



**Agriculture, Environment and Natural Resources Policy
Committee**
CSAC Legislative Conference
Thursday, May 19, 2016 · 10:45 a.m. – 12:10 p.m.
Hyatt Regency, Room A
1209 L Street, Sacramento, CA

Supervisor Diane Dillon, Napa County, Chair
Supervisor Pam Giacomini, Shasta County, Vice-Chair

- 10:45 a.m.** **I. Welcome and Introductions**
Supervisor Diane Dillon, Napa County, Chair
Supervisor Pam Giacomini, Shasta County, Vice-Chair
- 10:50 a.m.** **II. Report from the Bureau of Medical Marijuana
Regulation**
Lori Ajax, Chief, Bureau of Medical Marijuana Regulation
- 11:10 a.m.** **III. The State of our Forests: Update and Discussion of the
Governor’s State of Emergency on Tree Mortality**
*Matthew Reischman, Assistant Deputy Director of Resource
Protection, CAL Fire*
- 11:25 a.m.** **IV. California WaterFix Project: Delta Tunnels Proposal**
Janelle Beland, Undersecretary, Natural Resources Agency
- 11:45 a.m.** **V. Climate Change and Waste Management: Super
Pollutants, Waste & Recycling**
Cara Martinson, CSAC Legislative Representative
Supervisor Doreen Farr, Santa Barbara County
- 12:00 p.m.** **VI. AENR Legislative and Budget Update**
Karen Keene, CSAC Senior Legislative Representative
Cara Martinson, CSAC Legislative Representative
- 12:10 p.m.** **VII. Closing Comments & Adjournment**
Supervisor Diane Dillon, Napa County, Chair
Supervisor Pam Giacomini, Shasta County, Vice-Chair

Attachment One

Climate Change and Waste Management: Super
Pollutants, Waste & Recycling

May 9, 2016



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To: CSAC Agriculture, Environment & Natural Resources Policy Committee
From: Cara Martinson, CSAC Legislative Representative

RE: Climate Change and Waste Management: Super Pollutants, Waste & Recycling

Background. The Legislature and regulatory agencies are currently contemplating a new requirement that would increase the amount of organic material we divert from our landfills in order to reduce the amount of methane emissions from the waste sector in California. Methane gas is considered a Short Lived Climate Pollutant (SLCP) . which includes black carbon, methane and hydrofluorocarbon gases . and is one of the most significant gases that contribute to the human enhancement of the global greenhouse effect after CO2.

There are two similar proposals moving through both the Legislature and the regulatory process at the California Air Resources Board that would seek to limit the amount of SLCPs we omit in California, including methane emissions. These proposals will significantly impact local governments, as cities and counties manage the flow of waste in California and are required to recycle and divert materials out of our landfills

Existing Law. California currently has a 75% statewide goal to reduce waste through recycling, and composting by 2020. That is, of the material that is intended for disposal, we will reduce, reuse or recycle 75% and the remaining 25% will be put in a landfill. In addition, there are existing laws . AB 341 (Chesbro) Chapter 476, Statutes of 2011 & AB 1826 (Chesbro) Chapter 727, Statutes of 2014 . that require commercial businesses to recycle both bottles and cans and organic waste. The state has mandated commercial organics recycling to achieve a 50% reduction in disposal of organics by 2020. Local governments are required to develop organic waste recycling programs on and after January 1, 2016, to divert organic waste generated by businesses. In addition, cities and counties are working with the waste hauling and management community to ensure that there is adequate capacity at recycling facilities to handle this portion of the waste stream.

Policy Proposals. The California Air Resources Board (CARB) has proposed a strategy to further reduce methane emissions from the waste sector, through a Short-Lived Climate Pollutant strategy. This strategy, relative to the waste sector, adds upon existing mandates to develop a regulation by 2018 to effectively eliminate the disposal of organic material in landfills by 2025. Similarly, Senator Ricardo Lara has proposed a bill this year, SB 1383, which would require, among other things, a 40% reduction in methane emissions in California by 2030. These proposed mandates are in addition to existing diversion targets for organic materials. Organic waste such as green materials and food materials are recyclable through composting and mulching, and through a process called anaerobic digestion, a method that breaks down organic waste to generate electricity and heat, or into renewable natural gas and transportation fuels. These new requirements would add additional pressure on local governments to develop the necessary infrastructure to process this waste.

Building a New Organics Infrastructure. To place these new requirements in perspective, in the last 20 years, California has about 13 active anaerobic digestion (AD) facilities and 169 active composting facilities. CSAC and our coalition of local government and industry partners have calculated that at least 135-150 new facilities must be financed, sited, permitted, and built in the next four years to achieve the CARB Draft Strategy's target of 75 percent organics diversion by 2020. Additional 100-150 facilities must be added in the following five years to achieve the 90 percent target by 2025.

On average, it takes a minimum of five years to finance, site, and permit and build an AD facility. In addition, it is extremely difficult to permit a new composting facility within urbanized areas. Thus, we have strong concerns that we will not be about to build enough organics recycling capacity in this truncated timeframe without historic and monumental changes to local siting processes, permitting, and CEQA.

We estimate the total cost to develop the infrastructure necessary to handle additional organics recycling to be around \$1.35 billion in the next four years. This does not include the substantial additional costs to collect, process, and deliver the organics to the facilities. We are concerned that the CARB's draft strategy and any similar legislative proposals do not identify the source(s) of this funding or how the money will be raised in such a short time.

Recommendation. CSAC will continue to work as part of a coalition of local governments and industry partners to express our concerns with the proposed legislative and regulatory measures. We will also support funding to assist with the development of organics management infrastructure.



Attachment Two

Santa Barbara County Resource Recovery Project Overview



THE RESOURCE RECOVERY PROJECT

The Santa Barbara County Department of Public Works, in collaboration with the cities of Santa Barbara, Goleta, Solvang and Buellton, is proposing to develop a **Resource Recovery Project** that would process municipal solid waste (MSW) currently disposed at the County owned and operated Tajiguas Landfill. This Project would include the following facilities:

1. **Materials Recovery Facility (MRF)** – this facility would serve a population of 210,000 residents and process ~200,000 tons of MSW annually into three streams:
 - a. **Recyclables** – that would be separated, baled and sold for reuse
 - b. **Organics** – that would be recovered for processing in the Anaerobic Digestion Facility
 - c. **Residue** – materials left over are landfilled. This is expected to be less than 40% of the total amount brought to the facility annually.
2. **Anaerobic Digestion (AD) Facility** – this facility would convert all organics recovered from the MSW into compost, soil amendment, and biogas.
 - a. **Compost and soil amendment products** would be marketed and used locally.
 - b. **Biogas** would be converted at a power plant into electricity.

Mustang Renewable Power Ventures has identified Diani Building as the primary construction contractor, Van Dyk Recycling Solutions as the MRF equipment provider, MarBorg Industries as the MRF operator, BEKON as the technology provider for the AD facility, and Nursery Products as the operator of the AD facility.

Project Benefits

- **Long Term Solution** 20-year waste management plan (meets CalRecycle’s 15-year disposal capacity requirement).
- **Greenhouse Gas Reduction** - calculated reduction of over 110,000 MTCO₂E (Metric Tons Carbon Dioxide Equivalent) a year. This is equal to more than 24,000 passenger vehicles on the road annually. Locally, this project could be the single largest reducer of GHGs and the biggest help toward achieving AB 32 requirements (State mandated GHG reductions to pre-1990 levels by 2020) and each jurisdiction’s state mandated Climate Action Plan.
- **Generates 1 megawatt of renewable energy** and helps region achieve SBX1 2 requirements (33% of statewide energy production from renewable sources by 2020).
- **Increases region’s recycling rate** from over 70% to over 85% (meets AB 341 goal of 75% in 2020 and mandatory commercial recycling).
- **Processing of organics**, which is 30% of the waste received at the facility, will allow the region to meet the requirements of AB 1826 which requires processing of organics collected from large commercial customers.

- **Local Economic development** including 40 construction jobs and 56 permanent jobs related to operations of the facilities.
- **Cost-effective** Similar cost to landfilling alternatives which do not provide the environmental benefits.

Statewide Trends

There are 23 commercial/full scale projects across the state currently tracked by CalRecycle that use Anaerobic Digestion to process organic waste. Eight of them are in full operation. The project most similar to ours, which is exclusively using MSW as a feedstock, can be found in the City of San José. (<http://www.calrecycle.ca.gov/Organics/Conversion/adproj0414.pdf>)

Comprehensive Community Dialog

There have been over one hundred twenty-five (125) presentations on this project since its initiation to a broad base of stakeholders that include:

- Environmental and Advocacy Organizations
- Business Groups
- City Councils and Board of Supervisors
- Professional Organizations
- Neighborhood Associations
- Regulatory Agencies
- Public Official Forums

Feedback from stakeholders has been incorporated consistently throughout this process. Key input has been used during the development of project goals as well as the actual components of the project as defined in the Project Description.



Additional Information

Project website: www.ResourceRecoveryProject.com

Project EIR: <http://resourcerecoveryproject.com/pages/downloads/environmental-documents.php> or

Project Coordinator Carlyle Johnston (805) 882-3617 or cjohnst@cosbpw.net

Attachment Three
CSAC AENR Legislative and Budget Update



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May 5, 2016

To: CSAC Agriculture, Environment & Natural Resources (AENR) Policy Committee
From: Karen Keene, CSAC Senior Legislative Representative
Cara Martinson, Legislative Representative
Re: **CSAC AENR Budget and Legislative UPDATE**

Policy Issues

Medical Marijuana. Last year, the Governor signed into law three measures that collectively established the Medical Marijuana Regulation and Safety Act (MMRSA): AB 243 (Wood, Chapter 688, Statutes of 2015); AB 266 (Bonta, Chapter 689, Statutes of 2015); and, SB 643 (McGuire, Chapter 719, Statutes of 2015). MMRSA establishes a regulatory framework for the cultivation, manufacturing, transport, distribution, sale and product safety of medical marijuana.

The various state agencies involved in developing MMRSA regulations are starting to develop their plans for implementing the required regulations. Given the impact of MMRSA's implementation on counties, CSAC, the Rural County Representatives of California (RCRC) and the Urban Counties of California (UCC), have initiated a dialogue with the new Bureau of Medical Marijuana Regulation (Bureau), Department of Consumer Affairs, the Department of Food and Agriculture and the Department of Public Health to ensure that counties remain an active partner throughout the Act's regulatory process. To date, these entities have committed to working closely with counties as the regulatory process moves forward.

Over the past few weeks, the Bureau's chief, Lori Ajax and staff conducted listening sessions throughout the State to provide information to the public about the Bureau and the regulatory process. The Bureau also held separate meetings with city and county officials to discuss the implementation of the Medical Marijuana Regulation and Safety Act. These local government meetings aimed to provide cities and counties with an opportunity to connect with the Bureau and voice concerns or priorities for successful implementation. During the Sacramento meeting, Ms. Ajax emphasized the Bureau's commitment to rely heavily on feedback provided by local government.

Water and Flood Control Infrastructure Funding - Article X Amendment. Last year, CSAC, the League of California Cities (the League) and the Association of California Water Agencies (ACWA) filed an initiative with the Attorney General (AG) that proposed an amendment to the Constitution that would have created a new, optional funding method that local agencies could use to fund local stormwater services and flood control projects, and establish conservation-based water rates or lifeline rates to assist low-income customers. The proposal ensured that any local agency that utilized this optional funding method would be required to adhere to strict accountability, transparency and ratepayer protections.

Unfortunately, the final Title and Summary issued by the AG was not what we hoped for as the first sentence described the alternative procedure as one that allows local governments to impose fees %without voter approval.+ The follow-up polling results showed that the Title and Summary failed to get majority support, and that opposition exceeded support. In addition, the phrase %without voter approval+undercut other positive elements of Title & Summary. The polling consultants concluded that passing the current measure would be exceedingly difficult even with a superior funding advantage. Given the poor polling results, CSAC, the League and ACWA will not be moving forward with this proposal in 2016. However, we will continue the dialogue with each other, the larger coalition and our respective members regarding other viable options and strategies.

Sustainable Groundwater Management Act (SGMA). In accordance with the Sustainable Groundwater Management Act (SGMA), the Department of Water Resources (DWR) is in the process of developing emergency regulations for evaluating and implementing Groundwater Sustainability Plans (GSPs) and alternatives to GSPs.

CSAC and RCRC filed a joint comment letter on the Draft GSP regulations to DWR encouraging them to maintain flexibility and clarity in the final regulations. The comments offered were based upon the feedback provided by the CSAC and RCRC County SGMA Working Group. The general tenor of the comments indicate a sentiment that the draft regulations are overly prescriptive and would add unnecessary complexity and increased costs on local Groundwater Sustainability Agencies (GSAs) in the development of GSPs. RCRC and CSAC urged DWR to reevaluate the draft regulation and ensure that requirements beyond those that are required in statute are imposed only where there is sufficient justification to do so. We also recommended that the regulations be revised to reflect DWR's deference to the judgement and expertise of the local GSA's absent a reason to do otherwise. The CSAC and RCRC comment letter is available on the CSAC webpage and [at this link](#). Details regarding the Draft GSP Emergency Regulations are available on the [DWR website](#). DWR plans to issue the final draft before the end of May.

Tree Mortality. CSAC has been working with the Administration and stakeholders to implement the Governor's Executive Order on tree mortality. As part of the Governor's Task Force, CSAC is playing an active role coordinating state agency activities to help facilitate assistance at the local level. We are currently working on increasing public awareness of the issue and support within the legislature through our media team's efforts to develop a video highlighting the significance of the issue and the need for additional resources to help manage this crisis situation. CSAC is actively supporting the Governor's proposed funding plan through his cap and trade allocation for healthy forests. In addition, we are advocating for additional local assistance, regulatory relief and assistance with outreach and coordination efforts in order to effectively limit the public health and safety risk from dead and dying trees.

Solid Waste Management. CSAC has been actively engaged in discussions related to reducing emissions from Short Lived Climate Pollutants (SLCP) and more specifically, emissions reductions from methane gas and the waste sector. Staff is working on both legislative and regulatory efforts that would increase diversion targets for organic materials from landfills. We are working with a coalition of local government and industry partners to highlight our concerns with additional diversion mandates, lack of resources and siting, permitting and CEQA challenges. Negotiations and discussions surrounding

an increase to the state's solid waste disposal fee have stalled, for the most part. However, we continue to work with our partners at Cal Recycle to develop a proposal for a sustainable funding source for waste management activities and infrastructure development.

Top Bills

Waste Management

SB 1383 (Lara) – This bill seeks to reduce emissions from Short Lived Climate Pollutants (methane, black carbon, F-gasses). SB 1383 would require a 40% reduction in methane by 2030. In addition SB 1383 would require a reduction in hydrofluorocarbon gases by 40% and anthropogenic black carbon by 50% below 2013 levels by 2030. CSAC has a concerns position on this bill as we believe it would result in increased organic waste diversion from our landfills without adequate resources or time in which to develop the necessary infrastructure to handle this portion of the waste stream. SB 1383 is currently on the Senate Appropriations Suspense File.

AB 45 (Mullin) – This bill seeks to improve the collection of household hazardous waste (HHW). AB 45 would require Cal Recycle to model ordinances for the collection of HHW, and would allow industry to set up non-profits to help fund outreach and education efforts. While the bill in print has laudable goals, CSAC is concerned with the potential for local pre-emption of pharmaceutical take-back programs, such as the program in Alameda County. CSAC opposes the role outlined for manufactures in this bill. We believe that industries that profit from these hard to manage products should have a significant stake in their proper management and disposal. While this is the bill that is currently in print, CSAC has been in communication with the author's office and we do anticipate additional amendments. AB 45 is currently referred to the Senate Environmental Quality Committee and will most likely be set for hearing in the early summer.

Groundwater

SB 1317 (Wolk) – This measure would require cities and counties that have overly high and medium priority basins to establish a process for the issuance of conditional use permits for new wells. It further specifies that all new well permits shall include conditions to avoid undesirable impacts to aquifers. The bill would also prohibit new well permits in basins of critical overdraft and basins that are in probationary status. The conditional use permit requirement would not apply to areas that have already adopted measures to protect aquifers. In addition, small yield wells and replacement wells would be exempted from the above requirements. CSAC opposes this measure because it would get ahead of the Sustainable Groundwater Management Act's (SGMA) planning process and would intervene in the local agency decision-making process, which is a key element and foundation of SGMA.

Energy

AB 2693 (Dababneh) – AB 2693 seeks to make changes to the Property Assessed Clean Energy Program (PACE). The bill was amended in the Assembly Local Government Committee in early May to eliminate the provisions of the bill that would have subordinated PACE liens in statute. This addressed the bulk of CSAC's concerns to the measure. The bill will now focus on disclosure requirements to property owners interested in financing energy and water efficiency and renewable energy improvements

with a PACE assessment. CSAC is working with the author to develop disclosure amendments, which will now be the focus of the bill.

Budget Issues

Cap and Trade. The Governor's January budget includes a \$3.1 billion cap and trade spending plan, which includes funds for a new local climate program for disadvantaged communities, increased spending for investments in waste management and recycling, and funds to promote forest health and address tree mortality. While this allocation is subject to change with the May Revision of the budget, CSAC continues to support the following:

Transformational Climate Communities Program

- \$100 million to a new cross-cutting Climate Communities Program that will make investments in the state's top five percent of disadvantaged communities for energy, transportation, water, waste reduction and other GHG reducing projects.
- Counties support a new program for local agencies, but advocate that funds should go to areas disadvantaged by pollution, health or economic challenges, both urban and rural.

Short-Lived Climate Pollutants/ Waste Reduction

- \$100 million to Cal Recycle to provide local governments and industry financial incentives for capital investments that expand waste management infrastructure by investing in new or the expansion of clean composting, anaerobic digestion, fiber, plastic and glass facilities.
- CSAC supports grants to expand waste management infrastructure and help counties achieve our new organic waste recycling requirements.

Forestry and Wildfire Management & Tree Mortality

- \$150 million for projects that reduce wildfire risk, improve carbon sequestration potential of California's forests through fuels reduction and reforestation projects and the removal of diseased and dead trees.
- CSAC supports this funding to provide resources to deal with the 29 million dead trees in the state, which are a major fire and air pollution risk.

Affordable Housing and Sustainable Communities

- \$400 million to the Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program, which funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduces GHG emissions.
- CSAC supports this program and also continues to advocate for maximum flexibility within the AHSC guidelines, since unnecessary restrictions could constrain the number of GHG-reducing projects that will be eligible for grant funds.
- In addition, CSAC supports a new dedicated program to invest in GHG reduction transportation projects, such as the Governor's Low Carbon Roads proposal contained within his Transportation Funding and Reform Proposal.

PILT – Payment in Lieu of Taxes. The Governor included \$644,000 for on-going PILT in his January budget. CSAC supports this allocation. While we appreciate the commitment of the Administration to fund annual PILT payments, we also support the outstanding obligation to local governments for this program.

CESA Fee – Budget Trailer Bill. The Governor's Budget proposes several changes to address shortfalls in the Environmental License Plate Fund (ELPF). One of the Administration's proposals to address this shortfall is the establishment of a new fee to cover costs associated with processing California Endangered Species Act (CESA) incidental take permits. These permits are required for projects that might result in the take of an endangered or threatened species, and are processed by the Department of Fish and Wildlife (DFW). According to DFW, the fee would offset some of their costs for processing these permits.

CSAC has expressed opposition to the proposed CESA fee. We believe that the fees are excessive and could result in counties having to defer important public projects due to cost issues. Of particular concern is the impact on local projects that provide flood protection for people and property. While both budget subcommittees have approved the proposal, there is still time to obtain amendments and/or influence its passage. We will continue to keep counties apprised of its status.