made by Jim McHargue, Amador County and Seconded by Ted Ward of Del Norte County. The motion passed Unanimously

III. Public Comment - None

IV. Presentations

A. Food Waste Management- Michael Knowler President of Sacramento Rendering and Dennis Albani, California Advocates.

Dennis provided an overview of regulatory requirements related to rendering wastes and the roles of the various regulatory agencies. Tedd Ward asked about the changes in the rendering marketplace and biofuel usage. Two of the rendering companies went out of business due to changes in the market economics and increased regulatory requirements especially changes that regulate animal food similar to people food. More rendering waste is being converted to biodiesel. There are only three rendering facilities left in the state. Existing facilities are absorbing most of the rendering waste from the other plants. Northern California is still underserved. There was a discussion on how rendering wastes fits into the requirement for jurisdictions to track and report organics waste. They also indicated that their facilities have additional capacity, but Sacramento Rendering is looking to site a new California plant and Madera County volunteered to work with them.

- B. Revised AB 901 Regulations- Steven Sander, Environmental Scientist, CalRecycle
 Steven Sander discussed the current reporting system and the status of the proposed AB 901 regulations intended to revise the tracking system used by jurisdictions and facilities. CalRecycle expects to start the system registration process in April 2019 and the regulations are expected to go into effect July 1, 2019. CalRecycle is receptive to having volunteers to test the implementation of the system. It was suggested to have an update on these regulations at a future meeting. Larry Sweetser offered to update the reporting matrix once the regulations are final.
- C. South Lake Refuse & Recycling Compost Facility Expansion to comply with AB 1383 and CalRecycle Organics Grant Program- Lars Ewing, Public Works Director, Lake County.
 Lars Ewing provided an overview of the Lake County solid waste programs focusing on the organics grant received by South Lake Refuse to expand the compost facility. Chris Pestoni provided a history of the compost facility which started in 2003 using the standard windrow method and accepting about 80 tons per day. The grant allowed for accepting food waste and will convert to the aerated static pile method. The C&D operation is also planned for expansion. The grant included new equipment to process the waste and included partnering with a food bank. The grant is expected to be implemented in July 2019. A major part of the incentive was the decrease in landfill space due to the loss of 4-10 years of landfill capacity due to acceptance of fire debris and expected increased organics regulations.
- D. Report from CalRecycle- Not in attendance

V. Legislative Update

Paul Smith, Vice President of Government Affairs

Paul provided a recap of the current legislative session that has just ended. Paul discussed three main bills – AB 3178, SB 212, and SB 452. Larry Sweetser provided a summary of SB 212 which, although approved, will take a few years before the program to collect sharps and pharmaceuticals are implemented. AB 3178 was an attempt to deal with the China Sword issue and changed considerably. The bill was sponsored by CRRC. The governor's veto message indicated that CalRecycle already has authority to consider market impacts. SB 452 was an attempt for a modest fix to the bottle bill but was vetoed by the governor. CRRC supported the bill due to the increase in handling fees for rural communities. The governor's veto message indicated that a more comprehensive reform was required. The new administration and the impact on regulatory agencies is uncertain but will be clearer after the election. Bottle bill reform will require many players to agree. Tom Valentino asked about including the WDR landfill fee. Including the fee is still under consideration.

VI. Member County Concerns/Comments-

- Steve Rodowick indicated Butte County is compiling a comparison of tipping fee and asked for members to provide copies of rate sheets. The information will be shared with members when compiled. Tedd Ward suggested including information on the rate structure and best practices. Eric Miller indicated that the compilation will include the population served
- John Heath of Shasta County has 60 Recycle Sidekicks to give away since they had not been very popular. Butte County and Amador County expressed interest.
- Shasta County Proposed Containment Fee- add Cameras to Watch Load-15% Containment Fee, first is a Warning, second is a Surcharge, in Effect in July, not yet Implemented

- Greg Stanton of El Dorado County asked members asked about contractor proposed rate increases due to market changes. Tedd Ward indicated that contractors set up system to get the profits from recycling but how are asking to be compensated when markets are low. John Heath indicated that Shasta County is implementing a contamination fee with cameras to detect greater than 15% contamination. Violations will be subject to a \$30 surcharge. Tehama has a \$15 fee implementing in January 2019. The focus is to flag contamination and educate customers. Supervisor Steele indicated that their needs to be incentives to educate customers and there are problems with neighbors contaminating others loads. A more secure system is needed. Mary indicated there is an afternoon presentation regarding Recycle Across America's Campaign. Supervisor Lynn Morgan indicated another issue is the amount of illegal dumping that occurs with rate increases. CalRecycle does several grant programs for illegal dumping. Tedd Ward suggested a future agenda item on strategies to deal with contamination strategies and China Sword.

VII. Solid Waste Regulatory Update

A. CalRecycle

- SB 1383 Regulations - Mary Pitto reported that the formal draft has not been released and will likely not be out until December or January. The economic analysis will likely come out in November. One issue we worked with CalRecycle on an exemption from residential food waste collection in areas over 4,500 feet in elevation in addition to the continued AB 1826 exemption for rural areas. Several members indicated bear issues at elevations less than 4,500. Members were asked for case studies and pictures documenting issues. Tom Valentino asked how to implement increased program requirements on self-haul. Rachel Ross asked about considering similar exemptions for low density census tracts. Larry Sweetser indicated SB 1383 included a provision for requiring 36 inches of cover for areas closed for more than 30 months.

Pitto also reported that at their October meeting CalRecycle presented their proposed methodology for their AB 1826 2020 report. In addition, CalRecycle indicated they may be considering extending the AB 1826 rural organics exemption to 2025. CAW expressed some opposition.

- AB 901 Recycling and Disposal Reporting Regulations - Larry Sweetser did not have much to add to the earlier presentation but asked for volunteers to test he proposed reporting system. The rural exemptions are still included.
- CalRecycle/ARB/CAPCOA Composting in California Whitepaper- Larry Sweetser reported that the workshop was held and presented a common understanding of the issues by the various regional air districts. The future direction of this effort is not clear.
- Covered Electronics- Larry Sweetser reported on the CalRecycle workshops pm Threats posed by Lithium batteries. Tedd Ward indicated the need to better identify which batteries are present:

B. State Water Resources Control Board

- Waste Discharge Fees- Larry Sweetser reported that the SWRCB approved no change in fees from last year's rates.
- Industrial Stormwater Program- Larry Sweetser reported on the new permit and an upcoming workshop. A new component is the application of Total Maximum Daily

Load. It seems the permit is heard to requiring onsite treatment of stormwater. A workshop is scheduled for October 24th. SWRCB staff will be invited to the next meeting to discuss the new requirements.

C. Department of Toxic Substances Control

- Update on Photovoltaic Modules/Solar Panels – Larry Sweetser reported that DTSC is requesting approval from federal EPA to adopt the regulations. The extent of the proposed request is not clear. There is no permitted in state processors.
- Electronic Hazardous Waste Manifest- Larry Sweetser reported that the system is open but has significant issues so that it may be better to wait for enrolling.
- Universal Waste Inspections- Larry Sweetser reported that a number of members have experienced inspection for management of e-waste. A sample daily inspection report was distributed. The purpose and use of the annual verification question were discussed.

D. Extended Producer Responsibility

- CA Product Stewardship Council Update-Doug Kobold CPSC – Doug reported on CPSC activities including additional grant funding for recycling and webinars on SB 212 which was sponsored by CPSC. He also provided an update on the Carpet Stewardship program conditional approval of their five-year plan and the siting of a new carpet processor opening.
- Carpet America Recovery Effort (CARE) Update- Lisa Mekis- Not in Attendance. Mary reported that their five-year report was conditionally approved and provided the status of various collection programs.
- PaintCare Update – Not in attendance but Mary reported that events were held in Lassen, Siskiyou and Truckee.
- Mattress Recycling Update- Liz Wagner reported that MRC is hiring someone to replace her as she transitions to other duties. She reported on collections in Siskiyou county and efforts to site permanent collection site in Plumas County.

E. Grant Program Update- Larry Sweetser reported new OPP awards were approved by CalRecycle and jurisdictions will be notified. We are working on tire amnesty events and experiencing a lack of tire haulers, so it was suggested that members plan early. The Local Conservation Corps have been helpful providing labor. The USDA grant period opened October 31st and ends December 31st. It can provide funds for studies related to solid waste and water quality but not for purchase of equipment.

F. Highlights August/September/October CalRecycle Meetings-- Larry Sweetser reported that Del Norte County received \$145,880 for cleanup of illegal dumping sites. Local conservation corps have been working on being able to apply for these grants. Plumas County's five-year review was approved. Several members were reported to be late on filing their disposal reports.

G. Other Regulatory Announcements/Issues of Interest

- CalRecycle News
- CalRecycle E-Waste Updates
- Cal EPA CUPA Newsletters

VIII. Agenda Suggestions, Member County Presentation Volunteer, Workshop Topics for Next ESJPA Board Meeting Scheduled Thursday March 13, 2019

Mary will choose a Volunteer to present at the December 6, 2018 Board Meeting. Larry mentioned including the Solid Waste 101 lessons. Mary also announced that she will be retiring at the end of the year.

IX. Articles of Interest - Mary Pitto directed Members to the Board packet.

X. Adjournment- was called at 12:14 PM

Respectfully submitted,
Julie Lunn, Office Coordinator



CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY
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PROGRAM MANAGER – MARY PITTO

MEMORANDUM

To: ESJPA Board
From: Lisa McCargar, RCRC Chief Financial Officer
Date: November 27, 2018
RE: ESJPA Budget – FY 2019

The proposed 2019 Environmental Services Joint Powers Authority (ESJPA) Operating Budget constitutes our continued commitment to the core functions of providing solid waste planning, solid waste services, regulatory advocacy, and other environmental services. The proposed ESJPA budget for the 2019 calendar year is shown on the following page.

Summary

To better understand the budget, it is necessary to understand the inter-relationship between the ESJPA and Rural County Representatives of California (“RCRC”). ESJPA and RCRC are two separate legal entities, each with their own by-laws and Board of Directors. RCRC is a non-profit mutual benefit corporation with a Board of Directors consisting of County Supervisors who are representatives of the 35 participating counties. The ESJPA, however, is a governmental agency with a Joint Powers Agreement. The Board of Directors of ESJPA consists of delegates (or designated staff “alternates”) from the 23 member counties. ESJPA does not employ staff, but instead contracts with RCRC to provide management, technical, and administrative services as directed by the ESJPA delegates. This contract is subject to annual review and follows the budget on today’s agenda.

The proposed ESJPA budget includes total revenues of \$210,800, proposed expenditures of \$185,200, and results in a budget surplus of revenues over expenses of approximately \$25,600 for the year ending December 31, 2019.

Revenues

ESJPA’s proposed 2019 revenue includes \$130,800 in membership dues, which reflects the addition of Lake County from the prior year. ESJPA’s 2019 revenue also includes grant reimbursements in the amount of \$80,000, a decrease of \$20,000 from the year ended December 31, 2019. The decrease is a result of less anticipated reimbursement related to the second year of the Tire Amnesty Grant. The following is a list of current grant activities that are included in the CY 2019 budget.

CalRecycle Used Oil Block Grants (Alpine, Colusa, and Mariposa Counties)
CalRecycle Local Government Waste Tire Amnesty Grant (Colusa, Inyo, Mariposa,
Sierra, and Tuolumne Counties)

Expenditures

The proposed 2019 ESJPA expenditure budget is designed to provide the resources necessary to carry out core functions. The most significant budgeted expenditures are those associated with grant activities. Grant expenses of \$80,000 are reimbursable and therefore approximate grant revenues. As described above, anticipated services related to the Tire Amnesty grant decrease by \$20,000.

Other non-grant related expenses include RCRC Contract Services in accordance with the Board approved ESJPA/RCRC Agreement. As noted above, ESJPA staffing and other allocated expenses are reflected in the \$66,000 contract fee to RCRC. Other expenditures include ESJPA's share of rent, auditing, and insurance costs.

Other Items

From time to time, ESJPA experiences cash shortfalls due to the timing of grant reimbursements. While the current year operating budget reflects a surplus of revenues over expenditures, in 2015, the RCRC Board provided a standing short-term revolving loan facility to ESJPA of up to \$100,000. This standing facility remains in effect until cancelled.

Recommendation

It is recommended that the ESJPA Board adopt the 2019 ESJPA Budget as shown on the following page.

ENVIRONMENTAL SERVICES JOINT POWERS AUTHORITY
FY 2019 BUDGET
For the Year Ended December 31, 2019

Income:	2019 Budget	2018 Budget	Change
Member County Dues	130,800	124,800	6,000
Contracts-grants/projects	80,000	100,000	(20,000)
Contribution from RCRC	0	0	0
Interest	0	0	0
Miscellaneous	0	50	(50)
Total Income	210,800	224,850	(14,050)
Expenditures:			
Auditing	3,780	3,750	30
Community Relations	1,000	1,000	0
Conferences Attended by Staff	1,250	1,250	0
Contract Support Services	66,000	63,000	3,000
Delivery Services	1,000	1,200	(200)
Dues, Fees and Subscriptions	2,000	2,000	0
Equipment & Furniture	250	250	0
Grants and Contracts	80,000	100,000	(20,000)
Insurance	6,600	6,500	100
Legal Fees	1,000	1,000	0
Meetings	6,000	4,500	1,500
Board Member Travel and Reimbursements	2,000	1,500	500
Miscellaneous	1,000	1,000	0
Office Expense	500	500	0
Off-site Storage	1,320	1,320	0
Rent	7,000	11,150	(4,150)
Training	3,000	500	2,500
Travel-Employees	1,500	1,500	0
Total Expenditures	185,200	201,920	(16,720)
Net Revenues over Expenditures	25,600	22,930	2,670

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PROGRAM MANAGER – MARY PITTO

MEMORANDUM

To: ESJPA Board of Directors

From: Mary Pitto, Program Manager

Date: November 27, 2018

RE: ESJPA – RCRC Contract Services Agreement – CY 2019

The proposed ESJPA – RCRC Contract Services Agreement for the 2019 calendar year is shown on the following pages and is presented for your consideration and approval.

The purpose of this agreement is to provide workforce services for technical and grant-related activities. RCRC will continue to provide technical and grant-related staff services to the ESJPA. The terms and conditions of the 2019 contract remain consistent with the 2018 contract, with the exception of the Technical Support services, which increased slightly. The ESJPA will pay RCRC \$66,000 this coming year out of the membership dues for direct ESJPA activities.

The Agreement also provides that the ESJPA will pay RCRC for reimbursable grant-related activities (principally staff time) on a per hour basis calculated monthly. This amount includes direct and indirect personnel costs consistent with the terms and conditions of each grant or contract ESJPA is assigned to implement on behalf of participating member jurisdictions.

Recommendation:

It is recommended that the ESJPA Board adopt the 2019 ESJPA – RCRC Contract Services Agreement.

AGREEMENT

THIS AGREEMENT ("Agreement"), dated as of January 1, 2019, is entered into by and between the Rural Counties' Environmental Services Joint Powers Authority, a joint powers authority organized and operated under Articles 1-4 of Chapter 5 of Division 7 of Title I (commencing with Section 6500) of the California Government Code (hereinafter "ESJPA"), and the Rural County Representatives of California, a California nonprofit mutual benefit corporation (hereinafter "Contractor").

R E C I T A L S

WHEREAS, ESJPA desires to obtain the services of Contractor; and,

WHEREAS, Contractor is competent and willing to provide such services to ESJPA,

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, ESJPA and Contractor (each a "party," or collectively, the "parties") agree as follows:

1. Contractor's Services.

Contractor shall perform the services described herein and otherwise as specified in **Exhibit A** hereto which is incorporated herein by this reference, under the supervision of ESJPA's Contract Manager. Contractor understands that ESJPA may desire Contractor to perform certain additional services related to the scope of services hereunder, and Contractor agrees to perform such additional services when requested by ESJPA in writing. All such additional services shall be performed as provided herein, unless otherwise provided by written amendment hereto, subject only to an adjustment reflecting the cost of such additional services and the time for performance.

2. Contractor's Personnel.

Contractor acknowledges that the personal services of Contractor's personnel are essential to the performance of Contractor's obligations hereunder, and that no substitution of Contractor's personnel so identified may be made without the prior written approval of ESJPA. Contractor shall not subcontract or assign any portion of the services provided hereunder without the prior written approval of ESJPA, except any subcontracted services identified in **Exhibit A**.

Contractor, and its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of ESJPA. By initialing this Agreement in the space provided immediately below, Contractor acknowledges that this Agreement is complete, that it does not create an employer-employee relationship between ESJPA and Contractor or any person performing services hereunder on behalf of

11/27/18

Contractor, and that this Agreement cannot and will not be modified by any oral representation of employment.

Contractor's Initials: _____

Contractor further acknowledges that its taxpayer identification number is 94-1366200, and warrants that it is responsible for paying payroll or any other kind of taxes resulting from compensation paid to Contractor hereunder.

3. Term.

This Agreement shall cover services rendered hereunder from January 1, 2019, until the earlier of completion of Contractor's work hereunder, termination of this Agreement as provided herein, or December 31, 2019, unless the term of the Agreement is otherwise extended by mutual consent of both parties. Contractor specifically acknowledges that time is of the essence with respect to completing its obligations hereunder, and that any failure to meet deadlines provided herein will result in material damage to ESJPA.

4. Compensation.

For services described in **Exhibit A** as "Non-Grant Related," Contractor shall be paid the sum of \$5,500 per month which shall be deemed to include all reasonable actual ordinary and necessary personnel expenses incurred for work performed hereunder.

For services described as "Grant Related" in **Exhibit A**, Contractor shall be compensated in the amount of the actual cost of personnel provided, including direct salary, benefits and related overhead expenses, all as specified in Contractor's invoices. However, if a specific grant program ("**Grant Program**") that the Contractor is administering, hereunder, includes a limitation on the right of Contractor to receive compensation for overhead costs, Contractor's compensation for such overhead costs shall be subject to the limitation specified in the Grant Program. The actual overhead for each hour of work performed by Contractor under this Agreement shall be the amount determined by Contractor's auditors, as adjusted from time-to-time. Nothing herein shall preclude ESJPA from directly contacting granting authorities for each Grant Program to seek the authority to modify any limitation on overhead compensation to be charged against a Grant Program.

Contractor shall submit invoices for services rendered and reimbursable expenses incurred to date not more frequently than monthly for compensation and reimbursement of allowable expenses. Approved invoices shall be paid by ESJPA within ninety (90) calendar days of receipt of such invoices.

The fees provided in this paragraph shall be the entire compensation due Contractor for these services and ESJPA shall not be liable for additional compensation for any of Contractor's time or expense except as provided herein.

5. Work Product; Confidentiality.

Contractor understands and agrees that all documents, information and reports developed in the course of performing its obligations hereunder shall be the property of ESJPA. Contractor agrees to exert its best efforts in the production of such work product of this Agreement. Contractor may retain copies of materials collected or produced hereunder during the term hereof, but in the event of termination of this Agreement, Contractor shall promptly deliver any such materials to ESJPA without exception or reservation.

If, in the course of performing its obligations hereunder, Contractor comes into possession of information known or reasonably expected to be confidential information from any source, Contractor will respect and maintain such confidentiality, whether under state, federal or common law, and be solely liable to any injured person in the event of its wrongful distribution of such confidential material.

6. Nonassignability.

No assignment of the rights nor delegation of the duties of Contractor whether in whole or in part shall be valid unless specifically agreed to in writing by ESJPA.

7. Termination.

A. Either party may terminate this Agreement at any time in the event the other party defaults in performance, fails to perform services in a timely fashion, or otherwise fails to comply with the terms of this Agreement. Either party's default or failure to perform shall be excused if prevented by acts of God, labor disputes or strikes, or other forces beyond such party's control.

B. Either party may terminate this Agreement without cause or default after having given thirty (30) calendar days notice to the other party which indicates which services and/or expenses hereunder are suspended from the date of such notice and the date of termination. Upon such termination, Contractor shall be entitled to compensation for services not suspended and actually rendered and/or expenses allowed to the date of termination and for any unreimbursed expenses otherwise payable hereunder.

8. Attorney's Fees, Costs.

If any action at law or in equity is brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, in addition to any other relief to which that party may be entitled. This provision for the recovery of attorney's fees and costs shall be construed as applicable to the entire Agreement.

9. Indemnification and Insurance.

Contractor shall indemnify, defend and hold harmless ESJPA, its officers, directors, agents, employees and attorneys, from any and all claims, causes of action, damages and losses, whether in law or equity (collectively, "Claim") arising from or related to the services performed by Contractor under this Agreement or accruing or resulting to any and all

contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies, in connection with Contractor's willful misconduct or negligent acts or omissions in the performance of Contractor's duties and services hereunder.

ESJPA shall promptly notify Contractor of any Claim made in connection with the performance of services rendered hereunder.

In order to ensure Contractor's obligations hereunder, Contractor shall maintain insurance as follows:

(1) Contractor shall maintain a commercial general liability insurance policy in the amount of not less than \$1 million per occurrence, and not less than \$2 million in the aggregate, from a carrier admitted in the State of California with a Best rating of not less than A-, VIII;

(2) Comprehensive business or commercial automobile liability coverage, including non-owned and hired automobile liability, in the amount of not less than \$1 million from a carrier admitted in the State of California with a Best rating of not less than A-, VIII;

(3) Worker's Compensation Insurance as may be required by the California Labor Code for Coverage A (statutory limits) and not less than \$1 million for Coverage B (employer liability limits) from a carrier admitted in the State of California with a Best rating of at least B+, VIII;

(4) All such policies shall remain in force during the term of this Agreement and shall be payable on a "per occurrence" basis unless otherwise accepted in writing by ESJPA, and shall be in form acceptable to ESJPA and its insurance advisers. ESJPA shall be named as an "additional insured" on any policy as may be requested by ESJPA and Contractor shall provide certificates of insurance and any endorsements required signed by Contractor's insurer prior to the commencement of Contractor's services hereunder. Any such policies or endorsements shall provide for 30 days prior notice to ESJPA in the event of any termination or reduction in coverage of such insurance.

(5) Nothing contained herein shall be construed as or constitute a limitation of Contractor's liability or Contractor's responsibility in law or equity to indemnify and hold harmless from any and all claims, damages, losses and expenses that may arise by reason of Contractor's willful misconduct or negligence, and all remedies provided hereunder shall be cumulative with all other remedies under law or equity.

10. Jurisdiction and Venue.

This Agreement shall be governed by the laws of the State of California without regard to choice of law if an action is brought in California based on activities outside California. Any action to enforce or interpret the terms of this Agreement shall be brought in Sacramento County, California.

11. Miscellaneous Provisions.

A. Partial Invalidity.

If any provision of this Agreement shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

B. Contractor's Qualifications.

Contractor covenants that it is competent to provide the services required hereunder and is licensed and qualified as necessary to perform such services in California and/or as provided herein. Contractor covenants that it will comply with all applicable federal, state and local laws affecting services provided hereunder.

C. Records and Audit.

Contractor shall maintain current and complete books and records relating to this Agreement, including, but not limited to, documents supporting all bids, income and expenditures. Books and records kept shall be original entry books with a general ledger itemizing all debits and credits for work performed hereunder. In addition, where applicable, Contractor shall maintain detailed payroll records including subsistence, travel and field expenses, and canceled checks, receipts and invoices for all such items. Contractor's documents, books and records shall be retained for at least five (5) years from the date of completion of this Agreement, and Contractor shall permit access to audit its books, accounts and records relating hereto, and such records of all business entities controlled by Contractor who participated in the performance of this Agreement. Any audit by ESJPA may be conducted on Contractor's premises, or at the option of ESJPA, Contractor shall provide all such records to ESJPA for such audit elsewhere. Contractor shall refund any moneys erroneously paid; if Contractor has erroneously billed for an amount exceeding five percent (5%) of the compensation paid hereunder, Contractor shall also be liable for the cost of audit in addition to any other penalty.

D. Nondiscrimination Clause.

During the performance of this Agreement, Contractor shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or sexual orientation, ancestry, physical handicap, medical condition, marital status, or age (over 40).

E. Cooperation.

The parties shall cooperate with each other in the performance of their respective obligations hereunder. ESJPA's Contract Manager shall be Staci Heaton or such other person designated in writing by ESJPA. Contractor's representative for the purpose of any approvals or requests made hereunder shall be Greg Norton.

F. Entirety, Amendments.

This Agreement supersedes any and all other agreements, oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said matter, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied or referred to herein, and that no other agreement, statement, or promise not contained or referred to in this Agreement shall be valid or binding.

This Agreement is entire as to all of the performances to be rendered under it. Breach of any of the performances to be rendered by Contractor shall constitute a breach of the entire Agreement and shall give ESJPA the right to terminate this Agreement. ESJPA's breach of any of the obligations created by this Agreement shall constitute a breach of the entire Agreement and give Contractor the right to terminate this Agreement.

No amendment or modification of the provisions of this Agreement shall be valid unless made in writing and signed by the parties hereto.

G. Disclosure.

Contractor agrees to make any necessary disclosures and filings required of Contractor under the California Government Code, if applicable.

H. Notice.

Any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by mail, postage prepaid, and shall be deemed communicated as of the date of actual receipt. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this paragraph.

To Contractor: Rural County Representatives of California
1215 K Street, Suite 1650
Sacramento, California 95814
Attn: Greg Norton, President and CEO

To ESJPA: Rural Counties' Environmental Services
Joint Powers Authority
1215 K Street, Suite 1650
Sacramento, California 95814
Attn: Staci Heaton, Program Manager

WHEREFORE, the parties hereto have executed this Agreement as of the date set forth above.

CONTRACTOR:

RURAL COUNTY REPRESENTATIVES OF
CALIFORNIA, A CALIFORNIA NONPROFIT
MUTUAL BENEFIT CORPORATION

By: _____

Greg Norton
President and CEO

ESJPA:

RURAL COUNTIES' ENVIRONMENTAL
SERVICES JOINT POWERS AUTHORITY, A
JOINT POWERS AUTHORITY

By: _____

Michael Kobseff
ESJPA Board Chair

EXHIBIT A

Contractor shall provide professional, technical, administrative, and related support services to the ESJPA as follows:

A. Non-Grant Related Work: For the purposes of this Agreement, "non-grant related work" shall include all services provided by the Contractor for which the ESJPA does not receive reimbursement from a grantor agency. Under the direction of the ESJPA Board of Directors, this work shall include providing advocacy services on behalf of the member county interests; providing technical support services and information distribution; organizing, scheduling, preparing agendas, and recording minutes for ESJPA Board meetings, for the ESJPA Technical Advisory Group, and for the ESJPA Legislative Task Force; representing the ESJPA at conferences, workshops, and seminars, as well as to governmental agencies, trade associations, private industry, and other organizations; facilitating coordination and cooperation between member counties; preparing reports, technical memoranda, grant applications, and other documents on behalf of the ESJPA; managing ESJPA contracts and performing associated administrative and clerical duties; and other related services and projects as may be requested by the ESJPA Board of Directors.

B. Grant Related Work: Upon request by the ESJPA and/or member counties, Contractor shall provide services for the administration and implementation of grant-related projects. Services shall be provided by the Contractor in accordance with the requirements of the grantor agency and shall be consistent with the approved scope of work as described in the grant agreement between the ESJPA and grantor agency.

Contractor may provide requested services to the ESJPA for the following grant programs:

- Household Hazardous Waste Grants
- Waste Tire Grants
- Used Oil Opportunity Grants
- SB 332 City/County Recycling Programs
- USDA Universal Waste Management Training

Upon mutual agreement, RCRC may provide additional grant-related services, in accordance with the terms of this agreement, for other grant programs as may be requested by the ESJPA in writing.

C. Additional Work: Upon mutual written agreement of the parties, RCRC may provide additional services to the ESJPA beyond those specified above. The basis for compensation to RCRC for these additional services shall be as specified in writing and as agreed to by both parties.

11/27/18



CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY
VICE CHAIR – MICHAEL RANALLI, EL DORADO COUNTY
EXECUTIVE DIRECTOR – GREG NORTON

TECHNICAL ADVISORY GROUP (TAG)
TAG CHAIR – RACHEL ROSS, TEHAMA COUNTY
TAG VICE CHAIR – JIM MCHARGUE, AMADOR COUNTY
PROGRAM MANAGER – MARY PITTO

MEMORANDUM

To: ESJPA Board of Directors
From: Mary Pitto, Program Manager
Date: November 28, 2018
RE: Proposed RCRC Solid Waste 2019 Policy Principles

Each year, the RCRC Board of Directors adopts Policy Principles to help serve as a guide to RCRC staff when reviewing legislation and regulations to determine the appropriate position for the organization and its members.

Traditionally, the Policy Principles are provided to the RCRC Board of Directors in draft form at the December RCRC Board of Directors Meeting. RCRC staff encourages Board Members to share with other members of their County Boards of Supervisors and staff for review, which helps to make revisions to the document. The Policy Principles are formally adopted annually at the January RCRC Board of Directors Meeting. The Policy Principles may also be updated periodically to reflect new issues or policy changes made by the RCRC Board of Directors.

Last year, RCRC staff completed and the RCRC Board of Directors approved a major overhaul to improve the overall effectiveness of the document. The overhaul removed redundancies and streamlined content, making the document shorter, less-cluttered, and more practical.

RCRC staff reviewed the current Policy Principles and provided a few modest improvements to the document, but none to the Solid Waste Policy Principles. Please review the attached Solid Waste Section and provide any proposed edits to Maggie Chui (mchui@rcrcnet.org) **in writing no later than January 1, 2019** so these revisions can be included in the January 2019 Board Packet and considered at the January RCRC Board of Directors Meeting.

Attachment

- 2019 Proposed RCRC Solid Waste Policy Principles

WASTE MANAGEMENT AND RECYCLING

Alternative Daily Cover. RCRC supports preserving the use of green waste materials for alternative daily cover as a viable option and does not support having the Tipping Fee apply to green waste materials that are used as ADC under the current fee structure.

Disposal Bans. RCRC supports advanced statewide planning and infrastructure for convenient identification and recovery of all materials and products prior to banning from California landfill disposal or requiring separate handling or processing. RCRC supports active contributions from manufacturers and retailers to establish programs to cover the costs for disposal, recycling, special handling, and/or any public education required for their end-of-life products, before any such disposal bans are implemented.

Disposal Mandates. RCRC supports appropriate tools for municipalities to achieve statewide waste diversion goal, including extended producer responsibility, an easing of the permitting restrictions for organic waste processes and other solid waste activities, model program guidelines, and increased funding. RCRC opposes regulatory requirements that do not consider existing infrastructure and capacity and the economic feasibility of new facilities, and that do not provide the flexibility for phasing-in various regions and areas of the state, especially in rural counties.

Electronic and Universal Waste. RCRC supports the proper disposal of electronic and universal waste through programs that place the cost of compliance on manufacturers and consumers rather than on county-operated landfills or waste management programs.

Extended Producer Responsibility. RCRC supports producer responsibility for financing and arranging the collection and recycling of their products at end-of-life, preferably through product take-back by the manufacturers/retailers.

Financing State Solid Waste Disposal Programs. RCRC supports a wide range of options to reform the financing mechanisms for the management of solid waste programs, including: increasing the current tipping fee as a temporary measure; applying new solid waste management fees on aspects of the waste stream that currently have no levies; reforming the programs that CalRecycle manages to limit costs; or, a combination of these options. RCRC opposes an increase in the Tipping Fee or other funding mechanisms for projects and programs that are not part of a direct effort to manage and reduce the overall amount of solid waste.

Jurisdictional Compliance. RCRC supports using program-based criteria to determine jurisdictional compliance with statutory waste diversion requirements that incorporate rural considerations. RCRC opposes numerical justifications on program implementation that do not include rural considerations.

Permitting. RCRC supports “tiered” solid waste facility permitting and operating requirements with reduced administrative and operational requirements that are commensurate with the limited environmental and public health risks associated with small-volume facility operation in low-density population areas.

Agenda Item V

LEGISLATIVE UPDATE

2019 TENTATIVE LEGISLATIVE CALENDAR
 COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE
 Revised 10-31-18

DEADLINES

JANUARY							
	S	M	T	W	TH	F	S
			1	2	3	4	5
Wk. 1	6	7	8	9	10	11	12
Wk. 2	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30	31		

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 4						1	2
Wk. 1	3	4	5	6	7	8	9
Wk. 2	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28		

MARCH							
	S	M	T	W	TH	F	S
Wk. 4						1	2
Wk. 1	3	4	5	6	7	8	9
Wk. 2	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30
Wk. 1	31						

APRIL							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
Spring Recess	14	15	16	17	18	19	20
Wk. 3	21	22	23	24	25	26	27
Wk. 4	28	29	30				

MAY							
	S	M	T	W	TH	F	S
Wk. 4				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
No Hrgs.	26	27	28	29	30	31	

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 7 Legislature reconvenes (J.R. 51(a)(1)).
- Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 21 Martin Luther King, Jr. Day.
- Jan. 25 Last day to submit bill requests to the Office of Legislative Counsel.

- Feb. 18 Presidents' Day.
- Feb. 22 Last day for bills to be introduced (J.R. 61(a)(1), J.R. 54(a)).

- Mar. 29 Cesar Chavez Day observed.

- Apr. 11 Spring Recess begins upon adjournment (J.R. 51(a)(2)).
- Apr. 22 Legislature reconvenes from Spring Recess (J.R. 51(a)(2)).
- Apr. 26 Last day for policy committees to meet and report to fiscal committees fiscal bills introduced in their house (J.R. 61(a)(2)).

- May 3 Last day for policy committees to meet and report to the floor non-fiscal bills introduced in their house (J.R. 61(a)(3)).
- May 10 Last day for policy committees to meet prior to June 3 (J.R. 61(a)(4)).
- May 17 Last day for fiscal committees to meet and report to the floor bills introduced in their house (J.R. 61(a)(5)). Last day for fiscal committees to meet prior to June 3 (J.R. 61(a)(6)).
- May 27 Memorial Day.
- May 28-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees (J.R. 61(a)(7)).
- May 31 Last day for each house to pass bills introduced in that house (J.R. 61(a)(8)).

*Holiday schedule subject to final approval by Rules Committee.

2019 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE
Revised 10-31-18

JUNE							
	S	M	T	W	TH	F	S
No Hrgs.							1
Wk. 4	2	3	4	5	6	7	8
Wk. 1	9	10	11	12	13	14	15
Wk. 2	16	17	18	19	20	21	22
Wk. 3	23	24	25	26	27	28	29
Wk. 4	30						

June 3 Committee meetings may resume (J.R. 61(a)(9)).

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)(3)).

JULY							
	S	M	T	W	TH	F	S
Wk. 4		1	2	3	4	5	6
Wk. 1	7	8	9	10	11	12	13
Summer Recess	14	15	16	17	18	19	20
Summer Recess	21	22	23	24	25	26	27
Summer Recess	28	29	30	31			

July 4 Independence Day.

July 10 Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees (J.R. 61(a)(10)).

July 12 Last day for **policy committees** to meet and report bills (J.R. 61(a)(11)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(a)(3)).

AUGUST							
	S	M	T	W	TH	F	S
Summer Recess					1	2	3
Summer Recess	4	5	6	7	8	9	10
Wk. 2	11	12	13	14	15	16	17
Wk. 3	18	19	20	21	22	23	24
Wk. 4	25	26	27	28	29	30	31

Aug. 12 Legislature reconvenes from Summer Recess (J.R. 51(a)(3)).

Aug. 30 Last day for **fiscal committees** to meet and report bills (J.R. 61(a)(12)).

SEPTEMBER							
	S	M	T	W	TH	F	S
No Hrgs.	1	2	3	4	5	6	7
No Hrgs.	8	9	10	11	12	13	14
Interim Recess	15	16	17	18	19	20	21
Interim Recess	22	23	24	25	26	27	28
Interim Recess	29	30					

Sept. 2 Labor Day.

Sept. 3-13 **Floor session only.** No committees may meet for any purpose, except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees (J.R. 61(a)(13)).

Sept. 6 Last day to **amend** bills on the floor (J.R. 61(a)(14)).

Sept. 13 Last day for any bill to be passed (J.R. 61(a)(15)). **Interim Recess** begins upon adjournment (J.R. 51(a)(4)).

IMPORTANT DATES OCCURRING DURING INTERIM RECESS

2019

Oct. 13 Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 13 and in the Governor's possession after Sept. 13 (Art. IV, Sec. 10(b)(1)).

2020

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 6 Legislature reconvenes (J.R. 51(a)(4)).

*Holiday schedule subject to final approval by Rules Committee.

Agenda Item VII

SOLID WASTE REGULATORY UPDATES

Waste Evaluation and Enforcement Branch Staff Report

Summary of the City of Tracy Compliance Review and Consideration of the Issuance of Compliance Order 018-004

SUMMARY

The Department of Resources Recycling and Recovery (Department) conducted a review of the City of Tracy's (City) implementation of, and compliance with, California's Recycling of Commercial Solid Waste Law, referred to as the Mandatory Commercial Recycling (MCR) law (California Public Resources Code (PRC) sections 42649-42649.7 and Title 14 California Code of Regulations (CCR) sections 18835-18839). PRC section 42649.3 requires the Department to review whether a jurisdiction has complied with, or made a good faith effort to comply with, the requirements of the MCR law. For purposes of this evaluation, "good faith effort" means all reasonable and feasible efforts by a jurisdiction to implement its MCR program. The evaluation of good faith includes, but is not limited to, the factors found in PRC section 42649.3 (i)((1)-(7)).

Based on the Jurisdiction Compliance Unit (JCU) staff's observations, the following key deficiencies, as well as other details described in the report demonstrate the City has not made a good faith effort to comply with the requirements of the MCR law:

- The City did not implement a commercial solid waste recycling program that was designed to divert commercial solid waste from businesses within the City, which are subject to PRC section 42649.2 and Title 14 CCR section 18837.
- The City did not provide documentation supporting the efforts it has taken to notify businesses and multi-family complexes of noncompliance with the MCR law (PRC section 42649.3 (d) and Title 14 CCR section 18838 (a)(2)).
- The City's Annual Reports for 2012, 2013, 2014, 2015, 2016, and 2017 submitted on or before the August due date, were incomplete regarding implementation of the requirements of the MCR law (PRC section 42649.3 (g) and Title 14 CCR section 18838 (h)). Follow-up by Local Assistance and Market Development (LAMd) and JCU staff did result in some additional information, however, reporting was still incomplete and did not provide details to support that the City made all reasonable and feasible efforts to implement the following components of their program:
 - Identification
 - Monitoring

Based on JCU staff's review and analysis of the City's MCR program, JCU staff recommends that a Compliance Order (CO) be issued. As part of the CO, the City would be directed to develop a Local Implementation Plan (LIP). The LIP will identify a strategy for program enhancements, and local actions necessary to enable the City to meet the requirements of the MCR law.

JURISDICTION COMPLIANCE HISTORY

The City does not have any prior Compliance Orders, nor has it filed for extensions to improve diversion programs to meet the diversion requirement of PRC 41780.

Based on historical records and previous findings, the City was included in the four-year Jurisdiction Review cycle.

BACKGROUND

Statutory Requirements for Department Review and Enforcement Action

PRC section 42649.3 requires that on and after July 1, 2012, each jurisdiction shall implement a commercial solid waste recycling program appropriate for that jurisdiction designed to divert commercial solid waste from businesses subject to PRC section 42649.2, whether or not the jurisdiction has met the requirements of PRC section 41780. Each jurisdiction is also required to report the progress achieved in implementing the MCR law, including identification, monitoring, education, outreach, and if applicable, enforcement efforts, by providing updates in the Annual Report required by PRC section 41821.

PRC section 42649.3 requires the Department to review whether a jurisdiction has complied with, or made a good faith effort to comply with, the requirements of the MCR law. For purposes of this evaluation, “good faith effort” means all reasonable and feasible efforts by a jurisdiction to implement its commercial recycling program in accordance with the MCR law (PRC section 42649.3 (i)).

Pursuant to PRC section 42649.3 (g), the Department is to review a jurisdiction’s compliance with the MCR law as part of the Jurisdiction Review required by PRC section 41825. The Department may also evaluate whether a jurisdiction is in compliance at any time that the Department receives information that the jurisdiction has not implemented, or is not making a good faith effort to implement its commercial recycling program (PRC section 42649.3 (h)).

In determining whether the jurisdiction has made a good faith effort to comply with the requirements of the MCR law, the Department’s evaluation may include, but is not limited to, the following factors:

- The extent to which businesses have arranged for recycling services in compliance with PRC Section 42649.2, including information on the amount of disposal that is being diverted from the businesses, if available, and on the number of businesses that are subscribing to recycling services;
- The recovery rate of the commercial waste from the material recovery facilities that are utilized by the businesses;
- The extent to which the jurisdiction is conducting education and outreach to businesses;
- The extent to which the jurisdiction is monitoring businesses, and notifying those businesses that are out of compliance;
- The availability of markets for collected recyclables;
- Budgetary constraints; and
- For rural jurisdictions, the effects of small geographic size, low population density or distance to markets.

The Department is also required to consider the enforcement criteria included in its enforcement policy that was amended and approved in June 2015 (PRC section 41825 (e)(3)).

If the Department determines that the jurisdiction did not comply with, or make a good faith effort to comply with the MCR law, the Department may issue a Compliance Order.

Prior to issuing a notice of intent to issue a Compliance Order, PRC section 41825 (c)(1) requires the Department to confer with the jurisdiction for at least 60 days regarding conditions relating to the proposed order of compliance.

If, after conferring with the jurisdiction, the Department makes a determination that a compliance order should be issued, PRC section 41825 (c)(2) requires the Department to issue a notice of intent to issue a Compliance Order not less than 30 days prior to conducting the hearing to consider issuing the Compliance Order. At any time prior to the hearing, at the hearing, or after the hearing the Department may decide not to commence compliance action if it finds that the jurisdiction has made a good faith effort to implement the MCR law.

Fines of up to \$10,000 per day may be imposed if the provisions of the Compliance Order and schedule are not met by the jurisdiction (PRC section 41850).

The Department's Review Process

At the Department's March 2017 public meeting, LAMD staff reported that the City's 2012-2015 Jurisdiction Review Cycle identified significant program gaps in the City's implementation of MCR. Prior to the meeting, LAMD provided the City with 30 days to demonstrate how they would address the gaps. LAMD received a plan from the City and determined that the plan was adequate in addressing the program gaps.

LAMD staff communicated with the City on numerous occasions, monitored, and reviewed the City's implementation of its MCR program following the submittal of the plan. As a result of LAMD's monitoring, it was determined that the City did not adequately implement the plan submitted to CalRecycle; nor did the City take any other action to address the gaps in the City's implementation of the MCR law. On March 20, 2018, LAMD notified the City that an independent review of the City's MCR implementation was necessary (Attachment 1). On May 29, 2018, JCU staff initiated the 60-day conferring process required by PRC Section 41825 (Attachment 2).

JCU conducted an independent jurisdictional review, which extensively reviews and analyzes data and documentation to understand a jurisdiction's MCR implementation efforts. The review included, but was not limited to:

- Communications with the jurisdiction (phone calls, emails, and letters) to learn about the community and the MCR program offered.
- Requesting approval from the jurisdiction to communicate with any of the hauler(s) (whether under contract or not) on behalf of the jurisdiction to obtain records related to, but not limited to, the total number of accounts serviced, and the total tons of collected recyclables and waste from the jurisdiction.
- Commercial cart and bin field evaluations.
- Observing and evaluating a jurisdiction's recycling and waste loads at their haulers transfer station.

- Tracking efforts to amend or award franchise agreements or other contracts that can have an impact on a jurisdiction's implementation of the MCR program.

In May 2018, JCU began its independent review of the City's MCR program implementation, using available information from the City's Annual Reports, Department databases, and communications between the Department and the City. This review focused on the commercial waste generators (as defined by PRC 42649.1 (c)) and multi-family residential complexes of five units or more and included visits with City staff, the City's haulers, City's facilities, and a transfer station.

ANALYSIS

Overview of Jurisdiction Demographics and Infrastructure

Existing Jurisdiction Conditions

The City is located in San Joaquin County. According to the 2010 U.S. Census Bureau, the City encompasses approximately 22.0 square miles. The City has a population of 91,051 (Department of Finance, 2017). According to the jurisdiction's base year history (dated 2001), 73.0 percent of the City's total waste generation is from the non-residential waste stream.

Summary of City's Solid Waste Infrastructure and Materials Flow

The City has a contract with Tracy Delta Solid Waste Management, Inc. (hauler) to provide collection of commercial waste and recycling in the City. The City has reported that they are providing both a source separated and commingled recycling program that targets paper, cardboard, plastic containers, glass containers, metal and aluminum containers, and polystyrene. Commercial waste and recycling bins range in size from one and a half (1.5) cubic yards to six (6) cubic yards. In addition to offering bin service, the hauler also provides 60-gallon and 96-gallon waste cart service, as well as 96-gallon recycling cart service. Waste and recycling collection varies depending on an account's needs.

Commercial waste and recycling is taken to Tracy Material Recovery and Solid Waste Transfer Station (Transfer Station) in the City for processing. Recyclables are processed on-site. Waste loads are loaded into transfer trailers and hauled to Foothill Sanitary Landfill in Linden for disposal.

The City also allows businesses and multi-family complexes to recycle through self-haul. There are three California Redemption Value (CRV) centers located in the City that redeem beverage containers for cash.

Findings and Observations of the Jurisdiction's Mandatory Commercial Recycling Program

Below is a detailed analysis of the City's program, and the City's efforts to implement the program, the law and reporting requirements. The analysis includes a program evaluation, which leads to the determination of good faith effort or lack thereof.

Commercial businesses that generate four (4) cubic yards or more of waste per week, and multi-family complexes of five (5) or more units must comply with the MCR law. Described below are staff's findings of what was found at both commercial businesses, multi-family complexes, and at the solid waste and recycling facilities accepting the materials produced by the jurisdiction.

A field visit was conducted as part of the review on July 31-August 1, 2018. JCU staff's field visit photo report (Attachment 3) contains visual documentation of many of the observations detailed below.

Commercial Business Diversion

About the Program and Efforts:

On-Site Collection: Participation in the City's commercial recycling program is voluntary. The City offers both source-separated and commingled recycling service to businesses. Source-separated cardboard recycling is included with subscription to waste service. Businesses can subscribe to the City's commingled recycling program for an additional cost. Materials accepted for recycling through the commingled recycling program include paper, cardboard, plastic containers, glass containers, metal and aluminum containers, and polystyrene. Depending on the needs of the business, the City's hauler provides one and a half (1.5) cubic yards to six (6) cubic yards recycling bins and 96-gallon recycling carts. Service frequency also varies depending on the needs of the business.

Self-Haul: The City allows businesses to self-haul their recyclables to comply with the MCR law. As of the date this report was prepared, the City had not provided details regarding the efforts the City takes to implement the identification and monitoring component of the City's self-haul program.

Recent Efforts by the City: The City has been meeting with its Finance Department, which handles the billing for the hauler, to obtain information needed to identify compliant MCR businesses. In addition, the City hired an Administrative Technician in September 2018 to reconcile the identification and monitoring discrepancies between the City and hauler's MCR business reports, and assist in both the mailing of MCR educational materials and a survey which inquires about business recycling programs. The City anticipates these efforts to be completed by the end of calendar year 2018.

Facts and Observations Related to On-Site Commercial Business Recycling Efforts:

- In response to JCU's request for information, the City reported that 299 businesses meet the MCR definition of a business and are required to recycle under the MCR law. The City was not able to provide data regarding the number of businesses participating in the City's MCR recycling program. Throughout JCU's review the City provided updates regarding the identification of the number of businesses required to meet the MCR mandate. According to the City's most recent update to JCU, the City does not have accurate data regarding the businesses that meet the definition of MCR, the number of businesses recycling, and the number of businesses self-hauling. A full discussion of the City's identification and monitoring efforts are presented below.
- On JCU's field visit, approximately 37 businesses were evaluated. In total, 43 waste bins and 30 recycling bins were observed (Attachment 4).
- Of the 30 recycling bins observed, 28 were source separated cardboard bins and two (2) were commingled recycling bins.
- Recycling bins observed contained less than 10 percent contamination.

- JCU observed five (5) businesses setting aside recyclable materials for self-hauling, primarily cardboard.

Facts and Observations Related to On-Site Commercial Business Waste Collection:

- On JCU's field visit, staff observed three (3) to six (6) cubic yard waste bins at different businesses throughout the City. JCU staff also observed the waste bins to contain approximately 25 percent divertible material.

Multi-Family Complex Diversion

About the Program and Efforts:

On-Site Collection: Participation in the City's commercial recycling program for multi-family complexes is voluntary. The City offers both source separated and commingled recycling service to multi-family complexes. Source separated cardboard recycling is included with subscription to waste service. Multi-family complexes can subscribe to the City's commingled recycling program for an additional cost. Materials accepted for recycling through the commingled recycling program include paper, cardboard, plastic containers, glass containers, metal and aluminum containers, and polystyrene. Depending on the needs of the multi-family complex, the City's hauler provides one and a half (1.5) cubic yards to six (6) cubic yards recycling bins and 96-gallon recycling carts. Service frequency also varies depending on the needs of the multi-family complex.

Self-Haul: The City allows multi-family complexes to self-haul their recyclables to comply with the MCR law. As of the date this report was prepared, the City had not provided details regarding the efforts the City takes to implement the identification and monitoring component of the City's self-haul program.

Recent Efforts by the City: The City has been meeting with its Finance Department, who handles the billing for the hauler, to obtain information needed to identify compliant MCR multi-family complexes. In addition, the City hired an Administrative Technician in September 2018 to reconcile the identification and monitoring discrepancies between the City and hauler's MCR multi-family complex reports, and assist in both the mailing of educational materials and a survey which inquire about multi-family complex recycling programs. The City anticipates these tasks to be completed by the end of calendar year 2018.

Facts and Observations Related to On-Site Multi-Family Complex Recycling Efforts:

- In response to JCU's request for information, the City reported that 52 multi-family complexes meet the MCR definition and are required to recycle under the MCR law. When asked, the City was not able to provide data nor specify the number of multi-family complexes participating in the City's MCR recycling program. Throughout JCU's review the City provided updates regarding the identification of the number of multi-family complexes required to meet the MCR mandate. According to the City's most recent update to JCU, the City does not have accurate data regarding the multi-family complexes that meet the definition of MCR, the number of multi-family complexes recycling, and the number of multi-family complexes self-hauling. A full discussion of the City's identification and monitoring efforts are presented below.

- On JCU's field visit, five (5) multi-family complexes were evaluated, two (2) of which had recycling containers on-site.
- JCU observed 18 waste bins and eight (8) source separated cardboard recycling containers. Of the eight (8) source separated cardboard containers, three (3) were bins, and five (5) were 96-gallon carts (Attachment 4). Recycling containers observed contained approximately 20 percent contamination.

Facts and Observations Related to On-Site Multi-Family Complex Waste Collection:

- On JCU's field visit, staff observed two (2) to four (4) cubic yard waste bins at five (5) multi-family complexes throughout the City. JCU staff observed the waste bins contained approximately 35 percent divertible materials including mixed recyclables and green waste.

Jurisdiction Compliance with the Notification Requirement of Noncompliant Commercial Businesses and Multi-Family Complexes

As outlined in PRC section 42649.3 (d), a jurisdiction's solid waste recycling program shall include education, outreach to, and monitoring of a business. A jurisdiction is also required to notify those businesses and multi-family complexes that are not in compliance with PRC section 42649.2. Below outlines the City's efforts to comply with the notification aspect of the MCR law.

Facts and Observations:

- In 2012, 2013, 2014, 2015, 2016, or 2017, the City did not report in its Electronic Annual Report (EAR) on notifying businesses or multi-family complexes that were not in compliance with MCR. The City did not respond to LAMD's request for information regarding the notification efforts made for the reporting years.
- In 2018, when JCU inquired what the City's efforts are to notify businesses and multi-family complexes, the City responded that currently noncompliance notifications are not distributed. The City stated that they are developing a plan to distribute noncompliance notifications; however, implementation is dependent upon the completion of a reconciliation of identification and monitoring discrepancies between the City and hauler's MCR reporting. While the City reports the data reconciliation is scheduled to be completed by the end of calendar year 2018, the City has not provided details or a timeline regarding the efforts the City will undertake to distribute the required notifications.

Solid Waste and Recycling Facility Facts and Observations:

Commercial businesses and multi-family complexes are serviced on the same waste and recycling collection routes. Therefore, it is difficult to identify the materials generated specifically by businesses or multi-family complexes during JCU staff's observations of waste and recycling loads at the facility.

- JCU staff observed two (2) source separated cardboard loads from the City at the transfer station containing approximately 10 percent contamination.
- JCU staff observed six (6) waste loads at the transfer station containing approximately 30 percent divertible materials, including mixed recyclables and green waste.

Conclusions:

JCU has found inconsistencies in the City's reported information regarding the number of businesses and multi-family complexes who meet the definition of the MCR law, as well as the number recycling. More recently, the City reported they are not able to provide data nor specify the number of businesses or multi-family complexes in compliance with the MCR law, due to an ongoing reconciliation of the identification and monitoring discrepancies between the City and hauler's MCR reports. Based on a lack of data, JCU was not able to calculate a participation rate, for businesses or multi-family complexes subject to MCR.

Furthermore, the City has not demonstrated compliance with the requirement to notify all noncompliant businesses and multi-family complexes of the requirements to participate in the City's MCR program. Based on this and the above analysis, the City has not demonstrated that it has made all reasonable and feasible efforts to implement a program designed to recycle commercial waste from businesses or multi-family complexes subject to the MCR law.

Jurisdiction Compliance with the Annual Reporting Requirement

Pursuant to PRC section 42649.3 (g) and Title 14 CCR section 18838 (h) each jurisdiction is required to report the progress achieved in implementing the MCR law, including identification, monitoring, education, outreach, and if applicable, enforcement efforts. PRC section 42649.3 (g) requires the jurisdiction to include its progress in the Annual Report required by PRC section 41821. Below is a detailed analysis of the City's reporting efforts that includes information used to determine good faith effort or lack thereof.

Summary:

JCU conducted an analysis of the City's 2012, 2013, 2014, 2015, 2016, and 2017 Annual Reports and prepared a table of its findings, regarding the information reported in the City's Annual Reports for the years covered by and during this review.

MCR Program	Review Period						Additional Data
	2012	2013	2014	2015	2016	2017*	2018**
Total Businesses	308	Not Reported	308	315	382	385	299
Businesses Recycling	227	Not Reported	223	260	180	Not Reported	Not Reported
Businesses Not Recycling	81	Not Reported	85	55	202	Not Reported	Not Reported

MCR Program	Review Period						Additional Data
	2012	2013	2014	2015	2016	2017*	2018**
Total Multi-Family	106	<i>Not Reported</i>	106	106	114	111	52
Multi-Family Recycling	52	<i>Not Reported</i>	56	37	61	<i>Not Reported</i>	<i>Not Reported</i>
Multi-Family Not Recycling	54	<i>Not Reported</i>	50	69	53	<i>Not Reported</i>	<i>Not Reported</i>

*2017 was not part of the referral period, but was submitted during the course of the review and is included for reference.

**2018 reflects the September 2018 data provided by the City in response to JCU's inquiry.

- **Identification**

A jurisdiction is required to identify businesses that dispose of four (4) or more cubic yards of commercial solid waste per week and multi-family residential complexes of five (5) units or more (Title 14 CCR section 18838 (a)(2)). The jurisdiction must report its progress in identifying these businesses in its Annual Report. As indicated by the table above:

- In 2012, 2014, 2015, 2016, and 2017, the City identified the total number of commercial businesses and multi-family complexes subject to the MCR law.
 - In 2016, the City reported a large increase in businesses subject to the MCR law. When JCU inquired on the reasoning for the increase, the City informed JCU that the numbers were inaccurate.
- In 2013, the City did not identify the total number of commercial businesses and multi-family complexes subject to the MCR law. The City did not respond to LAMD's request for additional information on identification.
- In 2018, JCU inquired about the City's identification efforts.
 - In June 2018, the City identified 386 businesses and 110 multi-family complexes subject to the MCR law.
 - In July 2018, and on behalf of the City, the hauler provided JCU a list of businesses and multi-family complexes subject to the MCR law. Based on JCU's analysis, the hauler identified 299 businesses and 54 multi-family complexes subject to the MCR law. When JCU inquired with the City on the discrepancies of reporting between the City and the hauler, the City reported the City and hauler maintain separate records of the number of customers and their associated waste and recycling levels.
 - The City expressed a concern regarding the accuracy of the reported numbers, in part due to the reconciliation error found when the City worked with its hauler to compile information for JCU.
 - In September 2018, JCU contacted the City to gather additional data. The City reported having 299 businesses and 52 multi-family complexes subject to the MCR law. The City has shared it is undertaking an effort to further reconcile the City and hauler records to ensure accuracy, and

anticipates having the reconciliation completed by the end of 2018.

- Until the reconciliation of the City and hauler records are complete, and data on businesses and multi-family complexes utilizing self-haul and third party is provided, JCU cannot be assured of the accuracy of what has been reported to date.

- **Monitoring**

A jurisdiction is also required to monitor businesses and multi-family complexes subject to the MCR law to determine whether they are recycling (Title 14 CCR section 18838 (a)(2)) and report on those efforts in the Annual Report.

- In 2012, 2014, 2015, and 2016, the City reported the number of businesses and multi-family complexes that are required to recycle per the law.
- In 2013, the City did not report the number of business and multi-family complexes that are required to recycle per the law. The City did not respond to LAMD's request for additional information.
- In 2016, the City reported a large decrease in businesses recycling. When JCU inquired on the reasoning for the decrease, the City reported the numbers were inaccurate.
- In 2017, the City reported the number of businesses and multi-family complexes subject to the MCR law, but did not report the number of businesses and multi-family complexes that were recycling. The City further reported to not having data on businesses and multi-family complexes who self-haul or utilize third party recyclers.
- In 2018, JCU inquired about the City's monitoring efforts:
 - In June 2018, the City reported 386 businesses and 110 multi-family complexes that required MCR participation. Out of those required to recycle, 181 businesses and 60 multi-family complexes were identified to be in compliance.
 - In July 2018, and on behalf of the City, the hauler provided JCU a list of businesses and multi-family complexes in compliance with the MCR law. Based on JCU's analysis, the list identified 299 businesses and 54 multi-family complexes that required MCR participation. Out of those required to recycle, 167 businesses and 54 multi-family complexes were identified to be recycling. When JCU inquired with the City on the discrepancies of reporting between the City and the hauler, the City reported the City and hauler maintain separate records of the number of customers and their associated waste and recycling levels.
 - As presented within the Identification discussion above, the City expressed a concern regarding the accuracy of the reported numbers, in part due to the reconciliation error found when the City worked with its hauler to compile information for JCU.
 - In September 2018, JCU contacted the City to gather additional data. The City reported the number of businesses and multi-family complexes subject to the MCR law, but did not report the number of businesses and multi-family complexes that are recycling.
 - As presented within the Identification discussion above, the City has shared with JCU that it is undertaking an effort to identify the

businesses and multi-family complexes to support the City's monitoring efforts. Until the identification efforts are complete, the City is not able to monitor.

- **Education and Outreach**

About the Efforts:

The following was reported within the Annual Reports:

- In 2012, the City reported:
 - Adding information regarding the MCR law to the website and including a link to the hauler's website;
 - The hauler also added information regarding the MCR law on its website;
 - Broadcasting an announcement regarding the MCR law on its access channel;
 - Sending a letter to all MCR businesses and multi-family complexes notifying them of the law;
 - Including information about the MCR law in its Commercial & Multi-Family Recycling Guide; and
 - Including information on the law on utility bills.
- In 2013, the City reported:
 - The hauler worked with businesses to customize recycling programs to fit specific business needs; and
 - Continues to have MCR law information posted online.
- In 2014, the City reported:
 - The hauler worked with businesses to customize recycling programs to fit specific business needs;
 - Continuing to have MCR law information posted online; and
 - Including MCR information in business license renewals packets.
- In 2015, the City reported:
 - Including MCR law information in utility bills, business license renewal packets, on the website, and in brochures available at various City departments; and
 - Businesses are informed of the MCR law when setting up new services.
- In 2016, the City reported:
 - Sending educational letters to MCR businesses and multi-family complexes; and
 - Including information on the MCR law in utility bills and in brochures at various City departments.
- In 2017, the City reported:
 - The hauler worked with businesses to customize recycling programs to fit specific business needs;
 - Continuing to have MCR law information posted online; and
 - Including MCR law information in utility bills, on the website, and in brochures available at various City departments.
- In 2018, when JCU inquired on current education and outreach efforts, the City provided supporting documentation regarding:
 - In January 2018, the mailing of a MCR educational notification that

included contact information for the City’s solid waste and recycling management analyst and a link to an online survey to all businesses and multi-family complexes subject to the MCR law. The City has reported that the intention of the survey was to gather which businesses and multi-family complexes were recycling, the size, quantity, and frequency of collection of the containers, and the reason for the absence of recycling containers, if applicable.

- The City reported a less than a nine (9) percent return rate, and claims that this was due to not having the proper mailing addresses. Since then, the City has obtained the mailing addresses and plans to make improvements and mail another educational notification and survey by end of calendar year 2018.
- The City also distributed a recycling flyer which included information about the City’s MCR program.
- Both the hauler and City’s websites have been updated to include the information distributed throughout 2018.

Enforcement (Optional)

The City did not indicate in its 2012, 2013, 2014, 2015, 2016, and 2017 Annual Reports, that the City elected to include enforcement as part of its implementation of the MCR law. As part of JCU’s 2018 inquiry the City did not report any enforcement authority currently within the City’s ordinances. Accordingly, JCU has not considered enforcement in its analysis.

Conclusions:

Based upon the facts and observations above, the City has not made all reasonable and feasible efforts to identify, monitor, and did not report complete and accurate information on an annual basis regarding the businesses and multi-family complexes that are subject to the MCR law.

Based on the facts and observations noted above, the City has complied with the education and outreach reporting requirements for 2012, 2013, 2014, 2015, 2016, and 2017.

In addition to the observations and conclusions described above, the Department also evaluated the factors in PRC section 42649.3 (i)(1)-(7)¹. The following is a summary of staff’s analysis of the factors, and the City’s efforts.

PRC section 42649.3 (i)(1)-(7) Factor	Staff’s Consideration	Staff’s Finding
(1) Extent to which businesses have complied with PRC section 42649.2, including information on amount of disposal being diverted (if available) and the number of businesses that are subscribing to service.	As of the preparation of this report, the City has not provided accurate data regarding the number of businesses and multi-family complexes that are subscribing to the City’s MCR program.	Does not demonstrate good faith effort.

¹ In determining whether the City made a good faith effort to implement its selected commercial recycling program, the Department may consider, but is not limited to, the factors presented in PRC section 42649.3 (i)(1)-(7).)

PRC section 42649.3 (i)(1)-(7) Factor	Staff's Consideration	Staff's Finding
(2) The recovery rate from the material recovery facilities that are utilized by the businesses.	The hauler reported that the 2018 recovery rate from the material recovery facility is 73 percent. However, the City has not provided data that a significant number of businesses are participating in the MCR program; therefore, the high recovery rate cannot be considered.	Is not a consideration.
(3) The extent to which the jurisdiction is conducting education and outreach.	The City has provided adequate documentation supporting its efforts to provide MCR education and outreach.	Supports a demonstration of good faith effort.
(4) The extent to which the jurisdiction is monitoring businesses, and notifying those businesses that are out of compliance.	The City has not provided documentation supporting the efforts taken to implement monitoring. The City reported to JCU that it has not undertaken an effort to distribute noncompliant notices.	Does not demonstrate good faith effort.
(5) The availability of markets for collected recyclables.	The City is located in a metropolitan area and is not limited by geography or infrastructure to markets any more than other jurisdictions in the State.	Markets are available; therefore, this factor is not applicable.
(6) Budgetary constraints <i>(Note: PRC section 42649.6 allows a jurisdiction to charge and collect a fee from a commercial waste generator in order to recover the jurisdiction's cost incurred in complying with MCR).</i>	The City has not indicated that budgetary constraints were a factor in its failure to comply with the MCR law.	Does not apply.
(7) In the case of a rural jurisdiction, the effects of small geographic size, low population density, or distance to markets.	The City is not a rural community.	Does not apply.

Communications and Notification History

March 20, 2018, LAMD notified the City that an independent review of the City's waste management programs was necessary (Attachment 1).

May 29, 2018, JCU staff initiated the 60-day conferring process required by PRC Section 41825 (Attachment 2).

November 15, 2018, the Department mailed the 30-Day Notice of Intent to Issue the City of Tracy a Compliance Order for Failure to Implement the Mandatory Commercial Recycling (MCR) law (Attachment 5).

Findings

Based on a review of the City's MCR program and reporting, JCU staff finds that the City has not demonstrated that it has made all reasonable and feasible efforts to comply with the requirements of the MCR law (PRC 42649, et al.). In summary:

- The City did not implement a commercial solid waste recycling program that is designed to divert commercial solid waste from businesses subject to PRC section 42649.2. Staff found a lack of recycling bins present at MCR businesses and multi-family complexes, and a lack of documentation to support other efforts as discussed within this analysis.
- The City did not notify businesses and multi-family complexes of their noncompliance with the MCR law.
- The City's Annual Reports for 2012, 2013, 2014, 2015, 2016, and 2017 submitted on or before the August due date, were incomplete regarding implementation of the requirements of the MCR law. Reporting did not provide details to support that the City made all reasonable and feasible efforts to implement the following components of their program:
 - Identification
 - Monitoring

Options for Consideration

1. Find that the City is not complying with the MCR law as noted above and,
 - a. Approve the attached Compliance Order as written, or
 - b. Approve the attached Compliance Order with alternate or additional language or conditions.
2. Find that the City has achieved a Good Faith Effort and is adequately complying with the MCR law and not issue the attached Compliance Order.
3. Find that the City is in compliance with the MCR law and not issue the attached Compliance Order.

Staff Recommendation

Department staff recommends Option 1: Find that the City is not complying with the MCR law and approve the attached Compliance Order as written. This recommendation is based on the findings presented within this report, which support the City of Tracy has not complied with, or made a good faith effort to comply with, the MCR law.

The proposed Compliance Order CO (018-004) (Attachment 6) includes the following conditions and implementation schedule:

- The City shall work with Department staff to determine the MCR gaps and develop a Local Implementation Plan (LIP) to improve, expand, or implement new MCR programs and/or efforts.
- The City shall develop and submit to the Department a fully executed LIP by February 28, 2019.

- The City will fully implement the programs and/or efforts in the LIP by August 31, 2019.
- A monitoring/“oversight” period from September 1, 2019 through April 1, 2020. The Department uses this time to ensure the City has continued implementation of the programs identified in the LIP.
- The City will submit quarterly status reports based on the calendar year. These status reports shall use the Department’s electronic reporting format. The City will also attach any required documentation necessary to support their efforts to implement the LIP and Compliance Order.

The Compliance Order requires the Department to hold a public hearing following the term of the compliance schedule to determine whether the City has complied with all of the conditions of the Compliance Order.

The Compliance Order specifies that, at any time, any failure of the City of Tracy to comply with any part of the Compliance Order may result in an earlier public hearing and fines of up to \$10,000 per day. Likewise, a public hearing could be scheduled earlier if the City complies with the Compliance Order ahead of schedule.

ATTACHMENTS

1. March 20, 2018, LAMD’s Request for Approval Referring the City to JCU
2. May 29, 2018, City of Tracy’s Notice of 60-Day Conferring Period for Potential Compliance Enforcement
3. Photo Report for the City of Tracy
4. City of Tracy Field Visit Data 2018 Map
5. November 15, 2018, 30-Day Notice of Intent to Issue the City of Tracy a Compliance Order for Failure to Adequately Implement and meet the Requirements of the Mandatory Commercial Recycling Law
6. Proposed Compliance Order No. CO 018-004
7. Request for Action for Consideration of the Issuance of Compliance Order No. CO 018-004 to the City of Tracy

STAFF RESPONSIBLE FOR ITEM PREPARATION

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Processing Payment Emergency Regulations Proposed Text

November 6, 2018

Underline *Proposed Permanent Additions*
~~Strikeout~~ *Proposed Permanent Deletions*

Division of Recycling
Department of Resources Recycling and Recovery
California Code of Regulations
Title 14. Natural Resources
Division 2. Department of Conservation
Chapter 5: Division of Recycling

SUBCHAPTER 12. DOR REQUIREMENTS

Article 2. Processing Fees and Processing Payments

§ 2975. REASONABLE FINANCIAL RETURN CALCULATION.

(a) The statewide average reasonable financial return for recycling centers shall be equal to the statewide average allowable costs calculated in section 2960 of this subchapter, multiplied by the average return on costs for the scrap and waste materials industry as determined from data contained in the most recent Dun and Bradstreet Standard Three Year Norm Report (Published by Dun and Bradstreet Credit Services).

(b) Notwithstanding paragraph (a), for the period of January 1, 2019 to December 31, 2019, the reasonable financial return shall be calculated as follows:

(1) The reasonable financial return shall be equal to eleven and five-tenths percent (11.5%) of the statewide average allowable costs calculated in section 2960 of this subchapter, except as follows:

(A) The reasonable financial return for recycling centers located in rural regions, as defined by Public Resources Code Section 14571(b)(2)(A), shall be equal to sixteen and six-tenths percent (16.6%) of the statewide average allowable costs calculated in section 2960 of this subchapter.

Authority: Section 14530.5(b), 14536, and 14536.1, Public Resources Code. Reference: Sections 14501(f) and (g), 14518.5 and 14575(a) and (b), Public Resources Code.

FINDING OF EMERGENCY

CALIFORNIA CODE OF REGULATIONS
TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

FINDING OF EMERGENCY

The Department of Resources Recycling and Recovery (CalRecycle/Department) is proposing emergency regulations to amend section 2975, Subchapter 12, Chapter 5, Division 2, Title 14, of the California Code of Regulations (CCR) that lays out the reasonable financial return calculation for processing payments. This change will help support beverage container recycling in California by establishing, for calendar year 2019, a reasonable financial return that takes into account rural business circumstances and factors such as known cost increases. This will support existing recycling infrastructure by increasing the profitability of recyclers and provide convenient redemption opportunities to consumers. The term "recycler" for purposes of this rulemaking has the same definition as in Public Resources Code (PRC) section 14519.5., i.e., "recycler" means a recycling center, dropoff or collection program, or curbside program. All of these entities receive processing payments.

The adoption of these regulations is deemed to be an emergency pursuant to PRC sections 14536.1 which provides that "if the department determines that it is necessary to adopt or amend regulations to implement Section 14575, the department may adopt or amend those regulations as emergency regulations. The Office of Administrative Law shall consider those regulations to be necessary for the immediate preservation of the public peace, health and safety, and general welfare for purposes of Section 11349.6 of the Government Code. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, the emergency regulations adopted or amended pursuant to this section shall be repealed 180 days after the effective date of the regulations, unless the

department complies with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.”

FINDING OF NECESSITY

The California Beverage Container Recycling Program (BCRP) was established as a California Redemption Value (CRV) deposit and return system to create convenient beverage container recycling opportunities in the state. Recycling centers that redeem CRV containers located throughout the state provide opportunities for consumers to return their CRV beverage containers to claim their deposit. The Department works to create and maintain a marketplace that provides consumers with convenient recycling opportunities. Tools the department uses include education and supplemental payments that include processing payments. Processing payments reimburse recyclers for the difference between the cost of recycling a pound of beverage container material and the value a recycler receives when it sells that material as scrap.

When the BCRP was created thirty years ago, the law provided for a “reasonable financial return” for recycling centers in order to insure the economic recovery of the beverage containers. This “reasonable financial return” was further clarified in the CCR section 2975 which states that “The statewide average reasonable financial return for recycling centers shall be equal to the statewide average allowable costs calculated in section 2960 of this subchapter, multiplied by the average return on costs for the scrap and waste materials industry as determined from data contained in the most recent Dun and Bradstreet Standard Three Year Norm Report (Published by Dun and Bradstreet Credit Services).” Due to adverse market conditions, the average return on costs reported by Dun and Bradstreet resulted in a negative reasonable financial return for the first time in 2017. To address that and other market factors, CalRecycle enacted emergency regulations effective November 16, 2017, to raise the reasonable financial return for calendar year 2018 to 11.5 percent for non-rural recyclers and 16.6 percent for rural region recycling centers. Because the RFRs had already been used to set the processing payments for calendar year 2018, the emergency regulations were allowed

to expire by operation of law effective May 16, 2018, whereby section 2975 reverted to its previous text, which is quoted above.

The Department had anticipated that a legislative solution impacting the reasonable financial return would be enacted in 2018, but no such permanent change materialized.¹ Because no legislative solution was enacted, the department is taking this emergency rulemaking action and intends to pursue the adoption of permanent regulations in 2019.

This emergency rulemaking will, for calendar year 2019, continue to provide a higher processing payment by setting the reasonable financial return for calendar year 2019 at the same rates in effect for calendar year 2018: 11.5 percent for all recyclers except that a reasonable financial return of 16.6 percent would be applied to rural region recycling centers.

The Department proposes to amend or add the following sections to the California Code of Regulations, Title 14, Division 2, Chapter 5, Subchapter 12, Article 2:

Section 2975 will be amended to designate this as subsection (a) in order to add a new subsection (b).

Section 2975(b) adds a new subsection to establish a specified reasonable financial return for a limited time effective from January 1, 2019, to December 31, 2019.

Section 2975(b)(1) adds a new paragraph to authorize a reasonable financial return that is equal to eleven and five-tenths percent of the statewide allowable costs in section 2960. Section 2960 provides the categories of recycling center costs used for calculating processing payments. The eleven and five-tenths percent value reflects, in part, the impacts of minimum wage increases on recycling center costs. Further, in

¹ Although vetoed by the Governor, the California Legislature passed a bill that would have codified the RFR rates implemented by the department's 2017 regulation for the 2019 and 2020 RFRs. (SB 452 (Glazer) Sec. 6, PRC § 14575.2(a)(3). Enrolled Sept. 6, 2018 and vetoed Sept. 30, 2018.) (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB452)

response to feedback from industry that the RFR needs to be increased, the department has selected these percentages in an attempt to balance the profitability of recycling centers and financial impact on the Fund. A more detailed description of how the percentages were calculated can be found in the Informative Digest, below.

Section 2975(b)(1)(A) adds a new clause that authorizes a reasonable financial return of sixteen and six-tenths percent for rural region recycling centers to address higher operating costs in rural regions.

AUTHORITY

These regulations are submitted pursuant to the Department's authority under Public Resources Code subsections (PRC) 14530.5(b), 14536, and 14536.1.

REFERENCE

Title 14 CCR amended Section 2975 is intended to implement, interpret and make specific PRC 14501(f) and (g), 14518.5, and 14575.

INFORMATIVE DIGEST

The California Beverage Container Recycling and Litter Reduction Act, AB 2020/Margolin, Chapter 1290, Statutes of 1986 (Act), created the BCRP and established the Division of Recycling to administer the BCRP. The intent of the BCRP is to provide increased and convenient beverage container redemption and recycling opportunities for consumers. This is accomplished through the establishment of the CRV for eligible beverage containers and working with industry participants such as recyclers and processors who are certified by the Department.

Section 14501(f) of the Act establishes the purpose of the BCRP, including to create and maintain a marketplace where it is profitable to establish sufficient recycling centers and locations to provide consumers with convenient recycling opportunities. The responsibility to provide convenient, efficient, and economical redemptions opportunities rests jointly with manufacturers, distributors, dealers, recyclers, processors, and the

Department (Section 14501(g)). Section 14518.5 defines the term “processing payment.” Section 14575 establishes the processing fee, paid by beverage manufacturers and offset by the Beverage Container Recycling Fund (Fund), and the processing payment, paid to recyclers.

CalRecycle annually establishes the reasonable financial return (RFR) each January, which is applied to the calculation of the processing payment. The rates are determined consistent with the Act and a long-standing, defined regulatory calculation. The source used to determine the RFR, as specified in regulation, is the most recent average net profit ratio of businesses classified as scrap and waste materials as reported by Dun and Bradstreet. For the first time since the BCRP began using the Dun and Bradstreet indicator in 2001, the RFR was a negative value for 2017. The RFR was calculated to be -5.85 percent of allowable costs, a reflection of the overall losses, rather than profits, of the recycling industry. This resulted in lower processing payments to certified entities than the amount necessary to cover the cost of recycling. At the same time, low prices for scrap material, along with other factors such as difficulty in finding locations willing to host recycling centers, led some recycling centers to close, leaving communities with fewer places for people to redeem CRV containers. To address those circumstances, CalRecycle enacted emergency regulations effective November 16, 2017 that raised the calendar year 2018 RFR to 11.5 percent for non-rural recyclers and 16.6 percent for rural region recycling centers.

The department's efforts to improve recycling center profitability and stem their closure through an increased 2018 RFR appears to be working. The number of operational recycling centers and the rate of the RFR shows an extremely positive correlation (0.70) for the time period of January 2016 through December 2017. During that time, when an RFR of lower than 1% was in place, the number of operational recycling centers declined by an average of 18 recycling centers per month for a total decline of 424 operating recycling centers for the two year period (from 2055 down to 1631). After two years of low RFRs, recyclers reported they could not continue operating under the current system, and those reports were substantiated by the number of recycling center closures in 2016 and

2017. Once the increased RFRs of 11.5 and 16.6% were implemented for 2018, the number of operational recycling centers declined by an average of only 5 centers per month during January through October 2018 (from 1,621 down to 1,570). That's an overall decline of 51 recycling centers for those 10 months of higher RFRs, only about 5 a month, instead of 18. While the increased 2018 RFR implemented by the department's emergency regulations did not completely reverse the trend in recycling center closures, it helped slow it down and helped keep open up to 144 recycling centers that might have closed in 2018 if the prior 2-year trend had persisted.

The market pressures of 2017 have lingered into 2018 and are projected to continue into 2019. To provide more support to the recycling industry than what would be provided under the current regulations, CalRecycle is proposing to continue providing an 11.5 percent RFR for non-rural recyclers and a 16.6 percent RFR for rural region recycling centers when calculating processing payments for 2019. An additional RFR is assigned to rural recycling centers based on operating costs for recycling centers in rural areas being higher. These percentages reflect, in part, recent and expected state minimum wage increases that would otherwise not be captured until the department's next periodic survey of recycling center costs. Further, in response to feedback from industry that the RFR needs to be increased, the department has selected these percentages in an attempt to balance the profitability of recycling centers against financial impacts to the Fund.

What follows is a description of the methodology used to arrive at the percentages reflected in the department's 2017 emergency regulation, which are being carried forward with this rulemaking.

A base of 5% RFR for urban recycling centers was calculated as the lowest RFR that could be given while still keeping processing payments at approximately the same level for 2018 as they were in FY 2016-17 and ensuring a reasonable financial return. CalRecycle anticipated lower processing payments in 2018 based on a prior decrease of 7% in PET cost per ton from 2012 to 2014 as

published in the 2014 Cost Survey. Additionally, in the year 2017, CalRecycle heard from consumers and received considerable media coverage on consumers inability to recycle due recent recycling center closures (partly caused by low processing payments). Correspondingly, CalRecycle saw the recycling rate drop below 80% for the first time in many years. To address the decline in recycling infrastructure and loss of convenient recycling options, CalRecycle sought to set an RFR that would encourage recycling centers to stay in business and that would assure them at least the same processing payments as the prior year and provide stability to a market that has become increasingly volatile in recent months.

The dollar amount of processing payments for FY 2016-17 was taken and used as the base for calculating 2018 processing payments. The scrap prices were kept the same, but 2017 lower cost per ton estimations were used to calculate the difference between scrap prices and the cost of handling material to determine the amount of processing payment needed for a recycling center to break even. Due to lower cost estimations, processing payments for 2018 were cut by \$10 million. The RFR was then increased incrementally from -5.85% (2017 RFR) to 5% (proposed RFR) until the amount of processing payments was equal to FY 2016-17, which resulted in an increase of 10.85% RFR and resulting in an overall 5% RFR ($-5.85 + 10.85 = 5$).

The additional 5% RFR given to rural recycling centers was based on an observed cost differential for urban and rural recycling centers recycling one ton of PET as measured by the CalRecycle 2014 Cost Survey. The 2014 average cost of recycling PET (the most prevalent material recycled) was \$410/ton for urban recycling centers and \$715/ton for rural recycling centers. (The department chose to make the rural RFR double that of non-rural). CalRecycle determined that because operating costs were higher for rural centers compared to urban centers, a higher RFR was needed to help ensure fiscal feasibility of rural recycling center operations for provide redemption opportunities that otherwise may not have existed.

A minimum wage adjustment of 1.4% and 1.5% was added to the base 5%/10% proposed RFR to bring the proposed RFR to 6.4% (urban) and 11.5% (rural) (see below). After proposing a 6.4%/11.5% RFR at a public meeting, stakeholders requested an alternate proposal of 11.5%/16.6% citing additional needed financial support. In the spirit of collaborative policy-making and in an attempt to address stakeholder needs, the Department agreed to put forth a proposal for a 2018 RFR of 11.5%/16.6% for the period of one year until more permanent solutions can be made.

Between 1988 and 2016, minimum wage increases occurred with relative infrequency, averaging about 33 months between each increase. Beginning on January 1, 2016, minimum wage increases have been scheduled every 12 months, with the last currently scheduled increase occurring January 1, 2023. The 2018 minimum wage of \$11.00 per hour is scheduled to increase a full dollar to \$12.00/hour for 2019. Due to the logistics of gathering data, the cost of recycling, measured via a survey conducted by the department every two years, is applied to the processing payment calculation either two or three years after the year that the costs are measured. With annual increases in the minimum wage, the measured cost of recycling is not keeping current with increases in labor costs. A broad inflation adjustment is applied annually to the measured cost of recycling. To improve the accuracy of the cost of recycling applied to the processing payment, the department will incorporate a minimum wage adjustment in the setting of the RFRs to more timely reflect the annual increases in the minimum wage.

The following methodology was used to calculate the minimum wage portion of the 2018 RFR for the department's 2017 emergency regulation, which is being carried forward with this rulemaking.

The general formula for the minimum wage adjustment is (% increase in minimum wage)*(proportion of allowable costs labor)*(proportion of payroll impacted)

The percent increase in minimum wage equals the minimum wage in effect for the year the rate is calculated divided by the minimum wage in effect during the year costs were measured.

The proportion of allowable costs for labor is intended to isolate only the type of costs that are directly impacted by a change in minimum wage; for example, there is little expectation that costs such as rent, utilities, or supplies would be directly impacted by an increase in labor costs, and any such change in other costs is intended to be reflected by the COLA.

The proportion of payroll impacted is the proportion of all labor hours that were paid at or below minimum wage reflecting that not all employee wages will automatically increase.

The proportion of allowable costs labor and proportion payroll directly impacted are provided from the cost survey.

The table below details the calculation of the minimum wage adjustment based on costs measured in 2016 to be applied to processing payments in effect for 2018 (2017 is shown for continuity).²

Year	Minimum Wage (\$/hr.)	% Increase in Minimum Wage	Proportion Allowable Costs Labor (1)	Proportion of Payroll Impacted	Minimum Wage Adjustment
2016	\$10.00				
2017	\$10.50	5.0%	59.2%	23.0%	0.68%
2018	\$11.00	10.0%	59.2%	23.0%	1.36%

(1) Based on 2014 measured costs

The Department finds that an emergency exists to amend existing regulations in order to implement statutory mandates of PRC section 14575. The proposed regulations would amend section 2975 of the CCR Title 14. Natural Resources, Division 2.

² As previously mentioned, the 2019 minimum wage is increasing by \$1.00 over 2018 to \$12 per hour.

Department of Conservation, Chapter 5. Division of Recycling, Subchapter 12, Article 2. The adoption of these regulations is deemed to be an emergency pursuant to PRC section 14536.1 which provides that "if the department determines that it is necessary to adopt or amend regulations to implement Section 14575, the department may adopt or amend those regulations as emergency regulations. The Office of Administrative Law shall consider those regulations to be necessary for the immediate preservation of the public peace, health and safety, and general welfare for purposes of Section 11349.6 of the Government Code. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, the emergency regulations adopted or amended pursuant to this section shall be repealed 180 days after the effective date of the regulations, unless the department complies with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code)".

There are no federal regulations or statutes comparable to these proposed regulations. The proposed regulations are not inconsistent or incompatible with existing state regulations. The BCRP is unique to the state of California and there is not a similar program within the state. There are no other matters prescribed by statute applicable to this specific state agency or to any specific regulation or class of regulations.

SPECIFIC AGENCY STATUTORY REQUIREMENTS

There are no specific agency statutory requirements relevant to this rulemaking.

LOCAL MANDATE DETERMNIATION

The proposed regulations do not impose a mandate on local agencies or school districts.

FISCAL IMPACT ESTIMATE

This change will result in approximately \$15.2 million additional expenditure for processing payments to be funded by a \$2.8 million increase in processing fee revenue paid by beverage manufacturers and an additional \$12.8 million in transfers from the Fund to the Processing Fee accounts as prescribed in PRC section 14575.

The proposed emergency regulations will not result in either costs or savings to any other State Agency, local agencies or school districts. Approximately 4 percent of processing payment recipients are local government entities who run recycling programs. The total amount of approximately \$608,000 distributed to these entities over the course of these emergency regulations will not have a significant impact. Further, these proposed emergency regulations will not result in any non-discretionary cost or savings to any local agencies, nor will they result in cost or savings to federal funding to the State.

DOCUMENTS RELIED UPON

The Department utilizes two sources from the California Department of Industrial Relations for the minimum wage costs:

Present and future: https://www.dir.ca.gov/dlse/faq_minimumwage.htm

Historical: <https://www.dir.ca.gov/iwc/minimumwagehistory.htm>

NOTICE OF REGULATORY ACTION

The Department has complied with the requirement to provide notice of the proposed emergency rulemaking pursuant to Government Code Section 11346.1(a) (2).

Government Code section 11346.1(a) (2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6.

A copy of the memorandum transmitting the proposed emergency text and the proposed Statement of Emergency to interested parties is included in the emergency rulemaking file.



State Water Resources Control Board

**REVISED
NOTICE OF
STAFF PUBLIC WORKSHOP AND ADOPTION MEETING
PROPOSED AMENDMENT TO THE STATEWIDE INDUSTRIAL
GENERAL STORM WATER PERMIT ¹**

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will hold a staff workshop to ~~receive public input and comments on provide information and respond to technical questions regarding~~ the proposed amendment to the Statewide Industrial General Storm Water Permit (General Permit), ~~and the revisions made per including recent revisions made in response to previously-submitted public comments.~~ The proposed General Permit Amendment addresses the implementation of previously-adopted Total Maximum Daily Loads (TMDLs), the new federal Sufficiently Sensitive Methods Rule, and statewide Compliance Options.

State Water Board staff will hold a staff workshop on this matter on:

Wednesday, October 24, 2018
9:00 a.m.-12:00 p.m.
Joe Serna Jr. - CalEPA Headquarters Bldg.
Byron Sher Auditorium
1001 I Street, Second Floor
Sacramento, CA, 95814

A quorum of the State Water Board may be present at the workshop; however, no State Water Board actions will be taken at the workshop. The deadline for written comments for the amendments to the General Permit closed on February 14, 2018, but staff will be conducting this workshop to assist the public in understanding the proposed amendments. No new evidence will be accepted at the staff workshop.

Further information regarding the staff workshop is located on the State Water Board Industrial Storm Water Program webpage at:
https://www.waterboards.ca.gov/water_issues/programs/stormwater/tmdl_igp.shtml.

¹ Draft Amendment to the Statewide General National Pollutant Discharge Elimination System (NPDES) Permit for the Discharge of Storm Water Associated with Industrial Activities

FELICIA MARCUS, CHAIR | EILEEN SOBIECK, EXECUTIVE DIRECTOR

NOTICE IS ADDITIONALLY HEREBY GIVEN that the State Water Board will consider the adoption of the General Permit Amendment at its regularly scheduled Board meeting on:

Tuesday, November 6, 2018 - 9:30 a.m.
Joe Serna Jr. - CalEPA Headquarters Bldg.
Coastal Hearing Room
1001 I Street, Second Floor
Sacramento, CA 95814

Additional information on the public meeting is located on the State Water Board web site at: https://www.waterboards.ca.gov/board_info/calendar/.

For any questions regarding the State Water Board staff workshop or the State Water Board adoption meeting, please contact Ms. Shuka Rastegarpour at (916) 341-5576 or shuka.rastegarpour@waterboards.ca.gov.

WEBCAST INFORMATION

Video and audio broadcasts of the staff workshop and the public meeting will be available via the internet and can be accessed at: <https://video.calepa.ca.gov/>. Both the staff workshop and the public meeting will be recorded.

BACKGROUND

On April 1, 2014, the State Water Board adopted Order 2014-0057-DWQ for statewide regulation of storm water discharges associated with industrial activities (General Permit). The General Permit includes a reopener for the State Water Board to incorporate Total Maximum Daily Load (TMDL) implementation requirements through a future permit amendment (Sections VII.A.1 and XX.A of the General Order). The proposed General Permit Amendment incorporates requirements that implement existing TMDLs adopted by the San Francisco Bay, Santa Ana, Los Angeles, and San Diego Regional Water Quality Control Boards identifying industrial storm water as a source of the receiving water impairment.

On August 19, 2014, the United States Environmental Protection Agency (U.S. EPA) promulgated the new *Use of Sufficiently Sensitive Test Methods for Permit Applications and Reporting Rule* for discharges regulated by NPDES permits. The new Rule became effective on September 18, 2014, after the existing Statewide Industrial General Permit was adopted. The new Rule requires NPDES permittees to use "sufficiently sensitive" analytical test methods for the analyses of regulated pollutants or pollutants parameters. The proposed General Permit Amendment includes revised monitoring and reporting requirements for industrial storm water sampling consistent with the new Rule.

Per existing General Permit requirements, the Regional Water Boards released draft TMDL implementation language in March 2016 for public comments prior to submitting the draft language to the State Water Board for consideration. In December 2016, State Water Board staff held focused stakeholder meetings with interested parties that submitted public comments regarding the Regional Water Boards' draft TMDL-implementation language during the March 2016 public comment period. During subsequent collaborative stakeholder meetings, the proposed statewide compliance options were initially proposed by stakeholders and further developed by staff. The proposed General Permit Amendment includes statewide compliance options to allow permit compliance through onsite and/or regional storm water capture best management practices, in lieu of conventional compliance with numeric action levels and numeric effluent limitations.

The draft amendment to the General Permit and supporting documentation was released to the public on December 15, 2017. Following a series of staff workshops in December 2017, a public comment period for the proposed General Permit Amendment was held, starting on ~~January 5, 2018~~, December 15, 2017, with a deadline of February 14, 2018. A State Water Board Hearing was held on January 9, 2018, for staff to discuss the scope of the released proposed Amendment, and for the Board to hear ~~verbal~~oral public comments prior to the written public comment due date.

DOCUMENT AVAILABILITY

The proposed General Permit Amendment, including recent revisions to the amendment made in response to public comments, and corresponding information is available on the State Water Board web site at:

http://www.waterboards.ca.gov/water_issues/programs/stormwater/industrial.shtml.

PROCEDURAL MATTERS FOR THE STAFF WORKSHOP

At the staff workshop, participants will be given an opportunity to ask technical questions of State Water Board staff.

PROCEDURAL MATTERS FOR THE ADOPTION MEETING

At the State Water Board adoption meeting, participants will be given an opportunity to summarize their comments in oral presentations. No new evidence (e.g. photographs, data, testimony) may be submitted at the adoption meeting and all comments will be treated as non-evidentiary policy statements. To ensure a productive and efficient meeting in which all participants have an opportunity to participate, oral presentations may be time-limited. Participants planning to use a Power Point presentation must submit the file electronically, in .ppt. format, to the Clerk via email at commentletters@waterboards.ca.gov, no later than 12:00 p.m. (noon) on Thursday, November 1, 2018. Please indicate in the subject line "Power Point Presentation – Industrial General Permit Amendment Adoption Meeting."

For presentation recommendations, go to:

https://www.waterboards.ca.gov/board_info/meetings/board_presentations.html at our website.

FUTURE NOTICES

Any person desiring to receive future notices concerning the proposed amendment, including any changes to this public notice, must sign up on the Lyris e-mail list. To sign up for the Lyris list, access the email List Subscription Form at the web address listed below, click the "Water Quality" tab, and check the box for "Storm Water Industrial Permitting Issues," then fill in the required information. The subscription form is located at:

http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml.

PARKING AND ACCESSIBILITY

For directions to the Joe Serna, Jr. (CalEPA) Building and public parking information, please refer to the map on the State Water Board website:

<http://www.calepa.ca.gov/headquarters-sacramento/location/>.

The CalEPA Building is accessible to persons with disabilities. Individuals requiring special accommodations are requested to call (916) 341-5254 at least 5 working days prior to the meeting. Telecommunications Device for the Deaf (TDD) users may contact the California Relay Service at (800) 735-2929 or voice line at (800) 735-2922.

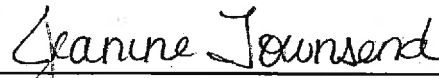
All visitors to the CalEPA Building are required to sign in and obtain a badge at the Visitor Services Center located just inside the main entrance (10th Street entrance). Valid picture identification may be required. Please allow up to 15 minutes for receiving security clearance.

ADDITIONAL INFORMATION

Please direct questions about this notice to Ms. Shuka Rastegarpour at (916) 341-5576 or shuka.rastegarpour@waterboards.ca.gov.

October 2, 2018

Date



Jeanine Townsend
Clerk to the Board

Proposed Amendment to the National Pollutant
Discharge Elimination System (NPDES)
General Permit for Storm Water Discharges
Associated with Industrial Activities (Industrial
General Permit)

Changes in ~~red-strikeout text~~ are NEW deletions of the clean version of the proposed Amendment posted on September 26, 2018

Changes in blue-underline text are NEW additions of the clean version of the proposed Amendment posted on September 26, 2018

Attachment E

Table E-2, p.7

<p>Calleguas Creek Watershed Metals and Selenium</p>	<p>Calleguas Creek, Conejo Creek, or Revolon Slough</p>	<p>Copper</p>	<p>Interim Total Copper Instantaneous Maximum TNAL of 0.204 mg/L 2.04</p>	<p>In addition to complying with this General Permit, Responsible Dischargers shall take QSE samples in accordance with Section XI.B and shall compare the results to the corresponding TMDL Numeric Action Level (TNAL). Sample, collection, and reporting shall be conducted in accordance with Section XI.B.</p>
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Table E-2, p.45

<p>Chollas Creek Metal TMDL</p>	<p>Chollas Creek</p>	<p>Copper</p>	<p>Interim Total Copper Instantaneous Maximum TNAL of 0.083 mg/L</p>	<p>In addition to complying with this General Permit, Responsible Dischargers shall take QSE samples in accordance with Section XI.B and shall compare the results to the corresponding TMDL Numeric Action Level (TNAL). Sample, collection,</p>
		<p>Lead</p>	<p>Interim Total Lead Instantaneous Maximum TNAL of 0.068 mg/L</p>	
		<p>Zinc</p>	<p>Interim Total Zinc Instantaneous Maximum TNAL of 0.175 mg/L</p>	

**11/06/18 BD MEETING – ITEM #7
CHANGE SHEET #1 (CIRCULATED 11/02/18)**

				<u>and reporting shall be conducted in accordance with Section XI.B.</u>	
Chollas Creek Metal TMDL	Chollas Creek	Copper	<u>Total Copper Instantaneous Maximum NEL of 0.083 mg/L</u> (Total metals) <u>Responsible Dischargers are not subject to this NEL until the Compliance Due Date. See interim requirements for Total Copper above.</u>	In addition to complying with this General Permit, Responsible Dischargers shall take QSE samples in accordance with Section XI.B and shall compare the results to the corresponding TMDL Numeric Effluent Limitation (NEL). Sample, collection, and reporting shall be conducted in accordance with Section XI.B.	<u>October 22, 2028</u> XXXX XX, 201X <i>(Effective Date of these TMDL Requirements)</i>
		Lead	<u>Total Lead Instantaneous Maximum NEL of 0.068 mg/L</u> (Total metals) <u>Responsible Dischargers are not subject to this NEL until the Compliance Due Date. See interim requirements for Total Lead above.</u>		
		Zinc	<u>Total Zinc Instantaneous Maximum NEL of 0.175 mg/L</u> (Total metals)		

		Responsible Dischargers are not subject to this NEL until the Compliance Due Date. See interim requirements for Total Zinc above.			
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Attachment I

Section II.E.3, p. 3

3. Designed by a California licensed civil engineer with a 24-hour drawdown time⁵ or with additional storage volume beyond the compliance storm standard to offset longer drawdown time⁵.

Footnote 5, p. 3

⁵ The On-site Compliance BMP must ~~time to~~ drain from full to empty when no inflows are occurring, ~~and calculated as the maximum water depth divided by the drain rate (e.g., measured percolation rate or allowed sewer discharge rate);~~ considering any relevant safety factor included by the California licensed civil engineer.

Section III.D, p. 10

D. The applicable Regional Water Board Executive Officer and local jurisdiction(s) representatives shall approve the Discharger's participation in the Off-Site Compliance Option. The applicable Regional Water Board shall provide at least a thirty (30) day public notice to obtain written comments prior to the approval of the Off-Site Compliance Option.

Fact Sheet

Table F.33, p. 95

TABLE F.1: Calleguas and Conejo Creek Interim WLA Translations

Pollutant	WLA (ug/L)	Total Instantaneous Maximum TNALs (mg/L)
Copper	204	2.04 0.204

Table F.34, p. 95

TABLE F.2: Revolon Slough Interim WLA Translations

Pollutant	WLA (ug/L)	Total Instantaneous Maximum TNALs (mg/L)
Copper	204	2.04 0.204

Section II.F.6.h.xiii, p. 113

The TMDL's final compliance deadline is ~~June 13, 2027~~ October 22, 2028. As an interim target, Responsible Dischargers shall apply the NEL value as TNALs up until the compliance date of ~~June 13, 2027~~ October 22, 2028. Future reissuances of this General Permit may incorporate additional or revised compliance requirements or interim targets to progress towards the required final compliance, when an instantaneous maximum NEL applies.



**CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
Department of Toxic Substances Control**

News Release

T-14-18

Barbara A. Lee, Director

FOR IMMEDIATE RELEASE
October 25, 2018

Contact: Russ Edmondson (916) 323-3372
Russ.Edmondson@dtsc.ca.gov

DTSC Enforcement Action Results in \$1.4 Million in Penalties for Hazardous Waste Operator

SACRAMENTO – A Department of Toxic Substances Control (DTSC) enforcement action against a hazardous waste facility in Rancho Cordova has resulted in \$1.4 million in penalties against the facility's operator for violations of California's hazardous waste laws.

Among the violations was a fire at the facility in 2017, caused when employees intentionally ignited hazardous waste that contained naphthalene, which is made from crude oil or coal tar. There were also two earlier fires and an explosion at the facility.

"We take these violations very seriously, and this settlement should serve as a message to other potential violators that we will hold those who break the state's hazardous waste laws accountable," said DTSC Director Barbara A. Lee. "Compliance with hazardous waste laws is critical for the safety of the public and the environment."

The settlement of DTSC's enforcement action, approved by the Sacramento County Superior Court on Oct. 19, is with General Environmental Management of Rancho Cordova LLC; Stericycle Environmental Solutions Inc.; and Stericycle Inc. (collectively "GEM/Stericycle") for numerous violations related to the mismanagement of hazardous waste.

The facility handles a wide variety of hazardous waste. A primary part of the business at the facility involves bulking and consolidating hazardous waste.

In addition to the fires and explosion, violations included:

- Failure to properly manage and/or store incompatible hazardous wastes
- Failure to properly bulk and consolidate hazardous waste
- Failure to comply with conditions of the hazardous waste facilities permit issued by DTSC
- Failure to train facility staff who are responsible for safely managing hazardous waste
- Failure to follow the DTSC-approved Emergency Action and Contingency Plan

A majority of the \$1,412,400 penalty will go into DTSC's Orphan Site fund and will be used to help fund hazardous waste cleanup efforts. The settlement stemmed from a civil complaint filed on behalf of DTSC by the California Attorney General's Office.

In addition to the penalty, the settlement required GEM/Stericycle to take action to prevent future violations, including enhanced training and documentation, and hiring an independent auditor to conduct hazardous waste audits. The auditor will prepare and submit reports to DTSC that

evaluate GEM/Stericycle's ongoing compliance with hazardous waste laws. In addition, GEM/Stericycle has agreed not to handle reactive waste at the facility. Reactive waste is ignitable and can undergo violent reactions.

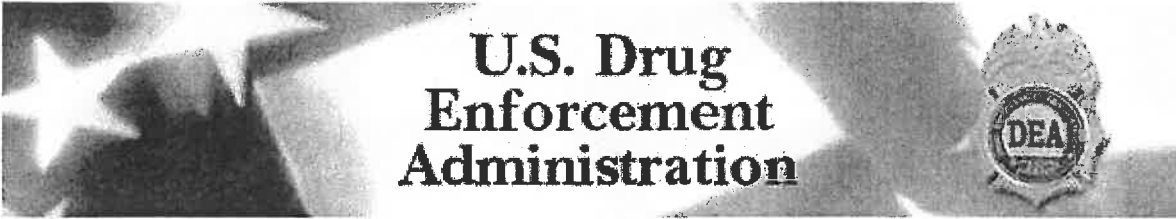
GEM/Stericycle has also agreed that the past violations are deemed proven for the purpose of a future DTSC enforcement or permitting action. GEM also does business as PSC Environmental Services of Rancho Cordova LLC.

View documents related to this case [here](#).

FOR GENERAL INQUIRIES: Contact the Department of Toxic Substances Control by phone at (800) 728-6942 or visit www.dtsc.ca.gov. To report illegal handling, discharge, or disposal of hazardous waste, call the Waste Alert Hotline at (800) 698-6942.

The Mission of DTSC is to protect California's people and environment from harmful effects of toxic substances by restoring contaminated properties, enforcing hazardous waste law, reducing hazardous waste generation, and encouraging the manufacture of chemically safer products.

To: cpsc-pharmaceuticals-listserv@googlegroups.com
Subject: RE: Press Release: DEA collects nearly 11 million pounds



FOR IMMEDIATE RELEASE
Contact: DEA Public Affairs
(202) 307-7977

Press Release

DEA achieves significant milestone during 16th National Prescription Drug Take Back Day

Americans across the country dropped off unused pills reaching a program total of nearly 11 million pounds

WASHINGTON – With the robust participation of Americans nationwide, DEA and its law enforcement partners have now surpassed its 10 million pound goal and collected nearly 11 million pounds of unused, unwanted or expired prescription medications over the course of 16 successful DEA National Prescription Drug Take Back events. During the 16th semiannual event on Oct. 27, DEA and federal, state and local partners disposed of more than 900,000 pounds of prescription medications collected at nearly 6,000 sites across the country. Together with almost 5,000 local, state and federal partners, DEA collected and destroyed more than 457 tons of potentially dangerous leftover prescription drugs.

This brings the total amount of prescription drugs collected by DEA since the fall of 2010 to 10,878,950 pounds, or 5439.5 tons.

“The results of our most recent Take Back Day clearly demonstrate a need for this initiative as a tool in the fight against America’s opioid crisis,” said Acting Administrator Uttam Dhillon. “The success of this event is a direct reflection of DEA’s commitment to prevent drug addiction and overdose deaths in the U.S. Together, we are all helping to make a difference to keep our friends and families safe.”

National Prescription Drug Take Back Day events continue to remove opioids and other medicines from the nation’s homes, where they could be stolen and abused by family members and visitors, including children and teens.

DEA began putting on Take Back Day events when the public had no other way to appropriately dispose of their leftover painkillers and other potentially dangerous drugs. These events have been extremely successful not only in getting unused drugs out of the house, but also in raising awareness of their link to addiction and overdose deaths. Since DEA launched this program nine years ago, doctors are prescribing fewer painkillers, and law enforcement agencies, pharmacies and others have installed permanent prescription drug drop boxes on-site, making drug disposal even more convenient.

Helping people to dispose of potentially harmful prescription drugs is just one way DEA is working to reduce the addiction and overdose deaths plaguing this country due to opioid medications.



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Newsroom

(f)

(<https://news.walgreens.com/press-releases/general-news/rss.xml>)

Walgreens to Provide Free Safe Medication Disposal Option in All Drugstores in 2019

24 October 2018

Company Has Collected More than 400 Tons of Unwanted Medication to Date

DEERFIELD, Ill., October 24, 2018 - Walgreens today announced it is expanding its effort to combat the opioid epidemic as it encourages Americans to clean out their medicine cabinets in advance of Drug Enforcement Administration sponsored National Prescription Take Back Day on Saturday October 27. To complement its existing safe medication disposal kiosk program, Walgreens has committed to providing a year-round safe drug disposal option in all its pharmacies at no cost to individuals. Beginning in spring 2019, all Walgreens pharmacies that do not offer a safe medication disposal kiosk will stock a take home safe medication disposal in the pharmacy that will be available at no cost upon patient request.

"We are excited to build upon our efforts to make safe medication disposal easier and more accessible to more Americans," said Rick Gates, Walgreens senior vice president of pharmacy and healthcare. "Both of these programs offer the best way to ensure medications are not accidentally or intentionally misused as we continue our efforts to combat the opioid epidemic."

Walgreens continues to work with AmerisourceBergen, Pfizer and Prime Therapeutics to expand its safe medication disposal kiosk program to 1,500 drugstores across the country. Since the program began, more than 400 tons of medications, which is more than the weight of a 777 jet, has been collected and safely disposed of.

Both programs make the disposal of medications — including opioids and other controlled substances — easier and more convenient while helping to reduce the misuse of medications and the rise in overdose deaths.

Beginning next month, Walgreens will install 14 safe medication disposal kiosks throughout Missouri after working to update rules that will allow for the program's implementation in the state. When installation is complete, safe medication disposal kiosks will be available in select Walgreens across 46 states and Washington D.C.

As part of its continuing effort to combat drug abuse, Walgreens will again participate in the National Prescription Drug Take Back Day held on October 27 where select Walgreens stores throughout the country will serve as a collection point for law enforcement to collect unwanted, unused or expired medications for safe disposal.

Walgreens continues to increase access to naloxone, a lifesaving medication that if administered in time can reverse the effects of an opioid overdose. The medication is now available without a physician's prescription in 48 states including the recent addition of all of its Delaware pharmacies.

To learn more of Walgreens efforts visit Walgreens.com/combatingdrugabuse (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fnews.walgreens.com%2Fpresskits%2Fcombating-drug-abuse.htm&esheet=51888515&newsitemid=20181024005781&lan=en-US&anchor=Walgreens.com%2Fcombatingdrugabuse&index=1&md5=55929e2575c6f0ab8e>)

About Walgreens

Walgreens (walgreens.com (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.walgreens.com&esheet=51888515&newsitemid=201US&anchor=walgreens.com&index=2&md5=a4f77b3caed6cb6487c95fdbd237d9b7>)), one of the nation's largest drugstore chains, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (NASDAQ: WBA), the first global pharmacy-led, health and wellbeing enterprise. Approximately 8 million customers interact with Walgreens in stores and online each day, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. As of August 31, 2018, Walgreens operates 9,560 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, along with its omnichannel business, Walgreens.com. Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

View source version on businesswire.com:
<https://www.businesswire.com/news/home/20181024005781/en/>
(<https://www.businesswire.com/news/home/20181024005781/en/>)

Contact(s)

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[facebook.com/Walgreens](http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fwww.facebook.com%2FWalgreens&esheet=51888515&lan=en-US&anchor=facebook.com%2FWalgreens&index=5&md5=01b70bf1522be1597f8f991e887c8486) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fwww.facebook.com%2FWalgreens&esheet=51888515&lan=en-US&anchor=facebook.com%2FWalgreens&index=5&md5=01b70bf1522be1597f8f991e887c8486>)



What SB 212 Does Overall

- “Covered entity” designs, funds and operates collection programs statewide – True EPR!
- **Allows two separate programs** – one for sharps and one for meds
- Both programs must be run by **501c3** organizations
- **Convenience** standards for med bins and **free** safe disposal sharps containers with pre-paid-postage with every needle sold
- **Preempts** future local ordinances or those adopted on or **after April 18, 2018** to ensure consistency and predictability for manufacturers
- **Regulation and enforcement** by CalRecycle with up to \$50,000/day fines!



Pharmaceutical Program

- **Kiosk and mail-back program**
- **No “collection events” but allows “alternative collection”**
- **Convenience** standard for med bins:
 - 1 bin for every 50,000 people minimum
 - Any DEA authorized location can ask and get a bin in 90 days!
 - Minimum 5 bins per county
 - If minimum convenience is not met in a county, chain pharmacy collection required for one location or 15% of locations!
- Requires comprehensive **education and outreach** program
- Cannot promote non-program activities like trashing!
- Stewardship organization must report costs and budgets



Sharps Program

- All mail-back, no kiosks
- Point of Sale mail-back container distribution
- Website and 800# required
- Counties with meds only ordinance may participate without giving up meds ordinance
- Local programs and/or HHW facilities can be reimbursed or receive free transportation and disposal for sharps
- No service to needle exchange programs



Oversight and Penalties

- **Regulation and enforcement** by CalRecycle
- \$10,000/day fines for administrative penalties
- \$50,000/day fines for intentional, knowing or reckless violations
- Can revoke the program operators stewardship plan approval or require the program operator to resubmit it
- Can require additional reporting
- Can take disciplinary action against a covered entity, stewardship organization, program operator, pharmacy, retail pharmacy, or retail pharmacy chain that fails to provide the department with the access to information required including administrative penalties and posting noncompliance on the internet. (3 year record retention)

SB 212: 501(c)(3) Required – IMPORTANT!



- Organized as a public benefit corporation
- Articles of Incorporation must state specific charitable (public benefit) purposes
- Strict limits on private benefit
- Limited lobbying; no candidate political activity
- IRS, State Attorneys General can audit to ensure use of assets for specified charitable purposes
- Annual filings with IRS & State Attorneys General are publicly disclosed

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STRUCTURING STEWARDSHIP ORGANIZATIONS: THREE NONPROFIT OPTIONS
April 2017

On behalf of the California Product Stewardship Council, you have asked us to provide a summary of key considerations for legislative drafting requirements for stewardship organizations. Specifically, legislators have the option to draft legislation that would require stewardship organizations to be transparent, governed by parties motivated by public rather than private interest, operated for the benefit of the public, and subject to regulatory oversight and enforcement of their compliance with these requirements. What follows is a narrative discussion of these key considerations. The attached chart compares three types of nonprofit entities based on their federal tax and nonprofit corporate law characteristics, charities, social welfare organizations, and trade associations. (The chart also includes a business vehicle, highlighting the key differences for comparison purposes. The narrative, however, does not cover a for-profit option, as we assume the nature of a stewardship organization is inconsistent with operation purely for private benefit.) We conclude with recommended language for legislation to specify use of the nonprofit vehicle for stewardship organizations that would ensure maximum transparency, public benefit, and regulatory oversight.

I. FEDERAL TAX LAW

A. Section 501(c)(3) Charities.

Charitable organizations that are exempt under Section 501(c)(3) include churches, schools, hospitals, arts and environmental groups, and other organizations that are often described generally as charities. To qualify for exempt status under Section 501(c)(3), an organization must be organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, to foster national or international amateur sports competition, or to prevent cruelty to children or animals. Strict rules limit benefits to private inurement, and prohibit excessive benefits to insiders. In addition, a Section 501(c)(3) organization must refrain from participating or intervening in any political campaign on behalf of or in opposition to any candidate for public office, and substantial lobbying.

Despite occasional scandals, historically and today, 501(c)(3) public charities enjoy a uniquely trusted place in our society, in the eyes of the public, sometimes referred to as the "halo" effect.

(06/09/00CS, 8)

SB 212 – Big Wins!



- Internalization of costs, **no visible fee**
- Stewardship organization must be a non-profit **501c3** for public benefit!
- Covers medications including **OTC's and sharps!**
- **Timely bin collection** to avoid bin closure
- Sharps: **Free mail back container** at point of purchase and requires local governments to be reimbursed for any needles they collect (except for those from harm reduction)

SB 212: **Compromises**

- Animal products not covered
- Needle mail-back only – does it work?
- Definition of “producer” is now “covered entity” due to two programs
- Medicine disposal pouches?
- Preempts any local ordinance passed after April 18, 2018
- Not addressing needles from illegal drug use or harm reduction programs



Picture from Tehama County MRF sort line which stuck an employee. Was traced to a dog blood bank.

SB 212: Timelines

SB 212 Regulations & Stewardship Plan:

- CalRecycle regulations promulgated by **January 1, 2021**
- Up to six months for Stewardship Plan (Plan) submittal after Regs adoption (**by June 30 2021**)
- CalRecycle has 30 days for completeness review (**July 31, 2021**)
- 90 days for review/approval of Plan from submittal date (**September 28, 2021**)
- Full implementation of Plan within 270 days of Plan approval (**6/28/2022**)

Program operational in approximately 3.5 years



Mary Pitto

From: California Carpet Stewardship Program <info@carpetrecovery.ccsend.com> on behalf of California Carpet Stewardship Program <jbolden@carpetrecovery.org>
Sent: Wednesday, November 14, 2018 9:26 AM
To: Mary Pitto
Subject: November News: \$3.2 Million in Grants Awarded

Having trouble viewing this email? [Click here](#)



California Carpet Stewardship Program November 2018 Update



**California Carpet
Stewardship Program**
An initiative of CARE: Carpet America Recovery Effort

\$3.2 Million in Grants Awarded

CARE is pleased to announce a total of \$3.2 million in 20 proposed Cycle 2 grant awards to 19 public and private entities; 16 of 20 projects are located in California and over 75 percent of grant funds are proposed for California-based projects. Combined, the grant-funded projects represent approximately 80 million new annual pounds of post-consumer carpet (PCC) movement in California which includes: recycled output (Type 1 or PC4) and Tier 2 manufacturing pounds. The projects also represent roughly eight million new annual pounds in collected California PCC, along with 133 new California jobs. Grantees are now going through the contracting process before awards are final.

Eight Cycle 2A **Capital Improvement grants** will support capital investment, infrastructure and/or equipment that will process or manufacture products utilizing California PCC. Six Cycle 2B **Product Testing and Development grants** will support efforts to investigate the use of California PCC to manufacture established products, test or certify new or reformulated products, and/or feasibility studies on potential new uses of PCC materials. Six Cycle 2M **Micro grants** will support efforts to establish or improve reuse and collections operations in California.

Each proposal was screened, evaluated, and scored by an independent Technical Committee of experts using the criteria set forth in CARE's grant proposal solicitations under each award category.

For a complete [list of awards and grantees, see the CARE website here.](#)

Reminder: Carpet Assessment to Increase on January 1

Following the conditional approval by CalRecycle of the California Carpet Stewardship Program's Five Year Plan, the carpet assessment will increase on January 1, 2019 to \$0.35 per square yard of carpet sold in the state (from the current \$0.25). The Plan runs through 2022. All California retailers are being informed of the assessment change in a series of communications. Assessment funds are mandated by AB 2398 and support efforts to increase the amount of carpet diverted from landfills and recycled into secondary products.



To learn more and view a presentation on the assessment and how it is used, please visit: the [CARE website](#).

Update: Conditional Plan Approval

Following conditional approval of the California Carpet Stewardship Program's Five Year Plan, CARE is preparing a revised chapter of the Plan to submit to the Carpet Stewardship Advisory Committee by November 14. Following the Committee's recommendations, the revised Plan chapter will be submitted to CalRecycle no later than December 16. CARE will continue as the carpet stewardship organization for California until further notice and will work to meet the goals of legislation (AB 2398 and AB 1158) to reduce the amount of carpet going to landfill and to create markets for recycled carpet material. The approval also immediately releases grant funding for California-based recyclers.

Request a Product Presentation

Products containing California-sourced post-consumer recycled carpet are competitively priced and contribute to earning credits on LEED projects, among other environmental credentials. Facilities, agencies and project managers looking for high quality, environmentally friendly products for construction and landscaping projects are encouraged to contact CARE to learn more. Market Development Consultant Mike Tinney is available to give presentations featuring recycled carpet-derived products, including the emerging line of Double Green™ products.

The presentations are a collaboration with CalRecycle's tire-derived products group and are appropriate for facility managers, public works departments and design professionals involved in project development and product selection. The presentation also features information about [available grants](#).



[Email Mike](#) or call 916-849-2114 with questions or to schedule a presentation. Download the [product catalog here](#).

Product News

Arropol Turns PET Fiber into Polyol

Arropol Chemicals (affiliated with ArrowStar) has developed a new product from the depolymerization of PET fiber that produces polyol, a key component of urethane, that can be used to manufacture turf backing, foam insulation, underlayment and synthetic plywood. The product is commercially available now with plans to triple capacity. Once scaled up, this novel technology solution could consume as much as 28 million pounds of post-consumer PET carpet per year. CARE Executive Director Bob Peoples notes, "This is an exciting milestone. CARE has been working with ArrowStar CEO Ralph Boe for the past two and a half years to support this work, and ArrowStar just received a CARE Cycle 2 grant." ArrowStar is focused on obtaining carpet feedstock from California due to the state's carpet stewardship legislation.

Read [more here](#).

Miura Board Incorporates Carpet Backing

Athyron LLC has launched Miura Board™, a durable 100% recycled alternative to wood and plastic, containing 50% carpet backing recovered from recycling operations. This highly scalable technology has the potential to significantly reduce the stream of carpet currently being disposed of in the nation's landfills. Unlike WPCs (wood-plastic composites), Miura Board™ contains no wood or any other organic ingredients susceptible to fungal attack. This results in increased durability and resistance to impact, which is ideal for heavy traffic outdoor applications in high humidity coastal and tropical environments, as well as in harsh winter conditions. The proprietary technology has been in use in Brazil for over 14 years. Athyron was granted an exclusive license for the US, Canada, and Puerto Rico. Miura Board™ is manufactured in a brand new facility located in Kountze, TX.

Learn [more here](#).

CARE on the Road

CARE will be tabling at [Greenbuild International Conference and Expo](#), November 14-16 in Chicago to spread the word about eco-friendly products that contain post consumer recycled carpet. Attendees are encouraged to stop by the CARE booth, #1863.

Work for CARE: Project Coordinator Sought

CARE is seeking a statewide Project Coordinator for the California Program. Preferable location is the Sacramento area. See [job description here](#).

STAY CONNECTED:

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Carpet America Recovery Effort, 100 S. Hamilton Dr., Dalton, GA 30720

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Sent by [jbolden@carpetrecovery.org](#)

- CALRECYCLE PUBLIC MEETING - NOVEMBER 30, 2018 -

Informational Item Carpet America Recovery Effort's California Carpet Stewardship 2017 Annual Report

Georgianne Turner & Farced Feduit



1



Compliance Status and Submittal of Annual Report

- No approved CARE Plan in 2017.
- Department implemented an Enforcement Plan allowing enforcement on manufacturers to be deferred if:
 - CARE continued to carry out its 2011-2016 Plan, and
 - Manufacturers remained in good standing with CARE.



2



Compliance Status and Submittal of Annual Report

- CARE submitted 2017 Annual Report on Sept 1, 2018.
- Department determines that CARE's 2017 Annual Report submittal demonstrates good faith in continuing to implement its 2011-2016 Plan consistent with the conditions of the Enforcement Plan (June 2017, updated on October 17, 2017 and June 2018)



3



Compliance Status and Submittal of Annual Report

- With no approved Plan for 2017, the Department is not making a compliance determination for statutory requirements such as CARE's demonstration of achievement of continuous meaningful improvement.
- The Department has reviewed 2017 Annual Report for selected program performance metrics as compared to CARE's 2016 Annual Report.



4



Program Performance Comparison 2016-2017

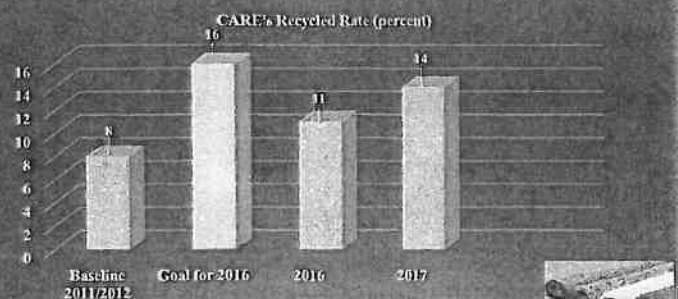
- Recycling Rate
- Energy Recovery
- Source Reduction
- Recyclability
- Reuse
- Diversion
- Drop-off Sites
- Marketing Education & Outreach



5



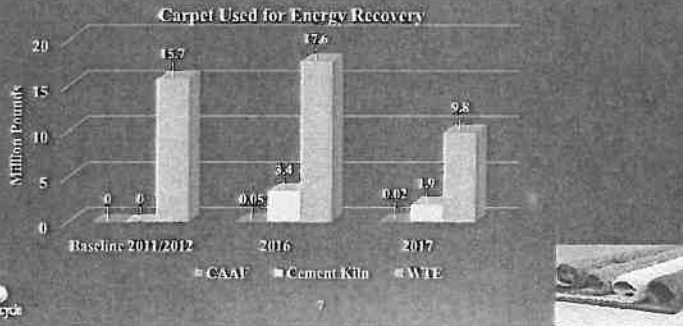
Program Performance Comparison 2016-2017



6



Program Performance Comparison 2016-2017



Program Performance Comparison 2016-2017

- Source Reduction
- Recyclability
- Reuse
- Diversion
- Drop-off Sites
- Marketing Education & Outreach

Program Performance Comparison 2016-2017

Metric	Baseline 7/2011-6/2012	2016	2017
Recycling Rate (percent of carpet discards)	8	11	14
Source Reduction (average weight in lb of a Yd ² of carpet)	4.7	4.39	4.39
Recyclability (percent yield)	28	35.1	48
Reuse (pounds of carpet)	98,000	926,000	414,000
Diversion (pounds of carpet)	47,000,000	61,000,000	62,000,000
CARE Supported Drop-off Sites	0	33	44
Budget for Marketing, Education & Outreach (\$)	-	630,000	785,000
Energy Recovery			
CAAF (pounds of carpet)	0	59,000	17,000
Cement Kiln (pounds of carpet)	0	3,400,000	1,900,000
WTE (pounds of carpet)	15,700,000	17,500,000	9,800,000

Stakeholder Comments

- California Carpet Stewardship Advisory Committee
- Other Stakeholders



Promoting A More Sustainable California



www.calrecycle.ca.gov/carpet

Mary Pitto

From: Mattress Recycling Council <ispa@sleepproducts.ccsend.com> on behalf of Mattress Recycling Council <info@mattressrecyclingcouncil.org>
Sent: Thursday, October 18, 2018 11:42 AM
To: Mary Pitto
Subject: October 2018 MRC Monthly Highlights

MRC Monthly Highlights

Can't view this email, [click here.](#)



MRC Monthly Highlights 10.18.18

MRC NEWS: MRC Submitted CT & RI Annual Reports

This month MRC submitted Connecticut and Rhode Island annual reports.

To view Connecticut's full report, click [here](#).
To view Rhode Island's full report, click [here](#).

MRC NEWS: MRC Releases RFPs in California and Rhode Island

The Mattress Recycling Council (MRC) is requesting proposals for mattress recycling services in California and Rhode Island.

California RFP questions must be submitted in writing to Mike O'Donnell's attention by **October 22, 2018**. Proposals are due **October 31, 2018**.

Rhode Island RFP questions must be submitted in writing to Justine Fallon's attention by **October 22, 2018**. Proposals are due **November 5**.

For information, visit the [MRC's News section](#).

IN THIS ISSUE

MRC NEWS

MRC Submitted CT and RI Annual Reports

MRC Releases RFPs in CA and RI

MRC Reporting Website Scheduled Maintenance

FOR RETAILERS

MRC's California Retailer Take-Back Ad Campaign

COLLECTION SITES

Welcome to the California Illegally Dumped Mattress Collection Initiative

IN THE COMMUNITY

MRC NEWS: MRC Reporting Website Scheduled Maintenance

The MRC Registration and Reporting Portal (www.MRCreporting.org) website will be unavailable on Friday, October 19 at 5:00 PM PST/8:00 PM EST to Saturday, October 20 at 5:00 PM PST/8:00 PM EST. Please plan accordingly.

CA RETAILERS: MRC's California Retailer Take-Back Ad Campaign Has Launched



Our latest California ad campaign is currently running, and it encourages consumers to ask their local retailer to take back used mattresses when purchasing a new one.

Themed "Make it Easy," the cornerstone of the campaign educates consumers and retailers on how simple it is to recycle used mattresses and box springs for free through the Bye Bye Mattress Program.

"We want Californians to know they can ask their retailers to take their old mattress when a new one is delivered," said MRC's Managing Director, Mike O'Donnell. "It's part of our Bye Bye Mattress Program, which removes millions of pounds of waste from California's landfills every year and reduces the state's environmental footprint."

To learn more, check out the [Retailer Take-Back page](#) of MRC's website.

Quote of the Month

Invite MRC to Join Your Next Fall Festival or Community Event

IN EVERY ISSUE

Customer Education

Reporting & Payment Deadlines

Upcoming Industry Events

Publicity Toolkits

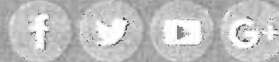
Recyclers in Your Area

New Collection Sites

Connect With Us

501 Wythe Street
Alexandria, VA 22314

1-855-229-1961



IN THE COMMUNITY: Quote of The Month

As a way to show our appreciation for all of the great feedback MRC receives, we will begin featuring a quote of the month in our newsletter. This month's quote is from Barbara Christwitz with Citizens Caring for Clearlake.



IN THE COMMUNITY: Tell Us About Your Upcoming Events

Fall festivals and next month's America Recycles Day provides MRC an easy way to tell residents about the Bye Bye Mattress Program and build awareness of how to recycle mattresses. We recently visited Victorville's Fall Festival and the Ashland/Cherryland FamFest 5K Fun Run.

Please let us know about your upcoming community events. Send exhibitor and sponsorship information to [MRC](#).



COLLECTION SITES: Welcome to California's Illegally Dumped Mattress Collection Initiative

To date, there are **48 participating entities** and this year more than **35,000 units** have been collected so far. MRC welcomes the following new participant:

- City of Salinas

To read more about MRC's California Illegally Dumped Mattress Collection Initiative, click [here](#).

If your organization is eligible to participate, please register! Contact [Mark Patti](#), MRC's Southern California Program Coordinator.

UPCOMING EVENTS

Resource Recycling Conference Oct. 22-24 St Louis, MI	Campus Sustainability Month at ECSU Oct. 24 Willimantic, CT	Connecticut Conference of Municipalities Oct. 30-31 Mashantucket, CT	Southern California Furniture & Accessory Market Nov. 8-9 Long Beach, CA	SCWMF Annual Conference & Exhibit Nov, 14 Ponomo, CA
<u>Event website</u>	<u>Event website</u>	<u>Event website</u>	<u>Event website</u>	<u>Event website</u>

WELCOME: New Collection Sites

We are always adding new sites to the program. Visit the recycling locator at EyeByeMattress.com for the latest details. If you would like to become a collection site, please contact MRC today.

Here are some recent additions to our locator directory:

California

Mission Trail Waste Systems, Inc.
 Santa Clara, CA 95050

**Urban Corps San Diego Recycling
 Buyback Center**
 San Diego, CA 92108

Connecticut

City of West Haven
 West Haven, CT 06516

FOR RETAILERS

CUSTOMER EDUCATION MATERIALS

[Online Order Form](#)

Samples:

- [Information Card](#)
- [Information Card Spanish](#)
- [Customer Q & A](#)
- [Customer Q & A Spanish](#)

REPORTING & PAYMENT DEADLINES

Collection Period - Due Date

- Sept 1-30 - Oct 30
- Oct 1-31 - Nov 30
- Nov 1-30 - Dec 30

Submit Reports & Payments via
MRCreporting.org

Request artwork or logos

FOR COLLECTION SITE & EVENT HOSTS

PUBLICITY TOOLKITS

Collection Site Hosts:

Find press releases, flyers, site signage and more!

[Site Host Toolkit](#)

Event Hosts:

Media alerts, flyers, posters, signage and more!

[Event Host Toolkit](#)

RECYCLERS IN YOUR AREA

CALIFORNIA

Businesses need to make arrangements directly with recyclers.

[Cleaner Earth Company](#)

[Cristal Materials](#)

[DR3 Livermore](#)

[DR3 Stockton](#)

[DR3 Woodland](#)

[R5 Recycling](#)

CONNECTICUT & RHODE ISLAND

Businesses should contact our Northeast Program Coordinator Kate Caddy for arrangements.

[Park City Green-CT](#)

[Ace Mattress Recycling-RI](#)

[Express Mattress Recyclers-RI](#)



Get SleepSavvy Today!

Sleep Savvy is the go-to, hands-on resource for mattress retailers who want to sell more and better bedding. With features, tips and ideas, it's designed to make your business grow.

Check out the latest issue at sleepsavvymagazine.com
Subscriptions are FREE!

Mattress Recycling Council (MRC) is a non-profit organization formed by the industry to operate recycling programs in states which have enacted mattress recycling laws. Connecticut's program launched on May 1, 2015, California launched December 30, 2015 and Rhode Island began May 1, 2016. Each state's program is funded by a recycling fee that is collected when a mattress or box spring is sold. The fees pay for the transportation and recycling of the mattresses.

501 Wythe Street, Alexandria, VA 22314

[Unsubscribe mpitto@rcrcnet.org](mailto:mpitto@rcrcnet.org)

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DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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P.O. BOX 4025, SACRAMENTO, CALIFORNIA 95812

AGENDA

Workshop to Discuss the Development of the Pilot Reuse Grant Program (Fiscal Year 2019–20)

November 14, 2018

1:30 PM

Cal/EPA Building, Sierra Hearing Room, 2nd Floor
1001 I Street, Sacramento, CA 95814

In anticipation of the Pilot Reuse Grant Program, CalRecycle is conducting a workshop with stakeholders to solicit input on a potential Pilot Reuse Grant Program proposed for fiscal year 2019–20. Topics to be addressed include potential project types, eligible entities, potential reuse activities, verification of reuse, and development of greenhouse gas emissions reduction quantification methodologies. The Pilot Reuse Grant Program solicitation is planned for summer 2019 (contingent upon California Climate Investments funding allocated to CalRecycle in the fiscal year 2019–20 proposed budget).

- 1:30 – 1:40 PM Introduction and Housekeeping**
- 1:40 – 1:50 PM ARB Overview on California Climate Investments**
- 1:50 – 3:30 PM Background and Discussion of Reuse Pilot Grant Program**
 - ▶ **Potential definitions for eligible “pilot reuse projects”**
 - ▶ **Solicit input on types of Reuse projects**
 - ▶ **Funding and project costs**
 - ▶ **Potential eligible applicants**
- 3:30 – 4:00 PM Open Discussion**
- 4:00 – 4:05 PM Closing Remarks**

Send comments and questions to: GHGReductions@CalRecycle.ca.gov

To participate via webcast, go to: <https://www.calrecycle.ca.gov/Broadcast/>



ORIGINAL PRINTED ON 100 % POST-CONSUMER CONTENT, PROCESS CHLORINE FREE PAPER

Pilot Reuse Grant Program

November 14, 2018



Today's Agenda

- ▶ Goals and purpose of the Pilot Reuse Grant Cycle
- ▶ Potential definitions for eligible "pilot reuse projects"
- ▶ Solicit input on types of reuse projects
- ▶ Funding and project costs
- ▶ Potential eligible applicants
- ▶ Open discussion

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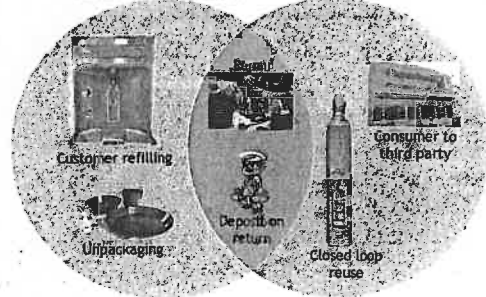
Goals and Purpose

- ▶ Scope a potential Pilot Reuse Grant Program \$1M of CCI Funds
- ▶ Other programs: FPG, Organics, Food Waste, RMDZ
- ▶ Reuse is high in the waste management hierarchy
- ▶ Consideration of projects in the current context
 - ✓ Landfill Diversion
 - ✓ Greenhouse gas reductions
- ▶ Statewide impact
- ▶ Replicability



Source Reduction

Reuse



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Existing Definitions of Reuse

- ▶ **CCR §17931 (RMDZ):** "Reuse" means to take a product, rather than a material, which has served its useful life or is factory defective, and provide some new value to the product, by reconditioning, reprocessing, or some other process which makes the product usable again for its original intended purpose.
- ▶ **SB 1335 (Allen) §42370.2(c):** For purposes of determining if a type of food service packaging is reusable pursuant to subdivision (a), the director shall consider, at a minimum, all of the following criteria:
 - (1) Whether the packaging is conventionally disposed of after a single use.
 - (2) Whether the packaging is sufficiently durable and washable to allow for multiple uses.
- ▶ **Webster:** (1) to use again especially in a different way or after reclaiming or reprocessing; (2) further, different, or repeated use
- ▶ **Wikipedia:** Reuse is the action or practice of using something again, whether for its original purpose (conventional reuse) or to fulfill a different function (creative reuse or repurposing).

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Potential Definitions for Eligible "Pilot Reuse Projects"

For the purposes of this program, a pilot reuse project is an activity that results in extending the useful life of an existing product and reduces landfill disposal.

OR

For the purposes of this program, a pilot reuse project replaces an item or material that is conventionally disposed of after a single use with a product that will be used multiple times for a similar purpose.

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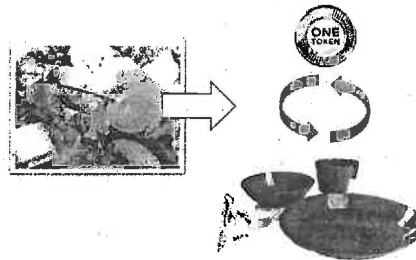
Examples of Reuse Projects: Reusable Packaging Association and Full Belly Farms



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Examples of Reuse Projects: Mess Kits at a Festival



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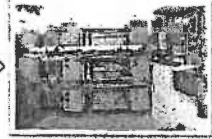
Examples of Reuse Projects:
CupClub



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Examples of Reuse Projects:
Electric Vehicle Batteries



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Examples of Reuse Projects:
Repair Café
Eugene, Oregon



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Examples of Reuse Projects:
Hydration Stations



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Examples of Reuse Projects:
Conscious Container



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Examples of Reuse Projects:
ReFuel Your Fun



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Existing Examples of Reuse Projects:
Salvage and Deconstruction



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What are other types of reuse projects?

- ▶ Describe the project and identify the reused item(s).
- ▶ List the products or materials diverted from landfills.
- ▶ How will the project track and verify landfill diversion and GHG emission reductions?
- ▶ What is the grant funding needed for (e.g., education and outreach, equipment, containers, etc.)? How much grant funding is needed?



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Potential Definitions for Eligible “Pilot Reuse Projects”

For the purposes of this program, a pilot reuse project is an activity that results in extending the useful life of an existing product and reduces landfill disposal.

OR

For the purposes of this program, a pilot reuse project replaces an item or material that is conventionally disposed of after a single use with a product that will be used multiple times for a similar purpose.

OR

...?

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Funding

- ▶ \$1 million pilot (contingent on funding availability)
- ▶ \$100k to \$500k per project
- ▶ Potentially Eligible costs
 - ▶ Education and outreach
 - ▶ Manufacturing of reusable products
 - ▶ Purchasing of reusable products
 - ▶ Equipment for washing of reusable products
 - ▶ Operation and maintenance costs

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Potentially Eligible Applicants

- ▶ Eligible entities from other programs:
 - ▶ Local government
 - ▶ Private, for-profit entities
 - ▶ State agencies
 - ▶ University of California, California State University, or California Community Colleges
 - ▶ Nonprofit Organizations
 - ▶ Qualifying Indian Tribes

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Open Discussion

- Should matching funds be required?
- Should all these entities be eligible for reuse projects? If not, why?
- Should certain entities be prioritized for funding? If yes, who and why?
- Should there be caps on funds for education and outreach?
- How can the baseline disposal or avoided disposal for specific projects (e.g. repair cafés and thrift stores) be determined?
- How can we ensure that grant funds are prioritized for projects that are scalable, have large potential GHG emission reductions, and/or significant landfill diversion benefits?
- Should grant funds be earmarked for certain types of reuse projects? If yes, which types of reuse projects should be earmarked for funding and how much?

...?

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Next Steps

Workshop comments due by November 30, 2018
GHGReductions@calrecycle.ca.gov

Tentative schedule:





Monthly Public Meeting

CalRecycle

10:00 A.M., November 20, 2018
Cal/EPA Building – Byron Sher Auditorium

A. DIRECTOR'S REPORT

Presentations or discussions by the Director and/or Executive Offices regarding department matters, legislative updates, public affairs or 75% initiative/legislative report.

B. PUBLIC COMMENT*

People may speak on any matter concerning CalRecycle with the exception of items appearing elsewhere on this agenda or items related to pending adjudicative (certification or enforcement) proceedings.

*Please note that while CalRecycle affords members of the public the opportunity to participate by Webcast, CalRecycle strongly encourages public comments to be made in person.

C. POLICY MANDATES/WORKSHOPS/RULEMAKING PROCEEDINGS

Possible decisions or discussions by department staff regarding any order instituting a rulemaking proceeding to develop and adopt regulations and/or policy guidelines specifying the procedures to implement or revise program guidelines or requirements such as Product Stewardship, Commercial Recycling, Organics Roadmap or the 75% initiative.

Action Items

1. Consideration of the Carpet America Recovery Effort 2017 Annual Report
Staff Contact: Faridoon.Ferhut@CalRecycle.ca.gov
[Public Notice](#)

Information Items

Nothing to report at this time

D. BEVERAGE CONTAINER RECYCLING PROGRAM

Possible decisions or announcements regarding BCRP matters including fund condition, rates, approval of new/renewed certifications, or enforcement actions.

Action Items

No actions at this time

Information Items

1. Status of the Beverage Container Recycling Fund - Quarterly
Department Staff Contact: Adam.Tauber@CalRecycle.ca.gov
2. Rate Announcement for January 2019
Department Staff Contact: Mike.Miller@CalRecycle.ca.gov

3. Commencement Announcement of Survey Period
Department Staff Contact: Mike.Miller@CalRecycle.ca.gov
4. Annual Curbside Supplemental Payments Announcement
Department Staff Contact: Mike.Miller@CalRecycle.ca.gov
5. Following Year Handling Fee or Processing Fee/Payment Cost Surveys
Department Staff Contact: Mike.Miller@CalRecycle.ca.gov
6. Update of Imported Empty Beverage Container Reporting and Inspection Program
Department Staff Contact: Ben.Shelton@CalRecycle.ca.gov

E. GRANT AND LOAN PROGRAMS

Possible decisions or overview regarding matters related to the used oil and household hazardous waste programs.

Action Items

1. Recycling Market Development Revolving Loan Program Eligibility Criteria (Recycling Market Development Revolving Loan Subaccount)
Department Staff Contact: Michelle.Martin@CalRecycle.ca.gov
[Public Notice](#)

Information Items

1. Awards for the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program (Farm and Ranch Solid Waste Management Cleanup and Abatement Account, Fiscal Year 2018–19)
Department Staff Contact: Stphanie.Becker@CalRecycle.ca.gov
[Public Notice](#)

F. SOLID WASTE AND TIRE FACILITIES

Possible decisions or reconsiderations to petitions for a facility or landfill permit or modification; and, possible determinations of enforcement actions, clean-up requirements; or LEA training.

Action Items

1. Recology Hay Road – Solano County, Revised Solid Waste Facilities Permit, Action Needed December 15, 2018
Department Staff Contact: Harprit.Mattu@CalRecycle.ca.gov
[Public Notice](#)
2. Santa Maria Regional Landfill – Santa Barbara County, Revised Solid Waste Facilities Permit, Action Needed December 17, 2018
Department Staff Contact: Dianne.Ohiosumua@CalRecycle.ca.gov
[Public Notice](#)
3. Alameda County Industries Transfer/Processing Facility – Alameda County, Revised Solid Waste Facilities Permit, Action Needed December 25, 2018
Department Staff Contact: Alyssa.Gagnon@CalRecycle.ca.gov
[Public Notice](#)

4. Oasis Sanitary Landfill – Riverside County, Modified Solid Waste Facility Permit, Action Needed December 25, 2018
Department Staff Contact: Megan.Emslander@CalRecycle.ca.gov
[Public Notice](#)
5. Bay Area Tire Recycling – Alameda County, Major Waste Tire Facility Permit, Action Needed April 8, 2019
Department Staff Contact: Alyssa.Gagnon@CalRecycle.ca.gov
[Public Notice](#)
6. New Pride Tire, Inc. – Los Angeles County, Revised Minor Waste Tire Facility Permit, Action Needed April 28, 2019
Department Staff Contact: Benjamin.Escotto@CalRecycle.ca.gov
[Public Notice](#)

Information Items

Nothing to report at this time

G. COMPLIANCE AND ENFORCEMENT HEARINGS

Hearings for Compliance and Enforcement matters and Administrative Appeals which are required to have a public hearing prior to the Department taking action

Action Items

No actions at this time

Information Items

1. Waste Evaluation and Enforcement Branch (WEEB) Enforcement Update on the Mandatory Commercial Recycling (MCR) Law (Public Resources Code Section 42649-42649.7)
Department Staff Contact: Trevor.OShaugnessy@CalRecycle.ca.gov

H. LOCAL ASSISTANCE

Possible approval or discussion of locally adopted planning documents, bi-annual reviews, compliance and enforcement actions, or other program-related proceedings.

Action Items

No actions at this time

Information Items

Nothing to report at this time

I. ELECTRONIC WASTE RECYCLING PROGRAM

Possible decisions or overview regarding the reuse, recycling, and handling of covered electronic devices; including matters related to fees, recyclers, enforcement, claim reviews and adjustments.

Action Items

No actions at this time

Information Items

Nothing to report at this time

J. PROGRAM AND ISSUE UPDATES

Action Items

No actions at this time

Information Items

Nothing to report at this time

K. OTHER

Possible decisions or discussions regarding the development or implementation of a new or an amendment to policies and procedures for grants, loans and contracts. Please note that grants, loans, or scopes of work will be agendized specific to program area unless otherwise noted here.

Action Items

No actions at this time

Information Items

Nothing to report at this time

We want to assure all of our stakeholders that transparency and stakeholder involvement remains a high priority for CalRecycle. In keeping with a history of providing stakeholders with information about programs, activities, and departmental decisions, CalRecycle has a public noticing site. To review Final CalRecycle Decisions and other department activities, please go to: <http://www.calrecycle.ca.gov/Actions/> or <http://www.calrecycle.ca.gov/BevContainer/Notices>. For meeting participation, listserv, and feedback information, please go to: <http://www.calrecycle.ca.gov/PublicMeeting/>.

[Home](#) » [Disaster Response](#) » [Wildfire Cleanups](#)

Wildfire Debris Cleanup and Recovery

Every year, California faces the threat of devastating wildfires that have the potential to claim lives, destroy property, and harm the environment. Wildfire debris removal programs are implemented under the leadership of the Governor's Office of Emergency Services (CalOES) and local governments.

CalOES: Wildfire Recovery Resources

Information About Camp and Woolsey Fires Cleanup: Updated November 27, 2018

Property Owners

CalRecycle is working alongside CalOES and other federal, state, and local partners to bring all available resources to assist with wildfire recovery efforts in Butte, Los Angeles, and Ventura counties. While CalRecycle will be involved in fire debris removal cleanup for the Camp and Woolsey fires under the leadership of CalOES and local governments, most of the information on assistance will be managed by and through the local jurisdictions (city and county). To stay up to date on fire debris removal efforts, we suggest monitoring wildfirerecovery.org, local agency websites, and local media resources.

Public informational meetings will be organized in the near future to provide information on the state's debris removal assistance program and answer any questions from the public. Additional information will be provided on agency websites as it is developed and becomes available. Eventually, a local assistance office, called a Debris Removal Operations Center (DROC), and a hotline number will be set up and operated by state and local agencies. Property owners will be able to address all questions and coordination issues for debris removal through the DROC and hotline. You can read more about the wildfire cleanup process and order of operations below.

Debris Removal Contractors

The state is currently working on strategies for fire debris removal and has not developed a contracting or solicitation strategy yet, so there is no information available at this time. Historically, CalRecycle has used large general contractors, who use subcontractors to complete the work. CalRecycle maintains a list of interested contractors in fire debris removal work, which is available to all general contractors and subcontractors. As a contractor, you can then use the list to network and explore subcontracting opportunities. Once on our list, you will also be directly notified by email of any solicitations.

To get onto CalRecycle's contractor list, please email your company name, address, type of work, and primary contact person's email and phone number to FireDebrisContracts@calrecycle.ca.gov.





CalRecycle is often tasked with overseeing and managing contractors and consultants to conduct debris removal operations on private properties at no out-of-pocket cost to property owners; however, where applicable, insurance proceeds specifically dedicated for debris removal shall be remitted to offset costs. Homeowners who choose to participate in the debris removal phase of the cleanup program are required to return signed Right of Entry forms to their local governments.

In 2018, California experienced a series of fast-moving wildfires that claimed lives and caused significant damage to communities throughout California.

CalOES has tasked CalRecycle to manage debris removal operations in Butte, Lake, Los Angeles, Shasta, Siskiyou, and Ventura counties.

- Butte County: Camp Fire
- Los Angeles and Ventura Counties: Hill and Woolsey Fires
- Lake County: Mendocino Complex and Pawnee Fires
- Shasta County and the City of Redding: Carr Fire Recovery
- Siskiyou County: Klamathon Fire

Wildfire Cleanup Process and Order of Operations

The state-managed debris removal program has two phases: removal of household hazardous waste and removal of other fire-related debris.

Phase 1 | Household Hazardous Waste Removal

California Department of Toxic Substances Control or other dedicated agency

- Clear properties of household hazardous waste, including propane tanks, compressed gas cylinders, and solvents.
- Assess properties for asbestos and remove bulk asbestos material.

Phase 2 | Debris Removal

California Department of Resources Recycling and Recovery

Site assessment and documentation

- Measure and record foundation, structures, debris, utility infrastructure, and property-specific hazards.
- Obtain and evaluate soil samples to establish cleanup goals for the project; identify and remove remaining asbestos-containing materials.

Debris removal

- Remove of all burnt debris, foundations, dangerous trees, and contaminated soil
- Conduct confirmation sampling.
- Sample and analyze soil and compare results to cleanup goals.

Erosion control measures

- Implement storm water best management practices to control sediment runoff and promote vegetation growth.

Final inspection

- Property owners receive a certification that verifies the lot is clean and eligible to receive a building permit.

Private Cleanups: Property owners who do not qualify for, or who choose not to participate in, the state program should consult their local officials for information on contractor requirements and cleanup standards.

Resources for Homeowners

CalRecycle has been involved in past cleanup efforts for several large wildfires and has prepared the resources and guidance below to help local governments with wildfire debris management and disposal, household hazardous waste collection and storage, and ash cleanup and disposal.

- California Office of Emergency Services: wildfirerecovery.org
- California Environmental Protection Agency (CalEPA): [Fire Response and Recovery](#)
- California Contractors State License Board: [Disaster Information Center](#)
- California Department of Insurance: [Dealing With Catastrophes--Wildfires](#)
- [Federal Emergency Management Agency \(FEMA\)](#)
- Department of Toxic Substances Control: [Emergency Guidance on Wildfires #1: Handling Ash, Debris and Other Hazardous Materials from Burned Structures](#)

Resources for Local Jurisdictions

Depending on the circumstances and extent of damage caused by a wildfire, local government jurisdictions develop a coordinated approach to fire debris cleanup. This could involve:

- Establishment of standards for cleanup (based on public health and safety findings from prior fires).
- Local government contracting and management of debris removal from private properties for those entities voluntarily participating in the coordinated program.
- The use of State-contracted cleanup crews.

Local government jurisdictions choosing to coordinate a fire debris cleanup may also want to consider the following:

- Establishment of a debris removal operations center;
- Voluntary participation programs, including the right-of-entry permit, which allows a County/City/State agency to proceed with cleanup on privately owned properties;
- Household hazardous waste collection/coordination;
- Removal of landscape/vegetation;
- Erosion control.

For technical questions regarding wildfire debris and its removal, contact [CalRecycle](#).

Disaster Waste Tracking: Jurisdictions may deduct disaster waste tonnage in their annual reports to CalRecycle so it will not negatively impact their solid waste diversion rates. In order for jurisdictions to claim this disposal reduction, it is essential that disaster waste be tracked separately from other waste at disposal facilities. For each disaster waste load received, facilities must record the tons by jurisdiction. Local government and emergency personnel have the most specific knowledge of areas that burned and facilities that are or will be receiving disaster waste. We ask that you notify all applicable facilities regarding these record-keeping needs.

The following documents provide CalRecycle guidance for local disaster response efforts:

- [Local Enforcement Agency Advisory #43--Disaster Assistance](#). Guidance on disaster debris management, including selecting and securing temporary storage sites.
- [Local Enforcement Agency Guidance Emergency Waiver of Standards](#).
- [Integrated Waste Management Disaster Plan](#). CalRecycle's 1997 plan contains information and case studies that can assist local governments in recovery efforts. Please go to the [FEMA website](#) for up-to-date information on reimbursement requirements.
- Asbestos-Containing Ash and Disaster Debris. Solid waste landfills accepting ash or other disaster debris that contains greater than 1 percent friable asbestos by weight that are not already permitted to accept such waste must obtain an emergency waiver specific to this waste type pursuant to the procedure set forth in [California Code of Regulations, Title 14, Division 7, Chapter 3, Article 3](#). Where the Enforcement Agency has issued a waiver, the ash or debris containing greater than 1 percent friable asbestos should be handled in accordance with [California Code of Regulations, Title 14, Section 17897.18](#) "Design and Operating Requirements" for solid waste facilities that dispose of asbestos-containing waste.
- [Rebuilding Green](#). CalRecycle's fact sheet provides ideas that can save or reduce resources in five categories: site, water, energy, materials, and indoor environmental quality as you rebuild your home after a disaster.

Contacts

- [CalRecycle Local Assistance and Market Development Contacts](#). CalRecycle's Local Assistance staff can help local governments locate disaster debris processors and sample disaster debris contracts and ordinances.
- [Local Enforcement Agency \(LEA\) Directory](#)
- [CalRecycle Permitting and Enforcement Contacts](#) for local enforcement agency (LEA) reference.

Last updated: November 27, 2018

Disaster Preparedness and Response <https://www.calrecycle.ca.gov/Disaster/>
opa@calrecycle.ca.gov (916) 341-6300

Mary Pitto

From: CalRecycle News Releases Listserv <opa@calrecycle.ca.gov>
Sent: Monday, November 5, 2018 4:32 PM
To: Mary Pitto
Subject: In the Loop -- CalRecycle's monthly e-newsletter -- November 2018

IN THE LOOP

*Tips, information, and musings
from the California Department of Resources Recycling and Recovery*

IN THIS ISSUE:

What We're Working On

What's Coming Up

Quick Features

Video: Food Waste Prevention

Social Media

Contact Us!

What We're Working On

Plastics Recycler Gets \$2 Million to Fight Climate Change

CalRecycle approved a \$2 million California Climate Investment loan to rPlanet Los Angeles, LLC for PET recycling infrastructure at its new facility in Vernon. The will allow rPlanet to transform 1,000 tons of plastic waste into new sustainable packaging each year, create 52 new jobs, and reduce 1,500 MTCO_{2e} of annual greenhouse gas emissions that contribute to climate change. [See our news release for more information.](#)

CalRecycle Gives Thermoformer Low-Interest Loan

The state of California will provide another loan to help a packaging producer boost its RPET consumption. The California Department of Resources Recycling and Recovery (CalRecycle) on Oct. 12 approved a \$1 million loan for Pinnpack Packaging. (Resources Recycling, Inc.)

Wildfire Debris Cleanups: Status Report

CalRecycle is currently mission-tasked by CalOES to manage debris removal operations for the Carr Fire in Shasta County, the Klamathon Fire in Siskiyou County, and the Mendocino Complex Fire and the Pawnee Fire, both in Lake County. [See our most recent blog entry on the cleanups.](#)

What's Coming Up

CalRecycle November Public Meeting

10 a.m. Tuesday, November 20

Byron Sher Auditorium, CalEPA Building

1001 I St., Sacramento, CA

A few days before the meeting, you can find the full agenda and other materials for [CalRecycle's November public meeting here](#). If you can't make it in person, [join us by webcast](#) (the link will go live shortly before the meeting begins).

Shifting Recycling Markets: Impacts on AB 939 Compliance for Jurisdictions-Workshop

On November 7 in Sacramento, CalRecycle will host a workshop to discuss how local recycling programs are facing shifting international markets for recyclable commodities. In this workshop, jurisdictions and other recycling stakeholders will share how they are adapting. AB 939 (Integrated Waste Management Act) compliance will also be discussed, including a review of the current Countywide Integrated Waste Management Plan Enforcement Policy, and potential changes related to AB 3178. There will also be discussion of how CalRecycle can support jurisdictions' education efforts to reduce recycling stream contamination.

Workshop to Discuss the Development of the Pilot Reuse Grant Program

On November 14 in Sacramento, CalRecycle will host a workshop with stakeholders to solicit input on a new Pilot Reuse Grant Program proposed for FY 2019/20. The grant program is still being developed and may include projects such as switching to reusable service ware, using refillable containers, deploying reusable packaging, and refurbishing and reusing a variety of products. Topics to be addressed in the workshop will include potential project types, eligible entities, potential reuse activities, verification of reuse, and development of greenhouse gas emissions reduction quantification methodologies. The Pilot Reuse Grant Program solicitation is planned for summer 2019 (contingent upon California Climate Investments funding allocated to CalRecycle in the FY 2019/20 proposed budget).

Quick Features

It's a Dirty Job, but Someone's Gotta Do It!

In an ideal world we wouldn't have waste, but as long as we do, we gather as much information as we can from the material Californians throw away. Every few years CalRecycle conducts a waste characterization study, which provides us with information about what goes to California landfills.

Five CalRecycle Webpages You Should Know About

CalRecycle's website has more than 3,000 webpages to educate consumers, government entities, and business owners about responsible waste management and recycling. Chances are you come to our website looking for something specific, like where to recycle certain items or information about a newly implemented recycling law. Here is a list of other useful CalRecycle webpages.

Video: Waste Characterization

Waste characterization studies help us find out how much paper, glass, food waste, etc. is discarded in the waste stream. This information helps us plan how to reduce waste, set up recycling programs, and conserve money and resources. Watch our [Waste Characterization Study video](#) to learn more.

Social Media

Follow us on [Twitter](#) and [Facebook](#)!

Our [blog](#) has moved to our [updated CalRecycle website](#). Check it out!

To subscribe or unsubscribe, go to our [CalRecycle Listservs webpage](#) and scroll to "News Releases: Receive email notifications about CalRecycle news releases, reports, accomplishments, and special activities."

Questions, Comments? [Contact us!](#)

----- [Unsubscribe from this list.](#)

~
Serial Number: QY2IT6NE
Sent On: 11/05/2018 4:32 PM
~

Mary Pitto

From: CalRecycle Electronic Waste Management ListServ <EWaste@calrecycle.ca.gov>
Sent: Monday, October 29, 2018 3:02 PM
To: Mary Pitto
Subject: CalRecycle Workshop on Threats Posed by Lithium Battery Fires - November 8th

October 29, 2018

Dear Electronic Waste Stakeholder:

This listserv message is an informational item regarding an upcoming workshop hosted by CalRecycle.

=====

In this issue:

**CALRECYCLE WORKSHOP ON THREATS POSED BY LITHIUM BATTERY FIRES -
NOVEMBER 8TH**

=====

CalRecycle Workshop on Threats Posed by Lithium Battery Fires - November 8th

Please join us for a workshop to discuss the increased prevalence of battery related fires at waste management facilities, hear the impacts to recycling and material recovery facilities in California, and discuss existing tools and potential solutions. Please note that this workshop will not be focusing on electric car batteries.

**Threats Posed by Lithium Battery Fires
CalEPA Building, Room 550
1001 I Street, Sacramento CA 95812
Thursday November 8, 2018
1-4 PM**

A public notice has been posted to <https://www2.calrecycle.ca.gov/PublicNotices/Details/2518> where you will find a link to the agenda.

This event will be webcast <https://www.calrecycle.ca.gov/Broadcast/> and you can send comments/questions during the meeting to: Battery@CalRecycle.ca.gov.

We look forward to you joining in the discussion.

Other Resources

Covered Electronic Waste (CEW) Recycling Program Information: www.calrecycle.ca.gov/Electronics/CEW

CEW Recycling Payment System Regulations: www.calrecycle.ca.gov/Electronics/RegInfo

DTSC Universal Waste Electronics Handler and Recycler
Information: www.dtsc.ca.gov/HazardousWaste/EWaste

California Statutes and Bills, including Public Resources Code (PRC) and Health and Safety Code (HSC): www.leginfo.legislature.ca.gov

Please note that e-mail correspondence with the Department of Resources Recycling and Recovery (CalRecycle) related to e-waste management in general, and implementation of the Electronic Waste Recycling Act in particular, should be directed to ewaste@calrecycle.ca.gov.

Also note that an archive of past distributions of this newsletter is available at:

- [2004 to Present](#)
- [Pre-2004](#)

Thank you for your interest in shaping California's e-waste management future.

To subscribe to or unsubscribe from the E-Waste listserv or other listservs, please go to www2.calrecycle.ca.gov/Listservs/. For information on California's Electronic Waste Recycling Act of 2003 (SB 20) implementation efforts, as well as other relevant developments go to www.calrecycle.ca.gov/Electronics/.

~
Serial Number: 4WNHHUHT
Sent On: 10/29/2018 3:02 PM
~



Edmund G. Brown Jr.
Governor

Matthew Rodriguez
Secretary for Environmental Protection

Unified Program Newsletter – October 2018

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CalEPA

CERS Knowledge Base, Help, and FAQs

How to Change a Business Site Address

<https://cers.calepa.ca.gov/wp-content/uploads/sites/11/2018/10/October-2018-How-to-Change-Business-Site-Address-in-CERS.pdf>

Unified Program Violation Library Update

Effective October 1, 2018, the Unified Program Violation Library in the California Environmental Reporting System (CERS) has been updated. Updates include revisions to some existing violations, the addition of new violations, and the discontinuation of some violations (some violations can no longer be used for inspections that occur after September 30, 2018). For those CUPAs that maintain a local violation library in their data management system, please ensure that the local violation library has been updated with the latest version of the Unified Program Violation Library in CERS.

State Water Board

Amendments to the Underground Storage Tank (UST) Regulations

Amendments to California Code of Regulations, title 23, division 3, chapter 16 (UST Regulations) became effective on October 1, 2018. This is the most substantial change to regulations in a decade. The amendments include changes to designated UST operator inspections; overfill prevention equipment inspections; testing and inspecting equipment after a repair; demonstrating compatibility; training of employees, and line leak detection of piping connected to emergency generator tank systems. A full version of the UST Regulations can be found at https://www.waterboards.ca.gov/ust/regulatory/docs/CCR_Ch16_10_2018.pdf

Local Guidance Letters and Informational Documents

The State Water Resources Control Board (State Water Board) is currently revising local guidance (LG) letters regarding compliance with the UST regulations. Additionally, State Water Board staff are drafting instructional documents in a question and answer format addressing UST requirements. These informational documents are targeted for all stakeholders. All new and updated guidance will be announced and distributed through the Lyris email distribution and posted on the UST Program website. The informational documents can be found under "Staying Connected" at

https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/

New and Revised Forms Required for Use as of October 1, 2018

As of October 1, 2018, the UST Regulations requires specific forms to be used to record testing and inspection results, training of facility employees, owner or operator statement of

understanding, and designated UST operator identification. The forms can be found in a PDF and Word fillable format at https://www.waterboards.ca.gov/water_issues/programs/ust/forms/.

For more information regarding the adopted amendments to the UST Regulations, please contact Mr. Cory Hootman at (916) 341-5668 or by email at Cory.Hootman@waterboards.ca.gov or Mr. Tom Henderson at (916) 319-9128 or by email at Tom.Henderson@waterboards.ca.gov.

Informative Webinars on UST Regulations and Report 6

State Water Board staff will be presenting several series of webinars as described below, designed to assist the various stakeholders with the changes to regulation and reporting. Please note, there is a limited number of video and call in connections available for each webinar. State Water Board staff encourage participants to be on time as we have been at capacity for past webinars. If you are able, we highly recommend calling in or joining the video as a group. All webinars will use the same web link, call in and pass codes shown at <https://stateofcaswrcbweb.centurylinkccc.com/CenturylinkWeb/LauraFisher>

Telephone: 1-877-820-7831 Participant pass code: 683375#

Attendees may pose written questions during the webinar. To ask a question, click on the Q&A icon located at the top of the page. Questions will be addressed at the end of the webinar.

Regulated Community – UST Regulations

State Water Board staff have presented several webinars to the regulated community beginning in July 2018. Because of the overwhelming demand, staff will be presenting additional informational webinars on the new UST Regulations. These webinars are to assist the regulated community in complying with the regulations for testing, inspection, compatibility, upgrades and training.

Webinar dates and times for the regulated community on new regulations are:

October 24, 2018	9:00am – 12:00pm
November 7, 2018	9:00am – 12:00pm
November 21, 2018	9:00am – 12:00pm

The notice for the webinars for the regulated UST community can be found at https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/reg_own_web.pdf

UPAs – UST Regulations

The webinars for Unified Program Agencies (UPAs) are to provide information to assist UST regulators in verifying that UST owners and operators are complying with the amended regulations and includes, but is not limited to, the review of CERS submittals, required forms,

compatibility documentation, workplans for installation, replacement, and repairs of UST components, and how the annual inspection is affected by the amendments to the UST regulations.

Webinar dates and times for UPAs on new regulations are:

October 19, 2018	9:00am – 12:00pm
October 31, 2018	9:00am – 12:00pm
November 14, 2018	9:00am – 12:00pm
November 27, 2018	9:00am – 12:00pm

The notice for the webinars for the regulated UST community can be found at https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/reg_cup_web.pdf

UPAs – Report 6 and Technical Compliance Rate

The State Water Board has provided detailed guidance to the UPAs on Report 6 and Technical Compliance Rate (TCR) through an updated LG letter. The updated LG-164 explains the new inspection and reporting criteria. LG letters can be found here:

https://www.waterboards.ca.gov/water_issues/programs/ust/leak_prevention/lgs/

Additionally, State Water Board staff has been hosting informative webinars to clarify changes to Report 6, TCR criteria and to address questions. Upcoming webinar date and time is provided below.

Webinar date and time for UPAs on Report 6 is:

October 23, 2018	9:00am – 12:00pm
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For more information regarding the upcoming webinars, please contact Mr. Cory Hootman at (916) 341-5668 or email at Cory.Hootman@waterboards.ca.gov or Mr. Tom Henderson at (916) 319-9128 or email at Tom.Henderson@waterboards.ca.gov.

Lyris Distribution

The State Water Board UST Leak Prevention Unit uses Lyris email distribution for all announcements and document distribution. State Water Board staff continues to find members of both the UPAs and regulated community who have not heard about the Lyris system. Consequently, the regular updates provided by the State Water Board may go unseen. State Water Board staff will continue to encourage Lyris participation at meetings, technical advisory groups, and regional gathering, but it is not enough. We request your assistance, UPA managers to assist staff, and designated operators and service technicians to assist owners and operators, in signing up for the Lyris emails.

Subscribe to the UST Program's Lyris email distribution list at

https://www.waterboards.ca.gov/resources/email_subscriptions/ust_subscribe.html.

CalEPA Fuels Guidance Document

The updated CalEPA Fuels Guidance Document provides guidance to fuel producers and users about regulations affecting the storage and dispensing of various motor vehicle fuels. This guidance document is a collaborative effort between the California Air Resources Board, the California Department of Food and Agriculture - Division of Measurement Standards, the California Department of Forestry and Fire Protection - Office of the State Fire Marshal (OSFM) and the State Water Board to assist with current and future planning of motor vehicle fuel storage and dispensing.

The updated CalEPA Fuels Guidance Document can be found at <https://www.arb.ca.gov/fuels/calepafuelsguidance100218.pdf>

For more information regarding the CalEPA Fuel Guidance Document, please contact Laura Fisher at (916) 341 5870 or email at Laura.Fisher@waterboards.ca.gov.

Enhanced Leak Detection Testing for Hydrostatically Filled USTs

State Water Board recently became aware that hydrostatically filled USTs installed on or after July 1, 2003, have not been tested using an independent third party evaluated enhance leak detection (ELD) test method. A third party evaluated ELD test method is now available for hydrostatically filled USTs. Hydrostatically filled USTs installed on or after September 14, 2018, shall use the appropriate third party evaluated ELD test method.

The technical guidance for the new ELD method can be found at www.waterboards.ca.gov/ust/docs/hydrostatic_ELD_letter.pdf

For more information regarding ELD testing, please contact Mr. Tom Henderson at (916) 319-9128 or email at Tom.Henderson@waterboards.ca.gov.

CERS UST Data Accuracy – A Continuous Improvement Effort

Why do we collect, store, and use data?

1. To inform data-driven management and planning activities – performance report cards, evaluation of program effectiveness, workplans, resource assignment, along with many other examples;
2. To inform critical decision making regarding the State Water Board mission and water management responsibilities – including water quality planning and policy, water allocation and use, permitting, program prioritization, etc.; and
3. To provide transparency to the many partners and stakeholders for their use, interests and purposes.

What are the guiding principles for State Water Board data management?

Data Accessibility – State Water Board values transparency and strives to make all critical data in CERS available to UPAs through Excel reports downloadable from CERS. State Water Board

explains the different data by providing information about each piece of data (metadata) as part of the data dictionary.

Understanding Data Quality and Integrity – State Water Board data are thoughtfully planned, of a known and useful quality, with specific practices to protect data integrity using standards and protocols.

Data Used to Govern – State Water Board uses data to govern or make decisions that are in the best interest of the mission of preserving, enhancing, and restoring the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses.

Data Governance – our organization takes proactive steps to develop effective data and information technology management practices to ensure data flows to where it is needed in a timely manner while complying with data sharing policies.

The use of CERS has increased and improved since inception, which provides an opportunity to look closely at areas of improvement available to us. As a result, State Water Board has identified some issues with data quality that need to be addressed. With this update we focus on two pieces of data (the number of active USTs and submittal status) and provide information about a tool to assist UPAs with UST construction and monitoring data correctness and completeness.

For more information about these issues, please contact Ms. Lisa Jensen at (916) 319-0742 or email at Lisa.Jensen@waterboards.ca.gov.

CERS – Duplicate Tank Cleanup

The State Water Board's review of the CERS data finds there are 1,422 USTs that may be either duplicate tanks or tanks without a closure date. When CERS 3 is placed into service in early 2019, each active UST in CERS will automatically be assigned a unique CERS tank identifier. Before that happens, State Water Board encourages all UPAs to close duplicate tanks and ensure all closed tanks have an accepted submittal that includes a tank closure date. Duplicate USTs and USTs that have not been properly closed in CERS will end up receiving a CERS Tank identifier and unnecessarily remove that identifier from use for any future UST. For duplicate tanks, even if subsequently an accepted tank closure submittal is made, the duplicate tank will remain permanently in the CERS master tank database as a real, closed tank and only through a review of the submittal 'additional information' field could it be identified as a duplicate tank closure.

Additionally, as State Water Board staff evaluates an individual UPA's tank data for consideration of paperless reporting, any duplicate USTs or closed USTs without closure dates in the UPA's jurisdiction would be considered as part of that evaluation.

For more information about removing duplicate tanks or ensuring USTs have tank closure dates, please review two related FAQs: [How a changed UST Tank ID should be handled and Can or should I change a UST Tank ID Number?](#) For further information contact Mr. Daniel Firth at (916) 341-5711 or email at Daniel.Firth@waterboards.ca.gov.

CERS – UST Submittal Status: ‘Not Acceptable’ or ‘Not Applicable’

Accepted submittals are required for UST facility and tank data to be included in CERS UST Facility/Tank Data Download Report and in electronic reporting of the Semi-Annual CERS Report 6. Some submittals are being incorrectly set to a status of “Not Applicable.” This creates problems for reporting the Semi-Annual CERS Report 6 and for annual Energy Policy Act of 2005 (EPACT) certification.

A submittal status of “Not Applicable” is for use under one of two conditions:

- A submittal is received from a facility that was never regulated under the UST program element; or
- A submittal is received from a facility that is no longer regulated under the UST program element.

Any facility data included in a submittal with a status of “Not Applicable” is not included in the CERS UST reports. Do not use this submittal status for any submittal made by a facility that is regulated under the UST program element or has any active tanks. Do not use this submittal status when the facility owner/operator includes a UST tank closure date for the first time.

When a facility closes, or removes, all underground tanks an “Accepted” submittal is required to document the tank(s) closure and must include the tank closure dates. Only after such a submittal is received and given a submittal status of “Accepted” by the UPA is the tank(s) considered closed. Only then, and after the Reporting Requirement for the Submittal Element for Underground Storage Tanks of the facility is changed to “Not Applicable,” would a subsequent UST submittal from the business, be set to a status of “Not Applicable.”

A submittal status of “Not Accepted” is intended for UST submittals from facilities that are regulated under the UST program element and include inaccurate or incomplete UST information. The submittal is considered too deficient to be “Accepted” or accepted with conditions. Any facility data included in a submittal which is “Not Accepted” will not be included in the CERS UST reports.

UPAs may run a report in CERS to obtain a list of all submittals with a status of “Not Applicable.” It is recommended UPAs run this report and verify a submittal status of “Not Applicable” is used only as indicated above. To run this report in CERS go to the Submittal tab, select the appropriate Regulator name, Status = “Not Applicable,” and Element = “Underground Storage Tanks.”

For more information regarding CERS submittal status, please contact Mr. Daniel Firth at (916) 341-5711 or email at Daniel.Firth@waterboards.ca.gov.

CERS – Data-Mining, Training Update

State Water Board staff offers training to UPAs to dig deep into their CERS data using the available CERS reports and Excel. Beginning early in 2016 trainings were piloted as part of oversight inspections, today an agency can obtain training via a webinar, at their facility, or with a group of UPAs. As of September 1, 2018, 34 different UPAs and 145 individuals have received

data-mining training. The feedback has been positive, and the State Water Board has seen significant improvement in the UST tank monitoring and construction data in CERS as a direct result of training.

Sacramento County Environmental Health Management CUPA has taken the manual process of reviewing CERS data to a new level with a semi-automated tool. The CUPA is working with State Water Board staff to release the tool for use by all CUPAs for reviewing monitoring and construction data in CERS. At the upcoming CUPA conference, Ms. Jennea Monasterio and Ms. Lisa Jensen will offer a session dedicated to the rollout of this semi-automated CERS data-mining tool.

For more information about obtaining CERS data-mining training, please contact Ms. Lisa Jensen at (916) 319-0742 or email at Lisa.Jensen@waterboards.ca.gov.

Enhanced Leak Detection, Request for Reconsideration – Conditional Approval

A UST facility owner/operator who has been notified to perform an ELD due to well-proximity may submit a Request for Reconsideration (RFR) to the State Water Board. The request will be reviewed and the well location and operational status will be verified. Following the review process the facility owner/operator will receive a letter indicating the status of their request. The three possible outcomes of the review are Denied, Approved, or a Conditional Approval.

A conditional approval for RFR means the facility owner/operator does not need to perform an ELD test if the public drinking water well conditions have changed by either becoming inactive or closing. In the event a facility receives a conditional approval for their RFR, UPAs must monitor changes in the well status. Water purveyors may drill new public drinking water wells in the same location, in which case ELD testing would be required for UST systems within 1,000 feet. The UPA must notify the facility owner/operator and the State Water Board, if an ELD test is required. Test results must be submitted to the State Water Board.

For more information regarding conditional approvals, please contact Ms. Jessica Botsford at (916) 341 7338 or email at Jessica.Botsford@waterboards.ca.gov.

DTSC

2018 electronic Verification Questionnaire

The 2018 Verification Questionnaire began Monday, October 1, 2018. Access to the electronic Verification Questionnaire (eVQ) is now open and users are able to complete the questionnaire. The annual Verification Questionnaire and fees assessment for hazardous waste ID numbers and hazardous waste manifests are required by Health and Safety Code sections 25205.15 and 25205.16.

If you receive any questions from the public regarding the questionnaire, please refer them to the information below.

Website: <https://evq.dtsc.ca.gov>
FAQ: https://dtsc.ca.gov/IDManifest/VQ_FAQ.cfm
email: eVQ@dtsc.ca.gov
Phone: (800) 618-6942

The Q&A document is on DTSC's website at https://www.dtsc.ca.gov/IDManifest/VQ_FAQ.cfm. If you have questions or need further clarification, please contact the eVQ staff at eVQ@dtsc.ca.gov.

CUPA Access to CalEPA'S On-Line Environmental Complaint System

The CalEPA Environmental Complaint System (ECS) became available to the public in 2016. It allows members of the public and regulatory agencies to input complaint information. Each CalEPA Board, Department and Office (BDO) manage their environmental complaints on this database and have a "File an Environmental Complaint" tab on their website homepage. This tab directs the user to the Complaint Input Form where complaint information is entered.

Incoming complaints are processed by BDOs and either assigned to their staff, closed, or referred to another regulatory entity for response. A large percentage of complaints are referred to CUPAs.

CUPAs can access the CalEPA Complaint Database through an External Partner Portal Link (EPPL) at <https://calepacomplaints.secure.force.com/ExternalPartnerPortal/>. The EPPL allows CUPAs to review complaints that were referred to them, and submit follow-up reports. Select "Request Access" under the Sign-In Submit Button in the link above to obtain access to the EPPL.

July 2018 Health and Safety Code

The Health and Safety Code (HSC) has been updated to reflect 2017 statutory changes that were in effect as of January 1, 2018. These changes are to the Hazardous Waste and Hazardous Substances Law. You can find the HSC at DTSC's website at <https://dtsc.ca.gov/LawsRegsPolicies/Regs/upload/Complete-2017-HSC.pdf>.

Emergency Regulations: Determining the Initial Penalty for Each Violation

Effective January 1, 2018, AB 245 amended Health and Safety Code sections 25188, 25189, and 25189.2 to increase administrative and civil penalties to a maximum of \$70,000 per day per violation. As a result, the regulations in Title 22, section 66272.62 needed to be changed to conform to the new statutory maximum.

The emergency regulations were adopted July 5, 2018, and are now effective. The expiration date will be January 3, 2019. The emergency regulations along with all other documents pertaining to this rulemaking file can be found on DTSC's website at <https://dtsc.ca.gov/LawsRegsPolicies/Regs/determining-initial-penalty-each-violation.cfm>.

CalFIRE OSFM

Aboveground Petroleum Storage Act (APSA) Advisory Committee

The next APSA Advisory Committee meeting will be held on October 19, 2018. For more information, visit the OSFM APSA Advisory Committee website at http://osfm.fire.ca.gov/advisorycommittees/advisorycommittees_apsa.

Assembly Bill (AB) 2902

AB 2902 was approved by the Governor and chaptered into law on September 23, 2018, and becomes effective on January 1, 2019. AB 2902 makes various amendments to APSA as follows:

- a. Clarifies the definition of an 'aboveground storage tank' or 'storage tank' to include a tank or a **container** that has the capacity to store 55 gallons or more of petroleum that is substantially or totally above the surface of the ground.
- b. Excludes from the definition of an 'aboveground storage tank' or 'storage tank' a tank containing hazardous waste or extremely hazardous waste if the owner or operator of the tank has a hazardous waste facilities permit from the Department of Toxic Substances Control (DTSC) or **a permit by rule authorization from a Unified Program Agency** for the storage tank.
- c. Excludes from the definition of an 'aboveground storage tank' or 'storage tank' a tank in an underground area that has the capacity to store less than 55 gallons of petroleum, has secondary containment, and is inspected monthly, if the owner or operator maintains a log of inspection records for review by the Unified Program Agency upon request.
- d. Clarifies the definition of a 'tank in an underground area' to be a **stationary** storage tank.
- e. Clarifies that, **except for an emergency vent that is solely designed to relieve excessive internal pressure**, all piping connected to the tank in an underground area, including any portion of a vent line, vapor recovery line, or fill pipe that is beneath the surface of the ground, and all ancillary equipment, **that is designed and constructed to contain petroleum**, can be visually inspected by direct viewing or has both secondary containment and leak detection that meet the requirements adopted by the OSFM.
- f. Clarifies that direct viewing of the exterior of a tank in an underground area is not required if inspections of the interstitial space or containment structure are performed

or if the storage tank has a mechanical or electronic device that will detect leaks in the interstitial space or containment structure, and alert the tank operator.

- g. Clarifies that if a tank facility has a storage capacity of less than 1,320 gallons of petroleum, the following tanks in an underground area are not subject to APSA:
 - i. The tank holds hydraulic fluid for a closed loop mechanical system that uses compressed air or hydraulic fluid to operate lifts, elevators, or other similar devices.
 - ii. The tank is a heating oil tank.
 - iii. The tank is a sump, separator, clarifier, catch basin, or storm drain.
- h. Clarifies that the owner or operator of a tank facility with a storage capacity of less than 1,320 gallons of petroleum and has one or more tanks in an underground area may use the format adopted by the OSFM to prepare a spill prevention, control, and countermeasure plan.

To view the full text of the bill, visit the California Legislative Information website at http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2902.

References or links to information cited in this newsletter are subject to change. CalEPA is interested in your comments and suggestions regarding the Unified Program monthly newsletter. Please email your comments and suggestions to: cupa@calepa.ca.gov.

[CalEPA Unified Program Home Page](#)



Unified Program Newsletter – November 2018

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CalEPA

CERS Knowledge Base, Help, and FAQs

Submittal Elements in CERS and the Submittal Element Resources

<https://cers.calepa.ca.gov/wp-content/uploads/sites/11/2018/11/Nov.-2018-CERS-Submittal-Elements-in-CERS-and-the-Submittal-Element-Resources.docx>

If you have questions, please email cers@calepa.ca.gov.

CERS 3 Proposed Regulations Available for Review

CalEPA has begun the formal regulatory rulemaking procedure with the Office of Administrative Law to adopt proposed revisions to the CERS Data Registry (Data Dictionary). The majority of

the proposed amendments are considered non-substantial as they have relatively minor regulatory effects or impacts on regulated businesses and Unified Program Agencies (UPAs). The implications of the non-substantial proposed regulatory changes will likely have substantial impacts on UPAs regarding the ability to maintain parallel data exchange and provide methods to continue to utilize local data reporting and management systems independent of the California Environmental Reporting System (CERS).

The proposed revisions to the title 27 Data Dictionary language are briefly summarized as follows:

- I. Addition of available selections to existing CERS Data Fields for specifying the types of action taken relative to an Underground Storage Tank (UST) and the UST Operating Permit Application information.
- II. The ability for CERS to automatically generate a unique identification number for each UST in CERS.
- III. Addition of available selections to existing CERS Data Fields for specifying the use of an UST and its contents.
- IV. Development of a new Chapter in the CERS Data Registry to capture and organize the four new CERS Data Fields for the APSA Program, which will provide the opportunity for regulated businesses to electronically report required information for regulated APSA facilities.

Non-substantial and substantial amendments, as well as the necessity and purpose for each, are detailed in the Initial Statement of Reasons (ISOR). The ISOR and any relative documents related to the proposed revisions are available at the CalEPA Unified Program Laws and Regulations webpage: <https://calepa.ca.gov/cupa/lawsregs/>

Upon the November 16, 2018, publication in the California Regulatory Notice Register, a 45-day public comment period for the proposed regulations will be established and is scheduled to end on December 31, 2018. It is the intent for the proposed regulations to become effective on April 1, 2019, to coincide with the release of and use of CERS 3.

For questions, please contact Melinda Blum at Melinda.Blum@calepa.ca.gov.

State Water Board

Informational Documents on the New UST Requirements of Title 23

State Water Resources Control Board (State Water Board) staff have developed and continue to develop informational documents to assist UST owners, operators, contactors, designated operators, service technicians, and regulators understand the new UST requirements that became effective October 1, 2018. The informational documents are presented in a question and answer format that can be easily updated as new questions arise. It's important to note that information contained in these documents, in many instances, supersedes previously

issued State Water Board guidance. At the conclusion of each document a table is included which identifies previously issued State Water Board guidance with superseded content. Informational documents regarding the emergency generator tank system, line leak detection requirements, overfill prevention equipment inspection requirements, spill container testing requirements, and secondary containment testing requirements have been distributed through the State Water Board email distribution system (known as Lyris), and are posted on the UST program website under “Staying Connected” at:

https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/.

For more information regarding the new requirements, please contact Mr. Cory Hootman at (916) 341-5668 or Cory.Hootman@waterboards.ca.gov or Mr. Tom Henderson at (916) 319-9128 or Tom.Henderson@waterboards.ca.gov.

Informative Webinars on UST Regulations

State Water Board staff will be presenting the final informative webinars listed below, designed to assist the various stakeholders with the changes to regulation. All webinars will use the same web link, call in and pass codes shown at

<https://stateofcaswrcbweb.centurylinkccc.com/CenturylinkWeb/LauraFisher>

Telephone: 1-877-820-7831 **Participant pass code:** 683375#

Attendees may pose written questions during the webinar. To ask a question, click on the Q&A icon located at the top of the page. Questions will be addressed at the end of the webinar.

Regulated Community – UST Regulations

As of July 2018, State Water Board staff have presented five webinars to the regulated community. These webinars are to assist the regulated community in complying with the regulations for testing, inspection, compatibility, upgrades and designated operator requirements. The remaining two webinars are listed below.

Webinar dates and times for the regulated community on new regulations are:

Webinar Information:

Date: November 21, 2018

Time: 9:00 a.m. – 12:00 p.m.

The notice for the webinars for the regulated UST community can be found at:

https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/reg_own_web.pdf

UPAs - UST Regulations

As of July, 2018, State Water Board staff has presented five (5) webinars to the Unified Program Agencies (UPAs). The webinars for UPAs are to provide information to assist UST regulators in verifying that UST owners and operators are complying with the amended regulations and includes, but is not limited to, the review of the California Environmental Reporting System

(CERS) submittals, required forms, compatibility documentation, workplans for installation, replacement, and repairs of UST components, and how the annual inspection is affected by the amendments to the UST regulations. The remaining two webinars are listed below.

Webinar dates and times for UPAs on new regulations are:

Webinar Information:

Date: November 27, 2018
Time: 9:00 a.m. – 12:00 p.m.

The notice for the webinars for the regulated UST community can be found at:

https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/reg_cup_web.pdf

For more information regarding the webinars, please contact Mr. Cory Hootman at (916) 341-5668 or Cory.Hootman@waterboards.ca.gov or Mr. Tom Henderson at (916) 319-9128 or email Tom.Henderson@waterboards.ca.gov.

Enhanced Leak Detection Testing for Hydrostatically Filled USTs

The State Water Board recently became aware that hydrostatically filled USTs installed on or after July 1, 2003, have not been tested using an independent third party evaluated enhance leak detection (ELD) test method. A third party evaluated ELD test method is now available for hydrostatically filled USTs. Hydrostatically filled USTs installed on or after September 14, 2018 shall use a third party evaluated ELD test method as found on LG-113. The State Water Board has received notifications to perform ELD tests by unapproved methods. USTs installed after September 14, 2018, which have been tested by unapproved methods must have an approved ELD test performed.

LG-162 has been updated to reflect the approved test method and can be found at

https://www.waterboards.ca.gov/water_issues/programs/ust/leak_prevention/lgs/docs/162_4.pdf

The technical guidance for the new ELD method can be found at

www.waterboards.ca.gov/ust/docs/hydrostatic_ELD_letter.pdf

For more information regarding ELD testing, please contact Mr. Tom Henderson at (916) 319-9128 or email Tom.Henderson@waterboards.ca.gov.

Assembly Bill No. 2902

On September 23, 2018, Governor Brown signed Assembly Bill No. 2902 (AB 2902) which amends Health and Safety Code, division 20, chapter 6.7 (H&SC, ch. 6.7) sections 25281.5, 25285, and 25292.3, effective January 1, 2019. AB 2902 makes changes to the emergency generator tank system definition, UST permitting conditions, red tag authority, as well as other changes.

Complete text of AB 2902 can be found at

http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2902

For more information regarding AB 2902 please contact Ms. Laura Fisher at (916) 341-5870 or email Laura.Fisher@waterboards.ca.gov.

Report 6 and CERS

The State Water Board has revised the Report 6 requirements to reflect the changes to California UST regulations and new United State Environmental Protection Agency (U.S. EPA) performance measures. UPAs were required to collect significant operational compliance (SOC) data through September 30, 2018. Data collection for the new U.S. EPA performance measures, Technical Compliance Rate (TCR), began on October 1, 2018.

Information previously collected on SOC performance measures, specifically release detection (RD) and release prevention (RP), will be utilized in the upcoming Report 6 for facilities inspected from July 1, 2018, through September 30, 2018, only. UST facilities inspected after this time will be using the new TCR performance measures only. While adding the SOC information into CERS for inspections conducted after October 1, 2018, will not adversely affect future reporting, it is not required.

For more information regarding Report 6, please contact Mr. Tom Henderson at (916) 319-9128 or Tom.Henderson@waterboards.ca.gov.

CERS – Duplicate Tank Cleanup

The State Water Boards' review of CERS data finds there are 1,422 USTs which may be either duplicate tanks or tanks without a closure date. When CERS 3 is placed into service in early 2019, each active UST in CERS will automatically be assigned a unique CERS tank identification number. Before that happens, the State Water Board encourages all UPAs to close duplicate tanks and ensure all closed tanks have an accepted CERS submittal that includes a tank closure date. Duplicate USTs and USTs which have not been properly closed in CERS will end up receiving a CERS tank identification number and unnecessarily remove that identification number from use for any future UST. For duplicate tanks, even if a subsequent accepted tank closure submittal is made, the duplicate tank will remain permanently in the CERS master tank database as a real, closed tank and only through a review of the submittal 'additional information' field could it be identified as a duplicate tank closure.

Additionally, as State Water Board staff evaluates an individual UPAs' tank data for consideration of paperless reporting (Report 6), any duplicate USTs or closed USTs without closure dates in the UPA's jurisdiction would be considered as part of that evaluation. Duplicate USTs and permanently closed USTs without closure dates negatively impact the State Water Boards ability to make a positive certification for the United States Energy Policy Act of 2005. These USTs are listed in CERS as active tanks but without routine inspections being performed, and therefore not satisfying the three-year federal inspection frequency requirement.

For more information about removing duplicate USTs or ensuring USTs have tank closure dates, please review two related FAQs: [How a changed UST Tank ID should be handled](#) and [Can or should I change a UST Tank ID Number?](#) or contact Mr. Daniel Firth at (916) 341-5711 or email Daniel.Firth@waterboards.ca.gov.

DTSC

Amendment to Title 27 Regulations for Inspection and Enforcement Plans

California Code of Regulations, Title 27, section 15200 was recently amended and new sections became effective on July 1, 2018. One of these subsections (a)(14), requires the CUPA to establish provisions in their Inspection and Enforcement Program Plan ensuring the CUPA has sampling capability and ensuring the analysis of any material be performed by a state certified laboratory pursuant to HSC, chapter 6.5, section 25198. Department of Toxic Substances Control (DTSC) will begin to discuss compliance with this subsection during the CUPA triennial evaluation period.

Business Operations Unit Extends Its Telephone Hours

DTSC's Business Operations Unit, which is under the Office of Environmental Information Management (OEIM) has extended its telephone service hours to 9 a.m. – 4 p.m. Monday through Friday. The Business Operations Unit processes hazardous waste federal and state EPA ID numbers, transporter registrations and transporter quarterly reports, annual and biennial reports, oversees the annual Verification Questionnaire and fees assessment for hazardous waste Identification (ID) numbers and hazardous waste manifests, processes manifest corrections and answers questions on e-Manifest. If you need assistance with any of the above items, please call 1-800-618-6942.

Access to e-Manifest Information

CUPAs can view manifests in the e-Manifest system by registering as a regulatory user in the RCRAInfo system. To register as a user in e-Manifest please visit <https://rcrainfo.epa.gov/rcrainfoprod/action/secured/login>.

2018 Electronic Verification Questionnaire Update

As of November 1, 2018, 53% of required hazardous waste handlers have completed the 2018 electronic Verification Questionnaire (eVQ) to maintain the active status of their EPA ID numbers. DTSC will continue to send out notifications to handlers who are required to complete the 2018 eVQ. The 2018 eVQ submission and any fees are due 30 days from the date the notification is received. Please visit evq.dtsc.ca.gov for more information on the 2018 eVQ.

References or links to information cited in this newsletter are subject to change. CalEPA is interested in your comments and suggestions regarding the Unified Program monthly newsletter. Please email your comments and suggestions to: cupa@calepa.ca.gov.

Agenda Item IX

ARTICLES OF INTEREST

NEWS RELEASE

OFFICE OF PUBLIC AFFAIRS

For Immediate Release: October 16, 2018
Release #2018-21
Media Contact: [Lance Klug](#)

Plastics Recycler Gets \$2 Million to Fight Climate Change

Sustainable Packaging Company to Create Jobs, Cut GHG Emissions in Los Angeles County

SACRAMENTO – The California Department of Resources Recycling and Recovery has approved a \$2 million California Climate Investment loan to rPlanet Los Angeles, LLC for Polyethylene Terephthalate (PET) recycling infrastructure at its new facility in Vernon.

The financing from [CalRecycle's Greenhouse Gas Reduction Loan Program](#) will allow rPlanet to:

- Transform 1,000 tons of plastic waste into new sustainable packaging each year
- Create 52 new jobs
- Reduce 1,500 MTCO_{2e} of annual greenhouse gas emissions that contribute to climate change.

"Projects like this show California has committed partners in the private sector willing to make substantial investments to combat climate change and protect the future of our people and our planet," CalRecycle Director Scott Smithline said. "These public-private partnerships are the foundation of California's global leadership on climate change and sustainability and will be crucial to our future success in these areas."



CalRecycle's Greenhouse Gas Reduction Loan Program is part of [California Climate Investments](#), a statewide program that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment, particularly in disadvantaged communities. The loan program seeks to reduce GHG emissions by providing direct, low-interest loans to expand capacity or establish new facilities in California that manufacture recycled materials into beneficial products

How does recycling plastic help fight climate change?

In addition to conserving natural resources like oil, manufacturing products from recycled materials requires less energy and [results in fewer GHG emissions](#) than making products from virgin materials.

CalRecycle Support Available for Recycling Businesses

CalRecycle provides financial and technical assistance to help reuse/recycling-based businesses develop and prosper in California.

- [CalRecycle's California Climate Investment grant and loan programs](#) support the construction, renovation, or expansion of facilities that turn organics, fiber, plastic, or glass waste materials into new products.
- [CalRecycle's RMDZ program](#) provides loans, technical assistance, and free product marketing to businesses that use materials from the waste stream to manufacture their products.
- CalRecycle also assists businesses by helping locate recycled manufacturing materials, making permitting referrals, and providing demographic and waste stream analysis.



[Home Page](#) | [CalRecycle Blog](#) | [News Releases](#) | [Public Meetings](#) | [Climate Investments](#) | [Organics](#) | [Bottles and Cans](#)

CalRecycle provides oversight of California solid waste handling and recycling programs to protect human health, develop sustainable solutions that conserve resources, and reduce greenhouse gases that contribute to climate change.

Last updated: October 16, 2018

News Room <https://www.calrecycle.ca.gov/NewsRoom/>

Public Affairs Office: opa@calrecycle.ca.gov (916) 341-6300

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The recycling market caves even further

E environmentalcompliancealert.com/the-recycling-market-caves-even-further

Scott Ball

October 18, 2018

Mountains of once-valuable recyclable materials are piling up at sorting center warehouses across the country.

CBS News says the recycling industry is “in the dumps” and it’s largely due to China no longer welcoming Western countries’ cardboard, plastic and glass disposables.

West Coast municipalities are having the hardest time unloading recyclables as sorting plants are refusing certain items and some are being forced to shut down.



“Seventy-five percent of what goes through our plant is worth nothing to negative numbers now,” says Ben Harvey, president of EL Harvey & Sons, a Massachusetts recycler.

Cheap oil, no Chinese safety valve

Another factor besides the Chinese ban that’s driving the downturn in recyclables’ value is the lower price of oil. Manufacturing new plastic is cheaper than ever as a result of affordable shale oil.

Just how bad is it? An industry insider reports a bale of mixed paper was worth nearly \$100 per ton a year ago. Now some facilities are paying as low as \$15 to get rid of one.

And it’s not just paper but aluminum, plastic and glass as well that companies are taking a bath on. CBS reports that the three largest waste handling and recycling companies saw “steep drops in recycling revenues.” For example, WM’s average price for recyclables is down 43% from a year ago.

Supervisors Approve Financing Plan for Tajiguas Landfill Resource Recovery Project

By Giana Magnoli, Noozhawk Managing Editor | @magnoli | October 17, 2018 | 6:23 p.m.

The Santa Barbara County Board of Supervisors on Tuesday approved a financing plan for the Tajiguas Resource Recovery project (<http://www.resourcerecoveryproject.com/>), which is expected to cost more than \$250 million and extend the usefulness of the current landfill.

The project goal is to divert 60 percent of the waste (https://www.noozhawk.com/article/county_supervisors_approve_revised_resource_recovery_project_for_tajiguas_l) going to the landfill, which is situated in a canyon on the Gaviota Coast, by building a facility to harvest additional recyclables and an anaerobic digester to convert organic materials into gas that powers the facility.

"Total gross debt service payments are approximately \$254.2 million, with an average annual gross debt service of \$12.7 million," a county staff report said.

The supervisors approved issuing up to \$180 million in solid waste revenue certificates of participation.

The county's general fund is not responsible to pay the debt service, since it will be repaid from revenues in the solid-waste system, said Jennifer Christensen with the Treasurer-Tax Collector's Office.

Previous construction cost estimates were at \$130 million, and the supervisors authorized financing of a principal amount not to exceed \$180 million, a term not to exceed 25 years, and a true interest cost not to exceed 5.5 percent, according to county documents.

Technical planning errors have increased the cost and delayed the project, when county staff used the wrong boundary for the coastal zone and the facility site had to be moved.

The landfill would likely close in 2026 without this project, which is expected to extend that date 10 years.

— Noozhawk (<http://www.noozhawk.com>) managing editor Giana Magnoli can be reached at gmagnoli@noozhawk.com (<mailto:gmagnoli@noozhawk.com>). Follow Noozhawk on Twitter: @noozhawk (<http://twitter.com/noozhawk>), @NoozhawkNews (<http://twitter.com/noozhawkNews>) and @NoozhawkBiz (<http://twitter.com/noozhawkBiz>). Connect with Noozhawk on Facebook (<http://www.facebook.com/noozhawk>).

<https://www.resource-recycling.com/recycling>

RESOURCE RECYCLING

your trusted source for recycling news and analysis

Market development in action (<https://resource-recycling.com/recycling/2018/10/29/market-development-in-action/>)

Posted on October 29, 2018

by [Wendy Worley](#), [Sandy Skolochenko](#) and [Timothy Shober](#)



One state is using its recycling grants program to help reduce the regional industry's reliance on foreign demand. Here's a look at the projects being funded and how they are poised to make a positive impact.

This article originally appeared in the October 2018 issue of Resource Recycling. [Subscribe today \(https://resource-recycling.com/recycling/subscribe/magazine-trial-subscription/\)](https://resource-recycling.com/recycling/subscribe/magazine-trial-subscription/) for access to all print content.

China's recent import policy changes have disrupted business-as-usual for the recycling industry. Threatened by additional restrictions and tariffs, what is a state recycling program to do with a limited budget and no control over international policies?

The North Carolina Recycling Program is putting its modest funding to use to support the growth of local recycling markets. Through its annual grant program, North Carolina in 2018 encouraged private sector recyclers to respond to China's import restrictions.

And the industry answered. Nearly a dozen companies are investing in projects to increase North Carolina's capacity to process and consume materials, such as scrap plastics, that are no longer welcome in China's ports. The result is a stronger local marketplace, creation of new jobs, and a statewide system of materials diversion that is less reliant on foreign demand.

Past meets present

The North Carolina Recycling Program is housed in the North Carolina Department of Environmental Quality's non-regulatory Division of Environmental Assistance and Customer Service (DEACS). This division provides no-cost technical, compliance, permit and financial assistance to businesses, government agencies and residents. Within DEACS, the Recycling Business Assistance Center (RBAC) supports North Carolina recycling businesses through funding opportunities and general assistance.

The RBAC began issuing grants in 1990 through its Recycling Business Development Grant Program. Over the years, the grant program has steadily evolved into a major component of North Carolina's recycling market development success. Each year, RBAC awards as much as \$40,000 per company to North Carolina recycling businesses that are pursuing projects to expand their processing and manufacturing capacities.

Between 2013 and 2017, RBAC awarded approximately \$3.3 million to support 135 Recycling Business Development Grant projects. These projects catalyzed more than \$27.9 million of private investment from the grantees, created 256 new jobs and increased processing capacity to recycle an additional 860,000 tons of material per year.

Resource Recycling

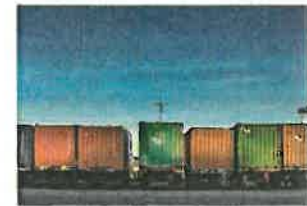
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Building: [Local Market Inc.](#)

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Our "flip" edition lets you look through back issues of Resource Recycling with ease. Look through the **October edition**

<https://cloud.3dissue.com/168774/169114/1>

or head to our **print edition page**

<https://resource-recycling.com/recycling/magazine/> for an archive of magazines from past months.

The latest recycling industry news

Investor explains decision to back plastics-to-fuel firm (<https://resource-recycling.com/recycling/2018/11/27/investor-explains-decision-to-back-plastics-to-fuel-firm/>)

The leader of a company that is putting millions behind RES Polyflow says plastics conversion technologies today are comparable to renewable energy solutions when they were still in their infancy.

China trade roundup: More materials barred at year's end (<https://resource-recycling.com/recycling/2018/11/27/china-trade-roundup-more-materials-barred-at-years-end/>)

Even as exporters move off of China as a destination for certain recyclables, the country remains a crucial market. And several recent Chinese developments carry industry-wide implications.

Taiwan joins countries curbing scrap imports (<https://resource-recycling.com/recycling/2018/11/27/taiwan-joins-countries-curbing-scrap-imports/>)

Following the implementation of China's trade policy to ban imports of certain recycled materials, many communities and businesses are now seeking domestic markets for recycled materials that were previously exported. While the Southeast U.S. is faring better than other parts of the country, impacts are still being felt, with recyclers experiencing abundant supply and decreased market values.

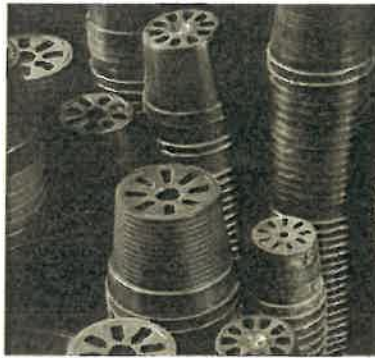
In 2018, RBAC directed \$294,000 in grant funding to 11 businesses to increase the region's capacity to recycle materials impacted by the new policies. Details on those grant projects are laid out below, illustrating how North Carolina stakeholders are addressing the Asian markets issue in tangible ways.

Helping to advance ag plastics

AEIPLUS and Verity Recycling are two companies in the Tarheel State that collect and recycle items like nursery pots, mulch films, irrigation tubing and other waste plastics generated by the agricultural industry.

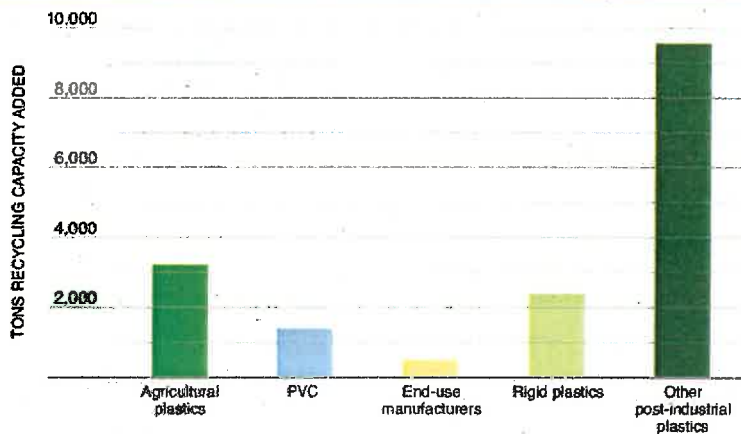
The RBAC awarded AEIPLUS a grant for \$30,000 to help purchase machinery specifically designed to remove dirt, sand and other contaminants from mulch film and drip tape. The costly and time-consuming process of removing contaminants is an obstacle for many domestic recycling businesses that seek sustainable alternatives to landfilling this plastic waste. With the new machinery, AEIPLUS is able to quickly and efficiently remove contaminants from agricultural plastics, thereby increasing the marketability and profitability of recycling these materials.

Verity Recycling, meanwhile, received a \$30,000 grant from RBAC to purchase a box truck to increase collection of plastic pots and film produced by small-scale nurseries. Previously, Verity had been unable to serve smaller nurseries that do not produce truckload quantities. With the new vehicle, Verity is able to efficiently collect plastic waste from multiple nurseries in one trip. This allows the company to expand its customer base and increase the volume of agricultural plastics recycled.



North Carolina's Recycling Business Development Grant Program provided a total of \$60,000 this year to two ag plastic recycling companies to help them collect and process more material.

TONS OF RECYCLING CAPACITY ADDED FROM 2018 NORTH CAROLINA RECYCLING BUSINESS DEVELOPMENT GRANT PROJECTS



Possibilities in PVC

The RBAC is also supporting the growth of domestic markets for hard-to-recycle plastics like polyvinyl chloride (PVC), which comes in a variety of rigid and flexible forms depending on what kinds of chemicals and additives were used in the manufacturing process. That fact makes it difficult for recyclers to determine a sample's composition and how it should be recycled.

Commercial Plastics Recycling collects damaged PVC pipes from a number of different building and construction industries throughout North Carolina and surrounding states. It grinds the PVC into small flakes and sells them to piping manufacturers and other PVC end users.

In the past, the company only sourced materials from small-scale contracting and installation projects, but in 2018 RBAC awarded Commercial Plastics Recycling a \$20,000 grant to help purchase an industrial grade pipe grinder. With the new equipment, the company can collect damaged PVC pipes from large-scale construction and demolition projects, increasing PVC recycling by more than 1,000 tons annually.

Governments across Southeast Asia continue to restrict recovered material imports. In the latest developments, Taiwan added plastic and paper restrictions, Vietnam rolled out new guidelines and Malaysia considered importing from certain countries only.

APR: There is no sustainability without recycling (<https://resource-recycling.com/recycling/2018/11/27/apr-there-is-no-sustainability-without-recycling/>)

The head of the Association of Plastic Recyclers (APR) recently voiced concerns that plastics recovery progress could get dampened by stakeholders' transition to more holistic approaches to materials management.

Fiber companies talk OCC pricing and export shifts (<https://resource-recycling.com/recycling/2018/11/27/fiber-companies-talk-occ-pricing-and-export-shifts/>)

Recovered paper end users commented on some of the key trends in the recycled paper industry during their recent quarterly earnings calls.

MRF injuries on the rise (<https://resource-recycling.com/recycling/2018/11/13/mrf-injuries-on-the-rise/>)

Injuries at MRFs increased by more than 60 percent in 2017, according to new data from the federal government.

Waste-to-fuel company readies U.S. facilities (<https://resource-recycling.com/recycling/2018/11/13/waste-to-fuel-company-readies-u-s-facilities/>)

A company billing its technology as a landfill alternative is scaling up to create a solid recovered fuel from otherwise disposal-bound material.

See more Resource Recycling headlines (<https://resource-recycling.com/recycling/category/news/>)

Turn waste into revenue.
Densify challenging waste into uniform pellets.



(<http://cpm.net/>)



(<http://www.cmtirecyclingequipment.com>)



(<http://www.bulkhandlingsystems.com/material-recovery-facilities-mrfs>)

Another grantee, Brunson Recycling Corporation, recycles PVC and HDPE plastic film both in rollstock and loose film form from the medical manufacturing sector in North Carolina. The RBAC awarded the company a \$20,000 grant to help purchase an industrial-grade roll shear specifically designed for cutting large rollstock quantities of plastic. As a result, Brunson is able to process material more efficiently and increase quality control by identifying and removing contaminants.

This purchase allows Brunson to process an additional 425 tons of hard-to-recycle medical plastic film each year and creates an opportunity for growth within the roll-cutting business.

Increased flexibility for rigid plastic firms

Many recyclers relied on China as a market for unprocessed rigid plastics. Following China's ban on the import of all mixed plastics, there is an increased need for domestic sorting and processing of rigid plastics. The RBAC awarded a total of \$60,000 in grant funding to North Carolina recycling businesses that are increasing capacity to process these materials.

Envirovision Technologies, for instance, specializes in recycling large, bulky and dirty plastics that many other businesses either do not want or are unable to process. With a \$40,000 grant from RBAC, Envirovision bought an industrial grade wash line that will enable it to capitalize on hard-to-recycle plastics, including intermediate bulk containers (IBCs), plastic drums and ethylene bales. With the new wash line, Envirovision is able to process and clean these plastics, resulting in an intermediate product that is more desirable for domestic markets and meets China's new import standards.

Holmes Iron and Metal has a 60-year-history recycling scrap metal. In 2012, the company began recycling rigid plastics, sourcing IBC totes and plastic barrels from manufacturing and packaging companies throughout North Carolina. Holmes shreds the plastics and sells it to other local businesses that further process the materials for manufacturing markets. With \$20,000 in RBAC grant funding, Holmes plans to purchase a second shredder that will enable the company to perform more processing on-site and divert an additional 623 tons of plastic from landfills each year.



Roll-Tech Molding Products uses a variety of post-consumer and post-industrial materials to manufacture wheels and other items. It received nearly \$17,000 in grant funding.

End-use encouragement

In 2018, RBAC also awarded nearly \$38,000 to two businesses that manufacture new products with recycled content. By supporting North Carolina end users, RBAC is helping grow domestic demand for recycled materials, thereby reducing dependence on foreign buyers and protecting the industry from global market shifts.

Roll-Tech Molding Products specializes in using post-consumer and post-industrial waste materials to manufacture wheels, tires and bumpers, among other items. Roll-Tech received a \$16,780 grant from RBAC to help purchase new injection molding and compression molding equipment. The machinery will enable the company to keep up with increased product demands and divert an additional 414 tons of scrap tires and 97 tons of plastic from landfills each year.

The other end user is HighCube, which collects expanded polystyrene (EPS) from local pharmaceutical, technology and distribution companies. HighCube shreds the EPS and uses the recycled material to manufacture eco-conscious furniture. The RBAC awarded HighCube a grant for \$21,066 to help purchase a new shredding machine. The equipment has enabled the company to collect more EPS from local businesses and divert a total of 45 tons of the hard-to-recycle material from landfills each year.

Other post-industrial recyclers

Following China's adoption of stricter import standards, post-industrial recycling businesses with domestic markets or the capability to process plastics into flake or pellets have experienced an increased demand for their services. The RBAC awarded three such businesses with a total of more than \$57,000 to expand their recycling capacities.

Plastic Materials specializes in processing plastic films, foams, bubble wrap, rigids, and other rolled and baled forms. The company's ability to process these hard-to-recycle materials has drawn interest from regional manufacturers that can no longer export their plastic waste to China. With \$17,120 in grant funding from RBAC, Plastic Materials purchased two new forklifts to keep up with the increased volume of incoming shipments, allowing the company to boost diversion of plastic waste by 560 tons annually.

Meanwhile, Pelican Packaging Company has provided comprehensive plastic recycling to manufacturers for more than 20 years, steadily increasing its processing and production outputs. In 2017, the company reached its maximum processing capacity and needed to invest in new equipment to continue growing its customer base. With a \$40,000 grant from RBAC, Pelican Packaging will purchase additional baling equipment to help the company process an additional 1,500 tons of plastic each year. With a higher capacity, the company can incorporate new waste streams from North Carolina into its business model, help clients divert additional plastic waste from landfills, and provide more raw materials to domestic plastic manufacturers.



(<http://www.machinexrecycling.com/products/sorters-mach-hyspec-2/>)



SCRAP METAL

(<http://www.govliquidation.com/Scrap-Metal.html>)



RECYCLING TECHNOLOGIES

(<http://www.plexusrecyclingtechnologies.co>)



(<http://www.cprp.com>)



(<http://www.nrtsorters.com/>)



(<http://www.harrisequip.com/>)



(<http://vdrs.com/>)

Finally, Bromley Plastics Corporation has operated as a plastics recycler in North Carolina for more than 40 years. The company specializes in recycling plastics like polypropylene, polystyrene and nylon from post-industrial sources, including textile manufacturers and soda bottling companies. Bromley's recycling process involves chopping and shredding materials for size reduction. The materials are then further processed and blended with additives to create plastic compounds that meet unique specifications of injection molding companies and other plastic manufacturers.

Using a \$40,000 RBAC grant, Bromley purchased additional chopping/shredding equipment to increase its processing capacity. With the new equipment, Bromley anticipates recycling an additional 7,500 tons of plastic waste generated from regional manufacturing businesses.

NORTH CAROLINA'S 2018 RECYCLING GRANT IMPACTS					
GRANTEE CATEGORY	GRANT FUNDING	PRIVATE INVESTMENT	TOTAL INVESTMENT	NEW JOBS	ADDITIONAL RECYCLING CAPACITY (IN TONS)
Agricultural Plastics	\$60,000	\$87,584	\$147,584	11.0	3,220
PVC	\$40,000	\$89,064	\$129,064	8.0	1,425
End-Use Manufacturers	\$37,847	\$27,313	\$65,160	5.5	556
Rigid Plastics	\$60,000	\$1,027,695	\$1,087,695	9.0	2,423
Other Post-Industrial Plastics	\$97,120	\$94,067	\$191,207	12.0	9,560
TOTAL	\$294,967	\$1,325,734	\$1,620,701	45.5	17,184

Equipped to support ever-changing industry

While new policies in China and other import nations are causing short-term stress for the industry, the phenomenon also presents an opportunity for focused market development in the United States. North Carolina is doing just that.

The state is home to more than 650 recycling businesses that employ almost 17,000 people locally. These companies depend on recyclables as raw materials in their processing and manufacturing operations. As the recycling industry adjusts to foreign import restrictions, North Carolina recyclers – and their counterparts in other areas of the U.S. – are facing rising processing costs, declining material values and the need to seek new markets.

With its long-standing commitment and almost 30-year history of recycling market development, North Carolina focused its 2018 business grants on projects that expand and develop in-state markets for materials affected by the foreign import ban.

This private sector infrastructure growth results in higher value end products, stimulates local economic growth, spurs job creation, and helps to insulate both public programs and private businesses from global market changes.

As one of the few states that offers this kind of funding and targeted support to develop private industry markets for recyclables, North Carolina is well-equipped to address the market challenges that arise in the ever-changing recycling industry. As shown in the chart above, RBAC grant projects will lead to an increased recycling capacity of more than 17,000 tons of material that will be sustained annually. This comes with an investment of \$294,000 from the state that is matched with \$1.3 million of private investment and creates more than 45 new full-time jobs in 2018 alone.

Amid a year of uncertainty, RBAC plans to build upon the success of the 2018 grant cycle by directing 2019 funding to stimulate even more statewide market development for materials impacted the foreign bans. The goal: resilient, effective, efficient statewide recycling systems that deliver economic and environmental benefits to North Carolinians.

Wendy Worley leads the recycling section within the Division of Environmental Assistance and Customer Service (DEACS) at the North Carolina Department of Environmental Quality. She can be contacted at wendy.worley@ncdenr.gov (<mailto:wendy.worley@ncdenr.gov>). Sandy Skolochenko serves as industrial development specialist and can be contacted at sandy.skolochenko@ncdenr.gov (<mailto:sandy.skolochenko@ncdenr.gov>). Timothy Shober served as a graduate student intern at DEACS and can be contacted at timsho@live.unc.edu (<mailto:timsho@live.unc.edu>).

Posted in [Resource Recycling Magazine](https://resource-recycling.com/recycling/category/resource-recycling-magazine/) (<https://resource-recycling.com/recycling/category/resource-recycling-magazine/>) | Tagged [markets](https://resource-recycling.com/recycling/tag/markets/) (<https://resource-recycling.com/recycling/tag/markets/>), [Oct. 2018](https://resource-recycling.com/recycling/tag/oct-2018/) (<https://resource-recycling.com/recycling/tag/oct-2018/>) |

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Nine Dragons to produce recycled pulp at U.S. mills (<https://resource-recycling.com/recycling/2018/10/16/nine-dragons-to-produce-recycled-pulp-at-u-s-mills/>)

Posted on October 16, 2018

by [Colin Staub](https://resource-recycling.com/recycling/author/colinstaub/) (<https://resource-recycling.com/recycling/author/colinstaub/>)

A major Chinese paper company will add recycled pulp production lines at two U.S. virgin fiber mills it purchased earlier this year, and both will consume mixed paper and OCC.

ND Paper, the U.S. subsidiary of Chinese paper titan Nine Dragons, will invest (<https://us.ndpaper.com/news/paper-announces-capital-upgrades-at-wisconsin-and-maine-pulp-and-paper-mills/>) \$300 million in its recently acquired Biron, Wis. and Rumford, Maine virgin paper mills. The company will add three recycled pulp production lines producing 3,100 metric tons per day. One line will be installed at the Rumford facility, and two will go into the Biron mill.



Besides the pulp production capacity, Nine Dragons will also convert one paper machine at the Biron mill to produce corrugating medium and linerboard for containerboard manufacturing. One of the two pulp lines at the Biron mill will supply the containerboard machine with 700 metric tons per day of recycled pulp.

The move comes shortly after Nine Dragons [entered negotiations to purchase](https://resource-recycling.com/recycling/2018/09/05/u-s-recycled-pulp-mill-purchased-by-paper-giant/) (<https://resource-recycling.com/recycling/2018/09/05/u-s-recycled-pulp-mill-purchased-by-paper-giant/>) its first U.S. recycled paper mill, in Fairmont, W.Va.

Recycled feedstock

In an interview, Brian Boland, vice president of government affairs and corporate initiatives at ND Paper, said the Maine and Wisconsin mills will use a blend of mixed paper and OCC as feedstock. Boland said the company doesn't yet know how much of each material it will consume at the mills. But whatever the volume, Boland noted that the facilities are well-positioned for sourcing, which will be coordinated by Nine Dragons' purchasing arm, America Chung Nam.

Boland said material could come from a variety of major metropolitan areas. The Biron mill is relatively close to Chicago, Milwaukee and Minneapolis, while the Rumford facility is close to Boston, Montreal and Portland, Maine.

"The geography of these mills is pretty good to secure raw materials," Boland said. "There's opportunity to collect materials from a short distance away and keep our freight costs low."

Excepting the 700 tons per day that will go to the converted containerboard machine at the Biron mill, the vast majority of the recycled pulp output will be shipped to China for internal use at Nine Dragons' paper mills.

The investments will be carried out over the next two years. Out of the \$300 million, \$189 million is going to the Biron facility and \$111 million to the Rumford plant.

Spurred by short-term shortage and long-term planning

The company has quickly gained a foothold in the U.S. market. The acquisition of the Maine and Wisconsin mills [took place](http://www.ndpaper.com/eng/media/press/p180525.pdf) (<http://www.ndpaper.com/eng/media/press/p180525.pdf>) in May. In September, the company announced it was in negotiations to purchase the recycled paper mill in West Virginia. And just last week, Nine Dragons [announced](https://us.ndpaper.com/news/nd-paper-llc-to-purchase-old-town-maine-pulp-mill/) (<https://us.ndpaper.com/news/nd-paper-llc-to-purchase-old-town-maine-pulp-mill/>) another pending purchase, this time of a virgin paper mill in Old Town, Maine. The Old Town facility is a virgin kraft mill that's been idled since 2015, and Nine Dragons plans to restart it as an unbleached softwood kraft mill producing 275,000 metric tons per year.

The pulp capacity represents another significant milestone for the company's U.S. presence. Once the three lines are added and the West Virginia mill is acquired, Nine Dragons will have total U.S. recycled pulp capacity of nearly 1.3 million metric tons per year.

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Platform provides insight into post-China markets (<https://resource-recycling.com/recycling/2018/10/16/platform-provides-insight-into-post-china-markets/>)

A year after an online scrap plastics trading marketplace launched, an executive at the startup offered insight into where material is moving in the aftermath of China's ban.

Nine Dragons' Asian operations have a capacity of 14 million tons per year across nine paper mills. Eight of those are in China and one is in Vietnam. They have struggled over the past year as the Chinese government imposed more and more restrictions on scrap material imports. Nine Dragons' mills have been forced to take downtime, even as the company remains one of the largest scrap paper importers in China.

"With the Chinese waste paper restrictions, this helps us to secure a long-term source of fiber supply for those paper mills," Boland said. Recycled paper pulp is not subject to the import ban in China, although as of Sept. 24 it is subject to a tariff that was first proposed in August (<https://resource-recycling.com/recycling/2018/08/07/recycled-paper-pulp-facing-tariff-threat/>).

But Boland noted that the investment is also about looking ahead and ensuring a stable supply no matter what happens with the Chinese import restrictions. The U.S. has solid paper recovery rates, he said, and the company has no reason to believe that will change.

Although it's not handling recycled feedstock, the Old Town, Maine mill was purchased with largely the same purpose in mind, Boland said: to secure stable feedstock sources for the long run.

Photo credit: Giorgio Morara/Shutterstock

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WestRock scales up foodservice packaging recovery (<https://resource-recycling.com/recycling/2018/10/02/westrock-scales-up-foodservice-packaging-recovery/>)

A major U.S. recycled paper end user will begin accepting fiber bales that contain foodservice packaging at its mills across the country.

Recycling stakeholders vie for public office (<https://resource-recycling.com/recycling/2018/10/02/recycling-stakeholders-vie-for-public-office/>)

While much of the nation's political focus has been on national races and control of Congress, recycling professionals are seeking to influence their communities at the local and state levels.

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Scrap plastics outlet on the way in Southeast U.S. (<https://resource-recycling.com/recycling/2018/10/23/scrap-plastics-outlet-on-the-way-in-southeast-u-s/>)

Posted on October 23, 2018

by [Colin Staub](https://resource-recycling.com/recycling/author/colinstaub/) (<https://resource-recycling.com/recycling/author/colinstaub/>)

A reclaimer and end user will open a \$35 million facility in North Carolina, taking in HDPE and mixed-plastic bales for its internal use and for sale as regrind on the market.

Polywood, a Syracuse, Ind.-headquartered manufacturer of outdoor furniture made from recycled plastics, **announced last week**

(<https://governor.nc.gov/news/governor-cooper-announces-384-new-jobs-furniture-manufacturer-selects-person-county>) that it will develop a

manufacturing, distributing and plastics processing center in Roxboro, N.C. The facility will be the company's second location.

The company will take in HDPE and produce its recycled plastic furniture at the facility. It will also include additional recycling operations, including "a reclamation center for all types of recycled plastics," North Carolina Gov. Roy Cooper's office stated in a press release. "These materials will be processed and reused in on-site manufacturing and sold to others using recycled plastics."

The facility will consume 34 to 40 million pounds of post-consumer HDPE per year, according to Dave Grider, general manager of the new facility. Polywood's operations will use 20 extrusion lines.

To feed the facility, the company will be seeking HDPE and mixed-plastic bales primarily from residential sources.

"Once we get our recycle center fully operational we will be able to take back most post-consumer plastics and clean them, regrind them and offer them back to other users," Grider wrote in an email.

The Polywood plant is the latest of several recent recycling investments in the Carolinas. In the release, state officials attributed the manufacturing investments to a favorable business climate, strong infrastructure and experienced workforce.

Polywood was launched in 1990 by Doug Rassi and Mark Phillabaum.

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End user of cartons expands west
(<https://resource-recycling.com/recycling/2018/10/23/end-user-of-cartons-expands-west/>)

ReWall Company, which manufactures building materials from recovered food and drink cartons, is planning to open a \$3 million facility in Colorado next spring.

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Waste Connections has provided a high-level look at its materials recovery division, detailing total tonnages over the past two years and outlining the percentages of different materials in the mix.

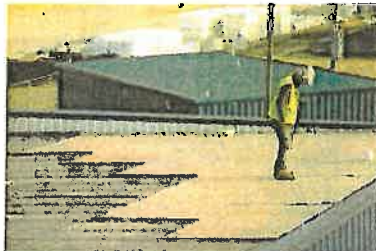
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Posted on October 23, 2018

by [Dan Leif](https://resource-recycling.com/recycling/author/danleif/) (<https://resource-recycling.com/recycling/author/danleif/>)

ReWall Company, which manufactures building materials from recovered food and drink cartons, is planning to open a \$3 million facility in Colorado next spring.

The site will be the second for ReWall. The manufacturer currently runs a plant in Des Moines, Iowa.



ReWall Company uses recovered cartons to make 100 percent recycled building materials, including roof cover board for commercial buildings.

In an interview, ReWall CEO Jan Rayman said the company's decision to site location number two in the Centennial State was based on a number of factors, including \$1.5 million in funding from Colorado's Recycling Resources Economic Opportunity grant program, which is administered by the Colorado Department of Public Health and Environment.

Rayman said the financial assistance represents the largest grant in the history of the Colorado program.

"That puts a lot of pressure and responsibility on us," Rayman acknowledged. "I'm always a big supporter of public-private partnerships. I think it's the only way we can take recycling to the next level in the U.S."

ReWall has emerged as an important end market for recycled aseptic and gable-top cartons, which are increasingly used in food and beverage packaging. The Paper Stock Industries of the Institute of Scrap Recycling Industries now includes a spec (known as grade 52) for carton bales.

According to the Carton Council, an industry group, two U.S. paper mills in the Midwest as well as the ReWall site in Iowa currently consume grade 52 bales.

However, while paper mills must separate the fiber component of cartons from the plastic (and sometimes aluminum) that exists in the products, ReWall uses virtually all of the material.

Rayman said the Colorado site, which is projected to process roughly 20 million pounds of cartons per year, will have a particular focus on the production of roof cover board made entirely from recovered cartons. He said that product is used by builders of flat-roofed commercial buildings and has proven to protect against hail damage.

"It's exactly what Colorado needs," said Rayman. "They have had some problems with hail recently."

Spurring more sortation?

The emergence of an end market in the western part of the country could encourage materials recovery facilities in that area to put more sortation focus on the material.

"The fact the ReWall facility is located in the western U.S. adds one more layer of value," said Scott Byrne, who is environmental specialist at carton maker Tetra Pak and the director of government affairs at the Carton Council. He noted that the Colorado facility will source material from a 500-mile radius.

Byrne said the Carton Council offered strategic consulting to help propel the ReWall expansion, but it did not contribute financially to the new operation, which is expected to open in April.

ReWall's Rayman said the exact location of the facility within Colorado has not yet been nailed down but that decision should come in the next month. He said the plan is for ReWall to lease an existing building. And because the company will be leveraging a manufacturing system that is already in use in Iowa, the time between move-in and production should be short.

"We expect to be up and running relatively fast," he said.

In July, Resource Recycling reported ReWall's Iowa manufacturing assets were bought (<https://resource-recycling.com/recycling/2018/07/17/new-end-use-for-mixed-paper-and-plastics-developed/>) by Houston-based Continuous Material Recovery. However, Rayman clarified this week that the Continuous-ReWall partnership is focused only on ReWall's Iowa site. He said ReWall remains an independent company and that Continuous is not involved in the Colorado expansion.

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Sortation by the numbers (<https://resource-recycling.com/recycling/2018/10/01/sortation-by-the-numbers/>)

Posted on October 1, 2018

by [Lerry Powell](https://resource-recycling.com/recycling/author/lerry-powell/) (<https://resource-recycling.com/recycling/author/lerry-powell/>)



Resource Recycling recently completed a first-of-its-kind assessment of more than 300 U.S. single-stream sorting facilities. The findings help paint a portrait of the sortation sector in areas such as facility size, capacity utilization and employee efficiency.

This article originally appeared in the September 2018 Issue of Resource Recycling. [Subscribe today](https://resource-recycling.com/recycling/subscribe/magazine-trial-subscription/) (<https://resource-recycling.com/recycling/subscribe/magazine-trial-subscription/>) for access to all print content.

While millions of tons of recovered materials are handled annually by materials recovery facilities (MRFs), the industry has always struggled to make clear assessments about these plants in combination.

To help fill this data gap, Resource Recycling has completed an assessment of more than 300 U.S. single-stream sorting plants. Several of the research findings fly in the face of assumed knowledge in the recycling field.

Resource Recycling has maintained a database on sorting plants for the past decade. We cross-checked and updated the database with additional information from Governmental Advisory Associates, a consulting company that focuses MRF data. We then sought data confirmation from the largest producers of separation and sorting equipment and a handful of MRF operators (both publicly traded firms and private companies).

Several limitations exist for this data set, which includes 334 U.S. facilities. Limitations include:

- We sought information only on the size of the plant in square feet, and not the size of the whole site.
- We strove to acquire actual throughput for each plant but some plant owners only supplied the design capacity.
- Some MRFs have operated at their sites for many years but have been upgraded. We only used the date of the last major upgrade.
- Capital costs have not been adjusted for inflation. Also, we were only able to acquire cost data for 48 percent of the facilities.
- We did not include labor data for MRFs employing disabled workers or inmates.

Despite those realities, the information gathered helps us draw some useful conclusions about the sortation field today.

A handful of equipment makers dominate the field

Although about a dozen firms have manufactured, sold and installed sorting systems (not including balers) in the U.S. in the past few decades, the equipment market is dominated by a handful of U.S., Canadian and European equipment makers. Approximately 95 percent of the throughput in today's U.S. MRF environment is processed using equipment sold by just five producers, with the top two makers having a combined 63 percent of the market.

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A year after an online scrap plastics trading marketplace launched, an executive at the startup offered insight into where material is moving in the aftermath of China.



MRF size is not closely related to throughput

MRFs with the same throughput can often vary in size by a magnitude of two or three. In some areas of the country, such as the Southwest, MRF builders were able to acquire large plots and construct roomy plants with large tipping floors and numerous loading docks. In comparison, in populous areas of the East Coast, industrial land is scarce, and a MRF operator building a facility with comparable throughput would need to stack sorting equipment, use a smaller tip floor, immediately load outbound trailers and take other similar steps to be more efficient in use of space.

The boom in MRF building is over

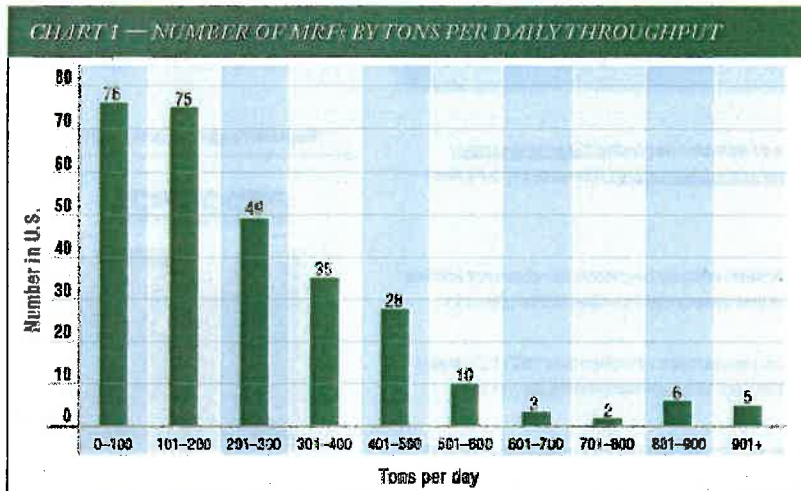
Most urban and suburban American homes are now served by commingled collection. This material is handled by more than 300 existing facilities, and fewer and fewer new plants are being built. Our data suggests the peak in MRF construction (or major rebuilds) came in 2012. However, the data set also shows that while few new plants are on the horizon, upgrades are occurring at a rapid pace, especially as MRF owners install new optical separation units.

"MRFs per state" is a worthless measure

A large number of older, smaller MRFs, especially those in New England and the Mid-Atlantic regions, are single-stream facilities that were originally designed to handle two streams (containers and fibers). As recycling interest grew nationwide, subsequent MRFs were fewer in number but much larger in throughput. This means the number of MRFs in one state tells us little. That said, the top three states in terms of number of facilities (California, Florida and New York) represent one-third of all U.S. MRFs.

Modern MRFs can be very large

As you'll note on Chart 1 below, more than two-thirds of today's MRFs have a daily throughput under 300 tons. However, the five largest MRFs in the U.S. have a combined throughput that's higher than that of the 76 MRFs with throughput under 100 tons per day. Another notable stat: The 26 MRFs with throughput over 500 tons per day handle 14,000 tons per day combined.



Nine Dragons to produce recycled pulp at U.S. mills (<https://resource-recycling.com/recycling/2018/10/16/nine-dragons-to-produce-recycled-pulp-at-u-s-mills/>)

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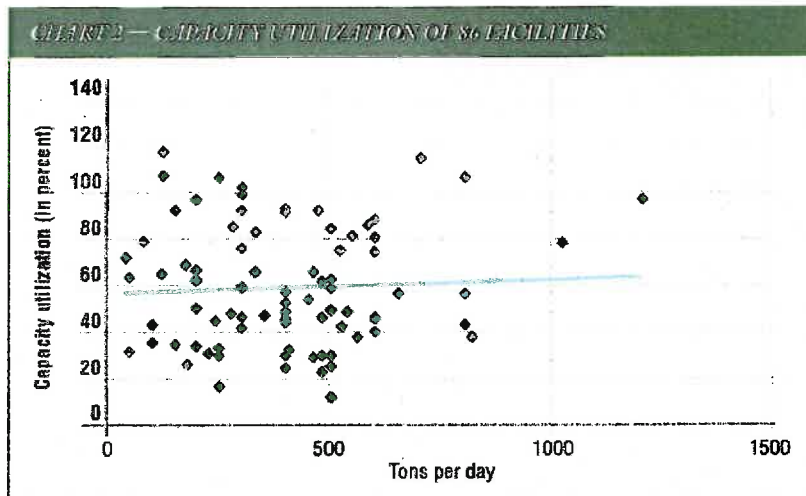
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A major U.S. recycled paper end user will begin accepting fiber bales that contain foodservice packaging at its mills across the country.

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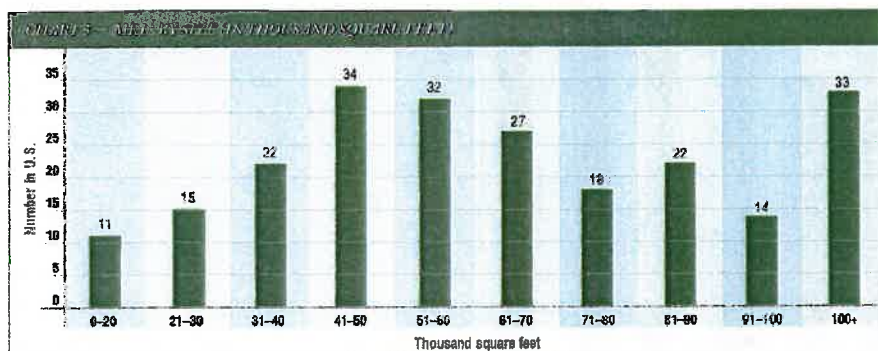


MRFs can handle a lot more material

We obtained data on the design capacity and the actual throughput for 86 plants. This allowed us to determine that the typical MRF has the capability to handle one-third more material than it currently does. Chart 2 shows the daily throughput of each of those 86 MRFs as well as their utilization percentage. A handful of MRFs actually operate above capacity, but most run at below 80 percent capacity utilization. As the solid blue trend line demonstrates, the average capacity utilization is around 60 percent.

MRF plants vary widely in size

When looking at facility size, as shown in Chart 3, we see two trends. First, the majority of MRFs have a square footage between 30,000 and 70,000 square feet. Second, more than 30 MRFs are larger than 100,000 square feet, with four being over 200,000 square feet.



Why is there only a weak connection between MRF size and throughput?

Interviews with MRF owners and designers indicate bale storage is a key factor in facility size. Some operators prefer or are provided significant on-site bale storage while other MRF owners need to load bales for shipment as quickly as possible, with few bales stored in the plant. Thus, plant-to-plant comparisons in terms of square footage and throughput need to take the bale storage area into account.

A consistent ratio exists in terms of the number of sorting personnel and total MRF employment

Chart 4 suggests that regardless of total number of employees at a plant, the percentage of those workers engaged in sorting stays constant. This will be a statistic to continue to watch as plants get more automated in the years ahead. Some MRF experts predict robotic technology and other innovations will allow facilities to rely less on manual sorters. It will be interesting to see if such a shift is seen proportionally across MRFs of varying sizes and employee counts.

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CHART 4 — PROPORTION OF SORTING WORKERS AT DIFFERENT FACILITIES

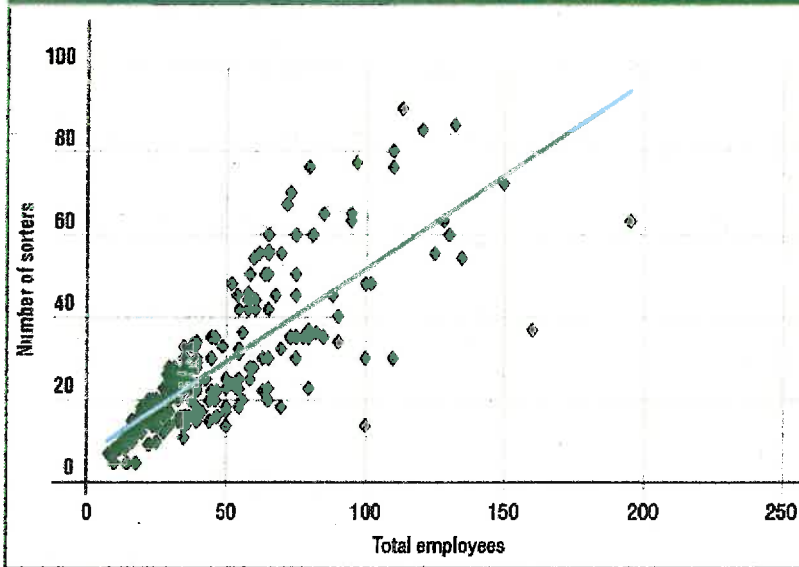
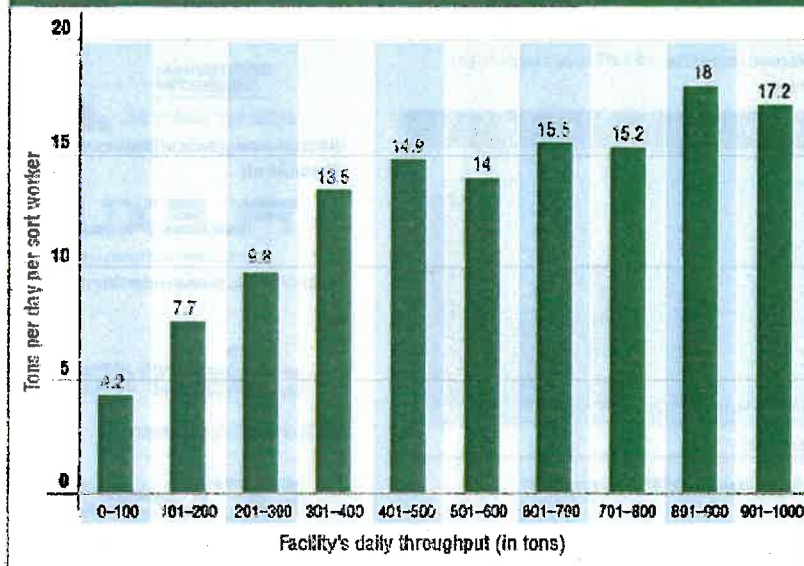


CHART 5 — TONS PER DAY PER SORTING EMPLOYEE



Big MRFs are far more labor efficient than smaller facilities

Large MRFs are often twice as efficient than smaller plants in terms of the throughput per sorting employee. Chart 5 indicates sorters in large plants have an output about three times greater than sorters in small plants.

Putting the pieces together

This analysis of MRF metrics has several important takeaways.

First, as mentioned earlier, most MRFs operating today could handle about one-third more tonnage using existing processing equipment. In other words, initiatives to add materials, boost participation or expand service areas would not necessitate much, if any, new capital investment, except possibly for additional loaders and forklifts. Personnel levels, of course, would rise.

Second, MRFs vary widely in size, throughput, employment and cost. That said, the average MRF looks like this: 245 tons per day of throughput; 65,400 square-foot plant; 27 sorters each handling 9.8 tons per day; and construction cost of \$9.4 million.

Third, MRFs are getting larger. We'll thus see more smaller, older plants being closed, as processors move more toward a hub-and-spoke system employing large, more efficient plants.

Lastly, workers are being replaced by equipment, especially by optical sorters, and more personnel are



moving to quality-control duties from sorting.

It's also important to note most of the research used to form the analysis outlined here was conducted before China began implementing its National Sword policy, which has caused huge shifts in the market for recovered materials and forced more stringent contamination requirements onto sellers of bales. With China's move now influencing policies in other overseas markets, we will very likely see changes in the numbers defining U.S. MRFs as operators adjust in the years ahead.

Jerry Powell is the founder and executive editor of Resource Recycling. He can be contacted at jpowell@resource-recycling.com (<mailto:jpowell@resource-recycling.com>).

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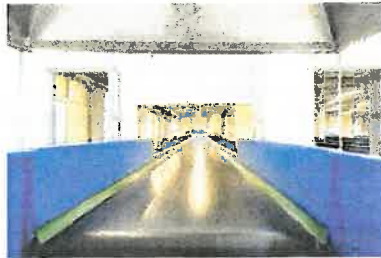


How to run a profitable MRF in today's market (<https://resource-recycling.com/recycling/2018/10/23/how-to-run-a-profitable-mrf-in-todays-market/>)

Posted on October 23, 2018

by [Ellen Martin](#)

In the past year, U.S. recycling infrastructure has experienced significant changes in commodity values and end markets. Materials recovery facilities (MRFs) sit at the critical intersection between our "waste" and value that can be extracted from the reuse and recycling of commodities. As MRFs and municipalities evaluate the evolution of the waste and recycling industry, Closed Loop Fund shares four key practices for MRF success.



Closed Loop Fund's goal is to accelerate the development of the circular economy by building a closed loop between consumption and reuse of consumer materials. We do this by investing in infrastructure and technology at all points along the chain of custody of post-consumer materials, from collection and sortation to processing and manufacturing of cutting-edge products that represent new or expanded markets for recycled materials.

At face value, the MRF business model is simple. MRFs take in commingled recyclables, separate the materials, and then sell the sorted materials to buyers who process and transform them into new products. The new products are sold to consumers, and the process begins again.

In reality, the MRF business is much more complex, and challenges exist at many points – material coming in the door may be highly contaminated, new forms of packaging may appear in the material stream, or commodity values may drop suddenly. This is why Closed Loop Fund is laser-focused on understanding what it takes to operate and sustain a successful MRF, and disseminating what we learn. Here, we discuss the biggest challenges to MRF profitability and explain how leading MRFs across the country are overcoming these challenges. We believe that a successful MRF must tackle all of these challenges because they are all intertwined and contribute to a MRF's ability to process and market raw materials cost-effectively.

Vertically integrated business models

Success in finding resale markets for sorted commodities relies, in large part, on having clean, high-quality materials. MRFs can take steps to control both the type and quality of their incoming material stream, before sorting and cleaning technology comes into play.

MRFs typically rely on private haulers or municipal sanitation departments for their incoming stream and, in many cases, negotiate long-term agreements to accept recycling at a fixed price per ton. This seems like it would create stability for the MRF, but in reality, it means that a MRF has no guarantee of what it will receive, which is particularly challenging as ever-evolving consumer products find their way into the recycling stream. MRFs that are vertically integrated to include materials collections will have more control and predictability in their incoming commodity streams. With support from municipal and community partners, they can also take steps to educate (and re-educate) their collections customers in an effort to reduce contamination at the source.

Lakeshore Recycling Systems serves greater Chicagoland and northern Illinois with residential and commercial collections, single-stream recycling and construction and demolition (C&D) processing services. Lakeshore's Heartland facility processes more than 80,000 tons per year, almost half of which comes from Lakeshore's hauling business. The balance of material comes from third-party haulers who prefer to bring their recycling to Lakeshore instead of paying a higher tip fee at the landfill. Roughly one-quarter of Lakeshore's revenues come from tip fees, which, per ton, are still cheaper for haulers than local landfill tip fees.

Aligned contracts and incentives

Some MRFs own and operate landfills, which seems like a way to eliminate the cost of transportation and landfill tip fees for residue from the sortation process. In reality, this business model will almost always privilege landfilling as the cheaper option when compared to sorting and processing. In essence, it's easier

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The latest recycling industry news

End user of cartons expands west
(<https://resource-recycling.com/recycling/2018/10/23/end-user-of-cartons-expands-west/>)

ReWall Company, which manufactures building materials from recovered food and drink cartons, is planning to open a \$3 million facility in Colorado next spring.

Experts connect in the Gateway City
(<https://resource-recycling.com/recycling/2018/10/23/experts-connect-in-the-gateway-city/>)

The ninth-annual Resource Recycling Conference has kicked off, tackling high-interest topics at a critical juncture for the North American recycling industry.

Here are the recycling numbers for one major hauler
(<https://resource-recycling.com/recycling/2018/10/23/here-are-the-recycling-numbers-for-one-major-hauler/>)

Waste Connections has provided a high-level look at its materials recovery division, detailing total tonnages over the past two years and outlining the percentages of different materials in the mix.



for these operators to collect tip fees to dump material than it is to do a good job sorting it for material that has commodity value. And, the sorting they do perform typically yields lower-quality bales of material that sell for a lower price.

To avoid the issue of conflicting business incentives, the most successful MRFs have created contracts with municipalities and waste haulers that incentivize landfill diversion, as well as higher-quality material. With these contracts, revenue from commodity sales is shared between the parties. This creates a common incentive to increase landfill diversion rates and reduce contamination because cleaner commodity bales command a higher price and more revenue for all. Regardless of operating model, municipalities have a significant role to play in shaping and aligning incentives with haulers and MRFs.

The Twin Cities area benefits from **Eureka Recycling's** services. A nonprofit social enterprise, Eureka holds the recycling contracts for residents of Minneapolis, St. Paul and other neighboring communities. Like Lakeshore, Eureka recovers nearly 100,000 tons per year of primarily residential recycling, while maintaining a contamination rate below 10 percent. The municipalities and other haulers bringing material to Eureka receive between 100 percent and 80 percent of revenue, depending on the contract, from commodity sales after Eureka's processing cost is covered. As a result, the region has realized more than \$2 million in economic benefit since Eureka completed an upgrade of its equipment at the end of 2016.

Optimized equipment and workflow

Technology plays an important role in the success of every MRF. Workers picking material from a conveyor belt may not distinguish between polystyrene and polypropylene in a yogurt cup, but an optical sorter can. Most MRFs have processing equipment that is optimized to sort for certain materials, but there are now frequent changes and trends in packaging, such as more pouches and less glass. As a result, there may be a mismatch between what the equipment is optimized for and what the MRF is receiving.

Upgrades to cutting-edge processing equipment are expensive and not to be done on a whim. But a MRF that analyzes its feedstock and residue and invests accordingly in appropriate technologies is likely to recognize financial benefits from increased resale volume. Of course, improved quality control can also come from people. The best MRFs are willing to experiment to achieve the right mix of labor and equipment and utilize technologies where needed to decrease contamination and improve quality of their output.

For the **Waste Commission of Scott County**, Iowa, local labor provides much of its container sorting capacity. During peak volumes in the summer, this means that there is a bottleneck on the container line as staff picks through all the material the MRF takes in. After adding a second shift last year, Scott County realized it was seeing even more material come in from the greater Quad Cities area and needed to relieve the bottleneck with an optical sorter. Although the necessary equipment is a significant investment, Scott County expects to make up the cost savings in labor in less than four years.

Commodity sales: Customer relationships

On top of unpredictable input streams, MRFs also face unpredictable revenue streams. Commodities are often sold on a spot market, where demand and pricing is extremely volatile. This ongoing volatility is compounded by periodic shocks. One example is the decline in export markets as a result of China's decreased imports of U.S. commodities beginning in 2017. Furthermore, many MRFs work through brokers, which can make it difficult to build direct, long-term relationships with customers who can provide forecasts about their future needs and feedback on the quality of the commodity. Together, these factors give MRF operators a feeling that they cannot safely plan or fundraise for investments in improving their equipment and technology.

Given that processing costs remain fairly stable at an average cost of \$60-80 per ton, MRFs must find ways to exert more control over their end-markets for all materials. Successful MRFs do this by developing strong, direct relationships with multiple customers for each type of commodity they sell. These relationships allow them to get feedback on the quality of their materials and to make continuous improvements. This continuous improvement and direct communication enables MRFs to sell their materials for the best possible price.

As noted, diversification of buyers is key, and in light of the changes in China's import policies, having a mix of domestic and international buyers is important. MRFs with domestic customers will continue to have a home for their materials as the international market shifts and recalibrates.

In the Midwest, Closed Loop has invested in MRFs in Chicago, Minneapolis-St. Paul, the Quad Cities, and Omaha, Neb. By nature of geography, this region has never relied exclusively on export markets; MRFs typically sell their commodities to domestic end markets. At this moment, when MRFs and communities on the coasts are feeling the direct impact of China's National Sword policies, best-in-class MRF operators like **Lakeshore, Eureka, FirstStar Fiber and Scott County** in the Midwest are weathering the storm. The basket value of their saleable single stream commodities has averaged 15 percent to 25 percent above the national average prices on spot market in 2017 and 2018.

India looks to boost its recycling infrastructure (<https://resource-recycling.com/recycling/2018/10/23/india-looks-to-boost-its-recycling-infrastructure/>)

Another major importer of recyclables in Asia is drafting policy to reshape its relationship to materials recovery. But this time, the move could actually be a boon to exporters.

China allows in more paper but still stonewalls plastic (<https://resource-recycling.com/recycling/2018/10/23/china-allows-in-more-paper-but-still-stonewalls-plastic/>)

Although Chinese scrap plastic import permits remain scarce, the government has ramped up the volume of recycled paper it is allowing into the country to levels not seen since March.

Scrap plastics outlet on the way in Southeast U.S. (<https://resource-recycling.com/recycling/2018/10/23/scrap-plastics-outlet-on-the-way-in-southeast-u-s/>)

A reclaimer and end user will open a \$35 million facility in North Carolina, taking in HDPE and mixed-plastic bales for its internal use and for sale as regrind on the market.

What's plaguing glass recycling in the Northeast (<https://resource-recycling.com/recycling/2018/10/23/whats-plaguing-glass-recycling-in-the-northeast/>)

A recent survey of materials recovery facilities in the Northeast asked them about the glass they're generating. The answers paint a picture of a stream full of contamination and glass fines.

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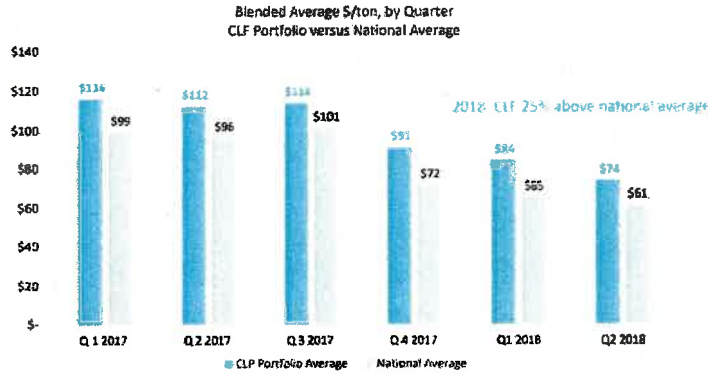


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Overall, CLF Portfolio MRFs continue to weather the storm better than national average

C L O S E D
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Sources: RecyclingMarket.net, reporting from Eureka, Scott Co., Lakeshore
Values do not include residue, blended \$/ton based on CLF portfolio composition

(https://resource-recycling.com/recycling/wp-content/uploads/sites/3/2018/10/CLF-Portfolio-Commodity-Values_Article-web.jpg)

Looking Ahead

We've seen successful MRF business models thrive even in the leanest of times by taking a long-term, holistic view of the market in which they operate and addressing each different piece of the process that affects their profitability. At Closed Loop Fund, we're committed to investing in best-in-class MRF models that can serve as replicable examples.

As investors, we see opportunities for the MRFs of the future to be successful sources of profit and value creation by returning products and packaging to supply chains and enabling municipalities to avoid the financial and environmental costs of landfilling and incinerating. By putting more capital to work in MRFs through our investments, we expect to see a different future for the recycling system, wherein:

- Contracts incentivize low contamination and provide transparency on individual commodity value, enabling public and private customers to optimize their internal systems for maximum value creation;
- Advanced sorting technologies at MRFs produce high-quality bales demanded by the market; and
- Strong relationships with end market customers ensure MRFs have options for their material, and the market provides enough premium incentive for quality to justify the investments needed to meet that quality.

The entire system – from municipalities and haulers to processors and manufacturers – benefits when MRFs focus on these future-proof practices.

Ellen Martin is vice president of impact and strategic initiatives for Closed Loop Partners.

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(<https://www.tomra.com/en/sorting/recycling/recycling-technology/sharp-eye>)



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China trade roundup: More materials barred at year's end (<https://resource-recycling.com/recycling/2018/11/27/china-trade-roundup-more-materials-barred-at-years-end/>)

Posted on November 27, 2018

by [Colin Staub](https://resource-recycling.com/recycling/author/colinstaub/) (<https://resource-recycling.com/recycling/author/colinstaub/>)

Even as exporters move off of China as a destination for certain recyclables, the country remains a crucial market. And several recent Chinese developments carry industry-wide implications.

Ban expansion: The Chinese government has confirmed it will ban additional recovered materials at the end of the year. The list is notable both for what it includes and what's not named.

China [announced in April](https://resource-recycling.com/recycling/2018/04/24/chinas-ban-hits-additional-materials/) (<https://resource-recycling.com/recycling/2018/04/24/chinas-ban-hits-additional-materials/>) that the expanded ban was coming. The confirmation was made public by Chinese state media agency Xinhua (http://www.xinhuanet.com/english/2018-11/19/c_137615850.htm?utm_source=Mailthru&utm_medium=email&utm_campaign=Issue:%202018-11-19%20Waste%20Dive%20Newsletter%20Issue:181911&utm_term=Waste%20Dive) last week.

The timing of the action remains unclear, however. The April announcement described a phased-in ban, noting that starting next year, post-industrial plastic and a variety of scrap metals and slag would be prohibited, and the following year the ban would cover scrap stainless steel, a handful of other metals and scrap wood. But in last week's announcement, the government said it will ban those materials all at once beginning Dec. 31, 2018.

The ban does not include OCC or any other recovered fiber, indicating paper grades other than mixed paper can still flow into China for the foreseeable future. There's also no mention of the all-encompassing ban on solid waste imports, which the government hinted at during the summer.

Pre-shipment inspection agencies named: Another recent announcement has repercussions on the steps exporters must take before sending material to China.

In June, China began requiring that every load of recyclables bound for China [be physically inspected](https://resource-recycling.com/recycling/2018/06/26/china-adds-another-hurdle-for-exporters/) (<https://resource-recycling.com/recycling/2018/06/26/china-adds-another-hurdle-for-exporters/>) prior to shipment. In the past, inspections were often required when an exporter first began shipping material, and the rules would be relaxed when that exporter built a reputation for sending the right materials.

The one organization approved to conduct pre-shipment inspections, China Certification and Inspection Group (CCIC), became inundated, and exporters described major delays due to the shortage of inspectors. CCIC, which has offices around the world, began hiring more inspectors.

China's General Administration of Customs on Nov. 7 [published a new list](http://www.customs.gov.cn/customs/302249/302266/302269/2081134/index.html) (<http://www.customs.gov.cn/customs/302249/302266/302269/2081134/index.html>) of 21 approved pre-shipment inspection agencies. All but two of them are CCIC affiliates. The two others are in Australia and Thailand.

The Chinese government also appears to have removed inspection licenses from a number of previously approved CCIC offices, according to the Institute of Scrap Recycling Industries (ISRI).

"Noticeably absent from the list are CCIC offices based in Mexico, Brazil, Argentina, India, Sri Lanka, Myanmar, Cambodia, Far East (Russia), Mongolia, Russia and the Europe branch offices in Spain and Hungary," ISRI noted in an alert to members.

That means exporters in Mexico, for instance, are being forced to seek inspections from CCIC North America, ISRI wrote. However, the Bureau of International Recycling [reported](http://www.bir.org/news-press/latest-news/china-approves-first-list-of-pre-shipment-inspection-agencies-for-solid-waste-imported-as-raw-materials/) (<http://www.bir.org/news-press/latest-news/china-approves-first-list-of-pre-shipment-inspection-agencies-for-solid-waste-imported-as-raw-materials/>) that some inspection organizations are only serving the countries they're located in.

WTO concerns re-emerge: China's import restrictions continue to be a topic of discussion at World Trade Organization (WTO) meetings.



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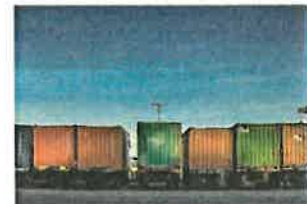
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According to a WTO news release (https://www.wto.org/english/news_e/news18_e/impl_23oct18_e.htm), the U.S. and four other delegations questioned Chinese WTO representatives about the scrap material import restrictions during an Oct. 22 meeting of the Committee on Import Licensing.

"The United States, which requested that the issue be included again in the meeting agenda, said recent changes in China's policies have resulted in the disposal of recyclable materials into landfills instead of being further recycled in China," according to the release.

The U.S. also highlighted that Chinese manufacturers are being forced to use virgin material without sufficient recycled feedstock. The U.S. delegation also said the import restrictions could lead to "a heightened threat of increased marine litter," according to the release.

Canada asked for a specific list of materials that need import licenses and the procedures associated with importing those materials. The Australian delegation noted it appreciates China's steps to cut down on pollution but the Chinese actions have been "more restrictive than necessary to achieve the desired objectives."

In response, the Chinese delegation said it would submit more information about its restrictions to the WTO import license committee.

Similar exchanges took place during a WTO technical barriers to trade committee meeting in June (https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_5009-DP.aspx?language=E&CatalogueIdList=248082&CurrentCatalogueIdIndex=0&FullTextHash=371857150&HasEnglish) and at the WTO Council for Trade in Goods meetings in March, July and November, according to the council's annual report (https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_5009-DP.aspx?language=E&CatalogueIdList=249825,249777,249729,249751,249703,249540,249584,249460,249409,2494).

The Chinese government has responded to WTO member concerns multiple times, including in remarks Resource Recycling reported on (<https://resource-recycling.com/recycling/2018/06/19/china-waste-restrictions-will-spur-us-job-growth/>) earlier this year.

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Taiwan joins countries curbing scrap imports (<https://resource-recycling.com/recycling/2018/11/27/taiwan-joins-countries-curbing-scrap-imports/>)

Posted on November 27, 2018

by [Collin Staub](https://resource-recycling.com/recycling/author/collinstaub/) (<https://resource-recycling.com/recycling/author/collinstaub/>)

Governments across Southeast Asia continue to restrict recovered material imports. In the latest developments, Taiwan added plastic and paper restrictions, Vietnam rolled out new guidelines and Malaysia considered importing from certain countries only.

Taiwan: Scrap material imports have risen sharply this year, and Taiwan's environmental protection agency in October acted to tamp down the trend.

In early October, regulations took effect reducing the types of material allowed for import. According to the [Taipei Times](http://www.taipetimes.com/News/taiwan/archives/2018/10/02/2003701576) (<http://www.taipetimes.com/News/taiwan/archives/2018/10/02/2003701576>), fiber imports have been limited to OCC and kraft and de-inked paper. On the plastics side, companies can only import post-industrial plastic from their overseas production facilities or loads of a single material type. It's unclear whether certain polymers are banned altogether.



In response, on Sept. 26, the CMA-CGM shipping line [immediately suspended](http://www.cma-cgm.com/local/taiwan/news/48/ban-imports-of-plastic-scrap-restriction-of-waste-paper-to-only-4707-10-4707-20-into-taiwan) (<http://www.cma-cgm.com/local/taiwan/news/48/ban-imports-of-plastic-scrap-restriction-of-waste-paper-to-only-4707-10-4707-20-into-taiwan>) plastic and paper recyclables shipments to Taiwan, except for OCC and recovered paper pulp, in accordance with a "local regulation to curb imports of waste plastic and paper."

Shipping company APL [also added](http://www.apl.com/news/1444/u-s-canada-to-mainland-china-malaysia-taiwan-thailand-and-vietnam-ban-of-plastic-scrap-shipments) (<http://www.apl.com/news/1444/u-s-canada-to-mainland-china-malaysia-taiwan-thailand-and-vietnam-ban-of-plastic-scrap-shipments>) Taiwan to the list of countries it will not ship scrap plastic to as of early October.

Another shipping line, Hapag-Lloyd, [told customers](https://www.hapag-lloyd.com/en/news-insights/news/2018/10/china-taiwan--import-restriction-on-recyclable-waste-paper--pl.html) (<https://www.hapag-lloyd.com/en/news-insights/news/2018/10/china-taiwan--import-restriction-on-recyclable-waste-paper--pl.html>) that loads in violation of the new restrictions would be returned with penalty charges to the exporter. As a result, Hapag-Lloyd is requiring plastic exporters to submit a letter of indemnity before a shipment can take place.

Vietnam: The ban on recovered plastic imports coming through major Vietnamese ports was scheduled to end on Oct. 15, but it has since been extended until further notice.

The day after the ban was scheduled to end, shipping line Hapag-Lloyd [reported to customers](https://www.hapag-lloyd.com/en/news-insights/news/2018/10/vietnam--ban-on-plastic-scrap-and-plastic-waste-import.html) (<https://www.hapag-lloyd.com/en/news-insights/news/2018/10/vietnam--ban-on-plastic-scrap-and-plastic-waste-import.html>) that the restriction was instead extended "onwards until further notice." The company reminded customers that, despite the ban covering specific ports, Hapag-Lloyd "continues to stop the acceptance of plastic scrap and plastic waste to all ports in Vietnam."

In the weeks that followed, Vietnamese authorities implemented a variety of new guidelines. For example, the government [released](https://customsnews.vn/process-for-checking-quality-of-imported-scrap-8939.html) (<https://customsnews.vn/process-for-checking-quality-of-imported-scrap-8939.html>) information about how inspections will now be conducted.

Additionally, it released regulations covering contamination limits. They differentiate between different types of contamination, according to an online translation of one document. Recycled paper and plastic shipments cannot contain higher than 2 percent "impurity" content. For a recovered paper bale, "impurity" means any of the prohibited paper grades (food packaging or paper containing flame retardants, as examples) or any non-paper substance.

But a bale of one commodity can have up to 20 percent of its weight consist of another allowed commodity. For example, an OCC bale could seemingly contain up to 20 percent mixed paper under the guidelines.

Vietnamese officials [sent a letter](https://customsnews.vn/what-are-procedures-for-re-verification-of-imported-scrap-9032.html) (<https://customsnews.vn/what-are-procedures-for-re-verification-of-imported-scrap-9032.html>) to customs departments around the country this month, instructing them on the new regulations.

More restrictions could be on the way, with officials considering revising the list of scrap commodities that

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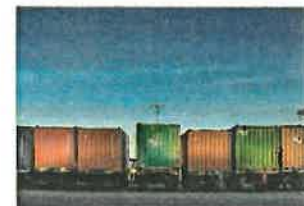
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China trade roundup: More materials barred at year's end (<https://resource-recycling.com/recycling/2018/11/27/china-trade-roundup-more-materials-barred-at-years-end/>)

Even as exporters move off of China as a destination for certain recyclables, the country remains a crucial market. And several recent Chinese developments carry industry-wide implications.

APR: There is no sustainability without recycling (<https://resource-recycling.com/recycling/2018/11/27/apr-there-is-no-sustainability-without-recycling/>)

can be imported.

This process has been ongoing since July (<https://english.vietnamnet.vn/fms/environment/204402/list-of-scrap-permitted-for-import-to-be-shortened-ministry.html>), and in recent weeks sources have reported that mixed paper may be removed from the "accepted" list. Various types of scrap plastic have also been proposed for removal. Industry associations in the country are concerned (<https://e.vnexpress.net/news/business/industries/scraping-waste-imports-would-cut-deep-vietnamese-paper-makers-worry-3832215.html>) about the ramifications for manufacturers.

The restrictions come as Vietnamese ports continue to experience major delays. Last week, VietnamNet reported (<https://english.vietnamnet.vn/fms/business/213406/thousands-of-scrap-containers-congested-at-cai-mep-thi-vai-seaport.html>) that roughly 3,000 containers of scrap paper, plastics and steel were congesting Cai Mep-Thi Vai seaport, one of the country's largest ports.

Malaysia: Resource Recycling reported early this month (<https://resource-recycling.com/recycling/2018/11/06/malaysia-to-replace-imports-with-domestic-material/>) on import requirements the Malaysian government is working on. It's unclear when those rules will take effect. In the meantime, the government is not issuing import licenses (<https://resource-recycling.com/recycling/2018/07/31/container-backlogs-cause-more-import-strife-in-se-asia/>) for scrap plastic.

Steve Wong, executive director of the China Scrap Plastics Association, told Resource Recycling that Malaysia is proposing to only allow scrap plastic from the U.S., Europe and Japan.

Late last month, media outlets widely reported that Malaysia is planning to ban plastic imports in coming years, based on information presented at a meeting of several government ministries in October. But in mid-November, Malaysian Housing and Local Government Minister Zuraida Kamaruddin indicated there are no plans to ban scrap plastic shipments from industrialized countries. The statement was reported in Free Malaysia Today newspaper (<https://www.freemalaysiatoday.com/category/nation/2018/11/17/santiago-why-make-malaysia-a-dump-for-plastic-waste/>).

The ban has been described as an effort to reduce imports of non-recyclable plastics, rather than usable scrap materials.

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Thursday, October 18, 2018

Technical Advisory Group

Breakout Session

Rural Compliance Calendar

January	July
1 – End of Industrial Storm Water sampling period 15 – Disposal Reporting, Haulers to Facilities (4 th Qtr) 15 – Disposal Reporting from Agency to Board and Jurisdictions (3 rd Qtr) 30 – Treated Wood Waste Report, if needed 31 – Disposal Reporting, Transfer/MRF to Other Transfer/MRF (4 th Qtr) Monthly Industrial Storm Water Visual Observations	1 – End of Industrial Storm Water sampling period 15 – Industrial Storm Water Reports Due 15 – Disposal Reporting, Haulers to Facilities (2 nd QTR) 15 – Disposal Reporting from Agency to Board and Jurisdictions (1st Qtr) 30 – Treated Wood Waste Report, if needed 31 – Disposal Reporting, Transfer/MRF to Other Transfer/MRF (2 nd QTR) Monthly Industrial Storm Water Visual Observations
February	August
1 – DTSC Annual Report UWED/CRT 15 – Disposal Reporting, Transfer/MRF to Landfills (4 th Qtr) Monthly Industrial Storm Water Visual Observations	1 – AB 939 Annual Report Due 15 – Disposal Reporting, Transfer/MRF to Landfills (2 nd QTR) Monthly Industrial Storm Water Visual Observations
March	September
1 – CIWMB Net Cost Report, SB 20/50 15 – Disposal Reporting, Due to Agencies (4 th Qtr) 15 – ARB Waste-in-Place Report active landfills<450,000 tons Monthly Industrial Storm Water Visual Observations	15 – Disposal Reporting, Due to Agencies (2 nd QTR) Monthly Industrial Storm Water Visual Observations
April	October
15 – Disposal Reporting, Haulers to Facilities (1 st Qtr) 15 – Disposal Reporting from Agency to Board and Jurisdictions (4 th Qtr) 30 – Disposal Reporting, Transfer/MRF to Other Transfer/MRF (1 st Qtr) Monthly Industrial Storm Water Visual Observations	1 – DTSC Form 303a or b (HHW) Due 15 – Disposal Reporting, Haulers to Facilities (3 rd Qtr) 15 – Disposal Reporting from Agency to Board and Jurisdictions (2 nd QTR) 31 – Disposal Reporting, Transfer/MRF to Other Transfer/MRF (3 rd Qtr) Monthly Industrial Storm Water Visual Observations
May	November
15 – Disposal Reporting, Transfer/MRF to Landfills (1 st Qtr) Monthly Industrial Storm Water Visual Observations	15 – Disposal Reporting, Transfer/MRF to Landfills (3 rd Qtr) Monthly Industrial Storm Water Visual Observations
June	December
15 – Disposal Reporting, Due to Agencies (1 st Qtr) Monthly Industrial Storm Water Visual Observations	15 – Disposal Reporting, Due to Agencies (3 rd Qtr) Monthly Industrial Storm Water Visual Observations

Some reporting due dates may change due to holidays or weekends

CalRecycle Disposal Reporting dates will be revised after AB 901 regulations are adopted.

References

AB 939 Annual Report Due – August 1st

<http://www.ciwmb.ca.gov/LGCentral/AnnualReport/>

ARB Waste-in-Place – California Code of Regulations, Title 17, §95463 (a)

Disposal Reporting

<http://www.ciwmb.ca.gov/LGCentral/DRS/RptDates.htm>

Household Hazardous Waste

<http://www.ciwmb.ca.gov/HHW/Reporting/>

Net Cost Report, CIWMB

<http://www.ciwmb.ca.gov/Electronics/Act2003/Recovery/NetCost/>

Treated Wood Waste

http://www.dtsc.ca.gov/HazardousWaste/Treated_Wood_Waste.cfm (Pending)

Universal Waste Electronic Devices (UWED) Material Handlers

<http://www.dtsc.ca.gov/database/UWED/index.cfm>