

REGIONAL WASTE MANAGEMENT AUTHORITY

Serving Sutter County, Yuba County, Live Oak, Marysville, Wheatland and Yuba City



MEETING NOTICE & AGENDA

DATE: Thursday, January 20, 2022

TIME: 4:30 p.m.

PLACE: Yuba County Government Center
Board of Supervisors Chambers
915 Eighth Street
Marysville, California

I. Call to Order & Roll Call

Bains, Buttacavoli, Pendergraph (Vice Chairman), Shaw (Chairman), Vasquez and Woten

II. Board Business

A. Nomination and Election of Board Officers for 2022

1. Chairman
2. Vice-Chairman

B. Statements of Economic Interest (Attachment)

III. Public Business from the Floor

Members of the public may address the Authority on items of interest that are within the jurisdiction of the Authority and are not on the agenda for this meeting. No action may be taken on items that do not appear on the posted agenda.

IV. Public Hearings

A. Mandatory Organic Waste Disposal Reduction Ordinance. (Attachment)

1. Staff Presentation
2. Open/Close Public Hearing
3. Board Discussion and Action

RECOMMENDATION: Waive the second reading and adopt Regional Waste Management Authority Mandatory Organic Waste Disposal Reduction Ordinance No. 22-1 as proposed.

V. Consent Calendar

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff or public request specific items to be discussed or removed from the Consent Calendar for specific action.

- A. Minutes from the Meeting of December 16, 2021. (Attachment)
- B. Disbursement List for December 2021. (Attachment)

VI. Reports

A. FY 2020/2021 RWMA Financial Audit Report. (Attachment)

RECOMMENDATION: Accept the FY 2020/2021 RWMA Financial Audit Report as submitted.

B. Executive Director Selection Process. Discussion and direction regarding the screening and selection process for Executive Director candidates. (Attachment)

RECOMMENDATION: Direct staff as desired.

C. Annual Investment Policy Review. (Attachment)

RECOMMENDATION: Direct staff as desired.

D. Board Member Meeting Stipend Rate Adjustment. (Attachment)

RECOMMENDATION: Direct staff as desired.

E. Status Reports on Current Projects.

1. SB 1383 Local Assistance Grant Program for FY 2021-22
2. Fourth Amended and Restated Regional Waste Management Authority Joint Powers Agreement (JPA)

VII. Other Business

VIII. Adjournment

**THE NEXT REGULAR MEETING IS SCHEDULED FOR 4:30 P.M. ON THURSDAY, FEBRUARY 17, 2022
IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS.**

AGENDA ITEM II – B
STAFF REPORT

STATEMENTS OF ECONOMIC INTEREST FOR 2022

Members of the Regional Waste Management Authority (RWMA) Board of Directors and alternates are required to file annual Statements of Economic Interest with the Fair Political Practices Commission. For continuing members and alternates, these annual statements are due April 1, 2022. An Assuming Office Statement must be filed by new members and alternates to the Board within 30 days. For those leaving office, a Leaving Office Statement must be filed within 30 days.

These requirements may be met by filing an extended statement, which is a copy of the FPPC Form 700 that will be prepared for your individual jurisdiction. It must, however, include your position as a member or alternate of the Regional Waste Management Authority Board Directors and have an original signature and date on the verification on Page 1. The information reported must cover all reportable interests in the service area which includes all of Yuba and Sutter Counties. Form 700 is available on-line, and a copy of the Regional Waste Management Authority Conflict of Interest Statement Code is available upon request.

If you have any questions regarding the filing of your Statement of Economic Interest, please contact the RWMA administrative office at 530-634-6890.

RECOMMENDATION: Information only.

AGENDA ITEM IV – A
STAFF REPORT

PUBLIC HEARING
MANDATORY ORGANIC WASTE DISPOSAL REDUCTION ORDINANCE

The attached proposed RWMA Mandatory Organic Waste Disposal Reduction Ordinance was presented at the December 2021 meeting for the Board's review and discussion and the Board waived the first reading and introduced the Ordinance. The proposed Ordinance is now being presented to the Board for adoption consideration with a recommendation to also waive the second reading. A public hearing notice and summary of the proposed Ordinance was published in the Appeal-Democrat newspaper on January 6, 2022, with instructions regarding how to obtain a copy of the proposed Ordinance and how to submit comments.

This first-ever RWMA ordinance was developed to address the regulatory requirements of Senate Bill (SB) 1383 (2016) Short-lived Climate Pollutants that were delegated by the member agencies to the RWMA in the recently adopted Fourth Amended and Restated Joint Powers Agreement. In particular, the ordinance addresses requirements for:

- 1) Single-family organic waste generators to separate and self-haul organic waste or participate in the organic materials collection program.
- 2) Commercial businesses, organizations and multi-family organic waste generators to separate and self-haul organic waste or participate in the organic materials collection program.
- 3) Commercial businesses, organizations and multi-family organic waste generators to supply and allow access to adequate number, size and location of collection containers.
- 4) Commercial businesses and organizations to provide containers for the collection of organic waste materials in indoor and outdoor areas where disposal containers are provided for customers as specified.
- 5) Commercial businesses and organizations to the extent practical through education, training, inspection and/or other measures, prohibit employees from placing materials in a container not designated for those materials and to periodically inspect Recyclable Materials Collection Program Containers, Organic Materials Collection Program Containers and solid waste collection containers for contamination.
- 6) Commercial businesses, organizations and multi-family organic waste generators to annually provide information to employees, contractors, tenants and customers about the organic waste recovery requirements and about proper sorting of materials and before or within 14 days of occupation of the premises by new tenants.
- 7) Applications for de minimis and physical space constraint waivers by commercial businesses, organizations and multi-family organic waste generators.
- 8) Requirements for haulers and self-haulers.

- 9) Establish requirements for Tier 1 and Tier 2 Commercial Edible Food Generators for the recovery of the maximum amount of edible food and related requirements for Food Recovery Organizations and Services.
- 10) Establish provisions for the RWMA to conduct inspections, investigations and enforcement relative to the provisions of this ordinance.

Staff have been working to develop the program details related to this ordinance, entailing extensive outreach and consultations with the Yuba-Sutter Food Bank and other food recovery organizations; Recology Yuba-Sutter; the member agencies; and entities subject to the requirements of SB 1383 and this new ordinance. It should be noted that there is a potential that the member agencies' collection service agreements with Recology Yuba-Sutter will need to be modified for some yet to be specified participation in these requirements. Additionally, the RWMA surcharge will ultimately need to be increased to support SB 1383 related activities, but the \$267,000 (minimum) that is expected from CalRecycle's new SB 1383 Local Assistance Grant Program may delay the timing of any adjustment which will be a consideration in the development of the FY 2023 RWMA budget.

The proposed ordinance has been previously reviewed by RWMA legal counsel and by the administrators of each of the six member jurisdictions serving as the RWMA Technical Advisory Committee (TAC) and it is now being recommended that the Board waive the second reading and adopt the Mandatory Organic Waste Disposal Reduction Ordinance as proposed. Adoption of this ordinance by April 1st is necessary for the RWMA to remain eligible for CalRecycle's SB 1383 Local Assistance Grant Program.

RWMA staff will be prepared at the meeting to answer any questions that the Board may have regarding the proposed ordinance.

RECOMMENDATION: Waive the second reading and adopt Regional Waste Management Authority Mandatory Organic Waste Disposal Reduction Ordinance No. 22-1 as proposed.

Attachment

REGIONAL WASTE MANAGEMENT AUTHORITY
ORDINANCE NO. 21-1

MANDATORY ORGANIC WASTE DISPOSAL REDUCTION ORDINANCE

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MANDATORY ORGANIC WASTE DISPOSAL REDUCTION ORDINANCE

The Board of Directors of the Regional Waste Management Authority hereby ordains as follows:

SECTION 1. PURPOSE AND FINDINGS

- (a) State recycling law, Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse, and recycle (including composting) solid waste generated in their cities and counties to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment.
- (b) SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires CalRecycle to develop regulations to reduce organics in landfills as a source of methane. The regulations place requirements on multiple entities including cities and counties, residential households, Commercial Businesses and property owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of Statewide Organic Waste disposal reduction targets.
- (c) SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires cities and counties to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of the SB 1383 Regulations. This ordinance will also help reduce food insecurity by requiring Commercial Edible Food Generators to arrange to have the maximum amount of their Edible Food, that would otherwise be disposed, be recovered for human consumption.
- (d) The County of Sutter, County of Yuba, City of Live Oak, City of Marysville, City of Wheatland and City of Yuba City entered into a Joint Powers Agreement on July 1, 1990, establishing the Bi-County Integrated Waste Management Authority to jointly address the provision of waste management services including the planning for future provision of said services on a regional basis rather than individually; the Joint Powers Agreement was amended July 1, 1994 to add the City of Gridley and to change the name of the agency to the Regional Waste Management Authority; the Joint Powers Agreement was amended again on July 1, 2001 to delete the City

of Gridley as a party to the agreement; and, the adopted Fourth Amended and Restated Regional Waste Management Authority Joint Powers Agreement became effective on November 1, 2021. The Fourth Amended and Restated Regional Waste Management Authority Joint Powers Agreement delegates the Regional Waste Management Authority to act on behalf of each of the member agencies for compliance with specific provisions of SB 1383, including coordinating, administering and/or implementing certain organic waste collection and diversion programs and the edible food recovery program, including the associated education and outreach, monitoring, record keeping and reporting and enforcement programs. The powers and authority of the Regional Waste Management Authority were expanded to include the adoption, amendment and enforcement of some or all ordinances governing compliance with the Senate Bill 1383 regulatory compliance requirements by organic waste generators, haulers, commercial edible food generators and other subject entities.

- (e) The County of Sutter, County of Yuba, City of Live Oak, City of Marysville, City of Wheatland and City of Yuba City also entered into a Regional Agency Formation Agreement on May 1, 1995, as last amended November 1, 2021, specifically to form a Regional Agency for purposes of combining disposal and diversion quantities for determining compliance with the California Integrated Waste Management Act of 1989; to allow for the efficient operation of diversion programs on a region-wide basis; to develop regional planning documents; and, to assign responsibility for any civil penalties incurred pursuant to the California Integrated Waste Management Act of 1989 to the Regional Waste Management Authority.
- (f) Requirements in this ordinance are intended to be consistent with and read in harmony with federal, state, and local law, and other adopted ordinances, agreements, goals and policies of the Regional Waste Management Authority and its Member Agencies. To the extent this ordinance is inconsistent with or preempted by federal, state, or local law, such federal, state or local law shall control.
- (g) This ordinance will be reevaluated periodically, and may be amended or repealed as the Board of Directors of the Regional Waste Management deems necessary.
- (h) This ordinance is not a project under the California Environmental Quality Act of 1970, together with related State CEQA Guidelines (collectively, CEQA) because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that this ordinance is found to be a project under CEQA, it is subject to the CEQA exemptions contained in 14 CCR Sections 15061(b)(3)

and 15308 because it can be seen with certainty that the action will not have a significant impact on the environment and this ordinance is an action taken by a regulatory agency for the protection of the environment.

SECTION 2. TITLE OF ORDINANCE

This ordinance shall be entitled “Mandatory Organic Waste Disposal Reduction Ordinance.”

SECTION 3. DEFINITIONS

- (a) “Bin” means a metal or plastic container, with a capacity of one (1) cubic yard up to, and including, eight (8) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck.
- (b) “CalRecycle” means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on California cities and counties (and others).
- (c) “CCR” means the State of California Code of Regulations. CCR references in this ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).
- (d) “C&D” means construction and demolition debris.
- (e) “Cart” means a heavy plastic receptacle with a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged, tight-fitting lid and wheels.
- (f) “Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a Multi-Family Residential Dwelling.
- (g) “Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator as defined herein or as otherwise defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).
- (h) “Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in

combination, and the total amount of feedstock and compost on-site at any one time does not exceed one hundred (100) cubic yards and seven hundred fifty (750) square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).

- (i) “Compactor” means a mechanical apparatus that compresses materials together within the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include two (2) to eight (8) cubic yard Bin Compactors serviced by front-end loader collection vehicles and ten (10) to fifty (50) cubic yard Drop Box Compactors serviced by roll-off collection vehicles.
- (j) “Compliance Review” means a review of records by the Regional Waste Management Authority, Regional Waste Management Authority Enforcement Official, and/or Designee(s) to determine compliance with this ordinance.
- (k) “Container” means Bins, Carts, Compactors, and Drop Boxes.
- (l) “Container Contamination” means a Container, regardless of type, that contains Contamination.
- (m) “Contamination (or any variation thereof)” means the inclusion in any Container of materials in any amount not permitted pursuant to the Member Agency’s solid waste collection program. Contamination (or any variation thereof) also means the inclusion of materials other than Organic Materials in an Organic Materials Container or materials other than Recyclable Materials in a Recyclable Materials Container, which render more than ten percent (10%) of the contents of the Container materially unsuitable for the intended type of diversion.
- (n) “Designee” means an entity that the Regional Waste Management Authority contracts with or otherwise arranges to carry out any of the Regional Waste Management Authority’s responsibilities of this ordinance as authorized in 14 CCR Section 18981.2. A Designee may be a government entity, a hauler, a private entity, or a combination of those entities.
- (o) “Drop Box” means Containers with a typical capacity of eight (8) to forty (40) cubic yards that are serviced by a roll-off collection vehicle.
- (p) “Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). Nothing in this ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

- (q) “Enforcement Action” means an action of the Member Agency to address non-compliance with this ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.
- (r) “Food Distributor” means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).
- (s) “Food Facility” has the same meaning as in Section 113789 of the State Health and Safety Code.
- (t) “Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).
- (u) “Food Recovery Organization” means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:
 - (1) A food bank as defined in Section 113783 of the State Health and Safety Code;
 - (2) A nonprofit charitable organization as defined in Section 113841 of the State Health and Safety code; and,
 - (3) A nonprofit charitable temporary food facility as defined in Section 113842 of the State Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this ordinance.

- (v) “Food Recovery Service” means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible

Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

- (w) “Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).
- (x) “Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).
- (y) “Hauler Route” means the weekly designated itinerary or sequence of stops for each segment of the Member Agencies’ collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).
- (z) “Health facility” has the same meaning as in Section 1250 of the State Health and Safety Code.
- (aa) “High Diversion Organic Waste Processing Facility” means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the “Mixed Waste Organic Collection Stream” as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).
- (bb) “Inspection” means a paper, electronic or on-site review of records, Containers, and an entity’s collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).
- (cc) “Large Event” means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs

from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this ordinance.

- (dd) “Large Venue” means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this ordinance.
- (ee) “Local Education Agency” means a school district, charter school, or county office of education that is not subject to the control of the Regional Waste Management Authority, city or county regulations related to solid waste, or as otherwise defined in 14 CCR Section 18982(a)(40).
- (ff) “Low-Population Census Tract Areas With Approved Waivers” means those Census Tract areas for which applications for low-population waivers are approved by CalRecycle as provided for in 14 CCR Section 18984(a).
- (gg) “Member Agency” or “Member Agencies” means the County of Sutter, County of Yuba, City of Live Oak, City of Marysville, City of Wheatland and/or City of Yuba City which provide solid waste collection services.
- (hh) “Multi-Family Residential Dwelling” or “Multi-Family” means of, from, or pertaining to residential premises with five (5) or more dwelling units with shared Bin service. Multi-Family does not include hotels, motels, or other transient occupancy facilities; such uses are considered other types of Commercial Businesses.
- (ii) “Non-Local Entity” means the following entities that are not subject to the Regional Waste Management Authority’s enforcement authority, or as otherwise defined in 14 CCR Section 18982(a)(42):
 - (1) Special district(s) located within the boundaries of the Member Agencies.

- (2) Federal facilities, including military installations, located within the boundaries of the Member Agencies.
 - (3) Prison(s) located within the boundaries of the Member Agencies, except for private prisons which are considered to be Commercial Businesses.
 - (4) Facilities operated by the State park system located within the boundaries of the Member Agencies.
 - (5) Public universities (including community colleges) located within the boundaries of the Member Agencies.
 - (6) County fairgrounds located within the boundaries of the Member Agencies.
 - (7) State agencies located within the boundaries of the Member Agencies.
- (jj) “Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including but not limited to bottles, cans, metals, plastics and glass, or as otherwise defined in 14 CCR Section 18982(a)(43).
- (kk) “Notice of Violation (NOV)” means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, or as otherwise defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.
- (ll) “Organic Materials Collection Program” means the respective Member Agency’s collection program for vegetative matter resulting from normal yard and landscaping maintenance (i.e., plant debris, such as yucca and cactus, ivy, grass clippings, leaves, pruning, weeds, branches and brush); holiday trees (without stands, flocking or ornamentation); kitchen and table food scraps; animal, fruit, grain, dairy, fish, or vegetable waste that is generated during or results from the storage, preparation, cooking, or handling of food stuffs; and, non-recyclable paper or discarded paper that is contaminated with food scraps and is ink-free, as may be amended from time to time.
- (mm) “Organic Waste” means those solid waste materials containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, un-treated lumber, wood, paper products, printing and writing paper that are accepted in the Member Agencies’ Organic Materials, Recyclable Materials and Construction and Demolition Debris (C&D) Containers.

- (nn) "Organic Waste Generator" means a person or entity that is responsible for the initial creation of Organic Waste.
- (oo) "Recovery" means any activity or process described in 14 CCR Section 18983.1(b).
- (pp) "Recyclable Materials Collection Program" means the respective Member Agency's collection program for newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard; glass containers, all colors; aluminum (including beverage containers, foil, food containers, small pieces of scrap metal); scrap metal weighing less than ten (10) pounds (without cords or chains and fitting into the Container); steel, tin or bi-metal cans; plastic containers, (numbers 1 to 7) and in addition those materials added or removed from the respective Member Agency's program from time to time.
- (qq) "Regional Agency" means regional agency as defined in State Public Resources Code Section 40181.
- (rr) "Regional Waste Management Authority " means the agency created by a Joint Powers Authority Agreement as last amended November 1, 2021, and as may be amended from time to time.
- (ss) "Regional Waste Management Authority Enforcement Official" means the executive director or their authorized Designee(s) who is/are partially or wholly responsible for enforcing this ordinance.
- (tt) "Restaurant" means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).
- (uu) "Route Review" means a visual Inspection of containers along a Hauler Route for the purpose of determining Container Contamination, and may include mechanical Inspection methods such as the use of cameras, or as otherwise defined in 14 CCR Section 18982(a)(65).
- (vv) "SB 1383" means Senate Bill 1383 of 2016, the Short-lived Climate Pollutant Reduction Act of 2016.

- (ww) “SB 1383 Regulations” means the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.
- (xx) “Self-Hauler” (or any variation thereof) means a person, who hauls solid waste, Organic Waste or Non-Organic Recyclable material they have generated to another person, as may be allowed under the “Limitations to the Scope of Exclusive Agreement” provisions of the respective Member Agency’s Collection Service Agreement or Collection Services Franchise Agreement with a hauler. Self-hauler also includes a person who back-hauls such materials. “Back-haul” means a Commercial Business generating and transporting Organic Waste to a destination owned and operated by the generator using the generator’s own employees and equipment.
- (yy) “Single-Family” means of, from, or pertaining to any residential premises with fewer than five (5) dwelling units.
- (zz) “Special district” has the same meaning as Section 41821.2 of the State Public Resources Code.
- (aaa) “State” means the State of California.
- (bbb) “Supermarket” means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).
- (ccc) “Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:
- (1) Supermarket.
 - (2) Grocery Store with a total facility size equal to or greater than 10,000 square feet.
 - (3) Food Service Provider.
 - (4) Food Distributor.
 - (5) Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this ordinance.

(ddd) “Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

- (1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- (2) Hotel with an on-site Food Facility and 200 or more rooms.
- (3) Health facility with an on-site Food Facility and 100 or more beds.
- (4) Large Venue.
- (5) Large Event.
- (6) A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- (7) A Local Education Agency facility with an on-site Food Facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this ordinance.

(eee) “Wholesale Food Vendor” means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).

SECTION 4. REQUIREMENTS FOR SINGLE-FAMILY GENERATORS

Except those Single-Family generators located in Low-Population Census Tract Areas With Approved Waivers, Single-Family Organic Waste Generators shall:

- (a) Separate and Self-Haul Organic Waste per the requirements in Section 10 of this ordinance or participate in their respective Member Agency’s Organic Materials Collection Program and Recyclable Materials Collection Program for all Organic Waste generated as described below in Section 4(b). The Regional Waste Management Authority Enforcement Official shall have the right to review the

number and size of a generator's containers to evaluate the adequacy of capacity provided for each type of collection service and to review the proper separation of materials and containment of materials.

- (b) Except Single-Family generators that Self-Haul Organic Waste per the requirements in Section 10 of this ordinance, participate in their respective Member Agency's Recyclable Material Collection Program and Organic Materials Collection Program by placing designated materials in the respective designated Containers, and shall not place Contaminants in collection Containers or Organic Waste and Non-Organic Recyclables in solid waste Containers.
- (c) Nothing in the Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c), and in compliance with applicable state and local laws, regulations and ordinances.

SECTION 5. REQUIREMENTS FOR COMMERCIAL BUSINESSES

Commercial Business Organic Waste Generators (including Multi-Family Residential Dwelling Organic Waste Generators) shall:

- (a) Separate and Self-Haul Organic Waste per the requirements in Section 10 of this ordinance or subscribe to their respective Member Agency's Recyclable Material Collection Program and/or Organic Material Collection Program for all Organic Waste generated and comply with requirements of those services as described below in Section 5(b), except Commercial Businesses that have been granted a waiver pursuant to Section 6 of this ordinance or those Commercial Businesses located in Low-Population Census Tract Areas With Approved Waivers. The Regional Waste Management Authority Enforcement Official shall have the right to review the number and size of a generator's containers and frequency of collection to evaluate the adequacy of capacity provided for each type of collection service and to review the proper separation of materials and containment of materials.
- (b) Participate in their respective Member Agency's Recyclable Material Collection Program and/or Organic Material Collection Program by placing designated materials in the respective designated Containers, and not place Contaminants in collection Containers or Organic Waste and Non-Organic Recyclables in solid waste Containers, except Commercial Businesses that meet the Self-Hauler requirements in Section 10 of this ordinance, have been granted a waiver pursuant

to Section 6 of this ordinance, or those Commercial Businesses located in Low-Population Census Tract Areas With Approved Waivers.

- (c) Supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors (conforming with Sections 5(d)(1) and 5(d)(2) below) for employees, contractors, tenants, and customers, consistent with the respective Member Agency's Recyclable Materials Collection Program, Organic Materials Collection Program, and solid waste collection services or, if Self-Hauling, per the Commercial Business' instructions to support its compliance with its Self-Haul program, in accordance with Section 10.
- (d) Provide containers for the collection of materials collected in the respective Member Agency's Recyclable Materials Collection Program and Organic Materials Collection Program in all indoor and outdoor areas where disposal containers are provided for customers, for materials generated by that business, excluding Multi-Family Residential Dwellings. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business shall have either:
 - (1) A body and/or lid that is blue for Recyclable Materials and green for Organic Materials, although Commercial Businesses are not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of 14 CCR Section 18984.9(b)(1)(A) prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.
 - (2) Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.
- (e) To the extent practical through education, training, inspection, and/or other measures, prohibit employees from placing materials in a container not designated for those materials per the respective Member Agency's Recyclable Materials Collection Program, Organic Materials Collection Program, and solid waste collection services or, if Self-Hauling, per the Commercial Business' instructions to

support its compliance with its Self-Haul program, in accordance with Section 10, excluding Multi-Family Residential Dwellings.

- (f) Periodically inspect Recyclable Materials Collection Program Containers, Organic Materials Collection Program Containers, and solid waste collection Containers for Contamination and inform employees if Containers are Contaminated and of the requirements to keep Contaminants out of those Containers pursuant to 14 CCR Section 18984.9(b)(3), excluding Multi-Family Residential Dwellings.
- (g) Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of materials for the respective Member Agency's Recyclable Materials Collection Program and Organic Materials Collection Program.
- (h) Provide education information before or within fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep materials collected in the respective Member Agency's Recyclable Materials Collection Program and Organic Materials Collection Program separate from other solid waste materials (when applicable) and the location of Containers and the rules governing their use at each property.
- (i) Provide or arrange access for Inspections conducted in accordance with Section 11 of this ordinance to confirm compliance with the requirements of this ordinance.
- (j) Meet the Self-Hauler requirements in Section 10 of this ordinance, if a Commercial Business wants to Self-Haul.
- (k) Nothing in the Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c), and in compliance with applicable state and local laws, regulations and ordinances.

SECTION 6. WAIVERS FOR GENERATORS

(a) De Minimis Waivers

The Regional Waste Management Authority Enforcement Official may waive a Commercial Business' (including Multi-Family Residential Dwelling's) obligation to comply with some or all of the Organic Waste requirements of this ordinance if the Commercial Business provides documentation that the business generates below a certain amount of Organic Waste material as described in Section 6(a)(2) below. A Commercial Business requesting a de minimis waiver shall:

- (1) Submit an application specifying the service or requirements for which it is requesting a waiver.
 - (2) Provide documentation that either:
 - (A) The Commercial Business' total solid waste collection service is two cubic yards or more per week and Organic Waste subject to collection in a Recyclable Materials Collection Program Container comprises less than twenty (20) gallons per week of the business' total waste per week and/or Organic Waste subject to collection in an Organic Materials Collection Program Container comprises less than 20 gallons per week of the business' total waste per week; or,
 - (B) The Commercial Business' total solid waste collection service is less than two cubic yards per week and Organic Waste subject to collection in a Recyclable Materials Collection Program Container comprises less than ten (10) gallons per week of the business' total waste per week and/or Organic Waste subject to collection in an Organic Materials Collection Program Container comprises less than 10 gallons per week of the business' total waste per week.
 - (C) For purposes of subsections (A) and (B) above, total solid waste collection service shall be the sum of weekly container capacity measured in cubic yards for the Recyclable Materials Collection Program, Organic Materials Collection Program and solid waste collection services.
 - (3) Notify the Regional Waste Management Authority Enforcement Official if circumstances change such that the Commercial Business' Organic Waste exceeds thresholds required for the de minimis waiver, in which case the waiver will be rescinded.
 - (4) Provide written verification of eligibility for de minimis waiver every five years, if the Regional Waste Management Authority Enforcement Official has approved a de minimis waiver.
- (b) Physical Space Waivers

The Regional Waste Management Authority Enforcement Official may waive a Commercial Business' or property owner's (including Multi-Family Residential Dwelling's) obligations to comply with some or all of the Recyclable Materials Collection Program and/or Organic Materials Collection Program service

requirements if the Regional Waste Management Authority has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the premises lacks adequate space for the collection containers required for compliance with the Organic Waste collection requirements of Section 5.

A Commercial Business or property owner requesting a physical space waiver shall:

- (1) Submit an application specifying the type(s) of collection services for which they are requesting a compliance waiver.
- (2) Provide documentation that the premises lacks adequate space for Recyclable Materials Collection Program Containers and/or Organic Materials Collection Program Containers including documentation from its hauler, licensed architect, or licensed engineer.
- (3) Notify the Regional Waste Management Authority Enforcement Official if circumstances change such that the Commercial Business' physical space configuration(s) change, in which case the waiver will be rescinded.
- (4) Provide written verification to the Regional Waste Management Authority that it is still eligible for physical space waiver every five years, if the Regional Waste Management Authority has approved a physical space waiver.

SECTION 7. REQUIREMENTS FOR COMMERCIAL EDIBLE FOOD GENERATORS

- (a) Tier One Commercial Edible Food Generators must comply with the requirements of this Section 7 commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.
- (b) Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section, commencing January 1, 2024.
- (c) Commercial Edible Food Generators shall comply with the following requirements:
 - (1) Arrange to recover for human consumption the maximum amount of Edible Food that would otherwise be disposed.

- (2) Contract with, or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection of Edible Food for Food Recovery; or, (ii) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.
- (3) Not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.
- (4) Allow the Regional Waste Management Authority Enforcement Official to access the premises and review records pursuant to 14 CCR Section 18991.4.
- (5) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:
 - (A) A list of each Food Recovery Service or organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).
 - (B) A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).
 - (C) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:
 - (i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
 - (ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.
 - (iii) The established frequency that food will be collected or self-hauled.
 - (iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.
- (d) Nothing in this ordinance shall be construed to limit or conflict with (1) the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of

California on September 25, 2017, which added Article 13 [commencing with Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the State Education Code, and to amend Section 114079 of the State Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time); or (2) otherwise applicable food safety and handling laws and regulations.

SECTION 8. REQUIREMENTS FOR FOOD RECOVERY ORGANIZATIONS AND FOOD RECOVERY SERVICES

- (a) Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):
 - (1) The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.
 - (2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.
 - (3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.
 - (4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.

- (b) Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):
 - (1) The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.
 - (2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.
 - (3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.

- (c) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in one or more of the Member Agencies and contract

with or have written agreements with one or more Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall report to the Regional Waste Management Authority the total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later than March 31st for the previous calendar year.

- (d) Food Recovery Capacity Planning. In order to support Edible Food Recovery capacity planning assessments and similar studies, Food Recovery Services and Food Recovery Organizations operating in one or more of the Member Agencies shall provide, upon request, information and consultation to the Regional Waste Management Authority and/or its Designee(s), regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by Commercial Edible Food Generators within the Member Agencies. A Food Recovery Service or Food Recovery Organization contacted by the Regional Waste Management Authority and/or its Designee(s) shall respond to such request for information within 60 days, unless a shorter timeframe is otherwise specified by the Regional Waste Management Authority.

SECTION 9. REQUIREMENTS FOR HAULERS AND FACILITY OPERATORS

- (a) Requirements for Haulers
 - (1) Exclusive franchised haulers providing residential, Commercial, or industrial Organic Waste collection services to generators within the respective Member Agencies' boundaries shall meet the following requirements and standards:
 - (A) Through written notice to the Regional Waste Management Authority, identify the facilities to which the hauler will transport Organic Waste including facilities for materials collected in the respective Member Agencies' Recyclable Materials Collection Program and Organic Materials Collection Program, unless such facilities are specified in the hauler's franchise agreement or contract with the respective Member Agency(ies).
 - (B) Transport materials collected in the respective Member Agencies' Recyclable Materials Collection Program and Organic Materials Collection Program to a facility, operation, activity, or property that

recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2.

- (2) Self-Haulers shall comply with the requirements of Section 10.
 - (3) Nothing in this Section is applicable to haulers transporting Organic Waste to a Community Composting site in a manner otherwise consistent with law, or lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1, and the respective Member Agencies' ordinances.
- (b) Requirements for facility operators and Community Composting operations
- (1) Owners of facilities, operations, and activities that recover Organic Waste, including, but not limited to, compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall provide, upon request, information to the Regional Waste Management Authority, Regional Waste Management Authority Enforcement Official and/or Designee(s), regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities shall respond to such request for information within sixty (60) days.
 - (2) Community Composting operators shall provide, upon request, information to the Regional Waste Management Authority, Regional Waste Management Authority Enforcement Official and/or Designee(s), to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities shall respond to such request for information within sixty (60) days.

SECTION 10. REQUIREMENTS FOR SELF-HAULERS

Except for Self-Haul activities transporting Organic Waste to a Community Composting site; lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1(a)(2) regarding projects covered by the CALGeen Building Standards Code as determined by the respective Member Agency; or, for Self-Haul activity from within Low-Population Census Tract Areas With Approved Waivers:

- (a) Self-Haulers shall source separate all materials generated on-site that would be collected separately in the respective Member Agency's Recyclable Materials Collection Program, Organic Waste Collection Program, and solid waste collection

program, or shall haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.

- (b) Self-Haulers shall haul their Organic Waste materials that would be collected separately in the respective Member Agency's Recyclable Materials Collection Program and Organic Materials Collection Program to a facility, operation, activity, or property that processes or recovers those respective Organic Waste materials. Alternatively, Self-Haulers may haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.
- (c) Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall keep a record of the amount of Organic Waste delivered to each facility, operation, activity, or property that processes or recovers Organic Waste; this record shall be subject to Inspection by the Regional Waste Management Authority Enforcement Official. The records shall include the following information:
 - (1) Delivery receipts and weight tickets from the entity accepting the waste.
 - (2) The amount of material in cubic yards or tons transported by the generator to each entity.
 - (3) If the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the Organic Waste.
- (d) Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall provide information collected in Section 10(c) to the Regional Waste Management Authority Enforcement Official if requested. Entities shall respond to such request for information within sixty (60) days.
- (e) A Single-Family Organic Waste Generator that self-hauls Organic Waste is not required to record or report information in Section 10(c) and 10(d).

SECTION 11. INSPECTIONS AND INVESTIGATIONS

- (a) The Regional Waste Management Authority Enforcement Official is authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from generators, or source separated materials, to confirm compliance with this ordinance by Organic Waste Generators, Commercial

Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws. This Section does not allow entry in the interior of a private residential property for Inspection.

- (b) Regulated entities shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the Regional Waste Management Authority Enforcement Official during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, inspection of Edible Food Recovery activities, review of required records, or other verifications or Inspections to confirm compliance with any other requirement of this ordinance. Failure of the regulated entity to provide or arrange for: (i) access to an entity's premises; or (ii) access to records for any Inspection or investigation is a violation of this ordinance and may result in penalties described in Section 12.
- (c) Any records obtained by the Regional Waste Management Authority or its Designee(s) during Inspections and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.
- (d) The Regional Waste Management Authority Enforcement Official is authorized to conduct any Inspections or other investigations as reasonably necessary to further the goals of this ordinance, subject to applicable laws.
- (e) The Regional Waste Management Authority Enforcement Official shall receive written complaints from persons regarding an entity that may be potentially non-compliant with this ordinance, including receipt of anonymous complaints.

SECTION 12. ENFORCEMENT

- (a) Beginning January 1, 2024, with the exception of violations of the Container Contamination provisions of Sections 4(b) and 5(b) of this ordinance, violation of any provision of this ordinance shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by the Regional Waste Management Authority Enforcement Official. Enforcement Actions under this ordinance are issuance of an administrative citation and assessment of a fine. The Regional Waste Management Authority's procedures on imposition of administrative citations and fines, as modified from time to time, shall govern the imposition, enforcement, collection, and review of administrative citations and fines issued to enforce this

ordinance and any rule or regulation adopted pursuant to this ordinance, except as otherwise indicated in this ordinance.

- (b) Other remedies allowed by law may be used, including a civil action or prosecution as misdemeanor or infraction. The Regional Waste Management Authority may pursue civil actions in the California courts to seek recovery of unpaid administrative citations and fines. The Regional Waste Management Authority may choose to delay court action until such time as a sufficiently large number of violations, or cumulative size of violations, exist such that court action is a reasonable use of Regional Waste Management Authority staff and resources.
- (c) Responsible Entity for Enforcement
 - (1) Enforcement pursuant to this ordinance may be undertaken by the Regional Waste Management Authority Enforcement Official, which may be their designated entity, legal counsel, or combination thereof.
- (d) Process for Enforcement
 - (1) The Regional Waste Management Authority Enforcement Official will monitor compliance with the ordinance randomly and through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program. Section 11 establishes the Regional Waste Management Authority's right to conduct Inspections and investigations.
 - (2) The Regional Waste Management Authority Enforcement Official may issue an official notification to notify regulated entities of its obligations under the SB 1383 Regulations and this ordinance.
 - (3) The Regional Waste Management Authority Enforcement Official may issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.
 - (4) Absent compliance by the respondent within the deadline set forth in the Notice of Violation, or provision of information otherwise documenting compliance, the Regional Waste Management Authority Enforcement Official may commence an action to impose penalties, via an administrative citation and fine, pursuant to the Regional Waste Management Authority's procedures.

Notices shall be sent to "owner" at the official address of the owner maintained by the tax collector for the respective Member Agency or if no such address is available, to the owner at the address of the dwelling or

Commercial property or to the party responsible for paying for the collection services, depending upon available information.

(e) Penalty Amounts for Violations

Pursuant to 14 CCR Section 18997.2, the Regional Waste Management Authority is required to impose penalties for violations of the requirements of this ordinance consistent with the applicable requirements prescribed in State Government Code Sections 53069.4, 25132, and 36900. 14 CCR Section 18997.2 establishes ranges of penalties and the Regional Waste Management Authority selected the lowest penalty amounts for each range as follows:

- (1) For a first violation, the amount of the base penalty shall be \$50 per violation.
- (2) For a second violation, the amount of the base penalty shall be \$100 per violation.
- (3) For a third or subsequent violation, the amount of the base penalty shall be \$250 per violation.
- (4) After issuance of a Notice of Violation and expiration of the time set forth to come into compliance pursuant to Section 12(d)(3) of this Ordinance, each day a violation exists after expiration of the time set forth in the Notice of Violation, shall be a separate violation for which an additional penalty may be assessed for each and every day.

(f) Compliance Deadline Extension Considerations

The Regional Waste Management Authority Enforcement Official may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with Section 12 if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

- (1) Acts of nature such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
- (2) Delays in obtaining discretionary permits or other government agency approvals; or,
- (3) Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the Regional Waste Management Authority and/or

respective Member Agency is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

(g) Education Period for Non-Compliance

Beginning January 1, 2022 and through December 31, 2023, the Regional Waste Management Authority Enforcement Official will conduct Inspections, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine compliance, and if the Regional Waste Management Authority Enforcement Official determines that Organic Waste Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this ordinance and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties starting on January 1, 2024.

(h) Civil Penalties for Non-Compliance

Beginning January 1, 2024, if the Regional Waste Management Authority Enforcement Official determines that an Organic Waste Generator, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this ordinance, it may document the noncompliance or violation, issue a Notice of Violation, and take Enforcement Action pursuant to Section 12, as needed.

SECTION 13. SEVERABILITY

If any provision of this ordinance or the application thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such invalidity shall not affect the remaining provisions or application of the remaining provisions of this ordinance, which can be given effect without the invalid provisions or application. The Board of Directors of the Regional Waste Management Authority hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, portion, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared illegal, invalid or unconstitutional.

SECTION 14. NO VESTED RIGHTS CREATED OR IMPLIED

This Ordinance does not create directly, or indirectly, or imply any right to claim any vested right.

SECTION 15. EFFECTIVE DATE

This Ordinance shall take effect thirty (30) days after adoption as provided in State Government Code Section 36937.

PASSED AND ADOPTED by the Regional Waste Management Authority Board of Directors this 20th day of January, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

REGIONAL WASTE MANAGEMENT AUTHORITY
BY ITS BOARD OF DIRECTORS

By: _____
Janet Frye, Board Clerk

By: _____
Chairperson

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Brant J. Bordsen, Counsel for the
Regional Waste Management Authority

AGENDA ITEM V – A

**REGIONAL WASTE MANAGEMENT AUTHORITY
MEETING MINUTES
DECEMBER 16, 2021**

I. Call to Order and Roll Call

The meeting was called to order by Vice-Chairman Pendergraph at 4:33 p.m.

Present: Bains, Blaser (for Vasquez), Kirchner (for Shaw), Pendergraph, and Woten
Absent: Buttacavoli, Shaw and Vasquez

II. Public Business from the Floor

None.

III. Consent Calendar

Director Bains made a motion to approve the Consent Calendar. Director Kirchner seconded the motion and it carried unanimously.

IV. Reports

A. SB 1383 Local Assistance Grant Program for FY 2021-22.

Martin advised the Board that consulting staff Alyson Burleigh from Aurora Environmental, Inc. and Rigo Diaz from Recology Yuba-Sutter were joining the meeting via Zoom. Martin stated a recent notice from CalRecycle announced the new SB 1383 Local Grant Assistance Program. This one-time grant program is being made available to assist with SB 1383 implementation. The initial notice indicated a base amount of \$20,000 per eligible entity, including cities and counties so the RWMA would be able to take advantage of the combined minimum value with \$120,000 for the region. Any remaining funds would be distributed on a per capita basis so the final value will likely be higher. Applications are expected to be released in January with an application due date in February. While there is a lengthy list of eligible activities, the most appropriate for the RWMA would be for personnel and consultant expenses for these programs.

Director Bains made a motion to adopt Resolution No. 5-21 authorizing the submittal of a regional application under the SB 1383 Local Assistance Grant Program as proposed. Director Kirchner seconded the motion and it carried unanimously.

B. Legal Services Agreement.

Martin presented the proposed legal services agreement with the firm of Rich, Fuidge, Bordsen & Galyean, Inc. This same firm has long provided the agency with legal services

under their agreement with the Yuba-Sutter Transit Authority with any RWMA-related services being tracked and billed on the quarterly Yuba-Sutter Transit invoice. The RWMA would then reimburse Yuba-Sutter Transit for those expenses. With the pending separation of the staffing function, staff is now recommending separate legal services agreements with each agency. Yuba-Sutter Transit already approved an amended legal services agreement to remove the RWMA using the same rate structure that is proposed for the RWMA agreement.

Director Bains made a motion to authorize the execution of a legal services agreement with the firm of Rich, Fuidge, Bordsen & Galyean, Inc. as proposed. Director Woten seconded the motion and it carried unanimously.

C. CalRecycle Beverage Container Recycling City/County Payment Program.

Martin discussed the CalRecycle Beverage Container Recycling Program. This is an annual block grant program, and the request is to continue providing staff support for the regional program. The recommended eligible activities include recycling containers for inside offices and businesses, recycling services for special events, water refill stations at public or private facilities, and outreach related to the mandatory commercial recycling law. This has already been reviewed by the RWMA Technical Advisory Committee which was created by the amended JPA and is composed of the six member jurisdiction administrators.

Director Kirchner made a motion to authorize staff support for the FY 2021/2022 Beverage Container Recycling City/County Payment Program as proposed. Director Bains seconded the motion and it carried unanimously.

D. Mandatory Organic Waste Disposal Reduction Ordinance.

Martin discussed the Mandatory Organic Waste Disposal Reduction Ordinance which is a requirement under SB 1383 and covers the state-mandated activities that have been delegated to the RWMA by the member jurisdictions. This ordinance was developed based on the model ordinance that the state supplied for local application. Legal counsel and the member jurisdiction administrators have already reviewed the ordinance.

Martin noted that there may be a need to amend the Recology service agreements which could impact the RWMA surcharge and local collection rates when these programs come to fruition in the future. The recommendation is to waive the first reading and introduce the ordinance and revisit this item at the January meeting.

Director Pendergraph inquired referencing page 16 of the ordinance regarding the ten gallon and twenty gallon per week requirements for organic waste and wondered if businesses would be able to comply with those standards.

Director Blaser asked if the businesses would be required to separate the organics by type. Martin replied that they would be considered organics and businesses would not have to separate by type of organic material. This ordinance is based upon the State's model and there would be a learning curve as the ordinance takes effect.

Director Pendergraph asked about the logistics of where a business would store the organics until they are picked up by Recology and stated that such storage would be difficult for smaller restaurants and businesses.

Director Kirchner made a motion to waive the first reading and introduce the Mandatory Organic Waste Disposal Reduction Ordinance as proposed. Director Bains seconded the motion and it carried unanimously.

E. Staff Transition Plan.

Martin stated that in response to new state regulations, the expansion of the JPA, and pending staff changes, the current shared staffing relationship with Yuba-Sutter Transit is no longer sufficient nor sustainable. For these reasons, the decision was made to hire direct RWMA staff for the first time. Staff has since been working with the member jurisdiction administrators as well as the two county Human Resources Directors on job specifications, salary scale recommendations, and a personnel manual to define the conditions of employment as well as the employee benefit package for these positions.

While the agency is expected to grow over time, two initial positions are now being proposed. The Executive Director would be an exempt position and a flexibly staffed Management Analyst I/II would be a non-exempt position. Bryce Consulting has met with staff and developed recommended job descriptions and salary scales for these positions based on a survey of similar positions in agencies across the north state with comparable activities. These recommendations have been reviewed by the RWMA Technical Advisory Committee and the county HR Directors. If approved as proposed, the Executive Director position would be open in January and board involvement in the hiring process is recommended. A target start date for the Executive Director is April 1, 2022.

Director Kirchner asked what is meant by not sustainable. Martin answered that the current part-time staff of himself and Alyson Burleigh is not adequate for the effort that will be needed to keep up with the new and expanding RWMA activities either now or in the future. Additionally, both he and Ms. Burleigh are on similar retirement schedules so now is the time for dedicated, full-time staffing.

Director Pendergraph stated that it would be a good idea to have one or two members of the board helping to review applications and possibly a member of the board taking part in the interview process. Martin responded that this issue will be addressed at the January meeting.

Director Kirchner made a motion to approve the Executive Director and Management Analyst I/II job descriptions and salary scales as proposed and authorize recruitment for both positions. Director Bains seconded the motion and it carried unanimously.

F. Regional Waste Management Authority (RWMA) Personnel Manual.

Martin presented the proposed RWMA Personnel Manual which lays out the terms and conditions of employment as well as the employee benefit package for the RWMA. The basis

for this manual is the Yuba-Sutter Transit Personnel Manual which has recently been reviewed by legal counsel and the county HR Directors. The major differences between the two agencies is that the RWMA will not be a CalPERS member and that health insurance will be provided through Sutter County as most insurance policies are not available to agencies with less than two employees. That insurance can change in the future as more employees are added to the agency. The employer share for health insurance coverage would be 100 percent for the employee and 80 percent for qualified dependents of whatever plan is selected.

The retirement plan would be a defined contribution and deferred compensation plan. The employer contribution would be deposited in a 401(a) defined contribution plan and the employee contribution would be deposited in a 457(b) deferred compensation plan. As proposed, the RWMA would match on a dollar-for-dollar basis any employee contribution by the employee up to a maximum of 7 percent of their base monthly salary. The 401(a) would have a vesting schedule of 20 percent per year of employment, becoming fully vested after five years of employment. They would also be fully vested upon reaching the normal retirement age of 55 years old. RWMA employees will also participate in Social Security.

Director Blaser asked if the increase in overhead costs have been calculated in relation to the new agreement. Martin stated that this will be evaluated over the next few months as part of Yuba-Sutter Transit's staff support agreement and the FY 2022-23 RWMA budget process. Yuba-Sutter Transit now charges \$1,000 per month for overhead and general administrative expenses.

Director Pendergraph asked if the manual could be modified or updated in the future. Martin answered that it could be amended. Director Pendergraph stated that he was not comfortable with the language in Section 12.07.03(1) about longevity pay, wondering if the 5 percent adjustment was every year. Martin stated that it is an ongoing adjustment in salary for non-exempt employees who have been at the top of their range for several years. Director Pendergraph also addressed Sections 15.01 and 15.02 with a concern regarding the annual leave accrual schedule and the amount of leave that could be carried over each year.

Director Bains asked how these items compare to best practices in similar agencies and if it would be possible to table this item. Martin responded that these benefits are generally comparable to those being provided by Yuba and Sutter Counties and the Cities of Marysville and Yuba City. He noted recruitment cannot proceed until the Personnel Manual is approved.

Director Blaser stated that the benefits appear to be very competitive which is necessary to recruit for this type of position.

Director Kirchner made a motion to adopt the RWMA Personnel Manual and employee benefit package as proposed. Director Woten seconded the motion and it carried unanimously.

G. Establishment of the RWMA 457(b) Deferred Compensation Plan and the RWMA 401(a) Defined Contribution Retirement Plan.

Martin presented the 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Retirement Plan for employees of the RWMA with Mission Square (formally ICMA) providing these services as recommended by the county HR Directors. The 401(a) would be offer up to a seven percent dollar-for-dollar matching contribution with employee contributions into the 457(b) plan.

Director Woten made a motion to:

- 1.) Adopt Resolution No. 6-21 to establish the Regional Waste Management Authority 457 Deferred Compensation Plan and Trust; and,
- 2.) Adopt Resolution No. 7-21 to establish the Regional Waste Management Authority Governmental Profit-Sharing Plan; and,
- 3.) Authorize execution of the Mission Square Retirement Governmental Profit-Sharing Plan Adoption Agreement as proposed; and,
- 4.) Authorize execution of the administrative Services Agreement with Mission Square Retirement as proposed.

Director Kirchner seconded the motion and it carried unanimously.

H. Status Reports on Current Projects.

1. Fourth Amended and Restated Regional Waste Management Authority Joint Powers Agreement (JPA).

Martin noted that the Live Oak City Council is scheduled to consider adoption of the Fourth Amended and Restated RWMA Joint Powers Agreement and the amended Regional Agency Formation agreement at their January 5th meeting. This is the last of the six jurisdictions to adopt these agreements that went into effect on November 1, 2021, following the earlier adoption actions by the four major jurisdictions.

2. Community Workshops Regarding Senate Bill 1383 (Short-lived Climate Pollutants).

At a previous meeting, it was suggested by members of the Board that public workshops be held on the requirements of SB 1383. Staff wanted to update the Board that we are still planning to bring this concept back for further discussion, but that we are waiting for more information from the state and the adoption of the new ordinance before going forward.

3. New Regional Waste Management Authority Website.

Staff is working to create an official RWMA website. The www.YubaSutterRecycles.com site is solely a resource site with information on what programs are available and where to recycle certain items. The new website will have the same name and information that has been around and promoted for many years, but it will also include official agency business items such as ordinances, board agendas, meeting notices, and other required information. We are working with the same organization that developed the Yuba-Sutter Transit website and the target “go live” date will be in January 2022.

4. Recology Yuba-Sutter Diversion Rate Update.

The diversion rates from Recology Yuba-Sutter from Rate Year 2021 are 30.5 percent for the City of Yuba City and 26.2 percent for the combined remaining five jurisdictions. As the Board is aware, the member jurisdiction collection service agreements require Recology Yuba-Sutter to divert at least 30 percent of the material they touch from landfill disposal, and they missed that figure for Rate Years 2019 and 2020 prompting the development of the Recology Yuba-Sutter diversion compliance plan that was presented to the Board in November. Staff continues to meet with Recology Yuba-Sutter every two weeks on compliance progress.

V. Other Business

None.

VI. Adjournment.

The meeting was adjourned at 5:27 p.m.

The next meeting of the Regional Waste Management Authority is scheduled for 4:30 p.m. on January 20, 2022, in the Yuba County Board of Supervisors Chambers at the Yuba County Government Center unless otherwise noticed.

**AGENDA ITEM V-B
REGIONAL WASTE MANAGEMENT AUTHORITY
DISBURSEMENT LIST
MONTH OF DECEMBER 2021**

| CHECK NO. | AMOUNT | VENDOR | PURPOSE |
|-----------|--------------|----------------------|-------------------------------|
| EFT | \$ 6,682.50 | YUBA-SUTTER TRANSIT | CONTRACT SERVICES - NOV 2021 |
| EFT | \$ 50.00 | JAY PENDERGRAPH | BOARD MEETING 12/16/21 |
| EFT | \$ 50.00 | KARM BAINS | BOARD MEETING 12/16/21 |
| EFT | \$ 50.00 | DON BLASER | BOARD MEETING 12/16/21 |
| EFT | \$ 50.00 | WADE KIRCHNER | BOARD MEETING 12/16/21 |
| 8052 | \$ 34,373.34 | RECOLOGY YUBA-SUTTER | HHW & USED OIL - OCT 2021 |
| 8053 | \$ 50.00 | BOB WOTEN | BOARD MEETING 12/16/21 |
| 8054 | VOID | VOID CHECK | VOID CHECK |
| 8055 | \$ 400.00 | RECOLOGY YUBA-SUTTER | TIRE GRANT 11/1/21 - 11/30/21 |

\$ 41,705.84

**LAIF
TRANSFERS**

AGENDA ITEM VI – A
STAFF REPORT

FY 2020/2021 FINANCIAL AUDIT REPORT

Attached for Board review and acceptance is a copy of the Independent Financial Audit Report and related Governance Letter for the Regional Waste Management Authority for FY 2020/2021. The audit was prepared by the accounting firm of Richardson & Company of Sacramento in concert with their annual financial audit of the Yuba-Sutter Transit Authority. There were no audit findings or comments for FY 2020/2021.

Staff will be available at the Board meeting to review the report in detail.

RECOMMENDATION: Accept the FY 2020/2021 RWMA Financial Audit Report as submitted.

Attachment

REGIONAL WASTE MANAGEMENT AUTHORITY

Audited Financial Statements

June 30, 2021



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Regional Waste Management Authority
Marysville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Regional Waste Management Authority (the Authority), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
Regional Waste Management Authority

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Richardson & Company, LLP

January 7, 2022

REGIONAL WASTE MANAGEMENT AUTHORITY

BALANCE SHEETS

June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|---------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 691,420 | \$ 505,387 |
| Accounts receivable | 51,975 | 49,438 |
| Due from other governmental agencies | 55,277 | 111,483 |
| Interest receivable | 423 | 970 |
| TOTAL CURRENT ASSETS | <u>799,095</u> | <u>667,278</u> |
| CAPITAL ASSETS, NET | <u>322,417</u> | <u>308,092</u> |
| TOTAL ASSETS | <u>\$ 1,121,512</u> | <u>\$ 975,370</u> |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 81,040 | \$ 51,262 |
| Due to other governmental agencies | 23,389 | 12,644 |
| Unearned revenue | 50,519 | 74,423 |
| TOTAL CURRENT LIABILITIES | <u>154,948</u> | <u>138,329</u> |
| NET POSITION | | |
| Investment in capital assets | 322,417 | 308,092 |
| Unrestricted | 644,147 | 528,949 |
| TOTAL NET POSITION | <u>966,564</u> | <u>837,041</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 1,121,512</u> | <u>\$ 975,370</u> |

The accompanying notes are an integral part of these financial statements.

REGIONAL WASTE MANAGEMENT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|------------|------------|
| OPERATING REVENUES | | |
| Regulatory surcharge | \$ 834,123 | \$ 782,832 |
| Covered electronic waste recovery payments | | 106 |
| Other operating revenue | 14,668 | 15,813 |
| TOTAL OPERATING REVENUES | 848,791 | 798,751 |
| OPERATING EXPENSES | | |
| Program services: | | |
| Household hazardous waste facility and programs | 411,565 | 297,442 |
| Used oil | 55,888 | 43,474 |
| Tire disposal program | 20,040 | 18,440 |
| Beverage container recycling | 11,354 | 840 |
| Local Enforcement Agency payments | 147,840 | 154,685 |
| Professional services | 99,886 | 111,220 |
| Depreciation | 43,952 | 37,528 |
| Contract administration | 40,892 | 38,469 |
| Legal and accounting | 9,107 | 8,311 |
| Office supplies | 204 | |
| Miscellaneous | 1,778 | 1,778 |
| TOTAL OPERATING EXPENSES | 842,506 | 712,187 |
| NET INCOME FROM OPERATIONS | 6,285 | 86,564 |
| NONOPERATING REVENUES AND EXPENSES | | |
| Intergovernmental revenues | 80,786 | 62,833 |
| Interest income | 1,918 | 5,467 |
| TOTAL NONOPERATING REVENUES AND EXPENSES | 82,704 | 68,300 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | 88,989 | 154,864 |
| CAPITAL CONTRIBUTIONS | | |
| Capital contributions - Household hazardous waste facility grant | 40,534 | 57,367 |
| TOTAL CAPITAL CONTRIBUTIONS | 40,534 | 57,367 |
| CHANGE IN NET POSITION | 129,523 | 212,231 |
| Net position at beginning of year | 837,041 | 624,810 |
| NET POSITION AT END OF YEAR | \$ 966,564 | \$ 837,041 |

The accompanying notes are an integral part of these financial statements.

REGIONAL WASTE MANAGEMENT AUTHORITY

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | \$ 842,564 | \$ 803,325 |
| Cash paid to suppliers for goods and services | (758,031) | (673,059) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>84,533</u> | <u>130,266</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating grants and subsidies | <u>59,411</u> | <u>71,915</u> |
| NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | <u>59,411</u> | <u>71,915</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Purchases of capital assets | (58,277) | (57,367) |
| Capital contribution received | <u>97,901</u> | <u> </u> |
| NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES | <u>39,624</u> | <u>(57,367)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>2,465</u> | <u>5,549</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>2,465</u> | <u>5,549</u> |
| INCREASE IN CASH AND CASH EQUIVALENTS | 186,033 | 150,363 |
| Cash and cash equivalents at beginning of year | <u>505,387</u> | <u>355,024</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 691,420</u> | <u>\$ 505,387</u> |
| RECONCILIATION OF NET INCOME FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Net income from operations | \$ 6,285 | \$ 86,564 |
| Adjustments to reconcile net income from operations to net cash provided (used) by operating activities: | | |
| Depreciation | 43,952 | 37,528 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (2,537) | 41,807 |
| Due from other agencies | (3,690) | (37,233) |
| Accounts payable | 29,778 | 19,799 |
| Due to other governmental agencies | <u>10,745</u> | <u>(18,199)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 84,533</u> | <u>\$ 130,266</u> |

The accompanying notes are an integral part of these financial statements.

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Regional Waste Management Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

Description of Reporting Entity: The Authority was formed on July 1, 1990 under a Joint Powers Authority agreement between the counties of Yuba and Sutter and the cities of Yuba City, Marysville, Live Oak and Wheatland. The Authority is governed by a six member Board of Directors consisting of one member each from the Boards of Supervisors or City Councils of its members. The Authority acts as the liaison for the participating entities for solid waste planning, programming, and other related services with the franchise solid waste collection contractor and the State of California Department of Resources Recycling and Recovery (CalRecycle). Funding is provided principally by a surcharge on solid waste customers and special grants from the State of California.

The Authority does not have any employees and contracts with the Yuba-Sutter Transit Authority (YSTA) for administration and personnel services. YSTA is a joint powers agency that has four of the same member jurisdictions as the Authority. The services are provided by employees of YSTA for \$1,000 per month plus a contractual rate per hour for each hour YSTA employees spend on the Authority's activities. Payments to YSTA for these and other services amounted to \$46,805 and \$42,952 during the years ended June 30, 2021 and 2020, respectively. The Authority also contracts with Aurora Environmental, Inc. for staff support services.

Basis of Presentation: The Authority's resources are accounted for in these financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Unrestricted net position represents the net position available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of this fund are included on the balance sheet. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund-type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position.

The Authority uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are from surcharges on solid waste collection services. Operating expenses include professional services and administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 Investments: For the purposes of reporting cash flows, the Authority considers all cash and highly liquid investments purchased with an original maturity of three months or less and the investment in the Local Agency

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Fund (LAIF) to be cash equivalents.

Capital Assets: Capital assets are valued at historical cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. Provision is made for depreciation on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

| | |
|------------------------|------------|
| Office equipment | 5-10 years |
| Equipment | 5 years |
| Leasehold improvements | 20 years |

Maintenance and repairs are charged to operations when incurred. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement.

Due From Other Governmental Agencies: Due from other governmental agencies consists primarily of the following at June 30:

| | 2021 | 2020 |
|--|------------------|-------------------|
| CalRecycle grants | \$ 14,354 | \$ 71,573 |
| City of Yuba City regulatory surcharge | 40,923 | 37,233 |
| Other | | 2,677 |
| Total due from other governmental agencies | <u>\$ 55,277</u> | <u>\$ 111,483</u> |

Unearned Revenue: Unearned revenue at June 30, 2021 consisted of \$50,519 for the beverage container recycling program. Unearned revenue at June 30, 2020 consisted of unspent funds of \$61,873 and \$12,550 for the beverage container recycling program and used oil payment OPP9 programs, respectively.

Net Position: The financial statements present net position. Net position is categorized as the investment in capital assets, restricted and unrestricted.

Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position not restricted for any project or other purpose.

Use of Estimates: The preparation of the 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 those estimates.

New Pronouncements: In June 2017, the GASB issued Statement No. 87, Leases. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity’s

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement requires for the purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

The Authority is currently analyzing the impact of these Statements on the Authority’s financial statements.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, consisted of the following:

| | 2021 | 2020 |
|---|------------|------------|
| Deposits in financial institutions | \$ 173,002 | \$ 239,431 |
| Investment in Local Agency Investment Fund (LAIF) | 518,418 | 265,956 |
| Total cash and cash investments | \$ 691,420 | \$ 505,387 |

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The Authority’s investment policy does not contain any specific provisions intended to limit the Authority’s exposure to interest rate risk, credit risk, and concentration of credit risk. The Authority’s permissible investments included time deposits and the State of California Local Agency Investment Fund (LAIF).

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2021 and 2020, the weighted average maturity of the investments contained in the LAIF investment pool was approximately 291 and 191 days, respectively.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2021 and 2020, the carrying amount of the Authority's deposits was \$173,002 and \$239,431 and the balance in financial institutions was \$173,152 and \$244,357, respectively. Of the balance in financial institutions, \$250,000 each year was covered by federal depository insurance and the remaining amount was collateralized by securities pledged by the financial institution, but not in the name of the Authority.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE C – CAPITAL ASSETS

The following summarizes the changes in capital assets for the years ended June 30:

| | Balance at July 1, 2020 | Additions | Transfers | Balance at June 30, 2021 |
|---|----------------------------|------------------|------------------|-----------------------------|
| Capital assets, not being depreciated: | | | | |
| Construction in progress | \$ 57,367 | \$ 58,277 | \$ (115,644) | |
| Total capital assets not being depreciated | <u>57,367</u> | <u>58,277</u> | <u>(115,644)</u> | |
| Capital assets, being depreciated: | | | | |
| Equipment | 19,766 | | | \$ 19,766 |
| Leasehold improvements | 750,557 | | 115,644 | 866,201 |
| Total capital assets being depreciated | <u>770,323</u> | | <u>115,644</u> | <u>885,967</u> |
| Less accumulated depreciation for: | | | | |
| Equipment | (17,766) | | | (17,766) |
| Leasehold improvements | (501,832) | (43,952) | | (545,784) |
| Total accumulated depreciation | <u>(519,598)</u> | <u>(43,952)</u> | | <u>(563,550)</u> |
| Total capital assets being depreciated, net | <u>250,725</u> | <u>(43,952)</u> | <u>115,644</u> | <u>322,417</u> |
| Capital assets, net | <u>\$ 308,092</u> | <u>\$ 14,325</u> | <u>\$ -</u> | <u>\$ 322,417</u> |
| | Balance at July 1, 2019 | Additions | Transfers | Balance at June 30, 2020 |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | | \$ 57,367 | | \$ 57,367 |
| Total capital assets not being depreciated | | <u>57,367</u> | | <u>57,367</u> |
| Capital assets, being depreciated: | | | | |
| Equipment | \$ 19,766 | | | 19,766 |
| Leasehold improvements | 750,557 | | | 750,557 |
| Total capital assets being depreciated | <u>770,323</u> | | | <u>770,323</u> |
| Less accumulated depreciation for: | | | | |
| Equipment | (17,766) | | | (17,766) |
| Leasehold improvements | (464,304) | \$ (37,528) | | (501,832) |
| Total accumulated depreciation | <u>(482,070)</u> | <u>(37,528)</u> | | <u>(519,598)</u> |
| Total capital assets being depreciated, net | <u>288,253</u> | <u>(37,528)</u> | | <u>250,725</u> |
| Capital assets, net | <u>\$ 288,253</u> | <u>\$ 19,839</u> | <u>\$ -</u> | <u>\$ 308,092</u> |

NOTE D – HOUSEHOLD HAZARDOUS WASTE FACILITY

On January 1, 2008, the Authority entered into an agreement with Yuba City and Yuba-Sutter Disposal, Inc. (YSDI) to transfer the ownership and operation of the household hazardous waste facility improvements (the facility) located at 134 Burns Drive from YSDI to the Authority. The land on which this facility is located is owned by the City of Yuba City. As of the transfer date, the facility was valued at its original construction cost of \$462,889, since there is no determinable fair value for this facility.

On January 1, 2017, the Authority entered into an agreement with Yuba City to lease the property on which the facility is built starting January 1, 2016. Beginning January 1, 2017, the annual lease payment increases by the percentage increase in the Consumer Price Index for the San Francisco-Oakland-San Jose Metropolitan Statistical Area. The initial term of the lease ended December 31, 2018, but in October 2018 the Authority exercised options to extend the lease through December 31, 2031. Rent expense for the years ended June 30, 2021 and 2020 was \$13,806 and \$13,515, respectively. Future minimum lease payments under the lease agreement will be as follows:

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE D – HOUSEHOLD HAZARDOUS WASTE FACILITY (Continued)

| Year ended June 30: | |
|---------------------|-------------------|
| 2022 | \$ 13,880 |
| 2023 | 13,880 |
| 2024 | 13,880 |
| 2025 | 13,880 |
| 2026 | 13,880 |
| 2027-2031 | 69,400 |
| 2032 | <u>6,940</u> |
| | <u>\$ 145,740</u> |

NOTE E – CONTINGENT LIABILITIES

The Authority has received State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Authority believes such disallowance, if any, will be immaterial.

NOTE F – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting a range of industries. The extent of the impact of COVID-19 on the Authority’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

The Authority’s agreement with the City of Yuba City (City) for the household hazardous waste facility requires the property to be returned to the City in clean condition, free from any hazards or hazardous materials and requires the Authority to include the requirement for the facility operator to indemnify the City for any contamination of the property caused by the operations of the facility. The Authority would also have to remove the improvements made to the property at its own expense at the election of the City within 90 days after termination of the agreement. The election would be made by the City in the Notice of Termination required under the agreement. The City is required to provide four years notice to the Authority prior to termination of the agreement. It is uncertain whether this election will be made by the City. If the City elects to have the Authority remove the improvements to the property, the election would result in the need to accrue an asset retirement obligation (i.e. a liability) under GASB Statement No. 83. A liability has not been accrued as of the balance sheet date because it is not considered probable that the election will be made. This decision could change in the future.

NOTE G – SUBSEQUENT EVENTS

In response to increasingly complex State regulations, specifically SB 1383 which became effective January 1, 2022, the RWMA Board of Directors conducted an organizational analysis in 2020 that resulted in the amendment of the agency Joint Powers Agreement (JPA) to expand both the responsibilities and authorities of the agency. The amended JPA became effective November 1, 2021. To effectively implement and manage these new responsibilities, the Board concluded that the long-standing part-time staff consultant agreement with the Yuba-Sutter Transit Authority would no longer be sufficient nor sustainable given the level of effort needed and authorized the establishment of direct RWMA staff for the first time.

REGIONAL WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE G – SUBSEQUENT EVENTS (Continued)

The initial RWMA staff will consist of two professional positions – an Executive Director and a Management Analyst with the Yuba-Sutter Transit Authority continuing to provide basic administrative support for the foreseeable future. However, the 2020 organizational study estimated that the agency would ultimately require a staff of four to five positions within the next few years with an annual budget of up to \$1.6 million compared to the current budget of approximately \$1.0 million (FY 2022). It is anticipated that the additional cost will initially be covered as the agency grows by state grant funds and surplus revenues, but a future increase in the current RWMA surcharge on municipal solid waste collection accounts will be necessary at some point in the future. The authority to increase that surcharge as necessary was granted to the RWMA in the new JPA agreement.

In December 2021, the Board of Directors also approved a Personnel Policy Manual that authorizes contracting with the County of Sutter for health insurance coverage. The Authority will pay 100% of employee premiums and 80% of premiums for qualified dependents. The Authority also approved the creation of 401(a) retirement and 457(b) deferred compensation plans. The employees would contribute to the 457(b) plan and the Authority would match up to 7% of employee contributions with a contribution to the 401(a) plan. The employer contributions would be subject to a 20% per year vesting schedule and participants would be fully vested upon reaching the normal retirement age of 55. The Authority has contracted with MissionSquare Retirement to administer the plans.



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GOVERNANCE LETTER

To the Board of Directors
Regional Waste Management Authority
Marysville, California

We have audited the financial statements of the Regional Waste Management Authority (the Authority) for the year ended June 30, 2021, and have issued our report thereon dated January 7, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated August 11, 2021. Professional standards also require that we communicate to you the following information related to our audit.

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 A to the financial statements. No new accounting policies were implemented and the application of existing policies was not changed during the year. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. The most sensitive estimates affecting the financial statements were the useful lives used to calculate depreciation on capital assets and the amount of qualifying expenses incurred under revenue sources.

Management's estimate of the depreciation of capital assets is based on the estimated useful life of the property depreciated using the straight-line method and the qualifying expenses under revenue sources was based on management's understanding of the program guidelines. We evaluated the key factors and assumptions used to develop the estimates in determining they are reasonable in relation to the financial statements taken as a whole.

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 terms of the household hazardous waste facility lease agreement and the new pronouncement disclosure discussing GASB Statement No 87, *Leases*, which the Authority will need to implement during the year ended June 30, 2022.

The financial statements disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements arose during the course of our audit.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 7, 2022.

Management Consultations 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 Audit Findings or Issues

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

Restriction on Use

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

Richardson & Company, LLP

January 7, 2022

AGENDA ITEM VI – B
STAFF REPORT

RWMA EXECUTIVE DIRECTION SELECTION PROCESS

At the December meeting, the Board approved the Executive Director and Management Analyst I/II job descriptions and salary scales and authorized staff to proceed with recruitment for both positions. As discussed, the recruitment process is being overseen by the Sutter County Human Resources Department. Attached is a copy of the recruitment brochure for the Executive Director position which was posted January 11th. While this recruitment will remain open until filled, the first review of applications will occur after February 10th and staff has long targeted April 1st as the start date for the new Executive Director. The purpose of this agenda item is to discuss and receive direction regarding the screening and selection process for Executive Director candidates. This issue was discussed at length by the member jurisdiction administrators meeting as the RWMA Technical Advisory Committee (TAC) with the following resulting recommendations.

As proposed, the initial and, if necessary, ongoing applicant screening process would be conducted by RWMA staff along with Sutter County Human Resources Specialist Margaret Fraumeni. The most qualified candidates would be interviewed by a screening panel made up of two TAC representatives (Yuba City Manager Diana Langley and Yuba County Administrator Kevin Mallen); members of an ad hoc screening committee of the RWMA Board of Directors; the RWMA administrator; and consulting staff Alyson Burleigh of Aurora Environmental, Inc. as an industry representative. The most qualified candidates from this process would be forwarded to an interview with the full TAC followed by another interview with the RWMA Board of Directors in closed session for appointment consideration. As this is an “at-will” position, the ad hoc screening committee would be delegated with the responsibility to conduct contract negotiations with the top candidate with the result to be presented to the Board for approval consideration at a regular meeting.

Assuming Board concurrence with the above recommendations, an ad hoc screening and contract negotiation committee should now be appointed for that purpose. This committee could include as many as three members, but the TAC is recommending just two to minimize the number of people involved in the extended screening process while recognizing that the entire Board will participate in the final selection decision.

Staff will be prepared at the meeting to address any questions that the Board may have regarding the recruitment process and the TAC recommendations.

RECOMMENDATION: Direct staff as desired.

Attachment

COMPENSATION AND BENEFITS

Salary for the Executive Director position:

Up to \$140,000 Annually, DOQ

The Regional Waste Management Authority offers a comprehensive benefits package for this position including:

- Health, dental, vision (reimbursement allowance), life (\$100,000 double indemnity), and long term disability coverage available to employee and dependents
- Health insurance is provided at no cost for the employee and at 80% for dependent coverage for available plans (\$250 a month allowance if health insurance is waived in lieu of other coverage subject to limitations)
- A 401(a) Defined Contribution Retirement Plan offering dollar-for-dollar matching funds for voluntary employee contributions to the available 457(b) Deferred Compensation Plan up to 7% of the base salary with a 20% annual vesting schedule in the employer share until fully vested at five years of employment or normal retirement age of 55 years old
- Employer contribution of \$200 per month to the available 457(b) Deferred Compensation Plan
- The agency participates in the Social Security system with an employer paid Medicare premium of 1.45%
- Twelve paid holidays per year
- Paid Annual Leave (combined vacation & sick leave) program starting at 24 days a year (less than five years) up to 36 days a year (at least 20 years) up to a maximum accrual of 48 days with a limited Annual Leave sell back program
- Paid Administrative Leave (80 hours annually at 6.7 hours per month) up to a maximum of 160 hours
- Car Allowance of \$300 per month for unlimited travel within 50 miles of the administrative office (additional travel reimbursed at current IRS rate)

THE SELECTION PROCESS

The Sutter County Human Resources Department is conducting this recruitment on behalf of the Regional Waste Management Authority. This position is open until filled, but for first consideration, a completed application and resume must be received at the NEOGOV jobs link below by no later than 5:00 p.m., Thursday, February 10, 2022.

[Executive Director Application Link](#)

This Recruitment Is:

OPEN UNTIL FILLED

**First Review of Applications Will Occur After:
February 10, 2022**

The complete job description and application for this position is available from the Sutter County website below or at the Sutter County Human Resources Department.

**Sutter County Human Resources
1160 Civic Center Blvd, Suite B
Yuba City, CA. 95993**

**Phone: (530) 822-7113 / Fax: (530) 822-7191
Email: hr@co.sutter.ca.us
Website: www.suttercounty.org**

A screening panel will select those most qualified to be considered further in the selection process which may include an application screening and/or interviews. An offer of employment is contingent upon investigation of employment history, references, drug testing, medical review/exam, credit check and fingerprinting in addition to other appropriate requirements of the position.

REGIONAL WASTE MANAGEMENT AUTHORITY

Serving Sutter County, Yuba County, Live Oak, Marysville, Wheatland and Yuba City



Seeking highly qualified applicants for the position of



Photo by Jack Davis

Executive Director

**Up to \$140,000 Annually
Depending on Qualifications**

OPEN UNTIL FILLED

First Review of Applications After February 10, 2022



Photo by Jack Davis



THE OPPORTUNITY

The Regional Waste Management Authority is excited to announce a unique opportunity to become the agency's first Executive Director. This along with all other support functions for the Authority and its predecessor agency have been performed since 1988 by part-time contract staff and consultants, but direct full-time staff is now desired for the newly expanded agency responsibilities and authorities in response to SB 1383 and other recent state mandates.

As the first employee, the Executive Director will be tasked with establishing the agency's organizational structure and culture from scratch, making this a once-in-a-career opportunity for the right candidate.

THE AUTHORITY

Serving all of Yuba and Sutter Counties including the Cities of Live Oak, Marysville, Yuba City and Wheatland since 1990, the Authority's organizational roots can be traced back to the creation of the Bi-County Solid Waste Authority in 1979. Still the only multi-county waste management planning agency in California, the Authority was formed to provide reliable, economical, integrated, collaborative and environmentally sound waste management services to the residents, businesses and organizations of the bi-county region.

While municipal solid waste management collection, processing and disposal services are provided under separate exclusive agreements between the six member jurisdictions and Recology Yuba-Sutter, the Authority has long been tasked with the planning, reporting and coordination functions of these agreements. This limited role was greatly expanded in 2021 when the agency Joint Powers Agreement was amended to delegate much of the responsibility and authority for compliance with SB1383, AB 341 and AB 1826 to the Authority.

Well-established recycling, organics, construction and demolition debris recovery and household hazardous waste collection programs and facilities serve the Yuba-Sutter region. The Recology transfer station and materials recovery facility in Marysville is used to process residential and commercial recyclable materials; transfer organic materials to the Ostrom Organics facility; transfer refuse to the Ostrom Road Landfill; and transfer construction & demolition debris to a third-party processing facility. Green waste, food waste and food-soiled paper are composted at Ostrom Organics. There has been an active AB 341 and AB 1826 outreach and monitoring effort for several years and the Authority has completed extensive preparations for the required SB 1383 programs.

Governed by a six member Board of Directors of elected officials, one from each of the six member jurisdictions, the Authority prepares and submits all planning documents and reports required under AB 939; owns the Yuba-Sutter Household Hazardous Waste Facility which is operated under contract with Recology; finances the Bi-County Local Enforcement Agency which is provided by Yuba County; and is the responsible authority with certain exceptions for compliance with the various program, reporting and enforcement activities under SB 1383, AB 341 and AB 1826.

Operating expenditures for FY 2022 are budgeted at just under \$1 million with a slightly larger amount of revenue. The largest agency expenses are for the operation of the Household Hazardous Waste Facility and support of the Local Enforcement Agency. By far the largest revenue source is a regulatory surcharge that is assessed on all residential, commercial and debris box collection accounts in the bi-county service area for support of the agency which is budgeted at \$830,000 for FY 2022.

The initial agency staffing plan includes a Management Analyst I/II position to be recruited contemporaneously with the Executive Director who is expected to participate in their selection. The need for future positions will be assessed over time, but administrative support for the agency (phone, mail, public counter, meeting space, finance and clerical support) will initially be provided under the current consultant agreement with the Yuba-Sutter Transit Authority. As a result, the first two Authority employees will initially work remotely.



THE IDEAL CANDIDATE

The Executive Director will develop, plan and implement the goals and objectives of the Regional Waste Management Authority. Reporting directly to the Board of Directors, they will exercise direct supervision over assigned management, professional, technical and/or administrative support staff and consultants.

The Candidate must:

- Be a dedicated leader and problem solver who is able to work independently with minimal supervision in collaboration with others to find creative solutions.
- Have excellent interpersonal skills including the ability to develop and keep the trust and confidence of others; the ability to deal well with diverse personalities and styles while maintaining a sense of humor.
- Have demonstrated experience, skill and success working effectively with policy boards; elected and appointed officials; regulatory and legislative agencies; waste industry representatives; and the public.
- Have knowledge of budgeting and funding sources; and can obtain the greatest value and return on the investment of limited resources.
- Be capable of clear and effective communication, both oral and written, to a variety of audiences.
- Be willing and able to research, analyze, and prepare regulatory reports; conduct on-site reviews and inspections of waste generators; develop and implement outreach and education program activities; research grant opportunities and assess compliance with requirements and risks associated with receiving grants; prepare grant proposals; develop, maintain and monitor grant budgets and projects; and ensure all grant requirements are being met and submitted accordingly.
- Possess any combination of education, experience, and training generally equivalent to eight years of increasingly responsible experience involving integrated waste management or a related field and/or a Bachelor's degree with major course work in environmental science, engineering, public or business administration, or a related field.

THE SETTING

Located just north of Sacramento County, the Yuba-Sutter bi-county region is known for an outstanding quality of life and an affordable cost of living. With the Sutter Buttes range and the Sacramento River on the west, the sweeping Sierra Nevada Mountain Range on the east and plenty of open space, the Feather River and clear skies between; residents share an appreciation of the outdoors and take full advantage of the area's many recreational opportunities.

Neighborly and ethnically diverse, area residents participate in a wide variety of cultural festivals, community-oriented fairs, parades and seasonal events. Other recreational activities include boating and fishing on area lakes and rivers; hiking and hunting in prime wildlife habitat; golfing on local courses; and numerous Farmers Markets offering locally-grown fruits and vegetables. All of this and just a short distance from Sacramento, Lake Tahoe, and San Francisco — Yuba-Sutter is a great place to live, work and play!

In addition to the many local businesses and farmers, major employers in the area include food processing, lumber and wood products, medical offices, and government including Beale Air Force Base. Educational institutions include a community college, nearby California State University campuses at Chico and Sacramento, and the University of California at Davis.



AGENDA ITEM VI – C
STAFF REPORT

ANNUAL INVESTMENT POLICY REVIEW

It is recommended that the Regional Waste Management Authority investment policy be reviewed at least annually and amended as needed. The review should ensure that the policy is consistent with the overall objectives of preservation of principal, liquidity, and return, and is in conformance with the law, financial and economic trends, and the cash flow needs of the agency.

The Regional Waste Management Authority investment policy (copy attached) was adopted in July 2014 and provides formal guidelines and objectives for the investment of funds not immediately required to meet the agency's financial obligations. These investments are limited to passbook savings and money market accounts; the State Local Agency Investment Fund (LAIF); and certificates of deposit.

At December 31, 2021, the Authority's account balances in financial institutions and LAIF were \$269,757 and \$519,157, respectively. Staff considers these deposits to be in alignment with the current policy and is not recommending any policy modifications at this time.

Staff will be prepared to discuss the agency investment policy in detail at the meeting.

RECOMMENDATION: Direct staff as desired.

REGIONAL WASTE MANAGEMENT AUTHORITY INVESTMENT POLICY

Adopted July 17, 2014

I. INTRODUCTION

The following is the investment policy and guidelines of the Regional Waste Management Authority, presented in accordance with California Government Code Sections 53600 et seq.

This investment policy is intended to provide a guideline for the prudent investment of Regional Waste Management Authority funds not immediately required to meet the financial obligations of the Authority.

II. SCOPE

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

III. OBJECTIVES

The primary objectives, in priority order, of the investment activities of the Authority shall be:

- 1) **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 2) **Liquidity.** The investment portfolio of the Authority will remain sufficiently liquid to enable the Authority to meet its cash flow requirements.
- 3) **Return on Investment.** Investments shall be undertaken to attain market rates of return consistent with constraints imposed by the safety objectives and cash flow consideration.

IV. PRUDENCE

Section 53600.3 of the California Government Code identifies as trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence shall be the "prudent investor" standard. When investing, reinvesting,

purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

V. DELEGATION OF AUTHORITY

The management responsibility for the investment program is hereby delegated to the Administrator who shall monitor and review all investments for consistency with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

VII. PERMITTED INVESTMENT INSTRUMENTS

- 1. Passbook Savings Accounts and Money Market Accounts:** These savings accounts may be maintained in local branches of commercial banks and/or savings and loans associations. Amounts maintained in such accounts shall be fully insured by the United States Government or collaterally in a manner acceptable to the Authority.
- 2. State Local Agency Investment Fund (LAIF):** The LAIF was established by the State of California to enable treasurers to place funds in a pool for investments. There is a limitation of \$50 million per agency subject to a maximum of 15 transactions per month.
- 3. Certificates of Deposit:** Cash may be invested only in federally insured or fully collateralized certificates of deposit. Collateral for given investment, when applicable, must be in accordance with California Government Code Section 53600 et seq.

VIII. PROHIBITED INVESTMENT PRACTICES AND INSTRUMENTS

Certain investment practices and instruments are inconsistent with the first objective of this policy (safety of invested funds), and therefore are prohibited.

Regional Waste Management Authority shall not engage in leveraged investing, such as margin accounts or any form of borrowing for the purpose of investment.

IX. SUMMARY

Regional Waste Management Authority will strive to maintain the level of investment of funds not immediately active as near to 100% as possible. However, the basic premise underlying the Authority's investment policy is to insure the safety of principal and to provide funds when needed.

In order that the Regional Waste Management Authority Board of Directors may monitor the handling of invested funds, a full report detailing all investments will be submitted on at least an annual basis or as required by law.

The Authority will review the Policy at least once a year and may modify the Policy as appropriate to the Authority's needs and current law.

AGENDA ITEM VI – D
STAFF REPORT

BOARD MEMBER MEETING STIPEND RATE ADJUSTMENT

Since July 1, 2000, members of the RWMA Board of Directors have received a stipend of \$50 per meeting including duly called committee meetings up to a maximum of 15 meetings per fiscal year. This policy was adopted to match that of the Yuba-Sutter Transit Authority Board of Directors that was first effective September 1, 1988. In the intervening periods, the scope and scale of both organizations has increased significantly with no adjustment in the rate.

During the FY 2022 budget process, recognizing the time that has passed since these rates were set and the anticipated increase in the workload for both boards, staff proposed an increase in the stipend rate for both agencies to \$100 per meeting. This figure is consistent with the stipend being provided by both the Feather River Air Quality Management District (FRAQMD) and the Sacramento Area Council of Governments (SACOG). If approved as proposed by both the RWMA and Yuba-Sutter Transit, the Regional Housing Authority would be the only known local agency among stipend granting agencies with a rate of \$50 per meeting. The \$100 per meeting rate was included in the FY 2022 budget for both agencies and staff is now recommending that the Board approve this increase effective February 1, 2022.

Staff will be available at the meeting to discuss this issue in detail.

RECOMMENDATION: Direct staff as desired.