



- SAN LUIS GARBAGE
- SOUTH COUNTY SANITARY
- MISSION COUNTRY DISPOSAL
- MORRO BAY GARBAGE

*Safety • Integrity • Service*

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South County Sanitary Services

Oceano CSD

Jeff Smith and Dane Johnson

# Recycling 101



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- How Recycling started
- AB939 – 1989
  - 50% diversion – the creation of recycling programs in CA
- AB341 – 2012
  - Goal of 75% diversion by 2020
  - Increased recycling mandates for commercial businesses
  - Beginning of organics collection programs
- China now receiving most of the US recyclables

# Recycling 101

## Worldwide



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- 2012 – Global Recycling Markets begin to stir
  - China begins to what appears to be market pricing manipulation for commodities creating market volatility
  - Global Markets are shaken
  - Mixed Paper is turned away
  - Cold Canyon Processing starts to prepare
- 2013/2014– China establishes the “Green Fence” initiative
  - Defines acceptable plastics
- 2017 – China begins a new campaign called the “China Sword”
  - Industry is changed forever

# Cold Canyon Process/ SCSS Respond



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- Sort line speed is cut almost in half
- Labor increased by 100%
- Work with IWMA
- SCSS created a recycle app to address “Wishful Recycling”
- SCSS attempting to hire a recycling educator
- Look for and promote innovative solutions like we did with the digester



# 2019 Update



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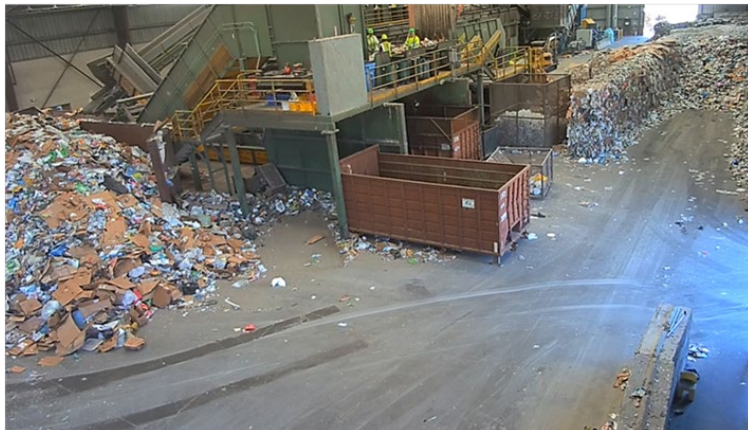


- Q4 of 2018 prices for some commodities dropped 60%
- Q1 2019 Commodity values decrease by another 34%
- Pricing and conditions are worse for recycling then when we started this rate case a year ago
- Contract Labor is up by \$800k since 2016
- Recycling residual at all time high of approx 30% costing \$100k per year due to “Wishful Recycling”

# 2019 Update - cont



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- Cost to maintain a 20 year old MRF has increased
- Commodity pricing is expected to get worse before they get better
- Market recovery is not expected until at least 2022
- For more info GOOGLE 'the state of recycling'

# Final thoughts



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- Our company remains strong and is committed to serving our community
- We are committed to doing the right thing, at the right time. We will not be throwing away recycling like some of our competitors have done
- We are committed to continue the work of building and developing relationships where recycling material can be processed at the lowest possible cost
- We are committed to innovation and the future keeping costs as low as possible



# Oceano Community Services District

## South County Sanitary Service Rate Review

June 26, 2019

**William C. Statler**

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review



# Report Purpose

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- Analyze rate request by SCSS for:
  - City of Arroyo Grande
  - City of Grover Beach
  - **Oceano Community Services District**
  - City of Pismo Beach
- Why jointly?
  - Same services
  - Same franchise agreements
  - Same rate review methodologies
  - Financial information closely related for each agency

# Findings

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- Complete application.
  - Four amendments after first submittal in September 2018.
  - Final application: March 28, 2019.
- Comprehensive level of service – curbside trash, recycling and green waste – at very competitive rates compared with similar communities.
- Need for updated rate-setting framework.

# Rate Recommendation

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- Approve SCSS request for 10.06% rate increase.
  - Compares with initial request of 13.36%.

# Single Family Residential Rates

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Container Size	Current	Proposed	Increase
32 Gallons	\$14.00	\$15.41	\$1.41
64 Gallons	20.13	22.16	2.03
96 Gallons	39.40	43.36	3.96

# Key Cost Driver

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- Ultimately resolved all concerns that surfaced in further analysis of proposed 2019 costs.
- Key Cost Driver: MRF Operations
  - Cost per ton increases from \$7.80 in 2017 to \$67.50 in 2019.
  - Annual cost increase of \$765,000.
  - Accounts for about half of proposed increase.
    - ❖ Market realities facing all recyclers: higher costs, lower revenues.
    - ❖ Higher costs of other alternatives.

# What's a reasonable return on these costs?

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- Allowable costs (operations and maintenance)
  - 8% operating profit
- Pass-through costs
  - Recovery but no profit
    - ❖ Landfill fees
    - ❖ Franchise fees
    - ❖ Related party transactions: rent, transportation, interest, MRF
- Excluded costs
  - No profit or recovery
    - ❖ Charitable and political contributions
    - ❖ Entertainment
    - ❖ Income taxes
    - ❖ Non-IRS approved profit-sharing plans
    - ❖ Fines and penalties
    - ❖ Limits on officer compensation

## Single Family Residential Monthly Trash Rates

	Container Size (Gallons)		
	30-40	60-70	90-101
Atascadero	\$26.49	\$41.56	\$52.18
Morro Bay	17.91	35.81	53.72
Paso Robles	32.33	42.41	46.81
San Luis Obispo*	14.49	28.99	43.48
Santa Maria	na	30.69	34.81
San Miguel	28.23	44.48	61.06
Templeton	28.72	41.15	45.67
<b>Requested: South County Sanitation Service Area</b>			
Oceano CSD	15.41	22.16	43.36

\* Under Review

# Conclusion

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- Costs are reasonable.
- Proposed rate increase meets “reasonable return” criteria.



# Questions?

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# Allowed Revenue Increase

Allowable Costs	9,014,178
Allowable Profit (8% Operating Ratio)	783,841
Pass-Through Costs	
Tipping Fees: Landfill	1,821,241
Tipping Fees: MRF	852,390
Franchise Fees	1,385,290
Related Party Costs	309,151
Total Pass-Through Costs	4,368,072
Allowed Revenue Requirements	14,166,091
Revenue without Rate Increase	12,991,486
Revenue Requirement Shortfall	1,174,605
Rate Base Revenue	12,973,924
% Change in Revenue Requirement	9.05%
Allowed Revenue Increase *	10.06%

June 26, 2019 Meeting Handouts

# Rate Application Review

Per the adopted methodology in  
the Franchise Agreements with  
SCSS

# Three Key Rate Review Factors

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- How much does it cost to provide required service levels?
- Are these costs reasonable?
- And if so, what is a reasonable level of return on these?

# Are costs reasonable?

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- Looked at costs from three separate perspectives
  - Detailed review of costs and changes by key cost components from 2017 to 2019
  - Comparison of cost increases with CPI
  - Rates in comparable communities

# 1 Key Cost Drivers

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- MRF operations
  - Increases by \$765,000
- Truck depreciation
  - Increases by \$370,000
- Green and food waste
  - Increases by \$265,000

# MRF Costs

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- Waste Connections believes MRF rates not subject to regulatory review.
  - Basis for setting these rates is proprietary and not subject to disclosure under the Franchise Agreements.
- But two key factors
  - Competitive rates.
  - Higher costs, lower revenues.

# MRF Options

Facility	Location	Per Ton Pricing			
		Process	Reload (If SLO)	Transport from SLO	All-In Cost
Cold Canyon Proc Fac	San Luis Obispo	\$67.50	\$0.00	\$0.00	\$67.50
Monterey Reg Waste Fac	Monterey	50.00	10.00	45.00	105.00
Burrtec	West Valley	57.50	10.00	45.00	112.50
Mid Valley Disposal	Fresno	67.50	10.00	40.00	117.50
Gold Coast Recycling	Ventura	77.44	10.00	40.00	127.44
Mid-State	Templeton	78.00	10.00	25.00	113.00
Tajiguas Landfill	Santa Barbara	160.00	10.00	30.00	200.00
Recology	Pier 96 (Bay Area)	190.00	10.00	45.00	245.00



# MRF Cost Drivers

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- Collapse of markets in China affects both costs and revenues.
  - Quality of recycled product needs to be higher (resulting in higher costs).
  - Price of recycled products is significantly lower.
- Reasonable to expect higher operating ratio when revenues are also at risk (especially in volatile markets).
- Answering “what’s reasonable?” is tough when the Rate Manual did not foresee this situation.
  - Key factor recommendation to update the Rate Manual.

# MRF Conclusion

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- Proposed cost is acceptable.
  - Higher costs and lower revenues undoubtedly faced by the MRF.
  - Most cost-effective option.
  - Lack of guidance in the Rate Manual.

# Truck Depreciation

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- New trucks cost \$430,000 each
  - \$61,400 annually
- Proposed increase reflects the replacement of six trucks
  - \$370,000 annually
- Foreshadowed in 2015 report.
- Likely to be factor again 3 years from now.

# Green and Food Waste

- Cost per ton increases from \$36.97 to \$51.44
  - On target with estimates and reason for 20-year term extension in 2016.
- Key factor: accounting for excess capacity.

Current Agency Use (Delivered Tons)	25,000
Reserve for Cold Canyon	3,000
Total	28,000
Capacity	34,000
Excess (Reserve) Capacity	
Tons	6,000
Percent	24.0%

## ② Cost of Living Index

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- U.S. CPI-U increased by 4.4% over the past two years.
- Excluding detailed review of cost drivers, SCSS costs increase by 1.4%.

# 3 Cost Comparison

- Very competitive rates compared with similar communities.
- Among the lowest surveyed.

<b>Single Family Residential Monthly Trash Rates</b>			
	Container Size (Gallons)		
	30-40	60-70	90-101
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# Summary

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- Costs are reasonable.
- Proposed rate increase meets “reasonable return” criteria.

# Rate History

**2.75% annual increase**

Year	Review Type	% Increase
2005	Base Year	5.60%
2006	Interim Year	3.09%
2007	Interim Year	3.76%
2008	Base Year	3.00%
2009	Interim Year	0.00%
2010	Interim Year	0.00%
2011	Interim Year	0.00%
2012	Interim Year	5.15%
2013	Base Year	3.20%
2014	Interim Year	2.05%
2015	Interim Year	0.00%
2016	Base Year	3.25%
2017	Interim Year	1.10%
2018	Interim Year	1.60%
2019	<i>Base Year</i>	<del>10.06%</del>

June 26, 2019 Meeting Handouts



# Three Year Rate Review Cycle

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- **Base Year.** The first year of the cycle - *Base Year* - requires comprehensive, detailed analysis of revenues, expenses and operating data
  - Last “base year” analysis completed in December 2015
  - This is a “base year” review
- **Interim Years.** In second and third years, SCSS is eligible for *Interim Year* rate adjustments that address three key change factors
  - Consumer price index (CPI)
  - “Pass-through costs” (primarily landfill fees)
  - Adjustment for franchise fees

5-20-2019

MAY 28 REC'D

Attention: Oceano Community Service District  
Secretary of the board

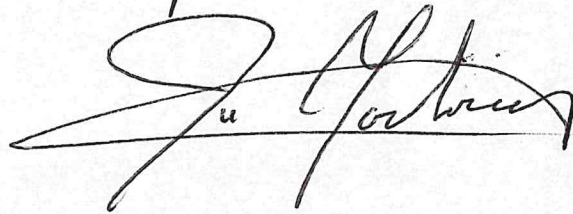
As the property owner of 1992  
24<sup>th</sup> Street Oceano, I protest the 10.06  
Percent increase for South County Sanitary  
Service. Ten Percent is ridiculous increase.

Why is it all of the sudden rates  
need to be increased by so much?

Personally I feel it is mismanagement  
by who ever is in charge. Rates should  
only be increased slowly over a ten  
year period. You need to streamline  
your operation and live within your current  
budget like the rest of the citizens  
in Oceano. We can not increase our  
wages to compensate for your mismanagement

This is why people are exiting California.  
The government beurocragy is out of controll  
and tax and raise fees every chance they  
get. There fore I disagree with your  
rate increase and object to any further  
rate increases

Sincerley

A handwritten signature in cursive script, appearing to read "Ju Fortuna". The signature is written in black ink and is positioned below the word "Sincerley".



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

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**Date:** June 26, 2019

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

**Via:** Paavo Ogren, General Manager

**Subject:** **Agenda Item # 10B:** Consideration of recommendations to adopt resolutions approving the Fiscal Year 2019-20 Preliminary Budget and the Fiscal Year 2019-20 Appropriation Limitation and to set August 28, 2019 as the date of the public hearing to consider the adoption of the 2019-20 Final Budget.

## Recommendation

It is recommended that your Board:

1. Adopt the attached resolution approving the 2019-20 Preliminary Budget
2. Adopt the attached resolution determining the 2019-20 Appropriations Limitation
3. Set August 28, 2019 as the date for a public hearing for your Board to consider adoption of the 2019-20 Final Budget

## Discussion

At your Board meeting of June 12, 2019, your Board provided direction on the preparation of the Preliminary Budget for Fiscal Year (FY) 2019-20. Attached is the District's preliminary 2019-20 Budget. The worksheets have been designed to include the following:

- ✓ Budget Narrative
- ✓ Actual FY 2014-15 through FY 2017-18
- ✓ Estimated current year 2018-19
- ✓ Proposed 2019-20 Budget

## Proposed Budget Workshop Estimates

Subsequent to your Board meeting on June 12<sup>th</sup>, adjustments were made to the Preliminary Budget from the Proposed Workshop Budget based on Board direction:

- Increase to Salaries and Wages in the Enterprise Funds to transition the Utilities Supervisor to salary and create the Lead Operator position.



# Oceano Community Services District

Board of Directors Meeting

- Five Cities Fire Authority FY 2019-20 Oceano CSD reimbursement increased by \$75,765 from \$1,062,383 to \$1,138,148 based on the second amendment to the joint exercise of powers agreement.

The table below summarizes changes in operation surplus/(deficit) to the funds:

Fund	Workshop 2019-20	Preliminary 2019-20	Change
General Fund	\$ (73,907)	\$ (149,672)	\$ (75,765)
Water Fund	(503,455)	(516,455)	(13,000)
Sewer Fund	34,679	29,679	(5,000)
Garbage Fund	15,771	13,771	(2,000)
<b>Total</b>	<b>\$ (526,902)</b>	<b>\$ (622,677)</b>	<b>\$ (95,775)</b>

## Appropriation Limitations

Article XIII(b) of the California State Constitution was approved by voters in November 1979 and places limits on the level of appropriations from tax sources that are permitted in any given year. The limitation is modified every year for increases in population and per-capita income.

For fiscal year 2019-20 the appropriation limitations for fiscal year 2018-19 will be restated as \$2,304,845. The table below provides a three year illustration of the appropriation limitation calculation:

	FY 2017/18 -	FY 2018/19 - Restated	FY 2019/20
Previous Fiscal Year Limitation	\$ 2,124,217	\$ 2,209,823	\$ 2,304,846
Ratio of Change	1.0403	1.043	1.044
Appropriation Limitation	\$ 2,209,823	\$ 2,304,846	\$ 2,406,259
Appropriations Subject to Limitation	\$ (935,000)	\$ (997,150)	\$ (1,050,721)
Appropriations Under Limit	\$ 1,274,823	\$ 1,307,695	\$ 1,355,538

**Note:** The 2018/19 appropriation limitation was restated since it was originally calculated based on the 2017/18 amount of \$1,274,823, which is the "Appropriation Under Limit" rather than the \$2,209,823, which was the 2017/18 Appropriation Limitation.

## Other Agency Involvement

The County Auditor is provided a copy of the District's annual budget once approved. Numerous other agencies are involved in the development of the District's budget including the Five Cities Fire Authority and the County of San Luis Obispo.



# Oceano Community Services District

Board of Directors Meeting

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## Other Financial Considerations

The proposed preliminary budget for FY 2019/20 includes \$4,160,221 in revenues, \$4,749,876 in expenditures, and ~~\$582,274~~582,001 in fund balance available from current year budget savings for a net ~~surplus~~ deficit of ~~\$7,654~~88,384. The current year budget savings were generated to specifically help cover the anticipated FY 2019/20 ~~Water Fund~~ operating deficit of ~~\$589,655~~493,890. Details are covered in the narrative section of the attached budget including details associated with each fund. Most significantly, the Water Fund has been impacted by increases in State Water costs, increases in administrative overhead charges (which have correspondingly decreased Wastewater Fund administrative costs), and shortfalls in revenues that have resulted from overall community conservation efforts.

The accounting close-out for the current FY 2018-19 year will be substantially completed before the adoption of the Final FY 2019-20 Budget in August 2019, at which time the detailed update on reserves can be provided for Board consideration. Overall, an increase in reserves for FY 2019-20 from \$3,319,414 to ~~\$3,407,798~~3,311,760 is estimated based on the net budget ~~deficit~~surplus of ~~\$88,384~~7,654.

## Results

Reviewing and adopting the 2019-20 Preliminary Budget is required by State statute prior to June 30, 2019 and helps to ensure that the financial management of the District promotes a well governed community.

Attachments:

- Resolution Adopting the 2019-20 Preliminary Budget
  - 2019-20 Preliminary Budget
- Resolution Adopting the 2019-20 Appropriation Limitation

**Oceano Community Services District**  
**Preliminary Budget**  
**Summary of Changes from Budget Workshop**

<b>Fund</b>	<b>Workshop 2019-20</b>	<b>Preliminary 2019-20</b>	<b>Change</b>
General Fund	\$ (73,907)	\$(149,672)	\$ (75,675)
Water Fund	(503,455)	(516,455)	(13,000)
Sewer Fund	34,679	29,679	(5,000)
Garbage Fund	15,771	13,771	(2,000)
<b>Total</b>	<b><u>\$ (526,902)</u></b>	<b><u>\$ (622,677)</u></b>	<b><u>\$ (95,775)</u></b>
<b>Equipment Fund Surplus</b>	<b>\$ 4,032</b>	<b>\$ 4,032</b>	
<b>Equipment Fund Revenues</b>	<b>28,980</b>	<b>\$ 28,980</b>	
<b>Net Deficit</b>	<b><u>\$ (493,880)</u></b>	<b><u>\$ (589,655)</u></b>	<b><u>\$ (95,775)</u></b>
<b>Use of FBA</b>	<b>\$ 582,274</b>	<b>\$ 582,001</b>	<b>\$ (273)</b>
<b>Use of Reserves</b>		<b>7,654</b>	<b>7,654</b>
<b>Additions to Reserves</b>	<b>(88,384)</b>		<b>88,384</b>
<b>Total</b>	<b>\$ 493,880</b>	<b>\$ 589,655</b>	<b>\$ 95,775</b>

# OCEANO COMMUNITY SERVICES DISTRICT

Budget Workshop  
Fiscal Year 2019/2020





BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Workshop Objectives

- Review of the overall General Fund and Enterprise Funds
- Review of fund budgets
- Review of significant items

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Overall Budget - General Fund

- General Fund budgeted revenues decreases from \$2,460,521 to \$2,356,205
  - Property taxes & misc. increase from \$998,690 - \$1,050,721
  - Decrease in grants
  - Slight decreases in administrative cost reimbursements from \$1,170,391 to \$1,145,929

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Overall Budget - General Fund

- General Fund budgeted expenditures increases from \$2,406,070 to \$2,423,437
  - Fire Fund expenditures increase from \$1,058,690 - \$1,185,089
  - Slight decreases in administrative costs

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Overall Budget - General Fund

- General Fund deficit = \$90,942
- Deficit results from FCFA budget and “transitional” funding formula
- General Fund reserves decrease from \$626,540 to \$535,598

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Fire Fund – Significant Items

- Implementation of FCFA Strategic Plan
- Transitional Funding Formula
- FY 2020/21 will be based on new funding formula if special tax passes
- FY 2020/21 will be based on transitional funding formula if special tax does not pass
- OCSD will cease to be a member of FCFA 6/30/2021 if special tax does not pass

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Other General Fund Budgets

- Lighting Fund has no significant changes
- Facilities Fund has no significant changes
  - Rental Income from County Sheriff continues to repay wastewater fund loan through 2022/23
  - Bids due for Emergency Generator installation on July 2, 2019

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Overall Budget – Enterprise Funds

- Enterprise Fund budgeted revenues decreases from \$3,516,201 to \$2,949,945
  - Service charges and system revenues decrease from \$2,990,249 to \$2,949,945 based on decreases in estimates for water sales revenues
  - Decrease in grants – although...
    - ✓ \$452,000 is anticipated for design and construction of water system improvements although not yet included in the budget



BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Overall Budget – Enterprise Funds

- Enterprise Fund budgeted expenditures decreases by \$585,275 (15%) from \$4,037,643 to \$3,452,368
  - Decrease in Capital Outlay \$588,892



BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Water Fund – Significant Items

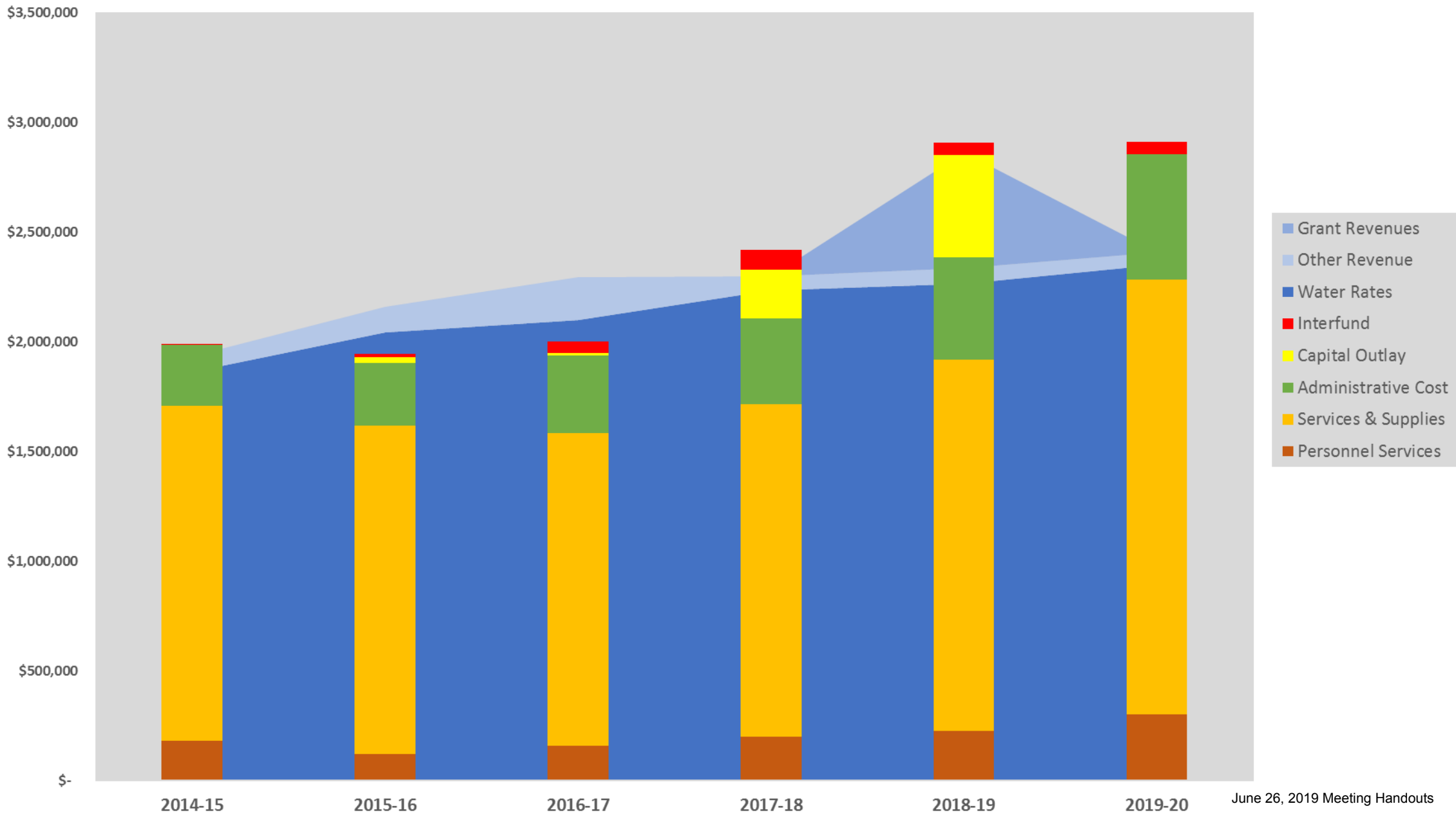
- Revenue shortfall from water conservation successes causes a decrease in estimates
- Increase in State Water costs
- Administrative Cost Allocation increased from 45% to 60%

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Water Fund – Significant Items

- Estimated budget deficit = \$503,456
- Available funding from current year budget savings = \$321,316 (64%)
- Reduction in reserves = \$182,139; decreasing from \$1,406,193 to \$1,224,054
- Need for rate analysis in 2019/20 to address operating and capital costs.

# WATER FUND REVENUES AND EXPENDITURES

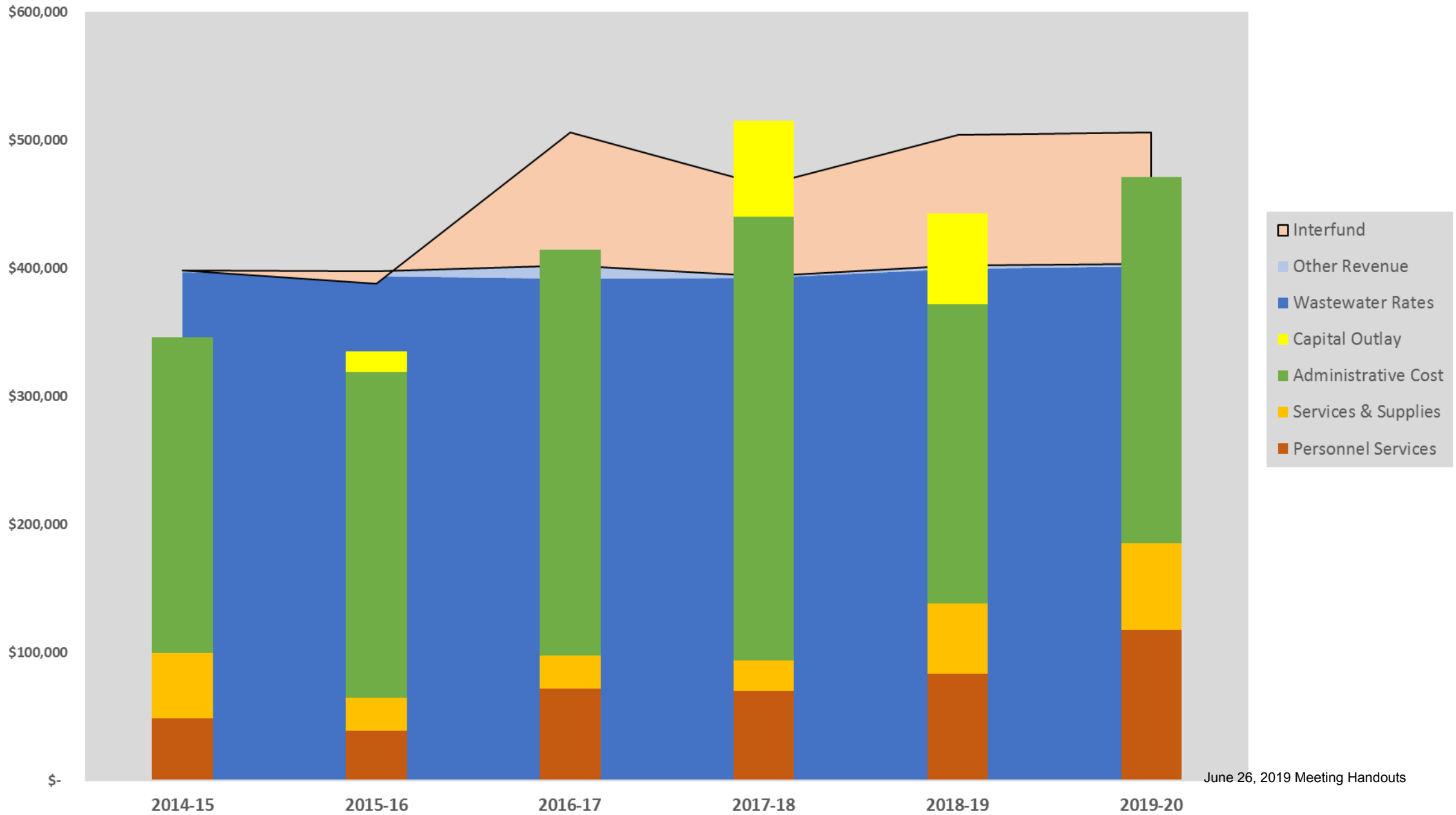


BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Wastewater Fund – Significant Items

- Budget includes a surplus of \$34,679
- Without interfund transfers in of \$113,940, a deficit of \$67,716 would otherwise exist
- Interfund Transfers end 2022/23
- Need for capital improvements and associated revenues needed in next two fiscal years.

### WASTEWATER FUND REVENUES AND EXPENDITURES



BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Other Enterprise Funds

- Garbage Fund has no significant changes
  - Reserves are approximately \$325,000
  
- Equipment Fund has no significant changes
  - Reserves are approximately \$25,000

BUDGET  
WORKSHOP  
FISCAL YEAR  
2019/2020

## Enterprise Fund - Other Items

### ➤ Existing Positions

- 4.0 FTE Field Crew
- 3.6 FTE Office Staff
- 1.0 General Manager

### ➤ Consideration of Change

- Utilities Supervisor/ Project Manager
- Lead Operator
- Maintain 4.0 FTE for Field

**From:** [Janine Kennel Rands](#)  
**To:** [Oceano CSD GMgr; Director Replogle; carey@oceanocsd.org](#)  
**Subject:** Fwd: IWMA Polystyrene Ordinance Mtg letter of support July 10  
**Date:** Tuesday, June 25, 2019 2:52:43 PM  
**Attachments:** [IWMA Action letter JR.docx](#)  
[June 2019 FPS Ordinance Count and Type.pdf](#)

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Dear Oceano CSD

I hope that you are aware that the IWMA will be addressing Polystyrene on July 10. As representative of SLO Foam Free, I have solicited support for this from constituents all over SLO County who have helped work on the ordinances for San Luis Obispo, Morro Bay, Pismo Beach, Arroyo Grande and Grover Beach.

We need each CSD to also be aware of this, and hope that we can have your support. I am soliciting your support, and hope that **you can attend the IWMA Board Mtg on July 10 at 1:30, at the Gov Center, 1055 Monterey St.** The Executive Board meets Wed 26th at noon. If you could get a letter off by tomorrow morning, before the meeting, that would be awesome.

The IWMA is also hoping that **people send in letters of support before the July 10 meeting.** Would you take the time to write to the Board? See my attached letter with details.

I'm also attaching the most recent list of CA cities with Polystyrene ordinances. It is exciting to see the increase in cities working on this important environmental issue. Since we first started working on Polystyrene in 2014 there were 70 CA cities with an ordinance; now there are 120 on the list. SLO County will become the seventh CA County to have an ordinance. We are urged to do this, not only for the environment, marine and wildlife, our rivers and oceans, but to follow the CA State guidelines of curbing single-use disposables and plastic packaging. (SB 54/AB1080)

Sincerely

Janine Rands  
Chair  
SLO Foam Free  
San Luis Obispo



**June 21, 2019**

IWMA Board of Directors

I am Janine Rands and represent SLO Foam Free as the Founder and Chair in San Luis Obispo County. Our grassroots group has worked on polystyrene ordinances in each of our incorporated cities since January 2014. We are proud of helping five of our cities adopt a comprehensive ordinance to curtail the use of expanded Polystyrene (EPS) in all retail stores, food businesses and mailing centers. Those cities are: San Luis Obispo (6/2015), Pismo Beach (12/2015), Arroyo Grande (2/2016), Morro Bay (2/2016), and Grover Beach (1/2018).

We reached the goal of getting five cities in SLO County to adopt this ordinance to have the support of the majority of our cities to approach the IWMA for a county-wide ordinance. The ordinances deal with just expanded polystyrene in restaurant use and retail sales, which is only part of the problem. Our goal to stop EPS has shown a radical reduction in EPS trash, but with it being available in all the unincorporated towns, Paso Robles and Atascadero, the problem continues. Since our first work with the City of SLO in April 2014, we have learned a lot and much has happened in the world of plastics.

**The Problem:** Toxic issues from plastics are entering our food, air and water. Every piece of plastic ever produced still exists in our landfills or in the environment (SB 54). Before 2017, the **United States was sending 4,000 shipping containers a day full of American waste to China every year, including two-thirds of California's recyclable materials.** After China closed the gate to taking the world's dirty plastics effective January 1, 2017, local governments have to absorb this problem. The State of California says that about 9% of plastics are recycled today. Where is the remainder going? California taxpayers and local governments spend over \$420 million annually in efforts to clean up and prevent litter in streets, storm drains, parks and waterways. In addition, we need to use language identifying PS correctly to write a good and clear ordinance. Manhattan Beach and Malibu have excellent ordinances that we should consider with similar geographic conditions.

**REQUESTS TO THE EXECUTIVE BOARD** (in addition to our current ordinances) with the goal to reduce waste from single-use packaging and plastic disposable items:

We ask for these additional points - these are already implemented in at least CA 12 cities:

- Remove the exemption of foam meat trays and egg cartons;
- Include restrictions to "rigid" polystyrene - plastic cutlery, straws, stirrers, lids
- Add Marine buoys and all flotation devices be encapsulated to prevent PS toxins to rivers, lakes and ocean marinas.
- Add "PFAS", the waxy moisture barrier inside paper containers: "Perfluoroalkyl and Polyfluoroalkyl Substances" are extremely persistent chemicals in the environment, ground water and human body - meaning they don't break down and accumulate over time. Exposure to PFAS is linked to adverse human health effects.

We are asking you for a tough approach to stop single-use disposable plastics, packaging (SB54/AB1080), EPS leaking into the marinas and lakes and the toxic PFAS. Let's be bold and have an ordinance to address these issues. Together we will all work for the environment.

Sincerely,

Janine Rands  
Chair - SLO Foam Free  
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## CALIFORNIA JURISDICTIONS WITH EXPANDED POLYSTYRENE ORDINANCES (120)

### Full Retail (26)

Arcata	Malibu	Pismo Beach	Santa Cruz (County)
Arroyo Grande	Manhattan Beach	Richmond	South Lake Tahoe
Capitola	Morro Bay	San Diego	South Pasadena
Carpenteria	Mountain View	San Francisco	Sunnyvale
Culver City	Ojai	San Luis Obispo	Watsonville
Grover Beach	Palo Alto	Santa Barbara	
Los Altos	Pasadena	Santa Cruz (City)	

### Restaurants (80)

Alameda	Fairfax	Menlo Park	San Mateo (City)
Alameda County	Fort Bragg	Mill Valley	San Mateo (County)
Albany	Foster City	Millbrae	San Pablo
Avalon	Fremont	Milpitas	San Rafael
Belmont	Gonzales	Monterey City	Santa Clara (City)
Berkeley	Greenfield	Monterey County	Santa Clara (County)
Brisbane	Half Moon Bay	Morgan Hill	Santa Monica
Burlingame	Hayward	Newport Beach	Sausalito
Calabasas	Hercules	Novato	Scotts Valley
Campbell	Hermosa Beach	Oakland	Seaside
Carmel	Imperial Beach	Pacific Grove	Solana Beach
Colma	Lafayette	Pacifica	South San Francisco
Concord	Laguna Beach	Pleasanton	Ukiah
Cupertino	Livermore	Portola Valley	Union City
Daly City	Long Beach	Redwood City	Walnut Creek
Dana Point	Los Altos Hills	Salinas	West Hollywood
Davis	Los Gatos	San Bruno	Yountville
Del Ray Oaks	Marin County	San Carlos	
El Cerrito	Marina	San Clemente	
Emeryville	Martinez	San Jose	
Encinitas	Mendocino County	San Leandro	

### Government Facilities (14)

Aliso Viejo	Los Angeles City	Pittsburg	Sonoma (County)
Huntington Beach	Los Angeles County	Rancho Cucamonga	Ventura County
Laguna Hills	Monrovia	San Juan Capistrano	
Laguna Woods	Orange County	Sonoma (City)	