

**MOJAVE DESERT AND MOUNTAIN RECYCLING
JOINT POWERS AUTHORITY**

REGULAR MEETING
THURSDAY, NOVEMBER 16, 2023
10:30 A.M.

The meeting will be held in-person and by teleconference.

In-person location:
Victorville City Hall
Training Room 1 - upstairs
14343 Civic Drive
Victorville, CA 92392

Teleconference locations:

City of Barstow
Council Room
220 E. Mountain View St,
Suite A Barstow, CA 92311

City of Big Bear Lake
Main Entrance
42480 Fox Farm Rd
Big Bear Lake, CA 92315

City of Twentynine Palms
Council Chambers
6136 Adobe Rd
Twentynine Palms, CA 92277

TELECONFERENCE NOTICE

This meeting is being held in accordance with the Brown Act that allows attendance by members of the Board and the public to participate and conduct the meeting by teleconference.

NOTICE TO THE PUBLIC: To participate please sign in via the link below.

Join Zoom Meeting

<https://us02web.zoom.us/j/81996121755?pwd=ZWFWQTdBSjBkcGVJmzhwUUtlNnIwQT09>

***Directions for hyperlink – highlight line above and right click, select open hyperlink and it will take you directly to the meeting. If it requires the ID or Passcode, they are below.

Meeting ID: 819 9612 1755

Passcode: JPA

One tap mobile

+16699009128,,81996121755#,,,,*766470# US (San Jose)

Questions/Issues call (760) 955-5217.

CALL TO ORDER AND ROLL CALL

PLEDGE

CONSENT CALENDAR

1. Request to Approve the Consent Calendar as follows:

- A. Minutes of the Board Meeting held August 10, 2023.
- B. Warrant Ratification for August 1, 2023, to October 31, 2023.
- C. Treasurer's Report.

Recommendation: Approve consent calendar.

PUBLIC HEARING ITEMS

2. Public Hearing: Victor Valley Materials Recovery Facility Tip Fee Increase.

Recommendation: Adopt a \$114 per ton tip fee for material delivered for processing to the Victor Valley Materials Recovery Facility effective July 1, 2024; accumulate the capital improvements charges in a separate account allowing short term transfers to pay operating expenses; update the tip fee annually using the Operating Agreement cost of living and change in law provisions.

DISCUSSION/ACTION ITEMS

3. Resolution.

Recommendation: Adopt Resolution 2023-03.

4. Audit.

Recommendation: Receive and file the Financial Statements for the Year Ended June 30, 2022, and SAS 114 Conclusion Letter as presented.

5. Bank signature authorizations.

Recommendation: Authorize John Davis, Margaret DeMauro, Doug Robertson, and Orlando Acevedo as signatories on the Authority's bank account.

6. Shark Solutions.

Recommendation: Presentation by Rob Crivello about Shark Solutions.

7. High Desert Recycling Market Development Zone (RMDZ).

Recommendation: Update on High Desert Recycling Market Development Zone and CalRecycle funding.

8. SB 54: Plastic Pollution Prevention and Packaging Producer Responsibility Act.

Recommendation: Updated SB 54 information.

9. Legislation Update.

Recommendation: Update on enacted California legislation.

PUBLIC COMMENTS

10. Public comment on items of interest to the public.

BOARD MEMBERS COMMENTS

11. Comments by members of the Board of Directors.

DATE OF NEXT MEETING

THURSDAY, FEBRUARY 8, 2024

ADJOURNMENT

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Consent Calendar

SUMMARY STATEMENT

Request to Approve the Consent Calendar as follows:

- A. Minutes of Board Meeting held August 10, 2023.
- B. Warrant Ratification for August 1, 2023 – October 31, 2023.
- C. Treasurer's Report.

RECOMMENDED ACTION

Approve consent calendar

PRESENTED BY		MEETING DATE	ITEM NUMBER
Cambria Carroll		November 16, 2023	1

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Board Meeting Minutes

SUMMARY STATEMENT

Attached is a report of the Board Meeting minutes from the August 10, 2023, meeting.

Staff remains available for any questions or comments you may have.

RECOMMENDED ACTION

Approve as part of the consent calendar.

PRESENTED BY		MEETING DATE	ITEM NUMBER
Cambria Carroll		November 16, 2023	1A

MINUTES

MOJAVE DESERT AND MOUNTAIN RECYCLING JPA BOARD MEETING

10:30 A.M., THURSDAY, AUGUST 10, 2023

VICTOR VALLEY MATERIALS RECOVERY FACILITY (VIRTUAL MEETING) AND IN
PERSON AT VICTORVILLE'S CITY HALL, TRAINING ROOM 1

JPA Board Members Present: Art Bishop (Apple Valley), Debra Jones (Victorville), Jeff Drozd (Yucca Valley), CJ Porter (1st District), McArthur Wright (29 Palms), Marilyn Kruse (Barstow), JoAnne Pogue (Needles), Kendi Segovia (Big Bear City)

Others Present: John Davis (Administrator), Cambria Carroll (Secretary), Steven Merced (Victorville), Dana Armstrong (Victorville), Christian Preciado, Jess Reed (Barstow), Guy Eisenbrey (Apple Valley), Frank Forbes (3rd District), Bernadette Agrazal (San Bernardino County EHS), Ellen Campbell (Needles), Larry Cusack (Apple Valley), Treasure Trinh (San Bernardino County), Richard Crockett (Burrtec), Katya Meyer (Big Bear City), Joanne Brasch (California Product Stewardship Council), Sharon Mitchell (San Bernardino County)

Roll call was conducted. Chair, Debra Jones, called the meeting to order at 10:31 A.M.

Board Member CJ Porter led the pledge of allegiance.

1. **Consent Calendar.** The Consent Calendar was approved on a roll call vote following a motion from Board Member Art Bishop and a second from Board Member Marilyn Kruse.
2. **JPA Board Chair and Vice-Chair.** Debra Jones was reelected as Board Chair on a roll call vote following a nomination from Board Member Art Bishop. Larry Cusack was reelected as Vice-Chair on a roll call vote following a nomination from Board Member McArthur Wright.
3. **Amended agreement with High Desert Second Chance.** An update was provided by Board Administrator John Davis with the progress of High Desert Second Chance's (HDSC) current MOU and the need for an update to address the needs of Tier Two commercial edible food generators to comply with regulations taking effect on January 1, 2024. The revised MOU will cover both Tier One and Tier Two generators with no other changes needed at this time. Board Member Art Bishop acknowledged the time and effort Tier One generators took and asked for clarification on Tier Two generators with their points of contact. Board Administrator John Davis explained that HDSC continues to be the main contact.

Board Member Art Bishop requested a six-month follow-up presentation to be given by HDSC and this request was concurred with by Board Chair Debra Jones. With no objections voiced by Board Members, a verbal commitment was made for HDSC to present findings at the six-month progression point. Authorization was given to proceed with the Amended MOU following a motion submitted by Board Member Art Bishop and seconded by Board Member CJ Porter. This item was approved via roll call vote by all attending Board Members present.

4. **Single Use Propane Cylinder.** A presentation was given by JoAnne Brasch from the California Product Stewardship Council (CPSC) with final progress made throughout their administration of the \$100,000 CalRecycle Grant awarded to the JPA and administered by CPSC. The results spanned across all participating jurisdictions with confirmed contacts made at local retailers. Details on the numbers of propane single-use containers were provided along with the remaining events that will exhaust the Grant. Board Member Marilyn Kruse voiced her pleasure to see such great participation across all jurisdictions.
5. **MRF Tipping Fee.** Board Administrator John Davis provided a background and discussion of MRF tipping fees along with the need for capital improvements. Contributions were given by Burrtec employee Richard Crockett adding that the most recent improvements were made more than 15 years prior and expressed ongoing the need for repairs to screens and sorters because of normal wear. Board Member Art Bishop expressed his appreciation for the Board Administrator and Burrtec staff with seeking out grants to fund these improvements and asked if the financial responsibility would land on the two owners, being the City of Victorville and the Town of Apple Valley. Board Administrator John Davis clarified that some improvements could be performed incrementally to ease the financial burden and added that the current contract with Burrtec allows for financing to be addressed through Burrtec, at their discretion, with reimbursement coming from the tipping fees. Bonds were not currently being suggested for the improvements needed. Board Administrator added that timely response is needed to assure proper equipment maintenance. Board Chair asked for clarification on whether there was an on-going schedule of maintenance and/or replacement and Board Administrator John Davis confirmed.
6. **Public Hearing.** Board Administrator John Davis recommended setting a public hearing notice for 10:30 a.m. on Thursday, November 16, 2023, to consider the Victor Valley Materials Recovery Facilities tip fee increase. Board Member Art Bishop discussed the ability for this increase to change the method in which tip fees are applied. Board Administrator John Davis confirmed that the tip fee is currently a service fee and proposed increase would not require Prop 218 filings but would an official public hearing to be set. The setting of the public hearing was confirmed on a roll call vote following a motion from Board Member Art Bishop and a second from Board Member Kendi Segovia.
7. **SB 54 update.** No action was needed for this item; Board Administrator John Davis provided an update on the progress of the bill. Board Member Art Bishop requested the continued backing of local government from the Board Administrator with the approach taken to SB 54 while referencing the increased cost of food and

lack of recycling partners potentially driving up the costs of new materials associated with SB 54 requirements.

8. **Legislation Update: Active Bills.** Board Administrator John Davis provided the Board with an update on SB 244, SB 353, and AB 863 status. No action was taken on this item as it was a status update on the progression of all three Authority supported bills.
9. **Legislation Update: Inactive Two-Year Bills.** Board Administrator John Davis recommended continues support of AB 660, AB 1290, SB 560, and SB 707 that were previously moved into “Two Year” status and are now able to be reconsidered when the Legislature reconvenes in January 2024.
10. **Public Comment on items of interest to the public.** None
11. **Board Member Comments.** Board Member Art Bishop congratulated Board Chair Debra Jones on her confirmation as Board Chair for another year.

Board Chair Debra Jones confirmed the date of the next meeting for November 16, 2023, and adjourned the meeting 11:50 AM.

Debra Jones
Chair

Cambria Carroll
Secretary

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Commercial Warrants Schedule

SUMMARY STATEMENT

Commercial warrants were issued from August 1, 2023, through October 31, 2023, in the amount of \$460,307.11 net of voids covering issued warrant numbers 2621 to 2649.

The claims and/or demands covered by the attached list of warrants were audited as to the accuracy and availability of funds for payment thereof and said claims and/or demands are accurate, and the funds were available for payment thereof.

RECOMMENDED ACTION

Receive, ratify, and file the commercial warrants as presented.

PRESENTED BY		MEETING DATE	ITEM NUMBER
Margaret DeMauro		November 16, 2023	1B

MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE JPA

Warrant Listing: August 1, 2023-September 30,2023

2621	8/1/2023	John Davis	JPA & MRF Admin Services July 2023	18,511.71
2622	8/3/2023	Erin Duckhorn	Marketing Services June & July 2023 Inv 5070123 & 5080123	5,674.58
2623	8/3/2023	CPSC (California Product Stewardship Council)	April, May, June 2023 Services	5,134.68
2624	8/8/2023	BURRTEC	May 2023 MRF ACTIVITY	80,219.96
2625	8/10/2023	BURRTEC	June 2023 MRF ACTIVITY	153,993.76
2626	8/23/2023	Cambria Carroll	CRRA Conference related travel expenses reimbursement	1,644.88
2627	8/24/2023	McArthur Wright	August Board Meeting	75.00
2628	8/24/2023	Marilyn Kruse	August Board Meeting	75.00
2629	8/24/2023	JoAnne Pogue	August Board Meeting	75.00
2630	8/24/2023	Kendi Segovia	August Board Meeting	75.00
2631	8/24/2023	Debra Jones	August Board Meeting	75.00
2632	8/24/2023	Art Bishop	August Board Meeting	86.79
2633	8/24/2023	Jeff Drozd	August Board Meeting	166.05
2634	8/30/2023	CPSC (California Product Stewardship Council)	23-24 CPSC Associate Fees Inv FY24-037-AF	4,500.00
2635	8/31/2023	John Davis	JPA & MRF Admin Services August 2023	13,052.18
2636	8/31/2023	CPSC (California Product Stewardship Council)	July-August 2023 Services	23,716.03
2637	9/1/2023	Erin Duckhorn	Marketing Services August 2023, Inv 5090123	2,888.83
2638	9/8/2023	High Desert Second Chance	Edible Food Recovery Program August Inv #0045	2,500.00
2639	9/13/2023	Fair Political Practices Commission	Form 700 Filing Calendar year 2023	100.00
2640	9/18/2023	Public Entity Risk Management Authority	Q2 FY24 Liability Trust Deposit INV 127	25.00
2641	9/27/2023	BURRTEC	July 2023 MRF ACTIVITY	69,360.36
2642	9/27/2023	BURRTEC	August 2023 MRF ACTIVITY	77,357.30
2643	9/27/2023	CRRA	Membership Renewal through 7/1/2024-Inv # 12652	1,000.00
2644	10/2/2023	Van Lant & Fankhanel, LLP	Audit Services for FY21-22	8,000.00
2645	10/3/2023	High Desert Second Chance	Edible Food Recovery Program September Inv #0046	2,500.00
2646	10/3/2023	High Desert Second Chance	Edible Food Recovery Program July Inv #0044	2,500.00
2647	10/10/2023	Erin Duckhorn	Marketing Services September 2023, Inv 5100323	2,888.83
2648	10/10/2023	Mobius Intelligent Systems, LLC	JULY, AUGUST, SEPTEMBER 2023 Services Inv 1876, 1881, 1892	3,744.75
2649	10/10/2023	John Davis	JPA & MRF Admin Services September 2023	12,435.77

Total	460,307.11
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**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Treasurer's Report

SUMMARY STATEMENT

Attached is a report of Cash and Investments of the Authority as of September 30, 2023.

Staff remains available for any questions or comments you may have.

RECOMMENDED ACTION

Receive, ratify, and file the September 30, 2023, Treasurer's Report as presented.

PRESENTED BY

Margaret DeMauro

MEETING DATE

November 16, 2023

ITEM NUMBER

1C

MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE JOINT POWERS AUTHORITY

Treasurer's Report
As of September 30, 2023

Institution/Investment Type	Carrying Amount	Market Value	Interest Rate Yield	Maturity Date	Quarterly Comparisons of Carrying Amounts		
					Jun-23	Mar-23	Dec-22
Funds under control of the Authority:							Sep-22
Checking Account:							
JPA Administration	123,916.40	123,916.40	(1) 0.30%	On Demand	144,435.01	147,268.62	236,299.65
JPA Organics	0.00	0.00	(1) 0.30%	On Demand	0.00	0.00	0.00
MRF Administration	63,493.88	63,493.88	(1) 0.30%	On Demand	67,031.48	66,119.48	71,467.58
MRF Operations	(172,193.50)	(172,193.50)	(1) 0.30%	On Demand	(148,563.79)	(146,714.33)	(2,280.27)
Total funds under control of Authority	15,216.78	15,216.78			62,902.70	66,673.77	305,486.96

Source of Market Value Information:
(1) Desert Community Bank

I hereby certify that the investment activity for this reporting period conforms with the investment policy of the California Government Code Section 53601.
I also certify that there are adequate funds available to meet the budgeted and actual expenditures of the Mojave Desert & Mountain Integrated Waste Joint Powers Authority for the next six months.


Margaret DeMauro, Treasurer

Prepared by: Sara Ogunde

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Public Hearing: Victor Valley Materials Recovery Facility Tip Fee Increase

SUMMARY STATEMENT

Apple Valley and Victorville own the Victor Valley Materials Recovery Facility (MRF), which is operated under the 2016 Materials Recovery Facility Operating Agreement between the Mojave Desert and Mountain Recycling Authority and Burrtec Waste Industries (Facility Operating Agreement). Apple Valley and Victorville comprise the North Desert Project Committee and are responsible for all MRF financial obligations under a separate Authority Operating Agreement with the two municipalities.

The Facility Operating Agreement guarantees capacity to Authority members, with priority for the two owners. Residential and commercial recycling is processed from all Authority communities except Needles. Deliveries arrive through arrangements with designated haulers who pay a tip fee to the Authority for processing and receive rebates for the value of recovered material less disposal charges.

The MRF Tip Fee is a service fee paid by haulers delivering materials for processing. The current tip fee is \$75 per ton, set in 2003. The Operating Agreement provides for the fee to be determined and adjusted by the Authority in its sole discretion. The current fee includes a component for processing charges and a contribution to capital. The Consumer Price Index has increased 71% since then. Had the 2003 rate been adjusted solely by CPI, it would be \$128.

Burrtec receives monthly operating fee payments from the Authority under the Facility Operating Agreement that change as incoming tonnage increases. The operating fee schedule is adjusted annually using the March Los Angeles Area Consumer Price Index. During the most recent 12 months the effective operating fee paid was \$67.50. Tip fee deliveries constitute 40% of total processed incoming material.

Burrtec's increased minimum wage costs are reimbursed as a change in law under the Operating Agreement. The most recent 12 months of minimum wage reimbursement totaled \$504,725; equaling \$13.35/ton. Supplemental onsite security costs add another \$1.64 to operating costs. The combined current effective operating rate is \$82.50, without any capital cost contribution.

The Authority also pays for capital improvements and major maintenance (costs over \$7,500). The most recent capital improvements review estimates \$6 million for replacement and upgrade over a five-year period commencing in 2024. Including capital costs of \$1.2 million annually allows for incremental improvements without overburdening ratepayers. Including \$32/ton in the tip fee would cover its 40% pro rata share of capital improvements.

A service fee charged by the Authority must be the reasonable cost of the service provided, plus overhead. The total service recommended fee is \$114 per delivered ton. Increasing the tip fee may result in material going to another facility, which would lead to capital fund and minimum wage offset shortfalls. The recommended \$114 fee is in line with tip fees at other MRFs, as is the revenue share for marketed materials.

The total recommended tip fee is \$114/ton, as shown below.

Processing	Minimum Wage	On-site Security	Capital Improvements	Total
\$67.50	\$13.35	\$1.64	\$32	\$114

The increased tip fee will be effective July 1, 2024, so that haulers can make necessary arrangements. The capital improvement charge should be accumulated in an account separate from other operating charges, with only short term (60 day maximum) transfers if necessary to pay current operating expenses. The cost-of-living adjustment and the change in law provisions in the Burrtec Operating Agreement should be used to keep the tip fee updated annually. The Authority Board may adopt a revised tip fee in accordance with applicable law.

RECOMMENDED ACTION

Adopt a \$114 per ton tip fee for material delivered for processing to the Victor Valley Materials Recovery Facility effective July 1, 2024; accumulate the capital improvements charges in a separate account allowing short term transfers to pay operating expenses; update the tip fee annually using the Operating Agreement cost of living and change in law provisions.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
John Davis	Increased MRF operating and capital revenue	November 16, 2023	2

Victor Valley Materials Recovery Facility Tip Fee Analysis

Background

Apple Valley and Victorville own the Victor Valley Materials Recovery Facility (MRF), which is operated under the 2016 Materials Recovery Facility Operating Agreement between the Mojave Desert and Mountain Recycling Authority and Burrtec Waste Industries (Facility Operating Agreement). Apple Valley and Victorville comprise the North Desert Project Committee and are responsible for all MRF financial obligations under a separate Authority Operating Agreement with the two municipalities.

The Facility Operating Agreement guarantees capacity to Authority members, with priority for the two owners. Residential and commercial recycling is processed from all Authority communities except Needles. Deliveries arrive through arrangements with designated haulers who pay a tip fee to the Authority for processing and receive rebates for the value of recovered material less disposal charges.

The MRF Tip Fee is a service fee paid by haulers delivering materials for processing. The current tip fee is \$75 per ton, set in 2003. The Operating Agreement provides for the fee to be determined and adjusted by the Authority in its sole discretion. The current fee includes a component for processing charges and a contribution to capital. The Consumer Price Index has increased 71% since then. Had the 2003 rate been adjusted solely by CPI, it would be \$128.

Analysis

1. Operating cost component: Burrtec receives monthly operating fee payments from the Authority under the Facility Operating Agreement that change as incoming tonnage increases. The operating fee schedule is adjusted annually using the March Los Angeles Area Consumer Price Index. Under the current schedule, the first 2000 tons are processed at a cost of \$175,896; or \$88/ton. The cost to process 4000 tons would be \$247,872; equal to \$62/ton.

During the most recent 12 months the effective operating fee paid was \$67.50. The total paid was \$2,550,815 to process 37,804 tons. Tip fee deliveries constitute 40% of total processed incoming material.

California's minimum wage has risen from \$10 per hour to \$15.50 since 2017 and will continue to increase. Burrtec's increased minimum wage costs are reimbursed as a change in law under the Operating Agreement. The most recent 12 months of minimum wage reimbursement totaled \$504,725; equaling \$13.35/ton.

Supplemental onsite security costs add another \$1.64 to operating costs.

The combined current effective operating rate is \$82.50, without any capital cost contribution.

2. Capital cost contribution: The Authority also pays for capital improvements and major maintenance (costs over \$7,500).

The original MRF processing design relied on manual sorting with a single conveyor, a magnet and baler. Upgrades in 2006 increased capacity and reduced operating costs with mechanical separation using screens and optical sorters.

The current MRF processing system involves dozens of interrelated steps to remove contamination and recover marketable material. Repairs become more frequent as equipment ages and ultimately becomes inoperable. Advances in equipment offer enhanced efficiency.

- The V-Screen makes the initial separation between beverage containers and fiber, using rotating disc screens. The V-Screen is no longer manufactured, so replacement disc screens are increasingly scarce and expensive.
- The Fiber Sort was used to separate newspaper from mixed paper. However, newspaper markets have disappeared as have replacement parts. The Fiber Sort is obsolete not functioning as intended.
- Equipment improvements since 2006 can reduce operating costs and increase recovery. Aluminum eddy current separation, glass breaking screens, cardboard post sort, infeed drums and polypropylene optical sorting are identified needed improvements.

The Facility Operating Agreement provides for an annual review of capital improvements by the Authority and Operator. The most recent review estimates \$6 million for replacement and upgrade over a five-year period commencing in 2024. Including capital costs of \$1.2 million annually allows for incremental improvements without overburdening ratepayers. Including \$32/ton in the tip fee would cover its 40% pro rata share of capital improvements.

Recommendation

A service fee charged by the Authority must be the reasonable cost of the service provided, plus overhead. The total service recommended fee is \$114 per delivered ton. Increasing the tip fee may result in material going to another facility, which would lead to capital fund and minimum wage offset shortfalls. The recommended \$114 fee is in line with tip fees at other MRFs, as is the revenue share for marketed materials.

The total recommended tip fee is \$114/ton, as shown below.

Processing	Minimum Wage	On-site Security	Capital Improvements	Total
\$67.50	\$13.35	\$1.64	\$32	\$114

The increased tip fee will be effective July 1, 2024, so that haulers can make necessary arrangements.

The capital improvement charge should be accumulated in an account separate from other operating charges, with only short term (60 day maximum) transfers if necessary to pay current operating expenses.

The cost-of-living adjustment and the change in law provisions in the Burrtec Operating Agreement should be used to keep the tip fee updated annually. The Authority Board may adopt a revised tip fee in accordance with applicable law.

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John Davis
14343 Civic Drive
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Account Number: 5272431
Ad Order Number: 0011629990
Customer's Reference/PO Number:
Publication: The Sun (San Bernardino)
Publication Dates: 11/03/2023 and 11/04/2023
Total Amount: \$2125.45
Payment Amount: \$0.00
Amount Due: \$2125.45
Notice ID: RU1beZIGQK8MJ5SxKLf6
Invoice Text: NOTICE OF PUBLIC HEARING MOJAVE DESERT AND MOUNTAIN RECYCLING AUTHORITY Concerning proposed increases to the Victor Valley Materials Recovery Facility Tip Fee The Authority provides community recycling processing services through an agreement with Burrtec Waste Industries that operates the Victor Valley Materials Recovery Facility (MRF), under the 2016 Materials Recovery Facility Operating Agreement ("Agreement"). Residential and commercial recycling is processed there from all Authority communities except Needles. Deliveries arrive through arrangements with designated haulers who pay a tip fee for each ton received for processing. The tip fee is set by the Authority. Pursuant to State law, the Authority will hold a public hearing at the time, date, and location specified below to consider increases to the tip fee. DATE: November 16, 2023 TIME: 10 a.m. or as soon thereafter as the matter may be heard LOCATION: Victorville City Hall, Training Room 1 (upstairs), 14343 Civic Drive Victorville, CA 92392 By teleconference Join Zoom Meeting <https://us02web.zoom.us/j/81996121755?pwd=ZWFwQTdBSjBkcGVJMzhwUUtlNnlWQT09> The current tip fee is \$75 per ton, set in 2003. That fee is composed of two parts: one for processing services charges and for contribution to capital for future improvements, major maintenance and repairs. The Agreement provides that the tip fee increases pursuant to the Consumer Price Index, which has increased 71% since 2003. Had the 2003 rate been adjusted solely by CPI, it would be \$128. The Facility Operating Agreement sets monthly operating fee payments. During the most recent 12 months the effective operating fee paid was \$67.50. Burrtec's increased minimum wage costs are reimbursed as a

The Sun (San Bernardino)
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San Bernardino, California 92408
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0011629990

John Davis
14343 Civic Drive
Victorville, CA 92392

**PROOF OF PUBLICATION
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not party to or interested in the above-entitled matter. I am the principal clerk of the printer of The Sun (San Bernardino), a newspaper of general circulation, printed and published in the City of San Bernardino*, County of San Bernardino, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of San Bernardino, State of California, under the date of 06/20/1952, Case No. 73084. The notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

11/03/2023, 11/04/2023

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at San Bernardino, California

On this 4th day of November, 2023.



Signature

*The Sun (San Bernardino) circulation includes the following cities: [UNKNOWN LIST]

**NOTICE OF PUBLIC HEARING
MOJAVE DESERT AND MOUNTAIN RECYCLING AUTHORITY
Concerning proposed increases to the Victor Valley Materials
Recovery Facility Tip Fee**

The Authority provides community recycling processing services through an agreement with Burrtec Waste Industries that operates the Victor Valley Materials Recovery Facility (MRF), under the 2016 Materials Recovery Facility Operating Agreement ("Agreement"). Residential and commercial recycling is processed there from all Authority communities except Needles. Deliveries arrive through arrangements with designated haulers who pay a tip fee for each ton received for processing. The tip fee is set by the Authority.

Pursuant to State law, the Authority will hold a public hearing at the time, date, and location specified below to consider increases to the tip fee.

DATE: November 16, 2023

TIME: 10 a.m. or as soon thereafter as the matter may be heard

LOCATION: Victorville City Hall, Training Room 1 (upstairs), 14343 Civic Drive Victorville, CA 92392

By teleconference Join Zoom Meeting

<https://us02web.zoom.us/j/81996121755?pwd=ZWFWQTdBSlBkcGVJMzhwUUtINlIwQT09>

The current tip fee is \$75 per ton, set in 2003. That fee is composed of two parts: one for processing services charges and for contribution to capital for future improvements, major maintenance and repairs. The Agreement provides that the tip fee increases pursuant to the Consumer Price Index, which has increased 71% since 2003. Had the 2003 rate been adjusted solely by CPI, it would be \$128.

The Facility Operating Agreement sets monthly operating fee payments. During the most recent 12 months the effective operating fee paid was \$67.50. Burrtec's increased minimum wage costs are reimbursed as a change in law under the Operating Agreement and constitute an additional \$13.35/ton. Supplemental onsite security costs add another \$1.64 to operating costs. Needed capital improvements total \$6 million over a five-year period. Tip fee tonnage constitutes 40% of processed material. Including \$32/ton in the tip fee would cover its pro rata capital improvements. The total recommended tip fee is \$114/ton.

The public hearing will include consideration of adopting a resolution that will set a tip fee of \$114/ton commencing July 1, 2024. Thereafter, such fees will be updated annually in accordance with the cost-of-living adjustment and the change in law provisions in the Facility Operating Agreement.

A rate study analysis explaining the current and the proposed tip fee is available on the Authority's website. If approved, the fees will be effective July 1, 2024.

At the public hearing, the Board will consider the rates as described here. All members of the public are invited to attend the public hearing. Please visit the Authority website for additional information, call (909) 797-7717 or email recyclinglpa@gmail.com. If you wish to protest the increase, you must do so in writing at or before the public hearing or by attendance at the public hearing.

The Sun (San Bernardino)

Published: 11/3, 11/4/23

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Resolution 2023-03: A RESOLUTION OF THE MOJAVE DESERT AND MOUNTAIN RECYCLING AUTHORITY ESTABLISHING AND ADOPTING UPDATED FEES FOR RECYCLING MATERIALS PROCESSING INCLUDING COST OF LIVING AND CHANGE IN LAW ESCALATORS

SUMMARY STATEMENT

Resolution 2023-03 adopts the tipping fee recommendation presented in today's public hearing, Agenda item number two.

RECOMMENDED ACTION

Adopt Resolution 2023-03

PRESENTED BY	FISCAL IMPACT:	MEETING DATE	ITEM NUMBER
John Davis	Increased MRF operating and capital revenue	November 16, 2023	3

RESOLUTION NO. 23-03

A RESOLUTION OF THE MOJAVE DESERT AND MOUNTAIN RECYCLING AUTHORITY ESTABLISHING AND ADOPTING UPDATED FEES FOR RECYCLING MATERIALS PROCESSING INCLUDING COST OF LIVING AND CHANGE IN LAW ESCALATORS

WHEREAS, the Mojave Desert and Mountain Recycling Authority has the authority to determine and set certain fees for services and activities they provide pursuant to the provisions of applicable law; and

WHEREAS, the Board instructed staff to review and update such fees to confirm, increase, or decrease them to amounts that provided for allowable cost recovery; and

WHEREAS, the Administrator has prepared an analysis of such current fees as well as needed cost increases and has prepared a fee recommendation based on that analysis; and

WHEREAS, in addition, staff recommends the adoption of an annual fee adjustment on July 1 of each year commencing on July 1, 2024, as defined by the Consumer Price Index (Los Angeles Area for all Urban Consumers), the “automatic escalator” which the Board finds will maintain such fees as the reasonable cost of service provided, plus overhead; and

WHEREAS, without additional Board action the fees will increase by that automatic escalator although the Board may remove one or more fees from the escalator and may examine individual fees; and

WHEREAS, the fees also may increase by Changes in Law in accordance with the Amended and Restated Materials Recovery Facility Operating Agreement Between Mojave Desert and Mountain Recycling Joint Powers Authority and Burrtec Waste Industries, Inc.;

WHEREAS, on November 16, 2023 the Board conducted a duly noticed public hearing and heard comments for and against the updating and increase of such fees and charges; and

WHEREAS, the Board finds from its review of the fee and the other documents on file for this matter (which are made a part of the record of this hearing) that each fee is related to a service or activity on which the fee is imposed that is under the control of the Board which is imposing the fee; that the amounts of the fees as set out in the Fee Schedule do not exceed the reasonable cost of service provided, plus direct and indirect overhead; that these fees fall outside requirements for imposition of taxes, special taxes or fees imposed as incidences of property ownership pursuant to the provisions of State law and are not regulatory fees disallowed by Proposition 26; and that such fees are not charges for traditional governmental services; and

WHEREAS, the Board further finds that the revision of such fees and charges is for the purpose of meeting operating expenses of the Authority and that such action therefore is statutorily exempt from CEQA under Public Resources Code Section 21080 (b)(8) and Section 15273 of the CEQA guidelines.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MOJAVE DESERT AND MOUNTAIN RECYCLING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. RECITALS: The Recitals set out above are true and correct.

SECTION 2. CEQA EXEMPTION: The adoption of fees, rates and charges as set out here is statutorily exempt from CEQA and the Administrator is directed to take all necessary actions to prepare and file a Notice of Exemption immediately after adoption of this Resolution.

SECTION 3. FEES DETERMINED AND ADOPTED: The fees as set out in and marked on the Fee Schedule attached and incorporated as Exhibit 1 to this Resolution hereby are adopted along with the automatic escalator and Changes in Law.

SECTION 4. EFFECTIVE DATE: This Resolution shall take effect on July 1, 2024.

PASSED AND ADOPTED at a regular/special meeting of the Board of the Mojave Desert and Mountain Recycling Authority held on the 26th day of November 2023.

MOJAVE DESERT AND MOUNTAIN RECYCLING AUTHORITY

By _____
Chair

ATTEST:

By _____
Secretary

EXHIBIT 1

Fee Schedule

Processing	Minimum Wage	On-site Security	Capital Improvements	Total
\$67.50	\$13.35	\$1.64	\$32	\$114

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Audited Financial Statements for the Year Ended June 30, 2022

SUMMARY STATEMENT

FISCAL IMPACT: None

DISCUSSION:

The CPA firm Van Lant & Fankhanel, LLP, Certified Public Accountants (VLF), was retained by the Authority to perform the annual financial audit for the 12 months ended June 30, 2022. Attached is a copy of the Financial Statements issued by VLF as well as a SAS 114 Conclusion Letter dated September 1, 2023. The Auditor's have issued an unqualified "clean" opinion" letter meaning that the financial statements present fairly in all material respects, the financial position of the Authority as of June 30, 2022. Staff requests that the Board accept the Report and direct staff to receive and file the report.

Staff remains available for any questions or comments you might have.

Attachments: Audited Financial Statements Year Ended June 30, 2022
Van Lant & Fankhanel, LLP, SAS 114 Conclusion Letter dated September 1, 2023
Van Lant & Fankhanel, LLP, Report on Internal Control over Financial Reporting dated September 1, 2023

RECOMMENDED ACTION

Receive and file the Financial Statements for the Year Ended June 30, 2022, and SAS 114 Conclusion Letter as presented.

PRESENTED BY

Margaret DeMauro

MEETING DATE

November 16, 2023

ITEM NUMBER

4

**MOJAVE DESERT AND MOUNTAIN INTEGRATED
WASTE MANAGEMENT AUTHORITY**

FINANCIAL STATEMENTS

Year Ended June 30, 2022

Mojave Desert and Mountain Integrated Waste Management Authority
Financial Statements
Year Ended June 30, 2022

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Independent Auditor's Report

Board of Directors
Mojave Desert and Mountain Integrated
Waste Management Authority
Apple Valley, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Mojave Desert and Mountain Integrated Waste Management Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mojave Desert and Mountain Integrated Waste Management Authority, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying combining statements and other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and other supplementary information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 1, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and on compliance.

Van Lant & Fankhaed, LLP

September 1, 2023

BASIC FINANCIAL STATEMENTS

Mojave Desert and Mountain Integrated Waste Management Authority
Statement of Net Position
June 30, 2022

ASSETS

Current Assets:

Cash and Investments (Note 2)	\$ 203,798
Accounts Receivable	608,039
Due from Other Governments	147,683
Lease Receivable	<u>1,284,260</u>

Total Assets	<u>2,243,780</u>
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LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Liabilities	<u>279,060</u>
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Total Liabilities	<u>279,060</u>
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DEFERRED INFLOWS OF RESOURCES

Lease Related	<u>1,284,260</u>
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NET POSITION

Net Position (Deficit):

Unrestricted	<u>680,460</u>
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Total Net Position	<u><u>\$ 680,460</u></u>
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The accompanying notes are an integral part of this statement.

Mojave Desert and Mountain Integrated Waste Management Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

OPERATING REVENUES

Member Contributions	\$ 340,334
Sale of Recyclable Materials	4,835,354
Other	<u>96,360</u>
Total Operating Revenues	<u>5,272,048</u>

OPERATING EXPENSES

Contract Services	4,465,737
Insurance	30,273
Buy-backs and Transportation	695,272
Administrative and General	<u>391,931</u>
Total Operating Expenses	<u>5,583,213</u>
Operating Income (Loss)	<u>(311,165)</u>

NON-OPERATING REVENUES (EXPENSES)

Investment Income	486
Intergovernmental	<u>17,214</u>
Total Non-Operating Revenues (Expenses)	<u>17,700</u>

Net Income (Loss)	(293,465)
Net Position, Beginning of Year	<u>973,925</u>
Net Position, End of Year	<u><u>\$ 680,460</u></u>

The accompanying notes are an integral part of this statement.

Mojave Desert and Mountain Integrated Waste Management Authority
Statement of Cash Flows
Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Other Governmental Agencies	\$ 340,334
Cash Received from Customers	4,937,115
Cash Payments to Suppliers and Contractors for Goods and Services	<u>(5,877,963)</u>
Net Cash Provided (Used) by Operating Activities	<u>(600,514)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received for Intergovernmental Grants	<u>17,214</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>17,214</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	<u>486</u>
Net Cash Provided (Used) By Investing Activities	<u>486</u>
Net increase (Decrease) in Cash and Cash Equivalents	(582,814)
Cash and Cash Equivalents - Beginning of Year	<u>790,239</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 207,425</u></u>

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (Loss):	<u>\$ (311,165)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used by) Operating Activities:	
(Increase) Decrease in Accounts Receivable	149,457
(Increase) Decrease in Due from Other Governments	(144,056)
Increase (Decrease) in Accounts Payable	(294,038)
Increase (Decrease) in Due to Other Governments	<u>(712)</u>
Total Adjustments	<u>(289,349)</u>
Net Cash Provided (Used for) Operating Activities	<u><u>\$ (600,514)</u></u>

The accompanying notes are an integral part of this statement.

Mojave Desert and Mountain Integrated Waste Management Authority
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The Mojave Desert and Mountain Integrated Waste Management Authority (Authority) was formed in September of 1991 as a joint powers authority under California Government Code Section 6500, between the cities of Victorville, Barstow, Big Bear Lake, Needles, Twentynine Palms, the Towns of Apple Valley and Yucca Valley, and the County of San Bernardino to plan for and implement elements of an Integrated Waste Management Plan within all or any part of its respective boundaries, including solid waste disposal, composting and recycling facilities, and waste diversion programs deemed necessary to meet state law. The cost of operating and maintaining the Authority is divided among each member entity in a manner to be decided in the annual general budget.

The Authority manages the Victor Valley Materials Recycling Facility (MRF) operations contract. The MRF is owned by The Town of Apple Valley and City of Victorville, and operated by Burrtec Waste Industries.

B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the MRF. The principal operating revenues of the Authority are charges to customers for services. Operating expenses include administrative and general costs, and contract services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred regardless of the timing of cash payments or receipts.

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

C) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

For purposes of the statement of cash flows, cash and cash equivalents are defined as demand deposits and highly liquid investments purchased with an original maturity of three months or less.

Mojave Desert and Mountain Integrated Waste Management Authority
Notes to Financial Statements
Year Ended June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

E) Net Position

Net Position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation, reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position- This amount is restricted by external creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted Net Position- This amount represents net assets that do not meet the definition of "net investment in capital assets" or "restricted net position."

F) Leases

Lessor: The Authority is a lessor for a noncancellable leases of land owned by the Authority. The Authority recognizes a lease receivable and a deferred inflow of resources.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Mojave Desert and Mountain Integrated Waste Management Authority
Notes to Financial Statements
Year Ended June 30, 2022

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 203,798
	<hr/>
Total Cash and Investments	\$ 203,798
	<hr/>

Cash and investments as of June 30, 2022 consist of the following:

Deposits with Financial Institutions	\$ 203,798
	<hr/>
Total Cash and Investments	\$ 203,798
	<hr/>

Authorized Investments

The Authority does not have an investment policy and is subject to Section 53601 of the California Government Code.

Concentration of Credit Risk

There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and investment pools) that represent 5% or more of total investments for the entire entity.

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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government 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 Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The collateral for certificates of deposit is generally held in safekeeping by the Federal Home Loan Bank in San Francisco as the third-party trustee. The securities are physically held in an undivided pool for all California public agency depositors. The State Public Administrative Office for public agencies and the Federal Home Loan Bank maintain detailed records of the security pool which are coordinated and updated weekly.

The Authority Treasurer, at his or her discretion, may waive the 110% collateral requirement for deposits which are insured up to \$250,000 by the FDIC. As of June 30, 2022, the Authority did not have any deposits with financial institutions in excess of federal depository insurance limits and held in uncollateralized accounts.

Mojave Desert and Mountain Integrated Waste Management Authority
Notes to Financial Statements
Year Ended June 30, 2022

3) MEMBER CONTRIBUTIONS

Member contributions are determined by the Board of Directors of the Authority and assessed to all members on an annual basis in amounts that are intended to be sufficient for the Authority to meet its financial obligations. A summary of the member contributions for the year ended June 30, 2022 is as follows:

Member	Contribution	Percentage
Adelanto	\$ 30,372	9
Apple Valley	65,824	19
Barstow	24,544	7
Big Bear Lake	14,424	4
Needles	14,508	4
San Bernardino County	56,380	17
Twenty-Nine Palms	20,436	6
Victorville	90,298	27
Yucca Valley	23,548	7
Total	\$ 340,334	100

4) RISK MANAGEMENT

The Authority is exposed to various risks and manages these risks through the general liability program of the Public Entity Risk Management Authority (PERMA). PERMA provides coverage for costs incurred up to \$1 million through risk sharing pools. Costs are shared between participating members within each pool based upon premium contributions. For costs exceeding \$1 million, PERMA participated in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for excess coverage up to the coverage limit of \$50 million. The Authority uses PERMA to process all claims.

5) LEASES

Lease Receivable - In prior fiscal years, the Authority entered into a land lease agreements with Burrtec to lease pieces of land owned by the JPA. The initial lease terms is 25 years. The Authority currently receives monthly payments from the of \$8,079. The Authority recognized \$93,674 in lease revenue and \$3,279 in interest revenue during the current fiscal year related to the lease. As of June 30, 2022, the Authority's receivable for lease payments was \$1,284,260. Also, the Authority has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$1,284,260.

SUPPLEMENTARY INFORMATION

Mojave Desert and Mountain Integrated Waste Management Authority
Combining Statement of Net Position
June 30, 2022

	JPA Admin	MRF Admin	MRF Operations	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 183,400	\$ 20,398	\$ -	\$ 203,798
Accounts Receivable	-	-	608,039	608,039
Due from Other Funds	-	47,764	-	47,764
Due from Other Governments	-	3,627	144,056	147,683
Lease Receivable	-	-	1,284,260	1,284,260
Total Assets	<u>183,400</u>	<u>71,789</u>	<u>2,036,355</u>	<u>2,291,544</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable & Accrued Liabilities	21,865	2,248	254,947	279,060
Due to Other Funds	-	-	47,764	47,764
Total Liabilities	<u>21,865</u>	<u>2,248</u>	<u>302,711</u>	<u>326,824</u>
DEFERRED INFLOWS OF RESOURCES				
Lease Related	-	-	1,284,260	1,284,260
NET POSITION				
Net Position (Deficit):				
Unrestricted	<u>161,535</u>	<u>69,541</u>	<u>449,384</u>	<u>680,460</u>
Total Net Position	<u><u>\$ 161,535</u></u>	<u><u>\$ 69,541</u></u>	<u><u>\$ 449,384</u></u>	<u><u>\$ 680,460</u></u>

Mojave Desert and Mountain Integrated Waste Management Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

	JPA Admin	MRF Admin	MRF Operations	Total
OPERATING REVENUES				
Member Contributions	\$ 311,185	\$ 29,149	\$ -	\$ 340,334
Sale of Recyclable Materials	-	-	4,835,354	4,835,354
Other	-	-	96,360	96,360
Total Operating Revenues	311,185	29,149	4,931,714	5,272,048
OPERATING EXPENSES				
Contract Services	173,356	46,870	4,245,511	4,465,737
Insurance	25,776	4,497	-	30,273
Buy-backs and Transportation	-	-	695,272	695,272
Administrative and General	141,158	2,319	248,454	391,931
Total Operating Expenses	340,290	53,686	5,189,237	5,583,213
Operating Income (Loss)	(29,105)	(24,537)	(257,523)	(311,165)
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	486	-	-	486
Intergovernmental	17,214	-	-	17,214
Total Nonoperating Revenues (Expenses)	17,700	-	-	17,700
Net Income (Loss)	(11,405)	(24,537)	(257,523)	(293,465)
Net Position - Beginning of Year	172,940	94,078	706,907	973,925
Net Position - End of Year	\$ 161,535	\$ 69,541	\$ 449,384	\$ 680,460

September 1, 2023

Board of Directors
Mojave Desert and Mountain Integrated
Waste Management Authority
Apple Valley, CA

We have audited the financial statements of the Mojave Desert and Mountain Integrated Waste Management Authority for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the implementation of GASB Statement No. 87, *Leases*. 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:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 September 1, 2023.

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.

Other Matters

We were engaged to report on supplementary information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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.

Very truly yours,

Van Lant & Fankhaenel, LLP

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

Board of Directors
Mojave Desert and Mountain Integrated
Waste Management Authority
Apple Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Mojave Desert and Mountain Integrated Waste Management Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 1, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Van Lant & Fankhaed, LLP

September 1, 2023

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Bank Signature Authorizations

SUMMARY STATEMENT

The Town of Apple Valley provides fiscal services to the Recycling Authority. The Authority keeps a separate account at Desert Community Bank which is now a division of Flagstar Bank. Flagstar's Government Banking Services is asking that the Authority update the authorized signers for the account. The Authority last authorized signers in 2016, naming both positions and incumbents.

These individuals and positions should be authorized.

John Davis, Authority Administrator
Margaret DeMauro, Interim Town Finance Manager
Douglas B. Robertson, Town Manager
Orlando Acevedo, Assistant Town Manager

RECOMMENDED ACTION

Authorize John Davis, Margaret DeMauro, Doug Robertson and Orlando Acevedo as signatories on the Authority's bank account.

PRESENTED BY

John Davis

FISCAL IMPACT

None

MEETING DATE

November 16, 2023

ITEM NUMBER

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**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Shark Solutions

SUMMARY STATEMENT

Shark Solutions operates locations for recycling windshields and other types of laminated and flat glass. United States locations include Victorville as well as Lavonia, GA and Wilkes-Barre, PA. Shark Solutions works with a variety of suppliers including auto glass replacement companies, glass distributors, glass manufacturers, vehicle distributors, vehicle manufacturers, municipalities, end-of-life vehicles yards, and many more. They may arrange for the transportation of the glass and accept deliveries from suppliers.

Shark Solutions is a Danish based cleantech company focused on recycling post-consumer PVB (PolyVinyl Butyral) interlayer from windshields and architectural/building glass (laminated glass). They create advanced sustainable polymers that are used in industrial applications including carpet backing, paint and coatings, sound dampening and more. Recycled laminated glass and upcycled PVB polymer brings value beyond replacing virgin raw materials by helping their customers build a circular economy and reducing GHG/CO2 emissions.

The Authority Administrator worked with Shark Solutions to site and permit the Victorville facility and receive state financial assistance including a CalRecycle Greenhouse Gas Reduction Fund grant and partial equipment sales tax benefits.

Rob Crivello, Head of Sustainability and Corporate Affairs will provide an overview of Shark Solutions' operations and direction.

RECOMMENDED ACTION

Presentation by Rob Crivello about Shark Solutions

PRESENTED BY
Rob Crivello and
John Davis

FISCAL IMPACT

None

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MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE JOINT POWERS AUTHORITY			
AGENDA MATTER			
High Desert Recycling Market Development Zone			
SUMMARY STATEMENT			
<p>The High Desert Recycling Market Development Zone (RMDZ) is one of 40 areas designated by CalRecycle for focused siting, permitting, financing, feedstock acquisition, and product marketing assistance. The Zone covers all the Authority's territory. The Administrator coordinates local assistance with agency staff while CalRecycle works with state agencies including Go-Biz and the Treasurer's Office.</p> <p>CalRecycle provides funding for activities supporting market development outreach and assistance. The most recent funding is \$17,340 through May 2024. The Authority is working with other Zones on outreach to manufacturers interested in using recycled and composted materials. We acquired a statewide manufacturing database and are working to identify potential business to contact. The Authority publishes a weekly RMDZ email newsletter sharing news stories from trade journals and other sources.</p> <p>The Authority website is being updated using CalRecycle's funding by integrating a new site that is part of a Zone network and by creating local content focusing on existing High Desert businesses. Bob Hollis created the website https://highdesert.rmdzcentral.org/ and is hosting the site including updates, security, and back-ups. Erin Duckhorn will focus on site content and integration with the Authority's website https://urecycle.org/. She will provide five case studies highlighting success stories of local businesses utilizing RMDZ services, or otherwise exemplifying desired zero/reduced-waste practices. The case studies will include interviews, photos, and data demonstrating their positive impact on recycling and the local economy.</p>			
RECOMMENDED ACTION			
Update on High Desert Recycling Market Development Zone and CalRecycle funding			
PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
John Davis	\$17,340 CalRecycle funding	November 16, 2023	7



To promote awareness and engagement with the High Desert Recycling Market Development Zone we will create engaging and informative website content to educate stakeholders, businesses, and the public about the benefits and opportunities offered by the High Desert RMDZ. The site will encourage existing and potential businesses to consider the benefits of utilizing the High Desert RMDZ, thereby reducing the material sent to California landfills, strengthening the recycling market, and contributing to environmental sustainability in our community. The new site will serve as a foundation for ongoing outreach activities and future campaigns.

Content will be developed by Erin Duckhorn, an independent contractor in tandem with Mobius Intelligent Systems web development, under the supervision of John Davis, High Desert RMDZ administrator.

Website Components:

- Home Page: An engaging landing page that introduces the High Desert RMDZ and highlights its goals.
- About Us: Detailed information about the initiative's history, objectives, and partners.
- Benefits: Emphasize the economic and environmental advantages of participation.
- Eligibility: Explain the criteria for businesses interested in participating.
- Case Studies (5): Highlight five success stories of businesses operating within the zone utilizing RMDZ services, or otherwise exemplifying desired zero/reduced-waste practices. Case studies will include interviews, photos, and data demonstrating their positive impact on recycling and the local economy.
- Resources: Provide access to relevant links, documents, guidelines, and FAQs. This includes creation of up to three (3) original PDFs, fact sheets, or flyers as needed.
- Contact Us: A contact form for inquiries and partnership opportunities (Mobius Systems to facilitate.)

Timeline:

- Project will begin November 10, 2023 and be completed by May 1, 2024.

Budget:

- Total \$11,000
\$5500 to be paid on December 1, 2023
\$5500 to be paid on May 1, 2023

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

SB 54: Plastic Pollution Prevention and Packaging Producer Responsibility Act

SUMMARY STATEMENT

CalRecycle staff indicated that the initial draft regulations would be available in the fall but have not been circulated prior to the Board agenda. Final regulations are to be issued by January 1, 2025, followed by stakeholder input proceeding final rulemaking and Office of Administrative Law review.

CalCities held an October 5 webinar An Overview of SB 54: Understanding Implications for Local Governments <https://www.youtube.com/watch?v=gq9T0tRmJR0> This is expected to be the prelude to a series of CalCities roundtables designed to formulate input to the regulations. Discussions have focused on the extent of producer financial support to local collection, processing and outreach, and the method of payment.

The Authority Administrator presented an SB 54 PowerPoint to the San Bernardino County Solid Waste Task Force on October 18 that focused on local government costs and producer reimbursement. The presentation includes slides describing covered materials; recycling, composting, reduction and refill rates and dates; CalRecycle's activities including the statewide needs assessment; and the Producer Responsibility Organization. A copy of PowerPoint is included with the agenda.

RECOMMENDED ACTION

Updated SB 54 information

PRESENTED BY

John Davis

FISCAL IMPACT

Unknown revenue
offsetting local rates

MEETING DATE

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SB 54: Plastic Pollution Prevention and Packaging Producer Responsibility Act

San Bernardino County Solid
Waste Task Force

October 18, 2023

Presented by John Davis,
Administrator

Mojave Desert and Mountain
Recycling Authority

Senate Bill No. 54
CHAPTER 75

An act to amend Section 41821.5 of, to add Chapter 3 (commencing with Section 42040) to Part 3 of Division 30 of, and to repeal Section 42064 of, the Public Resources Code, relating to solid waste.

[Approved by Governor June 30, 2022.
Filed with Secretary of State June 30, 2022.]

<https://calrecycle.ca.gov/packaging/packaging-epr/>

SB 54: Local Jurisdictions

- “Local jurisdictions are the backbone of the solid waste management and recycling efforts in California. **The new statewide comprehensive circular economy framework established by this chapter is intended to shift the burden of costs to collect, process, and recycle materials from the local jurisdictions to the producers of plastic products.**”
- “It is the intent of the Legislature in enacting this chapter to ensure that local jurisdictions **will be made financially whole for any new costs incurred** associated with the implementation of this chapter and its implementing regulations.”

Public
Resources
Code (PRC)
Section
42040b (2)(A)
and (B)

Producer Responsibility


- “It is the intent of the Legislature to establish a producer responsibility program designed to ensure that **producers** of single-use packaging and food service ware covered by this program **take responsibility for the costs associated with the end-of-life management** of that material and ensure that the material is recyclable or compostable.
- “This standardization will **reduce consumer confusion** regarding recycling and composting, **reduce costs to ratepayers**, and increase system efficiency.”

PRC Section
42040b (3)(B)



Covered Materials

- Single Use Packaging
 - Paper fibers
 - Cardboard
 - Paperboard
 - Glass
 - Metals
 - Plastic
 - Multi-layer materials
- Plastic Single Use Food Service Ware
- CRV Containers are excluded



Rates and Dates

- Expanded Polystyrene must reach 25% recycling rate by January 1, 2025
- Covered material must achieve recycling or composting rates:
 - 30% by January 1, 2028
 - 40% by January 1, 2030
 - 65% by January 1, 2032
- All covered material must be recyclable or compostable by January 1, 2032



Rates and Dates

Reduction and refill/reuse (by weight and component) of packaging and single use food service ware:

- 10% by January 1, 2027, including 2% refill/reuse
- 20% by January 1, 2030, including 4% refill/reuse
- 25% by January 1, 2032, including 10% refill/reuse

CalRecycle Activities



Regulations required by
January 1, 2025



Regulatory process beginning
Fall 2023 through 2024



Initial Needs Assessment
beginning Fall 2023

Needs Assessments

One more statewide Needs Assessments must be “designed to **determine the necessary steps and investment** needed for covered material, by covered material category, to achieve the requirements of this chapter”

The Needs Assessments are to be “**developed in collaboration with the PRO and a broad diversity** of local jurisdictions, recycling service providers, and processors that reflect the different needs and challenges faced by urban, suburban, and rural communities and a variety of different population densities and socioeconomic perspectives”

Initial Needs Assessment work will **describe current conditions**

PRO (Producer Responsibility Organization)


- Producers must form and join a PRO by **January 1, 2024**; CalRecycle is to approve a single PRO
- No covered materials may be sold in California unless subject to a plan approved by **January 1, 2027**
- Producers may comply without participating in the PRO plan by demonstrating 65% recycling rate for three consecutive years prior to January 1, 2027, and 70% recycling rate thereafter



PRO (Producer Responsibility Organization)

- A producer is **prohibited from selling, offering for sale, importing, or distributing covered materials in the state** unless the producer is approved to participate in the producer responsibility plan of a producer responsibility organization (PRO), as prescribed, for the source reduction, collection, processing, and recycling of covered material
- Alternatively, a producer may comply with the act **individually** without participating in a PRO's plan





PRO (Producer Responsibility Organization)

- The PRO is to establish a **charge** for its participant producers sufficient to ensure the requirements of the act are met by the PRO, thereby imposing a tax
- SB 54 was approved by more than a **2/3** legislative vote
- The bill specifies the purposes for which the revenue from the charge may be spent, including the costs of the PRO, the costs of a producer responsibility advisory board, and other costs specified in the PRO's budget

Local Costs

- **Regulations must be adopted by January 1, 2025** “to ensure the PRO fully funds plan implementation, including fully funding the budget
- “This shall include the **costs incurred by a local jurisdiction or a local jurisdiction’s recycling service providers** to implement this chapter, including, but not limited to, the cost of consumer education and of collection, including the cost of containers where relevant, as well as the processing, storage, and transportation of covered materials
- “Costs may vary based on population density or other relevant factors and shall allow local jurisdictions to **protect ratepayers** from increased costs associated with the processing and marketing of covered material”

PRC Section
42060(a)(1)

Local Costs

- SB 54 requires that local jurisdictions and recycling service providers **include in their collection and recycling programs** covered material contained on the lists published by the department
- By imposing additional requirements on local jurisdictions, the bill imposes **a state-mandated local program**
- The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. SB 54 includes procedures for making that **reimbursement**

PRC
Section
42051.1
(j) (1) (B)

The plan shall include a budget designed to fully fund the plan and all other costs associated with implementing the plan, including, but not limited to, all of the following:

Associated costs incurred by local jurisdictions, recycling service providers, and other collection programs, and costs related to consumer outreach and education; including

Transportation of covered materials to a materials recovery facility, broker, or viable responsible end market

Cleaning, sorting, aggregating, and baling covered materials as necessary to bring those materials to a viable responsible end market

Waste stream sampling and reporting required by this chapter for local governments

Costs incurred to educate ratepayers to improve the preparation and sorting of covered material

Improvements to collection, sorting, decontamination, remanufacturing, and other infrastructure necessary to achieve recycling rates

These costs include costs related to both curbside and noncurbside collection programs and may be varied based on population density, distance to a viable responsible end market, and other relevant factors



Start Estimating Costs Now

- Document and estimate existing costs and any planned investments to inform the needs assessment
- Local jurisdictions are central in the negotiations with the PRO
- Local jurisdictions are made financially whole
- Reimbursements reflect actual costs and are transparent and clear

A decorative graphic on the left side of the slide, consisting of a blue circular area filled with intricate, wavy, concentric line patterns that resemble a stylized flower or a textured surface.

Advocate for Local Jurisdictions

- Outreach and education for the public is coordinated and effective
- Ensure materials we'll be required to accept are truly recyclable and compostable
- Mitigation funds provide benefits for disadvantaged communities



Getting Involved

- Attend CalRecycle workshops and provide feedback
- Work with existing partners - CalCities, CSAC, haulers, composters, MRF operators
- Reach out to the Producer Responsibility Advisory Board members
- Submit written comment letters
- Stay informed through CalRecycle website
<https://calrecycle.ca.gov/packaging/packaging-epr/>
- Subscribe to CalRecycle's SB 54 listserv
<https://www2.calrecycle.ca.gov/Listservs/Subscribe/153>

**MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE
JOINT POWERS AUTHORITY**

AGENDA MATTER

Final Legislation Update

SUMMARY STATEMENT

The Legislature sent two Authority supported bills to the Governor, and he signed both.

SB 244 Right to Repair requires manufacturers of consumer electronics to provide replacement parts, diagnostic information, and service literature to consumers and third-party repair businesses.

Background: Guaranteeing a "right to repair" will ensure that consumers have the ability to fix the electronics that they own or have them fixed by a technician, preventing much of the electronic waste that gets thrown away every day and saving consumers money.

SB 353 Bottle Bill Expansion expands the Bottle Bill to include fruit and vegetable juice containers 46 ounces and larger and updates the payment formula that funds recycling centers.

Background: Updating the definition of 'beverage' to strike the current exemption for specified juice containers (46 ounces and larger) will incorporate 100-200 million containers into the state's California Redemption Value program, increasing curbside payments and reducing consumer confusion. The bill also addresses the current scrap-value crisis that affects small and medium-volume recycling centers' financial viability by changing the formula used to calculate the state's processing payments and more closely approximate market values.

In addition to the Authority supported bills, **AB 1548** was enacted to expand the Greenhouse Gas Reduction Fund grant program by including local government MRFs, including improved recovery, sorting, or baling recyclable materials; to purchase equipment and construct facilities needed for edible food waste recovery operations; and to establish public reuse programs.

Four Authority-supported bills were held for continued consideration. These include producer responsibility for gas cylinders (**SB 560**) and textiles (**SB 707**), date labeling for food containers (**AB 660**), and eliminating problematic plastics (**AB 1290**).

RECOMMENDED ACTION

Update on enacted California legislation

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
John Davis	Increased Bottle Bill revenue; possible MRF grant support	November 16, 2023	9

MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE JOINT POWERS AUTHORITY

AGENDA MATTER

Public Comment

SUMMARY STATEMENT

Comments on items of interest to the Public.
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RECOMMENDED ACTION

None

PRESENTED BY

Cambria Carroll

MEETING DATE

November 16, 2023

ITEM NUMBER

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MOJAVE DESERT AND MOUNTAIN INTEGRATED WASTE JOINT POWERS AUTHORITY

AGENDA MATTER

Board Comment

SUMMARY STATEMENT

Comments by members of the Board.

RECOMMENDED ACTION

None

PRESENTED BY

Cambria Carroll

MEETING DATE

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