



**Rural Counties  
Environmental Services  
Joint Powers Authority**  
**ESJPA**

CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY  
VICE CHAIR – DENISE CARTER, COLUSA COUNTY  
EXECUTIVE DIRECTOR – GREG NORTON

TECHNICAL ADVISORY GROUP (TAG)  
TAG CHAIR – TEDD WARD, DEL NORTE COUNTY  
TAG VICE CHAIR – GREG STANTON, EL DORADO COUNTY  
PROGRAM MANAGER – STACI HEATON

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**Rural Counties Environmental Services Joint Powers Authority  
Board of Directors & Technical Advisory Meeting**

**1215 K St., Suite 1650  
Sacramento, CA 95814**

**Thursday, June 25, 2020 9:00 a.m. – 2 p.m.**

In accordance with Executive Orders N-25-20 and N-29-20, the June 25, 2020 Rural Counties' ESJPA Board of Directors & Technical Advisory Group Meeting will be held virtually.

**MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON**

The June 25, 2020 Rural Counties' ESJPA Board of Directors & Technical Advisory Group Meeting will be facilitated virtually through Zoom. Members of the public can watch or listen to the meeting using one of the following methods:

1: Join the Zoom meeting application on your computer, tablet or smartphone:

Go to: <https://rsrcnet.zoom.us/j/91035479007>

Enter Password: 386648

2. Call-in and listen to the meeting:

Dial (669) 900-9128

Enter meeting ID: 910 3547 9007

Password: 386648

**PUBLIC COMMENT USING ZOOM:** Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

**EMAIL PUBLIC COMMENT:** One may also email public comment to [sheaton@rsrcnet.org](mailto:sheaton@rsrcnet.org) before or during the meeting. All emailed public comments will be forwarded to all ESJPA Board of Directors members.

**DISABLED ACCOMMODATIONS:** If you have a disability which requires an accommodation or an alternative format to assist you in observing and commenting on this meeting, or an alternative agenda document format, please contact ESJPA at (916) 447-4806 or by email at [sheaton@rsrcnet.org](mailto:sheaton@rsrcnet.org) by 10:00 a.m. Wednesday, June 24<sup>th</sup> to ensure arrangements.

*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**

**Page 1**

Discussion and possible action related to the following:

- A. Approval of Minutes from the Meeting of March 12, 2020 **(ACTION)** – Supervisor Michael Kobseff, ESJPA Chair *(pp 3-8; 5 minutes)*
- B. Proposed Revision to ESJPA 2020 Budget, Reduction in Member Dues **(ACTION)** – Milena De Melo, RCRC Controller *(pp 9-11; 10 minutes)*
- C. ESJPA 2019 Audited Financial Statements **(ACTION)** – Elizabeth Jensen, RCRC Assistant Controller and Sanjay Lee, RCRC Financial Analyst *(pp 13-45; 10 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**

**Page 47**

- A. SB 1383 Compliance Tracking – Linnea Whitney Skierski, Business Development Manager, Recyclist *(25 minutes)*
- B. County presentation – Justin Nalder, Solid Waste Superintendent, Mono County *(20 minutes)*
- C. CA Commission on Recycling Markets and Curbside Recycling – Tedd Ward, Director, Del Norte Solid Waste Management Authority *(pp 49-54; 20 minutes)*
- D. Report from CalRecycle – Marshalle Graham, Senior Environmental Scientist, CalRecycle *(10 minutes)*

**V. Legislative Update**

**Supplemental Package**

(This item may be heard at any time during the meeting depending upon the availability of staff) Discussion of Legislation – John Kennedy, RCRC Legislative Advocate *(10 minutes)*

- A. Complete Text of Selected Bills

B. Summary Listing of All Solid Waste Related Bills

**VI. Member County Concerns/Comments (10 minutes)**

**VII. Solid Waste/Regulatory Update**

Page 55

Discussion and possible action related to the following:

A. CalRecycle

- SB 1383 Short-Lived Climate Pollutant Regulations– Staci Heaton, ESJPA Program Manager, Larry Sweetser, ESJPA Consultant and Mary Pitto, RCRC Regulatory Affairs Advocate (*pp 57-62; 10 minutes*)
- COVID-19 Regulatory Relief — Staci Heaton and Larry Sweetser (*pp 63-65; 10 minutes*)
- AB 901 Recycling and Disposal Reporting Regulations – Larry Sweetser (*5 minutes*)
- Illegal Dumping Technical Advisory Committee Update – Larry Sweetser (*5 minutes*)

B. California Air Resources Board

- Advanced Clean Truck Rule – Staci Heaton (*pp 67-95; 5 minutes*)

C. State Water Resources Control Board

- Waste discharge fees – Larry Sweetser (*pp 97-98; 5 minutes*)

D. Department of Toxic Substances Control

- Photovoltaic Modules – Larry Sweetser (*5 minutes*)
- Household Hazardous Waste Program Update—Larry Sweetser (*5 minutes*)

E. Extended Producer Responsibility

- Mattress Recycling Council Update –Mattress Recycling Council (*5 minutes*)
- PaintCare Update – Nichole Dorr, Central California Regional Director, PaintCare (*5 minutes*)

F. Grant Program Update – Larry Sweetser (*5 minutes*)

G. Highlights of November CalRecycle Meetings – Larry Sweetser (*5 minutes*)

H. Other Regulatory Announcements/Issues of Interest

- Cal EPA CUPA Newsletters (*pp 99-108*)

**VIII. Agenda Suggestions, Member County Presentation Volunteer, Workshop Topics for Next ESJPA Board Meeting Scheduled Thursday, August 13, 2020.**

**IX. Articles of Interest**  
(*pp 111-140*)

Page 109

**X. Adjournment**

**12:10 PM**

**Technical Advisory Group Breakout Session (*Page 141*)**

**\*\*COVID-19 Lunchtime Roundtable and Check-In\*\***

# **Agenda Item II**

## **BUSINESS MATTERS**





**Rural Counties  
Environmental Services  
Joint Powers Authority**  
**ESJPA**

CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY  
VICE CHAIR – DENISE CARTER, COLUSA COUNTY  
EXECUTIVE DIRECTOR – GREG NORTON

**TECHNICAL ADVISORY GROUP (TAG)**

TAG CHAIR – TEDD WARD, DEL NORTE COUNTY  
TAG VICE CHAIR – GREG STANTON, EL DORADO COUNTY  
PROGRAM MANAGER – STACI HEATON

**Rural Counties' Environmental Services Joint Powers Authority  
Board of Directors' & Technical Advisory Meeting  
California Chamber of Commerce  
1215 K St., 14<sup>th</sup> Floor  
Sacramento, CA 95814**

**Thursday, March 12, 2020**

**VOTING MEMEBRS PRESENT**

Jeff Gardener  
Eric Miller  
Denise Carter  
Gerry Hemmingsen  
Lori Parlin  
Lars Ewing  
Aaron Albaugh  
Ahmad Alkhayat  
Samuel Cerveny  
Justin Nalder  
Bob Perreault  
Don Renz  
Michael Kobseff  
Rachel Ross-Donaldson

Amador County  
Butte County  
Colusa County  
Del Norte County  
El Dorado County  
Lake County  
Lassen County  
Madera County  
Mariposa County  
Mono County  
Plumas County  
Shasta County  
Siskiyou County  
Tehama County

**STAFF IN ATTENDANCE**

Staci Heaton, Program Manager  
John Kennedy, Legislative Affairs Advocate  
Leigh Kammerich, Regulatory Affairs Specialist  
Mary Pitto, Regulatory Affairs  
Larry Sweetser, ESJPA Consultant

Rural Counties ESJPA  
RCRC Governmental Affairs  
RCRC Governmental Affairs  
RCRC Governmental Affairs  
Sweetser and Associates, Inc.

**GUEST SPEAKERS**

Tracy Swanborn, HF&H Consultants, LLC  
Frank Severson, CalRecycle  
Marshalle Graham, CalRecycle  
Doug Kobold, CPSC  
Despina Kreatsoulas, California Resource Recovery Association

**OTHERS IN ATTENDANCE**

Valerie Meza	Butte County
Tedd Ward	Del Norte County
Greg Stanton	El Dorado County
Timothy Engle	El Dorado County
Kati Galvani	Lake County
Tom Ramont	Shasta County
Jason Ledbetter	Siskiyou County
Nathan Birtwhistle	Tuolumne County
Bruce Quigley	CalRecycle
Brian Orlando	CalRecycle
Roberta Jetter	CalRecycle
Alex Souza	CalRecycle
Spencer Fine	CalRecycle
Julie Trueblood	CalRecycle
Deb Phillips	Greater Valley Conservation Corps
Laura Frigm	Sacramento Regional Conservation Corps
Natalie Pieper	Sacramento Regional Conservation Corps
Nicole Riley-Pena	Kings Waste

**MEMBERS NOT REPRESENTED**

Alpine, Calaveras, Glenn, Imperial, Inyo, Modoc, Nevada, Sierra, Trinity and Tuolumne County.

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

At 9:04am the meeting was called to order. A quorum was determined; self-introductions were made.

**II. Business Matters**

Discussion and possible action related to the following:

Staci Heaton, ESJPA Program Manager, made an announcement to COVID-19 and the precautions taken to conduct business.

- A. Approval of Minutes from the Meeting of December 12, 2019 – Supervisor Michael Kobseff, ESJPA Chair

Tedd Ward, Del Norte County, requested a correction to the minutes that would be emailed to Ms. Heaton and made a motion to approve. It was seconded by Rachel Ross, Tehama County, and passed unanimously by a voice vote.

- B. Election of the 2020 ESJPA/TAG Chair and Vice Chair – Supervisor Michael Kobseff, Siskiyou County

Supervisor Aaron Albaugh, Lassen County, made a motion to nominate Siskiyou County Supervisor Michael Kobseff as Chair of the ESJPA, and Colusa County Supervisor Denise



Carter as Vice Chair. Supervisor Gerry Hemmingsen, Del Norte County, seconded the motion, which was approved unanimously by voice vote.

Chair Kobseff requested nominations for 2020 TAG Chair and Vice Chair. Supervisor Hemmingsen made a motion for Tedd Ward, Del Norte County to be TAG Chair, and Greg Stanton, El Dorado County, TAG Vice Chair. Jeff Gardner, Amador County, seconded the motion, which was approved unanimously by voice vote.

C. Administrative Matters – Staci Heaton, ESJPA Program Manager

- 2020 Delegate and Alternate Roster

Ms. Heaton asked all members present to review the roster to ensure that it was correct, and to make any necessary updates as soon as possible.

- FPPC Form 700

Ms. Heaton asked all delegates and alternates to review their Form 700 status and to complete and file the form as soon as possible. She offered assistance from RCRC Senior Governmental Affairs Coordinator.

### **III. Public Comment**

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

Mr. Ward said, with regard to COVID-19, one of his co-workers has a roommate who was exposed. They're looking at and beginning to plan for what would happen to their small staff if they were hit with a pandemic that left them without proper staffing.

Larry Sweetser, ESJPA Consultant noted that SWANA is coming up with guidance for solid waste workers regarding COVID-19.

### **IV. Presentations**

A. SB 1383 Model Tools Overview – Tracy Swanborn, P.E., HF&H Consultants, LLC

Marshall Graham, CalRecycle, provided a brief introduction and also an update on the Office of Administrative Law (OAL) rejection of the SB 1383 final rulemaking package. Ms. Graham indicated that OAL had clarifying changes they would like CalRecycle to make, including minor changes to text, making available source review documents, and improving clarity of language to ensure meaning is more easily understood by those that are regulated. No major changes to the scope of action. There will be a 15-day comment period when clarifying language is available. The amended draft is not expected until June.

Tracy Swanborn then gave a presentation on CalRecycle's SB 1383 Model Tools. The presentation outlined how HF&H had developed the tools for immediate use by local jurisdictions, and that they would need to be adapted for each unique situation. The presentation discussed reduction targets and goals for SB 1383, and was disseminated to ESJPA membership after the meeting.

- B. Recycling Market Development Zone (RMDZ) Program – Frank Severson, Senior Environmental Scientist, CalRecycle

Mr. Severson presented on the potential benefits for local jurisdictions of the RMDZ program, including free workshops and technical assistance for those that want to utilize the program.

- C. Report from CalRecycle – Marshalle Graham, Senior Environmental Scientist, CalRecycle

Ms. Graham gave an overview of ongoing projects and grant opportunities at CalRecycle. The presentation was emailed to ESJPA members after the meeting. She also noted that CalRecycle staff was beginning SB 1383 presentations to county Boards of Supervisors, and that counties should contact her if they would like a presentation.

#### **V. Legislative Update** John Kennedy, RCRC Legislative Advocate

Mr. Kennedy gave an update on several bills in the legislative process, including 2 RCRC sponsored bills- AB 2612 (Maienschein) to receive GGRF funds for SB 1383 implementation and SB 1191 (Dahle) to create an alternative compliance pathway for SB 1383. Mr. Kennedy also discussed state budget items as they relate to solid waste and recycling, including the Governor’s proposed Climate Catalyst Fund and possible GGRF funding.

#### **VI. Member County Concerns/Comments**

Tedd Ward reiterated the need for COVID-19 and general pandemic planning. Issues are with small staff and high training times for staff.

Eric Miller was asked to create a plan for COVID-19 in case the county needs to close the scale house. Initial thought it to put blue gloves on attendants, fumigate gate, etc., but was not sure how to plan for this and only operate three days a week.

Larry Sweetser: The dead animal issue keeps coming up but can’t find requirement to keep manifest requirements even though Ag wants you to have them.

#### **VII. Solid Waste/Regulatory Update**

Discussion and possible action related to the following:

##### **A. CalRecycle**

- SB 1383 Short-Lived Climate Pollutant Regulations– Mary Pitto, RCRC Regulatory Affairs Advocate

Mary Pitto gave an update on the OAL disapproval of the 1383 regs and noted that the TAG meeting would be a discussion of planning.

- AB 901 Recycling and Disposal Reporting Regulations – Larry Sweetser, ESJPA Consultant

Larry Sweetser indicated that there was nothing new to add, but Justin Nalder offered additional info on how Mono County handles materials that don't fit into the system.

B. California Air Resources Board

- Advanced Clean Truck Rule – Staci Heaton

Ms. Heaton gave an update on the ACT Rule, which is the start of CARB's push for 100% electric. The current rule deals with reporting for all municipals and for fleets that they contract with. Ms. Heaton indicated that the reporting would be used for a future rule mandating electric vehicle purchases, which will profoundly impact rural counties.

C. State Water Resources Control Board

- Landfill PFAS Orders – Larry Sweetser
- Waste discharge fees – Larry Sweetser

Mr. Sweetser indicated there is nothing new from agencies on PFAS, and that SWANA is putting together a fact sheet. He also indicated that there is no increase proposed for WDR fees. Final won't be adopted until later in the year.

D. California Department of Food and Agriculture

- Weigh Scale Enforcement

Mr. Sweetser discussed the uncertainty around weigh scale enforcement, particularly if a private entity is running the scale.

E. Department of Toxic Substances Control

- Universal Waste Program – Larry Sweetser
- Photovoltaic Modules – Larry Sweetser

Mr. Sweetser discussed the ongoing problems with the universal and e-waste markets. He also noted that the PV modules regulations should be done soon, but that they are with the OAL and still aren't final.

F. Extended Producer Responsibility

- CA Product Stewardship Council Update – Doug Kobold, Executive Director, CPSC

Mr. Kobold gave updates on several bills being sponsored or supported by CPSC.

G. Grant Program Update – Larry Sweetser

Mr. Sweetser gave an update on ESJPA's grant program and where we are in our grant cycles.

H. Highlights of January and February CalRecycle Meetings – Larry Sweetser

Mr. Sweetser discussed the highlights of January and February CalRecycle meetings, including permit changes to increase tonnages for composting facilities, compliance reviews, and Stanislaus County changing cannabis waste.

**I. Other Regulatory Announcements/Issues of Interest**

- Cal EPA CUPA Newsletters

Despina Kreatsoulas, California Resource Recovery Association (CRRA), gave a brief presentation on CRRA's Annual Conference and the potential for a rural communities workshop on solid waste and recycling.

**VIII. Agenda Suggestions, Member County Presentation Volunteer, Workshop Topics for Next ESJPA Board Meeting Scheduled Thursday, June 18, 2020.**

Staci Heaton indicated that Mono County had volunteered to do a presentation for the June meeting.

**IX. Articles of Interest**

**None**

**X. Adjournment**

**Adjourned at 12:13pm**



**Rural Counties  
Environmental Services  
Joint Powers Authority**  
**ESJPA**

**Chair** – Michael Kobseff, Siskiyou County  
**Vice Chair** – Denise Carter, Colusa County  
**Executive Director** – Greg Norton

**Technical Advisory Group (TAG)**

**TAG Chair** – Tedd Ward, Del Norte County  
**TAG Vice Chair** – Greg Stanton, El Dorado County  
**Program Manager** – Staci Heaton

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**To: ESJPA Board of Directors**

**From: Greg Norton, Executive Director  
Lisa McCargar, RCRC Chief Operating Officer/Chief Financial Officer**

**Date: June 25, 2020**

**RE: Proposed Revision to ESJPA 2020 Budget – Reduction in Member Dues (Action)**

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The 2020 Environmental Services Joint Powers Authority (“ESJPA”) proposed revision to the Operating Budget constitutes our continued commitment to the core functions of providing solid waste planning, solid waste services, regulatory advocacy, and other environmental services. On December 12, 2019, the ESJPA Board of Directors approved the ESJPA 2020 Operating Budget which presented net favorable budgeted revenues over expenditures in the amount of \$2,510. ESJPA’s management is proposing a 50% reduction of all member county dues for the period from July 1, 2020 to June 30, 2021, which will entail a revision to the ESJPA 2020 Calendar Year Operating Budget to include a reduction in revenues of \$32,700, and a carryover impact of \$32,700 to 2021, for a total impact of \$65,400 in member county dues. The ESJPA 2020 Approved Operating Budget and Proposed Revision is attached (Attachment 1).

**Background**

President Trump declared the Novel Corona Virus a National Emergency effective March 1, 2020. This worldwide pandemic continues as of this date and has resulted in the closure of many businesses nationally, unprecedented unemployment and a massive financial strain to individuals, businesses, and governments. The real economic impact remains to be seen, but it is a fact that ESJPA’s member counties will each experience a significant decline in their revenue streams. While it is too early to quantify the financial impact on member counties, ESJPA is recommending a 50% reduction of all member county dues for the period from July 1, 2020 to June 30, 2021. This action would provide limited relief to member counties. It is a concern that the financial impact from the pandemic could cause member counties to find it necessary to reduce staff and limit important services to their residents, including safety services.

**Financial Impact**

Membership Dues are billed to member counties for the period of July 1<sup>st</sup> to June 30<sup>th</sup> of each year. As ESJPA operates on a calendar year basis, the reduction of dues would therefore impact both 2020 and 2021. Dues originally approved by the ESJPA Board of Directors totaled \$130,800 for the period July 1<sup>st</sup> 2020 - June 30<sup>th</sup> 2021 and are recorded by ESJPA half in one year and half in the following year. With the 50% reduction in member county dues the total proposed budget for member county dues revenue would amount to \$65,400 for the period July 1<sup>st</sup> 2020 - June 30<sup>th</sup> 2021. This would change the total member county dues budgeted for the 2020 calendar year to \$98,100, \$65,400 to be recognized by ESJPA for January-June 2020 and \$32,700 for July-December 2020. The remaining \$32,700 of 2020-2021 member county dues would carry into the January 1, 2021 to June 30, 2021 timeframe.

	<b>2020 Member Dues Budget</b>	
	<b>Revised</b>	<b>Approved</b>
January - June	\$ 65,400	\$ 65,400
July - December	\$ 32,700	\$ 65,400
total 2020 dues revenue	<u>\$ 98,100</u>	<u>\$ 130,800</u>

There will be a similar impact for the year ended December 31, 2021 though that budget has not yet been prepared. The impact to the ESJPA Operating Budget for the year ended December 31, 2020 is attached (Attachment 1).

The annual member dues have not been revised since 2005, and although the impact of this proposed change reflects an excess of expenditures over revenues, ESJPA has historically performed above budgeted amounts and currently has \$120,000 in cash to offset a deficit if needed.

From time to time, ESJPA experiences cash shortfalls due to the timing of grant reimbursements. 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 of Directors approve the 50% reduction in member county dues originally approved by the Board of Directors as part of the ESJPA Operating Budget for the year ended December 31, 2020, in light of the Corona Virus emergency and its fiscal impact on member counties. Upon approval, member county dues shall be \$65,400 for the period July 1, 2020 through June 30, 2021.

**Attachments**

- ESJPA 2020 Approved Operating Budget and Proposed Revision

**ENVIRONMENTAL SERVICES JOINT POWERS AUTHORITY**  
**FY 2020 BUDGET - REVISED**  
**For the Year Ended December 31, 2020**

	<b>Revised 2020 Budget</b>	<b>Approved 2020 Budget</b>	<b>Change: Increase / (Decrease)</b>
<b>Income:</b>			
Member County Dues	\$ 98,100	\$ 130,800	\$ (32,700)
Contracts-grants/projects	130,000	130,000	-
Contribution from RCRC	-	-	-
Interest	-	-	-
Miscellaneous	30	30	-
<b>Total Income</b>	<b>\$ 228,130</b>	<b>\$ 260,830</b>	<b>\$ (32,700)</b>
<b>Expenditures:</b>			
Auditing	\$ 4,000	\$ 4,000	\$ -
Community Relations	1,000	1,000	-
Conferences Attended by Staff	1,250	1,250	-
Contract Support Services	89,000	89,000	-
Delivery Services	1,000	1,000	-
Dues, Fees and Subscriptions	2,000	2,000	-
Equipment & Furniture	250	250	-
Grants and Contracts	130,000	130,000	-
Insurance	6,500	6,500	-
Legal Fees	1,000	1,000	-
Meetings	6,000	6,000	-
Board Member Travel and Reimbursements	2,000	2,000	-
Miscellaneous	1,000	1,000	-
Office Expense	500	500	-
Off-site Storage	1,320	1,320	-
Rent	7,000	7,000	-
Training	3,000	3,000	-
Travel-Employees	1,500	1,500	-
<b>Total Expenditures</b>	<b>\$ 258,320</b>	<b>\$ 258,320</b>	<b>\$ -</b>
<b>Net Revenues over Expenditures / (Expenditures over Revenues)</b>	<b>\$ (30,190)</b>	<b>\$ 2,510</b>	<b>\$ (32,700)</b>







**Rural Counties  
Environmental Services  
Joint Powers Authority**

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**ESJPA**

CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY  
VICE CHAIR – DENISE CARTER, COLUSA COUNTY  
EXECUTIVE DIRECTOR – GREG NORTON

TECHNICAL ADVISORY GROUP (TAG)

TAG CHAIR – TEDD WARD, DEL NORTE COUNTY  
TAG VICE CHAIR – GREG STANTON, EL DORADO COUNTY  
PROGRAM MANAGER – STACI HEATON

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**To: ESJPA Board of Directors**

**From: Lisa McCargar, Chief Financial Officer  
Milena De Melo, Controller  
Elizabeth Jensen, Assistant Controller  
Sanjay Lee, Financial Analyst**

**Date: June 9, 2020**

**RE: ESJPA 2019 Audited Financial Statements - ACTION**

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**Summary**

Attached are the Rural County Environmental Services Joint Powers Authority (ESJPA) audited financial statements as of and for the year ended December 31, 2019, issued by Moss Adams LLP. The financial statements contain an unmodified (“clean”) audit opinion. The auditors also issued a communication letter to Those Charged with Governance as required by auditing standards generally accepted in the United States of America as well as Government Auditing Standards, issued by the Comptroller General of the United States. In summary, the communication states that there were no significant matters identified in the course of the audit and no audit adjustments were proposed or made to the original trial balance prepared by management.

Moss Adams presented and discussed the audited financial statements and communications to Those Charged with Governance with the Executive Committee of Rural County Representatives of California (RCRC) in their capacity as the Audit Committee on May 20, 2020. The Executive committee approved the audited financial statements for presentation to and adoption by the ESJPA Board of Directors.

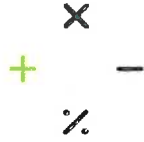
**Staff Recommendation:**

Staff recommends that the Board of Directors review and approve the 2019 audited financial statements and communication to Those Charged with Governance, as presented.

**Attachment**

- ESJPA 2019 Audited Financial Statements
- Communications to Those Charged with Governance





*Communications with  
Those Charged with Governance*

**Rural Counties' Environmental  
Services Joint Powers Authority**

*December 31, 2019*





## **Communications with Those Charged with Governance**

To the Board of Directors and Management  
Rural Counties' Environmental Services Joint Powers Authority

We have audited the financial statements of Rural Counties' Environmental Services Joint Powers Authority (the Authority) as of and for the year ended December 31, 2019, and have issued our report thereon dated May 8, 2020. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter dated November 13, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America as well as Government Auditing Standards, issued by the Comptroller General of the United States, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we considered the Authority's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter and during planning discussions conducted on February 19, 2020.

## **Significant Audit Findings and Issues**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2019. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

### ***Significant Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements identified.

### ***Financial Statement Disclosures***

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements are:

### ***Disclosure of the reporting entity and its operations, basis of accounting, and summary of significant accounting policies are described in Note 1. Significant Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not note any factual or judgmental misstatements in the course of the engagement.

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated May 8, 2020.

***Management Consultation with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

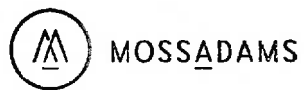
***Other Significant Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

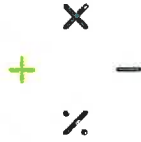
Moss Adams LLP

Sacramento, California  
May 8, 2020









*Report of Independent Auditors and  
Financial Statements*

**Rural Counties' Environmental Services  
Joint Powers Authority**

*December 31, 2019*



MOSSADAMS

## Table of Contents

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<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	<b>1</b>
<b>REPORT OF INDEPENDENT AUDITORS .....</b>	<b>6</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position .....	9
Statement of Activities.....	10
Balance Sheet – General Fund.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund .....	12
Notes to Basic Financial Statements .....	13
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	18
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance by Grant .....	20
<b>REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>.....</b>	<b>21</b>

# **Rural Counties' Environmental Services Joint Powers Authority Management's Discussion and Analysis Year Ended December 31, 2019**

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This section presents management's discussion and analysis of Rural Counties' Environmental Services Joint Powers Authority (the Authority) financial performance for the year ended December 31, 2019. Please read it in conjunction with the financial statements and notes thereto, which follow this section.

## **FINANCIAL HIGHLIGHTS**

The assets of the Authority exceeded liabilities at December 31, 2019, by \$110,750 (net position). The Authority's total net position increased by \$43,102 (63.7%) from December 31, 2018 to December 31, 2019 due primarily to the continued successful efforts to maintain the cost of administrative services relative to the Authority's revenue from member dues.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority's basic financial statements include the (1) statement of net position, (2) statement of activities, (3) balance sheet – general fund, (4) statement of revenues, expenditures, and changes in fund balance – general fund, and (5) notes to basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

The statement of net position and the statement of activities (Government-Wide Financial Statements) display information about the Authority as a whole. The Government-Wide Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenditures are recognized when a liability is incurred, regardless of the timing of the related cash flows.

The balance sheet – general fund and statement of revenues, expenditures, and changes in fund balance – general fund (Fund Financial Statements) present the accounts and transactions of the single fund that comprises the accounts of the Authority. The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available.

While the Government-Wide Financial Statements and the Fund Financial Statements are prepared using a different basis of accounting, the differences are not significant enough to require reconciliations showing the difference between the statement of net position and the balance sheet and the differences between the statement of activities and the statement of revenues, expenditures, and changes in fund balance.

The notes to basic financial statements provide additional information that is essential to a full understanding of the Authority's financial statements.

Also included in this annual report are schedules of budgeted revenues and expenditures compared to actual amounts. The schedule of revenues, expenditures, and changes in fund balance – budget and actual is prepared using budgetary accounting principles under which encumbrances are used in budget control as a reduction of available budget amount. Encumbrances outstanding at year end do not constitute expenditures or liabilities.

**Rural Counties' Environmental Services Joint Powers Authority  
Management's Discussion and Analysis  
Year Ended December 31, 2019**

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**GOVERNMENT-WIDE FINANCIAL REPORTING  
FINANCIAL ANALYSIS**

**Rural Counties' Environmental Services Joint Powers Authority  
Condensed Statement of Net Position  
December 31, 2019 and 2018**

	Governmental Activities		Increase (Decrease)	
	2019	2018	\$	%
<b>Assets</b>				
Cash and restricted cash	\$ 173,376	\$ 66,061	\$ 107,315	162.4%
Receivables	6,240	83,973	(77,733)	(92.6)%
Total assets	<u>179,616</u>	<u>150,034</u>	<u>29,582</u>	<u>19.7%</u>
<b>Liabilities</b>				
Payables	772	8,620	(7,848)	(91.1)%
Unearned revenue and funds held for projects	68,094	73,766	(5,671)	(7.7)%
Total liabilities	<u>68,866</u>	<u>82,386</u>	<u>(13,520)</u>	<u>(16.4)%</u>
<b>Net position</b>				
Net position, unrestricted	\$ <u>110,750</u>	\$ <u>67,648</u>	\$ <u>43,102</u>	<u>63.7%</u>

The condensed statement of net position reflects a snapshot of the Authority's financial position at a given moment in time. As of December 31, 2019, the Authority's net position is \$110,750, an increase of \$43,102 (63.7%) from December 31, 2018. The increase in cash and restricted cash of \$107,315 (162.4%) was primarily due to timing of receivable collections during the year offset by favorable membership dues and other revenues over administration expenses. The decrease in unearned revenue and funds held for projects of \$5,671 (7.7%) is primarily due to the timing of projects completed at year end.

**Rural Counties' Environmental Services Joint Powers Authority  
Management's Discussion and Analysis  
Year Ended December 31, 2019**

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**Rural Counties' Environmental Services Joint Powers Authority  
Condensed Statement of Activities  
Years Ended December 31, 2019 and 2018**

	2019	2018	Increase (Decrease)	
			\$	%
<b>Program expenses</b>				
Solid waste programs	\$ 64,065	\$ 104,974	\$ (40,909)	(39.0)%
Administration	87,698	85,948	1,750	2.0%
Total program expenses	151,763	190,922	(39,159)	(20.5)%
<b>Program and general revenues</b>				
Operating grants and contracts	64,065	104,974	(40,909)	(39.0)%
Membership dues and other	130,800	127,805	2,995	2.3%
Total program revenues	194,865	232,779	(37,914)	(16.3)%
Change in net position	43,102	41,857	1,245	3.0%
Net position, beginning of year	67,648	25,791	41,857	162.3%
Net position, end of year	\$ 110,750	\$ 67,648	\$ 43,102	63.7%

**Government-wide and fund financials** – There is no difference between the activity reported in the statement of activities and statement of revenues, expenditures, and changes in fund balance – general fund, as there are no capital assets or long-term liabilities that would create differences between the modified accrual basis of accounting used in the fund financials and the full accrual basis of accounting used in the government-wide financials. The government fund is comprised of one major fund, the general fund, which is the general operating fund of the Authority. The general fund is used to account for all of the Authority's financial resources. For the year ended December 31, 2019, the Authority's total revenues decreased by \$37,914 (16.3%), primarily due to decreased grant activity. Grant revenue is directly tied to grant expenses and represents reimbursement for specific grants. The Authority also experienced a decrease in total expenditures of \$39,159 (20.5%). The decreases in expenditures were primarily due to decreased grant activity for the tire cleanup and amnesty event grants. Grant revenues and related expenditures decreased by \$40,909 (39.0%).

**FUND LEVEL FINANCIAL REPORTING**

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Rural Counties' Environmental Services Joint Powers Authority  
Management's Discussion and Analysis  
Year Ended December 31, 2019**

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**BUDGETARY COMPARISON**

**Rural Counties' Environmental Services Joint Powers Authority  
Comparison of Budget and Actual Revenues, Expenses, and Change in Net Position  
Year Ended December 31, 2019**

	Budget	Actual	Actual Over (Under) Budget	
			\$	%
<b>Program expenses</b>				
Solid waste programs	\$ 80,000	\$ 64,065	\$ (15,935)	(19.9)%
Administration	105,200	87,698	(17,502)	(16.6)%
Total expenses	185,200	151,763	(33,437)	(18.1)%
<b>Program and general revenues</b>				
Operating grants and contracts	\$ 80,000	64,065	(15,935)	(19.9)%
Membership dues and other	130,850	130,800	(50)	0.0%
Total revenues	210,850	194,865	(15,985)	(7.6)%
Change in net position	\$ 25,650	\$ 43,102	\$ 17,452	68.0%

The Authority's change in net position was favorable by \$17,452 (68.0%) compared to the 2019 budget. The amount of actual grant revenue was \$15,935 (19.9%) less than the final budget, and grant expenditures were \$15,935 (19.9%) less than the final budget due to the Authority participating in a decreased level of grant activity. Administration expenses were lower than final budget by \$17,502 (16.6%) with the savings realized for various administrative expenses.

The Authority's annual budget is determined by the Authority's management and approved by the Authority's Board of Directors. The annual budget is set as the amounts necessary to fund operating and grant costs. There was no change between the original and final budget amounts during 2019.

**FUTURE ECONOMIC OUTLOOK**

The Authority anticipates continued participation in the California Department of Resources Recycling and Recovery's (CalRecycle) Used Oil Program through 2020. In addition, the Authority will participate in the U.S. Department of Agriculture Rural Utilities Service Grant. As revenue from grant funding remains limited, management has reduced expenditures to maintain the financial stability of the Authority.

**Rural Counties' Environmental Services Joint Powers Authority  
Management's Discussion and Analysis  
Year Ended December 31, 2019**

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**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, 1215 K Street, Suite 1650, Sacramento, CA, 95814.

## Report of Independent Auditors

The Board of Directors  
Rural Counties' Environmental Services Joint Powers Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Rural Counties' Environmental Services Joint Powers Authority (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Authority as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1 through 5 and schedule of revenues, expenditures, and changes in fund balance – budget and actual on page 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The schedule of revenues, expenditures, and change in fund balance by grant is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues, expenditures, and change in fund balance by grant is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenditures, and change in fund balance by grant is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Moss Adams LLP

Sacramento, California,  
May 8, 2020

## **Basic Financial Statements**

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**Rural Counties' Environmental Services Joint Powers Authority**  
**Statement of Net Position**  
**December 31, 2019**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and restricted cash	\$ 173,376
Grants and accounts receivable	<u>6,240</u>
Total assets	<u>\$ 179,616</u>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities	
Accounts payable	\$ 772
Unearned revenue	65,400
Grant advances	<u>2,694</u>
Total liabilities	<u>68,866</u>
Net position, unrestricted	<u>110,750</u>
Total liabilities and net position	<u>\$ 179,616</u>

**Rural Counties' Environmental Services Joint Powers Authority**  
**Statement of Activities**  
**Year Ended December 31, 2019**

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	<u>Governmental Activities</u>
<b>PROGRAM EXPENSES</b>	
Solid waste programs	\$ 64,065
Administration	<u>87,698</u>
Total program expenses	<u>151,763</u>
<b>PROGRAM REVENUES</b>	
Operating grants and contracts	64,065
Charges for services membership dues	<u>130,800</u>
Total program revenues	<u>194,865</u>
Change in net position	43,102
Net position, beginning of year	<u>67,648</u>
Net position, end of year	<u>\$ 110,750</u>

**Rural Counties' Environmental Services Joint Powers Authority**  
**Balance Sheet – General Fund**  
**December 31, 2019**

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**ASSETS**

Current assets		
Cash and restricted cash	\$	173,376
Grants and accounts receivable		<u>6,240</u>
Total assets	\$	<u><u>179,616</u></u>

**LIABILITIES AND FUND BALANCE**

Current liabilities		
Accounts payable	\$	772
Unearned revenue		65,400
Funds held for projects		<u>2,694</u>
Total liabilities		<u>68,866</u>
Fund balance, unassigned		<u>110,750</u>
Total liabilities and fund balance	\$	<u><u>179,616</u></u>

**Rural Counties' Environmental Services Joint Powers Authority**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance – General**  
**Fund**  
**Year Ended December 31, 2019**

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Revenues	
Intergovernmental grants and contracts	\$ 64,065
Membership dues	<u>130,800</u>
 Total revenues	 <u>194,865</u>
Expenditures	
Solid waste grants on behalf of member counties	64,065
Administration	
Technical support services	66,000
Other	<u>21,698</u>
 Total expenditures	 <u>151,763</u>
 Excess revenues over expenditures	 43,102
 Fund balance, beginning of year	 <u>67,648</u>
 Fund balance, end of year	 <u>\$ 110,750</u>

**Rural Counties' Environmental Services Joint Powers Authority**  
**Notes to Basic Financial Statements**  
**December 31, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity** – Rural Counties' Environmental Services Joint Powers Authority (the Authority) is a joint powers authority of county governments in rural counties of the state of California, engaged in the exercise of an essential governmental function. The purpose of the Authority is to develop and fund programs to provide for solid waste planning, solid waste services, cooperative marketing, regulatory advocacy, and other environmental services, as well as to provide a forum for mutual support, to strengthen the liaison with state government, and to secure and disseminate information of common interest relating to environmental issues. Twenty-four member counties participate in the Authority, which is governed by a Board of Directors. Each of the Authority's Board members is a member of the Board of Supervisors in their member county.

The Authority contracts with various organizations and businesses to provide specialized services as needed to administer and implement programs as determined by the Authority's Board of Directors. Rural County Representatives of California (RCRC), a California nonprofit mutual benefit corporation, provides various administrative and technical support services to the Authority. RCRC was organized to serve and strengthen county and local governments through definition, study, and actions relative to problems affecting the member counties and their resources to include but not be limited to those of social, economic, environmental, and ecological importance. Technical support services provided by RCRC include salaries and wages, benefits, and related costs (Note 3).

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

**Government-wide financial statements** – The statement of net position and statement of activities include the financial activities of the Authority. The Authority is only engaged in governmental activities, which are normally supported by intergovernmental revenues and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Program revenues include charges for services, membership dues, and grants that are restricted to meeting operating requirements.

**Fund financial statements** – Separate fund financial statements are provided for the Authority's general fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the near-term inflows and outflows of available expendable resources. Such information may be useful in evaluating a government's near-term financing requirements.

**Basis of accounting** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Rural Counties' Environmental Services Joint Powers Authority**  
**Notes to Basic Financial Statements**  
**December 31, 2019**

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The general fund is the general operating fund of the Authority. It is used to account for all of the Authority's financial resources. Grant revenues are recognized as soon as all eligibility requirements imposed by the provider have been met, provided they are measurable and available. All other revenues of the Authority are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within six months from year end. Expenditures are recorded when a liability is incurred.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**Cash and cash equivalents** – The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

**Restricted cash** – Restricted cash includes funds held for projects and is restricted as to its use. As of December 31, 2019, cash balances of \$2,694 were restricted.

**Grants receivable** – As of December 31, 2019, receivables are comprised of funds due from granting agencies.

**Grant advances** – The Authority receives funds in advance of expenditure for some grants. These funds are refundable at the termination of the respective grant period if not expended for their intended purpose. As a result, the Authority recognizes a liability equal to the amount of funds collected and unspent for these grants. Funds received by the Authority are not segregated from the general operating accounts of the Authority.

**Unearned revenue** – Counties are assessed membership dues on July 1 of each year. The dues cover a one-year period from July 1 to June 30 and are recognized ratably over that period. Unearned revenue represents funds received for membership dues from the period from January 1 to June 30, 2019.

**Fund balance classifications** – The fund balance classifications for balance sheet presentation are as follows:

- *Nonspendable fund balance* – Amounts that cannot be spent because they are either (a) not spendable form or (b) legally or contractually required to be maintained intact. The Authority does not have any nonspendable fund balances as of December 31, 2019.
- *Restricted fund balance* – Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The Authority does not have any restricted fund balances as of December 31, 2019.
- *Committed fund balance* – Amounts that can only be used for specific purposes determined by formal action of the government's highest level of decision making authority (the Board of Directors) that remain binding unless the commitments are removed in the same manner. The Authority does not have any committed fund balances as of December 31, 2019.



# Rural Counties' Environmental Services Joint Powers Authority

## Notes to Basic Financial Statements

### December 31, 2019

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- **Assigned fund balance** – Amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established by either the governing body itself, or by a body or an official designated for that purpose. The Authority does not have a formal policy to determine the action needed to create an assigned fund balance because the Authority does not have any assigned fund balances at December 31, 2019.
- **Unassigned fund balance** – The residual amount of fund balance not classified in other fund balance categories. The Authority's entire fund balance is classified as unassigned at December 31, 2019.

The Authority has adopted a policy of generally utilizing committed and assigned fund balances, prior to unassigned fund balances, when an expenditure is incurred for purposes for which any of those fund balance classifications could be used.

**Net position** – Net position is classified into the following categories:

- **Invested in capital assets, net of related debt** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any net position in this category as of December 31, 2019.
- **Restricted nonexpendable** – Net position subject to externally imposed conditions that the Authority retains in perpetuity. The Authority does not have any net position in this category as of December 31, 2019.
- **Restricted expendable** – Net position subject to externally imposed conditions that can be fulfilled by the actions of the Authority or by the passage of time. The Authority does not have any net position in this category as of December 31, 2019.
- **Unrestricted** – All other categories of net position; in addition, unrestricted net position may be designated for use by management or the Board of Directors.

**Income taxes** – The Authority is an organization comprised of public agencies and is exempt from federal income and California franchise taxes. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

**Budgetary information** – The Authority's Board of Directors approves all budgeted revenues and expenditures. Budgeted revenue and expenditures represent the original adopted budget and any amendments during the year. The legal level of budgetary control for the Authority is total expenditures. The budgetary process is on a basis of accounting used for budgets that is consistent with accounting principles generally accepted in the United States of America.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Rural Counties' Environmental Services Joint Powers Authority**  
**Notes to Basic Financial Statements**  
**December 31, 2019**

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**NOTE 2 – CASH**

**Deposits – custodial credit risk** – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Cash consists of deposits with financial institutions. As of December 31, 2019, the Authority's deposits stated at \$173,376, inclusive of restricted cash, are entirely insured or collateralized. Section 53652 of the California Governmental Code requires financial institutions to secure deposits made by governmental units in excess of insured amounts by the pledging of governmental securities as collateral. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by governmental units.

**NOTE 3 – RELATED-PARTY TRANSACTIONS**

For the year ended December 31, 2019, the Authority entered into a support service agreement with RCRC, an affiliated entity, for an annual fee of \$66,000 plus direct billable hours, to perform non grant-related services. The fee is included in administration expenditures on the statement of revenues, expenditures, and changes in fund balance – general fund. As of December 31, 2019, there were no payables to RCRC for administrative expenses paid by RCRC on behalf of the Authority. The support service agreement with RCRC is an annual agreement, expiring on December 31 of each year, with successive one-year automatic renewals until terminated by either party.

**NOTE 4 – CONTINGENCIES**

The Authority has received grants from state and local sources that are subject to review and audit by representatives of those agencies to determine if the funds were expended in accordance with appropriate statutes, grant terms, and regulations. These types of audits could lead to expenditure disallowances or questioned costs under grant terms. The Authority believes that no significant liabilities will be incurred as a result of these audits.

**NOTE 5 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. RCRC purchases commercial insurance through an insurance agent that obtains insurance coverage from insurance companies, which includes coverage for the Authority. The Authority reimburses RCRC for its prorata portion of the insurance premium. There have been no settlement amounts that have exceeded commercial insurance coverage for the last three years.

## **Required Supplementary Information**

**Rural Counties' Environmental Services Joint Powers Authority**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance –**  
**Budget and Actual**  
**Year Ended December 31, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under)</u> <u>Budget</u>	
			<u>\$</u>	<u>%</u>
<b>Revenues</b>				
Intergovernmental grants and contracts	\$ 80,000	\$ 64,065	\$ (15,935)	(19.9)%
Membership dues	130,800	130,800	-	0.0%
Other	50	-	(50)	(100.0)%
<b>Total revenues</b>	<u>210,850</u>	<u>194,865</u>	<u>(15,985)</u>	<u>(7.6)%</u>
<b>Expenditures</b>				
Solid waste grants on behalf of member counties	80,000	64,065	(15,935)	(19.9)%
Administration				
Technical support services	66,000	66,000	-	0.0%
Other	39,200	21,698	(17,502)	(44.6)%
<b>Total expenditures</b>	<u>185,200</u>	<u>151,763</u>	<u>(33,437)</u>	<u>(18.1)%</u>
Excess of revenues over expenditures	25,650	43,102	17,452	68.0%
Fund balance, beginning of year	<u>5,553</u>	<u>67,648</u>	<u>62,095</u>	<u>1,118.2%</u>
Fund balance, end of year	<u>\$ 31,203</u>	<u>\$ 110,750</u>	<u>\$ 79,547</u>	<u>254.9%</u>

## **Supplementary Information**

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**Rural Counties' Environmental Services Joint Powers Authority**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance by Grant**  
**Year Ended December 31, 2019**

	<u>TCA4 Regional</u>	<u>TCA5 Regional</u>	<u>UOPP18 Regional</u>	<u>UOPP19 Regional</u>	<u>TOTAL</u>
<b>Revenues</b>					
Grants	\$ 18,154	\$ 239	\$ 8,366	\$ 37,306	\$ 64,065
Total revenues	<u>18,153</u>	<u>239</u>	<u>8,366</u>	<u>37,306</u>	<u>64,065</u>
<b>Expenditures</b>					
Grants on behalf of member counties					
Mobile/other collection	14,421	-	-	-	14,421
Consultants	1,380	239	510	12,428	14,557
Other costs					
Permanent facilities	-	-	6,692	19,232	25,924
Personnel	1,587	-	-	-	1,587
Publicity and education	766	-	1,164	5,646	7,576
Total expenditures	<u>18,154</u>	<u>239</u>	<u>8,366</u>	<u>37,306</u>	<u>64,065</u>
Excess of revenues over expenditures	-	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## **Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Rural Counties' Environmental Services Joint Powers Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Rural Counties' Environmental Services Joint Powers Authority (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 8, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Sacramento, California  
May 8, 2020







# **Agenda Item IV**

## **PRESENTATIONS**



# Statewide Commission on Recycling Markets and Curbside Recycling

Contact: [AB1583Commission@calrecycle.ca.gov](mailto:AB1583Commission@calrecycle.ca.gov)

### **Text of relevant sections of AB 1583**

42005.5. (a) The department shall, by July 1, 2020, convene a Statewide Commission on Recycling Markets and Curbside Recycling consisting of representatives of public agencies, private solid waste enterprises, and environmental organizations with expertise in recycling.

(b) (1) The commission shall, by January 1, 2021, do both of the following:

(A) Issue policy recommendations to achieve the market development goals established in subdivision (b) of Section 42005 and the state policy goals established in Section 41780.01 of this code and Section 39730.6 of the Health and Safety Code.

(B) Identify products that are recyclable or compostable, as defined pursuant to Section 42370.2, and regularly collected in curbside recycling programs.

**Text of relevant sections of AB 1583 (continued)**

- (2) The commission shall update the recommendations and identifications made pursuant to paragraph (1) regularly, but not less often than annually.
- (c) The commission shall provide regular feedback to the department on public messaging designed to encourage proper recycling and to minimize contamination in curbside recycling programs.

## Timeline

- Review applications: Winter 2020
- Commission appointments: Spring 2020
- First meeting: On or before July 1, 2020
- Deadline to make recommendations to CalRecycle: January 1, 2021



## Appointments (page 1)

Name	Affiliation
John Bouchard	Teamsters 350, Principle Officer
Deborah Cadena	Kern County Recycling
John Davis	Mojave Desert and Mountain Recycling Authority
Jan Dell	The Last Beach Cleanup, Founder
Jeff Donlevy	Ming's Recycling, General Manager
Laura Ferrante	Waste Alternatives, Owner
Joseph Kalpakoff	Mid Valley Disposal, CEO
Gil Koda	Santa Ysabel Indian Mission, Facilities Manager
Nick Lapis	Californians Against Waste, Director of Advocacy

## Appointments (page 2)

Name	Affiliation
Manuel Medrano	City of Chula Vista, Environmental Services Manager
Alex Oseguera	Waste Management, Director of Government Affairs
Eric Potashner	Recology, Senior Director of Strategic Affairs
Heidi Sanborn	National Stewardship Action Council, SMUD
Ann Schneider	Millbrae Vice Mayor
Coby Skye	LA County Public Works, Assistant Deputy Director
Sara Toyoda	City of Indio, Environmental Programs Coordinator
Richard Valle	Tri-CED Community Recycling, CEO
Tedd Ward	Del Norte Solid Waste Management Director

# **Agenda Item VII**

## **SOLID WASTE REGULATORY UPDATES**





**Rural Counties  
Environmental Services  
Joint Powers Authority**  

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**ESJPA**

CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY  
VICE CHAIR – DENISE CARTER, COLUSA COUNTY  
EXECUTIVE DIRECTOR – GREG NORTON

TECHNICAL ADVISORY GROUP (TAG)  
TAG CHAIR – TEDD WARD, DEL NORTE COUNTY  
TAG VICE CHAIR – GREG STANTON, EL DORADO COUNTY  
PROGRAM MANAGER – STACI HEATON

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**MEMORANDUM**

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**To: ESJPA Board of Directors**

**From: Mary Pitto, ESJPA Regulatory Affairs Advocate**

**Date: June 15, 2020**

**RE: SB 1383 Proposed Regulations**

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**Summary**

The Department of Resources Recycling and Recovery (CalRecycle) released its fourth draft of the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions, Proposed Regulation Text. This memo provides a summary of the changes and their potential impacts on RCRC member counties.

**Background**

On January 21, 2020, CalRecycle submitted its proposed action to adopt regulations to require the implementation of programs for the diversion of organic waste from landfill disposal to reduce the methane gas emissions to the Office of Administrative Law (OAL). The OAL notified CalRecycle that it could not approve this action because of failure to meet the clarity and necessity standards and certain procedural requirements of the California Administrative Procedure Act (APA).

CalRecycle released its fourth formal draft on April 20, 2020 and provided a 30-day public comment period. This draft reflects changes made to the draft regulations submitted to OAL to specifically address those issues found by OAL. Pursuant to the procedural requirements of the APA, CalRecycle is only required to respond to comments on the regulatory text that are directed at the changes in this latest draft.

A copy of the regulations can be accessed here. ([Formal Proposed Regulatory Text \(Fourth Formal Draft\), April 20, 2020](#))

**Issue**

While APA instructions direct stakeholders to direct their comments to language changes reflected in the revised regulatory draft, RCRC was compelled to include new comments not contemplated in the draft regulations that will impact organics diversion, including investor-owned utility public safety power shutoff (PSPS) events and post-coronavirus (COVID-19)

impacts. PSPS events are not eligible for the disaster provisions of the currently proposed SB 1383 regulations but will significantly increase the disposal of organics when refrigeration equipment is without power. And although COVID-19 is a declared state disaster and eligible for disaster relief, the impacts of business and commercial closures will last long after the COVID-19 disaster is declared over. RCRC included these events in our comment letter.

RCRC agrees that most of the changes were made to provide certainty and clarity and did not impose any major changes to policies. However, there were several changes that we believe to be more significant and submitted the attached comment letter. Specifically, the following issues were addressed in RCRC's letter:

- Changes to Section 18984.11 (a)(2) remove the allowance to use a "similarly qualified source" for providing documentation for the physical space waivers. While the term was vague, the concept of allowing other parties to provide the documentation is sound and should be reinstated.
- Changes proposed in Article 14, Enforcement Requirements significantly reduces the timeframe a jurisdiction has to achieve compliance that is outside of the scope of OAL's rejections.
- Changes proposed of all "mays" to "shalls" in Article 15, Enforcement Oversight by the Department is a major shift of the substance and tone of the regulations that is unwarranted at this point in the process and is not within the context of OAL's direction to the Department.

CalRecycle is currently responding to OAL's issues, along with the comments received from stakeholders. CalRecycle expects to have their final revisions to OAL sometime in July, but no later than September 1<sup>st</sup> and expects OAL's response within a month of submittal. Once approved by OAL, the regulations are final. Once the regulations are final, the ESJPA staff plans to continue to work with our member counties to assist with implementation.

#### **Attachment**

- RCRC Letter to CalRecycle, Dated May 20, 2020



RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

May 19, 2020

Ms. Ashlee Yee  
Materials Management and Local Assistance Division  
California Department of Resources  
Recycling and Recovery  
P.O. Box 4025  
Sacramento, CA 95812

*Transmittal Via E-mail:* [SLCP.Organics@calrecycle.ca.gov](mailto:SLCP.Organics@calrecycle.ca.gov)

**RE: Comments on the Short-Lived Climate Pollutants: Organic Waste Reductions, Proposed Regulation Text Second Formal Draft**

Dear Ms. Yee:

On behalf of the Rural County Representatives of California (RCRC), I am writing to express our appreciation for the opportunity to provide input into the development of Senate Bill 1383 (Lara, 2016) regulations for organics diversion from our landfills, Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions Proposed Regulation Text (Proposed SLCP Regulations), Fourth Formal Draft dated April 20, 2020. RCRC is an association of thirty-seven rural California counties, and the RCRC Board of Directors is comprised of an elected supervisor from each of those member counties.

In addition, twenty-four member counties have formed the Rural Counties' Environmental Services Joint Powers Authority (ESJPA) to provide assistance to solid waste managers in rural counties. These solid waste managers have been charged with ensuring that their respective counties meet state-imposed requirements to reduce waste being disposed in landfills and increase recycling/re-use efforts for certain products. Our counties' solid waste managers are dedicated to providing meaningful, environmentally conscious, and cost-effective solid waste services to their residents and businesses.

Recent events will impact organics diversion and were not contemplated in the draft regulations, including investor-owned utility public safety power shutoff (PSPS) events and post-coronavirus (COVID-19) impacts. PSPS events are not eligible for the disaster provisions of the currently proposed SB 1383 regulations, but will significantly increase the disposal of organics when refrigeration equipment is without power. The amount of spoiled food will overwhelm limited Edible Food programs and subsequently

1215 K Street, Suite 1650, Sacramento, CA 95814 | [www.rcrcnet.org](http://www.rcrcnet.org) | 916.447.4806 | Fax: 916.448.3154

ALPINE AMADOR BUTTE CALAVERAS COLUSA DEL NORTE EL DORADO GLENN HUMBOLDT IMPERIAL INYO LAKE LASSEN MADERA MARIPOSA MENDOCINO MERCED MODOC  
MONO MONTEREY NAPA NEVADA PLACER PLUMAS SAN BENITO SAN LUIS OBISPO SHASTA SIERRA SISKIYOU SONOMA SUTTER TEHAMA TRINITY TULARE TUOLUMNE YOLO YUBA

increase the disposal of organics. Although COVID-19 is a declared state disaster and eligible for disaster relief, the impacts of business and commercial closures will last long after the COVID-19 disaster is declared over. Also, residential tonnages have increased which is more difficult to divert. The solid waste impacts from COVID-19 will continue for some time and will likely skew the results of the upcoming 2020 Statewide Disposal Based Waste Characterization Study which is scheduled to start in June 2020 and take about 15 months. This study should be delayed to allow more time for recovery.

On January 21, 2020, the Department of Resources Recycling and Recovery (CalRecycle) submitted to the Office of Administrative Law (OAL) its proposed action to adopt regulations to require the implementation of programs for the diversion of organic waste from landfill disposal to reduce the methane gas emissions that would otherwise occur. The OAL notified CalRecycle that it could not approve this action because of failure to meet the clarity and necessity standards and certain procedural requirements of the California Administrative Procedure Act. This fourth formal draft reflects changes made to the draft regulations to specifically address those issues found by OAL. While our previous unaddressed concerns included in our letters dated March 2, 2019, March 12, 2019, July 17, 2019, and October 18, 2019 are part of the rulemaking record and remain relevant issues to our counties, we will limit our specific comments to the new proposed changes contained in the fourth draft.

RCRC agrees that most of the changes were made to provide certainty and clarity and did not impose any major changes to policies.

Changes to Section 18984.11 (a)(2) remove the allowance to use a “similarly qualified source” for providing documentation for the physical space waivers. While the term was vague, the concept of allowing other parties to provide the documentation is sound and should be reinstated. Many jurisdictions are using the services of professional firms to conduct customer reviews and are as qualified to conduct such an assessment as the hauler, which would alleviate limited staff time for this effort. We recommend the following change: “jurisdiction has evidence from its staff, a hauler, licensed architect, or licensed engineer, or designee demonstrating that the premises lack adequate space ...”. In addition, Section 18986.3 retains the use of “similarly qualified entity” for Waivers for Non-Local Entities and Local Education Agencies”. We recommend that the “or designee” term be replaced in this section.

We also take exception to changes that have been proposed in Article 14, Enforcement Requirements and Article 15, Enforcement Oversight by the Department. While we can concur that certain timeframes for issuing Notices of Violations (NOVs) and commencing enforcement action were confusing and inconsistent, the curative proposal significantly reduces the timeframe a jurisdiction has to achieve compliance that is outside of the scope of OAL’s rejections.



Section 18995.4 (a)(1) required the jurisdiction to issue a NOV within 60 days of a determination that a violation has occurred. Section 18995.4 (a)(3) required a jurisdiction to commence an action to impose penalties no later than 150 days after issuance of the initial NOV for a first offense and 90 days for subsequent offenses. So, for a first offense, the timeframe from discovering a violation to commence an action to impose penalties was 210 days for a first offense and 110 days for subsequent offenses. The inconsistency came from Section 18995.4 (a)(2) which required the jurisdiction to conduct follow up inspections at least every 90 days following the issue date of the initial NOV. A second follow up inspection would occur after the 150 days timeframe in Section 18995.4 (a)(3). Changing Section 18995.4 (a)(2) from 90 days to 60 days would alleviate the inconsistency and not change the process established in the previous draft.

However, under the current draft a jurisdiction is required to commence an action to impose penalties within 60 days of the issuance of the NOV. This is a significant, substantive change and does not allow flexibility at the local level to evaluate the individual circumstances surrounding the violation. RCRC had interpreted the original proposal to be a more accommodating approach, allowing local jurisdictions to work with its constituents with this new significant regulation and responsibilities and use its judgement based upon specific circumstances.


Also, in Article 15, Enforcement Oversight by the Department, we believe the change of all “mays” to “shalls” is a major shift of the substance and tone of the regulations that is unwarranted at this point in the process and is not within the context of OAL’s direction to the Department. CalRecycle has stated, and all stakeholders agree, that SB 1383 is the most significant waste reduction mandate to be adopted in California in the last 30 years. The impacts to CalRecycle’s resources is currently unknown and, therefore, CalRecycle should maintain the discretion to prioritize and utilize its resources most effectively and efficiently.

In this unprecedented time of uncertainty and challenges due to the COVID-19 pandemic, the state’s budget is expected to take a deep setback that could last for years. Additionally, the state has experienced other catastrophic events, predominantly wildfires, in recent years that have significantly impacted CalRecycle resources. If resources are not available and CalRecycle does not act in a timely fashion, the state is open to costly litigation. This illustrates the need for CalRecycle to be able to determine how to best use its resources depending on other circumstances and challenges that may arise.

RCRC appreciates the outreach efforts and stakeholder involvement that CalRecycle provided during the development of the regulation to assist all stakeholders in meeting the statewide organic diversion goals. We remain dedicated to working collaboratively to find a reasonable and responsible way to move forward in meeting our goals. Please do not hesitate to call if you have any questions or want to discuss any of these concerns further.

Ms. Ashley Yee  
Comments on the Short-Lived Climate Pollutants  
May 19, 2020  
Page 4

Sincerely,

A handwritten signature in black ink, appearing to read "Staci Heaton". The signature is fluid and cursive, with a large initial "S" and "H".

STACI HEATON  
Senior Regulatory Affairs Advocate

cc: Ken DaRosa, Acting Director, CalRecycle  
Members of the RCRC Board of Directors



April 29, 2020

Secretary Jared Blumenfeld  
 California Environmental Protection Agency (CalEPA)  
 P.O. Box 2815  
 Sacramento, CA, 95812

Acting Director Ken DaRosa  
 California Department of Resources Recycling and Recovery (CalRecycle)  
 P.O. Box 4025  
 Sacramento, CA 95812

**RE: Local Government Regulatory Relief in Response to COVID-19 Pandemic**

Dear Secretary Blumenfeld and Acting Director DaRosa,

The undersigned organizations representing California local governments are writing to request CalRecycle take immediate action to grant limited grace periods and temporary relief from specific requirements related to solid waste and recycling.

With the onset of the COVID-19 global pandemic, local governments across California are on the front lines helping battle this virus and keep the public safe. This has meant shifting staff and duties away from normal operations and into new areas to help residents, develop physical distancing measures, and implement stay-at-home orders. While devoting resources to fight COVID-19, some cities, counties, and special districts are now concerned with the ability to meet specific statutory obligations during the COVID-19 pandemic.

Thank you for issuing recent guidance to jurisdictions on recycling during the COVID-19 pandemic. We appreciate CalRecycle recognizing that some changes to standard operations will be needed in the short term and their consideration of "good faith" efforts. Additionally, we appreciate CalEPA issuing a press release on April 15, 2020 recognizing that some regulated entities may need additional compliance assistance as a result of the COVID-19 pandemic.

However, more clarification and relief are needed, particularly since it is still unclear whether operations, such as California Redemption Value (CRV) buyback centers, are considered essential services. Local governments need the flexibility to devote staff and limited resources to protecting the health and safety of our essential workers and the general public, while not knowing the full scope of the relief our solid waste management and recycling operations can expect in the coming weeks: Some – if not most – jurisdictions are also experiencing unprecedented budget impacts due to the crisis, including increased expenses, decreased

revenues, and new and evolving demand for services, including in the solid waste sector (e.g., more residential waste to manage, less commercial waste generation). Recovery from these impacts will be felt long after the COVID-19 emergency is past. The rapidly changing situation makes it difficult to predict what the impacts on local jurisdictions will be in the coming months. We ask for patience, flexibility, and collaboration as we work together to prioritize and adjust to these evolving circumstances.

We seek regulatory relief for the following actions in the short term in response to the unprecedented COVID-19 pandemic to allow local governments and associated industries to continue to focus on serving the public and maintaining public health:

- Temporary relief from the imposition of penalties or issuance of compliance orders because of a jurisdiction's failure to meet AB 939 solid waste diversion requirements or because of backsliding due to the COVID-19 emergency by providing clear guidance on jurisdiction COVID-19-related response measures that will be automatically acceptable, rather than requiring every jurisdiction to develop a specific rationale, while preserving the opportunity to submit other requests for review in accordance with individual jurisdiction situations;
- Temporary relief from penalties for failure to meet mandatory commercial recycling and organic waste recycling mandates pursuant to AB 341 (Chesbro, 2012), AB 827 (McCarty, 2019), and AB 1826 (Chesbro, 2014);
- Delay implementation of any new major regulations until at least six months after the COVID-19 emergency is deemed over by the State of California, including delaying implementation of new organics diversion mandates pursuant to SB 1383 (Lara, 2016) for a period of time commensurate with the duration of the COVID-19 emergency;
- Extend comment periods, for at least 60 days, for all pending rulemakings that are continuing to progress during the COVID-19 emergency;
- Extend time frames, for at least 60 days, for the submission of reports to CalRecycle, including the suspension of any penalties that would normally apply for late submissions;
- Continue extending grant and loan application periods and terms/timeframes to allow additional time to apply and complete the scope of services;
- Increase flexibility for solid waste haulers and facilities, including, but not limited to:
  - 1) Allowing facility operating hours to be extended to facilitate the safe processing of material;
  - 2) Allowing facilities to safely store more recyclable material on-site for longer periods of time than currently authorized; and
  - 3) Waiving daily tonnage, vehicle, and other limits as necessary to ensure material can move safely through the collection, processing, and disposal system.
- Provide explicit guidance to local enforcement agencies (LEAs) to use existing emergency waiver tools as necessary, as well as a commitment to swiftly developing additional tools should those existing measures prove inadequate; and
- Provide guidance on how to deal with illegal dumping. CalRecycle's Illegal Dumping Technical Advisory Committee meeting that was scheduled for March has been canceled and not rescheduled.

In these unprecedented times, local governments are stepping up to do their part to flatten the curve and save lives. In doing so, limited resources and staff are being diverted away from other local government operations. In the spirit of working together, we urge CalEPA and CalRecycle to work with us to consider these short-term requests. Local governments are committed to

furthering the state's solid waste and recycling goals, but need temporary flexibility and regulatory relief in order to keep operations going.

Our organizations formally request to meet with you and your staff to elaborate more on our request and illustrate the challenges we are facing due to COVID-19. We appreciate your time and attention to this important issue, and we look forward to continuing our work together as we strive to meet California's environmental goals during this difficult and uncertain time.

Sincerely,



Derek Dolfie  
Legislative Representative  
League of California Cities



Alyssa Silhi  
Legislative Representative  
California Special Districts Association



Staci Heaton  
Senior Regulatory Affairs Advocate  
Rural County Representatives of California



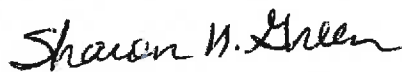
Faith Conley  
Legislative Representative  
Los Angeles County Board of Supervisors



Darby Kernan  
Deputy Executive Director of Legislative  
Affairs  
California State Association of Counties  
(CSAC)



Eric Zetz, Chair  
SWANA California Chapter's Legislative  
Task Force



Sharon N. Green  
Legislative & Regulatory Programs Manager  
Los Angeles County Sanitation Districts



Jeff Becerra  
Communications Manager  
StopWaste

cc: Christine Hironaka, Deputy Cabinet Secretary, Office of Governor Gavin Newsom  
Melissa Immel, Deputy Legislative Secretary & Chief of Legislative Operations, Office of Governor Gavin Newsom  
Caroline Godkin, Deputy Secretary for Environmental Policy and Emergency Response, California Environmental Protection Agency  
Zoe Heller, Deputy Director of Policy Development, CalRecycle







RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

May 21, 2020

Mr. Richard Corey  
Executive Officer  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: Proposed Amendments to the Proposed Advanced Clean Trucks Regulation**

Dear Mr. Corey,

On behalf of the Rural County Representatives of California (RCRC), I write to offer our comments on the California Air Resources Board (CARB) Proposed Amendments to the Proposed Advanced Clean Trucks (ACT) Regulations, including the Proposed Regulation Order and related Attachments. RCRC is an association of thirty-seven rural California counties, and its Board of Directors is comprised of an elected county supervisor from each of our member counties.

RCRC understands that CARB has requested comments be limited to the modifications to the Proposed Regulation Order identified in the Notice of Public Availability. However, we believe there are a number of more global questions surrounding the timing and need for the rulemaking itself, particularly in rural communities and in the wake of the coronavirus (COVID-19) outbreak, that must be addressed before this regulation moves forward. With that, we offer the following comments:

The Proposed ACT Regulation forces technology where it is neither feasible nor necessary

RCRC member counties historically are considered among the more compliant areas in the state for meeting air quality standards. In fact, 29 of RCRC's 37 member counties do not have a single disadvantaged community according to CalEnviroScreen because of their attainment status, even though many of the communities within those areas are among the most socioeconomically disadvantaged in the state. Currently, truck operators in rural communities often purchase used, compliant diesel, or natural gas vehicles as a lower cost option to address their fleet needs while meeting CARB's emission requirements. The vehicle sales requirements in the Proposed Regulation

Order will eliminate the pool of used, compliant vehicles for rural fleet owners and potentially leave non-compliant vehicles in operation longer.

Furthermore, unlike urban communities, rural residents are often spread out from one another, and the rural landscape is not conducive to using zero emission vehicles (ZEVs) in many light-medium to heavy duty applications, such as residential and commercial solid waste pick up. Rural communities also lack charging infrastructure for ZEVs and local governments do not have the resources to install such infrastructure without a significant investment from the state. Without such an investment, the requirements in this regulation represent an unfunded mandate on local governments, something that is not considered in the Costs and Benefit Analysis.

We recommend that smaller municipal jurisdictions be exempted from the reporting requirement altogether. CARB would be better served by focusing on the most populous, urbanized counties and should exempt rural counties. The fifteen most populated counties (over 750,000 persons), for example, represent nearly 83 percent of the state's population and have the state's worst air quality from mobile sources. Those areas should remain the focus of this rulemaking until technologies under scrutiny become more widely implementable and the state can invest in the appropriate infrastructure.

#### The Costs and Benefits Analysis must be revised to consider COVID-19 recovery

Municipalities are struggling to evaluate what their budgets and staffing will look like in the coming year due to the worldwide COVID-19 pandemic. Rural counties have been hit particularly hard by shelter-in-place mandates due to their economic dependence on tourism and recreation. In many areas, small rural counties are facing budget deficits in the millions, are short-staffed, and are having to make hard decisions regarding not only current regulatory mandates, but other unfunded mandates under development by the state including Short-Lived Climate Pollutant Organics regulations being finalized by the California Department of Resources Recycling and Recovery.

While we understand CARB is under direction of the Administration to advance zero emission vehicle usage in the commercial vehicle sector, even the reporting requirements in the Proposed Regulation Order will place an undue burden on local agencies in this uncertain economic time, particularly on small, rural local governments that already run on small staffs and small margin budgets. Freeing up staff time to undertake such a time-intensive endeavor is simply not a feasible endeavor for most rural counties who are prioritizing public health, safety, and economic recovery from COVID-19 and may not be for many months or even years, particularly since most of these counties are in attainment for mobile source pollutants. We request that this rulemaking be delayed until the cost impacts of COVID-19 on regulated entities can be fully evaluated.



The Proposed Regulation Order must contain considerations for public safety power shut-offs

Many rural communities, particularly in RCRC member counties, are in the wildland urban interface (WUI) and are located in high fire hazard severity zones. In fact, RCRC member counties contain the majority of California's forested lands, including more than 70 percent of the state's national forest system lands. These areas are more prone to wildfires due to a combination of climate change and vegetation management practices on public lands that have not met the appropriate pace and scale needed to maintain the resiliency and health of California's forested and heavily vegetated lands.

In the wake of the devastating fires of 2017 and 2018, including the Thomas Fire, the Tubbs Fire, and the Camp Fire, investor-owned utilities (IOUs) have begun using public safety power shut-offs (PSPS) events as a means of preventing wildfire ignitions while largely delaying increased investments in hardening their infrastructure. In 2019, PSPS events lasted multiple days in various parts of the state, with IOUs unable to provide certainty as to when power would be shut off in advance or when it would be restored once shut off. One such multi-day event even occurred concurrently with the catastrophic Kincaid Fire in Sonoma County, which exponentially complicated fire and emergency response issues. While RCRC is working diligently with the California Public Utilities Commission and meeting with IOUs to try to ensure a greater level of communication between IOUs and local governments during PSPS events, de-energization to prevent wildfires is an activity that will certainly not be going away in the near future.

Any potential requirements for ZEV vehicle use in the WUI must consider the possibility of several multiple-day PSPS events each year throughout California, potentially during catastrophic wildfire events. The inability to charge municipal vehicles for several consecutive days would incapacitate local emergency response, water supply operations, waste and debris removal, and other vital services that local governments need to provide during these urgent situations. RCRC mentioned the need to consider PSPS events in our verbal comments at the February 20, 2020 public workshop, and we are disappointed that staff still has not provided analysis or consideration for these events in the Proposed Regulation Order or in any of the Attachments.

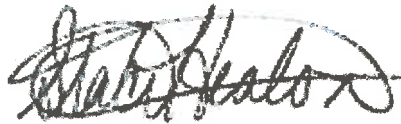
Outreach to rural governmental agencies has been inadequate

Despite RCRC requests, there still has been very little outreach to rural local governments regarding the potential impacts of the proposed regulation, especially considering the scale that urban local governments have engaged in the rulemaking. We are certain that the Proposed Regulation Order could be vastly improved with an open dialog between rural municipalities and CARB staff and would be happy to facilitate a discussion between heavily impacted jurisdictions such as solid waste operations.

Mr. Richard Corey  
Proposed Amendments to the Proposed  
ACT Regulation  
May 21, 2020  
Page 4

Please do not hesitate to contact me at [sheaton@rcrcnet.org](mailto:sheaton@rcrcnet.org) if you would like to discuss our comments further.

Sincerely,

A handwritten signature in black ink, appearing to read "Staci Heaton". The signature is fluid and cursive, with a large, sweeping flourish at the end.

STACI HEATON  
Senior Regulatory Affairs Advocate

cc: Members of the RCRC Board of Directors

## APPENDIX A – PROPOSED REGULATION ORDER

Adopt new sections 1963, 1963.1, 1963.2, 1963.3, 1963.4, 1963.5, 2012, 2012.1, 2012.2, and 2012.3, title 13, California Code of Regulations, to read as follows:

(Note: The entire text of sections 1963 - 1963.5 and 2012 - 2012.3 set forth below is new language in "normal type" proposed to be added to the California Code of Regulations.)

### **Section 1963. Advanced Clean Trucks Purpose, Applicability, Definitions, and General Requirements.**

- (a) *Purpose.* The purpose of these regulations is to accelerate the market for zero-emission vehicles to reduce emissions of oxides of nitrogen (NO<sub>x</sub>), fine particulate matter (PM), other criteria pollutants, toxic air contaminants, and greenhouse gases (GHG) from medium- and heavy-duty vehicles.
- (b) *Scope and Applicability.* Any manufacturer that certifies vehicles over 8,500 lbs. gross vehicle weight rating for sale in California is subject to sections 1963, 1963.1, 1963.2, 1963.3, 1963.4, and 1963.5 except as specified in section 1963(e).
- (c) *Definitions.* The following definitions apply for sections 1963 through 1963.5:
  - (1) "All-electric range" means the same as the all-electric range defined and tested per the requirements of 17 CCR section 95663(d) for vehicles with a GVWR over 8,500 lbs.
  - (2) "Class 2b-3" means a vehicle with a GVWR that is 8,501 pounds up to 14,000 pounds.
  - (3) "Class 2b-3 Group" means the group of vehicles including all vehicles with a GVWR that is 8,501 pounds up to 14,000 pounds.
  - (4) "Class 4" means a vehicle with a GVWR that is 14,001 pounds up to 16,000 pounds.
  - (5) "Class 4-8 Group" means the group of vehicles including all vehicles with a GVWR that is 14,001 pounds and above, except for a tractor as defined in section 1963(c)(18).
  - (6) "Class 5" means a vehicle with a GVWR that is 16,001 pounds up to 19,500 pounds.
  - (7) "Class 6" means a vehicle with a GVWR that is 19,001 pounds up to 26,000 pounds.

- (8) "Class 7" means a vehicle with a GVWR that is 26,001 pounds up to 33,000 pounds.
- (9) "Class 7-8 Tractor Group" means a group of vehicles, that have a GVWR 26,001 and above, including all vehicles that meet the definition of "tractor" as defined in section 1963(c)(18), except "yard tractors" as defined in section 1963(c)(20).
- (10) "Class 8" means a vehicle with a GVWR that is 33,000 pounds and above.
- (11) "Excluded bus" means a vehicle that meets the following conditions:
  - (A) A passenger-carrying vehicle with a GVWR as defined in California Vehicle Code section 350 that is 14,001 pounds or more; and
  - (B) Has a load capacity of fifteen (15) or more passengers; and
  - (C) Is not a cutaway vehicle as defined in 13 CCR section 2023 (b)(17); and
  - (D) Is not a school bus as defined in the California Vehicle Code section 545.
- (12) "Gross Vehicle Weight Rating (GVWR)" has the same meaning as GVWR in California Vehicle Code section 350.
- (13) "Manufacturer" means any person engaged in the manufacturing or assembling of new motor vehicles, or importing such vehicles for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles, but shall not include any dealer with respect to new motor vehicles received in commerce. In general, this term includes any person who manufactures or assembles a vehicle (including a trailer or another incomplete vehicle) for sale in California or otherwise introduces a new motor vehicle into commerce in California. This includes importers who import vehicles for resale and entities that assemble glider vehicles.
- (14) "Model year" means a designation meeting the definition of "model year" under 17 CCR section 95662(a)(16).
- (15) "Near-zero-emission vehicle" or "NZEV" means one of the following:
  - (A) A plug-in hybrid electric vehicle which has the same definition as that in 40 CFR section 86.1803-01, amended on July 1, 2011, incorporated by reference herein, that achieves a minimum all-electric range as defined in section 1963(c)(1).

- (B) A hybrid electric vehicle that has the capability to charge the battery from an off-vehicle conductive or inductive electric source and achieves a minimum all-electric range as defined in section 1963(c)(1).
- (16) "NZEV Credit" means a credit generated by producing and selling in California a NZEV.
- (17) "Pickup truck" means a vehicle that is originally sold by the manufacturer with an OEM equipped open bed as defined in 13 CCR section 150.04, and does not include a vehicle that is equipped with a bed-mounted storage compartment unit commonly called a "utility body."
- (18) "Tractor" means a vehicle meeting one of the following definitions:
  - (A) The definition of "tractor" in 17 CCR section 95662(a)(23), or
  - (B) The definition of "vocational tractor" in 17 CCR section 95662(a)(27).
- (19) "Vehicle" means equipment that meet the following criteria:
  - (A) Has a GVWR that is 8,501 pounds and above; and
  - (B) Is equipment intended for use on highways, and meets the definition set forth in 17 CCR section 95662(a)(26); and
  - (C) Is not a trailer as defined in 17 CCR section 95662(a)(24); and
  - (D) Is not an excluded bus as defined in section 1963 (c)(11).
- (20) "Yard Tractor" means a vehicle, with an on-road engine and a hydraulically elevated fifth wheel that is used in moving and spotting trailers and containers at a location or facility. Yard tractors are also commonly known as yard goats, hostlers, yard dogs, trailer spotters, or jockeys.
- (21) "Zero-emission vehicle" or "ZEV" means a vehicle with a drivetrain that produces zero exhaust emission of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes or conditions.
- (22) "ZEV Credit" means a credit generated by producing and selling a ZEV into California.

- (d) *General Requirements.* Except as provided in section 1963(e), a manufacturer is subject to the following requirements:
- (1) *Credits Must Match or Exceed Deficits.* Except as provided in section 1963.3(b), a manufacturer must meet all of the following conditions to be determined to be in compliance:
- (A) *Class 2b-3 and Class 4-8 Group Deficits.* The number of ZEV and NZEV credits retired in all three class groups must equal or exceed the annual aggregate deficits incurred in a given model year in the Class 2b-3 and Class 4-8 groups.
- (B) *Class 7-8 Tractor Group Deficits.* The number of tractor ZEV and tractor NZEV credits retired in the Class 7-8 tractor group must equal or exceed the annual aggregate deficits incurred in a given model year in the Class 7-8 tractor group.
- (e) *Low Volume Exemption.* Manufacturers that never exceed 500 annual average sales of Class 2b and greater vehicles in California for the three prior model years are exempt from the requirements of sections 1963 through 1963.5. Manufacturers that meet this exemption as of 2021 but subsequently exceed 500 annual average sales in any model year become subject to the requirements of sections 1963 through 1963.5 starting the second model year after the average annual sales exceeded the threshold.
- (f) *Voluntary Credit Generation.* Any manufacturer that is exempt from the regulation requirements per section 1963(e) may elect to generate ZEV or NZEV credits per the provisions of section 1963.2. If a manufacturer chooses to generate ZEV or NZEV credits, it must comply with the credit generation, banking, and trading provisions of section 1963.2, the reporting and recordkeeping requirements of section 1963.4, and the enforcement provisions of section 1963.5.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 39650, 39658, 39659, 39666, 39667, 43013, 43018, 43100, 43101, 43102, 43104 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 38580, 39000, 39003, 39650, 39655, 43000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43205, 43205.5 Health and Safety Code.

### **Section 1963.1. Advanced Clean Trucks Deficits**

- (a) *Basic Requirement.* Beginning with the applicable effective dates, a manufacturer must comply with the following requirements:
- (1) *Deficit Generation.* Starting with the 2024 model year, a manufacturer shall annually incur deficits based on the manufacturer's annual sales volume. The aggregate number of deficits incurred annually must be matched with a minimum of the same number of ZEV and NZEV credits

as calculated in section 1963.2 and determine compliance as described in section 1963.3.

- (A) *Pickup Exclusion.* Sales of complete pickup trucks in the Class 2b-3 group are excluded from the annual sales volume when determining deficits generated until the 2027 model year. If vehicles cannot be identified as being sold as complete pickups by the vehicle identification number (VIN), the vehicles must be included in the annual sales volume.
- (B) *Deficit Calculation.* Deficits shall be calculated each model year. For each vehicle group, the annual deficit is calculated as the sum of the product of the model year percentage requirement from Table A-1, and the appropriate weight class modifier for each vehicle from Table A-2.

**Table A-1. ZEV Sales Percentage Schedule**

Model Year	Class 2b-3 Group*	Class 4-8 Group	Class 7-8 Tractors Group
2024	3%	7%	3%
2025	5%	9%	5%
2026	7%	11%	7%
2027	9%	13%	9%
2028	11%	24%	11%
2029	13%	37%	13%
2030 and beyond	15%	50%	15%

\*Excluding pickup trucks until the 2027 model year

**Table A-2. Weight Class Modifiers**

	Class 2b-3	Class 4-5	Class 6-7**	All Class 8 and Class 7 Tractors
Weight Class Modifier	0.6	1	1.5	2

\*\*Excludes Class 7 tractors

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 39650, 39658, 39659, 39666, 39667, 43013, 43018, 43100, 43101, 43102, 43104 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 38580, 39000, 39003, 39650, 39655, 43000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43205, 43205.5 Health and Safety Code.

**Section 1963.2. Advanced Clean Trucks Credit Generation, Banking, and Trading**

Beginning with the 2021 model year, the following requirements apply:

- (a) *ZEV Credit Calculation.* A manufacturer may generate ZEV credits for each ZEV certified to California standards and sold in California for the manufacturer-designated model year. The ZEV credit generated for each vehicle sold is equal to the value of the appropriate weight class modifier in Table A-2 of section 1963.1.
- (b) *NZEV Credit Calculation.* Until the end of the 2030 model year, a manufacturer may generate NZEV credits for each NZEV certified to California standards and sold in California for the manufacturer-designated model year. The NZEV credit generated for each vehicle sold is calculated as the product of the appropriate weight class modifier in Table A-2 of section 1963.1, and the NZEV factor value as calculated in section 1963.2(b)(1).
  - (1) *NZEV Factor Value.* The NZEV factor used to calculate NZEV credits shall be calculated as 0.01 multiplied by the all-electric range, and is not to exceed 0.75.
- (c) *Rounding.* If the calculated number of summed credits for a vehicle group is not equal to a whole number, the summed number shall round up to the nearest tenth when the fractional part of the required number of credits is equal to or greater than 0.05, and round down if less than 0.05.
- (d) *Credit Banking.* Credits generated in excess of the annual deficit requirements may be banked for future use. Banked credits may be used to satisfy deficits per section 1963.3 and have limited lifetimes per section 1963.2(g).
- (e) *Credit Trading and Transfer.* Credits may be traded, sold, or otherwise transferred between manufacturers. Credits transferred in this manner may be used to satisfy deficits per section 1963.3 and have limited lifetimes per section 1963.2(g), and must be reported to the Executive Officer in accordance with the requirements of section 1963.4.
- (f) *Credit Accounting.* Credits must be separately accounted for based on model year generated. NZEV credits must be accounted for separately from ZEV credits. Class 7-8 tractor group credits must be accounted for separately from Class 2b-3 group and Class 4-8 group credits.
- (g) *Limited Credit Lifetime.* Credits have limited lifetimes as follows:
  - (1) *2021 to 2023 Model Year.* Credits generated in the 2021, 2022 and 2023 model years expire at the end of the 2030 model year, and are no longer available to be used to meet compliance for 2031 and later model years. For example, credits generated during the 2022 model year may be used to meet compliance requirements until the end of the 2030 model



year, and may not be used to meet 2031 model year compliance requirements.

- (2) *2024 Model Year and Beyond.* Credits generated with 2024 and subsequent model years expire at the end of the 4th subsequent model year following the current model year and are no longer available to be used to meet compliance. For example, credits generated during the 2024 model year may be used to meet compliance requirements until the end of the 2028 model year, and may not be used to meet 2029 model year compliance requirements.
- (h) *Zero-Emission Powertrain Certification for ZEVs.* Beginning with the 2024 model year, ZEVs over 14,000 pounds GVWR and incomplete medium-duty ZEVs from 8,501 through 14,000 pounds GVWR produced and delivered for sale in California must meet the requirements of 13 CCR section 1956.8 and 17 CCR section 95663 as amended by the Zero-Emission Powertrain Certification regulation to receive ZEV credit.
- (i) *No Double Counting for Advanced Clean Cars ZEVs.* Manufacturers that produce and deliver for sale in California Class 2b-3 ZEVs may choose to count those vehicle as earning credits towards meeting the requirements of 13 CCR section 1962.2 or may count those vehicles as earning credits to meeting the requirements of section 1963.2, but may not count the same vehicles as earning credits in both regulations. Manufacturers must report information per section 1963.4(d) to declare which regulation the vehicle sales will be counted toward.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 39650, 39658, 39659, 39666, 39667, 43013, 43018, 43100, 43101, 43102, 43104 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 38580, 39000, 39003, 39650, 39655, 43000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43205, 43205.5 Health and Safety Code.

### **Section 1963.3. Advanced Clean Trucks Compliance Determination**

- (a) *Annual Compliance Determination.* Manufacturer's deficit and credit account balances must be calculated annually using a manufacturer's end of year report and compliance shall be determined based on whether the manufacturer's credits exceed their deficits.
- (b) *Requirement to Make Up a Deficit.* A manufacturer that retires fewer ZEV or NZEV credits than required to meet its credit obligation in a given model year must make up the deficit by submitting a commensurate number of ZEV credits to satisfy the deficiency by March 31 of the following model year. Deficits carried over to the following year cannot be made up with NZEV credits.
- (c) *Credit Retirement Order.* Credit accounts are debited using the following conventions:

- (1) First, credits must be retired in following order by weight class group:
    - (A) First, Class 7-8 tractor group credits to meet Class 7-8 tractor group deficits;
    - (B) Second, Class 2b-3 group and Class 4-8 group credits to meet Class 2b-3 group and Class 4-8 group deficits;
    - (C) Last, Class 7-8 tractor group credits to meet Class 2b-3 group and Class 4-8 group deficits.
  - (2) Second, credits must be retired by order of model year expiration, starting with the earliest expiring credit until deficits are met; and
  - (3) Third, NZEV credits must be retired first up to the cap described in 1963.3(d), then ZEV credits must be retired until deficits are met.
- (d) *NZEV Credit Limit.* A manufacturer may use Class 2b and above NZEV credits to satisfy, at maximum, 50 percent of the annual aggregate deficits for the Class 2b-3 group and the Class 4-8 group, and may use Class 7-8 tractor NZEV credits to satisfy, at maximum, 50 percent of the annual deficit for the Class 7-8 tractor group.
- (e) *Tractor Deficits Must Be Met With Tractor Credits.* Annual deficits accrued in the Class 7-8 tractor group can only be met with Class 7-8 tractor credits.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 39650, 39658, 39659, 39666, 39667, 43013, 43018, 43100, 43101, 43102, 43104 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 38580, 39000, 39003, 39650, 39655, 43000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43205, 43205.5 Health and Safety Code.

**Section 1963.4. Advanced Clean Trucks Reporting and Recordkeeping**

- (a) *Sales Reporting.* Beginning with the 2021 model year, a manufacturer must report by March 31 of each year the following information to CARB for each type of vehicle certified to California standards and sold in California for each model year:
- (1) Vehicle Identification Number (VIN) for each vehicle; and
  - (2) VIN codes for Class 2b-3 vehicles that identify whether the vehicle was originally sold as a pickup; and
  - (3) Vehicle weight class; and

- (4) Whether the vehicle type is a tractor, yard truck, is a pickup, or is another vehicle type; and
  - (5) Fuel and drivetrain type; and
  - (6) The volume certified to California standards and sold in California for the vehicle type; and
  - (7) If the vehicle is a NZEV, the tested all-electric range of the vehicle.
- (b) *Credit Transfer Reporting.* A manufacturer that transfers to or receives credits from another manufacturer must submit to the Executive Officer an annual report of all credit trades, transfers, and transactions. CARB will not recognize any credit transfers until the report is received.
- (1) **Transfer Reporting Deadline.** Reports must be submitted no later than March 31 of each year to comply with the current model year requirement or to make up shortfall from the prior year.
  - (2) **Required Credit Transfer Information.** Manufacturers that transfer or receive credits must submit a letter or document signed by authorized agents of both parties to the transaction summarizing the transfer, which must include the following:
    - (A) Corporate name of credit transferor.
    - (B) Corporate name of credit transferee.
    - (C) Number of ZEV credits transferred for each model year, rounded to the nearest tenth per 1963.2(c).
    - (D) Number of NZEV credits transferred for each model year, rounded to the nearest tenth per 1963.2(c).
    - (E) Indicate whether the credits are Class 7-8 Tractor credits, or other credits.
- (c) *Class 2b-3 Credit Declaration.* A manufacturer that generates ZEV or NZEV credits from the Class 2b-3 group must submit by March 31 of each year a declaration to the Executive Officer which includes:
- (1) The number of vehicles certified to California standards and sold in California to generate credits per section 1963.2; and
  - (2) The number of vehicles certified to California standards and sold in California to generate credits per 13 CCR section 1962.2.

- (d) *Retention of Records.* Records of reporting information required in section 1963.4(a-c) must be kept by manufacturers for CARB to audit for a period of eight (8) years from the model year vehicles were produced.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 39650, 39658, 39659, 39666, 39667, 43013, 43018, 43100, 43101, 43102, 43104 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 38580, 39000, 39003, 39650, 39655, 43000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43205, 43205.5 Health and Safety Code.

### **Section 1963.5. Advanced Clean Trucks Enforcement**

- (a) *Enforcement of Requirements.* A manufacturer is subject to the following:
- (1) *Audit of Records.* A manufacturer must make records of vehicle sales into California available to CARB at its request for audit to verify the accuracy of information reported to CARB. In the event the records are not made available within 30 days of the request, CARB may assess penalties for noncompliance. Submitting false information to CARB is a violation of this regulation and violators will be subject to penalty.
  - (2) *Authority to Suspend, Revoke, or Modify.* If the Executive Officer finds that any ZEV or NZEV credit was obtained based on false information, the credit will be deemed invalid.
  - (3) *Public Disclosure.* Records in the Board's possession for the manufacturers subject to this regulation shall be subject to disclosure as public records as follows:
    - (A) Each manufacturer's annual vehicle production and sales in California data and the corresponding credits per vehicle earned for the 2021 and subsequent model years; and
    - (B) Each manufacturer's annual credit balances for 2021 and subsequent years for ZEVs and NZEVs; and
    - (C) Credits earned under section 1963.2, including credits acquired from, or transferred to another party, and the parties themselves.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 39650, 39658, 39659, 39666, 39667, 43013, 43018, 43100, 43101, 43102, 43104 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 38580, 39000, 39003, 39650, 39655, 43000, 43000.5, 43013, 43016, 43018, 43100, 43101, 43102, 43104, 43105, 43106, 43205, 43205.5 Health and Safety Code.

**Section 2012.      Advanced Clean Trucks, Large Entity Reporting Requirement**

- (a) *Purpose.* The purpose of this article is to collect information to assess suitability of zero emission vehicles in multiple use cases and to inform future strategies on how to accelerate the zero-emission vehicle market in California. This article supports future measures to reduce emissions of oxides of nitrogen (NOx), fine particulate matter (PM), other criteria pollutants, toxic air contaminants, and greenhouse gases (GHG) from vehicles.
- (b) *Scope and Applicability.* Except as provided in subsection (c), this regulation shall apply to each of the following:
  - (1) Any entity that operated a facility in California in 2019 calendar year and had gross annual revenues greater than \$50 million in the United States for the 2019 tax year, including all subsidiaries, subdivisions, or branches. This does not include entities that own facilities in California but do not operate them;
  - (2) Any fleet owner with more than 100 vehicles with a GVWR greater than 8,500 lbs. and operated a facility in California in the 2019 calendar year;
  - (3) Any broker or entity that dispatched more than 100 vehicles with a GVWR greater than 8,500 lbs. into or throughout California in the 2019 calendar year;
  - (4) Any California government agency including all state and local municipalities; and
  - (5) Any Federal government agency operating in California.
- (c) *Exemptions.* The following entities are exempt from this regulation:
  - (1) K-12 schools and school districts and other entities whose fleet is comprised primarily of school buses, which for the purposes of this regulation, means the registered owner, lessee, licensee, school district superintendent, or bailee of any school bus, who operates or directs the operation of any such bus on either a for-hire or not-for-hire basis;
  - (2) Transit agencies that are subject to the Innovative Clean Transit regulation, section 2023; and
  - (3) Transportation network companies who solely connect drivers using their personal vehicles with passengers.
- (d) *Definitions.* The following definitions shall apply for sections 2012 through 2012.3:

- (1) "Assigned" means primarily where decisions about vehicle maintenance, repair and operation are made if a vehicle is not domiciled at any one facility.
- (2) "Broker" means an entity or person who, for compensation, arranges or offers to arrange the transportation of property by an authorized motor carrier. A motor carrier, or person who is an employee or bona fide agent of a carrier, is not a broker when it arranges or offers to arrange the transportation of shipments which it is authorized to transport and which it has accepted and legally bound itself to transport.
- (3) "Corporate parent" means a business that possesses the majority of shares in another business, which gives them control of their operational procedures.
- (4) "Facility" means any property with one or more unique physical addresses.
- (5) "Facility category" means a classification of different facility types based on a facility's primary purpose. Facility categories are defined as the following:
  - (A) "Administrative/Office Building" means a building or structure used primarily for day-to-day activities that are related to administrative tasks such as financial planning, record keeping & billing, personnel, physical distribution and logistics, within a business.
  - (B) "Distribution Center/Warehouse" means a location used primarily for the storage of goods which are intended for subsequent shipment.
  - (C) "Hotel/Motel/Resort" means a commercial establishment offering lodging to travelers and sometimes to permanent residents.
  - (D) "Manufacturer/Factory/Plant" means a location with equipment for assembling parts, producing finished products, intermediate parts, or energy products.
  - (E) "Medical/Hospital/Care" means an institution engaged in providing, by or under the supervision of physicians, inpatient diagnostic and therapeutic services or rehabilitation services.
  - (F) "Multi-Building Campus/Base" means a property typically operated by a single entity with several buildings, often serving multiple purposes.
  - (G) "Restaurant" means a business establishment where meals or refreshments may be purchased.

- (H) "Service Center" means a facility that supports a business operation that generates revenue by providing a specific service or product, or a group of services or products to a customer.
  - (I) "Store" means an establishment that sells goods or a variety of goods and services to the general public.
  - (J) "Truck/Equipment Yard" means an establishment that primarily stores or dispatches trucks and equipment such as a garage or parking lot.
  - (K) "Any Other Facility Type" means any facility that is not included in 2012(d)(5)(A-J).
- (6) "Fleet" means one or more on-road vehicles that are owned by a person, business, or agency as defined in California Vehicle Code section 460. A fleet may fall into one of the following sub classifications:
- (A) "Federal fleet" means a fleet of vehicles owned by a department, agency, or instrumentality of the federal government of the United States of America and its departments, divisions, public corporations, or public agencies including the United States Postal Service. With respect to the Department of Defense and its service branches, federal fleets may be managed regionally, locally, or a combination of regional and local management. There may be multiple federal fleets within a military service or an installation; or
  - (B) "Rental or leased fleet" means a fleet of vehicles owned by a person (rental or leasing entity) for the purpose of renting or leasing, as defined in California Uniform Commercial Code section 10103(a)(10), such vehicles to other persons (renters or lessees) for use or operation.
- (7) "Fleet owner" means, except as modified below in paragraphs (A) and (B), either the person registered as the owner or lessee of a vehicle by the California Department of Motor Vehicles (DMV), or its equivalent in another state, province, or country; as evidenced on the vehicle registration document carried in the vehicle.
- (A) For vehicles that are owned by the federal government and not registered in any state or local jurisdiction, the owner shall be the department, agency, branch, or other entity of the United States, including the United States Postal Service, to which the vehicles in the fleet are assigned or which have responsibility for maintenance of the vehicles.

- (B) For a vehicle that is rented or leased from a business that is regularly engaged in the trade or business of leasing or renting motor vehicles without drivers, the owner shall be the rental or leasing entity if the rental or lease agreement for the vehicle is for a period of less than one year, otherwise the owner shall be the renter or lessee.
- (8) "Government agency" means any federal, state, or local governmental agency, including, water districts, or any other public entity with taxing authority.
- (9) "Gross annual revenue" means the total revenue, receipts, and sales reported to the Internal Revenue Service for a consecutive 12 month period.
- (10) "Gross vehicle weight rating" or GVWR has the same meaning as defined in California Vehicle Code, section 350, subdivision (a).
- (11) "Motor carrier" is the same as defined in California Vehicle Code section 408.
- (12) "Municipality" means a city, county, city and county, special district, or a public agency of the State of California, and any department, division, public corporation, or public agency of this State.
- (13) "Responsible official" means one of the following:
  - (A) For a corporation: A president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or their delegate, designee, or any other person who performs similar policy or decision-making functions for the corporation;
  - (B) For a partnership or sole proprietorship: A general partner or the proprietor, respectively;
  - (C) For a municipality, state, federal, or other governmental agency: Either a principal executive officer or ranking elected official. For the purposes of this part, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a Regional Administrator of the U.S. EPA). For the purposes of the Department of Defense Military Services, a principal executive officer includes a commanding officer of an installation, base, or tenant organization.
- (14) "Subsidiary" means a company controlled by another company.



- (15) "Subcontractor" means an entity who enters into an agreement to perform work on the behalf of a contractor to fulfill the terms of the agreement the contractor has with its customers.
- (16) "Subhauler" means a for-hire motor carrier who enters into an agreement to provide transportation services on the behalf of another for-hire motor carrier to serve its customers.
- (17) "Transportation Network Company" means any entity or person that provides prearranged transportation services for compensation using an online-enabled application or platform (such as smart phone apps) to connect drivers using their personal vehicles with passengers.
- (18) "Vehicle Body Type" means commonly used vehicle body descriptions to be used in responding to questions about the fleet of vehicles including the following: beverage truck, boom/bucket, box reefer, box dry van, bus-school, bus-shuttle, bus-other, car/SUV, car carrier, concrete mixer, concrete pump, crane, drill rig, dump, flatbed or stake bed, garbage packer, garbage roll-off, other, pickup bed, service body, sweeper, tank, tractor day cab, tractor sleeper cab, tow, vacuum, water, van-cargo, van-step, van-passenger, yard goat.
- (19) "Vehicles Awaiting Sale" means vehicles in the possession of dealers, financing companies, or other entities that do not intend to operate the vehicle in California or offer the vehicle for hire for operation in California, and that are operated only to demonstrate functionality to potential buyers or to move short distances while awaiting sale for purposes such as maintenance or storage
- (20) "Weight class bin" means a list of vehicles categorized by GVWR. The weight class bins are one of the following:
- (A) "Light-duty" means a vehicle with a GVWR of 8,500 lbs. or less. Also referred to as Class 1-2a. This includes passenger cars, sport utility vehicles, minivans, and light pickup trucks.
- (B) "Class 2b-3" means a vehicle with a GVWR from 8,501 lb. to 14,000 lb. The types of vehicle in this category generally includes full-size pickup trucks, smaller utility trucks, cargo vans, and passenger vans.
- (C) "Class 4-6" means a vehicle with a GVWR from 14,001 lb. to 26,000 lb.
- (D) "Class 7-8" means a vehicle with a GVWR greater than 26,000 lbs.

(e) General Requirements.

- (1) *Reporting.* All regulated entities must submit information about each subsidiary separately to the Executive Officer by reporting general entity information as specified in section 2012.1, facility information as specified in section 2012.2, and vehicle usage information as specified in section 2012.3, if applicable. Complete information must be reported by April 1, 2021, for their facility operation in 2020 and for any fleet of vehicles as it was comprised as of January 1, 2021, to meet the compliance requirements. Entities may report separately by division, or branch if preferred. To the extent reports submitted to CARB contain confidential data, entities may choose to designate that information as confidential per title 17, sections 91000 to 91022.
- (2) *Method of Reporting.* Reports submitted to comply with sections 2012.1, 2012.2, and 2012.3 must be submitted online through CARB's Advanced Clean Trucks webpage.
- (3) *Record Retention.* The fleet owner or responsible person shall maintain the records of their information required by sections 2012.1, 2012.2, and 2012.3 until December 31, 2024, for the overall fleet. In addition, the fleet owner or responsible person must maintain all individual fleet, vehicle, contract, and facility records used to compile responses to section 2012.1, 2012.2, and 2012.3 and must include the following:
  - (A) Mileage records and dates from records such as maintenance logs, vehicle logs, or odometer readings;
  - (B) Vehicle registration date and jurisdiction for each vehicle in the California fleet; and
  - (C) Contracts with subcontractors, contracts with subhauliers, and contracts for ground transportation needs.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 43013, 43018, 43101 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 39000, 39003, 43000, 43000.5, 43013, 43018, 43101 Health and Safety Code.

**Section 2012.1. General Entity Information Reporting.**

All entities subject to the regulation must report the following general information about their entity and business practices:

- (a) General Information.
  - (1) Entity name;

- (2) Mailing address including street name, city, and ZIP code;
- (3) Designated contact person name;
- (4) Designated contact person's email address;
- (5) Designated contact person's phone number;
- (6) Corporate parent name or governing body (if applicable);
- (7) For government entities, identify the jurisdiction (federal, state, or local);
- (8) If the regulated entity has reported vehicles or company information in CARB's Truck Regulation Upload, Compliance, and Reporting System (TRUCRS), report all account identification numbers, otherwise known as "TRUCRS ID";
- (9) Taxpayer identification number (if applicable);
- (10) Primary six digit North American Industry Classification System (NAICS) code (if applicable);
- (11) For non-government agencies, identify the total annual revenue for the entity in the United States for 2020. Respond by using the following bins in million dollars (<\$10, \$10-\$49, \$50-\$99, \$100-\$499, \$500-\$999, >\$1,000);
- (12) The following operating authority numbers, if applicable: Motor carrier identification number, United States Department of Transportation number, California Carrier Identification number, California Public Utilities Commission transportation charter permit number, International Registration Plan number;
- (13) Identify the number of subcontractors with whom you had a one year or longer contract to perform work in California in 2020 to serve your customers. Respond using the following bins (Does not apply, 1-10 subcontractors, 11-20 subcontractors, 20-50 subcontractors, or more than 50 subcontractors).
- (14) If your entity is a motor carrier and contracts with subhauliers to serve your customers, identify the following for the year 2020:
  - (A) The number of subhauliers you contracted with in California. Respond using the following bins (Does not apply, 1-10 subhauliers, 11-20 subhauliers, 20-50 subhauliers, or more than 50 subhauliers);

- (B) Estimated number of vehicles operated by your subhauleders on your behalf in California. Respond using the following bins (Does not apply, 1-10, 11-20, 20-99, 100-500, >500); and
- (C) Estimate the number of vehicles operated by subhauleders that operated under your authority in California. Respond using the following bins (Does not apply, 1-10, 11-20, 20-99, 100-500, >500).
- (15) Identify whether your entity has a written sustainability plan to reduce your carbon footprint. Respond with (Yes, No, Does not apply);
- (16) Identify whether your entity's written sustainability plan includes transportation emissions reduction goals. Respond with (Yes, No, Does not apply);
- (17) Identify the total number of vehicles your entity owns and operates in California that are domiciled or assigned to a facility you own or operate in California; and
- (18) Identify the number of vehicles your entity owns and operates in California and are not domiciled nor assigned to any California facility.

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 43013, 43018, 43101 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 39000, 39003, 43000, 43000.5, 43013, 43018, 43101 Health and Safety Code.

**Section 2012.2. Facility Category Reporting.**

Entities that operate one or more physical addresses in California must report grouped facility information described in section 2012.2(a) and detailed information for a single representative facility for each facility category operated as described in section 2012.2(b).

(a) *Grouped Facility Information.* Report grouped facility information for any of the facility categories operated. Although a facility may have multiple uses, each physical address should be counted only once and categorized into the facility category that best fits the facility's primary business. Group any facilities that do not fit in any of the facility categories provided and account for them in the "Any Other Facility Type" category as specified in 2012(d)(5). The following information must be reported for all of the facility categories operated.

- (1) *General facility characteristics.* For each facility group, identify how many facilities that you operate in California that have the following characteristics:
  - (A) Are located in California;

- (B) Have dock-height loading bays;
  - (C) Have cold storage rooms;
  - (D) Have electric vehicle supply equipment or electric vehicle charging stations available for public use;
  - (E) Have electric vehicle supply equipment or electric vehicle charging stations available for employee or private use;
  - (F) Are on properties shared with other tenants;
  - (G) Are owned by your entity or are owned by the corporate parent on your behalf;
  - (H) Have shuttle van or bus service provided by your entity or corporate parent on your behalf to or from the facility;
  - (I) Have light-duty vehicles assigned to or domiciled at the facility; and
  - (J) Have trucks, vans, or buses, excluding light-duty vehicles, assigned to or domiciled at the facility.
- (2) *Ground transportation needs.* Describe how the following types of truck transportation shipping needs specified in sections 2012.2(a)(2)(A) through 2012.2(a)(2)(H) are typically met for each facility type category that applies. Respond by selecting one or more of the following answers (With vehicles owned by the entity, through contracts of one year or longer, both with own vehicles and through one year or longer contracts, or does not apply).
- (A) Items shipped from facility to locations outside of California;
  - (B) Items shipped into the facility from locations outside of California;
  - (C) Items shipped from facility to California port or rail locations;
  - (D) Items shipped into the facility from California port or rail locations;
  - (E) Items shipped into the facility from California warehouse or distribution center locations owned or leased by the entity;
  - (F) Items shipped into the facility from California non-warehouse locations owned or leased by the entity;
  - (G) Items shipped from the facility to residential locations;

(H) Items shipped from the facility to non-residential locations;

(3) *Contracting practices.* For all of the facilities in each facility category, describe which of the services listed in 2012.2(a)(3)(A) through 2012.2(a)(3)(I) your company receives that are managed with contracts of one year or more. Select one of the following responses (Managed at the facility, managed centrally and not at the facility, both managed at the facility and centrally managed, or does not apply).

(A) Linen or uniform delivery to or from the facility;

(B) Parcel delivery to or from the facility;

(C) Maintenance or repair of the facility;

(D) Passenger shuttle service to or from the facility;

(E) Armored car services to or from the facility;

(F) Non-refrigerated food items delivered to the facility;

(G) Refrigerated food items delivered to the facility;

(H) Non-food items delivered to the facility; and

(I) Waste collection and removal from facility.

(4) *Grouped Facility Addresses.* List the physical address associated with each facility identified in 2012.2(a), including the street number, street name, city, ZIP code, and the facility category.

(b) *Representative Facility Questionnaire.* All regulated entities that operate facilities in California must submit the following information about one representative facility within each facility category group listed in section 2012(d)(4) that applies to your entity. A representative facility is one that is common or otherwise typical within a category. For facilities identified in the "Any Other Facility Type" category, use best judgement to pick one representative facility that is a common part of your operation. Do not include facilities that are owned by your entity but are not operated by your entity.

(1) *General representative facility questions.*

(A) Contact person name;

(B) Contact person email address;

- (C) Contact person telephone number;
  - (D) Location of the representative facility including street name, city, and ZIP code;
  - (E) Total approximate building square footage of the facility. Respond in units of square feet rounded to the nearest two significant figures;
  - (F) Number of dock-height loading bays at this facility;
  - (G) Square footage of cold storage rooms at this facility. Respond in units of square feet rounded to the nearest two significant figures; and
  - (H) A short description of the representative facility and its primary function or purpose.
- (2) *Vehicle Trips.* Estimate the number of vehicle trips excluding light-duty vehicles to the representative facility in a typical week in 2020. Respond by using the following bins (Does not apply, 1-10, 11-20, 20-99, 100-500, >500) for each of the delivery types specified in section 2012.2(b)(2)(A) to 2012.2(b)(2)(J). The responses should be based on requirements specified in pick-up and delivery contracts, or by sampling the count of actual deliveries to or from the representative facility.
- (A) Linen/uniform cleaning service vans or trucks;
  - (B) Parcel delivery vans or trucks;
  - (C) Armored cash transport trucks;
  - (D) Food or beverage delivery (non-refrigerated) - van or straight truck;
  - (E) Food or beverage delivery (refrigerated) – van or straight truck;
  - (F) Non-food delivery - van or straight truck;
  - (G) Food or beverage delivery (non-refrigerated) - tractor trailer;
  - (H) Food or beverage delivery (refrigerated) - tractor trailer;
  - (I) Non-food delivery - tractor trailer; and
  - (J) All other truck or van deliveries or visits.

- (3) *Supplier Counts*: Identify how many different suppliers shipped their items to the representative facility in 2020. Respond by using the following bins (Does not apply, 1-10 suppliers, 11-20 suppliers, or more than 20 suppliers) for the following delivery types:
- (A) Food or beverage delivery;
  - (B) Linen/uniform cleaning service;
  - (C) Goods delivery excluding food or beverage; and
  - (D) All other supplies, tools, equipment (non-goods).

NOTE: Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 43013, 43018, 43101 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 39000, 39003, 43000, 43000.5, 43013, 43018, 43101 Health and Safety Code.

### **Section 2012.3. Vehicle Usage by Facility Reporting.**

Regulated entities that own or operate any vehicles with a GVWR greater than 8,500 lbs. must report general information about the facility where all on-road vehicles are domiciled or assigned as specified in section 2012.3(a), and information about vehicle operating characteristics for vehicles domiciled or assigned to each facility in California as specified in section 2012.3(b). Regulated entities may exclude military tactical support vehicles as described in title 13, CCR, section 1905 and vehicles awaiting sale. Vehicles that accrue a majority of their annual miles in California, but are not assigned to a particular location in California, must be reported as part of the headquarters or another location where the vehicles' operation is managed.

- (a) All regulated entities must report the following information for each facility to which on-road vehicles are domiciled or assigned:
- (1) Facility address including street name, city, and ZIP code;
  - (2) Facility type category as listed in Section 2012(d)(5);
  - (3) Contact person name;
  - (4) Contact person email address;
  - (5) Identify whether the facility is owned or leased by the entity;
  - (6) Identify what type of fueling infrastructure is installed at the facility, by selecting all of the fuel types dispensed at the facility as listed below in section 2012.3(a)(6)(A) to 2012.3(a)(6)(G).



- (A) Diesel;
  - (B) Gasoline;
  - (C) Natural gas;
  - (D) Electricity;
  - (E) Hydrogen;
  - (F) Other fuel; or
  - (G) Not applicable.
- (7) Identify what refueling infrastructure was initially installed less than 10 years ago by the selecting the fuel type dispensed as listed in section 2012.3(a)(6)(A) to 2012.3(a)(6)(G).
- (8) Identify what types of trailers you pull if you have tractors assigned or domiciled at this facility by selecting the following:
- (A) Van-dry;
  - (B) Van-reefer;
  - (C) Tanker;
  - (D) Flatbed;
  - (E) Shipping container;
  - (F) Low bed;
  - (G) Curtain side; or
  - (H) Other.
- (b) For each facility identified, report information specified in section 2012.3(b)(1) to 2012.3(b)(3) for all vehicles assigned to or domiciled at the facility in 2020 and remain in the fleet as of January 1, 2021. Responses may be grouped by vehicle body type as listed in section 2012(d)(18), weight class bin specified in section 2012(d)(20), and fuel type listed in section 2012.3(a)(6)(A) to 2012.3(a)(6)(G). For fleets with seasonal workload fluctuations, use a time period in the busy season when answering questions about typical daily operation. Responses for items in section 2012.3(b)(2) through 2012.2(b)(5) for a vehicle group at one location may be repeated for the same vehicle group at another facility if the

respondent determines the vehicle operation is substantially similar at both locations.

- (1) How many vehicles in each vehicle group
- (2) The percent of the vehicles in each vehicle group have the operations or characteristics listed in sections 2012.3(b)(A) through 2012.3(b)(Q). Respond by rounding to the nearest 10 percent.
  - (A) Operate less than 100 miles per day;
  - (B) Operate 100 to 150 miles per day;
  - (C) Operate 151 to 200 miles per day;
  - (D) Operate 201 to 300 miles per day;
  - (E) Operate more than 300 miles per day;
  - (F) Has a predictable usage pattern;
  - (G) Fuels on-site as the primary means of fueling;
  - (H) Returns to this facility daily;
  - (I) Has onboard GPS or mileage tracking;
  - (J) Stays within 50 miles of this facility on a given day;
  - (K) Tows a trailer more than 100 miles a day;
  - (L) Commonly operates at their weight limit;
  - (M) Is not registered in California;
  - (N) Is regularly parked at the facility more than 8 hours each day;
  - (O) The highest percent of the fleet that was dispatched at the same time on the behalf of a local, state or federal government to support an emergency operation;
  - (P) Is equipped with all-wheel drive; and
  - (Q) Are not being operated or are used as backup vehicles.
- (3) The average annual mileage for a typical vehicle in this vehicle group. Respond by using one of the following that is closest to the average miles

(5,000 or less, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000, 70,000, 80,000, 90,000, 100,000, or more than 100,000).

- (4) For this vehicle group, identify how long you keep vehicles after acquisition. Respond in number of years by using one of the following bins: (Less than 4, 5 to 10, 11-15, 16-20, or more than 20).

**NOTE:** Authority cited: Sections 38501, 38510, 38560, 38566, 39500, 39600, 39601, 43013, 43018, 43101 Health and Safety Code. Reference: Sections 38501, 38505, 38510, 38560, 39000, 39003, 43000, 43000.5, 43013, 43018, 43101 Health and Safety Code.



# Water Quality Fees Stakeholder Meeting

Tuesday, June 9, 2020 at 9:00 – 10:00 am

Webcast and Teleconference Meeting Only

Teleconference Number: (888) 273-3658

Participant Code: 300828

***NO PHYSICAL MEETING LOCATION***

Live Webcast [Here](#)

Fee Branch [Email](#)



## **AGENDA**

1. Welcome and Introductions
2. Waste Discharge Permit Fund (WDPF) Budget Cost Drivers (Attachment 1)
  - a. [Accurate and Timely Assessment of California's Surface Water Quality](#)
  - b. [Continuation of Cannabis Program](#)
  - c. [Water Resilience Portfolio](#)
3. Open Discussion
4. Next Steps

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The information presented in this document represents the current and projected state of the WDPF fee-paying programs based on the May Revisions to the Governor's Proposed Budget. No staff proposals are being presented at this time.

A	B	C	D	E	F	G	H	I
				(B+C+D)		(E-F)	(F+G)	
WDPF Program	FY 19-20 Fee Budget <sup>1</sup>	BCP Changes	Staff Cost & Program Adjustments <sup>2</sup>	FY 20-21 Allocation Budget	FY 20-21 Revenue Forecast	Forecasted Revenue Increase / (Decrease)	FY 20-21 Total Revenue	Adjusted Average Program Percent Change
WDR	\$34,997	\$976	\$2,524	\$38,497	\$33,789	\$4,708	\$38,497	13.9%
Land Disposal	\$13,841	\$115	\$121	\$14,077	\$14,047	\$30	\$14,077	0.2%
WQC (401 Cert)	\$15,672	\$131	\$173	\$15,976	\$14,388	\$1,588	\$15,976	11.0%
Storm Water	\$33,265	\$283	\$1,032	\$34,580	\$32,916	\$1,664	\$34,580	5.1%
NPDES	\$34,331	\$966	\$2,042	\$37,339	\$32,675	\$4,663	\$37,339	14.3%
CAF	\$5,648	\$48	\$227	\$5,923	\$5,565	\$359	\$5,923	6.4%
Ag Lands (ILRP)	\$7,998	\$77	\$489	\$8,565	\$7,711	\$854	\$8,565	11.1%
<b>SUBTOTAL:</b>	<b>\$145,752</b>	<b>\$2,596</b>	<b>\$6,608</b>	<b>\$154,957</b>	<b>\$141,090</b>	<b>\$13,867</b>	<b>\$154,957</b>	-
Cannabis	\$5,502	\$10,531	\$548	\$16,580	\$4,063	\$12,518	\$16,580	
<b>TOTAL:</b>	<b>\$151,254</b>	<b>\$13,127</b>	<b>\$7,156</b>	<b>\$171,537</b>	<b>\$145,153</b>	<b>\$26,384</b>	<b>\$171,537</b>	-

<sup>1</sup> Includes redirected expenditures for foundational programs like Basin Planning, TMDL, monitoring and enforcement.

<sup>2</sup> Includes reallocation for employee compensation, retirement, health care costs and pro rata.

BCP Changes	Amount	Description
All Fee Programs	\$1,289	20-21 FL - Accurate and Timely Assessment of California Surface Water Quality
WDR & NPDES	\$1,338	20-21 FL - Water Resilience Portfolio
Cannabis	\$10,500	20-21 BCP - Continuation of the Cannabis Program
	<u>\$13,127</u>	

## Unified Program Newsletter – April 2020

### Contents

CalEPA.....	1
<b>CERS Knowledge Base, Help Articles and FAQs .....</b>	<b>1</b>
Business Portal Help: How to upload Hazardous Materials Inventory or Owner/Operator data to multiple facilities (under one business/organization) .....	1
CalEPA Regulatory Compliance Statement (4/15/20) .....	1
Requirement to Post Unified Program Facility Permit.....	2
State Water Board.....	2
Underground Storage Tank Requirements During Shelter-in-Place Orders .....	2
UST Owners and Operators .....	3
International Code Counsel (ICC) Certificate Holders: .....	3
UPAs: .....	3
Assessment of Overfill Prevention Method(s).....	4
Secondary Containment Sump Testing Using Low Liquid Method .....	4
Underground Storage Tank Leak Prevention January – June 2019 Semi-Annual Report.....	5
Installation of New Public Drinking Water Wells Resulting in Enhanced Leak Detection Testing at Established UST Facilities .....	5
DTSC .....	6
Covid-19 Advisories.....	6
30-Day Storage Extension Application to the 90-Day Hazardous Waste Accumulation Limit for RCRA Large Quantity Generators .....	6

## CalEPA

### CERS Knowledge Base, Help Articles and FAQs

(<https://cers.calepa.ca.gov/newsletter-articles>)

### Business Portal Help: How to upload Hazardous Materials Inventory or Owner/Operator data to multiple facilities (under one business/organization)

(<https://cers.calepa.ca.gov/wp-content/uploads/sites/11/2020/04/CERS-Business-Portal-Help-Newsletter-Article-April-2020.pdf>)

### CalEPA Regulatory Compliance Statement (4/15/20)

On April 15, 2020, CalEPA issued the "[Statement on Compliance with Regulatory Requirements During the COVID-19 Emergency](#)"

(<https://calepa.ca.gov/2020/04/15/calepa-statement-on-compliance-with-regulatory-requirements-during-the-covid-19-emergencycalepa-policy-statement-on-covid-19-and-environmental-enforcement/>)

To provide entities regulated under the Unified Program with additional compliance assistance as a result of the COVID-19 emergency, CalEPA, DTSC, State Water Board, CalFire/OSFM, Cal OES, and local Certified Unified Program Agencies (CUPA) will closely coordinate and collaborate to process all requests for compliance assistance in a timely manner. Specific remedies may be warranted, but regulated entities unable to meet a specific regulatory requirement due to emergency government directives or a specific hardship must contact the appropriate CalEPA board, department, or office before falling out of compliance. Please use the [Unified Program contacts](#) to email requests to the Unified Program State Agencies for any of the six (6) Unified Program hazardous materials and waste programs.

(<https://calepa.ca.gov/cupa/contacts>)

CalEPA also recommends that the regulated entities copy their local CUPAs when requesting assistance from the state agencies. Please use the [Unified Program Regulatory Directory](#) to obtain your local CUPA's contact information

(<http://cersapps.calepa.ca.gov/Public/Directory>).

### **Requirement to Post Unified Program Facility Permit**

CalEPA was recently contacted by a few businesses concerning the requirement to post the Unified Program Facility Permit (UPFP). CalEPA was informed that several CUPAs are requiring the UPFP to be posted on site. In some cases, facilities may be receiving violations for not posting their UPFP on site. CalEPA reviewed a number of CUPA UPFPs and confirmed that most include a statement that requires the permit to be posted at the facility. A review of state law showed there is no statute or regulation requiring the UPFP to be posted. The underground storage tank (UST) program regulations does require a paper or electronic copy of the permit be readily accessible at the facility, but not necessarily posted on site. Unless a local ordinance requires the posting of a UPFP, a CUPA may not require a business to post their UPFP. CalEPA has requested CUPAs to review their UPFPs and update if necessary.

If a local ordinance requires the posting of a UPFP, then the local ordinance is required to be identified in the California Environmental Reporting System (CERS). A review of the Unified Program Local Reporting Requirement Listing from CERS shows there are no CUPAs currently requiring the UPFP to be posted. For those CUPAs that have adopted a local ordinance requiring the UPFP to be posted, CalEPA has requested the submission of these ordinances and will identify them in CERS.

## **State Water Board**

### **Underground Storage Tank Requirements During Shelter-in-Place Orders**

The State Water Resources Control Board (State Water Board) in a [letter dated March 19, 2020](#), advised UST stakeholders on expectations during the health and safety restrictions associated with Coronavirus-2019 (COVID-19). The State Water Board advises UST stakeholders to follow all health and safety guidance. The letter also acknowledged that UST owners and operators may not be able to keep their USTs in compliance with restrictions in place, however, owners and operators must ensure



that critical leak detection, monitoring, and cathodic protection systems remain in operation at all times and that all leak detection alarms are responded to appropriately. ([https://www.waterboards.ca.gov/water\\_issues/programs/ust/docs/covid\\_letter.pdf](https://www.waterboards.ca.gov/water_issues/programs/ust/docs/covid_letter.pdf))

Documentation will be critical in assisting owners and operators in returning to compliance once restrictions have been lifted. The State Water Board recommends the following:

**UST Owners and Operators:** Document any relevant information showing the efforts made to maintain compliance and, to the extent possible, include:

- Documentation of the specific circumstances leading to any delay in conducting tests, maintenance, and inspections that prevent USTs from being in compliance; and
- Documentation showing that all critical UST leak detection, monitoring, and cathodic protection equipment remain operational and all leak detection and monitoring alarms have been responded to appropriately.

Documenting these efforts is necessary to assist Unified Program Agencies (UPAs) to determine if UST owners and operators took all appropriate actions given the current circumstances.

**International Code Counsel (ICC) Certificate Holders:** ICC testing centers have temporarily closed effective March 17, 2020. As a result, UST Installers/Retrofitters, Service Technicians, Designated UST Operators, and UST Inspectors are unable to retest. UST owners and operators should attempt to locate and utilize alternate installers/retrofitters, service technicians, or designated operators with current ICC certifications. Should any of these activities be performed by individuals with ICC certifications that expired after March 17, 2020, UPAs cannot waive UST requirements; they can, however, implement enforcement discretion.

**UPAs:** During the COVID-19 restrictions, UPAs likely will perform a limited number of compliance inspections and should document the beginning and end of the period when compliance inspections are not being performed and be prepared to provide a list of facilities where the compliance inspections were not conducted in a timely manner. Additionally, UPAs should be prepared to assist UST owners and operators and their contractors in returning UST facilities to compliance after the restrictions are lifted. UST owners and operators who provide clear documentation that they have acted in good faith to remain in compliance, but have been unable to maintain compliance due to COVID-19 restrictions, should be allowed a reasonable opportunity to return to compliance after the restrictions are lifted. UPAs cannot waive UST requirements; they can, however, implement enforcement discretion.

The State Water Board will continue to advise UST stakeholders as circumstances change. For additional information regarding implementing UST requirements during COVID-19 public health and safety restrictions, please contact

Ms. Laura Fisher at (916) 341-5870 or [Laura.Fisher@waterboards.ca.gov](mailto:Laura.Fisher@waterboards.ca.gov), or  
Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov).

### **Assessment of Overfill Prevention Method(s)**

State Water Board staff are aware of situations where two (2) or more USTs are being filled at the same time and are exclusively using an alarm as the overfill prevention method, are not meeting overfill prevention requirements. Overfill prevention methods must: 1) be set to the correct level in the tank and 2) activate when the substance stored reaches that level.

If facilities using the automatic tank gauge as an alarm as part of their overfill prevention method on multiple USTs, and will potentially fill more than one UST at a time, then the overfill prevention equipment inspection must confirm that once the first UST has reached the alarm activation level, each successive UST is immediately capable of activating when the substance reaches the alarm level.

Currently some monitoring systems used as part of overfill prevention have a built-in system delay from one (1) to 99 minutes after the annunciator is silenced and before the system can detect a second overfill condition and alarm a second time. In this described scenario, each successive UST being filled would have no overfill protection for the duration of this delay, allowing overfills to occur and cause potential releases to the environment. During annual compliance inspections or inspections of the overfill method UPAs must ensure that all USTs have overfill prevention under all normal operating conditions.

For more information regarding the overfill prevention methods, please contact Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov), or Ms. Roya Raheb at (916) 341-5668 or [Roya.Raheb@waterboards.ca.gov](mailto:Roya.Raheb@waterboards.ca.gov).

### **Secondary Containment Sump Testing Using Low Liquid Method**

State Water Board staff have received numerous inquiries regarding the updated Petroleum Equipment Institute Recommended Practices (RP) 1200-19, specifically regarding the Low Liquid Sump Test. The RP 1200-19 Low Liquid Sump Test requires confirmation that sump sensors shut off turbines or dispensers (positive shut down) once activated. It also includes an additional sump hydrostatic test utilizing up to seven (7) inches of water and an associated static test period. Utilizing only seven (7) inches of water is insufficient to fill the entire sump with water and does not allow for testing of all sump penetrations.

In 2001, the State Water Board issued LG 160, which stated that it was strongly recommended that the entire secondary containment be tested since the low liquid test method does not account for tampering or malfunctioning shutdown mechanisms. In October 2018, the State Water Board issued new [guidance on secondary containment testing](#) as part of the federal reconciliation regulations, which superseded LG 160, stating that sumps and dispenser containment must be tested in accordance with California Code of Regulation, title 23, division 3, chapter 16 (UST Regulations), section

2637. Section 2637(c) requires that: “The testing of secondary containment systems shall be conducted using a test procedure that demonstrates that the system performs at least as well as it did upon installation”.

([https://www.waterboards.ca.gov/water\\_issues/programs/ust/adm\\_notices/fed\\_rec\\_regs/sec\\_cont\\_test.pdf](https://www.waterboards.ca.gov/water_issues/programs/ust/adm_notices/fed_rec_regs/sec_cont_test.pdf))

State Water Board is unaware of any manufacturer whose installation test procedure does not, at a minimum, include a hydrostatic test at least above all sump penetrations. Hydrostatic pressure created by seven (7) inches of water is considerably less than the pressures created by testing above all penetrations and, therefore does not meet the requirement of UST Regulations, section 2637(c) and is not an acceptable secondary containment test method. As such the RP 1200-19 Low Liquid Sump Test does not meet the requirements of section 2637. The State Water Board will formally notice all stakeholders of any changes to this determination.

For more information on the RP-1200-19 Low Liquid Sump Test, please contact Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov), or Mr. Sean Farrow at (916) 324-7493 or [Sean.Farrow@waterboards.ca.gov](mailto:Sean.Farrow@waterboards.ca.gov).

### **Underground Storage Tank Leak Prevention January – June 2019 Semi-Annual Report**

On March 10, 2020, State Water Board provided UST stakeholders with the [UST Leak Prevention January – June 2019 Semi-Annual Report](#). This report was developed in collaboration between the United States Environmental Protection Agency (U.S. EPA) and State Water Board. The California Environmental Reporting System (CERS) and the California GeoTracker database was utilized to obtain report data. This report summarizes important subjects such as CERS implementation status, release reporting, and single-walled UST data. In addition, data are presented for each UPA and the State as a whole.

([https://www.waterboards.ca.gov/ust/adm\\_notices/final\\_accessibility\\_california\\_ust\\_leak\\_prevention\\_report-Jan-June2019.pdf](https://www.waterboards.ca.gov/ust/adm_notices/final_accessibility_california_ust_leak_prevention_report-Jan-June2019.pdf))

A few noteworthy data points include: UPAs are meeting inspection targets, UPA inspection and follow-up continues to drive facility compliance, new regulatory requirements resulting in an increase in the number of certain violations issued by the UPAs, unauthorized release numbers remain low, and the removal of single-walled tanks/piping is sluggish.

For more information regarding *The UST Leak Prevention January – June 2019 Semi-Annual Report* to U.S. EPA, please contact Ms. Laura Fisher at (916) 341-5870 or [Laura.Fisher@waterboards.ca.gov](mailto:Laura.Fisher@waterboards.ca.gov).

### **Installation of New Public Drinking Water Wells Resulting in Enhanced Leak Detection Testing at Established UST Facilities**

Enhanced Leak Detection (ELD) testing is required for all UST systems that are within a 1,000-foot radius of a public drinking water well (UST Regulations, section 2640(e)). UST systems with single-walled components must complete ELD testing once every three (3) years. Double-walled UST systems must complete ELD testing only once. If a

new public drinking water well is installed within a 1,000-foot radius of an established UST system, then the owner and operator must complete ELD testing at the appropriate frequency as soon as the well becomes operational. UPAs should stay informed when new public drinking water wells are installed in their jurisdiction. Further, the State Water Board needs to be made aware of the installation of new public drinking water wells so that a notification to complete ELD can be sent to UST owners and operators.

For more information regarding installation of new public drinking water wells and ELD testing, please contact Mr. Sean Farrow at (916) 324-7493 or [Sean.Farrow@waterboards.ca.gov](mailto:Sean.Farrow@waterboards.ca.gov), or Ms. Jessica Botsford at (916) 341-7338 or [Jessica.Botsford@waterboards.ca.gov](mailto:Jessica.Botsford@waterboards.ca.gov).

## **DTSC**

### **Covid-19 Advisories**

(<https://dtsc.ca.gov/dtsc-covid-19-updates/>)

### **30-Day Storage Extension Application to the 90-Day Hazardous Waste Accumulation Limit for RCRA Large Quantity Generators**

DTSC has posted on its website a guidance for “30-Day Storage Extension Application to the 90-Day Hazardous Waste Accumulation Limit for RCRA Large Quantity Generators”. The link and directions can be found at: <https://dtsc.ca.gov/30-day-storage-extension-application/>

Generators can fill out and submit the request electronically.

If generators of non-RCRA hazardous waste need an extension, those requests are granted by the CUPAs if certain conditions are met. Those conditions are described in California Code of Regulations, title 22, 66262.35. The CUPAs can accept electronic submissions for extension requests, however, a hard copy of the extension request must also be sent to the CUPA via certified mail as required by regulation.

Additionally, DTSC’s Regulatory Assistance Office is accepting and tracking calls related to Covid-19 as well as other regulatory related questions and can be reached at 800-728-6942 or by email at [RAO@dtsc.ca.gov](mailto:RAO@dtsc.ca.gov).

***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](mailto:cupa@calepa.ca.gov).***

**[CalEPA Unified Program Home Page](#)**

## Unified Program Newsletter – May 2020

### Contents

CalEPA .....	1
SAFETY ALERT: Chemical/Vapor Releases At Recycling Facilities .....	1
Safety Alert: Cure-In-Place Pipe (CIPP) Vapor Migration into Buildings .....	1
State Water Board.....	1
UPDATE: Underground Storage Tank Requirements During Shelter-in-Place Orders .....	1
ASTM Testing Method for Sumps and Spill Containment.....	2
Use of Incorrect UST Components .....	3
Additional Information Required in Report 6.....	3
Maintaining Inspection Integrity.....	3

### CalEPA

#### [SAFETY ALERT: Chemical/Vapor Releases At Recycling Facilities](https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/CDPH%20Document%20Library/RecyclingCenterSafetyAlert.pdf)

(<https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/CDPH%20Document%20Library/RecyclingCenterSafetyAlert.pdf>)

#### [Safety Alert: Cure-In-Place Pipe \(CIPP\) Vapor Migration into Buildings](https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/CDPH%20Document%20Library/CIPP%20Safety%20Alert%202020%20update_ADA.pdf)

([https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/CDPH%20Document%20Library/CIPP%20Safety%20Alert%202020%20update\\_ADA.pdf](https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/CDPH%20Document%20Library/CIPP%20Safety%20Alert%202020%20update_ADA.pdf))

California Department of Public Health, Environmental & Occupational Emergency Preparedness Team Website: (<https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/Pages/Emergency-Preparedness-Team.aspx>)

### State Water Board

#### **UPDATE: Underground Storage Tank Requirements During Shelter-in-Place Orders**

The State Water Board advised UST stakeholders in a [letter dated March 19, 2020](#), regarding expectations during the health and safety restrictions. The State Water Board advises UST stakeholders follow all health and safety guidance. The letter also acknowledges that UST owners and operators may not be able to keep their USTs in compliance with restrictions in place, however, owners and operators must ensure that critical leak detection, monitoring and cathodic protection systems remain in operation at all times and all leak detection alarms are responded to appropriately. The State

Air Resources Board • Department of Pesticide Regulation • Department of Resources Recycling and Recovery • Department of Toxic Substances Control Office of Environmental Health Hazard Assessment • State Water Resources Control Board • Regional Water Quality Control Boards



Water Board will provide additional guidance here, in UST Program Monthly Update as new information becomes available.

([https://www.waterboards.ca.gov/water\\_issues/programs/ust/docs/covid\\_letter.pdf](https://www.waterboards.ca.gov/water_issues/programs/ust/docs/covid_letter.pdf))

**International Code Counsel (ICC) Certificate Holders:** ICC testing centers are temporarily closed and as a result, UST Installers/Retrofitters, Service Technicians, and Designated UST Operators are unable to retest. For certifications that expire between March 1 and August 31, 2020, ICC has extended the expiration date to September 1, 2020. UST Regulations, section 2715 describe two (2) requirements for certifications. The certified person must:

- 1) possess a current certification issued by ICC; and,
- 2) have passed the ICC exam every 24 months.

While the certification may be current because of the extension provided by ICC, the process conflicts with UST Regulations since certification holders will not have passed an exam within the 24 months. Should any UST activities be performed by individuals with current ICC certifications without taking an exam in the last 24 months, unified program agencies (UPAs) can implement enforcement discretion on this matter.

UST Regulations on the other hand, provide local agency inspectors with the option of either passing an exam or satisfying equivalent criteria. ICC is currently accepting continuing education for ICC UST Inspector certification renewals.

For additional information regarding implementing UST requirements during public health and safety restrictions, please contact Ms. Laura Fisher at (916) 341-5870 or [Laura.Fisher@waterboards.ca.gov](mailto:Laura.Fisher@waterboards.ca.gov), or Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov).

### **ASTM Testing Method for Sumps and Spill Containment**

ASTM International recently published a new standard (E3225-20) for [spill bucket and sump testing](#). This test method allows for the hydrostatic test to be performed visually rather than using a quantitative method. Title 40, Code of Federal Regulations, part 280 (40 CFR) require spill prevention and sump testing be performed using a liquid, pressure, or vacuum test method.

(<https://www.astm.org/Standards/E3225.htm>)

The United States Environmental Protection Agency recently addressed this test method in their [2015 Technical Compendium](#) and has determined the E3225-20 method by ASTM International does not meet the requirements of 40 CFR, section 280.35.

(<https://www.epa.gov/ust/underground-storage-tank-ust-technical-compendium-about-2015-ust-regulation>)

For additional information regarding the ASTM E3225-20 method, please contact Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov), or Ms. Laura Fisher at (916) 341-5870 or [Laura.Fisher@waterboards.ca.gov](mailto:Laura.Fisher@waterboards.ca.gov).

### **Use of Incorrect UST Components**

The State Water Board is aware of UST components being delivered to facilities under construction that do not meet UST regulation requirements. Equipment manufacturers craft a variety of makes and models of UST components, many of which are not acceptable for use in California. Health and safety restrictions have limited the number of warehouse and shipping personnel, which have resulted in equipment intended for other states unintentionally delivered to California facilities. Although inspections may be currently limited, in order to prevent additional costly mistakes please ensure the materials delivered to facilities and being installed meet the UST regulation requirements, including proper manufacturing, construction and certifications.

For additional information regarding the UST construction requirements, contact Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov), or Ms. Laura Fisher at (916) 341-5870 or [Laura.Fisher@waterboards.ca.gov](mailto:Laura.Fisher@waterboards.ca.gov).

### **Additional Information Required in Report 6**

The upcoming Semi-Annual UST Program Report (Report 6) for data collection between January 1, and June 30, 2020, will require additional information not previously requested as part of the Report 6. The Federal UST Regulation change of 2015 requires states to collect and report information on field-constructed tanks (FCT) and airport hydrant systems. A new line item will be added to Report 6 to capture the number of FCTs per jurisdiction. Additionally, the second page of the Report 6, previously used exclusively for red tag information will now also include line items to identify the number USTs per jurisdiction in temporary closure and abandoned USTs. Instructions on the proper methods for collecting and reporting this additional information for both the paper and paperless Report 6 will be forwarded to UPAs later this month.

For additional information regarding upcoming Report 6 additions, please contact Mr. Tom Henderson at (916) 319-9128 or [Tom.Henderson@waterboards.ca.gov](mailto:Tom.Henderson@waterboards.ca.gov), or Ms. Laura Fisher at (916) 341-5870 or [Laura.Fisher@waterboards.ca.gov](mailto:Laura.Fisher@waterboards.ca.gov).

### **Maintaining Inspection Integrity**

Inspection jurisdictions can be beneficial for UPA inspectors by allowing them to become familiar with UST system construction, building relationships with the owner and operator, knowledge of past violations, etc. However, there are benefits to rotating UPA inspectors to a new area every 12-24 months to ensure the integrity of inspections. Over-familiarization with facilities and facility staff may lead UPA inspectors to overlook some violations.

In addition, owners and operators would benefit from UPA inspector rotation with new perspectives and knowledge of UST Regulations, guidance with CERS requirements, and keeping the facility in compliance.

Successful transitions from one UPA inspector to another includes an initial briefing on UST facilities, thorough review of facility files, including CERS, and keeping policies and procedures up to date with changing UST Regulations.

For additional information regarding improving inspection integrity please contact Ms. Jessica Botsford at (916) 341-7338 or [Jessica.Botsford@waterboards.ca.gov](mailto:Jessica.Botsford@waterboards.ca.gov), or Mr. Sean Farrow at (916) 324-7493 or [Sean.Farrow@waterboards.ca.gov](mailto:Sean.Farrow@waterboards.ca.gov).

***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](mailto:cupa@calepa.ca.gov).***

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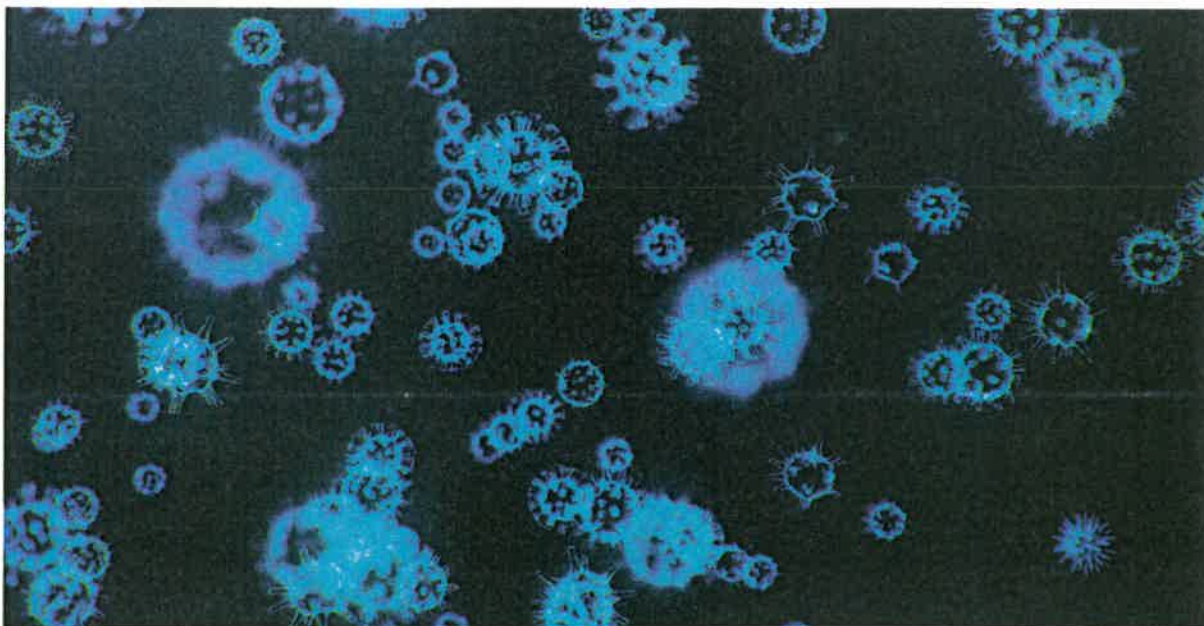
# **Agenda Item IX**

## **ARTICLES OF INTEREST**





## ALL COVID-19 NEWS RELATED TO THE INDUSTRY



### COVID Rates Significantly Lower for Solid Waste Collection/Facility Workers

EREF Staff | Jun 10, 2020

Thankfully, the rate of increase of COVID cases is slowing. Nonetheless, as of early June, according to the CDC, more than twenty thousand new COVID cases are still occurring daily across the U.S. and the death rate is more than 1,000 per day. As an essential workforce that collects and manages the garbage generated by each and every person across North America, the question naturally arises

as to how solid waste collection and management personnel have fared relative to that of the general populace.

A survey was conducted of private solid waste haulers and facility owners to assess COVID rates in the U.S. and Canada. Conducted by the Environmental Research & Education Foundation (EREF), the survey encompassed nearly 100,000 employees across North America. This comprised 35 percent of the approximately 248,000 solid waste collection and facility workers in the U.S (Bureau of Labor Statistics) and 16 percent of the nearly 70,000 Canadian solid waste personnel (EcoCanada).

From the survey, there were 372 confirmed cases and 6 deaths for personnel in the U.S. and 20 confirmed cases and no deaths in Canada. Hospitalizations were also recorded. Nine states (IL, LA, MA, MI, NJ, NY, PA, RI, VA) accounted for roughly 55 percent of all cases while the remaining states contributed from 3 percent to less than 1 percent of total cases on a per-state basis.

The states with the highest number of cases in the solid waste industry were generally in line with states that had the highest cases for the general U.S. population. From a regional standpoint, nearly half of confirmed cases were in the Northeast (see table below). In Canada, Ontario and Quebec accounted for 81 percent of all cases, similar to that of the general population.

### **Percentage of COVID-19 Cases by U.S. Region for Solid Waste Collection/Facility Workforce<sup>1</sup>**

---

Region	% of Cases
--------	------------

Northeast	47.6 %
-----------	--------

*(CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT, VA, WV)*

Midwest	20.7 %
---------	--------

*(IL, IN, IA, KS, MI, MN, MO, NE, OH, WI)*

Southeast	13.7 %
-----------	--------

*(AL, FL, GA, KY, MS, NC, SC, TN)*

South Central	8.6 %
---------------	-------

*(AR, LA, NM, OK, TX)*

Pacific	4.8 %
---------	-------

*(AK, AZ, CA, HI, ID, NV, OR, WA)*

Mountains/Plains	4.6%
------------------	------

*(CO, MT, ND, SD, UT, WY)*

Total	100 %
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<sup>1</sup> *Solid waste industry COVID data collected 5/14/20 – 5/29/2020. Based on 372 cases.*

COVID infections for the solid waste collection/facility personnel were approximately 10 percent and 25 percent lower than average infections in the U.S. and Canada, respectively (see table). The mortality rate for the solid waste industry in the U.S. was nearly 4 times lower than that

of the general population.

**Incidences of COVID-19 Cases, Hospitalizations and Deaths: Solid Waste Collection/Facility Workforce and General U.S./Canadian Populations<sup>1</sup>**

	United States		Canada	
	Gen. Population <sup>2</sup>	Solid Waste	Gen. Population <sup>2</sup>	Solid Waste
Confirmed Cases	0.47 %	0.41 %	0.21 %	0.16 %
Hospitalizations	0.052 %	0.049 %	0.01 %	0.01 %
Deaths	0.027 %	0.007 %	0.02%	No Deaths

<sup>1</sup> Solid waste industry COVID data collected 5/14/20 – 5/29/2020. General population COVID data from 5/22/2020 (CDC, Johns Hopkins, Canadian Provincial and Territorial Government websites).

<sup>2</sup> Per capita rates based on 2019 U.S. and Canadian populations of 327.59 million (US Census Bureau) and 37.99 million (Statistics Canada)

Based on rates from this survey and total workforce numbers, the number of cases, hospitalizations and deaths estimated for the solid waste industry in the U.S. and Canada, as of late May 2020, were:

- Cases = 1,069 (U.S.), 125 (Canada)
- Hospitalizations = 40 (U.S.), 7 (Canada)

- Deaths = 17 (U.S.), cannot be estimated for Canada since none were identified from the survey

There are likely multiple factors contributing to the significantly lower number of cases and deaths in the solid waste industry relative to the general population. However, a number of key considerations include:

- **Industry Practices.** The solid waste industry is highly regulated and has had for decades a strong focus on worker safety. Thus, it is possible that safety training and adherence to regulated guidelines and best practices may correlate to lower infection rates. Additional practices, such as the use of automated collection, likely also play a factor in reduced exposure in areas where residential collection is primarily done this way. Despite this, pathways for exposure during off-work hours would still exist and be dictated by personal choices.
- **Age.** Age has been noted as a factor contributing to higher chances of getting the virus. Given they are employed, most solid waste employees are between the ages of 18 and 65 years old. Thus, age-related complications in contracting and recovering from the virus are likely reduced.
- **Health.** Due to the physical demands of many of the industry jobs, many personnel need to be reasonably healthy to perform the job. Thus, underlying health conditions that may result in negative outcomes from COVID could be less frequent for solid waste personnel.

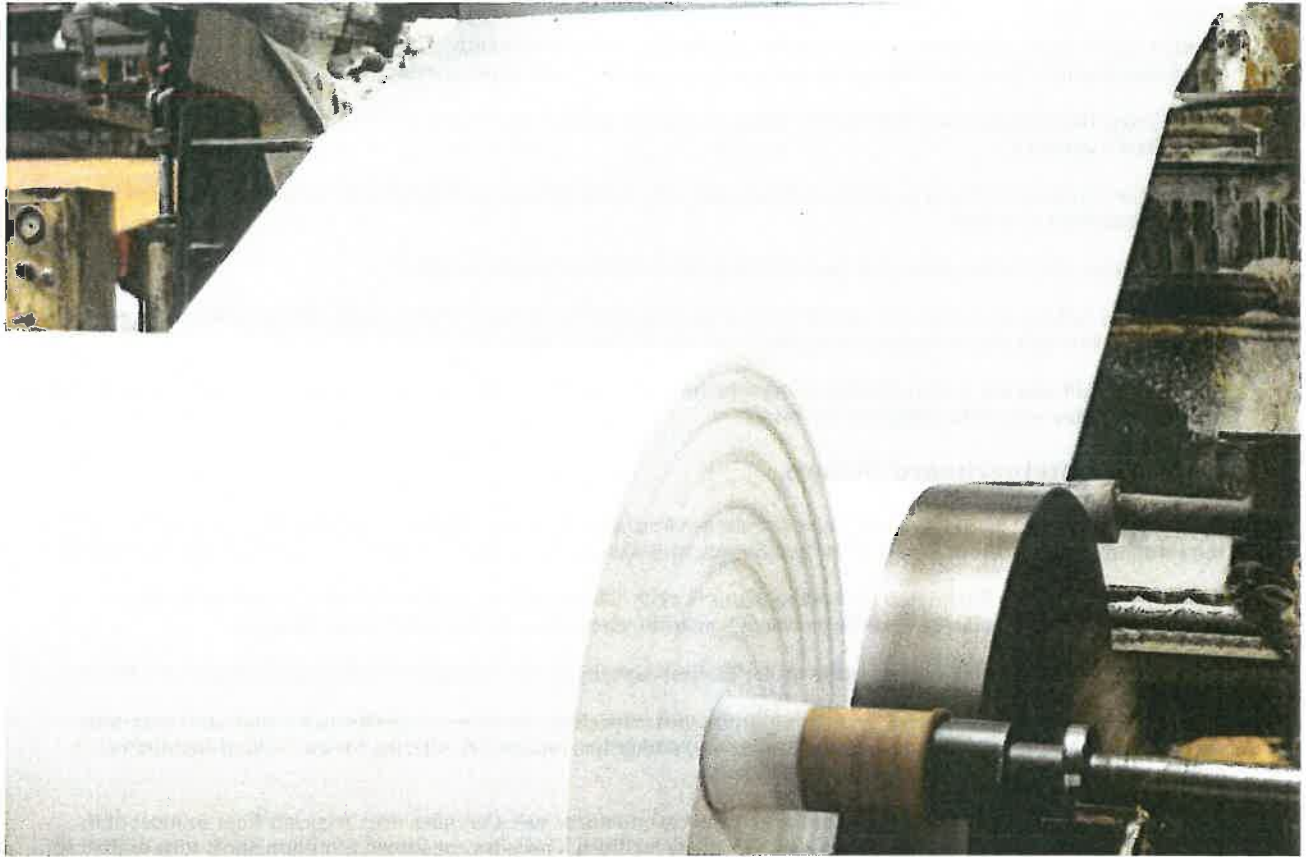
Regardless, additional research would be needed to confirm whether these variables strongly correlate to the lower infection rates and more favorable outcomes for solid waste workers relative to the broader population.

**Source URL:** <https://www.waste360.com/business/covid-rates-significantly-lower-solid-waste-collectionfacility-workers>



## Recycled fiber operations shut down - Resource Recycling News

Colin Staub



*Greif CEO Peter Watson noted that closure plans for the company's Mobile, Ala. facility date back to before the COVID-19 pandemic hit. | hxdyl/Shutterstock*

Three paper companies recently closed facilities that use recycled material. Two framed the shutdowns as part of longer-term "optimization" plans, and the third said it is a direct response to the COVID-19 impact on demand.

### Pandemic drives multiple mill closures

Verso Corporation on June 9 [announced](#) it will indefinitely idle paper mills in Duluth, Minn. and Wisconsin Rapids, Wis.

In a release, the company said the closures are a move to "offset unprecedented market decline due to the COVID-19 pandemic and to reposition the company for future success."

One recent mill shutdown was tied to the [decline in office paper demand](#) due to offices and schools being closed during the pandemic. But the Verso closures show another ripple impact hitting the paper sector.

"The decision to reduce production capacity is driven by the accelerated decline in graphic paper demand resulting from the COVID-19 pandemic," the company wrote. "The stay-at-home orders have significantly reduced the use of print advertising in various industries, including retail, sports, entertainment and tourism."

Verso [recently invested](#) in a project to convert part of its Duluth, Minn. mill from producing writing and printer papers to producing recycled paper packaging. Early this year, the company said the mill would be producing 90,000 tons of recycled products per year, including containerboard and kraft packaging. The project was scheduled to start up in January, and Verso was considering a larger conversion to produce substantially more recycled packaging at that facility.

Overall, the Duluth mill has about 270,000 tons per year of capacity for graphic paper and recycled packaging, and the Wisconsin Rapids mill can produce 540,000 tons per year of coated and packaging papers, according to company filings.

The company indicated all options are on the table for the future of the mills. Verso plans to explore “viable and sustainable alternatives for both mills, including restarting if market conditions improve, marketing for sale or closing permanently.”

Verso will idle the Duluth mill by the end of June and the Wisconsin Rapids mill by the end of July. The company will lay off about 1,000 employees, according to the announcement.

### **More action by Greif in Alabama**

Greif, a major paper producer and recycled fiber consumer, will permanently close a recycled board mill in Mobile, Ala. The announcement last week came after the company shut down one paper machine at the facility [last fall](#).

In a [release](#), the company said the closure “removes approximately 140,000 tons of [uncoated recycled board] capacity from Greif’s network.”

During the company’s June 4 [quarterly earnings call](#), CEO Peter Watson said the closure is “part of our ongoing network cost optimization activities.”

He added that the closure plans date back to before the COVID-19 pandemic hit.

“We’ve been talking since last June about being in an industrial recession,” Watson said. “So we kicked off a process last fall of going through and reviewing every single one of our plants, across all of our businesses.”

The Mobile mill was not a cost-effective operation, he explained, and Greif plans to shift all the business from that plant to other facilities across the company’s network.

### **Ontario containerboard closure**

Paper and packaging giant Cascades plans to close a corrugated packaging facility in Burlington, Ontario. In a release, the company [said](#) the move is part of its “continuing optimization initiatives” for its containerboard packaging sector.

Cascades [acquired](#) the Burlington converting plant in 2017. The facility in 2018 produced 81,000 square feet of corrugated packaging, placing it as the company’s smallest converting facility in terms of capacity.

Cascades’ other Ontario plants will make up for the lost capacity at the Burlington facility, according to the release.

“This decision was necessary to align present production capacities, position our platform for mid- and long-term success, improve productivity, reduce fixed costs and strengthen our service offering for our valued customers,” company President Charles Malo said in the release.

It’s unclear how the closure will shift Cascades’ recovered material use. Cascades uses recycled fiber in most of its packaging products. In 2018, for example, across all its facilities, Cascades consumed 4 million short tons of fiber, of which 82% was recycled material, according to the company’s annual report.

Cascades brings in recovered fiber through its Cascades Recovery collection and MRF operations, as well as through contracts with external suppliers.

### ***More stories about fiber***

- [Shipping giant stops taking fiber exports to China](#)
- [US paper recycling rate drops slightly](#)
- [OCC supply shortfalls drive up prices](#)

## Global group: E-scrap facility fires are on the rise - E-Scrap News

Colin Staub



*A recent study found thermal events occurring at all stages of the WEEE collection and processing chain. | nongningstudio/Shutterstock*

A new report notes more and more fires are breaking out in electronics collection and processing facilities around the world, and experts say damaged batteries are typically the culprit.

The Brussels-based Waste Electrical and Electronic Equipment Forum (WEEE Forum) last week [published an examination of fires caused by electronic devices in the end-of-life stream](#). The WEEE Forum represents three dozen electronics producer responsibility groups around the world.

The organization in 2019 created a survey for European companies involved in managing e-scrap and electrical appliances, asking them about their experiences with facility fires for the prior year. “Responses to the survey confirm that the number of fires in the WEEE management chain is growing,” the report stated.

WEEE stands for waste electrical and electronic equipment and generally includes appliances in addition to end-of-life devices.

Out of 109 respondents in 20 countries covering industry sectors from collection all the way through processing, 58 respondents reported having “thermal incidents” at their facilities in 2018. Those varied in scope and damage.

Additionally, 39 of the 109 respondents said they had experienced a “severe” thermal incident since 2016.

Most fires were associated with small appliances and “mixed WEEE,” which the report defined as including IT devices, small appliances, tools, toys and other devices.

### Shredding and storage hot spots

Although the study found thermal events occurring at all stages of the WEEE collection and processing chain, it found

the highest prevalence during the shredding stage as well as when devices are stored prior to processing.

Most incidents are fairly minor, the survey found, causing no significant damage and controlled with on-site fire extinguishing measures. The average cost of reported thermal incidents in 2018 was 190,000 euros (\$214,000), which the survey noted “can represent a significant burden for an individual company.” Most of these smaller fires did not require insurance coverage, according to the report.

For the 39 companies reporting “severe” fires in recent years, the average cost of those damages was 1.3 million euros (\$1.46 million). These incidents were described as “intense fires” lasting between one and six hours.

For the severe fire cases, 75% of respondents said the cause was “damaged batteries,” with other causes including undamaged batteries, batteries coming in contact with a residual object in the end-of-life stream, and other circumstances.

The WEEE Forum plans to release a follow-up report examining best practices for managing e-scrap fires.

Battery fires are a growing field of concern for e-scrap processors around the world. In the U.S., government officials and others have [increased their emphasis on regulations](#) for transporting lithium-ion batteries.

### ***More stories about research***

- [Firms share the CO2 benefits of reuse](#)
- [Process employs lasers to separate e-scrap materials](#)
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## Contamination in one region's commercial stream is 14% - Resource Recycling News

Colin Staub



*Researchers collected and sorted through more than 38,000 pounds of mixed recyclables from 173 sample loads. | Rubens Alarcon/Shutterstock*

Researchers have quantified contamination in the business recycling stream in the Portland, Ore. metropolitan area, providing data that can be used to make operational or outreach decisions.

Metro, the regional governing body that covers jurisdictions in the Portland area, in May [published](#) a composition study of the commercial mixed recyclables stream.

Since 2008, more than 59,000 businesses in the Portland metropolitan area have been required by law to separate common recyclables. In recent years, Metro has examined contamination in the single-family and multi-family sectors, but this is the first project that evaluated the composition of the material coming from businesses.

The study's results will be used by local governments to guide their efforts in decreasing contamination. Metro framed the study in the context of declining export markets for recyclables in part due to high contamination, forcing the need for a cleaner product. "The study is intended to help the region generate the best and most marketable recyclable materials through its collection program," Metro wrote.

Researchers collected and sorted through more than 38,000 pounds of mixed recyclables from 173 sample loads.

The study found an average contamination rate of 14%. Sample loads averaged 221 pounds, and contamination in these loads averaged 30 pounds. Those findings place the business stream between single-family and multi-family in terms of contamination rates in the region. Single-family recycling has about 9% contamination and multi-family has 21%, according to Metro.

However, contamination varied across the jurisdictions in the metro area, and it varied significantly between different samples. For instance, the eight most-contaminated samples in the study had contamination rates between 39% and 97%, according to the report, and these heavily impacted the average. Without these loads, the contamination rate for the entire region would have dropped from 14% to 11%.

These outliers “suggested there might be operational issues that, if addressed, could have a positive impact on material quality,” according to the report.

### **Material makeup**

The 14% average business stream contamination was made up of 4 percentage points “other” materials, 3 percentage points non-acceptable paper, 2 percentage points non-acceptable plastic, 2 percentage points plastic film and shopping bags, 1 percentage point food scraps and yard debris, 1 percentage point fabrics and shoes, and 1 percentage point glass.

Although the weight of plastic contaminants is low, making up just 4% of the entire stream, they have an outsized negative impact on the stream as a whole.

“It is common for shopping bags and film plastic to jam sorting machinery at recycling facilities, thereby increasing the cost of processing recyclables for shipment to end-markets,” the study notes. “Plastics, especially film, tend to be much lighter compared to other materials in the recycling bin such as cardboard, so even a small weight percentage of film contamination can create a large negative impact on the quality of the material.”

Beyond contamination, the study examined the makeup of acceptable materials in the business recycling stream. Out of the 86% of the stream that is accepted material, OCC made up 61.9 percentage points of the weight, mixed paper was 19.5 percentage points, plastics were 2.6 percentage points and metals were 2 percentage points.

In a separate research project, Metro is currently working on a commercial food scraps contamination study, looking at weight and volume of contaminants in the organics stream.

### ***More stories about contamination***

- [Software brings waste audit results into real time](#)
- [West Coast study: Recycling zeal doesn't erase contamination](#)
- [Fighting contamination with coordination](#)



## NEED TO KNOW



# Survey Shows Nearly Half of Americans Would Stop Supporting Companies that Weren't Sustainable

Jun 02, 2020

In a survey commissioned by The Recycling Partnership and conducted by OnePoll it was determined that nearly half of Americans say they would never shop with a company again if they learned they weren't being as sustainable as possible. Another one in three would voice their

concern about those companies on social media calling for others to not shop with them anymore.

The survey taken by 2,000 Americans was aimed to understand the role sustainability plays in how consumers shop. It showed recycling and bold action toward sustainability means a lot to the modern consumer.

Survey results showed:

- The average American would even pay 26 percent more than retail price if it meant the product was completely sustainable.
- Seven in 10 Americans polled said they would go out of their way to support a company that makes strong efforts to be sustainable.
- Eight in 10, say they believe that in 10 years' time, every product on the shelves should be 100 percent sustainable.
- Sustainability is trending up and becoming a higher priority for consumers — 79 percent say they are more conscious of supporting green and sustainable companies now than they were five years ago.
- More than three in four (78 percent) believe that businesses and corporations are simply not doing enough right now to be sustainable, leaving a big gap between consumer preference and brand image.

The survey also delved into how individuals embrace recycling and being sustainable on their own.

Eight in 10 Americans feel they recycle “as often as they should,” with 85 percent saying recycling is very important to them. But 81 percent of those polled are in agreement that together, we aren’t doing enough as a society to combat wastefulness.



“The Recycling Partnership is proud to be a change agent and a leader in the movement to transform the US recycling system,” said Keefe Harrison, CEO of The Recycling Partnership” “Especially in the world we live in today and on the 50th anniversary of Earth Day, we need change and we need it now – there’s no time to be timid.”

Nearly half of those polled said they have even dug recyclables out of trash cans to recycle them, with 48 percent saying they’ve actually stopped somebody from throwing something recyclable away.

Read the full *New York Post* article and more about The Recycling Partnership’s Survey here .

**Source URL:** <https://www.waste360.com/sustainability/survey-shows-nearly-half-americans-would-stop-supporting-companies-werent-sustainable>





## ALL COVID-19 NEWS RELATED TO THE INDUSTRY



### Commercial Sector Bears Covid's Brunt: Q&A with RoadRunner CEO Graham Rihn

Pete Fehrenbach | Jun 01, 2020

The pandemic-driven shutdown of a large chunk of the U.S economy has caused big shifts in waste volumes. Temporary closings of restaurants, hotels, schools, and office buildings and the workforce's transition to working from home have brought increases in residential waste and decreases in commercial waste. This shift has been a tough pill for companies focused on commercial waste and recycling to

swallow.

On the other hand, waste volumes in the health care and residential real estate sectors have significantly increased, making that pill go down a little easier.

The waste and recycling industry's role in the economy is essential, so these services will continue. But the fluctuations in waste patterns and the public health hazards posed by COVID-19 have industry stakeholders keeping a wary eye on ensuring the safety of their workers and customers.

*Waste360* recently spoke with **RoadRunner Recycling CEO Graham Rihn** about the impact this pandemic has had on the commercial waste sector; methods his company has used to manage volume fluctuations while keeping workers and customers safe during the crisis; and steps that will need to be taken as states and cities allow businesses to reopen.

***Waste360:*** At a high level, how has the COVID-19 crisis most deeply affected your business?

**Graham Rihn:** It was pretty much an overnight switch for us as a business. It took a couple weeks to get used to the new normal. But now we're certainly used to it, and we're starting to see signs of coming out of it. So yeah, I would say we got through it, but I wouldn't say it was easy.

***Waste360:*** The pandemic has obviously forced big shifts in people's lives, and that in turn has effected changes in the volumes and types of waste being generated. With many businesses temporarily shut down, and people sheltering in place and working from home, we've been

seeing more residential waste being generated, and less commercial waste. Your company, RoadRunner, is focused on commercial recycling. Have you seen decreased overall volumes?

**Graham Rihn:** We have, yes. We target 11 industries, four of which were hit pretty hard: hospitality, retail, schools and universities, and restaurants. Those four industries — and we're in 10 markets — were either totally shut down or operating at much lower volumes. So we did see a reduction. But we also work with a lot of multifamily, and health services. So at the same time we've seen an influx of waste generation in multifamily households, and health services has been churning through a lot of materials. So it has been a seesaw, but I would say that the low volumes have outweighed the uptick.

**Waste360:** What about supermarkets? How have the volumes been trending for you in that sector?

**Graham Rihn:** What we've seen is at the large end, the supermarkets are exploding. The very large chains, they're higher than they've ever been. But as you get down to the medium-sized supermarkets and small grocers, it's slightly less than it was pre-COVID.

**Waste360:** Among the other industry sectors you serve, are there any that have had increasing waste volumes, or at least volumes staying steady?

**Graham Rihn:** The only other one that has been steady, and this varies by region, is manufacturing. We're pretty heavy into manufacturing. That's our largest industry. They've sustained volumes pretty well. Especially in the Texas region. We're in three cities in Texas. We haven't seen quite the dip down there that we saw in other regions.

**Waste360:** How do you manage these fluctuations in volumes so that they'll have the least negative impact on your business overall?

**Graham Rihn:** The good thing that we did years back was we built technology to manage fluctuating volumes in real time. So we receive data daily on routes from customer locations just to get a feel for what their generation rates are at. And we're able to re-optimize the route if we can fit more volume on it. So that's a positive thing. It saves on trucking costs per ton. We travel less miles and get more material. So we've adjusted there. The other positive thing that's taken place was that as the contraction happened, the commodity rates for most of the materials have increased dramatically over the last 60 to 90 days. So although the drop in volume would have been a considerable hit to the business, the equal and opposite positive was that on a per unit basis, rates have gone up, in some cases 50% to 75%. So it hasn't been the major hit that we would've expected due to that. I think there's been such a drop in supply in the marketplace that for a lot of these sources, the people who need the material in the country domestically are paying much more for it.

**Waste360:** Which commodities have gone up the most?

**Graham Rihn:** We've seen cardboard rise. We've seen an unlocking of mixed paper, which had really been in a trough for two or three years. So that's come out, and there's some value there. So I would say the strongest is cardboard and clean paper. And then mixed paper went from nobody wanting it to being a sought-after material.

**Waste360:** What safety measures have you instituted to protect your workers, and how has that affected your business?

**Graham Rihn:** As a corporation, we went work-from-home

companywide in early March. And then as it relates to our haulers, we reached out to get a pulse for what type of PPE equipment they had. And for the haulers that we felt didn't have the correct PPE, we created care packages and sent each of them some masks, gloves, and gift cards, just to say, "We understand this is a crazy time and there's added risk, so we want to help you as you get through this time as well." So we've continued to prioritize safety. We're sourcing more masks as we speak, just to make sure that all of our hauler partners have protection. I do continue to see examples where, particularly on the residential side, some solid waste companies' workers still don't have PPE, which is a shame given the risk that these people, their frontline workers, are taking on. So we hope to continue to do more in that light when we see it and have an ability to do so in the future.

**Waste360:** Is there much cost involved with instituting these safety measures? I'm curious how it's affecting your business from that standpoint.

**Graham Rihn:** No, it's more a process than it is a dollar cost. It's not an easy thing to source right now. It's a little bit easier now than it was a month ago. But I wouldn't look at it as a constraint or bottleneck, to get the materials, or the dollars. It's more, what do we have to do to get these to the right people, get it for a cost that's reasonable, that type of thing.

**Waste360:** As we're seeing many states and cities starting to gradually allow businesses to reopen, one would expect that this process would gradually return waste volumes back to normal pre-COVID-19 proportions. Is that how you expect this to play out, and how do you plan to manage this reopening process?

**Graham Rihn:** This is something we've thought a lot about. Being in



10 markets spread throughout the country, one thing we realized was that they started shutting down in different time frames and at different paces, and we also expect that to happen — it's actually already started happening — on the reopening side. So I think it'll be a more drawn-out reopening. It won't be as quick as the reductions that took place with the service-level decreases. But Texas has already started opening up considerably, and we're starting to see some of our markets in the Northeast come back with calls regarding increases. So what we we're doing is we're using automated communications to get out ahead of the requests to say, "Here's what's going on in your neck of the woods. Have you considered restarting or increasing your service back to pre-COVID levels?" We're trying to make the customer experience of getting back up to speed not a worry, while they worry about a lot of other things.

**Waste360:** You mentioned Texas and the Northeast as areas where you're starting to see some noticeable activity and some increases. Are there any other areas where you're seeing that, or expect to be seeing that, soon? And conversely, are there certain geographic areas where you think it's going to be a slow, gradual, drawn-out process?

**Graham Rihn:** Pennsylvania and Ohio have cities that are starting to open up, and we're starting to see even the restaurant and retail businesses increase. I do expect the Philadelphia and Washington, D.C. metros to be a little bit further down the road. We're hearing that in parts of Maryland and in Washington, D.C., it could be well into August. And there's really no time frame yet put out there for many areas, so we expect those to lag in reopening a little bit. The same would be true with parts of Chicago.

**Waste360:** How do you expect the next few months of the reopening process to play out for the industry as a whole?



**Graham Rihn:** I think it's a good time for people to realize that the waste and recycling industry is absolutely an essential service. A lot of the industry went through quite a bit of risk to make sure that everybody is safe and healthy, and that their well-being is good. I think we could use this as a platform to say don't forget about this industry.

**Source URL:** <https://www.waste360.com/commercial/commercial-sector-bears-covids-brunt-qa-roadrunner-ceo-graham-rihn>



## Feds to fund scrap plastic liquefaction tech - Plastics Recycling Update

Jared Paben



*The government is looking to support liquefaction technologies to convert plastics Nos. 1-7 and other materials into high-energy-content liquid products. | KedarDome/Shutterstock*

The U.S. government is looking to provide up to \$4 million to advance development of technologies to convert recovered plastics into feedstock for fuels.

The Department of Energy's Advanced Research Projects Agency-Energy (ARPA-E) recently announced it will provide funding through its new exploratory research program called "Recycle Underutilized Solids to Energy" (REUSE). With a pot of about \$4 million available, ARPA-E expects to award four to eight grants to fund development of the technologies.

In an [interview posted online](#), Jack Lewnard, program director for the ARPA-E REUSE program, explained the government is looking to support liquefaction technologies to convert plastics Nos. 1-7, rubber and composites, as well as paper, into high-energy-content liquid products. Those products could be used as fuel blend stocks or as intermediates for further processing into fuels or chemicals.

A major goal is to prevent the loss of the embedded energy when materials recovery facilities (MRF), plastics reclaimers or other facilities send those low-value materials to landfills.

According to the funding opportunity announcement, the ARPA-E REUSE program seeks to support the deployment of multiple modular, low-cost regional facilities, each with a capacity of 100 to 500 tons per day. They must use a liquefaction chemistry process, which involves cracking carbon-carbon bonds with some combination of heat, chemical reactants and/or catalysts.

[The deadline to apply](#) is 9:30 a.m. Eastern time on June 1, 2020. Grants are expected to be announced in August.

### What DOE doesn't want to fund

In the interview, Lewnard emphasized the goal isn't to compete with existing recycling markets for PET and HDPE. It wants to address the low-, no- or negative-value mixed-plastic and mixed-paper bales.

The program is also not expecting technologies to convert scrap materials into highly refined gasoline or diesel fuels. That's because the capital and operating costs to convert heterogeneous mixed-scrap feedstock into fuels meeting tight specifications is too high, Lewnard said.

"It's more economical to produce intermediates, and ship these to large downstream facilities that already have the necessary separation and upgrading equipment," he said.

Additionally, the REUSE project isn't recommending applications be submitted for pyrolysis, solvolysis, and hydrothermal liquefaction technologies. That's because extensive research and Department of Energy resources have already been devoted in those areas.

"As a result, ARPA-E is not encouraging submissions for these processes, unless applicants can demonstrate a disruptive aspect of their technology, and/or a significant techno-economic breakthrough compared with the current state of the art," Lewnard said.

*To receive the latest news and analysis about plastics recycling technologies, [sign up now](#) for our free monthly Plastics Recycling Update: Technology Edition e-newsletter.*

### ***More stories about technology***

- [Assessments help plastic end users gauge recyclability](#)
- [PET recycling technologies get EU nod](#)
- [Here are the latest label offerings that help out PET recycling](#)



**BRIEF**

# **Recycling coalition asks Congress to pass EPR bill over plastics-backed RECOVER amid relief talks**

By E.A. Crunden

Published June 1, 2020

## **Dive Brief:**

- A coalition of more than 100 environmental groups, recyclers, public health advocates and others are adding their voices to a growing effort calling on Congress to prioritize recycling funding in any future pandemic relief legislation. Led by the U.S. Public Interest Research Group (PIRG), the coalition includes nonprofit recyclers Eureka Recycling from Minnesota, as well as Eco-Cycle from Colorado and the Ecology Center from California.
- A May 29 letter, shared with Waste Dive, emphasized the need to reduce plastic pollution and ensure steep financial losses associated with the pandemic don't accelerate a crisis for recyclers because "nobody wins when we lose local recycling programs." The group recommends Congress pass the Break Free From Plastic Pollution Act, which it states "would reduce waste and help local recyclers."
- A separate coalition of plastics groups and other recycling industry stakeholders previously asked Congress to pass a version of the infrastructure-focused RECOVER Act with \$1 billion in matching funds. The new PIRG-led effort opposes

RECOVER "as written," stating "such funds could be used to promote dangerous, unproven, and thrifless technologies that would encourage more single-use plastic production at taxpayers' expense."

### **Dive Insight:**

Stalled momentum around recycling and waste reduction legislation is seeing a revival as some groups seek to attach previously-introduced bills to larger aid packages. While the new letter does not directly call for the Break Free From Plastic Pollution Act to be included in a relief bill, it does serve to highlight some of the bigger divisions that already existed around several recycling bills before the pandemic ramped up in the United States.

Environmental groups have long been enthusiastic about the Break Free From Plastic Pollution Act, which focuses heavily on product stewardship regulations, plastic reduction and a national container deposit system. Those proponents now argue the pandemic's impacts on recycling have heightened the need for the bill's measures.

"Our communities' recycling programs need immediate support to sustain programs that protect our environment and supply recycled materials," the letter states, while arguing that RECOVER would not help address underlying supply chain issues.

The new push comes after a prior April 16 letter to Congress concerning RECOVER, backed by a coalition including the American Chemistry Council (ACC), the Association of Plastics Recyclers and the Plastics Industry Association that critics dismissed as a "bailout" for plastics companies. The Solid Waste Association of North America (SWANA) was also a signatory, along with The Recycling Partnership (TRP) and the Glass Packaging



Institute.

That coalition called for RECOVER's inclusion in a future infrastructure relief package, while doubling the bill's original dollar amount. Proponents of the measure told Waste Dive that cost increase accounts for research done by TRP, which found nearly \$10 billion would be needed to address and improve U.S. recycling infrastructure.

Alex Truelove, director of the Zero Waste Program for U.S. PIRG, told Waste Dive the new letter sent Friday "responds" to that RECOVER request and gives an idea "about how we would rather see industry and funding models moving forward" as pandemic recovery efforts continue.

In a press release, U.S. PIRG said the RECOVER Act "would invest up to \$1 billion in infrastructure over the next five years, including facilities that convert plastic to fossil fuels and produce harmful feedstocks." By contrast, the group stated the Break Free From Plastic Pollution Act would help recyclers while also seeking to shift away from plastics manufacturing, a process largely intertwined with fossil fuels.

ACC did not respond to a request for comment about the new letter prior to publishing time. Earlier this year, ACC said plastic makers are committed to ending plastic waste but that new product bans would hurt domestic growth. Keith Christman, ACC's managing director of plastics markets, echoed that sentiment to lawmakers in March.

Many in the waste industry have also been wary of the coalition-backed bill. The National Waste and Recycling Association declined to comment on the new letter to Waste Dive, but has previously opposed the Break Free From Plastic Pollution Act.

"We can achieve the same end of reducing plastic waste pollution

by encouraging more recycled content in the manufacturing of plastic products, improving products through better consumer product and product packaging designs, and by providing tax and other incentives to promote the development of new domestic markets and increased domestic recycling capacity,” said CEO Darrell Smith in a statement last year, which noted NWRA supports RECOVER.

Other efforts to help the industry recover from the pandemic are also advancing or seeing a major push by stakeholders. Last week, NWRA-backed legislation to increase spending flexibility within the CARES Act's Paycheck Protection Program (PPP) debuted in the House of Representatives. SWANA and others including NWRA are meanwhile pushing relief for local governments, from Congress as well as from the Federal Emergency Management Agency.

### Recommended Reading:

 WASTE DIVE

Recycling proponents split on \$1B RECOVER Act ask for future pandemic relief package [☑](#)

 WASTE DIVE

Tracking the future of US recycling policy in Congress [☑](#)



**Environmental Services Joint Powers' Authority  
Board of Directors' Meeting**

**Thursday, June 25, 2020**

**Technical Advisory Group**

**Breakout Session**

**COVID-19 Lunchtime Roundtable and Check-In**



## Rural County COVID-19 Solid Waste Survey

RCRC and the ESJPA have been involved in many legislative and regulatory discussions on all aspects of COVID-19 responses. We would appreciate knowing more about your local circumstances related to solid waste services so that we can better address rural concerns in these trying times. In anticipation of regulatory relief and possible financial relief in this declared disaster, we would request you to track your costs and changes in tonnages as disaster debris.

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Please review, complete and return this survey to us or contact us directly:

- Staci Heaton - [sheaton@rcrcnet.org](mailto:sheaton@rcrcnet.org), 916-201-8554
- Mary Pitto - [mmpitto@gmail.com](mailto:mmpitto@gmail.com), 209-674-8001
- Larry Sweetser - [sweetser@aol.com](mailto:sweetser@aol.com) (510) 703-0898

### Questions

1. Please describe how you have modified your operating procedures (employee safety, cleaning protocol, fee handling scale house/gate, public drop-off, waste handling)?  

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2. Have employees contracted symptoms, been laid off, or have you had to employ new hires?  

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3. Describe any requests or actions from solid waste and recycling service providers curtailing services (Solid waste and recycling haulers, landfill contractors, vendors taking recyclables), including if providers have enacted force majeure provisions.  

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4. Have you stopped or modified services and if so which ones (CRV centers, HHW, organic waste)? Have you modified your load checking program in terms of hands-on review of incoming waste loads? If so, describe.  

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5. Have businesses curtailed services (accepting reusable bags, owner reusable coffee mugs)?  

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6. Are you applying for solid waste permit waivers of terms and conditions and if so for what issues? If not still pending, has the request been granted or denied?  

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7. Are you seeing increases or decreases in tonnages and types of wastes/materials accepted at facilities or noticed an increase in illegal dumping?"  

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8. Are you tracking the economic impacts since March 19, 2020 issuance of the Governor's Executive order, and if so do you know the cost to-date or expected?

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9. Has CalRecycle staff contacted you to discuss the impacts of COVID-19 on your programs and if so, please elaborate?

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10. What can RCRC/ESJPA do to assist your jurisdiction's efforts?

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Thank you for assisting our efforts.