

# **Rural Counties**

Environmental Services Joint Powers Authority



# **Board of Directors Meeting**

Thursday June 12, 2025 9:00 A.M.

1215 K St., Suite 1650 Sacramento, CA 95814 916-447-4806



**Rural Counties** Environmental Services Joint Powers Authority



CHAIR – LORI PARLIN, EL DORADO COUNTY VICE CHAIR – RHONDA DUGGAN, MONO COUNTY EXECUTIVE DIRECTOR – PATRICK BLACKLOCK

TECHNICAL ADVISORY GROUP (TAG) TAG CHAIR – TEDD WARD, DEL NORTE COUNTY TAG VICE CHAIR – NARCISA UNTAL, SOLANO COUNTY DEPUTY EXECUTIVE DIRECTOR – STACI HEATON

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

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

# Thursday, June 12, 2025 9:00 a.m. – 3 p.m.

# Additional Teleconference Locations are Listed on the Last Page of this Agenda

(All Teleconference Locations are Accessible to the Public)

This meeting will also be livestreamed for public access. 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: <u>https://rcrcnet.zoom.us/s/85080856957</u>

Enter Password: 551858

2. Call-in and listen to the meeting: Dial (877) 853-5247 Enter meeting ID: 850 8085 6957 Passcode: 551858

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 <u>jlunn@rcrcnet.org</u> before or during the meeting. All emailed public comments will be forwarded to all ESJPA Board of Directors members.

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.

ALPINE, AMADOR, BUTTE, CALAVERAS, COLUSA, DEL NORTE, EL DORADO, GLENN, IMPERIAL, INYO, KINGS, LAKE, LASSEN, MADERA, MARIPOSA, MODOC, MONO, NEVADA, PLUMAS, SAN LUIS OBISPO, SHASTA, SIERRA, SISKIYOU, SOLANO, TEHAMA, TRINITY, TUOLUMNE

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

A. Overview of Meeting Procedures – Staci Heaton, ESJPA Deputy Executive Director.

# II. Business Matters

Discussion and possible action related to the following:

- A. Approval of Minutes from the Meeting of March 27, 2025 **(ACTION)** Supervisor Lori Parlin, ESJPA Chair. *(pgs. 2-7; 5 minutes)*
- B. Approval of the ESJPA 2024 Audited Financial Statements **(ACTION)** Milena De Melo, RCRC Finance Director (*pgs. 8-40; 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

- A. Community Green Waste Collection Events Deborah Reagan, Solid Waste Director, Tuolumne County (20 minutes)
- B. Report from CalRecycle Melissa Vargas, Local Assistance and Market Development Branch (10 minutes)

# V. Member County Concerns/Comments

VI. Legislative Update

# (Supplemental Packet, 25 minutes)

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

# VII. Extended Producer Responsibility (40 minutes)

- California Product Stewardship Council Update Joanne Brasch, Director of Advocacy and Outreach, CPSC
- Mattress Recycling Council Update Christine Messer, Northern California Program Coordinator
- PaintCare Update Eric Humphreys, California Regional Program Coordinator, PaintCare

# VIII. Solid Waste/Regulatory Update

Discussion and possible action related to the following:

- A. Federal Update Staci Heaton (5 minutes)
- B. CalRecycle (20 minutes)

- a. SB 54 Implementation John Kennedy, and Larry Sweetser, Sweetser and Associates (*pg. 42-54*)
- b. SB 1383 Implementation Larry Sweetser and Staci Heaton
- c. SB 1013 Dealer Co-Op Regulations John Kennedy and Larry Sweetser (*pgs.* 55-60)
- d. Illegal Dumping Larry Sweetser
- B. Department of Toxics Substances Control (10 minutes)
  - a. Hazardous Waste Management Plan
  - b. Program Updates Larry Sweetser (pgs. 61-66)
- C. California Air Resources Board
  - a. Advanced Clean Fleets Staci Heaton (*pgs. 67-75; 5 minutes*)
  - b. Landfill Toxic Hot Spots Update Larry Sweetser (10 minutes)
  - c. Landfill Methane Outreach Update Larry Sweetser (5 minutes)
- D. Grant Program and Contracts Update (10 minutes)
  - a. CalRecycle Rural Zero Waste Plan Larry Sweetser, Eric Will, RCRC Director of Local Assistance, and Jason Hansen, RCRC Economic Development Officer
  - b. ESJPA Ongoing and Potential Grants Larry Sweetser and Eric Will (*pgs.* 76-79)
  - c. SB 1383 Local Assistance Grants Larry Sweetser
- E. Highlights of April-May 2025 CalRecycle Monthly Meetings Larry Sweetser (*pgs.* 80-122; 5 minutes)
- F. Other Regulatory Announcements/Issues of Interest
  - Cal EPA CUPA Newsletters (pgs. 123-135)
- G. Agenda Suggestions, Member County Presentation Volunteer, Workshop Topics for Next ESJPA Board Meeting Scheduled August 2025

# IX. Articles of Interest

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X. Adjournment

# Lunch Break

# Technical Advisory Group Breakout Session 1 p.m.

# CalRecycle Rural Zero Waste Plan

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, please call (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items during the public comment period. To facilitate public comment, please let staff know if you would like to speak on an agenda item. The agenda for this meeting of the Board of Directors of Rural Counties Environmental Services Joint Powers Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, at least 72 hours prior to the meeting.

Any written materials related to an open session item on this agenda that are submitted less than 24 hours prior to the meeting, and that are not exempt from disclosure under the Public Records Act, will promptly be made available for public inspection at ESJPA's principal office, 1215 K Street, Suite 1650, Sacramento, CA 95814, (916) 447-4806, during normal business hours, and on the ESJPA website, https://www.esjpa.org.

Del Norte Solid Waste Management Authority Conference Room 1700 State Street Crescent City, CA 95531	Imperial County Department of Public Works 155 S. 11th Street El Centro, CA 92243
Mono County Civic Center Convict Lake Room 1290 Tavern Road Mammoth Lakes, CA 93546	Tehama County Solid Waste Management Agency Administrative Office 20000 Plymire Road Red Bluff, CA 96080
Trinity County Solid Waste Office Conference Room 173 Tom Bell Rd Weaverville CA 96093	

# Additional Teleconference Location(s)

# **Agenda Item II**

# **BUSINESS MATTERS**



**Rural Counties** Environmental Services Joint Powers Authority



CHAIR – LORI PARLIN, EL DORADO COUNTY VICE CHAIR – RHONDA DUGGAN, MONO COUNTY EXECUTIVE DIRECTOR – PATRICK BLACKLOCK

TECHNICAL ADVISORY GROUP (TAG) TAG CHAIR – TEDD WARD, DEL NORTE COUNTY TAG VICE CHAIR – NARCISA UNTAL, SOLANO COUNTY DEPUTY EXECUTIVE DIRECTOR – STACI HEATON

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

1215 K St., Suite 1650 Sacramento, CA 95814

Thursday, March 27, 2025

# **VOTING MEMBERS PRESENT**

Jeff Gardner Craig Cissell Tedd Ward Supervisor Lori Parlin Jose Castaneda Lars Ewing Jared Carter Supervisor Rhonda Duggan Narcisa Untal Supervisor Tom Walker Diane Rader Deborah Reagan

# **STAFF IN ATTENDANCE**

Staci Heaton, Deputy Executive Director Larry Sweetser, ESJPA Consultant John Kennedy, Senior Policy Advocate Eric Will, Director of Local Assistance Julie Lunn, Office Coordinator Amador County Butte County Del Norte County El Dorado County Imperial County Lake County Madera County Mono County Solano County Tehama County Trinity County Tuolumne County

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

## **GUEST SPEAKERS**

Mark de Bie, CalRecycle Alvin VoTran, CalRecycle Emily Wang, CalRecycle Melissa Vargas, CalRecycle Joanne Brasch, California Product Stewardship Council Heidi Sanborn, National Stewardship Action Council Christine Messer, Mattress Recycling Council Eric Humphreys, PaintCare

ALPINE, AMADOR, BUTTE, CALAVERAS, COLUSA, DEL NORTE, EL DORADO, GLENN, IMPERIAL, INYO, KINGS, LAKE, LASSEN, MADERA, MARIPOSA, MODOC, MONO, NEVADA, PLUMAS, SAN LUIS OBISPO, SHASTA, SIERRA, SISKIYOU, SOLANO, TEHAMA, TRINITY, TUOLUMNE

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

Supervisor Lori Parlin, ESJPA, called the meeting to order at 9:03 a.m. A quorum was determined at that time, and Staci Heaton, ESJPA Deputy Executive Director, gave an overview of meeting procedures in accordance with the Brown Act.

## **II. Business Matters**

A. The Board considered minutes from the December 12, 2024 meeting for approval. Motion/Second to approve the minutes by Amador County/Tuolumne County. Motion approved unanimously.

# III. Public Comment

None noted.

## **IV.** Presentations

A. CalRecycle Illegal Disposal Emergency Regulations

Mark de Bie and Alvin VoTran gave an overview of CalRecycle's emergency regulations to help with California's illegal disposal problem.

B. CalRecycle Used Oil Recycling Program Update

Emily Wang, CalRecycle, gave an overview of CalRecycle's used oil program and answered questions about what to do with contaminated oil.

C. Report from CalRecycle

Melissa Vargas, CalRecycle, gave an update on various items at CalRecycle, including:

SB 1383 webinars, including implementation in the multi-family sector from March 19. The recording is on CalRecycle's YouTube page

Grants opening up include Farm and Ranch Solid Waste Clean-Up and Abatement Program, April 2. Tire Amnesty applications due April 8. Local Conservation Corps due April 17. Beverage Container Recycling Loan program is continuous. GGRF has a continuous application date. Recycling Market Development Zone Loan program is continuous.

SB 54 Advisory Committee on March 14. Covered Electronic Waste Recovery Payment Rate workshop on April 8 at 10 a.m. @ CalEPA.

Next public meeting April 22 virtual only this month.

Ms. Vargas promised to get information in response to questions about the next waste characterization study timeline, as well as the status of SB 1383 compliance evaluations.

# V. Member County Concerns/Comments

Craig Cissell, Butte County, posed a question on how the group is addressing trash service in areas heavily populated by bears. Several members offered suggestions, but noted that certain bear containers may not meet SB 1383 requirements.

Lars Ewing, Lake County, asked if anyone was working on a beverage container pilot program with CalRecycle. Paul Freund, Tehama County, volunteered that they are working on one.

# VI. Legislative Update

John Kennedy, RCRC Senior Policy Advocate, discussed a number of bills included in the supplemental legislative packet, including AB 337, AB 411, AB 436, AB 1046, AB 473, AB 973, SB 14, AB 672, SB 615, AB 998, SB 501, AB 1325, and AB 1153.

Paul Freund, Tehama County, asked about AB 1046 and how it relates to food processing facilities which are very opinionated about compliance with SB 1383.

## VII. Extended Producer Responsibility

• California Product Stewardship Council Update – Joanne Brasch, Director of Advocacy and Outreach, CPSC

Ms. Brasch noted that Mr. Kennedy covered the main CPSC bills. AB 80 will make small changes to the carpet bill. AB 864, happy to share the first draft. Industry is neutral. Ms. Brasch also discussed the microfiber beads bill as well as AB 916, the Safer Soap Act.

• National Stewardship Action Council Update – Heidi Sanborn, Founding Executive Director, National Stewardship Action Council

Ms. Sanborn noted that she has been contacted by companies about the chemical recycling issues related to SB 54 and the textiles recycling bill.

They're questioning the relationship between the two. RCRC cosponsoring hazardous waste EPR bill, will be heavy lift.

• Mattress Recycling Council Update – Christine Messer, Northern California Program Coordinator

Ms. Messer noted that seasonal sites are going to be opening back up.

Deborah Reagan, Tuolumne County, offered that the program is working at transfer stations in her county.

• PaintCare Update – Eric Humphreys, California Regional Program Coordinator, PaintCare

Mr. Humphreys noted that they have picked up facilities in several RCRC/ESJPA counties and are continuing to expand pick-up sites. No PaintCare events this year, will pick them up next year.

# VIII. Solid Waste/Regulatory Update

Discussion and possible action related to the following:

- A. CalRecycle
  - a. SB 54 Implementation

Mr. Kennedy discussed the status of the regulations and some of the politics behind reopening the process.

b. SB 1383 Implementation

Mr. Sweetser discussed the status of compliance reviews.

c. SB 1013 Dealer Co-Op Regulations

Mr. Kennedy noted that these regulations will change how the beverage container program works.

Tedd Ward, Del Norte County, asked if ESJPA nominated a rural member for the SB 54 Advisory Committee. Ms. Heaton noted that Scott Scholz from Western Placer was ESJPA's nominee.

d. Illegal Dumping

Mr. Sweester noted that the Illegal Dumping Advisory Committee is currently working in subgroups on how to start a task force and how to collaborate internally.

e. Illegal Dumping Land Application Regulation

The discussion was deferred due to the earlier presentation and discussion.

- B. Department of Toxics Substances Control
  - a. Program Updates Larry Sweetser

Mr. Sweetser noted that DTSC has been very active, doing inspections, etc.

b. eVQ Questionnaire – Larry Sweetser

Mr. Sweetser Noted that the deadline is Monday, which is a state holiday.

- C. California Air Resources Board
  - a. Advanced Clean Fleets

Ms. Heaton discussed the status of CARB's Advanced Clean Fleets regulations and RCRC's sponsored bill, Senate Bill 496 (Hurtado). The bill would clarify and broaden exemptions for local government fleet vehicles.

- D. State Water Resources Control Board
  - a. Water Quality Fees

Mr. Sweetser noted that he is watching for fee increases for the next fiscal year.

- E. Grant Program and Contracts Update
  - a. CalRecycle Rural Zero Waste Plan Larry Sweetser, Eric Will, RCRC Director of Local Assistance, and Jason Hansen, RCRC Economic Development Officer

Mr. Sweetser noted that he would be doing a deeper dive during the TAG session in the afternoon. Mr. Will introduced Mr. Hansen and gave updates on the process. It was noted that we need to have conversations with Accenture, working through an NDA process so we can be privy to their data. Mr. Hansen noted that we are trying to paint a picture of what it means to be rural, and we have gathered local demographic and economic data to help flesh that out.

Craig Cissell, Butte County, noted that homeless waste wasn't considered in the latest CalRecycle zero waste conversation. Mr. Sweetser agreed that we have not weighed in but are taking notes on such deficiencies, another being disaster debris. Larry—haven't chimed in but have been taking notes. Another one is disasters. How to divert disaster debris.

Supervisor Parlin how many will be considered rural? Mr. Sweetser noted that it is 19 counties, but we will also be looking at "remote areas" because they have the same issues. We want to find a pathway to address it.

b. ESJPA Ongoing and Potential Grants – Larry Sweetser and Eric Will

Mr. Sweetser encouraged members to view the information in their packet. The tire grant is opening up, ESJPA will be submitting regional application.

c. SB 1383 Local Assistance Grants – Larry Sweetser

ESJPA will be reaching out, we realize that some counties have issues with their grant funds.

F. Highlights of December 2024-March 2025 CalRecycle Monthly Meetings – Larry Sweetser

The CalRecycle meetings have been light on content, and there have been issues with sharps/pharms program.

- G. Other Regulatory Announcements/Issues of Interest Mr. Sweetser noted that CARB's toxic hot spots for landfills program will require sampling for landfills, and there will be a pool of landfills to test. ESJPA is working on looking at a rural pool to help with cost share.
- H. Agenda Suggestions, Member County Presentation Volunteer, Workshop Topics for Next ESJPA Board Meeting Scheduled June 2025

Deborah Reagan, Tuolumne County, volunteered to present on the County's green waste diversion program.

# IX. Adjournment

The meeting was adjourned at 12:00 p.m.



**Rural Counties** Environmental Services Joint Powers Authority



To: ESJPA Board of Directors

**From:** Milena De Melo, RCRC Finance Director

Date: June 5, 2025

Re: Approval of the ESJPA 2024 Audited Financial Statements – ACTION

# Summary

Attached are the Rural Counties' Environmental Services Joint Power Authority (ESJPA) audited financial statements as of and for the year ended December 31, 2024, issued by Baker Tully US, LLP (formerly 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 during the audit and no audit adjustments were proposed or made to the original trial balance prepared by management.

The financial statements and communication letter to Those Charged with Governance provide information useful to Board of Directors members in exercising their fiduciary responsibility. These financial statements are presented to the ESJPA Board of Directors for review and approval.

# **Recommendation**

It is recommended that the ESJPA Board of Directors review and approve the 2024 audited financial statements and communication letter to Those Charged with Governance as presented.

# Attachments

- ESJPA 2024 Audited Financial Statements
- Communications to Those Charged with Governance

ALPINE, AMADOR, BUTTE, CALAVERAS, COLUSA, DEL NORTE, EL DORADO, GLENN, IMPERIAL, INYO, LAKE, LASSEN, MADERA, MARIPOSA, MODOC, MONO, NEVADA, PLUMAS, SHASTA, SIERRA, SISKIYOU, TEHAMA, TRINITY, TUOLUMNE

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Report of Independent Auditors and Financial Statements

Rural Counties' Environmental Services Joint Powers Authority

December 31, 2024

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# Management's Discussion and Analysis (unaudited)

# Rural Counties' Environmental Services Joint Powers Authority Management's Discussion and Analysis (unaudited) Year Ended December 31, 2024

This section presents management's discussion and analysis of Rural Counties' Environmental Services Joint Powers Authority's (the Authority) financial performance for the year ended December 31, 2024. Please read it in conjunction with the financial statements and notes thereto, which follow this section.

## FINANCIAL HIGHLIGHTS

The liabilities of the Authority exceeded its assets at December 31, 2024, by \$25,180 (net deficit). The Authority's total net deficit increased by \$7,653 (43.7%) from December 31, 2023 to December 31, 2024.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority's basic financial statements include the (1) statement of net deficit, (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 deficit 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 deficit and the balance sheet and the differences between the statement of revenues, expenditures, and changes in fund balance.

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 governmental 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.

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

# Rural Counties' Environmental Services Joint Powers Authority Management's Discussion and Analysis (unaudited) Year Ended December 31, 2024

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.

### Government-Wide Financial Reporting FINANCIAL ANALYSIS Condensed Statement of Net Deficit December 31, 2024 and 2023

**Condensed Statement of Net Position (Deficit)** 

	Governmental Activities			crease)		
		2024	2023		\$	%
Assets						
Cash and restricted cash	\$	59,927	\$ 35,049	\$	24,878	71.0%
Receivables		10,531	55,379		(44,848)	-81.0%
Total assets	\$	70,458	\$ 90,428	\$	(19,970)	-22.1%
Liabilities						
Payables	\$	5,498	\$ 11,245	\$	(5,747)	-51.1%
Unearned revenue and grant advances		90,140	96,710		(6,570)	-6.8%
Total liabilities		95,638	 107,955		(12,317)	-11.4%
Net deficit						
Net deficit, unrestricted	\$	(25,180)	\$ (17,527)	\$	(7,653)	43.7%

The condensed statement of net deficit reflects a snapshot of the Authority's financial position at a given moment in time. As of December 31, 2024, the Authority's net deficit was \$25,180, an increase of \$7,653 (43.7%) from December 31, 2023. At December 31, 2024, total assets were \$70,458, a decrease of \$19,970 (22.1%) from December 31, 2023, primarily due to an increase in cash and restricted cash, offset by a decrease in receivables, specifically receivables from grant activities. At December 31, 2024, total iabilities were \$95,638, a decrease of \$12,317 (11.4%) from December 31, 2023. Decreases in both total assets an total liabilities are due to timing differences related in collections and payments from grant activities and membership dues.

#### Condensed Statement of Activities Years Ended December 31, 2024 and 2023

#### **Condensed Statement of Activities**

	Governmental Activities		Increase (Deci	rease)	
		2024	 2023	 \$	%
Program expenses				 	
Solid waste programs	\$	102,770	\$ 93,294	\$ 9,476	10.2%
Administration		408,036	413,748	(5,712)	-1.4%
Total program expenses		510,806	507,042	 3,764	0.7%
Program and general revenues					
Operating grants and contracts		102,770	93,294	9,476	10.2%
Contribution from affiliated entity		254,583	175,002	79,581	45.5%
Membership dues and other		145,800	145,800	-	0.0%
Total program and general revenues		503,153	 414,096	 89,057	21.5%
Change in net position		(7,653)	(92,946)	85,293	-91.8%
Net deficit, beginning of year		(17,527)	75,419	(92,946)	-123.2%
Net deficit, end of year	\$	(25,180)	\$ (17,527)	\$ (7,653)	43.7%

The condensed statement of activities reflects the activity that occurred during the period covered. For the year ended December 31, 2024, solid waste program revenues increased by \$9,476 (10.2%) due to increased grant activity. As grant revenue provides for the reimbursement of grant expenses for solid waste programs, expenses increased accordingly by \$9,476 (10.2%). Administrative expenses decreased by \$5,712 (1.4%), primarily due to a decrease in technical support services paid to an affiliated entity, offset by increased computer maintenance and support. Contributions from the affiliated entity increased by \$79,581 (45.5%), as ESJPA received a contribution from Rural County Representatives of California (RCRC), an affiliated entity, to assist ESJPA as it evaluates the implementation of a longer-term business plan. Membership dues remained steady year over year.

#### FUND LEVEL FINANCIAL REPORTING

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

### **BUDGETARY COMPARISON**

Comparison of Budget and Actual Revenues, Expenses, and Change in Net Deficit Year Ended December 31, 2024

#### Comparison of Budget and Actual Revenues, Expenses, and Change in Net Position

			Actual Over (Under) Budget			
	Budget	 Actual	 \$	%		
Program expenses						
Solid waste programs	\$ 130,000	\$ 102,770	\$ (27,230)	-20.9%		
Administration	412,125	408,036	(4,089)	-1.0%		
Total expenses	542,125	 510,806	 (31,319)	-5.8%		
Program and general revenues						
Operating grants and contracts	130,000	102,770	(27,230)	-20.9%		
Contribution from affiliated entity	165,000	254,583	89,583	54.3%		
Membership dues and other	148,800	145,800	(3,000)	-2.0%		
Total revenues	 443,800	 503,153	 59,353	13.4%		
Change in net (deficit) position	\$ (98,325)	\$ (7,653)	\$ 90,672	92.2%		

For the year ended December 31, 2024, the Authority's change in net deficit was favorable by \$90,672 (92.2%) compared to the budget primarily due to lower than budgeted administration expenses and higher contribution from affiliated entity. Administration expenses were lower than the budget by \$4,089 (1.0%) with the savings realized for various administrative expenses including conferences, miscellaneous expenses, and staff travel and reimbursement. The amount of actual grant expenses and revenues were \$27,230 (20.9%) less than the budget due to a lower level of grant activity than originally anticipated. Contributions from the affiliated entity were greater than the budget by \$89,583 (54.3%) as ESJPA received a contribution from RCRC to assist ESJPA in evaluating the implementation of a longer-term business plan. Membership dues were slightly lower than the budget by \$3,000 (2.0%) as one member county terminated its agreement with the Authority effective June 30, 2024.

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.

## FUTURE ECONOMIC OUTLOOK

The Authority anticipates continued participation in the California Department of Resources Recycling and Recovery's (Cal Recycle) Used Oil Program through 2025. In addition, the Authority will participate in the U.S. Department of Agriculture Rural Utilities Service Grant. The 2025 budget takes into consideration expansion of initiatives as defined in the 2023-2025 ESJPA business plan and approved by the Board of Directors and it includes another contribution from RCRC to support these new initiatives.

# Rural Counties' Environmental Services Joint Powers Authority Management's Discussion and Analysis (unaudited) Year Ended December 31, 2024

### **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 Audit of the Financial Statements**

#### Opinion

We have audited the accompanying financial statements of the governmental activities and major fund of Rural Counties' Environmental Services Joint Powers Authority (the Authority), which comprise the statement of net deficit as of December 31, 2024, the related statement of activities, balance sheet, statement of revenues, expenditures, and changes in fund balance, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Rural Counties' Environmental Services Joint Powers Authority (the Authority) as of December 31, 2024, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to
  fraud or error, and design and perform audit procedures responsive to those risks. Such procedures
  include examining, on a test basis, evidence regarding the amounts and disclosures in the financial
  statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 and the general fund – budgetary comparison schedule on page 20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of revenues, expenditures, and changes in fund balance by grant is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 changes in fund balance by grant is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025, on our consideration of the Rural Counties' Environmental Services Joint Powers 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 solely 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 the effectiveness of Rural Counties' Environmental Services Joint Powers Authority's 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 Rural Counties' Environmental Services Joint Powers Authority's internal control over financial reporting to environmental services and integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rural Counties' Environmental Services Joint Powers Authority's internal control over financial reporting to the Rural Counties' Environmental Services Joint Powers Authority's internal control over financial reports Authority's interna

Baker Tilly US, LLP

Sacramento, California June 5, 2025

**Basic Financial Statements** 

# Rural Counties' Environmental Services Joint Powers Authority Statement of Net Deficit December 31, 2024

	ASSETS	Governmental Activities	
Assets Cash and restricted cash Grants receivable		\$	59,927 10,531
Total assets		\$	70,458
	LIABILITIES		
Liabilities Accounts payable Accounts payable to affiliated entities Unearned revenue Grant advances		\$	432 5,066 71,400 18,740
Total liabilities		\$	95,638
	NET DEFICIT		
Net deficit, unrestricted		\$	(25,180)

# Rural Counties' Environmental Services Joint Powers Authority Statement of Activities Year Ended December 31, 2024

	Governmental Activities	
PROGRAM EXPENSES		
Solid waste programs Administration	\$	102,770 408,036
Total program expenses		510,806
PROGRAM AND GENERAL REVENUES		
Operating grants and contracts Contribution from affiliated entity Membership dues		102,770 254,583 145,800
Total program and general revenues		503,153
Change in net position		(7,653)
Net deficit, beginning of year		(17,527)
Net deficit, end of year	\$	(25,180)

# Rural Counties' Environmental Services Joint Powers Authority Balance Sheet – General Fund December 31, 2024

#### ASSETS

Current assets Cash and restricted cash Grants receivable	\$ 59,927 10,531
Total assets	\$ 70,458
LIABILITIES AND FUND BALANCE	
Current liabilities Accounts payable Accounts payable to affiliated entities Unearned revenue Grant advances	\$ 432 5,066 71,400 18,740
Total liabilities	 95,638
Fund balance, unassigned	 (25,180)
Total liabilities and fund balance	\$ 70,458

See accompanying notes.

# Rural Counties' Environmental Services Joint Powers Authority Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund Year Ended December 31, 2024

Revenues Intergovernmental grants and contracts Contribution from affiliated entity Membership dues	\$ 102,770 254,583 145,800
Total revenues	 503,153
Expenditures Solid waste grants on behalf of member counties Technical support services Other	 102,770 380,000 28,036
Total expenditures	 510,806
Excess of expenditures over revenues	(7,653)
Fund balance, beginning of year	 (17,527)
Fund balance, end of year	\$ (25,180)

See accompanying notes.

## 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-six 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 deficit 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 and general 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. General revenues include donated services from RCRC for the value of contract support services fee it would have otherwise paid in the amount of \$254,583.

**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 is 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.

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 ninety days 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, 2024, cash balances of \$18,740 was restricted.

**Grants and accounts receivable** – As of December 31, 2024, receivables are comprised of funds due from granting agencies and member counties. ESJPA does not maintain an allowance against grants receivable as the funds are reimbursable based on the grant agreement.

**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, 2025.

**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 in 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, 2024.
- 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, 2024.

- Committed fund balance Amounts that can only be used for specific purposes, as determined by formal action of the government's highest level of decision-making authority (the Board of Directors), and 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, 2024.
- 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, 2024.
- 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, 2024.

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 (deficit) position** – Net (deficit) position is classified into the following categories:

- Net investment 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, 2024.
- *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, 2024.
- *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, 2024.
- Unrestricted All other categories of net (deficit) position; in addition, unrestricted net position may be designated for use by management or the Board of Directors.

**Contribution from affiliated entity** – For the year ended December 31, 2024, ESJPA received a contribution from RCRC for the value of contract support services fee it would have otherwise paid in the amount of \$254,583.

**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.

## 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. Cash consists of deposits with financial institutions. As of December 31, 2024, the Authority's deposits stated at \$59,927, 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, 2024, the Authority entered into a support service agreement with RCRC, an affiliated entity, for an annual fee of \$380,000 plus direct billable hours, to perform non-grant-related services. The fee is included in administration expenses on the statement of activities and technical support services on the statement of revenues, expenditures, and changes in fund balance – general fund. As of December 31, 2024, there was \$5,066 payable 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 – Risk Management and Uncertainties

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 pro rata portion of the insurance premium. There have been no settlement amounts that have exceeded commercial insurance coverage for the last three years.

# Note 5 – Commitments and 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.

# **Required Supplementary Information**

#### Rural Counties' Environmental Services Joint Powers Authority General Fund – Budgetary Comparison Schedule (unaudited) Year Ended December 31, 2024

			Actual Ove (Under) Bud	
	 Budget	 Actual	 \$	%
Revenues	 <u> </u>		 	
Intergovernmental grants and contracts	\$ 130,000	\$ 102,770	\$ (27,230)	-20.9%
Contribution from affiliated entity	165,000	254,583	89,583	54.3%
Membership dues	 148,800	 145,800	 (3,000)	-2.0%
Total revenues	 443,800	 503,153	 59,353	13.4%
Expenditures Solid waste grants on behalf of member counties Technical support services Other Total expenditures	 130,000 380,000 <u>32,125</u> 542,125	 102,770 380,000 28,036 510,806	 (27,230) - (4,089) (31,319)	-20.9% 0.0% -12.7% -5.8%
Excess of expenditures over revenues	(98,325)	(7,653)	90,672	-92.2%
Fund balance, beginning of year	 (26,441)	 (17,527)	 8,914	-33.7%
Fund balance, end of year	\$ (124,766)	\$ (25,180)	\$ 99,586	-79.8%

**Supplementary Information** 

#### Rural Counties' Environmental Services Joint Powers Authority Schedule of Revenues, Expenditures, and Changes in Fund Balance by Grant Year Ended December 31, 2024

	TCA6 egional	TCA7 egional	-	OPP23 egional	-	OPP24 egional	 TOTAL
Revenues							
Grants	\$ 33,647	\$ 25,553	\$	22,310	\$	21,260	\$ 102,770
Total revenues	33,647	 25,553		22,310		21,260	 102,770
Expenditures							
Grants on behalf of							
member counties							
Mobile/other collection	32,289	24,521		15,550		158	72,518
Consultants	1,230	570		2,796		11,184	15,780
Other costs							
Permanent facilities	-	-		2,370		4,951	7,321
Publicity and education	128	462		1,594		4,967	7,151
Total expenditures	 33,647	 25,553		22,310		21,260	102,770
Excess of revenues	-	-		-		-	-
Fund balance, beginning of year	 	 -				-	 -
Fund balance, end of year	\$ -	\$ -	\$	-	\$	-	\$ -



#### 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*

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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated June 5, 2025.

#### **Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 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 or significant deficiencies may exist that were not identified.

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#### **Report on 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 financial statements. 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.

Baker Tilly US, LLP

Sacramento, California June 5, 2025

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Communication with Those Charged with Governance

Rural Counties' Environmental Services Joint Powers Authority

December 31, 2024



#### **Communication 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, 2024, and have issued our report thereon dated June 5, 2025. 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 December 12, 2024, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. As part of an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

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.

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#### 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. On January 1, 2024, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections* and GASB Statement No. 101, *Compensated Absences*. There was no impact on the Authority's financial statements for the year ended December 31, 2024. No other new accounting policies were adopted, and there were no changes in the application of existing policies during 2024. 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 transaction 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. The most sensitive disclosure affecting the financial statements was the disclosure of the reporting entity and its operations, basis of accounting, and summary of significant accounting policies as described in Note 1.

#### Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the Authority's financial statements.

#### Significant Difficulties Encountered in Performing the Audit

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the Authority's financial statements.

#### 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. No such disagreements arose during the course of our audit.

#### Circumstances that Affect the Form and Content of the Auditor's Report

There may be circumstances in which we would consider it necessary to include additional information in the auditor's report in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. There were no circumstances that affected the form and content of the auditor's report.

#### **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. There were no corrected or uncorrected misstatements identified as a result of our audit procedures as of and for the year ended December 31, 2024.

#### **Management Representations**

We have requested certain representations from management that are included in the attached management representation letter dated June 5, 2025.

#### 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 are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

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

Baker Tilly US, LLP

.Sacramento, California June 5, 2025

## **Agenda Item VIII**

# SOLID WASTE/ REGULATORY UPDATES

#### SB 54 Plastic Pollution Prevention and Packaging Producer Responsibility Act Informal Rulemaking Workshop Agenda

Dates: May 27, 2025

Time: 10:00 a.m. – 4:00 p.m.

#### Locations:

<u>In-Person</u>: Cal/EPA Headquarters Building, 1001 I St, Byron Sher Auditorium-2nd floor. Sacramento, CA 95814

Public Webcast: Public Meeting Live Webcast

Zoom: Link to Zoom Meeting Registration

#### **Public Comments:**

- In-Person
- <u>Zoom Link</u> (for public comments)

#### Agenda:

- Part I. Overview of Rulemaking Process
- Part II. Discussion of Substantive Proposed Changes to Regulations Compared to the Final Draft Regulations from the First Rulemaking
- Part III. Updates to the Fiscal and Economic Analyses

Contact: For more information, contact packaging@calrecycle.ca.gov.

#### Meeting Information:

Additional information for this meeting, including written materials will be posted on the Public Meeting Notice.

The public may observe the meeting via live webcast online by accessing the meeting link at <u>Public Meeting Live Webcasts</u>. Members of the public who wish to comment during the meeting may do so in-person at the meeting location or through Zoom.

Simultaneous Spanish interpretation will be available in-person at the workshop and remotely via Zoom or webcast. For in-person interpretation services, headsets will be available and can be provided by CalRecycle staff prior to or during the workshop. If you need interpretation services in a language other than Spanish, please notify CalRecycle at <u>regulations@calrecycle.ca.gov</u> by May 20, 2025, and we will do our best to accommodate your request.

Persons who, due to a disability, need assistance to participate in this meeting should, prior to the meeting, contact <u>regulations@calrecycle.ca.gov</u>. TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodation for persons with disabilities.



June 3, 2025

Zoe Heller Director, Department of Resources Recycling and Recovery 1001 I Street Sacramento, CA 95814

#### RE: SB 54 Informal Rulemaking Workshop Comments

Dear Director Heller:

On behalf of the Rural County Representatives of California (RCRC), we are pleased to provide comments on the proposed SB 54 regulation text.

RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties. RCRC represents all 19 California counties that qualify as "rural counties" under Public Resources Code (PRC) Section 42649.8(h). RCRC was extensively engaged in the SB 54 development process and strongly advocated for its passage.

RCRC appreciates the opportunity to provide comments on the proposed SB 54 regulation text in this informal comment period. RCRC welcomes several of the changes included in the latest draft regulation. At the same time, we remain deeply concerned with other aspects of the proposal. We also believe several revisions are necessary to avoid unintended consequences and align the regulations with the <u>SB 54 Informal Rulemaking Workshop discussion document</u>. We will address the issues in the order presented in the proposed regulation text rather than in order of priority to RCRC.

#### <u>Definition of "ratepayer" is too narrow and fails to encompass residents in many</u> jurisdictions.

The draft regulations continue to define "ratepayer" as "a person that pays user fees for recycling, composting, or solid waste collection and handling services provided by a local jurisdiction and/or their designated recycling service provider."

The regulations provide no definition of what constitutes a "user fee"; however, this was narrowed from a broader universe of excise fees parcel taxes, property taxes, and solid waste facility gate fees and tipping fees referenced in the first draft of the proposed SB 54 regulations. As such, we are concerned that the definition fails to contemplate the

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number of different mechanisms through which local solid and organic waste collection and recycling services are funded.

We are concerned that the current definition of "ratepayer" is prejudicial to residents living in areas without curbside solid waste collection services and to those who reside in jurisdiction like Kern, Calaveras, and Sierra Counties. In those counties, solid waste collection is funded by annual charges placed on the local property tax bill. Kern County calls these "solid waste collection charges", Calaveras County calls them solid waste parcel fees, and Sierra County calls them a solid waste parcel charge. Given the regulatory history, it is not clear whether these annual property tax assessments would fall under the definition of "user fees."

Furthermore, some residents do not have curbside collection of trash and recyclables. In those areas, solid waste and recyclables are taken by the individual to solid waste or transfer facilities where the costs of solid waste management and recycling are recovered through gate fees or tipping fees. By deleting "gate fees and tipping fees" from the first definition contained in the original draft regulation, it is not clear whether the new definition would consider residents living in these areas "ratepayers."

<u>To address these issues, we strongly suggest clarifying that the definition of</u> <u>"ratepayer" includes these scenarios</u>

#### <u>Regulations should include an opportunity for stakeholders to provide feedback</u> when a producer recommends changes to the covered material category list.

Proposed Section 18980.2.6 establishes a pathway through which a PRO, participant producer, or Independent Producer may recommend changes to the current Covered Material Category (CMC) list. As part of that process, the entity making the request must discuss financial implications and impact of the recommended changes on responsible end markets and intermediate supply chain entities.

If changes to the CMC list result in certain covered materials no longer being covered, this may result in stranding investments that recycling service providers and local jurisdictions made in anticipation of producer responsibility organization (PRO) reimbursement. Similarly, a PRO or independent producer may significantly underestimate the potential financial impacts of adding a new material to the CMC list so they can sell it in the state. Given the potentially significant impact that changes to the CMC list may have on the industry and local governments, it is imperative that those entities be given an opportunity to provide feedback on the change and be able to comment on the accuracy of the supporting information.

To address this concern, RCRC suggests adding a new subdivision (e) to proposed Section 18980.2.6 as follows:

18980.2.6 (e) The department shall provide an opportunity for public engagement and allow public comment and submission of relevant information and evidence.

#### including, but not limited to, responding to the estimated financial implications and impacts of those changes on local jurisdictions and recycling service providers.

#### <u>Restrictions on disposal of covered material preclude the use of compost for its</u> <u>intended purpose as compost.</u>

RCRC remains concerned that the draft regulations may preclude the use of compost for its intended purpose as a soil amendment.

As drafted, Proposed Section 18980.3.5(d) deems the land application of covered materials to constitute disposal. Section 18980.1(a)(5) in turn defines "covered material" to include "materials that originated from covered material items." Compost is a recycled organic product produced from organic waste and compostable materials. The finished product is intended to be land applied to improve soil health, water retention, and carbon sequestration.

Since compost originates from compostable materials (which are considered covered materials), one could read the passage to consider land application of compost to be disposal. California has spent a great deal of time and effort to promote and mandate the procurement of compost; however, we fear the draft regulations would undermine all those efforts by deeming land application of compost to constitute disposal.

To address this issue, we suggest modifying Section 18980.3.5 as follows: 18980.3.5 (e) Nothing in this section shall preclude the land application of finished compost or the beneficial use of overs from compost operations consistent with existing law.

#### <u>Changes chain of custody greatly ease administration and reduce implementation</u> <u>costs.</u>

RCRC appreciates that the effective scope of "intermediate supply chain entity" has been aligned with the definition contained in Section 18980.1(a)(11). In particular, RCRC is pleased that Section 18980.4 has been modified to eliminate the requirement that responsible end markets maintain chain of custody information from the person who collected the covered material to the end market. As revised, the chain of custody requirement must encompass all intermediate supply chain entities, which are those facilities that receive materials after they have been collected. This simple change will greatly reduce administrative complexity and accounting challenges for local jurisdictions, recycling service providers, and responsible end markets.

#### <u>Regulations improperly restrict the scope of local costs eligible for reimbursement</u> <u>and create a reimbursable state mandate.</u>

While the draft regulations attempt to provide clarity as to what types of local government and recycling service provider costs are reimbursable by the PRO, RCRC is concerned that it appears to improperly restrict the scope of local costs eligible for reimbursement beyond what is provided under SB 54. SB 54 is clear in that the Legislature intended to "ensure that local jurisdictions will be made financially whole for

any new costs incurred associated with the implementation of this chapter and its implementing regulations.<sup>°1</sup> Furthermore, SB 54 intended for this new framework to "shift the burden of costs to collect, process, and recycle materials from the local jurisdictions to the producers of plastic products.<sup>°2</sup>

SB 54 is quite expansive in terms of the types of local costs that are reimbursable by the PRO or independent producer. RCRC objects to language in proposed Section 18980.8(g)(2) that limits the scope of "covered costs" by the PRO or independent producer. That section includes an exhaustive list of covered costs, so the PRO could decline to reimburse any costs that it argues are outside of the scope of those three categories, potentially including legitimate claims for educational expenses or covered material collection and recycling activities.

A PRO or independent producer could reject claims to pay for local educational campaigns under the argument that educational campaigns would ordinarily exist anyway even in the absence of SB 54. Even if a local agency's educational materials are focused on SB 54 implementation, the PRO may be able to argue that the publication was similar in nature to others that had previously been published by the agency and so is no different in nature than ordinarily expected costs. This is clearly contrary to SB 54's intent that the PRO cover local implementation costs, including education.

The effort to narrow the costs of reimbursable expenses to exclude costs that are of the same nature as those that would ordinarily exist fails to recognize that SB 54 itself removed local discretion and converted all those voluntary collection efforts into mandates.

Even more concerning, a PRO or independent producer could try to avoid costs for collecting and getting covered materials to market simply because the local jurisdiction previously <u>voluntarily</u> collected those materials before SB 54 was signed into law. This ignores the fact that while a local agency previously had the ability to include or exclude any materials from its collection program, SB 54 removes any local discretion and <u>compels</u> the entity to include in its program all covered materials CalRecycle determines are recyclable or compostable. Any bale of covered materials collected under SB 54 is a <u>NEW, required</u> cost and is in furtherance of helping producers achieve SB 54's mandates, so any expenses incurred in collecting, processing, or transporting those materials are eligible for reimbursement under SB 54.

Because of its narrow construction, the draft regulations create a reimbursable state mandate because SB 54 and CalRecycle require local governments to provide a higher level of service and the proposed regulations preclude recovery of those costs from the PRO and independent producers. To the extent that a PRO or independent producer rejects local reimbursement claims, it is reasonable to assume local

<sup>&</sup>lt;sup>1</sup> Public Resources Code Section 42040(b)(2)

<sup>&</sup>lt;sup>2</sup> Id.

governments will seek to recover those SB 54 implementation costs through the Commission on State Mandates, thereby significantly increasing state costs.

#### <u>Performance-based funding model has merit, but must be optional for local</u> jurisdictions and recycling service providers.

SB 54 requires the PRO to pay for SB 54 costs incurred by a local jurisdiction or recycling service provider. The proposed regulations allow the PRO to establish a performance-based approach to pay local jurisdictions and recycling service providers for covered costs.

RCRC supports efforts to provide flexibility in how the PRO pays covered costs; however, it is imperative that local jurisdictions and recycling service providers be given the option as to whether they will be compensated based on actual implementation costs or through a performance-based approach. SB 54 recognizes that implementation costs may vary jurisdiction by jurisdiction, with some experiencing higher costs related to transportation, distance to market, etc. While a "performance-based" payment program may simplify administration and accounting, it may not fully reimburse a jurisdiction for costs incurred. As such, it is vital that the local government or recycling service provider be given the option as to whether it will be reimbursed for actual costs incurred or will accept the "performance-based" funding model.

To address this concern, we suggest amending Section 18980.8(g)(6) as follows: 18980.8(g)(6) In addition to allowing identification of covered costs based on claims for certain amounts, the process may establish a performance-based approach (e.g., based on tons of covered material) for identifying covered costs. <u>Local jurisdictions and recycling service providers shall decide whether they wish to receive payments through either the claims-based or performance-based process, or both.</u>

## <u>Dispute resolution process must be revised to protect local governments and preserve existing rights to pursue civil litigation.</u>

Local governments and ratepayers have long shouldered all the costs of managing and recycling waste, which is why SB 54's transformative approach is so appealing. Last year, RCRC and other stakeholders raised two important and interrelated questions – how will the reimbursement process work and how will disputes regarding reimbursement be resolved? Since that time, we and other stakeholders have engaged in informal discussions with the Circular Action Alliance about those topics. Those questions largely remain unanswered as the PRO works to figure out how to structure the program.

We recognize that CalRecycle has made may improvements to the dispute resolution framework, but important gaps remain that must be addressed. The proposed dispute resolution framework provides a pathway for the local jurisdiction or recycling service provider to request mediation, which would proceed to binding arbitration to resolve any remaining differences. Unfortunately, the regulation is silent on whether CalRecycle intends for this process to replace the parties' existing recourse to civil litigation. At a minimum, CalRecycle must make clear that the dispute resolution process

outlined in the regulations does not interfere with the parties' right to enforce through civil litigation the PRO's obligations to determine and pay costs incurred.

Mediation and arbitration should not be the sole remedies available and must not infringe upon existing rights to civil litigation to enforce the PRO's obligation to determine and reimburse local jurisdictions and recycling service providers. Local jurisdictions and recycling service providers must retain the ability to resolve disputes with the PRO through civil litigation, including any disputes that may remain after mediation.

Additionally, RCRC strongly opposes any requirement for local jurisdictions to be compelled to use <u>binding</u> arbitration to resolve disputes with the PRO. While we believe mediation can be a useful dispute resolution tool, binding arbitration must not be compelled to resolve any remaining differences. Arbitration is often criticized as being expensive, unwieldly, and prejudicial to less-resourced parties. Compelled arbitration is often exploited by large businesses to chill litigation from aggrieved parties who lack the resources or technical expertise to engage in that process. Simply speaking, the costs and complexity of binding arbitration will strongly disincentivize local jurisdictions and recycling service providers from seeking to resolve legitimate disputes with the PRO. We are also concerned that binding arbitration is not reviewable in civil courts.

To ensure these rights are protected, we suggest the following changes to Section 18980.8(h):

18980.8(h)(4) <u>The obligations of a PRO or independent producer to determine and</u> <u>pay the costs incurred by local jurisdictions, recycling service providers, alternative</u> <u>collection systems, and others under Section 42051.1 are enforceable in a civil</u> <u>action between the affected entity and the PRO or independent producer. As an</u> <u>alternative to civil litigation, the dispute resolution</u> <u>The</u> process must provide the option for the local jurisdiction or recycling service provider to require the dispute to be submitted to mediation and, if no agreement is reached through mediation, binding <u>or</u> <u>non-binding</u> arbitration. The PRO or Independent Producer plan shall include the express terms of an agreement that, upon the local jurisdiction or recycling service provider's exercise of its option, will govern mediations and arbitrations. The agreement's express terms must comply with the following restrictions:

(D) **For binding arbitration, the** The decision of the arbitrator or arbitration panel shall be binding.

...

. . .

(7) Nothing in this subdivision shall be construed to limit the ability of a local jurisdiction or recycling service provider to enforce the obligations of a PRO or independent producer under Section 42051.1 through a civil action in a court of competent jurisdiction, or to otherwise seek judicial review of any determination made by a PRO or independent producer, unless the local jurisdiction or recycling service provider to submit the dispute to binding arbitration.

#### <u>Annual reports should contain more information on program costs, local</u> <u>reimbursement, and dispute resolution.</u>

RCRC remains concerned that the regulations lack the processes and mechanisms through which CalRecycle will ensure that the PRO will fully fund implementation and cover the costs incurred by local jurisdictions and recycling service providers in implementing SB 54. These are core components of SB 54, as PRC 42040(b)(2)(B) notes that one of the Legislature's primary intents was to "ensure that local jurisdictions will be made financially whole for any new costs incurred associated with the implementation of this chapter and its implementing regulations."

At a minimum, the annual report and budget must include detailed information on the total costs of covered costs paid to local jurisdictions, recycling service providers, alternative collection systems, take-back, and drop off programs. The annual report should also include information on the number and magnitude of covered cost-related disputes and how they were resolved.

To address this issue, we suggest adding language to Section 18980.9.1 as follows:

18980.9.1(d)(1)(A) In the second phase of the annual report, as described in subdivision (c) of section 18980.6.5, fee schedule amendments pursuant to subdivision (e) of section 42053 of the Public Resources Code as a result of adjustments, including calculations for malus fees or credits.

(B) Information on the total amount paid to local jurisdictions, recycling service providers, alternative collection systems, take-back, and drop off programs for covered costs and on the number, magnitude, and resolution of disputes with local jurisdictions and recycling service providers related to covered costs.

#### <u>RCRC appreciates the clarification that locals are exempt from collecting products</u> for which there is no responsible end market, but the exemption should be automatic and not require review by CalRecycle.

RCRC appreciates additions to Section 18980.11 that state "the absence of responsible end markets shall be deemed a local condition, circumstance, or challenge rendering inclusion of the covered material in the program impracticable for purposes of subdivision (b) of section 42060.5 of the Public Resources Code and paragraph (4) of subdivision (c) of section 18980.11.1 of this chapter."

Local governments have long been concerned about having to collect and transport covered materials for which there is no responsible end market. These additions clarify that local governments and recycling service providers can obtain an exemption from SB 54's collection requirements for those materials for which there is no responsible end market.

While RCRC strongly supports inclusion of this language, we are concerned that each jurisdiction may have to submit an standard exemption request, which will be cumbersome and lengthy, as the application must first be provided to the PRO and independent producers at least 90 days before submission to CalRecycle. Rather than

having to submit a formal exemption request, RCRC suggests that local jurisdictions and recycling service providers be allowed to provide a notification and documentation to CalRecycle that there is no responsible end market for the covered material. To this end, we suggest the following modifications to Section 18980.11:

18980.11(b) Covered material is considered included in a local jurisdiction or recycling service provider's collection and recycling program if the local jurisdiction or recycling service provider collects the covered material and transfers it to responsible end markets directly or to intermediate supply chain entities. The local jurisdiction or recycling service provider shall not be required to establish the availability of a responsible end market to ultimately recycle the covered material. However, the absence of responsible end markets shall be deemed a local condition, circumstance, or challenge rendering inclusion of the covered material in the program impracticable for purposes of subdivision (b) of section 42060.5 of the Public Resources Code and paragraph (4) of subdivision (c) of section 18980.11.1 of this chapter for which the local jurisdiction or recycling service provider may provide a notification and documentation of that fact to CalRecycle and need not comply with subdivision (d) of section 18980.11.1 of this chapter.

#### <u>Local government exemption process is unnecessarily lengthy and producer</u> <u>review should be compressed.</u>

RCRC remains concerned that the process outlined to review an local jurisdiction or recycling service provider exemption request is far too lengthy and will inhibit effective implementation of SB 54.

PRC 42065.5(b) allows local jurisdictions or recycling service providers to seek an exemption from the requirement to collect specific covered materials because local conditions, circumstances, or challenges make collection impracticable. As part of this process, the local jurisdiction or recycling service provider must notify the PRO and independent producers, who can object and arrange for alternative means for collection, processing, storage, and transportation of those covered materials.

The proposed regulations allow the PRO and independent producer 90 days to review an exemption application before a local jurisdiction or recycling service provider can submit it to CalRecycle for consideration. It should be noted that the PRO and Independent Producers are under no obligation to respond to an exemption request under PRC 42060.5. As such, the proposed regulation puts the applicant in purgatory for three full months while waiting to see if the PRO or independent producer even cares enough about the request to respond. This timeframe is unnecessarily lengthy and could easily be exploited by a PRO or independent producer to drag out the process, which becomes an even greater risk if the applicant is subject to penalties for failure to collect a specific covered material during the period in which it is seeking an exemption (*note that CalRecycle's proposed fix for this only applies to recycling service providers and does NOT apply to local jurisdictions*). Rather than provide 90 days for the PRO or independent producer to review an application, the regulations should reduce that period to 30 days. Similarly, the regulations should reduce the review period for renewal notices from 30 days to 14 days.

To address these concerns, RCRC suggests the following changes to Section 18980.11.1(d):

18980.11 (d) No exemption application or renewal request shall be submitted to the Department until after the local jurisdiction or recycling service provider has provided all PROs and Independent Producers the application or advance notice of the renewal request. All PROs and Independent Producers shall have  $\frac{90}{20}$  days to review an application, and  $\frac{30}{20}$  14 days to review a notice of a renewal request. During the review period

#### <u>Enforcement scheme for local jurisdictions is unsupported by SB 54's statutory</u> <u>construction and can be better accomplished through other enforcement</u> <u>pathways.</u>

CalRecycle's proposed regulations impermissibly seek to impose SB 54's enforcement regime on local jurisdictions and recycling service providers. This approach is unsupported by SB 54's statutory construction and local compliance can be better accomplished through other existing enforcement pathways.

SB 54's enforcement authority is clearly limited to imposing penalties on producers and the PRO. CalRecycle's proposed regulations are predicated on the assumption that the term "any entity" in PRC 42081(a)(1) broadens the scope of its enforcement authority; however, that term should be defined in context of the other provisions included in Article 5 of SB 54. PRC 42081 seeks to interpret and implement PRC 42080 and does not vest CalRecycle with additional authority to determine what constitutes a violation of SB 54 beyond the scope of PRC 42080.

PRC 42080 establishes what constitutes a violation of SB 54 and provides that failure to comply with the requirements of SB 54 will subject a PRO, producer, wholesaler, or retailer to penalties for those violations or revocation of an approved plan. PRC 42081 in turn:

- Sets the amount of penalties;
- Provides that they shall not accrue against a <u>producer or PRO</u> until 30 days after notification of the violation;
- Allows a <u>producer or PRO</u> to submit a corrective action plan to CalRecycle for approval detailing how and when it will come into compliance with SB 54; and,
- Sets forth various factors CalRecycle shall consider when determining the penalty amount, including whether the violation was beyond the reasonable control of the producer or PRO, the size and economic condition of the producer or PRO, etc.

PRC 42083 and 42084 also allow CalRecycle to impose additional requirements on a <u>producer or PRO</u> for failure to meet various requirements of SB 54.

Neither PRC 42080 nor PRC 42081 contemplate penalties against local governments or recycling service providers. Furthermore, the proposed regulations inappropriately subject local jurisdictions and recycling service providers to even more severe consequences for violations of SB 54 than apply to the PRO and producers since

local governments and recycling service providers cannot avail themselves of a corrective action plan, as is available for the PRO and producers. It is difficult to imagine the Legislature providing a more lenient compliance pathway for a producer or PRO than that which would be available to a local jurisdiction or recycling service provider, given that the law is intended to shift the burden of solid waste recycling AWAY from local jurisdictions and onto producers who introduce packaging into the marketplace.

Local jurisdictions are subject to AB 939's diversion requirements and must develop source reduction and recycling elements outlining how they will achieve the state's solid waste and recycling requirements. Under AB 939, CalRecycle is required to regularly review jurisdictions and determine whether they have made a good faith effort to implement their source reduction and recycling element, with penalties of up to \$10,000/day for noncompliance. Therefore, a local jurisdiction's failure to comply with SB 54 should be considered a violation of their existing requirements to implement diversion programs through AB 939 and subject them to these penalties exclusively. <u>At worst, penalties for local jurisdictions should be capped at the maximum \$10,000/day AB 939 limit</u>.

#### <u>Should CalRecycle ultimately decide to subject local jurisdictions to SB 54's</u> <u>enforcement process, the regulations should at least provide an opportunity to</u> <u>cure violations before penalties accrue.</u>

While we dispute the notion that SB 54 enables CalRecycle to impose penalties on local jurisdictions, if CalRecycle ultimately decides to proceed with the proposed enforcement process, it should be clarified to ensure that local jurisdictions and recycling service providers have an opportunity to cure any violations before penalties accrue.

Section 18980.13(d)(1) appears to provide that penalties shall accrue on each day a violation is committed following the 30<sup>th</sup> day after CalRecycle issues a notice of violation for the initial violation. Unfortunately, the structure of the regulation creates confusion by later stating in subdivision (i)(2) that penalties shall accrue against a local jurisdiction for each day any covered material category is not included in their collection and recycling program. As such, it is unclear whether local jurisdictions will be afforded the 30-day opportunity to cure that is outlined in subdivision (d) before penalties begin accruing against a local jurisdiction.

In any case, given the complexities of franchise agreements and the public contracting and Brown Act processes that local governments must follow, we strongly suggest a longer opportunity to cure before penalties begin to accrue against local jurisdictions. We suggest at least 90 days.

To address these concerns, we suggest the following modifications to Section 18980.13(i):

18980.13(i): For violations of section 42060.5 of the Public Resources Code by a local jurisdiction:

(1) The number of violations shall be the number of covered material categories contained on the lists identified in subdivision (a) of section 42060.5 of the Public Resources Code that are not included in their collection and recycling programs.

(2) Penalties <u>shall accrue on each subsequent day on which the actions are</u> <u>committed following the 90th day after the Department issues a notice of violation</u> <u>for the initial violation for and for each violation shall accrue on each day</u> any covered material category is not included in their collection and recycling programs, except as described in sections 18980.11.1 and 18980.11.2, or unless the local jurisdiction is otherwise not required to include the covered material category in its collection and recycling programs under section 42060.5 of the Public Resources Code.

#### <u>Relief from penalty accrual during pendency of exemption process is helpful, but</u> fails to extend to local jurisdictions despite assertions to the contrary in the SB 54 Informal Rulemaking Workshop discussion document.

RCRC has previously advocated that penalties should not accrue while a local jurisdiction is in the process of applying for an exemption or extension.

The proposed regulations provide that penalties do not accrue where CalRecycle has granted an exemption or extension to a local jurisdiction (Section 18980.13(i)(2)); however, we expressed concern that a similar provision in earlier draft regulations did not provide relief to jurisdictions while they are seeking an exemption or extension. That process envisions at least 90-days for the PRO or independent producer to review an application before it may even be considered by CalRecycle. It would be inequitable to subject a local jurisdiction to penalties while they are making a good faith effort to seek an exemption from CalRecycle.

For these reasons, RCRC was pleased when the Informal Rulemaking Workshop discussion document stated that "CalRecycle revised this section to provide relief to local jurisdictions and recycling service providers from penalty accrual during the pendency of a request for an extension or an exemption from requirements under subdivision (a) of PRC section 42060.5." Unfortunately, the revision to the proposed regulation text only provides that relief to recycling service providers under Section 18980.13(j), not to local jurisdictions under Section 18980.13(i). <u>While we have no qualms with providing such relief to recycling service providers, it must also be provided to local jurisdictions</u>. We suggest merely moving the provision from the second sentence of subdivision (j) to a new subdivision (k) <u>and adding local jurisdictions</u>. To address this issue, and align the draft regulations with the discussion document, we suggest amending Section 18980.13 as follows:

18980.13(i) For violations of section 42060.5 of the Public Resources Code by a local jurisdiction: (1) The number of violations shall be the number of covered material categories contained on the lists identified in subdivision (a) of section 42060.5 of the Public Resources Code that are not included in their collection and recycling programs. (2) Penalties for each violation shall accrue on each day any covered material category is not included in their collection and recycling programs, except as described in sections 18980.11.1 and 18980.11.2, or unless the local jurisdiction is otherwise not required to

include the covered material category in its collection and recycling programs under section 42060.5 of the Public Resources Code. 173

(j) The number of violations of section 42060.5 of the Public Resources Code by a recycling service provider and the accrual of penalties shall be calculated in the same manner as would apply under subdivision (i) for local jurisdictions committing the same violations. No penalty may be imposed against a recycling service provider during the pendency of a request for an extension for, or exemption from, a requirement of subdivision (a) of section 42060.5 asserting that compliance with the requirement is not practicable for a specific identified covered material.

(k) <u>No penalty may be imposed against a local jurisdiction or a recycling service</u> provider pursuant to subdivisions (i) or (j) during the pendency of a request for an extension for, or exemption from, a requirement of subdivision (a) of section 42060.5 asserting that compliance with the requirement is not practicable for a specific identified covered material.

(1) Except as otherwise provided, all factual determinations pursuant to this chapter, including whether any conditions have been met or factual circumstances have been established or demonstrated, shall be made based on the preponderance of evidence, meaning that, in consideration of all relevant facts and circumstances, the facts to be determined must be shown more likely than not to be true.

#### **Conclusion**

RCRC appreciates your consideration of these comments. We look forward to continuing to work with you on the development and implementation of SB 54. If you should have any questions, please do not hesitate to contact me at <u>jkennedy@rcrcnet.org</u>.

Sincerely,

JOHN KENNEDY Senior Policy Advocate

**California Environmental Protection Agency** 

Gavin Newsom California Governor

### **CalRecycle Department of** Resources Recycling and Recovery

Yana Garcia Secretary for Environmental Protection Zoe Heller CalRecycle Director

May 27, 2025

Brian Phillips Executive Director Circular CRV Association 1005 12<sup>th</sup> Street Lower 1 Sacramento, CA 95814 Sent via e-mail

## Re: Additional Information Necessary Regarding Circular CRV Association's Stewardship Plan

Dear Brian Phillips,

On April 28, 2025, Circular CRV Association submitted its stewardship plan, titled *Dealer Cooperative Stewardship Plan,* to the Department of Resources Recycling and Recovery (CalRecycle) for review. CalRecycle determined that additional information is necessary to corroborate or clarify the information provided in the stewardship plan. Circular CRV Association has 10 days (until June 6, 2025) to provide additional information to CalRecycle to address the requirements identified in the attached document pursuant to Title 14 of the California Code of Regulations (14 CCR) section 2376(a).

If you have any questions or would like to discuss the contents of this letter, please reach out to CalRecycle at <u>DealerCoops@CalRecycle.ca.gov</u>.

Sincerely, Original Signed by Karen Kayfetz

Karen Kayfetz Branch Chief, Product Stewardship Branch CalRecycle

Cc: Gregory Song, Circular CRV Association

**Enclosed**: Summary of Additional Information Necessary Regarding Circular CRV Association's Dealer Cooperative Stewardship Plan

1001 I Street, Sacramento, CA 95814 | P.O. Box 4025, Sacramento, CA 95812 www.CalRecycle.ca.gov | (916) 322-4027 <u>Summary of Additional Information Necessary Regarding Circular CRV Association's</u> <u>Dealer Cooperative Stewardship Plan</u>

Requirement	Additional Information Necessary
<b>14 CCR section 2370(g):</b> "Redemption contractor" means a person redeeming empty beverage containers pursuant to a stewardship plan on behalf of a dealer cooperative.	Clarify the meaning of the terms "recycling operator," "recycler operator," "redemption site operator," and "operator," or, if applicable, specify that these parties are a "redemption contractor."
<b>14 CCR section 2370(h):</b> "Redemption location" or "redemption site" means a place at which beverage containers are redeemed on behalf of a dealer cooperative, including, but not limited to, an innovative method of redemption. A redemption location or registration number from the department in order to operate as part of a stewardship program.	Clarify the meaning of the terms "redemption solution," "recycling site," and "recycling solution," or, if applicable, specify that these terms mean "redemption location" or "redemption site."
<b>14 CCR section 2375.2(d):</b> Verification of current exemption from taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986.	Provide the Internal Revenue Service's determination letter verifying Circular CRV Association's current tax-exempt status or provide documentation that corroborates when Circular CRV Association submitted its Form 1023 to the Internal Revenue Service.
<b>14 CCR section 2375.2(f):</b> A list of all dealer members in the dealer cooperative, including each dealer's registration number issued pursuant to section 2371.	<ul> <li>Provide the dealer registration numbers for the following four dealer members:</li> <li>(1) Surf Supermarket located at 39250 CA 1 in Gualala,</li> <li>(2) Ralphs Grocer Co. located at 12842 Ventura Blvd. in Studio City,</li> <li>(3) Grocery Outlet located at 12842 Ventura Blvd. in Studio City, and</li> <li>(4) Trader Joe's located at 14119 Riverside Drive in Sherman Oaks.</li> <li>Correct the dealer registration numbers for the following seven dealer members:</li> <li>(1) Ralph's Grocery Co. located at 1233 N. La Brea in West Hollywood should be DR101509.001,</li> <li>(2) Trader Joe's located at 17755 W. Olympic Blvd. in Los Angeles should be DR139018.001,</li> <li>(3) Trader Joe's located at 17640 Burbank Blvd. in Claremont should be DR139018.001,</li> <li>(5) Trader Joe's located at 10850 National Blvd. in Los Angeles should be DR139018.001,</li> <li>(5) Trader Joe's located at 17640 Burbank Blvd. in Claremont should be DR107680.001,</li> <li>(6) Trader Joe's located at 363 Carmen Drive in Camarillo should be DR107680.001.</li> </ul>

Summary of Additional Information Necessary Regarding Circular CRV Association's Dealer Cooperative Stewardship Plan

Requirement	Additional Information Necessary
<b>14 CCR section 2375.2(g):</b> A list of unserved convenience zones in which the dealer cooperative will provide redemption.	Provide the zone status of each dealer member's convenience zone.
<b>14 CCR section 2375.2(j):</b> A timeline for the stewardship plan becoming fully operational once the stewardship plan is approved by the department.	Clarify the events or milestones that will occur for the stewardship plan to become fully operational, and conditions under which Circular CRV Association will notify CalRecycle that full operational status has been achieved.
<b>14 CCR section 2375.4(a):</b> Each method of redemption offered by the dealer cooperative.	Clarify or correct the citation to 14 CCR section 2375.4(e) in the context of the establishment of daily redemption limits for single-feed reverse vending machines.
<b>14 CCR section 2375.4(b)(2)(B)(ii):</b> Redemption site contact telephone numbers.	Confirm that Circular CRV Association's internet website will include contact telephone numbers for redemption sites.

<u>Summary of Additional Information Necessary Regarding Circular CRV Association's</u> Dealer Cooperative Stewardship Plan		
f Addition	<b>Regarding Circular</b>	ewardship
4	itional In	Ď
<u>Summary</u>	-	
	Summary	

Requirement	Additional Information Necessary
<ul> <li>14 CCR section 2375.4(f)(3): How the dealer cooperative will provide "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act," as defined in section 2370.</li> <li>14 CCR section 2375.4(f)(4): Not all redemption locations are required to redeem all beverage container material types; however, at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.</li> </ul>	Commit to providing consumer convenience in each unserved convenience zone in which Circular CRV Association's dealer members operate by ensuring redemption opportunities meet or exceed the operating hour requirements of 14 CCR section 2370(a)(1) or (2). Clarify that Circular CRV Association will offer redemption access to consumers for a minimum of five hours per week during periods other than from Monday to Friday, from 9 a.m. to 5 p.m., in addition to the minimum requirement of operating at least eight hours per week during a Saturday or Sunday. Confirm that Circular CRV Association will provide at least one redemption location in each unserved zone that provides immediate payment of the refund value for a minimum of 10 hours per week, including at least five hours on a Saturday or Sunday between 9 a.m. to 5 p.m. and accepting loads up to the daily redemption limits set forth in 14 CCR section 2535(f).
<b>14 CCR section 2375.4(f)(6):</b> The stewardship plan may establish a redemption limit per customer per day per redemption method; however, at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value up to the daily load limits established in section 2535(f) a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.	
<b>14 CCR section 2375.6(a):</b> The geographic spread of redemption sites and an explanation for the geographic spread. This shall include the number of redemption sites in each unserved convenience zone in which any of the dealer members operate per person.	Clarify that all redemption sites will be located within unserved convenience zones in which dealer members operate. Additionally, clarify how, for each unserved zone in which Circular CRV Association will operate, the geographic spread performance standard will be calculated and reported.

<u>Summary of Additional Information Necessary Regarding Circular CRV Association's</u> <u>Dealer Cooperative Stewardship Plan</u>

Requirement	Additional Information Necessary
<b>14 CCR section 2375.6(b)</b> : The beverage container redemption capacity per quarter for each unserved convenience zone in which any of the dealer members operate. The overall beverage container volume capacity of the dealer cooperative shall, at a minimum, be sufficient to redeem an amount of beverage containers equal to 100 percent of the beverage containers sold by dealer members into unserved convenience zones in which any of the dealer members operate pursuant to section $2375.4(f)(2)$ . The redemption limits established pursuant to section $2375.4(f)(6)$ .	Describe how Circular CRV Association will measure and report achievement of its redemption capacity performance standard per quarter for each unserved convenience zone in which its dealer members operate.
<b>14 CCR section 2375.8(a)</b> : An itemized list of anticipated costs associated with the administration and implementation of the stewardship plan. The list shall include the monetary amount and purpose on which the funds will be spent. The list shall include, at a minimum, anticipated costs for the categories listed in section 2381(c)(6) for the first four quarters the dealer cooperative will operate.	Confirm the accuracy of the 2026 year-to-date total anticipated costs for professional services or provide the accurate amount. Provide a more detailed description of the types of expenses that will be tracked in each cost category.
<b>14 CCR section 2375.8(b):</b> A recommended funding level necessary to cover the stewardship plan's budgeted costs and to operate the stewardship program in a prudent and responsible manner. This shall include the target amount for the dealer cooperative's monetary reserves, and the operating deficit amounts that the target monetary reserves will be able to cover, and a description of how surplus funds and operating deficits that exceed those amounts will be addressed by the dealer cooperative during the operation of the stewardship plan.	Describe how Circular CRV Association will address operating deficits that require additional revenue in excess of the identified \$500,000 reserve amount during the operation of the stewardship plan.

Requirement Additional Information Necessary	: A dealer cooperative shall         to the department to any original         redemption transaction at redemption sites or identify an alternative location(s) where immediate         access to original records will be provided.         this chapter. Immediate access         access to original records will be provided.         accords to the tecord at any
Requirer	<b>14 CCR section 2380(f)(1)</b> : A dealer cooperative shall provide immediate access to the department to any original record required by the Act or this chapter. Immediate access may include physical inspection of the record at any redemption site or location identified in the approved stewardship plan.

Page **5** of 5



### May 15 Board Meeting Agenda

Meetings of the Board of Environmental Safety (BES) are open to the public except when specifically noticed otherwise in accordance with the Bagley-Keene Open Meeting Act. The Board may take action on any item listed on the agenda, unless listed as informational only. Time is approximate and subject to change. Agenda items may be taken out of order to accommodate speakers and to maintain a quorum. This meeting may be cancelled without notice.

## Board Meeting will begin at 12:00 P.M. Agenda Item #6 - Public Forum will start at approximately 2:55 P.M. We anticipate a break between 3:40 P.M. – 4:45 P.M.

Thursday, May 15, 2025 at 12:00 P.M.

DTSC Cypress Regional Office Conference Room (5796 Corporate Ave, Cypress, CA 90630) Zoom Link: <u>https://csus.zoom.us/j/84386684009</u> English Call-in Number: (669) 900-6833 / Meeting ID: 843 8668 4009 and enter # key Spanish Call-in Number: (916) 535-0993 / Phone Conference ID: 244 563 276 and enter # key

If you would like to bypass using the Zoom software, you may listen and watch the live English and Spanish webcasts <u>here</u>. Please note, this is to listen and view only. You will not be able to interact with the meeting host or Board Members.

- 1. [12:00 P.M.] Call to Order, Roll Call and Establish Quorum
- 2. [12:05 P.M.] Welcome and Opening Remarks

#### 3. [12:10 P.M.] Executive Officer Report, Future Agenda Items

- a. Executive Officer Report
- b. SB 158: What is the Board required to do?

#### 4. [12:55 P.M.] DTSC Leadership Report

- a. Departmental News
- b. Progress of Director's Priorities
- c. Permitting Update: Status update on upcoming permit decisions
- d. Budget Update
- e. Enforcement Topic: Rage Rooms

#### 5. [2:05 P.M.] <u>BES Proposed Metrics for the Hazardous Waste Management</u> <u>Program</u>

6. [2:25 P.M.] Public Forum (for Items not on the Agenda)

Any member of the public may address and ask questions of the Board of Environmental Safety (Board) relating to any matter within its jurisdiction provided the matter is not on the agenda or pending before the Board.

7. [3:25 P.M.] Board Member Reports

#### 8. [3:35 P.M.] Review, Discussion and Possible Approval of Minutes – April 24, 2025 [Board Vote]

#### 9. [4:45 P.M.] DTSC Hazardous Waste Management Plan Hearing #3

- a. DTSC Introduction, Board discussion and direction to DTSC on Goal 7
- b. DTSC presentation focusing on Goals 1-5
- c. Board Discussion
- d. Public Comment
- 10. [7:55 P.M.] Review of Action Items

#### 11. [8:00 P.M.] Closing Remarks and Adjourn

			Date	
Product Category	Project Name	Activity or Milestone	Aug 2025 Feb	02026
Beauty,	Antibacterial hand soaps and body washes	DTSC prepares Product-Chemical Profile		
Personal		DTSC releases draft Product-Chemical Profile		
Care, and	and benzethonium (BZT)	Pre-regulatory public comment period		
Hygiene	<u> </u>	Pre-regulatory workshop		
Products		DTSC considers public comments		
		External Scientific Peer Review		
	Cleaning and personal care products	DTSC conducts screening research		
	containing fragrances screening			
		DTSC prepares Background Document		
		DTSC releases Background Document		
		Public comment period		
	-	Public workshop		
		DTSC evaluates information		
	<u>Cleaning and personal care products</u>	Public comment period		
	containing quaternary ammonium compou	DTSC evaluates information		
	<u>Cleaning products and beauty, personal</u>	External Scientific Peer Review		
	care, and hygiene products containing	DTSC finalizes Product-Chemical Profile		
	<u>1,4-dioxane</u>	DTSC releases final Product-Chemical Profile		
	Hair dyes screening	DTSC conducts screening research		
	Hair straightening products containing sod	On Hold		
	Hair straightening products salon exposure	DTSC prepares Data Analysis report		
	research	DTSC releases Data Analysis report		
	Hair straightening products screening	DTSC conducts screening research		
	Hand sanitizers and skin wipes containing	DTSC prepares Product-Chemical Profile		
	<u>benzalkonium compounds (BACs)</u>	DTSC releases draft Product-Chemical Profile	•	
		Pre-regulatory public comment period	-	
		Pre-regulatory workshop	•	•
		DTSC considers public comments		
		External Scientific Peer Review		
	Intimate care products screening	DTSC conducts screening research		
		DTSC concludes screening research	•	
	Leave-on products containing parabens	DTSC evaluates information	ł	
		DTSC prepares Product-Chemical Profile		
		DTSC releases draft Product-Chemical Profile	•	
	Menstrual products screening	DTSC prepares Background Document		
		On Hold		
	Nail Products containing methyl	Public Notice of Modified Regulatory Package		
	methacrylate (MMA)	Additional public comment period		
		DTSC finalizes regulation		
		External agency review		
		Estimated effective date of regulation		
	Nail products containing talvana	-		
	Nail products containing toluene	DTSC drafts compliance testing summary rep.		
		DTSC releases compliance testing summary re.		
			Aug 2025 Eat	2026

Aug 2025 Feb 2026

Date

Product			Date
Category	Project Name	Activity or Milestone	Aug 2025 Feb 2026
Beauty,	Nail products containing toluene	DTSC assesses compliance and needed enforc	
Personal	Nail products containing triphenyl	External Scientific Peer Review	
Care, and	phosphate (TPhP)	DTSC finalizes Product-Chemical Profile	
Hygiene		DTSC releases final Product-Chemical Profile	
Products		DTSC drafts regulation	
		Public Notice of Proposed Action	
		Public comment period	
		DTSC finalizes regulation	
		External agency review	
	Shampoo containing 1,4-dioxane	DTSC drafts regulation	
	<u> </u>	Public Notice of Proposed Action	
		Public comment period	
		DTSC finalizes regulation	
Building	Artificial turf containing per- and	DTSC prepares Product-Chemical Profile	
Products	polyfluoroalkyl substances (PFASs)	DTSC releases draft Product-Chemical Profile	
and		Pre-regulatory public comment period	
Materials		Pre-regulatory workshop	
Used in		DTSC considers public comments	
Constructio.		External Scientific Peer Review	
		DTSC finalizes Product-Chemical Profile	
	Spray polyurethane foam systems with unr	DTSC receives notification of completion of re	
Children's	Children's products containing	DTSC considers public comments	
Products	formaldehyde	DTSC evaluates information	
	Children's products containing phthalates	DTSC considers public comments	
		DTSC prepares Product-Chemical Profile	
		DTSC releases draft Product-Chemical Profile	
		Pre-regulatory public comment period	
		Pre-regulatory workshop	
		DTSC considers public comments	
		External Scientific Peer Review	
	Children's products containing styrene	DTSC considers public comments	
		DTSC prepares Decision Document	
		DTSC releases Decision Document	
Cleaning	Cleaning and personal care products	DTSC conducts screening research	
Products	containing fragrances screening	DTSC prepares Background Document	
		DTSC releases Background Document	
		Public comment period	
		Public workshop	
		DTSC evaluates information	
	Cleaning and personal care products		
	containing quaternary ammonium compou		
	Cleaning products and beauty, personal	External Scientific Peer Review	
			Aug 2025 Feb 2026

Date

			Date	
Product Category	Project Name	Activity or Milestone	Aug 2025	Feb 2026
Cleaning	care, and hygiene products containing	DTSC finalizes Product-Chemical Profile		
Products	<u>1,4-dioxane</u>	DTSC releases final Product-Chemical Profile		
	Cleaning products containing hydrofluoric	External Scientific Peer Review		
	<u>acid (HF)</u>	DTSC finalizes Product-Chemical Profile		
		DTSC releases final Product-Chemical Profile		
		DTSC drafts regulation		
		Public Notice of Proposed Action		
		Public comment period		
		DTSC finalizes regulation		
	Dish detergents containing 1,4-dioxane	DTSC drafts regulation		
		Public Notice of Proposed Action		
		Public comment period		
		DTSC finalizes regulation		
	Floor polishes and waxes containing per-	DTSC prepares Product-Chemical Profile		
	and polyfluoroalkyl substances (PFASs)	DTSC releases draft Product-Chemical Profile		
		Pre-regulatory public comment period		
		Pre-regulatory workshop		
		DTSC considers public comments		
		External Scientific Peer Review		
		DTSC finalizes Product-Chemical Profile		
		DTSC releases final Product-Chemical Profile		
	Laundry detergents containing nonylphenol			
	ethoxylates (NPEs)	Preliminary AA Reports due DTSC assesses compliance and needed enforc		
	Treatments containing per- and	-		
	polyfluoroalkyl substances (PFASs) for use	DTSC assesses compliance and needed enforc.		
	on converted textiles or leathers	DTSC drafts Compliance report		
Actor	Motor vehicle tires containing 6PPD	DTSC releases Compliance report		
/lotor /ehicle	Motor venicle tires containing 6PPD	DTSC assists with Final AA compliance		
ires		Annual progress reports for Final AAs due		
1100		DTSC drafts regulation		
		Public Notice of Proposed Action		
		Public comment period		
		DTSC finalizes regulation		
		External agency review		
Null	Adhesives screening	DTSC conducts screening research		
		DTSC prepares Background Document		
		DTSC releases Background Document		
	Candidate Chemicals List expansion: certain	DTSC prepares Technical Document for CC List.		
	acids and bases	DTSC releases draft Technical Document for C		
	1	Public comment period		
		Public workshop	-	
		DTSC reviews public comments		
		External Scientific Peer Review		

Date

<b>.</b>			D	ate	
Product Category	Project Name	Activity or Milestone	Aug 20	025 Feb2	2026
Null	•	DTSC finalizes Technical Document for CC List.			
	acids and bases	DTSC releases final Technical Document for C			
	Candidate Chemicals List expansion:	DTSC releases final Technical Document for C	•		
	microplastics	DTSC drafts regulation			
		Public Notice of Proposed Action	•		
		Public comment period			
		DTSC finalizes regulation			
	Candidate Chemicals List expansion:	DTSC drafts regulation			
	para-phenylenediamine (PPD) derivatives	Public Notice of Proposed Action			
		Public comment period			
		DTSC finalizes regulation			
		External agency review			-
	Environmental justice impact tools for	Contractor conducts preliminary research			
	Alternatives Analysis (EPA P2 Grant Project)	Contractor develops reports and training			
	Green Ribbon Science Panel meeting	Green Ribbon Science Panel Meeting	•		
	Importer regulation amendment	DTSC drafts regulation			
		Public Notice of Proposed Action	•		
		Public comment period			
		DTSC finalizes regulation			
	Microplastics product screening	DTSC conducts screening research			
		DTSC prepares Background Document		1	
		DTSC releases Background Document	•		
		Public comment period			
		Public workshop		•	
	Retailer outreach and compliance assistan	Compliance education webinar	•		
	SCP framework regulations cleanup	DTSC drafts regulation			
		Public Notice of Proposed Action		•	
		Public comment period			
		DTSC finalizes regulation			
	Updating the SCP framework regulations	Public Notice of Proposed Action	•		
	<u>per SB-502 (2022)</u>	Public comment period			
		DTSC finalizes regulation			
		External agency review			
		Estimated effective date of regulation		•	
			Aug 20	)25 Feb 2	2026
			D	ate	

MAY 23, 2025

# Up in the Air: Congress Nullifies Clean Air Act Waivers for California

Actions Set New Precedents on Emission Regulation and Congressional Procedure

Holland & Knight Alert

Zach Pilchen   Brian C. Bunger	Emily Martinez Lieban   Marne S. Sussman   Michal I.
Freedhoff   Susan G. Lafferty	Alexander S. Holtan   Andy Kriha

PDF Highlights	RELATED
	PRACTICES
in	Environment
<ul> <li>Congress has passed three Congressional Review Act (CRA) resolutions to nullify a set of California's Clean Air Act (CAA)</li> </ul>	Public Policy & Regulation
preemption waivers. President Donald Trump i ted to	Environmental Policy and
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usage, and Eassisto in mentally kehicog affeires Hollanth& Knightignificant threat	West Coast Land
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standards – an authority with roots that trace back to the Air	Environment
Do Not Sell/Share My 1967, before the modernt Cleaki Air Act was Personal Information	

- Procedurally, these actions establish a new congressional precedent, with Congress invoking the CRA against agency actions that the Government Accountability Office (GAO) had explicitly determined were not "rules" subject to the CRA.
- This Holland & Knight alert reviews the nullification actions and how they could affect California, other states and regulated entities.

In the weeks since Holland & Knight previously reported on <u>challenges to California's Clean Air Act (CAA)</u> <u>preemption waivers</u> on April 30, 2025, Congress has taken decisive action. Following the U.S. House of Representatives' passage of three Congressional Review Act (CRA) resolutions in late April and early May, the Senate passed all three resolutions on May 22, 2025. President Donald Trump is expected to sign them.

These congressional actions represent the most significant challenge ever to the exercise of California's unique authority under CAA section 209(b), a provision that traces its roots over a half-century back to the Air Quality Act of 1967. Passage of the resolutions calls into question the fate of several major programs, including California's Advanced Clean Trucks, the "Omnibus" Low NOx regulation and Advanced Clean Cars II, some of which have been adopted by more than a dozen other states.

Beyond the CAA, Congress' action also raises the specter of CRA actions on a wide swath of other agency actions that had previously been thought to be offlimits. The U.S. Government Accountability Office (GAO)

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## **Congressional Action**

With the Senate's votes on May 22, 2025, Congress has now passed three CRA resolutions targeting different aspects of California's vehicle emissions program:

- H.J.Res. 87 disapproves the U.S. Environmental Protection Agency's (EPA) waiver for multiple California heavy-duty vehicle programs, including Advanced Clean Trucks (requiring increasing percentages of zero-emission truck sales), Zero Emission Airport Shuttles and Zero-Emission Power Train Certification.<sup>5</sup>
- H.J.Res. 88 disapproves the EPA's waiver for Advanced Clean Cars II, which required all new passenger cars, trucks and SUVs sold in California to be zero-emission by 2035.<sup>6</sup>
- H.J.Res. 89 disapproves the EPA's waiver for the "Omnibus" Low NOx regulation, which establishes more stringent emissions standards for heavy-duty vehicles.<sup>7</sup>

## Unprecedented Congressional Procedural Battle

Passage of the resolutions came after a procedural battle with potentially far-reaching implications for congressional and agency operations. The House and Senate moved forward with CRA resolutions for the EPA-granted waivers despite both the GAO and Senate

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Parliamentarian. In a <u>May 1, 2025, letter</u>, Senate Minority Leader Chuck Schumer (D-N.Y.) and top Democrats warned that this approach could allow the CRA to be "weaponized to retroactively invalidate decades of agency actions" never previously considered to be rules, including "adjudications, permits, and licensing decisions." If Congress can itself decide what is subject to the CRA, many agency actions previously thought to be outside the CRA realm could now be invalidated – and agencies would arguably be prevented by the CRA from issuing future "rules" that are "substantially the same" as the disapproved ones.<sup>8</sup>

Republican Majority Leader John Thune (R-S.D.) defended the Senate's actions by arguing that GAO had inappropriately inserted itself into the process, that the Trump Administration EPA had submitted the waivers to Congress as "rules," and that the Senate has the right to determine its own procedures. Majority Leader Thune pushed back against arguments by Sen. Adam Schiff (D-Calif.) that the move was "setting a precedent that the filibuster is essentially now meaningless," – stating that "while Republicans are in charge, the legislative filibuster will remain in place, and you can take that to the bank."

## Implications for Regulated Entities, California and Section 177 States

With the CRA resolutions headed to President Trump's desk for signature, California and the 17 states that have adopted its light-duty vehicle standards, along with the

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fully i is all udicial er ority to enforce these standards, and precluding other states from adopting the California standards as well. Additionally, absent new congressional authorization, EPA would be prohibited from issuing new "rules" in the future that are "substantially the same" as the disapproved waivers.

For vehicle and engine manufacturers, fleet operators and other stakeholders, these developments create both immediate compliance questions and longer-term planning challenges:

- With these regulations already in effect in California and many other states, companies may need to reassess their compliance obligations and recalibrate product development plans, including the degree to which they plan to accelerate deployment of zeroemission vehicles covered by these California rules.
- However, major original equipment manufacturers (OEMs) entered into agreements with California promising to comply with regulations, including those subject to the CRA resolutions, "regardless of the outcome of any litigation challenging the waivers/authorizations for those regulations, or [the state's] overall authority to implement those regulations." The Clean Truck Partnership and similar voluntary agreements between states and manufacturers may thus take on increased importance as nonregulatory mechanisms for emission reductions.
- California and other states may pursue alternative regulatory approaches that do not require CAA waivers, potentially creating a patchwork of

urces

By clicking "Accept All Cookies," you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. <u>Holland & Knight</u> need <u>Cookie Notice</u> Once signed by President Trump, several developments are likely:

- Legal Challenges. California and environmental groups will likely challenge the application of the CRA to these waivers, including on the basis that they were not "rules" subject to CRA disapproval. As discussed in Holland & Knight's previous alert, the CRA has an unusual judicial "non-review" provision that could complicate these "efforts."
- Alternative State Actions. California may pursue alternative regulatory approaches, including Indirect Source Review (ISR) rules targeting facilities, such as ports and warehouses, and enhanced incentive programs to encourage the transition to zeroemission vehicles.
- Federal Agency Actions. The EPA may take additional steps to limit state authority over vehicle emissions, potentially revisiting other CAA waivers not covered by these CRA resolutions, including on "major question" doctrine grounds. The EPA and the National Highway Transportation Safety Administration may also seek to resurrect arguments from the first Trump Administration that California standards are preempted by the Energy Policy and Conservation Act.
- Congressional Activity. Congress may consider using the CRA for other agency actions previously thought to be outside the CRA's scope, including federal permits, leases, adjudications, drug approvals and licensing decisions. The consequences could be farreaching, especially in the Senate, where these

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stance Is, https://www.gao.gov/products/b-334995.

<sup>2</sup> https://www.gao.gov/products/b-332233.

<sup>3</sup> https://www.gao.gov/products/b-335030.

<sup>4</sup> https://www.gao.gov/products/b-335781.

<sup>5</sup> 88 Fed. Reg. 20688 (April 6, 2023).

<u>6</u> 90 Fed. Reg. 642 (Jan. 6, 2025).

**7** 90 Fed. Reg. 643 (Jan. 6, 2025).

<u>8</u> See 5 U.S.C. § 801(b)(2).

Information contained in this alert is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute, an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.

## **Related Insights**

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28 DE MAYO DE 2025

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MAY 29, 2025

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MAY 27. 2025

Food and Chemical

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Reviews

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## Notice of Funds Available: Used Oil Payment Program (FY 2025–26)

## Eligibility | Funding | Timeline and Cycle Details

The Department of Resources Recycling and Recovery (CalRecycle) administers a program to provide opportunities for local governments/other eligible jurisdictions to receive payments for used oil and used oil filter collection/recycling programs.

## Eligibility

## Applicants

• Eligible applicants are limited to local governments, which are defined in statute as "any chartered or general law city, chartered or general law county, or any city and county." CalRecycle may make a payment to another entity that will implement the program on behalf of a local government (in lieu of making a payment to that local government) with the agreement of that local government.

## Activities

To be eligible to apply for a payment under this program, applicants must:

- Have either one certified used oil collection center per 100,000 residents and/or a curbside collection program that includes used oil/used oil filter collection at least monthly.
- Have a public education component (in their program) that informs the public of locally available used oil/used oil filter collection/recycling opportunities.
- Accept the terms set out in the <u>OPP Cycle 16 Guidelines</u> and be in compliance with the program provisions described in PRC section 48690 et seq., notably PRC sections 48674, 48690, and 48691.

## Funding

- \$6,000,000 is available (the amount available is subject to change, based on the availability of oil funds) for fiscal year (FY) 2025–26.
- Per Capita Funding
  - Payments are calculated per capita using the Department of Finance's population statistics.

- Small jurisdictions will be provided a minimum award of \$5,000 for cities and \$10,000 for counties.
- Jurisdictions may also apply regionally and pool their funds.

## **Timeline and Cycle Details**

Dates	Activity and Details
June 30, 2025	<ul> <li>Application Due Date</li> <li>OPP Cycle 16 Guidelines</li> <li>Application Access: Applications must be submitted via the Local Government Oil Payment Program (LoGOPP) by this date.</li> <li>First time users of the LoGOPP System must: <ol> <li>Obtain a CalRecycle WebPass. Note: Those who previously obtained a WebPass for a CalRecycle system (i.e., Local Government Information Center (LoGIC), E-Waste, BGR, etc.) do not need to obtain a new WebPass.</li> <li>Request "access" to the LoGOPP system by sending an email to their Program Advisor after obtaining their WebPass.</li> <li>Customer service will only be provided until 4:00 p.m. on the application due date.</li> </ol> </li> </ul>
July 28, 2025	<ul> <li>Secondary Due Date - Required Authorization documents</li> <li>Approved Resolution or any other Applicant's Required Authorization Documents must be uploaded in LoGOPP by this date if it was not submitted with the application.</li> <li>Applicant's Required Authorization Documents are detailed in the <u>OPP Cycle 16 Guidelines</u></li> </ul>
December 2025	<b>Payments Awarded</b> CalRecycle considers funding recommendations, and if approved, conditionally awards payments in this month (tentative).

Dates	Activity and Details
Spring 2026	<b>Payments Distributed</b> A single payment will be made in Spring 2026, unless an early payment (approximately January 2026) is requested by the applicant and subsequently approved by CalRecycle. Payment dates may be subject to change. Funding is subject to State budget approval.
July 1, 2025 – June 30, 2027	<b>Performance Period</b> The term is 24 months. Funding will be available for expenditure for the new cycle on July 1, 2025, and be available for expenditure through June 30, 2027. Refer to the <u>OPP Cycle 16</u> <u>Guidelines</u> for further information and any exceptions.
August 15, 2026 and August 15, 2027	Annual Report Due Dates Submission of online Annual Report is required and is due no later than August 15 of each year during performance period. If the due date falls on a Saturday or Sunday, the online report must be submitted by the following Monday





## **Monthly Public Meeting**

10:00 A.M., April 22, 2025 Cal/EPA Building – Sierra Hearing Room Via <u>Webcast</u>

## A. DIRECTOR'S REPORT

Presentations or discussions by the Director and/or Executive Offices regarding department matters, legislative updates, public affairs, or initiatives.

## **B. POLICY & PROGRAM UPDATE**

## Information Items

- SB 343 Material Characterization Study Final Findings 2023/2024 Department Staff Contact: <u>WasteChar@CalRecycle.ca.gov</u> <u>Publication Summary</u>
- 2. Plastic Pollution Prevention Act Implementation Update Department Staff Contact: <u>Packaging@CalRecycle.ca.gov</u>
- Textile Stewardship Informational Workshop Date Change: July 17, 2025 Department Staff Contact: <u>Textiles@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Battery Stewardship Informal Rulemaking Workshop: May 29, 2025 Department Staff Contact: <u>Batteries@CalRecycle.ca.gov</u> <u>Public Notice</u>

## C. GRANT AND LOAN PROGRAMS

## Action Items

No items at this time.

## Information Item

- Awards for the Beverage Container Quality Infrastructure Grant Program (AB 179, Fiscal Year 2022-23) Department Staff Contact: <u>Blair.McIntosh@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Awards for the Beverage Container Recycling Grant Program (Beverage Container Recycling Fund, Fiscal Years 2024-25 and 2025-26) Department Staff Contact: <u>TJ.Nguyen@CalRecycle.ca.gov</u>

## Public Notice

- Reallocation of Tire Funds (Tire Recycling Management Fund, Fiscal Year 2024–25)
   Department Staff Contact: <u>Kevin.Gereghty@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Approval of a Recycling Market Development Zone (RMDZ) Loan in the amount of \$251,800 to Rubber Recovery Inc., a California corporation (Recycling Market Development Revolving Loan Subaccount, Fiscal Year 2024-25) Department Staff Contact: <u>Bruce.Quigley@CalRecycle.ca.gov</u> <u>Public Notice</u>

## **Open Applications:**

Local Enforcement Agency Grant Program Application Due Date: May 1, 2025 (Cycle 36)

Farm and Ranch Solid Waste Cleanup and Abatement Grant Application Due Date: July 8, 2025 (Cycle 87)

Beverage Container Recycling Loan Program Application Due Date: Continuous

Greenhouse Gas Reduction Loan Program Application Due Date: Continuous

Recycling Market Development Zone Loan Program Application Due Date: Continuous

## D. DISASTER DEBRIS RECOVERY OPERATIONS PROGRAM UPDATE

## Action Items

No actions at this time.

## Information Item

1. Update on Emergency Disaster Debris Recovery Operations. Department Staff Contact: <u>Chris.McSwain@CalRecycle.ca.gov</u>

## E. PRODUCT STEWARDSHIP

## **Announcements**

 Receipt and review of The Drug Takeback Solutions Foundation's 2024 Annual Report and 2026 Annual Program Budget for Covered Drugs. Action Needed. Public Comments Accepted Through 4/21/25. Department Staff Contact: <u>PharmaSharps@CalRecycle.ca.gov</u> <u>Public Notice</u>

- Receipt and review of The Drug Takeback Solutions Foundation's 2024 Annual Report and 2026 Annual Program Budget for Home-Generated Sharps Waste. Action Needed. Public Comments Accepted Through 4/21/25. Department Staff Contact: <u>PharmaSharps@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Receipt and review of MED-Project's 2024 Annual Report and 2026 Annual Program Budget for Covered Drugs. Action Needed. Public Comments Accepted Through 4/21/25. Department Staff Contact: <u>PharmaSharps@CalRecycle.ca.gov</u> <u>Public Notice</u>
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- Receipt and review of MED-Project's Proposed Changes to its Stewardship Plan for Covered Drugs. Action Needed. Public Comments Accepted Through 4/21/25.
   Department Staff Contact: <u>PharmaSharps@CalRecycle.ca.gov</u> <u>Public Notice</u>

## **Decisions Posted**

No items at this time.

## F. ELECTRONIC WASTE RECYCLING PROGRAM

## Action Items

 Covered Electronic Waste Recovery and Recycling Payment Rates for Video Display Devices Department Staff Contact: <u>Ana-Maria.Stoian-Chu@CalRecycle.ca.gov</u> Public Notice

## Information Items

No items at this time.

## G. LOCAL ASSISTANCE

## Action Items

No items at this time.

## Information Items

- 1. Amended Regional Agency Formation Agreement for the Los Angeles Area Integrated Waste Management Authority, Los Angeles County Department Staff Contact: <u>Marshalle.Graham@CalRecycle.ca.gov</u> <u>Public Notice</u>
- 2. Five-Year Review Report for the Countywide Integrated Waste Management Plan for the County of El Dorado Department Staff Contact: <u>Marshalle.Graham@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Adoption of the Five-Year Plan for the Waste Tire Recycling Management Program (13th Edition Covering Fiscal Years 2025–26 to 2029–30) Department Staff Contact: <u>Kevin.Gereghty@CalRecycle.ca.gov</u> <u>Public Notice</u>

## H. SOLID WASTE AND TIRE FACILITIES

## Action Items

- US Borax, Inc Gangue/Refuse Waste Pile Boron Operations, Solid Waste Disposal Site, located at 14486 Borax Road, Boron, CA 93516, Kern County, Modified Solid Waste Facilities Permit, Action Needed May 30, 2025 Department Staff Contact: <u>Isabelle.Maalouf@CalRecycle.ca.gov</u> <u>Public Notice</u>
- AgroThrive, Inc., located at 26775 Old Stage Road Gonzales, CA 93926, Monterey County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025 Department Staff Contact: <u>Alexis.Deschryver@CalRecycle.ca.gov</u> <u>Public Notice</u>
- K-Export, located 2000 W. Turner Road, Lodi, CA 95242, San Joaquin County, New Minor Waste Tire Facility Permit, Action Needed July 8, 2025 Department Staff Contact: <u>Harprit.Mattu@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Anderson Landfill, Inc., located 18703 Cambridge Road, Anderson, CA 96007, Shasta County, Revised Solid Waste Facilities Permit, Action Needed April 12, 2025
   Department Staff Contact: <u>Kelsey.Orr@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Stanton Recycling and Transfer Facility, located at 11232 Knott Ave, Stanton, CA 90680, Orange County, Modified Solid Waste Facilities Permit, Action Needed May 5, 2025

Department Staff Contact: <u>Megan.Emslander@CalRecycle.ca.gov</u> <u>Public Notice</u>

- Mojave-Rosamond Recycling and Sanitary Landfill, located at 400 Silver Queen Road, Mojave CA 93501, Orange County, Revised Solid Waste Facilities Permit, Action Needed May 12, 2025.
   Department Staff Contact: <u>Isabelle.Maalouf@CalRecycle.ca.gov</u> Public Notice
- Tajiguas Sanitary Landfill and Resource Recovery Center, located at 14470 Calle Real, Goleta, CA 93117, Santa Barbara County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025. Department Staff Contact: <u>Gina.Weber@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Universal Waste Systems, Inc. Material Recovery Facility & Transfer Station, located at 9016 Norwalk Blvd, Santa Fe Springs, CA 90670, Los Angeles County, Revised Solid Waste Facilities Permit, Action Needed May 27, 2025 Department Staff Contact: <u>Nai.Teurn@CalRecycle.ca.gov</u> <u>Public Notice</u>
- South Kern Industrial Center, LLC, located at 2653 Santiago Road Taft, CA 93268, Kern County, Modified Solid Waste Facilities Permit, Action Needed May 27, 2025 Department Staff Contact: <u>Isabelle.Maalouf@CalRecycle.ca.gov</u> <u>Public Notice</u>
- JAF Tire Recycling, LLC, located at 12520 Quicksilver Drive, Unit C, Rancho Cordova, CA 95742, Sacramento County, New Minor Waste Tire Facility Permit, Action Needed September 20, 2025 Department Staff Contact: <u>Alyssa.Williams@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Agromin- Merced Highway 59 Compost Facility, located at 7040 N, Highway 59, Merced, CA 95348. New Solid Waste Facilities Permit, Action needed June 2, 2025.

Department Contact: <u>Harprit.Mattu@calrecycle.ca.gov</u> <u>Public Notice</u>

## Information Item

No items at this time.

## I. PUBLIC COMMENT

Get involved in CalRecycle's decision-making process. To more fully engage with Californians on monthly public meeting agenda items, CalRecycle accepts welcomes live public comments <u>in-person or over-the-phone</u>.

CalRecycle has a public noticing site to provide interested parties with information about programs, activities, and departmental decisions.

- To review final CalRecycle decisions and other department activities, please go to: <u>CalRecycle.ca.gov/PublicInfo/</u> or <u>CalRecycle.ca.gov/BevContainer/Notices</u>.
- For public meeting participation, listserv, and feedback information, please go to: <u>CalRecycle.ca.gov/PublicMeeting/</u>

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

## Celebrating Earth Day

## **Public** Monthly Updates

## Truth in Labeling (SB 343 of 2021)

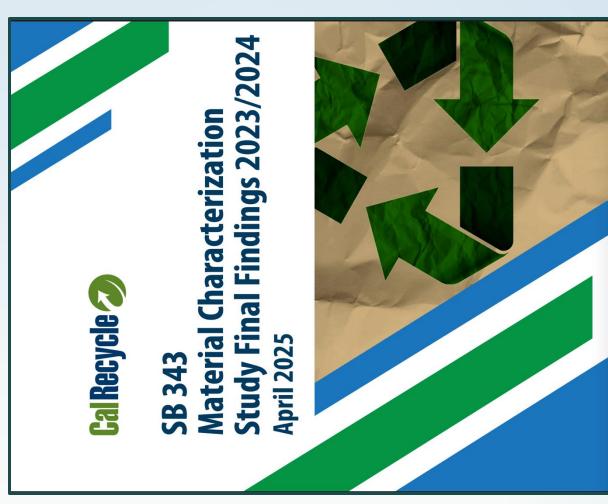
## Material Characterization Study Final Findings

- Published April 4, 2025
- Available online
- Data for labeling determinations

## Labels Compliant with SB 343 Criteria

- Products manufactured after October 4, 2026
- 18 months after study publication

**Cal Recycle** 





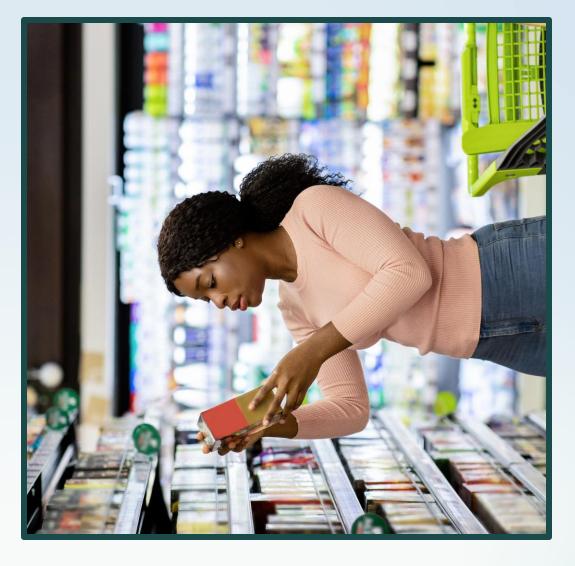
## **Material Characterization** Study (SB 343)

Improper Labeling Challenges

- Affected parties
- **District attorneys**
- Attorney General 88

## 2023/2024 Findings Published

- Update in 2027
- Every 5 years thereafter
- Ongoing improvements in
- methodology and approach









## Rulemaking

Informal phase ongoing

## **Board** Board

- 2025 nominations closed
- New appointments to be announced before July 1<sup>st</sup>
  - Next meeting on May 16<sup>th</sup>
- Agenda available online

## Subscribe to Listserv for updates



**CalRecvcle** 



- Participate in person or virtually
- Organization requirements Producer Responsibility

  - Rulemaking process





## **Responsible Textile** Implementation **Recovery Act**

## Informational Public Workshop

July 17<sup>th</sup> from 10 a.m. to 3 p.m.

Workshop Focus:

Law overview

## Responsible Battery Recycling Act Implementation

## Informal Public Rulemaking Workshop

May 29<sup>th</sup> at 1 p.m.

- Focus: Proposed regulations feedback
- Participate in person or virtually
- Submit written comments





## **Beverage Container Quality Infrastructure Grant Program Awards**

## To create clean streams of beverage containers in curbside programs \$46.2 million to 9 recipients

- \$4,035,135 BLT Enterprises of Fremont LLC
  - \$5,147,934 City of Bakersfield
    - \$4,091,013 City of Redding
- \$6,575,000 City of Sunnyvale
- \$10,000,000 GreenWaste Recovery LLC
  - \$1,598,181 Marin Sanitary Service
- \$4,595,898 Mid-Valley Recycling, LLC
- \$5,349,286 Ming's Resource Corporation
  - \$4,879,712 SANCO Services LP





## Beverage Container Recycling Grant Program

## \$3 million to 15 recipients

- Recycling bins
- Water refill stations
- Recycling projects
   in underserved areas

Grant project information linked to public meeting agenda





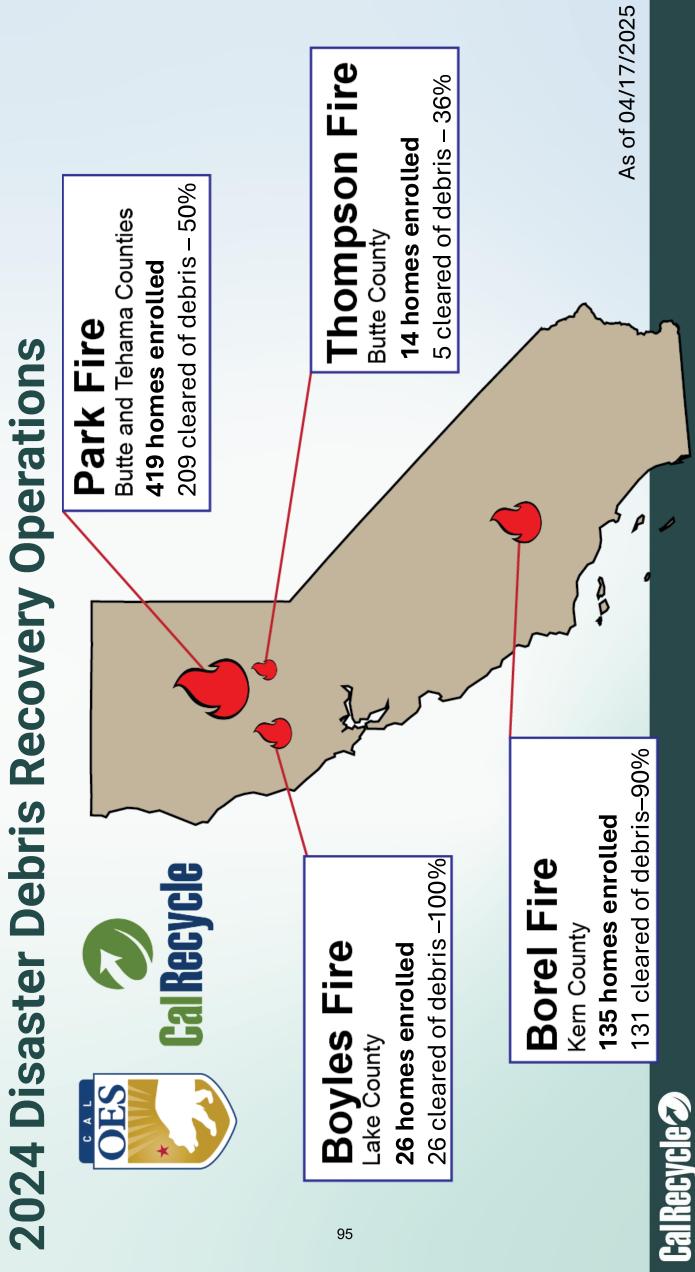
# Recycling Market Development Zone (RMDZ) Loan

## \$251,800 to Rubber Recovery Inc.

- Off-the-road tire processing
- Material for molded products:
- Flooring
- Running tracks
- Flexible playground surfaces
- Loan for two granulators to boost production







## Pharmaceutical and Sharps Waste Stewardship

## **MED-Project**

- 2024 annual reports and 2026 annual program budgets received
- \*\* Proposed changes to drugs stewardship plan

## The Drug Takeback Solutions Foundation

 2024 annual reports and 2026 annual program budgets received Public comments accepted through April 21, 2025









	<b>Covered Electronic Waste</b>
	(CEW) Recycling Program
	Adjustments must be determined by July 1, 2025
	<ul> <li>Standard Statewide Recovery Payment Rate for collectors</li> </ul>
	<ul> <li>Maintain \$0.40/pound for all CEW</li> <li>Increase Standard Statewide Combined Recovery</li> </ul>
	<ul> <li>and Recycling Payment Rate</li> <li>From \$1.13/pound to \$1.19/pound for</li> </ul>
	<ul><li>and Recycling Payment Rate</li><li>From \$1.15/pound to \$1.16/pound for</li></ul>
	non-CRT CEW
<b>Cal Recycle</b>	

## Amended Regional Agency Formation Agreement Los Angeles Regional Agency

- Formed in 2004, Under a Joint Powers Agreement
- To address solid waste management issues
- Amended in whole in 2024 (Joint Powers Agreement and Regional Agency Agreement)

Details linked to meeting agenda





Five-Year Review Report for the Countywide Integrated Waste Management Plan

## El Dorado County

- Report submitted
- No changes
- CalRecycle reviewed
- Approved



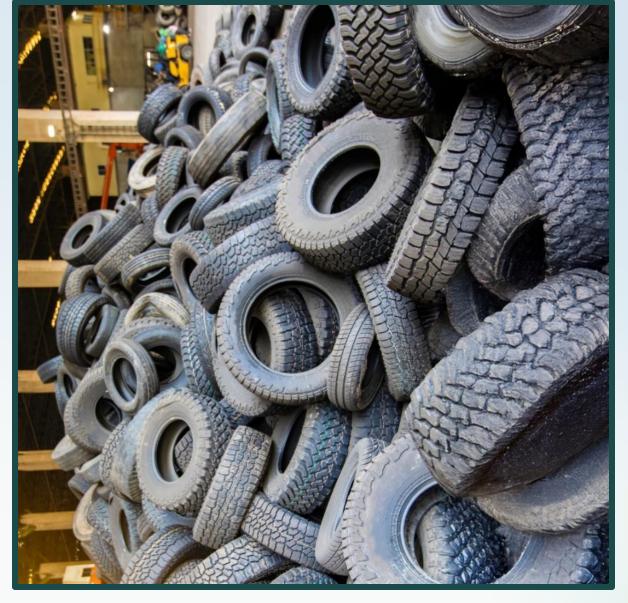
## Adoption of the Five-Year Plan for the Waste Tire Recycling Management Program

## 13<sup>th</sup> edition key changes:

- Tire Equipment Loan Program
  - Annual \$1 million budget
- Low-interest loans to support

tire-derived product manufacturing

- Language access services funding
  - Grant programs
- Rubberized Pavement
  - Tire Incentive
- Tire-Derived Aggregate
  - Research













## **Management Fund Tire Recycling** Reallocation of Funds

## Waste Tire Cleanup Grant Program \$221,786 to Local Government

- Bakersfield
  - Hesperia
    - Modesto
- San Diego
- **Tuolumne County**

## \$165,000 to Hauler Program

- Manifest printing Mailing costs

Facility Permits and Waiver Updates	<ol> <li>US Borax, Inc - Gangue/Refuse Waste Pile - Boron Operations, Solid Waste Disposal Site, located at 14486 Borax Road, Boron, CA 93516, Kern County, Modified Solid Waste Facilities Permit, Action Needed May 30, 2025</li> </ol>	<ol> <li>AgroThrive, Inc., located at 26775 Old Stage Road Gonzales, CA 93926, Monterey County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025</li> </ol>	3. K-Export, located 2000 W. Turner Road, Lodi, CA 95242, San Joaquin County, New Minor Waste Tire Facility Permit, Action Needed July 8, 2025	4. Anderson Landfill, Inc., located 18703 Cambridge Road, Anderson, CA 96007, Shasta County, Revised Solid Waste Facilities Permit, Action Needed April 12, 2025	5. Stanton Recycling and Transfer Facility, located at 11232 Knott Ave, Stanton, CA 90680, Orange County, Modified Solid Waste Facilities Permit, Action Needed May 5, 2025	6. Mojave-Rosamond Recycling and Sanitary Landfill, located at 400 Silver Queen Road, Mojave CA 93501, Orange County, Revised Solid Waste Facilities Permit, Action Needed May 12, 2025.
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Facility Permits and Waiver Updates	7. Tajiguas Sanitary Landfill and Resource Recovery Center, located at 14470 Calle Real, Goleta, CA 93117, Santa Barbara County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025.	8. Universal Waste Systems, Inc. Material Recovery Facility & Transfer Station, located at 9016 Norwalk Blvd, Santa Fe Springs, CA 90670, Los Angeles County, Revised Solid Waste Facilities Permit, Action Needed May 27, 2025	B 9. South Kern Industrial Center, LLC, located at 2653 Santiago Road Taft, CA 93268, Kern County, Modified Solid Waste Facilities Permit, Action Needed May 27, 2025	10. JAF Tire Recycling, LLC, located at 12520 Quicksilver Drive, Unit C, Rancho Cordova, CA 95742, Sacramento County, New Minor Waste Tire Facility Permit, Action Needed September 20, 2025	11. Agromin- Merced Highway 59 Compost Facility, located at 7040 N, Highway 59, Merced, CA 95348. New Solid Waste Facilities Permit, Action needed June 2, 2025.
S	ta, CA 2025.	S	025		A







### **Monthly Public Meeting**

**10:00 A.M., May 20, 2025** Due to hearing room upgrades, this public meeting will be <u>Virtual Only</u>

### A. DIRECTOR'S REPORT

Presentations or discussions by the Director and/or Executive Offices regarding department matters, legislative updates, public affairs, or initiatives.

### **B. POLICY & PROGRAM UPDATE**

- Plastic Pollution Prevention Act Informal Rulemaking Workshop: May 27, 2025. Proposed Regulations Posted. Department Staff Contact: <u>Packaging@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Responsible Battery Recycling Act Informal Rulemaking Workshop: May 29, 2025. Proposed Regulations Posted. Department Staff Contact: <u>Batteries@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Dealer Registration and Dealer Cooperatives Regulations: Effective April 24, 2025. Department Staff Contact: <u>DealerCoops@CalRecycle.ca.gov</u>

### C. PRODUCT STEWARDSHIP

### **Announcements**

- Receipt and review of Circular CRV Association's Dealer Cooperative Stewardship Plan. Action Needed by July 28, 2025. Department Staff Contact: <u>DealerCoops@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Receipt and review of PaintCare's 2024 Annual Report. Action Needed by September 12, 2025. Department Staff Contact: <u>Paint@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Receipt and review of The Drug Takeback Solutions Foundation's Proposed Changes to its Stewardship Plan for Covered Drugs. Action Needed. Public Comments Accepted Through May 16, 2025. Department Staff Contact: <u>PharmaSharps@CalRecycle.ca.gov</u>

### Public Notice

### D. GRANT AND LOAN PROGRAMS

### Action Items

 Eligibility Criteria and Evaluation Process for the Rubberized Pavement Grant Program (Tire Recycling Management Fund, Fiscal Years 2025–26 and 2026– 27)

Department Staff Contact: <u>Farrah.Fadrigon@CalRecycle.ca.gov</u> <u>Public Notice</u>

### Information Item

No items at this time.

### **Open Applications:**

Farm and Ranch Solid Waste Cleanup and Abatement Grant Application Due Date: July 8, 2025 (Cycle 87)

Tire-Derived Aggregate Grant Program Application Due Date: July 17, 2025 (Cycle 25)

Beverage Container Recycling Loan Program Application Due Date: Continuous

Greenhouse Gas Reduction Loan Program Application Due Date: Continuous

Recycling Market Development Zone Loan Program Application Due Date: Continuous

### E. DISASTER DEBRIS RECOVERY OPERATIONS PROGRAM UPDATE

### Action Items

No actions at this time.

### Information Item

1. Update on Emergency Disaster Debris Recovery Operations Department Staff Contact: <u>Chris.McSwain@CalRecycle.ca.go</u>

### F. LOCAL ASSISTANCE

### Action Items

No items at this time.

### Information Items

1. Five-Year Review of AB 2411 Caltrans Compost Use Plan Department Staff Contact: <u>Kristen.Pidcock@CalRecycle.ca.gov</u>

### G. E-WASTE BRANCH

### Action Items

No items at this time.

### Information Items

 SB 1215 (Battery-Embedded Products) Emergency Rulemaking Workshop: May 28<sup>th</sup>, 2025 Department Staff Contact: <u>Ashley.Harley@CalRecycle.ca.gov</u> <u>Public Notice</u>

### H. SOLID WASTE AND TIRE FACILITIES

### Information Item

 Awards for the second cycle of Solid Waste Disposal and Codisposal Site Cleanup Grant Program (Solid Waste Disposal Trust Fund Account, Fiscal Year 2024–25) Department Contact: <u>Julian.Lopez@CalRecycle.ca.gov</u> <u>Public Notice</u>

### Action Items

- US Borax, Inc Gangue/Refuse Waste Pile Boron Operations, Solid Waste Disposal Site, located at 14486 Borax Road, Boron, CA 93516, Kern County, Modified Solid Waste Facilities Permit, Action Needed May 30, 2025 Department Staff Contact: <u>Isabelle.Maalouf@CalRecycle.ca.gov</u> <u>Public Notice</u>
- AgroThrive, Inc., located at 26775 Old Stage Road Gonzales, CA 93926, Monterey County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025 Department Staff Contact: <u>Alexis.Deschryver@CalRecycle.ca.gov</u> <u>Public Notice</u>
- K-Export, located 2000 W. Turner Road, Lodi, CA 95242, San Joaquin County, New Minor Waste Tire Facility Permit, Action Needed July 8, 2025 Department Contact: <u>Harprit.Mattu@CalRecycle.ca.gov</u> <u>Public Notice</u>
- Mojave-Rosamond Recycling and Sanitary Landfill, located at 400 Silver Queen Road, Mojave CA 93501, Orange County, Revised Solid Waste Facilities Permit, Action Needed June 24, 2025 Department Staff Contact: <u>Isabelle.Maalouf@CalRecycle.ca.gov</u> <u>Public Notice</u>

- Tajiguas Sanitary Landfill and Resource Recovery Center, located at 14470 Calle Real, Goleta, CA 93117, Santa Barbara County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025 Department Contact: <u>Gina.Weber@CalRecycle.ca.gov</u> <u>Public Notice</u>
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- Agromin- Merced Highway 59 Compost Facility, located at 7040 N, Highway 59, Merced, CA 95348, Merced County, New Solid Waste Facilities Permit, CalRecycle must make a decision for this permit by June 3, 2025 Department Contact: <u>Harprit.Mattu@calrecycle.ca.gov</u> <u>Public Notice</u>
- EcoCycle Ventures, Inc, located at 3130 Bayshore Rd, Benicia, CA 95410, Solano County, New Minor Waste Tire Facility Permit, Action Needed October 6, 2025 Department Contact: <u>Harprit.Mattu@CalRecycle.ca.gov</u> <u>Public Notice</u>

### I. PUBLIC COMMENT

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### **PUDIOLOS** Monthly Updates

May 20, 2025

## Plastic Pollution Prevention Reforms (SB 54) Implementation Update

## Informal Public Workshop

- May 27th from 10 a.m. to 4 p.m. in the Byron Sher Auditorium
- Focus: Feedback on the latest version of the draft regulations
  - Public comments accepted through June 3rd

## Advisory Board Meeting

- May 16<sup>th</sup> from 10 a.m. to 4 p.m. in the Sierra Hearing Room (Zoom and Webcast)
- Focus: Regulations timeline, Needs Assessment, and Barriers and Solutions report

# **Covered Material Category List Guidance Workshop**

- June 23rd
- Focus: Feedback on guidance documents for the Covered Material Categories list

## Subscribe to Listserv for updates



# **Responsible Battery Recycling Act**

### Informal Public Rulemaking Workshop

- May 29<sup>th</sup> from 1 p.m. to 5 p.m.
  - Byron Sher Auditorium
- Register for Zoom participation
- Focus: Proposed regulations feedback
- Submit written comments after workshop





## **Beverage Container Recycling Program Dealer Cooperatives**



## Regulation Package Approval

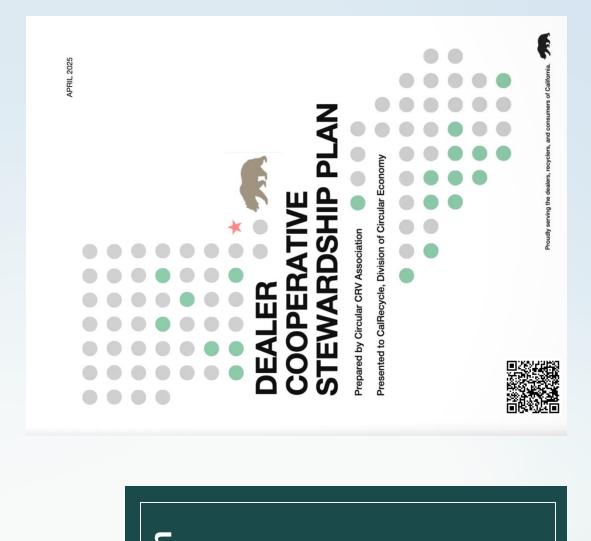
Dealer Cooperatives

## Regulations effective on April 24, 2025

- Additional information available online
   Rulemaking process
  - Link to regulations







### **Dealer Cooperatives** Stewardship Plan Submission

**Circular CRV Association Stewardship Plan** 

- Received by CalRecycle on April 28, 2025
- Public comments through May 13, 2025

## **CalRecycle Has 90 Days to Review**

- Approval or disapproval by July 28, 2025
- Plan linked to agenda and available online





### Pharmaceutical Waste Stewardship

## The Drug Takeback Solutions Foundation

- Proposed changes to Covered Drugs Stewardship Program
  - Submitted April 25, 2025
    - Currently under review

### Public comments accepted through May 16, 2025

Documents linked to today's agenda





## **Rubberized Pavement Grant Program** Eligibility Criteria and Evaluation Process

### **Proposed Changes**

- Can apply one year after last award
- 8 award maximum for individual applicants (up from 6)
- Figure 1 Increased reimbursement rates: RAC hot-mix
- Increased maximum grant awards
- \$375,000 Individual applicants
  - \$525,000 Regional applicants
- \$750,000 Qualifying Tribal Entities

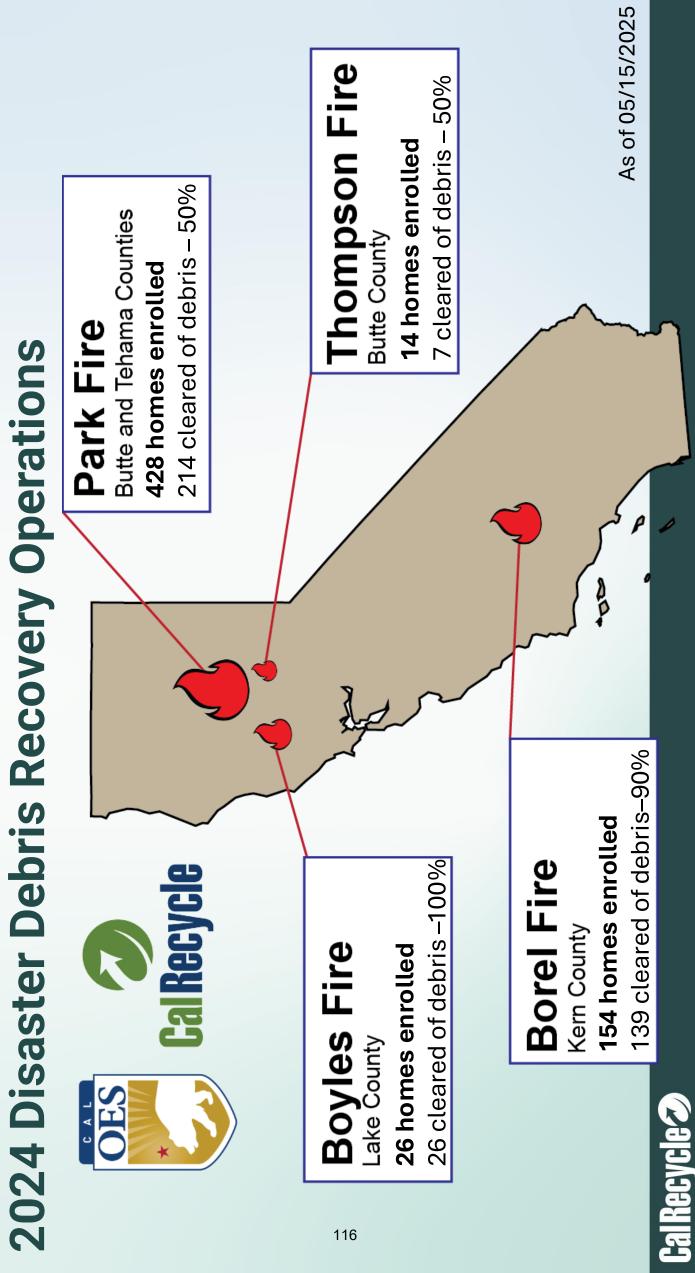
## Full proposed changes linked to today's agenda

### Funding

- \$6.5 million Fiscal Year 2025-26
- \$6.3 million Fiscal Year 2026-27

### **Tentative Timeline**

- July 2025 Notice of Funds Available
- September 2025 Application Deadline
- December 2025 Awards Announced



### Maximizing Compost Use Five-Year Review

**Compost benefits include e**rosion control, soil health, vegetation growth, and water quality

### Caltrans

- Compost used for highway landscaping and other projects
- Over 1.6 million cubic yards used since 2018

### CalRecycle

 Disaster cleanup contractors required to use compost products





### Compost Use Plan Five-Year Review

### CalRecycle and Caltrans Continuing Collaboration

- Staff training
- Reviewing compost specifications
- Updating best practices
- Identifying research opportunities
- Joint webinars and meetings











## Covered Electronic Waste (CEW) Recycling Program

## Battery-Embedded Products Emergency Rulemaking Workshop May 28<sup>th</sup> from 1 p.m. to 5 p.m.

- Focus on Regulatory Provisions, like:
  - Definitions
- Cancellation method
- Claim and reporting requirements
  - Recycling fee

Participate in person or virtually

## Solid Waste Disposal and Co-Disposal Site **Cleanup Grant Program Awards**

2nd Cycle Legacy Disposal Site Abatement Partial Grant Program

Riverside County - \$527,585



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- US Borax, Inc Gangue/Refuse Waste Pile Boron Operations, Solid Waste Disposal Site, located at 14486 Borax Road, Boron, CA 93516, Kern County, Modified Solid Waste Facilities Permit, Action Needed May 30, 2025
- AgroThrive, Inc., located at 26775 Old Stage Road, Gonzales, CA 93926, Monterey County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025 2
- K-Export, located 2000 W. Turner Road, Lodi, CA 95242, San Joaquin County, New Minor Waste Tire Facility Permit, Action Needed July 8, 2025 с. С

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- Mojave-Rosamond Recycling and Sanitary Landfill, located at 400 Silver Queen Road, Mojave CA 93501, Orange County, Revised Solid Waste Facilities Permit, Action Needed June 24, 2025 4
- Tajiguas Sanitary Landfill and Resource Recovery Center, located at 14470 Calle Real, Goleta, CA 93117, Santa Barbara County, Revised Solid Waste Facilities Permit, Action Needed May 30, 2025 ີ. ເ







### **Unified Program Newsletter – April 2025**

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### **CalEPA**

### **CERS NextGen**

CERS NextGen Hazardous Materials Inventory - Working Group

Developing mixture library for data entry

Members Needed! Kick-off 4/29/25 Tuesday 10-12pm Teams Meeting Join the meeting now Meeting ID: 286 924 444 094 Passcode: aA2Zf74v

### CERS

### **CERS Stale User Account Deletion**

A California Environmental Reporting System (CERS) regulator or business user account that has been inactive for one or more years is considered a stale account.

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

Stale accounts pose a security risk as each account offers a malicious actor opportunity to gain access to CERS. To comply with CalEPA's Information Security policies, any CERS account with no login activity within one year will be disabled and removed. This includes first responder and other government account types.

CalEPA will be sending email notifications to users with no recent login activities prompting them to log-in. Please ensure users provided access to CERS who have not logged into CERS within the last year, log in **before** May 2, 2025, to prevent impacts to user access. Please note, this is related to user accounts. Facility records are not impacted, however users whose account have been disabled and removed will lose access to their facility record.

UPAs shall continue CERS access procedures remain in place per CCR, Title 27 as follows:

- Section 15180(e)(4), requiring established written procedures for providing HMRRP information to emergency response personnel and other appropriate government entities in accordance with HSC Section 25504(c); and
- Sections 15185(f) and 15100(b)(2)(B)(i)(c), requiring access to the information collected in CERS to be provided to local information management systems, and to agencies with shared responsibilities for protection of the public health and safety and the environment.

### <u>CalARP</u>

### Annual Unified Program Training Conference Outline

The California Accidental Release Program (CalARP) Unit has published a training outline as a guide for inspectors to attend courses at the Annual Unified Program Training Conference based on their level of expertise. This outline was developed by the CalARP Track Coordinators to assist inspectors at various levels of expertise to further their knowledge and skills.

The CalARP training outline for the 27th California Unified Program Annual Training Conference can be found at: <u>https://calepa.ca.gov/california-accidental-release-prevention/training-opportunities/</u>.

If you have any questions regarding the CalARP Training Opportunities, please contact CalEPA <u>CalARP@calepa.ca.gov</u>.

### **DTSC**

### SAVE THE DATE - DTSC Office of Policy Public Workshop

DTSC invites you to attend the 2025 Office of Policy Regulation Priorities Public Workshop on April 30, 2025. The Office of Policy will present a summary and update of

rulemaking packages being developed. The following rulemaking packages will be discussed:

- Plant Waste Exclusion
- Airbag Rule
- Pharmaceuticals Rule
- Manifest Exemption
- Industrial Ethyl Alcohol Exemption
- E-Manifest Third Rule
- Adoption of Various K-listed Wastes
- Remediation of Manufactured Gas Plant Facilities

The webinar will be held virtually over Zoom on **Wednesday**, **April 30**, **2025**, **from 10:00AM to 12:00PM PST**. Zoom information will be provided over email in the coming weeks.

Please contact <u>alexa.rindy@dtsc.ca.gov</u> to be included in upcoming emails regarding this workshop.

### CUPA Training and Assistance Unit: What's Next for 2025 and Beyond?

As we gear up for this year, the CUPA Training and Assistance Unit (CUPA TA) is proud to reflect on our achievements and share our future plans with our dedicated partners and stakeholders. Comprised of three trainers, two inspectors, and a supervisor, the CUPA TA is actively engaging in collaborative efforts to enhance training and support for California Unified Program Agencies (CUPAs).

### Key Achievements and Milestones

We are proudly presenting the achievements marked by significant milestones that reflect our ongoing commitment to training and assistance:

- 1. Collaborative Partnerships: We have established strong partnerships with various CUPAs, laying the groundwork for enhanced cooperation and resource-sharing.
- 2. Generator Improvements Rule Training: Our team successfully delivered training courses on the Generator Improvements Rule.
- 3. Tiny Topic Training Program: The launch of our Tiny Topic Training program has proven to be a hit, providing targeted training sessions for specific issues.
- 4. Training Needs Assessment (TNA): We are moving forward with the analysis of the TNA for CUPA, ensuring that our training offerings align with the actual needs of our stakeholders.

In addition to these initiatives, the CUPA TA has been actively providing technical assistance to CUPAs, participating in various CUPAs meetings, serving as inspectors for DTSC, and supporting the Toxics Packaging Clearing House.

### Upcoming Environmental Sampling for Enforcement Training

We have scheduled two major hand-on training courses on Environmental Sampling for Enforcement:

- 1. The Northern California training session is scheduled for May 14, 2025, at the DTSC Cal Center office located at 8800 Cal Center Dr. Sacramento, California. This training course is full. The session is at capacity. You can contact us if you wish to be on the waiting list. <u>DTSC CUPATrainers@dtsc.ca.gov</u>.
- The Southern California training session is scheduled for September 17, 2025, at the DTSC Chatsworth office located at 9211 Oakdale Avenue, Chatsworth, California. Due to the interactive nature of the training, spaces are limited to just 30 participants. Please contact us if you would like to participate via email at <u>DTSC CUPATrainers@dtsc.ca.gov</u>.

### Tiny Topic Trainings

Our Tiny Topic mini training sessions have successfully covered the following topics:

- 1. 10x and 20x "Rules"
- 2. Tiered Permitting Financial Assurance

Looking ahead, we are excited to continue our collaboration with CUPAs and present additional Tiny Topic Trainings at the technical meetings. Upcoming topics requested by CUPAs include:

- 1. Used Oil Definition
- 2. Speculative Accumulation
- 3. Hazardous Waste Tracking System

### Insights from the Training Needs Assessment (TNA)

The TNA process has yielded valuable insights based on two key data sets, including:

- 1. Identification of deficiencies in the Final Summary of Findings from CUPA evaluations.
- 2. Combination of CUPA requests for training, both from 'wish lists' and surveys.

Note that topics already covered or scheduled for the 2025 California Unified Program Annual Training Conference, like Tiered Permitting, were moved down the priority list.

According to the TNA findings, the prioritized top five trainings need are as follows:

- 1. Hazardous Waste Generator Inspection
- 2. Transporter Inspections
- 3. Return to Compliance and Corrective Action

- 4. Tank Assessments and Requirements
- 5. Used Oil

We remain committed to flexibility in our TNA results prioritization, responding to the needs of emerging topics as they arise. If you have suggestions for additional training topics, we encourage your input to ensure our offerings align with the evolving environmental regulations and standards. See our email address below.

**In addition, are you interested in co-presenting any of the above topics?** We would like to partner with CUPA staff and to continue to build strong collaborative partnerships. Please contact us at <u>DTSC CUPATrainers@dtsc.ca.gov</u>.

CUPA TA is seeking collaborative partnership with CUPA staff who are interested in copresenting any of the priority topics listed above. If successful, these training courses may even be presented at the 2026 California Unified Program Annual Training Conference in San Diego, California.

As we continue our work, we appreciate the continued support and collaboration of our CUPA partners. Looking forward to continuing building a strong collaborative partnership. <u>DTSC\_CUPATrainers@dtsc.ca.gov</u>.

### Virtual Training: Hazardous Waste Sampling and Lab Results Interpretation

Open to all regulators

### Do you know how to approach waste sampling—when to sample, what to collect, and common pitfalls to avoid?

Do you find laboratory data challenging to navigate, demystify or verify? Not sure when TTLC results trigger leachate testing or how to interpret QA/QC flags?

Whether you're overseeing sampling yourself or reviewing results submitted by a facility, this session will help you ask the right questions, spot red flags, and make informed compliance decisions.

Join us for a focused session designed to help **regulators** build confidence in evaluating hazardous waste sampling plans and interpreting laboratory data.

Date: Thursday, May 8, 2025
Time: 2:00 PM – 4:00 PM
Where: Online — a meeting link will be shared after registration is confirmed.

**Presented by:** DTSC's CUPA Training and Assistance Unit **Audience:** This session is intended for CUPA and other regulatory agency staff. **Industry partners:** Stay tuned. A separate session will be offered soon.

Sign up here: <u>https://dtsc-ca-</u> gov.zoom.us/meeting/register/\_ReD5L2NRmu3UTfbMQ7APg

If you have questions about the training, feel free to contact us at <u>DTSC\_CUPATrainers@dtsc.ca.gov</u>.

### **Email Directory**

The Business Operations Unit (BOU) of DTSC's Hazardous Waste Management Program processes applications for hazardous waste ID numbers and registers hazardous waste transporters. They also handle Biennial Reports and Annual Facility Reports. Additionally, answer questions about the Hazardous Waste Tracking System and the RCRAInfo system. For an email directory, go to <u>https://hwts.dtsc.ca.gov/contact-us</u> and share it with your stakeholders.

### Inactivation of ID Numbers Due to Noncompletion of DTSC's 2025 Hazardous Waste ID Number Verification Questionnaire

Hazardous waste handlers must fill out the 2025 electronic Verification Questionnaire (eVQ), which was due by March 31, 2025. Hazardous waste handlers that didn't complete their eVQ by April 7, 2025, had their ID number(s) deactivated on April 8, 2025. The deactivation date was recorded as if it happened on December 31, 2024. If a handler has not completed their eVQ, direct them to the information below. Inactive IDs can easily be reactivated in Step 3 of the questionnaire. The eVQ System will remain open until May 30, 2025, at 5 p.m. Pacific Daylight Time, to accept late submissions.

- ▷ Website: <u>https://evq.dtsc.ca.gov</u>
- Training Video: <u>https://dtsc.ca.gov/evq-training-video/</u>
- Email: <u>eVQ@dtsc.ca.gov</u>

**Toll-free Number:** 1-877-454-4012 Monday through Friday from 9 a.m. to 2 p.m.

### Cal FIRE OSFM

### Waters of the U.S. (WOTUS)

On March 12, 2025, the U.S. Environmental Protection Agency (U.S. EPA) and Department of the Army announced a joint memorandum issuing guidance on "continuous surface connection" regarding the WOTUS definition. The guidance is consistent with the U.S. Supreme Court's May 25, 2023, decision in the case of *Sackett v. Environmental Protection Agency*. For more information, visit the U.S. EPA website at <u>https://www.epa.gov/wotus</u>.

The WOTUS definition impacts Aboveground Petroleum Storage Act (APSA) tank facilities that are subject to the Federal Spill Prevention, Control, and Countermeasure (SPCC) rule per Health and Safety Code, Section 25270.3(a). These tank facilities store more than 1,320 gallons of oil (including at least 55 gallons of APSA petroleum) and have a potential threat of discharge to navigable waters of the U.S. or adjoining shoreline.

### **Professional Engineer Certification**

**Question:** Where can information related to the license status of California professional engineers (PE) be found?

**Answer:** The licensing for a PE in California is under the jurisdiction of the California Board for Professional Engineers, Land Surveyors, and Geologists (Board). You may search for the license status of a California PE by visiting the Board's website at <a href="https://www.bpelsg.ca.gov/consumers/lic\_lookup.shtml">https://www.bpelsg.ca.gov/consumers/lic\_lookup.shtml</a>. You may also contact the Board at 1-866-780-5370 (toll free) if there have been any complaints or disciplinary actions taken against the PE's license.

Unified Program Agencies (UPA) and tank facility owners/operators are encouraged to utilize and follow the Board's complaint process, as necessary, which may be found on the Board's website at <u>https://www.bpelsg.ca.gov/consumers/complaint\_licensee.shtml</u>.

Additionally, the Board's consumer guide posted on their website at <u>https://www.bpelsg.ca.gov/pubs/index.shtml</u> provides information on professional engineering services, including when a license is required or not required, licensed engineer's seal and signature requirements, etc.

U.S. EPA information on PE certification of SPCC Plans and applying a PE's seal may be found at <u>https://www.epa.gov/oil-spills-prevention-and-preparedness-regulations/pecertification-and-applying-pes-seal</u>.

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: <u>cupa@calepa.ca.gov</u>.

CalEPA Unified Program Home Page



### **Unified Program Newsletter – May 2025**

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### **State Water Board**

### Single-Walled UST Survey

On March 7, 2025, the State Water Resources Control Board (State Water Board) requested the Unified Program Agencies (UPAs) provide the most current information on all single-walled underground storage tanks (USTs) within their jurisdiction that are subject to Health and Safety Code, chapter 6.7 section 25292.05. The State Water Board will use the survey data to assist UPAs with planning and resource allocation, including providing red tag supplies for UPAs later this year in preparation for the single-walled UST closure deadline. An overview of the survey results is shown below:

- 420 facilities with 1,172 single-walled tanks
  - o 51 of these facilities are government owned
- 57 facilities with 140 double-walled tanks with single-walled pipe only
  - 13 of these facilities are government owned
- 28 facilities with 39 single-walled emergency tank systems
  - 8 facilities are government owned
- 51 facilities are within 1,000 ft of a public drinking water well
- 318 (67%) facilities have not submitted a UST closure permit application

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

• 73 facilities have a Replacing, Removing, or Upgrading UST (RUST) application under review

All UPA data provided from the survey is located on the <u>State Water Board Single-</u> <u>Walled UST</u> webpage (https://www.waterboards.ca.gov/ust/single\_walled.html) in the "<u>List of Single-Walled Facilities from Unified Program Agencies-April 2025</u>" spreadsheet

(https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.waterboar ds.ca.gov%2Fust%2Fdocs%2Fsw-facilities-unified-programagencies.xlsx&wdOrigin=BROWSELINK)

For additional information regarding the list of single-walled UST facilities, contact: Jenna Hartman at (916) 327-8563 or <u>Jenna.Hartman@waterboards.ca.gov</u>.

### Notice of Modified Proposed Underground Storage Tank Reporting Regulations and Opportunity to Provide Comment

On May 2, 2025, the State Water Board notified UST stakeholders of the modified proposed amendments to the UST Regulations via an email through the <u>UST</u> <u>GovDelivery subscription</u> list

(https://public.govdelivery.com/accounts/CAWRCB/subscriber/new?qsp=ust). Based on feedback received during the 45-day public comment period, the modified proposed amendments address changes made to exempt facilities, secondary containment requirements, compliance requirements, and alternative monitoring requirements.

The 15-day public comment period for the proposed modifications to the UST Regulations is currently open and will close on **May 19, 2025, at 12:00pm**. Any interested person may submit written comments relevant to the proposed UST Regulations to Ms. Courtney Tyler, Clerk to the Board, by email at <u>commentletters@waterboards.ca.gov</u>, by fax at (916) 341-5620, or by mail or hand delivery addressed to:

Ms. Courtney Tyler, Clerk to the Board State Water Resources Control Board P.O. Box 100, Sacramento, CA 95812-0100 (by mail) 1001 I Street, 24th Floor, Sacramento, CA 95814 (by hand delivery)

The proposed rulemaking package and information on how to submit comments are available on the <u>Proposed Chapter 16 Rewrite Regulations</u> webpage (https://waterboards.ca.gov/water\_issues/programs/ust/leak\_prevention/chapter16/rewri te.html).

For additional information regarding the modified proposed UST Regulations, contact Austin Lemire-Baeten at (916) 325-5612 or <u>Austin.Lemire-Baeten@waterboards.ca.gov</u>, or Tom Henderson at (916) 319-9128 or <u>Tom.Henderson@waterboards.ca.gov</u>.

### Red Tag Data

The results from the July – December 2024 Report 6 are now available on the <u>UST</u> <u>Leak Prevention</u> (https://www.waterboards.ca.gov/ust/leak\_prevention/) webpage. Additionally, the red tag application data from this report has been updated on the <u>UST</u> <u>Red Tag Requirements and Guidance</u>

(https://www.waterboards.ca.gov/ust/enforcement/red\_tag\_regs\_index.html) webpage.

For additional information regarding Report 6 or the red tag application data, contact: Magnolia Busse at (916) 341-5870 or <u>Magnolia.Busse@waterboards.ca.gov</u>.

### Office of Tank Tester Licensing Webpage Update

The Office of Tank Tester Licensing (OTTL) has updated Local Guidance (LG) 105 (https://www.waterboards.ca.gov/water\_issues/programs/ust/leak\_prevention/lgs/105\_1 2.html) on the OTTL website (https://www.waterboards.ca.gov/ust/tank\_testers/) to reflect the current list of State Water Board licensed tank testers. In addition to LG-105, the OTTL website includes links to OTTL Regulations, OTTL testing notification forms, and LG-113. The OTTL website also provides licensing information for applicants and study materials for the exam.

For additional information regarding the OTTL website updates, contact: Kaitlin Cottrell at (916) 319-0742 or Kaitlin.Cottrell@waterboards.ca.gov.

### 27th Annual CUPA Conference – UST Prevention Presentations

### Penalty Assessment Panel

Jenna Hartman presented in a penalty assessment panel discussion with the Department of Toxic Substances, Office of the State Fire Marshal, and Orange County CUPA. The panel covered similarities and differences in the enforcement process between the state and UPA agencies, shared tips for assessing penalties, and responded to questions about navigating the formal enforcement process.

### **UST Regulations Stakeholder Impacts**

Greg Breshears and Austin Lemire-Baeten spoke on how the proposed changes to the UST Regulations will affect different UST personnel, including owners, operators, service technicians, installers, and UPAs. Additional resources related to the UST Regulations Rewrite are available on the <u>Proposed Chapter 16 Rewrite Regulations</u> website

(https://waterboards.ca.gov/water\_issues/programs/ust/leak\_prevention/chapter16/rewrite.html).

### Preparing for 2026- The UST Leak Prevention Program Update

Tom Henderson presented the State Water Board's annual update on the UST Program, covering program statistics, expectations for permanent closure of single-walled tanks, the UST Regulations rewrite, and UPA UST evaluation updates.

### TCR & Report 6: How to Thrive & Survive your UST Evaluation

Magnolia Busse, Kaitlin Cottrell, and Michelle Suh presented the connection between UST inspection reports, Report 6, and Technical Compliance Rate (TCR), highlighting their impact on CUPA performance evaluations. The <u>presentation</u> also included an overview of the CUPA Evaluation Process

(https://www.waterboards.ca.gov/ust/leak\_prevention/performance-evaluations/) website and highlighted available resources to help managers and UST inspectors understand the data reviewed by the evaluation staff.

### The CUPA Performance Evaluation and Assessment Process

Magnolia Busse, Michelle Suh, and other state agency evaluators presented on the CUPA performance evaluation process. The presentation covered the State Water Board's UST program assessment, including recent changes to the Supplemental Questionnaire, available training opportunities, and improvements to the overall UST evaluation process. Additionally, it included a walkthrough of the <u>CUPA Evaluation</u> <u>Process</u> (https://www.waterboards.ca.gov/ust/leak\_prevention/performance-evaluations/) website.

### **DTSC**

### 2025 Electronic Verification Questionnaire Report Cycle Closure

Hazardous waste handlers must complete the 2025 electronic Verification Questionnaire (eVQ), which was due by March 31, 2025. The eVQ System will remain open until May 30, 2025, at 5 p.m. Pacific Daylight Time, to accept late submissions.

- Website: <u>https://evq.dtsc.ca.gov/Home.aspx</u>
- Training Video: <u>https://dtsc.ca.gov/evq-training-video/</u>
- Email: <u>eVQ@dtsc.ca.gov</u>

**Toll-free Number:** 1-877-454-4012 Monday through Friday from 9 a.m. to 2 p.m.

### Cal FIRE OSFM

### Aboveground Petroleum Storage Act (APSA) Advisory Committee

The next APSA Advisory Committee meeting will be held on June 16, 2025, at 9:30 a.m. The agenda will be available at least 10 days before the meeting on the APSA Advisory Committee website (<u>https://osfm.fire.ca.gov/committees/aboveground-petroleum-storage-act-apsa-advisory-committee</u>).

### **APSA Facility Information Submittals**

As of April 28, 2025, the California Environmental Reporting System (CERS) indicates 12,668 (73 percent) of 17,324 APSA tank facilities completed and submitted their APSA Facility Information within the last 12 months.

New regulations require each tank facility owner or operator to complete and submit the APSA Facility Information to CERS in conjunction with the tank facility statement or Hazardous Materials Business Plan (HMBP) submittal within 12 months following December 17, 2024, and annually thereafter (California Code of Regulations, Title 19, Section 1614(a) and (c)).

More information on APSA CERS submittals may be found on the following OSFM websites:

- Aboveground Petroleum Storage Tank Facility Statement Reporting Requirements <u>https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/certified-unified-program-agency/aboveground-petroleum-storage-act/aboveground-petroleum-storage-act/aboveground-petroleum-storage-tank-facility-statement-reporting-requirements
  </u>
- Is My Facility Regulated Under APSA? <u>https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/certified-unified-program-agency/aboveground-petroleum-storage-act/is-my-facility-regulated-under-the-aboveground-petroleum-storage-act
  </u>
- Preparing an APSA Submittal in CERS
   <u>https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/certified-unified-program-agency/aboveground-petroleum-storage-act/preparing-an-aboveground-petroleum-storage-act</u>

### **APSA Program Webinars**

Another webinar is coming soon. This next series will be provided by OSFM in early June and will cover the APSA Program regulations, which became effective December 17, 2024.

Use the link below to join the webinar on June 2 at 10:00 a.m. Join the June 2 webinar via Microsoft Teams (https://teams.microsoft.com/l/meetupjoin/19%3ameeting\_ZGQ2YTUzY2MtYmQzNi00Y2Q2LWI1MjMtOGFINjljNDkwOTE4%4 0thread.v2/0?context=%7b%22Tid%22%3a%22447a4ca0-5405-454d-ad68c98a520261f8%22%2c%22Oid%22%3a%2255dd5151-2626-4f47-82ff-87b7f7bc788f%22%7d) Meeting ID: 284 186 412 963 6 Passcode: Fi3Zw9QS Dial in by phone: +1 (650) 564-3271 Phone conference ID: 493 536 647#

Use the link below to join the webinar on June 3 at 10:00 a.m. Join the June 3 webinar via Microsoft Teams (https://teams.microsoft.com/l/meetupjoin/19%3ameeting\_MWVIZTImODEtM2U4YS00OWQ4LWEyMzItMGZjZmI4ZjgxZWJh %40thread.v2/0?context=%7b%22Tid%22%3a%22447a4ca0-5405-454d-ad68c98a520261f8%22%2c%22Oid%22%3a%2255dd5151-2626-4f47-82ff-87b7f7bc788f%22%7d) Meeting ID: 296 416 250 710 0 Passcode: Ks2Yc7Ku Dial in by phone: +1 (650) 564-3271 Phone conference ID: 746 637 925#

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: <u>cupa@calepa.ca.gov</u>.

CalEPA Unified Program Home Page

### **Agenda Item IX**

### ARTICLES OF INTEREST

### IBM.

Get agents off the shelf and on the job before you know it



LOCAL NEWS

### San Diego homeowners challenge proposed trash fee in court

Five San Diego homeowners are suing the City over a proposed trash fee, claiming it violates state law.



San Diego failed to collect \$4 million in trash fees from private haulers last fiscal year.

Author: CBS 8 Staff Published: 1:54 PM PDT May 20, 2025 Updated: 1:54 PM PDT May 20, 2025

SAN DIEGO — Five San Diego homeowners are suing the City and some council members, alleging the city's proposed new trash collection fee violates state law by failing to charge residents the actual cost of service.

The complaint, filed May 19 in San Diego County Superior Court, seeks a court order declaring the city's planned Solid Waste Management Fee and its notification process violated Proposition 218, a constitutional amendment that limits property-related fees to the actual cost of service and requires clear notice and protest procedures to affected residents.

Ad 1 of 1

IN OTHER NEWS

Lights back on at Vermont Street pedestrian bridge

### **Background on the Fee**

The city's proposed Solid Waste Management Fee would apply to owners of single-family and certain multi-family homes eligible for city-provided trash, recycling and yard and food waste.

The City Council is scheduled to hold a public hearing and vote on the fee on June 9, with a second hearing set for June 24 to consider collecting the payment through property tax bills. If approved, the fee could cost homeowners up to \$47.59 per month, or \$571.08 annually, starting in fiscal year 2026.

The city says the fee is necessary to recover the cost of providing waste collection services, which have historically been funded by the city's general fund and not directly billed to most homeowners. In 2022, voters approved Measure B, amending the city's "People's Ordinance" to allow for such fees, a move city officials say brings San Diego in line with other California cities.

### **Plaintiffs' Allegations**

The plaintiffs — Mary Brown, Scott Case, Patty Ducey-Brooks, Lisa Mortensen, and Valorie Seyfert — claim the city's fee is not based on the actual cost of service, as required by Proposition 218, but instead on projections and estimates that are "arbitrary" and inflated.

According to the complaint, the city's consultant projected the cost of solid waste collection for fiscal year 2026 to be nearly \$149 million, a 68% increase over the \$88.9 million cost in 2024. The plaintiffs say this jump is unsupported and that the city's notification to residents buried key instructions on how to challenge the proposal in small print.

The lawsuit also accuses city officials of holding "secret meetings" to coordinate the fee proposal and of planning to collect the fee through property tax bills without maintaining an accurate list of affected customers.

### **City's Position**

City officials maintain the fee is a necessary step to address San Diego's budget shortfalls and deferred maintenance, and that it complies with state law. The city's notice to residents states that the fee "cannot exceed the cost to provide residential solid waste management services to eligible customers," and that any revenue collected will be used solely for that purpose.

The city also points to new service enhancements funded by the fee, including weekly recycling, bulky item pickup, and container replacement at no extra charge.

### **Legal Claims**

The lawsuit seeks a judicial declaration that the fee and the city's notification process violate Proposition 218, and asks the court to block implementation. The plaintiffs are also seeking

attorneys' fees and costs.

A public hearing on the proposed fee is scheduled for June 9 at City Hall. Residents may submit written protests to the City Clerk by 2 p.m. that day or in person at the hearing. If a majority of affected property owners submit valid protests, the City Council cannot adopt the fee.

### What's Next

The outcome of the lawsuit could have broad implications for how San Diego and other California cities fund essential services. City officials have not yet responded to the complaint in court.

CBS 8 reached out to the San Diego City Attorney's Office for comment, but a spokesperson said they are unable to comment on pending litigation.

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### A hot topic for recyclers: Battery-related fires

Published: May 13, 2025 Updated: May 14, 2025 by <u>Antoinette Smith</u>



A recent webinar presented by the Northeast Recycling Council explored industry and federal efforts to improve consumer education and reduce fire risks. | Allyson-Kitts/Shutterstock

Many MRF operators cite batteries as their greatest challenge, and for good reason. Fires at waste management facilities have been steadily increasing in recent years, many traced back to improper disposal of household batteries.

During a May 7 <u>webinar</u> hosted by the Northeast Recycling Council, speakers from two information technology asset disposal firms as well as the U.S. EPA explored a wide range of efforts to help improve consumer education and reduce fire risks.

Various analyses, done with both public and private funds, have explored battery-related fire trends. For example, the EPA conducted a <u>2021 study</u> showing the increasing incidence of lithiumion battery fires in waste management and recycling between 2013 and 2020. The most recent study by fire detection equipment supplier Fire Rover showed that in 2024, publicly reported fires at U.S. and Canadian MRFs and transfer stations <u>increased</u> by 20% on the year to reach their highest recorded level.

Also in 2024, the National Waste and Recycling Association <u>estimated</u> that more than 5,000 fires occur each year at recycling facilities, linking many of them to improperly discarded lithium-ion batteries.

Yet despite the broad availability of data, quantifying battery-related fires is an imperfect science.

"We know it's a massive undercount," said Jessica Young, chief of the recycling and generator branch at the EPA's Office of Resource Conservation and Recovery, during the webinar.

"Underreporting of fires is a significant barrier to understanding the issue fully," added moderator Christina Seibert, executive director of the Solid Waste Agency of Northern Cook County in Illinois.

Each analysis employs its own methodology, but they all largely rely on public reporting of fires, and not all fires are reported, Young said. Further, analysts must also determine whether the blaze was related to an improperly managed battery, which may prove challenging.

Regardless of the methodology, it's clear that fires are occurring more often. A <u>report</u> from Call2Recycle found a sharp increase in the number of products containing embedded batteries, which pose a unique danger because consumers may not realize a greeting card or a vape pen contains a battery.

And the number of lithium-ion batteries placed on the U.S. market is expected to grow, Young said, citing data from analytics firm Circular Energy Storage.

Meanwhile, North American capacity to process these batteries is "quite insignificant," according to a <u>report</u> from consultancy Deloitte and the American Chemical Society though the U.S. is working on expanding capacity.

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#### The latest recycling industry news

# Pepsi reduces, extends global recycled resin goal

Citing factors outside the company's control, brand giant PepsiCo has softened its global post-consumer recycled content target and given itself more time to achieve the goal.

#### Top stories from May 2025

Facility closures by Smurfit Westrock drew substantial reader interest last month, alongside stories covering state extended producer responsibility policies and a glass collection pilot project in California.

# In Brightmark bankruptcy, parent firm wins auction bid

Brightmark's bankrupt Indiana pyrolysis facility will be sold to parent company Brightmark for \$14.3 million in a move that will keep the facility operating and retain most or all of its more than 100 employees, a judge ruled this month. The latest development came after a competitive auction process with plenty of twists and turns. Nevertheless, public education remains inconsistent, and consumers have varying degrees of access to battery recycling services, said panelist Joe Lange, plant general manager at Wisconsinbased Universal Recycling Technologies.

Some areas prohibit disposing of batteries in household trash, and while a ban provides a clear message to residents, localities must build ongoing education and awareness about battery recycling — as well as the risks of mismanagement, Seibert said: "There's a lot to be done around behavior change and messaging to make people realize it's a safety concern."

### **Emerging detection technologies**

Waste handlers can use manual or automated detection to identify devices that are likely to contain batteries, Lange said. Even so, current processes result in a high rate of false positives, and standardization is limited, he added.

Panelist David Hirschler, chief sustainability officer at ERI, agreed, saying that more than 60% of devices his company flags for containing a battery may not actually have one. Based in California, ERI is developing a process using X-ray density analysis to detect embedded batteries within electronics.

Other research is exploring how to shred battery-embedded devices most effectively. And while no standard has yet emerged, Hirschler and Lange both said the most likely process will be compartmentalized, similar to the technique used to segregate mercury and other harmful materials from plasma-screen TVs before the device enters a shredder.

### Adaptive design

While advances in detection are vital to reducing battery-related fires, device design changes are important as well, the panelists said.

Electronics manufacturers are <u>making strides</u> toward increasing repairability, whether by <u>choice</u> or by <u>legislation</u>. One example is Apple's <u>switch</u> to a more easily removed battery adhesive, which took the company years to develop.

But manufacturers may resist design changes for reasons both valid and less so, Hirschler said. ERI frequently discusses the issue with OEMs, who cite quality and durability concerns, he added.

There's "tons" of ongoing research into alternative battery materials that pose less of a fire risk than lithium and could ease dependence on lithium-rich countries, Hirschler said. But most of the solutions are meant for larger-format batteries, such as those used in energy storage and occasionally electric vehicles.

### Federal initiatives to increase collection, recycling

The EPA is working on a proposal to <u>establish a new category</u> of universal waste specifically tailored to lithium batteries, Young said. The new category would improve safety standards and reduce fires from mismanaged end-of-life lithium batteries, promote battery recycling and align industry best practices to harmonize battery management, according to the agency's website.

Although the change in administration has delayed the proposal — originally scheduled for June 2025 — an updated schedule will be included with the <u>spring regulatory agenda</u> from the Office of Management and Budget, she said.

Among its efforts to increase industry engagement and community education, the EPA has held a series of working sessions on household battery collection and recycling. The agency includes recordings of <u>past working sessions</u> on its site.

In addition, the Infrastructure and Jobs Act has provided <u>grants</u> to bolster domestic supply chains for battery manufacturing and recycling. However, whether funding changes are permanent or regulations will change is still a significant unknown for federal agencies, Young acknowledged.

In the end, Lange said, everyone in the product life cycle has a role in managing end-of-life lithium batteries – from OEMs to consumers to recyclers.

Every community in the U.S. must work to amplify a unified message to keep embedded batteries out of curbside collections, to help reduce fires and the associated risks to communities and waste management workers, Young said.

### More stories about challenging materials

- Facing increasing volumes, Ridwell tweaks textile recycling
- <u>Nebraska city to accept paper cups in curbside bins</u>
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# Facing increasing volumes, Ridwell tweaks textile recycling

After years of collecting textiles from households, Ridwell is now asking customers to self-sort the items into rewearable and recyclable categories, in response to growing volumes and feedback from end markets.

# Stakeholders weigh in on SB 54 draft regulations

The first public opportunity to comment on California's latest extended producer responsibility for packaging draft regulations stretched past the allotted time frame, with some speakers saying changes to a chemical recycling regulation section were unlawful.

#### Oregon bottle bill to allow 'alternative' return centers

Oregon state lawmakers recently approved a bill that allows the state to designate new redemption centers in Portland tailored toward canners people who redeem containers on a daily or near-daily basis — and to allow retailers operating nearby to provide fewer redemption services.

# California advisory board examines barriers to EPR

Members of the California extended producer responsibility for packaging advisory board have identified dozens of barriers to implementation and offered up possible solutions in a recent report.

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# Washington Gov. Ferguson signs packaging EPR law

Ferguson called it the "biggest overhaul of our recycling system in decades." Washington's law, the seventh in the U.S., drew opposition from the waste and recycling industry.

Published May 17, 2025



Megan Quinn Senior Reporter

The state capitol in Olympia, Washington. Gov. Bob Ferguson signed a law on May 17, 2025, establishing EPR for packaging in the state. halbergman via Getty Images

Washington is now the seventh U.S. state with a packaging EPR law.

Gov. Bob Ferguson signed SB 5284 into law on Saturday, the culmination of years of advocacy to get a bill across the finish line. He called it the "biggest overhaul of our recycling system in decades" during the signing.

Now that Washington has adopted the law, the whole West Coast of the U.S. has an EPR for packaging program. California and Oregon have also adopted such laws.

The Recycling Reform Act creates an extended producer responsibility program for most kinds of paper and packaging. It also establishes a statewide recycling collection list and calls for adding curbside recycling for all homes that already have curbside trash service. Ferguson noted at the bill signing that this could add service for hundreds of thousands of households. It also calls for the state's Department of Ecology to conduct and submit a statewide recycling needs assessment, due by Dec. 31, 2026, and update it with any new data by Dec. 31, 2027.

Producers would ultimately reimburse waste service providers 90% of recycling system costs, and that funding could be used for investment in system improvements, according to the bill. A producer responsibility organization would develop, implement and finance the program, and Ecology would oversee it.

According to the bill, reimbursements for recycling service providers would be phased in over time: 50% by Feb. 15, 2030, 75% by the same date in 2031 and 90% come 2032.

There are exemptions for certain types of food and medical packaging. Covered materials can also be exempted if a producer demonstrates a reuse or recycling rate of 65% for three consecutive years. That threshold rises to 70% come 2030.

Service providers seeking reimbursement for services must register with Ecology, including MRFs. MRF operators receiving covered materials would need to annually report data such as volumes and quality of the material. Starting in 2028, MRFs that manage more than 25,000 tons of covered products a year would need to ensure they pay workers a "minimum industry standard compensation."

### Other implementation dates

### Jan. 1, 2026

Producers must appoint one or more producer responsibility organizations

Jan. 1, 2026

Department of Ecology must appoint and establish EPR advisory council

### Jan 31, 2026

Department must facilitate registration by service providers

March 1, 2026 PRO must register with the department

July 1, 2026 Producers must be members of a PRO

Sept. 1, 2026 PRO must submit one-time payment to department

**Oct.1, 2026** Department develops initial statewide collection lists

**Dec. 31, 2026** Department completes statewide needs assessment

**May 1, 2027** PRO pays annual registration fee to department

**Dec. 31, 2027** Department completes statewide needs assessment

### 2028

Adopt rules (ideally to be harmonized with other states)

**Oct. 1, 2028** 

PRO submits plan to department for approval

### Jan.31, 2029

Department creates a model comprehensive solid waste plan amendment for use by cities and counties

### March 1, 2029

Producers that aren't registered with a PRO may not introduce covered materials in the state

### March 1, 2029

Department initiates enforcement activities with respect to noncompliant producers that are not members of the PRO

### Jan. 1, 2030

Implement approved plan

### 2031

MRF operators must submit responsible market certification for each destination where commodities containing covered materials were sent

### July 1, 2031

Annual report due to department

### Jan. 31, 2032

Equity study due to legislature

The bill's sponsors, state Sen. Liz Lovelett and Rep. Liz Berry, said EPR for packaging would help improve recycling rates and divert more material from landfills. The bill received support from Seattle Public Utilities and multiple local governments. It was backed by groups such as Zero Waste Washington, which called this its toppriority bill, as well as the Northwest Product Stewardship Council, Ameripen, the Association of Plastic Recyclers and The Recycling Partnership, among other groups.

The EPR Leadership Forum also testified in support. That group is made up of many of the brands that were founding members of the PRO Circular Action Alliance, including Coca-Cola, Kraft Heinz, PepsiCo, Target, Walmart and more.

The National Stewardship Action Council applauded the passage of Washington's bill, saying the state legislature recognized "that true producer responsibility means closing the recycling access gap, delivering clear and consistent public education, and honoring the essential workers who power our recycling system."

But numerous haulers opposed the bill, including WM, Republic Services and Waste Connections, as well as the Washington Refuse & Recycling Association. These groups have historically opposed similar EPR bills in the state and said the program would raise costs for residents. The Consumer Brands Association was also against it.

Here are some other states where EPR bills are still in play this year:

- **Connecticut:** Legislators introduced an EPR study bill. The session ends June 4.
- **New York:** The Packaging Reduction and Recycling Infrastructure Act, supported by environmental groups, would fund recycling efforts and ban certain chemicals in packaging, such as PFAS. A competing bill favored by some brands, the Affordable Waste Reduction Act, calls for a statewide recycling needs assessment and would establish a PRO, among other steps. New York's legislative session ends on June 12.

- **Massachusetts:** An EPR for packaging bill would set combined reduction and recycling rates. A state commission is also studying packaging EPR this year.
- **New Jersey:** An EPR bill is moving through committee. It would require a state needs assessment and set certain source reduction and recyclability requirements.



### Haulers share how weather, tariffs impacted Q1

Published: May 7, 2025 Updated: May 7, 2025 by <u>Marissa Heffernan</u>



Winter weather and tariffs were top of mind for five of the largest publicly traded garbage and recycling companies in North America in the first quarter of the year. | Republic Services

Bad weather in parts of the country weighed on leading recycling companies' first-quarter earnings, their leaders said, but overall they saw revenue increases.

North America's five largest publicly traded garbage and recycling companies – WM, Republic Services, Casella Waste Systems, GFL Environmental and Waste Connections – all recently disclosed their first-quarter 2025 financial results and reported bumps in revenues compared to the <u>first quarter of 2024</u> – though they tempered expectations regarding macroeconomic political factors.

During an investor call, Jim Fish, WM president and CEO, said that in January and February, it was unclear whether lower activity was due to inclement weather or an economic downturn, "and I think the answer to that question came in our volumes for March and April, which turned back up nicely."

The CEOs of the other companies each echoed that dip and recovery in their own investor calls.

The following are details on recycling-related financial results for the top five publicly traded garbage and recycling companies in the first quarter of 2025.

### WМ

WM reported a Q1 net recycling revenue of \$384 million, up 4.3% year over year. Its average commodity price was \$88, up from \$84 in the same time period in the prior year.

The recycling segment's first-quarter operating earnings before interest, taxes, depreciation and amortization, or EBITDA, was up \$9 million year over year.

A press release <u>noted</u> that Stericycle, a medical waste and secure information destruction business that WM acquired in 2024, performed well in its first full quarter as part of WM.

In a statement, Fish said the first quarter results "reflect the strong track record of the WM team as we started the year delivering on each of our strategic priorities," adding that the "solid first quarter results, as well as the strength and resiliency of our business model, give us confidence we are on pace to achieve our 2025 outlook."

In its <u>quarterly SEC 10-Q report</u>, WM noted that it was seeing higher volumes in its landfill, recycling and WM Renewable Energy businesses, but those were partially offset by lower industrial and residential collection volumes.

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#### The latest plastics recycling news

# California advisory board examines barriers to EPR

Members of the California extended producer responsibility for packaging advisory board have identified dozens of barriers to implementation and offered up possible solutions in a recent report.

#### Top stories from May 2025

The uncertain fate of the Food and Drug Administration's food-contact packaging assessment program drew reader attention last month, as did stories covering a new film recycling plant in Texas, a chemical recycling project losing federal funding, one recycled plastic end user's take on EPR, and the latest bale pricing.

# Canadian ag recycling sees continued success

Cleanfarms, a Canadian agricultural recycling stewardship group, recovered and recycled over 22 million pounds of agricultural plastics in 2024, according to a recently released annual report outlining the organization's achievements in the last year.

## Producer program increases PVC recycling in Colombia

PVC and medical waste are both areas often considered to be non-starters for plastics recyclers. But global vinyl producer Orbia is expanding its program that incorporates both, as well as helping improve the standard of living for some of the most vulnerable people in the recycling system.

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Recycling processing and sales revenues attributable to yield decreased \$7 million in the first quarter of 2025 compared with the prior year period, the report noted, driven by 10% lower average market prices in its brokerage business that were partially offset by the higher average commodity prices.

"While there may be short-term fluctuations in our commodity-driven businesses as prices change, we continue to take proactive steps to adjust our business models to protect against the downside risk of changes in commodity prices," the filing noted.

In an April 29 investor call, CFO Devina Rankin noted that the ongoing tariffs could have a positive impact on some of the company's non-fiber materials, such as aluminum and steel, "as more of that is domestic."

### By the numbers

The following is a look at key first-quarter 2025 recycling numbers from the five largest publicly traded haulers in North America:

#### wм

Q1 recycling revenue: \$384 million.

Q1 revenue change YoY: Up 4.3%.

Average Q1 commodity price: \$88.

Commodity price change Yoy: Up 4.7%.

Q1 recycling EBITDA YoY: Up by \$9 million.

#### **Republic Services**

Q1 recycling revenue: \$108 million.

Q1 revenue change YoY: Up 13.1%.

Average Q1 commodity price (excluding glass and organics): \$155 per ton.

Commodity price YoY: Up 1.3%.

#### Casella Waste Systems

Q1 Resource Solutions (which includes recycling) revenue: \$82.3 million.

Q1 revenue change YoY: Up 9.6%.

Q1 Resource Solutions operating income: \$5.0 million.

Operating income YoY: Up by \$0.6 million.

GFL Environmental (converted to U.S. from Canadian dollars on May 5, 2025)

Q1 recycling revenue: \$66.3 million.

Q1 revenue change YoY: Up 31.5%.

#### Waste Connections

Q1 recycling revenue: \$61 million.

Q1 revenue change YoY: Up 24.5%.

Average Q1 OCC price: Not reported.

OCC price YoY: Down 20%.

"On the OCC and fiber side, the thing that we're really tracking more closely is what could happen with retaliatory tariffs because we do ship materials to other markets in Southeast Asia and India," she said. But the brokerage team "does a fantastic job really making sure that we have a wide variety of markets that we can tap into."

WM made more capital expenditures in Q1 2025, spending \$831 million compared to \$668 million in Q1 2024. The recycling segment in particular saw \$38 million in capital expenditures, down from the \$87 million WM spent on that segment in the first quarter of 2024.

The SEC filing stated that the company's automated recycling facilities delivered nearly double the operating EBITDA margin compared to non-automated facilities. WM added two new facilities in California and Texas, with seven more "next-gen" recycling plants scheduled to come online in 2025.

Rankin added that the company is not feeling too many effects of the tariffs on the equipment side, because "we've been deliberate in procuring the equipment needed for these projects ahead of time."

Recycling made up about 6.4% of WM's total revenue, slightly lower year over year. Overall, the company reported revenues of \$6.0 billion in the first quarter of 2025, up 16.7% from the same time last year.

# Groups add nuance to policy position on chemical recycling

In recent weeks, two U.S. recycling organizations have released policy positions on chemical recycling. But questions remain for the often controversial recycling methods included in the umbrella term of chemical recycling, also known as molecular or advanced recycling,

# Alpek closing North Carolina PET plant

Major PET producer Alpek is closing a North Carolina plant that includes both virgin and RPET production, with operations to cease by July 31.

# Texas plant in limbo after Eastman loses DOE grant

Tennessee-based Eastman has lost its \$375 million federal grant, which previously had spurred the company to make a final investment decision on its second U.S. methanolysis plant, located in Texas.

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### **Republic Services**

Republic Services reported that its recycling processing and commodity sales revenue was \$108 million in the first quarter, up 13.1% from the year prior. The average commodity price for the first quarter was also up by \$2 year over year, coming in at \$155 per ton.

"Our business continues to perform well even with increased volatility in the broader economy," Jon Vander Ark, CEO and president, said in a <u>press release</u>.

In its <u>quarterly report</u>, the company noted that recycling processing and commodity sales increased revenue by 0.3% in the first quarter of the year, "primarily due to increased volumes at the Las Vegas Polymer Center and reopening a recycling center on the West Coast."

Republic reports its net revenue for waste and recycling combined, and in the first quarter of 2025 it was about \$3.6 billion, up from \$3.4 billion a year ago.

In terms of capital expenditures in waste and recycling specifically, Republic spent \$241 million in Q1 2025, down from \$307 million in the same period last year.

In an April 24 investor call, Vander Ark said commercial production volumes at Republic's Indianapolis Polymer Center, which <u>opened</u> in March, are expected to ramp up in June.

The Indianapolis Polymer Center is co-located with a Blue Polymers production facility, which will be completed in the coming months, he added. Construction on the Blue Polymers production facility in Buckeye, Arizona, that will complement the Las Vegas Polymer Center should be done early next year.

"I think we could sell out both Las Vegas and Indianapolis multiple times over, that's the strength of the customer demand," he added. "Obviously, we are pricing appropriately for that, and we'll see where pricing goes as we move forward. Most of our contracts are of shorter duration on that front because we're understanding price discovery and where that market moves."

Total revenue in the first quarter 2025 was \$4 billion, up 3.8% from the same quarter last year. Recycling made up about 2.7% of the overall company revenue.

Vander Ark added that on tariffs, "it's too early to tell."

"There are some minor things we're doing, moving things around the supply chain," he said, but the impacts will be clearer over the next three months.

### Casella

Casella's Resource Solutions segment, which includes recycling and other businesses, <u>reported</u> \$82.3 million in revenue during the first quarter, up 9.6% from the year before.

The Resource Solutions segment includes the company's recycling business, its organics processing and disposal business, and services for large industrial, institutional or multi-site retail customers.

That increase was driven by new business growth of \$3.4 million in National Accounts, higher tipping fees that help to offset recycled commodity price movements, and higher recycling and processing volumes.

The company also discloses operating income in the Resource Solutions business. For the first quarter, the Resource Solutions segment's operating income was \$5.0 million. During the first quarter of 2024, the operating income in that segment was \$4.4 million.

In an May 2 investor's call, CEO John Casella noted that "while tariff and macro uncertainties have been recent topics of investor concerns, the nature of our solid waste business reduces the impact of economic swings, and our domestic focus limits exposure to tariffs."

In a <u>press release</u>, Casella added that year-to-date, the company has acquired four businesses with approximately \$50 million in annualized revenue, and "we continue to work a robust deal pipeline, including both geographic overlays and strategic adjacencies, that we hope will drive further value creation in the future."

It has also spent about \$55.5 million on capital expenditures, up from \$30.3 million in the first quarter of 2024.

Overall, the company brought in \$417 million in revenue, up 22.3% year over year. The Resource Solutions segment made up about 19.7% of overall revenues in the first quarter of 2025.

### GFL Environmental

Canadian company GFL Environmental's recycling segment brought in 122 million Canadian dollars (about \$88.3 million; all subsequent values in USD unless otherwise noted) in revenue in Q1 2025.

Its <u>quarterly report</u> noted that revenue was up about 31.5% year over year.

In a May 1 investor call, CEO and founder Patrick Dovigi said that "based on our experience, we have a high degree of confidence in our ability to successfully operate in an environment with elevated levels of macro uncertainty."

"In the event tariffs have an inflationary impact on our capex or cost structure, we would expect to pass these through to mitigate our costs against the bottom line," he said 2

Overall, the company reported revenue of \$1.2 billion in the first quarter of 2025, a decrease of 7.7% year over year. The loss is due to the changing conversion rate – in Canadian dollars, the company posted a revenue increase. Materials recovery makes up about 7.8% of GFL's overall revenue.

Dovigi touched on extended producer responsibility programs both in Canada, where program rollout is driving increased volume. In the U.S., "you want to be selective about where you go and investments you make" due to nuances between state laws, he said.

"But listen, the Canadian model, in our view, works extremely well," he said. "I think consolidating volumes, reducing facilities, building best-in-class facilities that drive the most amount of volume for those facilities will yield optimal outcomes for industry, but it also yields optimal outcomes for the producers over the long term."

In a <u>press release</u>, Dovigi added that the company used the proceeds from the <u>sale</u> of its Environmental Services business to decrease its debt during the quarter, which "not only accelerates our path to an investment grade credit rating but also allows us to re-ignite our solid waste M&A engine."

"We redeployed the \$6 billion (Canadian) of cash proceeds we received from the sale to repay over \$3.5 billion of debt and repurchased over \$2.5 billion of our outstanding shares, mostly from our sponsor group, consistent with previous indications," he said.

### Waste Connections

For Ontario, Canada-based Waste Connections, recycling revenue in Q1 2025 was \$61 million, up 24.5% from the same period of 2024.

However, the company's <u>quarterly report</u> noted that year-over-year revenues from sales of recyclable commodities decreased by \$2.1 million, due to 20% lower prices for OCC, though those were partially offset by an increase in volumes and an increase in the prices of certain grades of metal and plastic.

Unlike in past quarters, the company did not report its average OCC price for this quarter.

Mittelstaedt said in an April 24 investor call that, "to the inevitable question about how our business may have been affected by concerns about tariffs or other geopolitical elements impacting expectations or the economy more broadly, as is evidenced by our Q1 results, we didn't see any noteworthy impacts."

The company is looking to move some of its fleet parts inventory to domestic American manufacturers "to avoid any potential" for tariffs, he said.

He added in a <u>statement</u> that the "industry-leading results are indicative of the durability of our unique approach to market selection, our decentralized operating model and the resulting projectability from our commitment to excellence."

The company acquired three non-hazardous solid waste collection and recycling businesses during the quarter, spending about \$12 million. It reported \$129 million in net revenues from acquisitions in the first quarter of the year.

Overall, Waste Connections reported a Q1 2025 revenue of \$2.2 billion, up 10% year over year. Recycling made up about 2.8% of its total revenue.

A version of this story appeared in <u>Resource Recycling</u> on May 6.

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### **POLITICS FROM THE HILL**

### Padilla puts blanket hold on Trump EPA nominees

by: **Rachel Frazin, The Hill** Posted: Jun 4, 2025 / 10:00 AM PDT Updated: Jun 4, 2025 / 10:39 AM PDT



Sen. Alex Padilla (D-Calif.) is expanding his efforts to hold up President Trump's Environmental Protection Agency (EPA) nominees in response to the Senate's move to <u>revoke his state's electric vehicle mandate</u>.

Previously, Padilla issued a hold on <u>four EPA nominees</u>, but he is now issuing a blanket hold on any EPA nominee. <u>Three additional nominees</u> were not covered by Padilla's original hold: those chosen to manage solid waste, international and tribal affairs, and enforcement and compliance assurance.

Padilla's move expands the hold to cover Jeffrey Hall, who would lead enforcement of environmental law; Usha-Maria Turner, who would lead international and tribal affairs; and John Busterud, who would lead the agency's office of solid waste.

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Other appointees already impacted by the initial hold are Trump's pick for the No. 2 role at the agency, leaders of its air and water offices, and its chief financial officer.

"The Senate's constitutional role to Advise and Consent regarding executive branch nominations is an important check on agency leadership's abuse and overreach, and raising these objections regarding EPA nominations is my duty on behalf of the people of the State of California," Padilla wrote.

The hold may not ultimately block the EPA nominees from being confirmed, but it will slow the process, requiring the chamber to spend hours debating and taking additional votes for each nominee.



With a handful of nominees, holds are more of an annoyance, though in some cases — like when in 2023 Sen. Tommy Tuberville (R-Ala.) put holds on hundreds of military promotions — they have successfully delayed nominations for a significant period.

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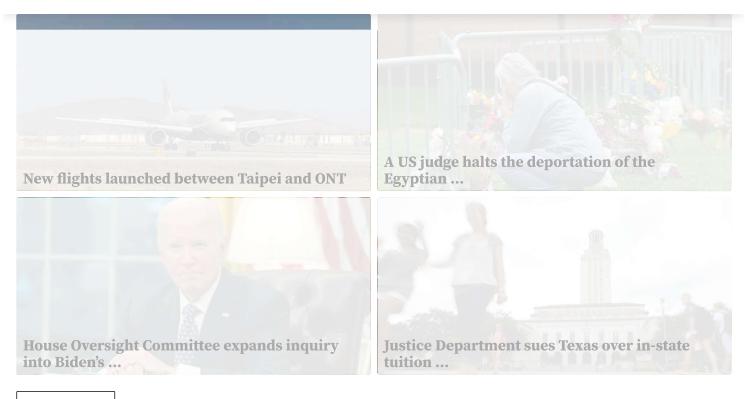
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