

New Franchise Agreements

Board of Directors Meeting
January 27, 2027

New Agreements

Red =
change in
contractor

- Collection = Republic until 2037
- Disposal = Republic until 2042
- Food Scraps = Republic until 2042
- Transfer = MDRR until 2047
- Recyclables Processing = MDRR until 2042
- Reuse & Cleanup = MDRR until 2037
- Composting = Recology until 2037
- Anaerobic Digestion = EBMUD until 2030

Material Flow

Reuse



Customers

Cleanup



Collection - Pacheco



Commercial Food Scraps - Martinez



Warehouse - Pittsburg



Transfer - Pittsburg



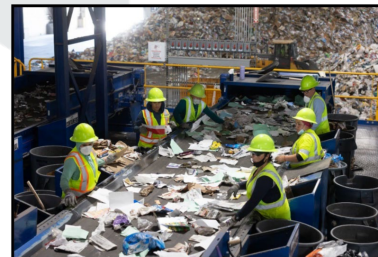
Landfill - Pittsburg



Compost - Vernalis



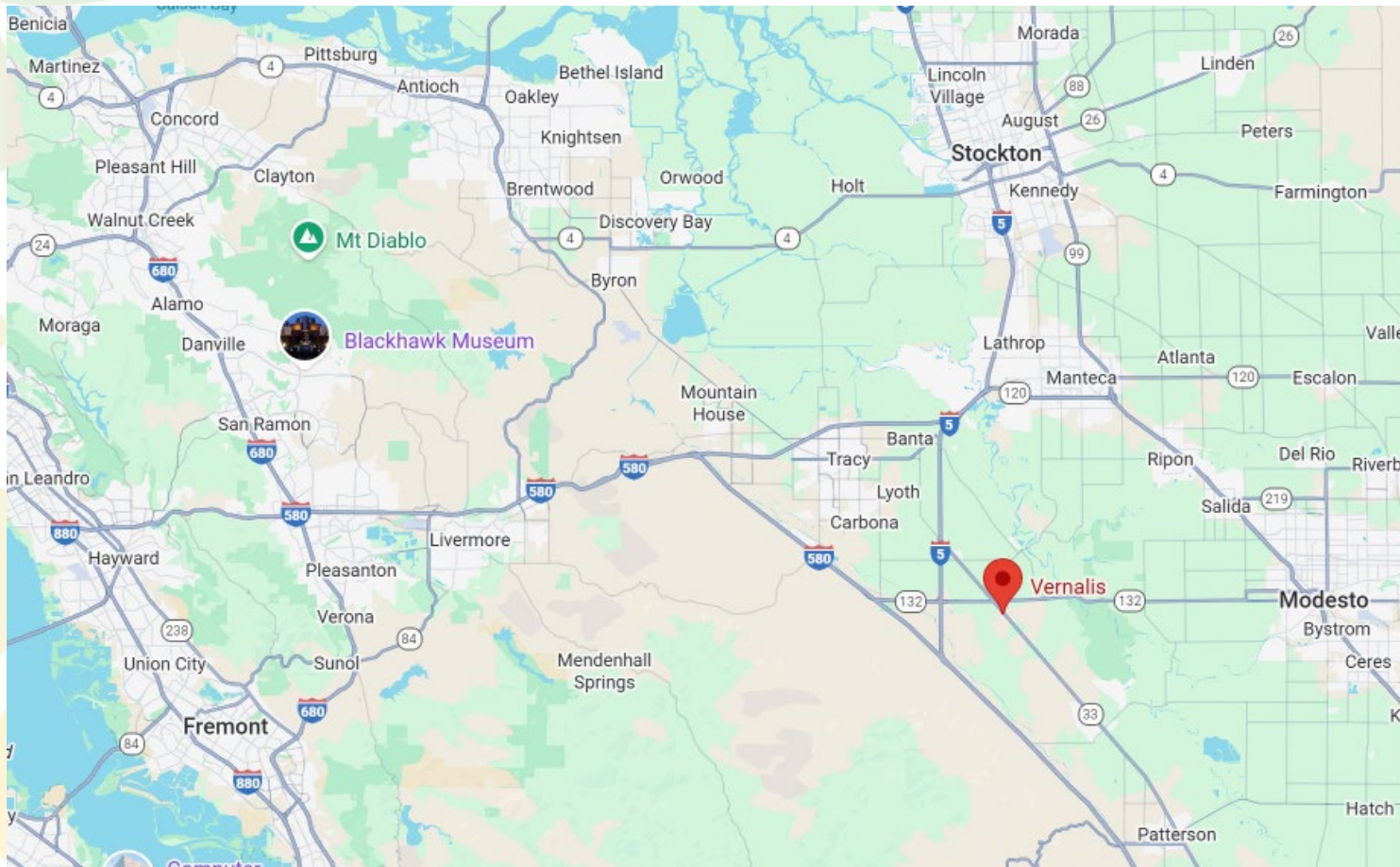
MRF - Pittsburg



EBMUD - Oakland



Where the Heck is Vernalis?



Revenue Flow

Customers

Billing - Republic



Member Agencies

Commercial Food Scraps - Republic



Reuse & Cleanup - MDRR

Transfer - MDRR

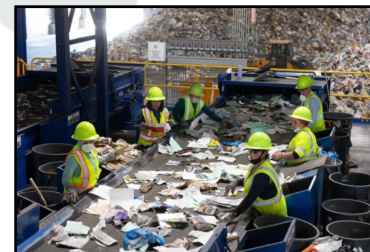


AD - EBMUD

MRF - MDRR

Compost - Recology

Landfill - Republic



Changes to Accepted Recyclables

- Current
 - Plastic containers #1 - #7
 - Plastic bags (bundled)
 - NO cartons & aseptic packaging
- New
 - Plastic containers #1, #2, #5 only
 - NO plastic bags
 - NO cartons & aseptic packaging
 - CalRecycle reversed its determination



Service Changes for for Single-Family Homes



Additional Free Carts Available

- Current – 1 free blue cart



- New – 2 free blue carts



- Current – 1 free green cart



- New – 2 free green carts



More Pick-Ups of Extra Materials

- Current – 4 on-call pick-ups per year of:
 - Extra yard trimmings OR
 - Extra recyclables
 - Up to 4 total pick-ups
- **NEW** –
 - 4 on-call pick-ups per year of extra yard trimmings AND
 - 4 on-call pick-ups per year of extra yard recyclables
 - Up to 8 total pick-ups



Additional On-Call Reuse Pick-Up

- Current
 - 2 scheduled two-day neighborhood Reuse & Cleanup Days per year
 - 1 on-call pick-up per year of small non-reusable landfill items



- New
 - 2 scheduled two-day neighborhood Reuse & Cleanup Days per year
 - 1 on-call pick-up per year of both **reusable** and non-reusable items (same day)

Bulky Items Added to Reuse & Cleanup Days

- Current
 - Non-reusable items limited to 50 lbs / 4 ft. each
 - No non-reusable furniture, appliances, or electronics, no tires
- New
 - Non-reuseable Items can be up to 200 lbs. / 8 ft. each
 - The following items will be picked up, whether reusable or not:
 - Furniture
 - Appliances
 - Electronics / TVs
 - Mattresses & box springs
 - Tires (up to 4 per pick-up)
 - Carpet / rugs
 - Bicycles / sports equipment



Additional Service Changes for Single-Family Homes

- New curbside used cooking oil recycling
- New cart labels
- 20-gallon organics carts available
- Credit for a missed pick-up is \$10 per day late (currently \$5)
- “Track My Truck” phone app
- 2 document shredding events per year
- “Recycle Smarties” Contest for free service
- A few homes will change collection days



Service Changes for for Multi-Family Dwellings

- 1 on-call Reuse & Cleanup Day pick-up per unit per year
- New on-call battery recycling (for complexes with 16+ units)
- New used cooking oil recycling
- New cart and bin labels
- 2 document shredding events per year
- Minimum service levels for recycling and organics
 - All 3 types of containers in every enclosure
 - At least 3 gallons/unit/week of organics service
- New organics collection options
 - 20-gallon carts
 - 1 – 6 cubic yard bins
 - Up to 5x per week Monday - Friday



Service Changes for for Commercial Customers

- New cart and bin labels
- Minimum service levels for recycling and organics
 - All 3 types of containers in every enclosure
- New organics collection options
 - 20-gallon carts
 - 1 – 6 cubic yard bins
 - Up to 5x per week Monday - Friday



Service Changes for for Member Agency Facilities

- Same as for commercial, PLUS
 - Illegally dumped materials removed by MDRR
 - 20 free drop-box collections per year per Member Agency
 - Temporary dumpsters
 - Do not have to be at a Member Agency facility
 - Dump days, creek cleanups, vegetation removal, etc.
 - Specified downtown public litter containers emptied on Saturdays



Service Changes Regarding

Missed Pick-Ups

- All customers receive a credit if their container is not serviced on the scheduled day
- Containers missed on Friday must be emptied no later than Saturday
- No more incentive payment to Republic for meeting the service quality metric
- Performance improvement plan required if complaints or missed containers on incomplete routes reach unacceptable levels

Service Changes for Contaminated Containers

- Single-Family Homes
 - 3 courtesy collections of contaminated carts per year
 - Non-collection on 4th offense
- Multi-Family Dwellings and Commercial Customers
 - 3 warnings per customer per year
 - After 3 warnings, Republic to refer the customer to the Authority for enforcement, possible citations
 - No non-collection for multi-family / commercial customers
- Republic to audit contaminated routes

Changes Regarding Rates

CURRENT	NEW
Rate Year = March 1 – February 28	<ul style="list-style-type: none"> Rate Year = July 1 – June 30 Initial rate year is March 1, 2027 – June 30, 2028
<ul style="list-style-type: none"> Cost-based rate adjustments every three years Index-based rate adjustments in all other years 	<ul style="list-style-type: none"> Cost-based rate adjustments every four years <ul style="list-style-type: none"> ○ Year 4 (2030) ○ Year 8 (2034) Index-based rate adjustments in all other years
<ul style="list-style-type: none"> Cost-based compensation adjustments capped at 5% Index-based compensation adjustments capped at 4% 	<ul style="list-style-type: none"> Cost-based compensation adjustments capped at 7% Index-based compensation adjustments capped at 7%
No revenue reconciliation	Revenue reconciliation during cost-based adjustment years

Other Notable Changes

- Adding the community of Canyon
- No overage charges for recycling or organics containers
- All new containers must be “hauler neutral”
 - No company name
 - Will be labeled “RecycleSmart”
 - Will not be labeled “Republic”
 - Transferable phone number
- Authority to provide:
 - Printing & mailing of public education materials
 - Kitchen food scrap pails
 - Multi-family recycling tote bags
 - Commercial indoor containers
- Authority to select and purchase new SB 1383 compliance software

Implementation Plan

- Republic
 - Develop new routes
 - Purchase 109 new vehicles
 - Assign 119 drivers
- MDRR
 - Upgrade transfer station
 - Purchase additional transfer vehicles, trailers, loaders
 - Obtain trucks and drivers for Reuse & Cleanup Days
- Authority
 - Add community of Canyon
 - Prepare public education campaign
 - Develop 2027 rate increase message
 - Purchase new compliance tracking software



SB 1383 Jurisdictional Enforcement Process

RecycleSmart Board Retreat
January 2026



SB 1383 Requirements

JACE Compliance Review Elements



- ☐ **Collection Programs**
- ☐ **Processing & Recovery**
- ☐ **Contamination Management**
- ☐ **Education & Outreach**
 - ☐ Annual Notices
 - ☐ Climate Message
 - ☐ Food Waste Prevention
- ☐ **C&D and MWELO**
- ☐ **Edible Food Recovery**
- ☐ **Paper Procurement**
- ☐ **Recovered Organic Waste Procurement**
- ☐ **Capacity Planning**
- ☐ **Enforcement**
- ☐ **Implementation Record**

SB 1383 Enforcement Process

CalRecycle (JACE) Review



Prepare

1. Local Assistance
2. Informal Notice
3. Data Gathering
4. Formal Notice

Engage

5. Initial Review/
Clarification
6. Site Visits
7. Opportunities
to Correct

Resolve

8. Draft Compliance Report
9. Final Compliance Report
10. Notice of Violation

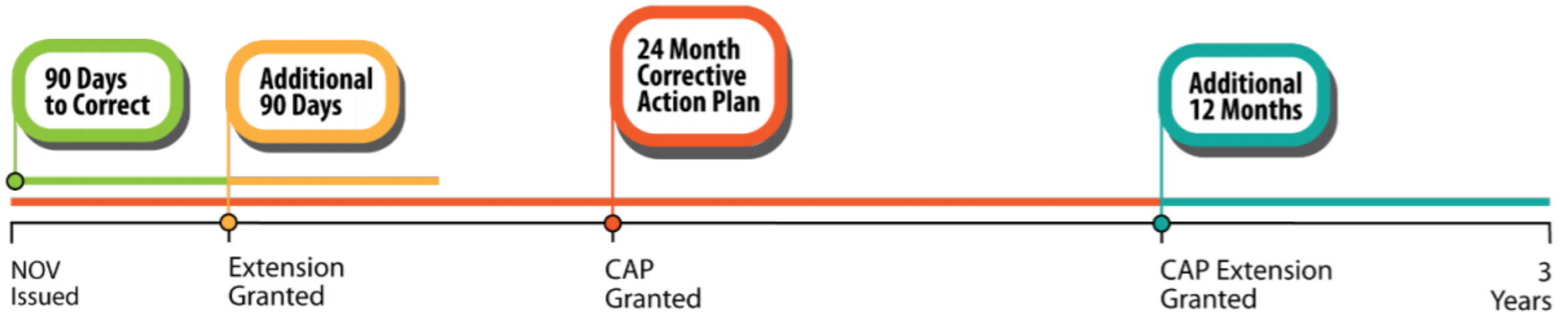
SB 1383 Compliance Evaluation

Stay Engaged



Enforcement Timeline

Opportunities to Correct



What Can You Do?

- Close your gaps
- Time is on your side
- Take advantage of the delays

**Image Adapted from the CalRecycle JACE Enforcement Timeline Presentation*

JACE Actions in Other Agencies

Focus Areas and Common Findings



- **Generator Subscription @ 100%**
- **Route Review, Too Good to Be True**
- **ROWP Requirements**
- **Missing/Unclear Documentation**
 - JPA Member Agencies
 - Building Counter
 - Purchasing Departments
- **Lacking Enforcement**
 - Franchise Service Provider
 - Processors
 - Generators
 - Edible Food





Emerging Issues, Regulations, and Innovation in the Recycling & Waste Industry

“Navigating Beyond the Reef”

RecycleSmart Board Retreat - January 2026



Changing Landscape

Regulation & Legislation



- **SB 54 Extended Producer Responsibility for Packaging**
- **Advance Clean Fleet & Zero Emission Vehicles**
- **Revisiting SB 1383**
- **Extended Producer Responsibility**
- **General Trends in Sacramento**



Key Components of SB 54



Goals

- ✓ Reduce the volume of packaging generated/disposed
- ✓ Increase recycling
- ✓ Shift packaging pollution responsibility to producers
- ✓ Shift costs away from local jurisdictions/ratepayers
- ✓ Provide clarity and consistency for consumers
- ✓ Stimulate investment in reuse and refill systems
- ✓ Fund clean up efforts in disadvantaged communities

Materials Covered by SB 54



Single-Use Packaging

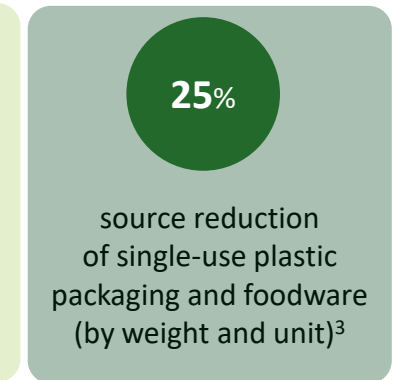
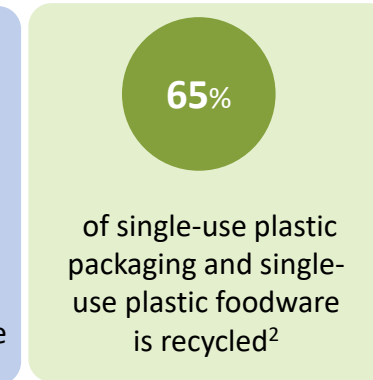


Plastic Single-Use Foodware



Excludes CRV materials¹

Key Milestones, by 2032:



¹Some other exclusions apply including packaging for medical products, infant formula, and transport of hazardous materials (not an exhaustive list of exclusions)

²30% by 2028 and 40% by 2030

³At least 10% through refillable or reusable packaging

“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.”

Opportunities

- Funding to improve collection of covered materials (e.g. education, contamination monitoring, etc.)
- PRO funding to offset increased processing costs to reach goals
- Mitigation of negative environmental and human health impacts of plastic pollution

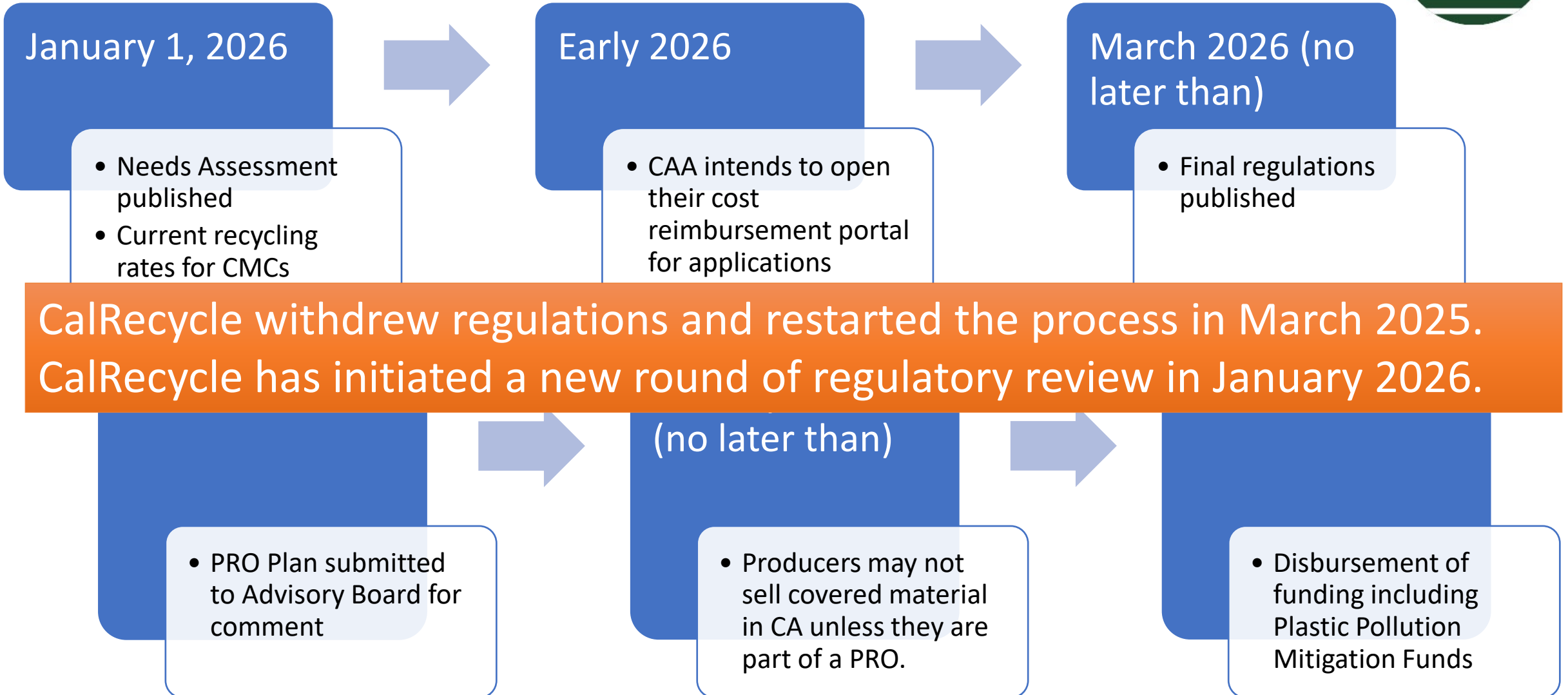


Potential Challenges

- Requires strong communication and transparency with recycling service provider (RSP)
- May increase reporting and program management costs
- Requires clarity on what costs are associated with collection/processing of covered materials

SB 54 Implementation Timeline

Key Dates





Local Agency Requirements

- Include All Materials on State Recycle/Compost List (Ongoing)
- Waivers & Rural Exemptions Available
- No Mandatory Collection of Non-Compliant Materials
 - Lists Could Change Annually
 - Ordinance Option Expired
 - Alternative Collection Systems

“All local jurisdictions or recycling service providers shall include in their collection and recycling programs all covered materials determined by CalRecycle to be recyclable or compostable”

“A material is considered ‘included’ if a jurisdiction or its service provider collects and transfers it to a responsible end market”

Zero Emission Vehicles

CARB Regulatory Update



EPA Waiver

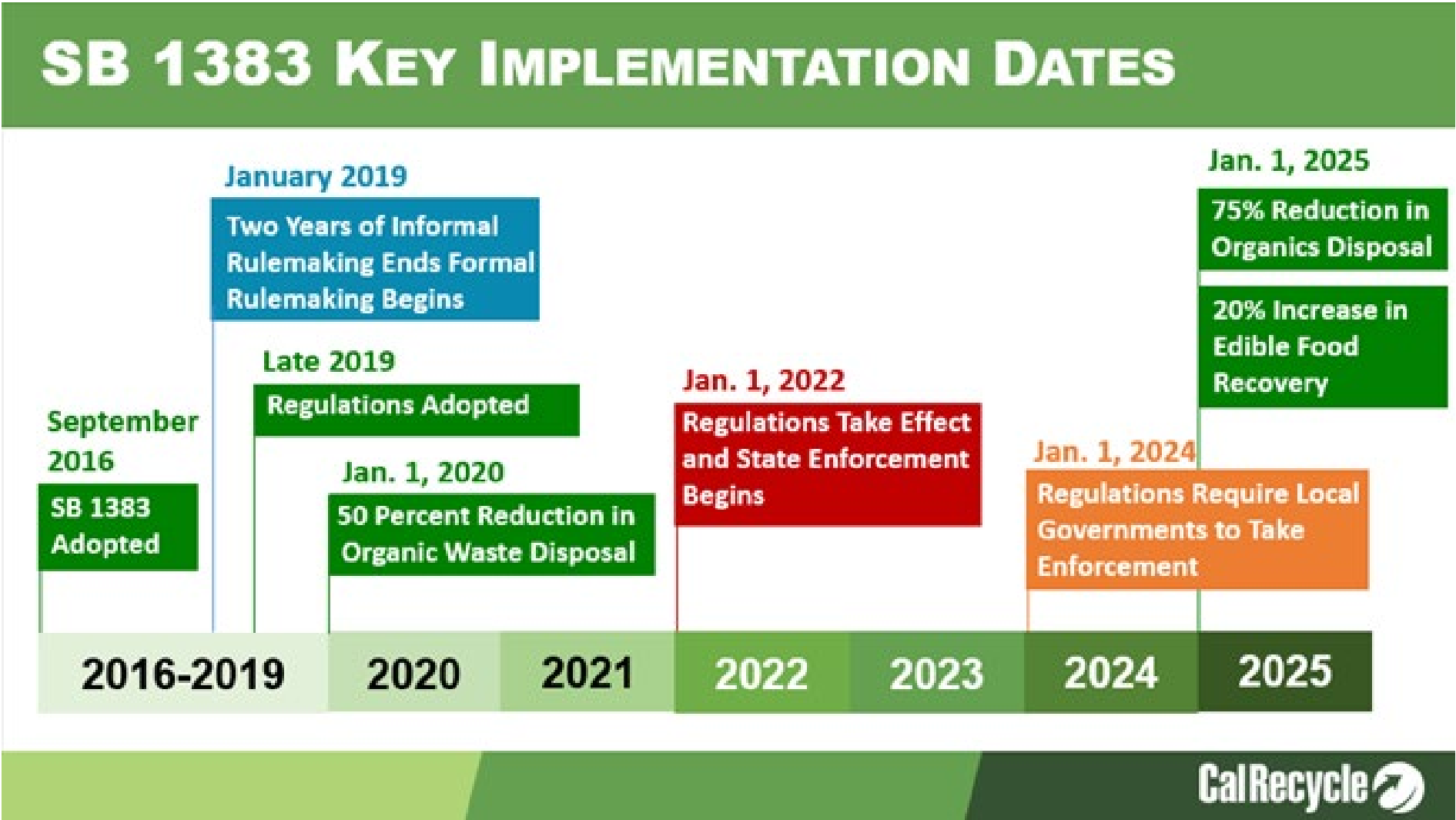
- 2024: CARB requested EPA waiver to enforce ACF on private fleets.
- January 2025: CARB withdrew waiver request.
- May 2025: CARB announced repeal of High Priority Fleet and Drayage Fleet provisions by October 31, 2025 (final by August 1, 2026).

“The state and local government fleets portion of the ACF Regulation remains unaffected” – CARB



Revisiting SB 1383

Regulations May Reopen in 2026



Extended Producer Responsibility

Legislative Trend: Shifting the Burden



Material Type	Bill Number
Carpet	AB 80
Batteries (Embedded)	AB 1215
Batteries (Rechargeable & Small)	AB 2440
Paint	AB 1304
Textiles	AB 707
Photovoltaic Modules	AB 864
Lubricants and Waste Oil	AB 1325
Packaging	SB 54
Household Hazardous Waste	SB 501
Emergency Distress Flare	SB 561
Vehicle Traction Batteries	SB 615



Emerging Issues



Automated Contamination/Overages

Combining Cameras & AI to Impact Programs

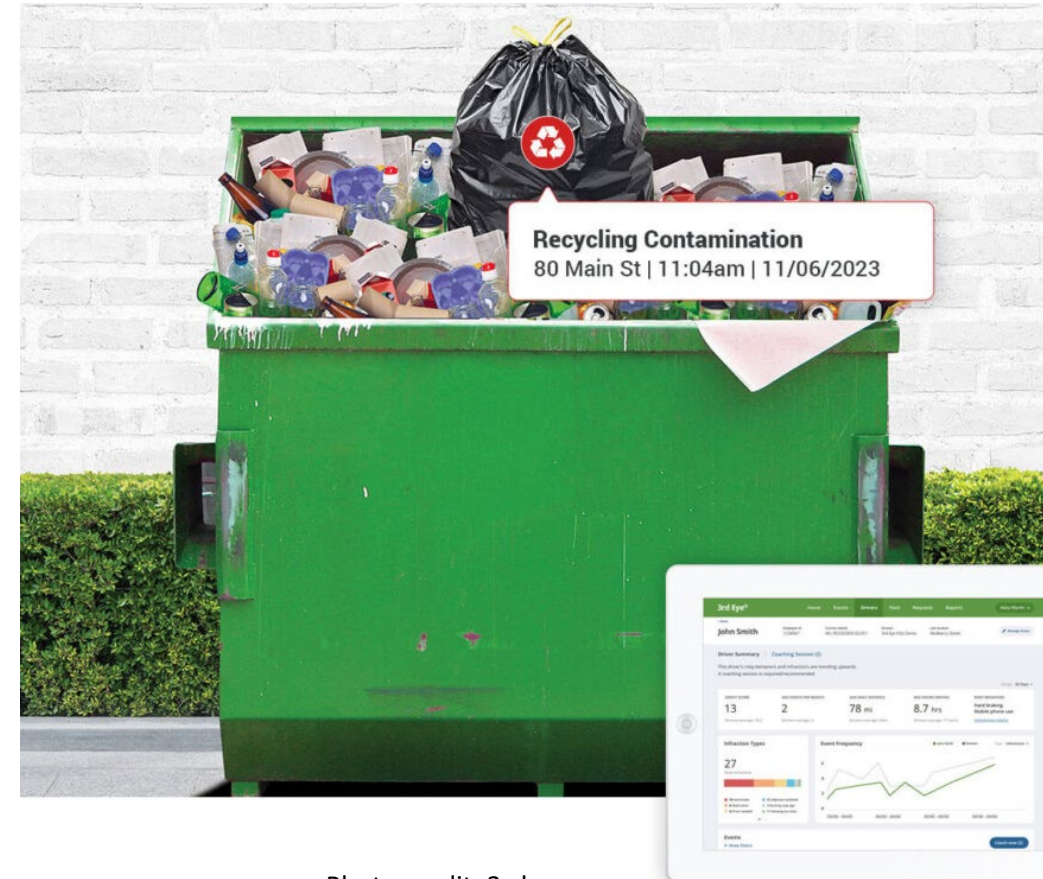


Photo credit: 3rdeyecam.com





Bringing Tech Into the Truck

Digital Route Maps & Dispatch



- Route Maps
- Sequencing
- Service Validation
- Communication with Dispatch
- Dynamic Routing Options
- Camera Integration
- Improved Safety



Artificial Intelligence in Solid Waste

Improving Recovery, Safety, Efficiency, and Cost



- Automated Sorting
- Smart Collection
- Route & Fleet Optimization
- Predictive Analysis
- Contamination Monitoring
- Facility Operations
- Driver Safety



Photo credit: Nasr Ulah, AI Generated

Leveraging Social Science in Outreach

Community Based Social Marketing



1. Select



2. Identify



4. Pilot



3. Design



5. Evaluate

