

Regional Solid Waste Association

Supplemental Documents

for the October 5, 2023

Meeting of the Board of Directors

Item #5.

SB 1383 Compliance Update

RSWA Board Presentation

Solana Center for
Environmental
Innovation

Jessica Toth, Director

www.solanacenter.org

October 5, 2023



Agenda

- SB 1383 progress in each city
- Insights from the field
- CalRecycle's next round of funding for cities
- SB 1383 work required in 2024

Contract Status by City

- Del Mar – contract extension in place
- Encinitas – no discussion
- Escondido – new contract
- National City – new contract
- Poway – contract extension in progress
- Vista – contract extension in place

Progress in RSWA Cities

	Del Mar	Encinitas	National City	Poway	Solana Beach	Vista
Regulated Businesses	7	42	35	32	7	50
% Inspections Completed	71%	38%	23%	75%	114%	64%
% Technical Assistance Completed	29%	33%	0%	16%	43%	0%
Regulated Food Recovery Orgs	0	2	7	2	0	10
% Food Recovery Orgs Inspected	100%	100%	0%	100%	100%	70%

Overall Progress

- Inspections
 - 2nd round for Del Mar, Poway, and Solana Beach
 - Continuing 1st round in National City and Vista
- Enforcement
 - Through 2023, inspections are educational to improve business compliance
 - Enforcement begins Jan 1, 2024 and must be implemented by cities
 - Solana Center will support enforcement with field findings
- Initial annual Food Recovery Capacity for EAR reporting:
 - Del Mar - No food recovery orgs; potential for one in 2024
 - Encinitas - 610,000 lbs.
 - National City - 2,645,000 lbs.
 - Poway - 1,457,000 lbs.
 - Solana Beach - No food recovery orgs
 - Vista - 641,000 lbs.

Insights from the Field - Tier 1 Businesses

- **Grocery Stores**
 - Big chains have donation programs
 - Small stores need assistance
 - Recordkeeping and maximum donation are focus of inspections
- **Wholesalers**
 - Significant donation possible from bakeries
 - Additional labor and packaging cost is hurdle
- **Food Service Providers**
 - Food donation potential is low
 - Checking for recordkeeping compliance

Colors used to indicate readiness for food rescue compliance

Insights from the Field - **Tier 2 Businesses**

- **Restaurants**
 - Few have donation programs - need ad hoc programs for compliance
 - Businesses prefer waste prevention and donation to staff
- **Schools**
 - Districts are mostly receptive
 - Additional labor and packaging cost is challenging
- **Hospitals**
 - Large hospitals have programs
 - Assisted Living Facilities need to establish donation
- **Events**
 - Limited amounts due to DEHQ requirements

Colors used to indicate readiness for food rescue compliance

Next CalRecycle Funding Round

- Applications due Nov 2023
- Funds released March 2024
- Expected funding:

Del Mar	\$75K
Encinitas	\$119K
National City	\$119K
Poway	\$99K
Solana Beach	\$75K
Vista	\$182K

Solana Center Support for Next Round

Eligible activities:

- ✓ **Capacity Planning**
 - Collection
- ✓ **Edible Food Recovery**
- ✓ **Education & Outreach**
- ✓ **Enforcement and Inspection**
- ✓ **Program Evaluation/Gap Analysis**
 - Procurement Requirements
- ✓ **Recordkeeping**

Upcoming Work in 2024

Annual Inspections

- Follow-up inspections are scheduled 1 year after the first inspection
- Staff turnover in food businesses necessitates periodic inspections to ensure programs continue

Enforcement

- Enforcement of Tier 1 and 2 businesses starts Jan 1, 2024
- Solana Center will assist cities

Technical Assistance

- With enforcement in effect, technical assistance to businesses will help with compliance

Tier Identification & Capacity Planning

- Last round was submitted Aug 2022
- Next round spans Jan 1, 2025 to Dec 31, 2034

Annual Education & Outreach

- Covers disposal and donation
- Examples include resource guides, flyers, social media, newsletters, videos, webinars

Recordkeeping

- Data must be updated within 60 days of activity
- Solana Center maintains Edible Food Recovery records for each city
- With new access to EDCO's businesses database, Solana may begin updating there

Questions?



Item #6.A.

REGIONAL SOLID WASTE ASSOCIATION

Presentation to the Board of Directors
For the Fiscal Year Ended June 30, 2022

October 5, 2023



CONTENTS

- Required Communications (AU-C 260)
- Audit Responsibilities
- Overview of Financial Statements
- Audit Results

REQUIRED COMMUNICATIONS (AU-C 260)

Required Communications (AU-C 260)

- **Independence**
 - We complied with ALL relevant requirements regarding independence
- **Significant Accounting Policies**
 - The Association disclosed all significant accounting policies in Note 2 to the financial statements.
 - The Association did not implement any significant new GASB pronouncements during the fiscal year.
- **Significant Estimates**
 - No significant accounting estimates were used in the preparation of the financial statements

Required Communications (AU-C 260)

- **Sensitive Disclosures**
 - Note 2 – Summary of Significant Accounting Policies
 - Note 3 – Cash and Cash Equivalents
 - Note 5 – Member Reimbursements
- **Misstatements**
 - There were no uncorrected misstatements reported.
- **Consultation with Other Accountants**
 - Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and other matters.

Required Communications (AU-C 260)

- **Significant Difficulties**
 - We encountered no significant difficulties in dealing with management.
- **Disagreements with Management**
 - We did not have any disagreements with management in terms of accounting treatments or audit procedures performed.

AUDIT RESPONSIBILITIES

Management's Responsibilities

- Responsible for the financial statements
- Present the financial statements in accordance with accounting principles generally accepted in the United States of America
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Prevent and detect fraud

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements that have been prepared by management with Board oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America
- Plan and perform the audit to obtain “reasonable” assurance (not “absolute” assurance) about whether the financial statements are free of material misstatements.
- Consider internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

OVERVIEW OF THE FINANCIAL STATEMENTS

**Regional Solid Waste Association
Condensed Statement of Net Position
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Assets	\$ 357,281	\$ 513,130	\$ (155,849)	-30.37%
Liabilities	36,593	41,773	(5,180)	-12.40%
Net Position:				
Unrestricted (deficit)	320,688	471,357	(150,669)	-31.96%
Total Net Position	<u>\$ 320,688</u>	<u>\$ 471,357</u>	<u>\$ (150,669)</u>	-31.96%

Regional Solid Waste Association
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Contractual Revenue	\$ 351,064	\$ 362,387	\$ (11,323)	-3.12%
Operating Expenses	500,322	389,469	110,853	28.46%
Operating Income (Loss)	(149,258)	(27,082)	(122,176)	451.13%
Non-Operating Revenues	(1,411)	895	(2,306)	-257.65%
Change in Net Position	<u>\$ (150,669)</u>	<u>\$ (26,187)</u>	<u>\$ (124,482)</u>	475.36%

AUDIT RESULTS

Audit Results

- Opinions
 - *Unmodified Opinion issued*
 - Financial statements are fairly presented in all material respects
 - Accounting policies have been consistently applied
 - Estimates used are reasonable (not applicable)
 - Disclosures are properly reflected in the financial statements

Other Results

- No disagreements with management
- No material weaknesses/significant deficiencies were identified in internal control over financial reporting
- No accounting issues where there was a question on authoritative guidance were noted
- No inappropriate activities were noted



THE
PUN GROUP
ACCOUNTANTS & ADVISORS

Thank you!



HQ - ORANGE COUNTY

200 E. Sandpointe Avenue
Suite 600
Santa Ana, CA 92707

SAN DIEGO

4365 Executive Drive
Suite 710
San Diego, CA 92121

BAY AREA

2121 North California Blvd.
Suite 290
Walnut Creek, CA 94596

LAS VEGAS

1050 Indigo Drive
Suite 110
Las Vegas, NV 89145

PHOENIX

4742 North 24th Street
Suite 300
Phoenix, AZ 85016

Item #8.A.

Participation Summary

PERMANENT FACILITIES (Poway/Vista)

7/23-6/24

All Jurisdictions - Including Universal Waste, E-Waste, Batteries and Sharps Only Loads													
CITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Carlsbad	163	149	148	0	0	0	0	0	0	0	0	0	460
Del Mar	4	4	2	0	0	0	0	0	0	0	0	0	10
Encinitas	51	26	54	0	0	0	0	0	0	0	0	0	131
Escondido *	0	0	0	0	0	0	0	0	0	0	0	0	-
National City**	0	0	0	0	0	0	0	0	0	0	0	0	-
Poway	588	508	481	0	0	0	0	0	0	0	0	0	1,577
San Marcos	70	80	81	0	0	0	0	0	0	0	0	0	231
Solana Beach	8	6	11	0	0	0	0	0	0	0	0	0	25
Vista	290	293	338	0	0	0	0	0	0	0	0	0	921
E/U-Waste Only	167	158	210	0	0	0	0	0	0	0	0	0	535
Batteries Only	12	14	12	0	0	0	0	0	0	0	0	0	38
Sharps Only	8	10	12	0	0	0	0	0	0	0	0	0	30
TOTAL	1,361	1,248	1,349	-	-	-	-	-	-	-	-	-	3,958

*Escondido participation at Poway/Vista facilities. Total participation on page 2 (Escondido and RSWA facilities).

** National City participation at Poway/Vista facilities. Total participation on page 2 (Chula Vista and RSWA facilities).

HOME PICKUPS

7/23-6/24

All Jurisdictions - Including Batteries and E-Waste Only						
	Seniors/HB	Co-Pay	Sharps/U-	Batteries Only	E-Waste Only	Monthly Total
Jul-23	48	24	7	2	0	81
Aug-23	91	29	16	0	1	137
Sep-23	69	19	14	0	0	102
Oct-23	0	0	0	0	0	0
Nov-23	0	0	0	0	0	0
Dec-23	0	0	0	0	0	0
Jan-24	0	0	0	0	0	0
Feb-24	0	0	0	0	0	0
Mar-24	0	0	0	0	0	0
Apr-24	0	0	0	0	0	0
May-24	0	0	0	0	0	0
Jun-24	0	0	0	0	0	0
Total	208	72	37	2	1	320

RSWA HHW Participation By Jurisdiction

	Del Mar		Encinitas		Escondido*		National City**		Poway		Solana Beach		Vista		Total***	
	PHHWCF	Home P/U	PHHWCF	Home P/U	V/P	Esc.	PHHWCF	Home P/U	PHHWCF	Home P/U	PHHWCF	Home P/U	PHHWCF	Home P/U	PHHWCF	Home P/U
Jul-23	4	0	51	17	0	113	34	0	588	3	8	14	290	3	1,088	37
Aug-23	4	1	26	22	0	122	18	0	508	0	6	22	293	10	977	55
Sep-23	2	1	54	27	0	114	13	0	481	0	11	7	338	8	1,013	43
Oct-23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov-23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec-23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jan-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul-Sep FY24	10	2	131	66	0	349	65	0	1,577	3	25	43	921	21	3,078	135
TOTAL FY24	10	2	131	66	0	349	65	0	1,577	3	25	43	921	21	3,078	135

* Escondido - V/P = Vista/Poway facilities, Esc. = Escondido facility

** National City residents utilize Chula Vista facility, \$5 co-pay (data provided by City of Chula Vista)

*** Total - PHHWCF includes all permanent facility participation by RSWA member cities (including Escondido facility)

**RSWA HHW Program
Participation and
Volume Collected (lbs.)
(includes HHW from all participating jurisdictions)**

	<u>Poway</u>		<u>Vista</u>		<u>Door to Door</u>		<u>Total</u>	
	Residents	Volume	Residents	Volume	Residents	Volume	Residents	Volume
TOTAL FY20	5,136	215,402	6,861	602,298	1,915	163,281	13,912	980,981
TOTAL FY21	7,352	225,574	8,915	667,944	2,065	166,442	18,332	1,059,960
TOTAL FY22	6,387	200,634	7,941	559,227	1,929	131,998	16,257	891,859
TOTAL FY23	5,860	182,915	6,713	434,337	1,621	101,277	14,194	718,529
Jul-23	659	18,950	702	54,090	81	13,522	1,442	86,562
Aug-23	587	24,918	661	57,399	137	14,349	1,385	96,666
Sep-23	476	6,841	773	29,063	102	7,265	1,351	43,169
Oct-23	0	0	0	0	0	0	0	0
Nov-23	0	0	0	0	0	0	0	0
Dec-23	0	0	0	0	0	0	0	0
Jan-24	0	0	0	0	0	0	0	0
Feb-24	0	0	0	0	0	0	0	0
Mar-24	0	0	0	0	0	0	0	0
Apr-24	0	0	0	0	0	0	0	0
May-24	0	0	0	0	0	0	0	0
Jun-24	0	0	0	0	0	0	0	0
Jul-Sep FY24	1,722	50,709	2,136	140,552	320	35,136	4,178	226,397
TOTAL FY23	1,722	50,709	2,136	140,552	320	35,136	4,178	226,397
Weight per Vehicle/Pickup		29.4		65.8		109.8		54.2

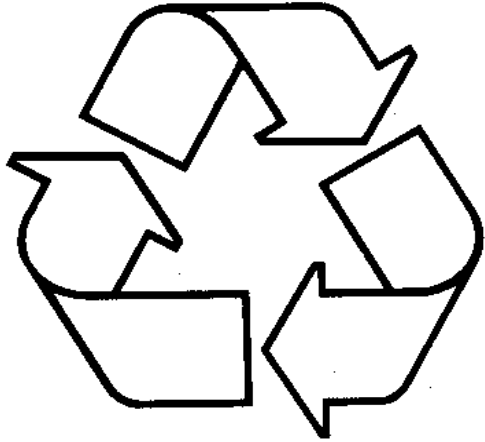
RSWA HHW Program Participation Paint Recycling (Oil Latex) (lbs)

	Poway	Vista
TOTAL FY20	108,080	269,071
TOTAL FY21	107,013	341,924
TOTAL FY22	75,829	266,092
TOTAL FY23	81,729	212,276
Jul-23	8,197	27,679
Aug-23	10,096	25,685
Sep-23	3,541	21,213
Oct-23	0	0
Nov-23	0	0
Dec-23	0	0
Jan-24	0	0
Feb-24	0	0
Mar-24	0	0
Apr-24	0	0
May-24	0	0
Jun-24	0	0
TOTAL FY24	21,834	74,577

Participation Summary

	# Visitors to Solana Center													# Visitors for same period to Poway & Vista facilities	
	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	TOTAL		
E-waste	177	180	165	172	129	169	178	169	177	199	146	199	2,361	1,738	E/U-waste
U-waste	104	90	89	86	77	105	105	103	100	106	93	117	1,338	104	Batteries
													3,699	1,842	

Item # 8.B.



**REGIONAL SOLID WASTE
ASSOCIATION**

Member Agencies: Cities of Del Mar,
Encinitas, Escondido, National City, Poway,
Solana Beach, and Vista

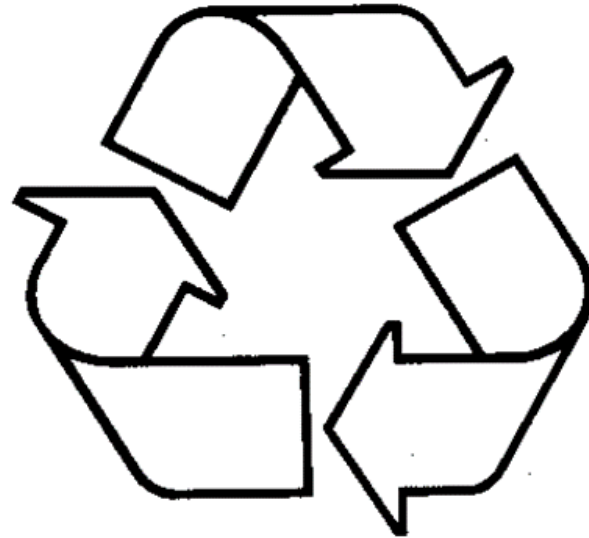
Adopted Legislation Related to Solid Waste

As Presented By: General Manager/General Counsel, James Eggart

October 5, 2023

Board Meeting

**PAPER / PLASTIC
/ PACKAGING
WASTE
REDUCTION**



Senate Bill (SB) 777

Solid Waste: Transparency in Grocery Bag Recycling Act

Allen(D)

- ▶ Polices how grocery store chains use 10-cent charge for reusable bags
- ▶ A portion of the 10-cent charge to be spent on offering customers ability to return bags for recycling
- ▶ Imposes new accounting and reporting requirements on large grocery store chains
- ▶ Quarterly reports to CalRecycle
 - ▶ Union Reps get copies



Senate Bill (SB) 728

Plastic Gift Card Ban

Limon (D)

- ▶ Would ban sale / distribution of plastic gift cards in CA beginning in 2027
- ▶ Does not apply to some gift cards usable with multiple sellers
- ▶ Does not apply to plastic cards used to pay transit fees
- ▶ Civil Fines for Violations
 - ▶ 1st Violation: \$25 per retailer per day
 - ▶ Subsequent Violations: \$100 per retailer per day
- ▶ Cities authorized to enforce



Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54) Amendments

- ▶ AB 1526 (Omnibus Bill)
 - ▶ Clarifies how local jurisdiction costs will be reimbursed by producers
- ▶ SB 303 (Allen)
 - ▶ Clarifies regulations regarding responsible end markets for covered materials
 - ▶ Creates ADR process for claims that implementation actions threaten operator commercial viability

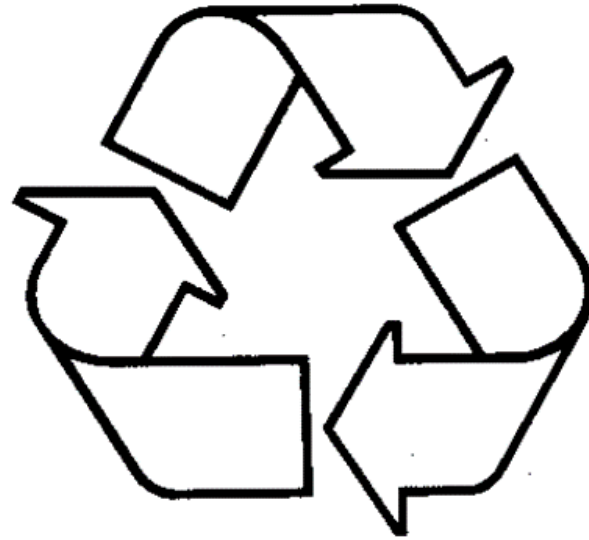


Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54) Amendments

- ▶ AB 1489 (Wood)
 - ▶ Exempts “compostable” plastics from SB 54’s requirements
- ▶ SB 665 (Allen)
 - ▶ Creates a working Group to study novel plastic and plastic-alternative material types used to produce single-use products



BEVERAGE CONTAINERS



Senate Bill (SB) 353

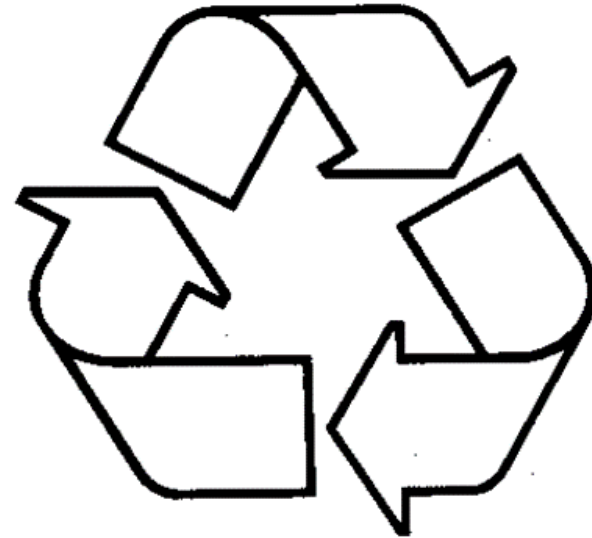
Bottle Bill Amendments

Dodd (D), Blakespear (D), Gonzalez (D), Roth (D), Sen. Carrillo (D) & Sen. Kalra (D)

- ▶ Expands the CRV Program to include large fruit juice (> 46 oz) and vegetable juice (> 16 oz) containers
- ▶ Updates certain definitions, labeling requirements, and tasting room exemptions (expands to beer tasting rooms).
- ▶ Establishes \$60 per-ton temporary transportation, operations, and logistics payment to rural glass recyclers
- ▶ Changes methodology CalRecycle uses to calculate processing payments to recyclers to protect recyclers from large swings in processing fee payments due to market fluctuations



ELECTRONIC WASTE

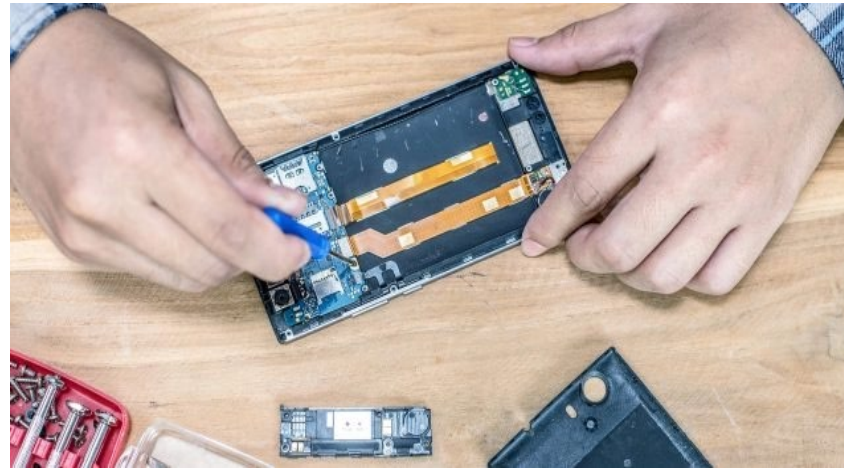


Senate Bill (SB) 244

Right to Repair Act

Eggman (D)

- ▶ Gives consumers the right to repair consumer electronics and appliances sold in CA after July 1, 2021
- ▶ Manufacturers would have to make information, parts and tools available to owners and repair shops for up to 7 years
- ▶ Violators subject to civil fines of \$1,000 per day for 1st violation, \$2,000 per day for 2nd violation, and \$5,000 per day for subsequent violations
- ▶ Cities authorized to enforce law
- ▶ Intent is to encourage owners to repair broken electronics and appliances instead of putting them into the waste stream



Senate Bill (SB) 568

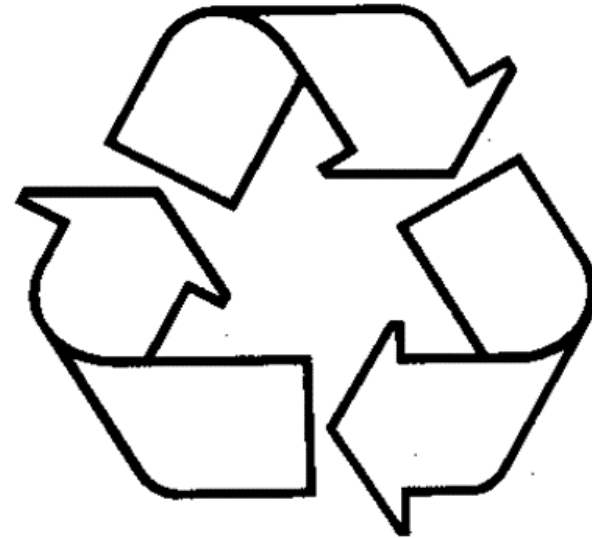
Export of Electronic Waste

Newman (D)

- ▶ Requires an exporter to demonstrate that covered electronic waste or devices cannot be managed by an in-state e-waste recycler before they can be exported to another state or a foreign country



PAINT



Assembly Bill (AB) 1526

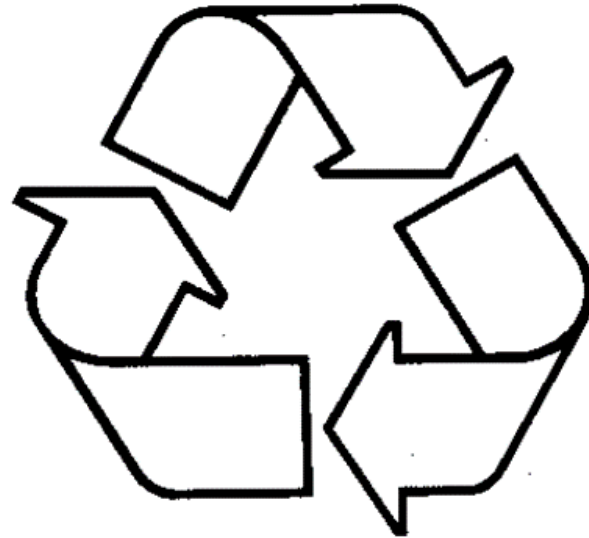
Paint Stewardship Law Amendments

Assembly Committee on Natural Resources

- ▶ Expands California's Paint Stewardship Law to cover **aerosol spray paint** and similar aerosol coating products
- ▶ Manufacturers or PRO will have until **July 1, 2026** to submit an aerosol paint stewardship plan to CalRecycle for approval
- ▶ Also changes due date for Paint Care annual report from November 1st to May 15th



ORGANICS



Senate Bill (SB) 613

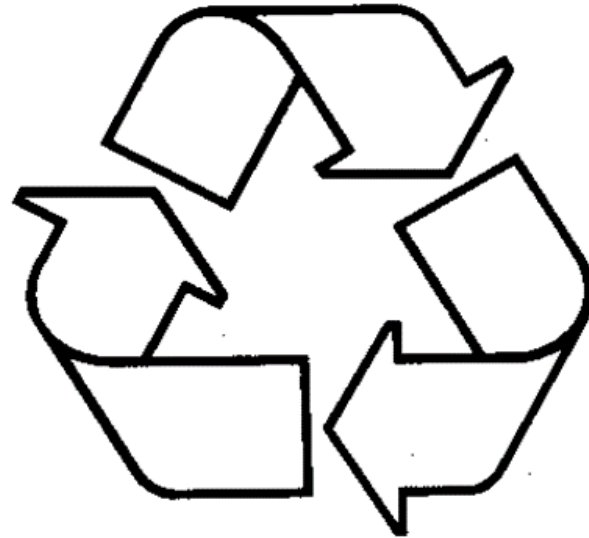
Low-Population Exemption from SB 1383

Seyarto (R)

- ▶ Exempts very small jurisdictions from SB 1383 and SB 1383 regulations
- ▶ Exemption only applies to a jurisdiction that disposes < 5,000 tons of solid waste per year and has a population < 7,500 residents



**OTHER BILLS
RELATED TO
SOLID WASTE**



Senate Bill (SB) 751

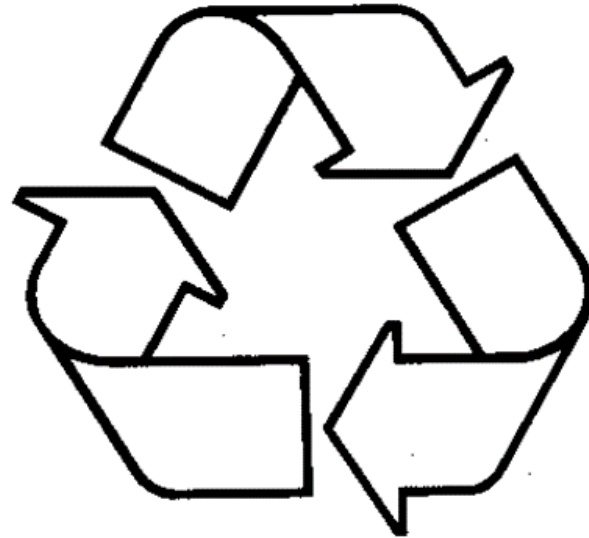
Solid Waste Franchise Agreements

Padilla (D)

- ▶ Prohibits force majeure provisions in franchise agreements that excuse compliance with agreement in the event of work stoppage associated a labor dispute
- ▶ Requires franchise agreement to contain provisions that apply in the event of a work stoppage due to labor dispute that:
 - ▶ Require notice to customers of service interruption;
 - ▶ Provide a process for taking and responding to customer complaints; and
 - ▶ Allow customers to receive refunds or credits for services not received.
- ▶ Applies to franchise agreements entered into or materially altered after January 1, 2024



UNSUCCESSFUL MEASURES



UNSUCCESSFUL MEASURES (DID NOT PASS)

- ▶ Assembly Bill (AB) 1347 - Eliminating Paper Receipts (“Skip the Slip”) [Ting (D)]
- ▶ Assembly Bill (AB) 2 - Solar Panel Manufacturer End-of-Life Management Plans [Ward (D)]
- ▶ Assembly Bill (AB) 1238 - Alternative Management Standards for Recycling of Solar Panels [Ward (D)]
- ▶ Senate Bill (SB) 615 - Recycling / Reuse of Electric Vehicle Batteries [Allen (D) / Min (D)]
- ▶ Senate Bill (SB) 707 - Responsible Textile Recovery Act of 2023 [Newman (D)]
- ▶ Assembly Bill (AB) 863 - Carpet Stewardship Program Amendments [Curry (D)]
- ▶ Assembly Bill (AB) 573 -SB 1383 Organic Waste Product Procurement Target Exception for rural areas [Garcia (D)]
- ▶ Assembly Bill (AB) 660 - Elimination of “Sell By” Dates on Food Labels [Irwin (D)]
- ▶ Senate Bill (SB) 367 - State and Federal Land Waste Removal and Cleanup Grant Program [Seyarto (R)]