



General Fund Post-Collection & Reuse Fund and Grant Fund Budgets for Fiscal Year 2026-27

Board of Directors Meeting
May 28, 2026

Revenue Flow

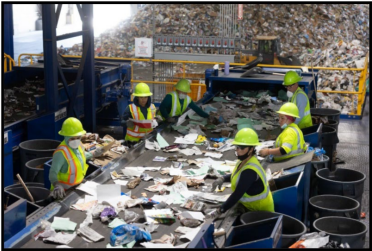
Customers

Billing - Republic

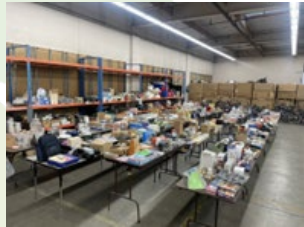


Member Agencies

Recyclables Revenue
MRF - MDRR



RecycleSmart
Central Contra Costa Solid Waste Authority



Reuse &
Cleanup
- MDRR

Transfer - MDRR



Landfill - Republic



Compost - Recology



AD - EBMUD



Commercial Food
Scraps - Republic



Current Funds and Categories

General Fund / Operations Fund
Revenues
Post Collection Processing
JPA
Diversion Programs
Recycling Revenue Share
Interest Earned
Other
Miscellaneous
Grant Revenue
Expenses
Post Collection Processing Cost
Recyclables Processing (MDRR)
Commercial Anaerobic Digestion (EBMUD)
Personnel Services
Material and Supplies
Professional Services
Rent & Utilities
Diversion Programs
Grant Expenses

General Fund Expenses = \$6M

Reuse Fund
Revenues
Reuse Program Income
Expenses
Reuse Program Expense (MDRR) - Current

Reuse Fund Expenses = \$1M

Total Expenses = \$7M

Proposed Funds and Categories

General Fund
Revenues
Rate Revenue
Interest Earned
Other
Transfers In From Grant Fund
SB 1383 Organics Compliance
Household Hazardous Waste Event
Expenses
Personnel Services
Material and Supplies
Professional Services
Rent & Utilities
Diversion & Compliance Programs
Transfers Out to Grant Fund
SB 1383 Organics Compliance
Household Hazardous Waste Event

Total GF Expenses \$4M

Post-Collection & Reuse Fund
Revenues
Rate Revenue
Expenses
Reuse Program (MDRR) - Current
Commercial Anaerobic Digestion (EBMUD) - Current
Recyclables Processing (MDRR) - Current
Reuse, Clean Up and Bulky Program (MDRR) - New
Recyclables Processing (MDRR) - New
Composting (Recology) - New
Landfill Disposal (Republic) - New
Transfer (MDRR) - New
Commercial Food Scraps Processing (Republic) - New
SB 1383 Compost Procurement (Recology) - New

Total PC&R Fund Expenses \$12M

Total Expenses = \$16M

Proposed Funds and Categories

Grant Fund
Revenues
SB 1383 Organics Compliance
Household Hazardous Waste Event
Transfers In From General Fund
SB 1383 Organics Compliance
Household Hazardous Waste Event
Expenses
SB 1383 Organics Compliance
Household Hazardous Waste Event
Transfers Out to General Fund
SB 1383 Organics Compliance
Household Hazardous Waste Event

SB 1383 Grant = \$163,488

Household Hazardous Waste Grant = \$100,000

Total Grant Funds \$263,488

Proposed FY 2026-27

General Fund Revenues

- Rate Revenue = \$3,411,057
- Interest Earned = \$842,103
- Other = \$5,500
- TOTAL = \$4,258,660

- Transfers in From Grant Fund = \$263,488

Proposed FY 2026-27

General Fund Expenses

- Personnel Services = \$1,398,391
- Materials and Supplies = \$101,400
- Professional Services = \$405,500
- Rent and Utilities = \$206,526
- Diversion and Compliance Programs = \$1,562,728
- TOTAL = \$3,674,545

Proposed FY 2026-27

General Fund Net Revenue

Revenues	\$4,258,660
Plus Transfers from Grant Fund	<u>\$263,488</u>
Subtotal	\$4,522,148
Minus Expenses	<u>\$3,674,545</u>
Equals Net Revenue	\$847,603

Proposed FY 2026-27

General Fund

Ending Fund Balance

Beginning Fund Balance	\$2,626,920
Plus Net Revenue	<u>\$847,603</u>
Subtotal	\$3,474,523
Minus Contributions to Member Agency Reserves	<u>\$1,892,011</u>
Equals Ending Fund Balance	\$1,582,512

Proposed FY 2026-27

Post Collection & Reuse Fund

Revenues

- Reuse Program Income = \$751,674
- Rate Revenue = \$11,048,268
- TOTAL = \$11,799,942

Proposed FY 2026-27

Post Collection & Reuse Fund

Expenses

- Current Contracts
 - EBMUD (12 months) = \$209,211
 - Reuse Program (8 months) = \$751,674
 - Recyclables Processing (8 months) = \$1,754,983

Proposed FY 2026-27

Post Collection & Reuse Fund

Expenses

- New Contracts (4 months)
 - Reuse, Cleanup, and Bulky = \$1,633,333
 - Recyclables Processing = \$1,527,465
 - Composting = \$1,643,243
 - Landfill Disposal = \$1,413,925
 - Transfer = \$2,739,854
 - Commercial Food Scraps Processing = \$102,594
 - Compost Procurement = \$23,660

Proposed FY 2026-27

Post Collection & Reuse Fund

Ending Fund Balance

- Beginning Fund Balance = \$85,877
- Revenues = \$11,799,942
- Expenses = \$11,799,942
- Net Revenue = \$0
- Ending Fund Balance = \$85,877

Recommendation

- Adopt the General Fund, Post-Collection and Reuse Fund, and Grant Fund Budgets for Fiscal Year 2026-27, as set forth in Attachments A, B, and C.

**REGIONAL
STANDARDIZED
ACCEPTABLE ITEM LISTS
AND POTENTIAL REQUEST
FOR SB 54 EXEMPTIONS
FOR CERTAIN MATERIALS**

Board of Directors Meeting
May 28, 2026

Per SB 54

Local Jurisdictions Must:

- Jurisdictions and service providers must include recyclable and compostable covered material in their collection programs by the time the PRO plan is approved.

(January 1, 2027)



Local Jurisdiction Requirement

A covered material is considered “included” if a jurisdiction or their service provider collects and transfers it to a responsible end market either directly or via intermediate supply chain entities (broker, secondary processor, etc.)



Two Compliance Pathways

A.

Add the material to collection programs



*Funded by producers

B.

Apply for (and receive) an exemption from CalRecycle



*Reviewed by producers

Exemption

Exemption requests may be submitted for local conditions, circumstances, and challenges. The request must also address:

- Program efficacy
- Technological or economic limitations
- Legal restrictions or requirements
- Effects on the environment
- Environmental justice
- Worker health and safety
- Public health
- Hazardous waste generation
- Transportation safety



A Regional Approach

- Variation contributes to consumer confusion and complicated messaging
- SB 54 presents an opportunity to be more coordinated and consistent
- Jurisdictions must add or exempt materials to match lists



Materials at Issue

- Recyclables

- #5 plastic
- Thermoforms (#1, 2 and 5)



- Compostables

- Paper with compostable plastic linings
- Rigid plastics and polymers designed for compostability
- Flexible and film items designed for compostability



BPI-certified compostable



Previous Decisions & New Contracts: Recyclables

- Currently Allowed Plastics
 - All plastic containers #1 - #7
 - Plastic bags
- 2027 Allowed Plastics
 - Plastic containers #1, #2, #5
 - No plastic bags
- We need “responsible end markets” for
 - #5 plastics
 - Thermoform plastics #1, #2, and #5

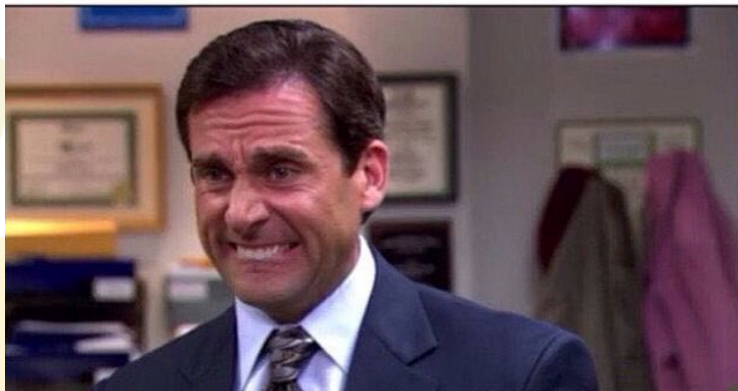
Previous Decisions & New Contracts:

Organics

- Currently Allowed Compostables
 - No plastic-coated paper
 - No compostable rigid plastics
 - Compostable plastic bags allowed
- 2027 Allowed Compostables
 - No change
- We may need to seek exemptions for
 - Plastic-coated paper
 - Compostable rigid plastics

Ongoing CMC List Updates

The CMC list is updated annually(!)



Legal Challenges

- **CA League of Food Producers et al. v. Bonta** (No. 3:26-cv-01675 (S.D. Cal. Mar. 17, 2026))
 - Challenges constitutionality of SB 343
- **CAW and NRDC v. Bonta** (filed?)
 - SB 54 regs not consistent with statutes
- **National Association of Wholesaler-Distributors v. Feldon** (Case No. 25-cv-1334-SI (D. Or. Feb. 6, 2026))
 - Challenges constitutionality of Oregon's packaging EPR law