Agenda
Thursday, January 10, 2019 at 5:30 PM
Eureka City Council Chambers
531 K Street, Eureka, CA

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advance of the meeting at 707 268-8680. (The Eureka City Council Chamber room is ADA accessible.) This agenda
and other materials are available in alternative formats upon request.

1. Call to Order and Roll Call at 5:30 PM

2. Welcome New Members

3. Consent Calendar
All matters listed under the Consent Calendar are considered to be routine by the HWMA Board and
will be enacted upon by one motion, unless a specific request for review is made by a Board Member
or a member of the public. The Consent Calendar will not be read. There will be no separate
discussion of these items unless pulled for discussion.

   a. Approve Minutes from the November 8, 2018 HWMA Board of Directors Meeting.
   b. Receive November 2018-19 Financials
   c. Approve Amendment No. 2 to Employment Contract with Executive Director.

4. Oral and Written Communications
This time is provided for people to address the Board or to submit written communications
concerning matters not on this agenda. Board Members may respond to statements, but any request
that requires Board action will be referred to staff for review. Reasonable time limits may be imposed
on both the total amount of time allocated for this item, and on the time permitted to each individual
speaker. Such time allotment or portion thereof shall not be transferred to other speakers.


6. Receive Presentation on the North Coast Recycling Market Development Zone

7. Receive and File FY 2018-19 Mid-Year Budget Adjustments

8. Board Member Reports

9. Executive Director’s Report

10. Closed Session: No Closed Session

11. Adjourn
Minutes
Thursday, November 8, 2018 at 5:30 PM
Eureka City Council Chambers
531 K Street, Eureka, CA

Present: Frank Wilson, Michael Sweeney, Sofia Pereira, Rex Bohn
Absent: Heidi Messner, Summer Daugherty
Staff: Jill Duffy, Tyler Egerer, Eric Keller-Heckman, Deirdre Hanners
Legal Counsel: Nancy Diamond

1. **Call to Order and Roll Call at 5:30 PM**

   Chairman Sweeney called the meeting to order at 5:30 p.m. A quorum was present and acting.

2. **Consent Calendar**
   a. Approve Minutes from the October 11, 2018 HWMA Board of Directors Meeting
   b. Receive September Fiscal Year 2018-19 Financials
   c. Approve Green Waste Transportation Services Agreement with Humboldt Sanitation
   d. Award Household Hazardous Waste Floor Overlay Project to American Restore, Inc.

   Chairman Sweeney opened the floor to public comment on the Consent Calendar. No comment was received.

   Chairman Sweeney closed the floor to public comment.

   **Motion:** Director Pereira Moved and Director Wilson Seconded the motion to approve the Consent Calendar.

   **Action:** Approve the Motion as made by Director Pereira and seconded by Director Wilson by the following vote:

   **Ayes:** Wilson, Sweeney, Pereira, Bohn
   **Nays:** None
   **Absent:** Messner, Daugherty

3. **Oral and Written Communications**

   Chairman Sweeney opened the floor to public comment on items not on the agenda. No comment was received.

   Chairman Sweeney closed the floor to public comment.

4. **Consider Proposal to Expand Household Hazardous Waste Services**

   Chairman Sweeney opened the floor to public comment on the proposed changes to HHW Services. No comment was received.

   Chairman Sweeney closed the floor to public comment.

   **Motion:** Director Pereira Moved and Director Wilson Seconded the motion to review proposal to improve operation efficiency and expand hours of availability of the permanent household hazardous waste facility, and implement as soon as practicable.

   **Action:** Approve the Motion as made by Director Pereira and seconded by Director Wilson by the following vote:

   **Ayes:** Wilson, Sweeney, Pereira, Bohn
5. **Approve Reclassification of Safety Compliance Officer to Safety Coordinator I/II, Revise Organization Chart and Salary Schedule**

Chairman Sweeney opened the floor to public comment regarding the reclassification. No comment was received.

Chairman Sweeney closed the floor to public comment.

**Motion:** Director Pereira Moved and Director Wilson Seconded the motion to approve the proposed job description, organization chart, and pay plan.

**Action:** Approve the Motion as made by Director Pereira and seconded by Director Wilson by the following vote:

- **Ayes:** Wilson, Sweeney, Pereira, Bohn
- **Nays:** None
- **Absent:** Messner, Daugherty

6. **Board Member Reports**

Director Pereira reported on the finalization of the assignments for the City of Arcata’s Zero Waste Task Force.

7. **Executive Director’s Report**

Executive Director Duffy provided a verbal update on the delay of the presentation of the Fiscal Year 2017-2018 audit until January 2019.

8. **Closed Session:** It is the intention of the Board of Directors to meet in closed session for one item:

   a. Public Employee Performance Evaluation for the position of the Executive Director pursuant to Government Code Section 54957.

Chairman Sweeney opened the floor to public comment on closed session. No comment was received.

Chairman Sweeney closed the floor to public comment.

Chairman Sweeney adjourned the meeting to closed session at 5:58 p.m.

**Report Out:** Nothing to Report Out

9. **Adjourn**

Chairman Sweeney adjourned the meeting at 7:15 p.m.

**Next Meeting:** January 10, 2018 at 5:30 p.m. at Eureka City Hall Council Chambers.
Staff Report

DATE: January 10, 2019

FROM: Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 3b) Receive November 2018 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve November 2018 Financial Reports.

DISCUSSION:
Each month, staff presents an update on the Authority’s financials based on activity to-date for the period two months prior to the current month. This enables staff to provide a complete presentation of the full financial activity for that period, as financial data will have been recorded and finalized for the reporting period at that point.

Each year, pending the finalization of the Authority’s financial audit, these financial reports are presented as preliminary financial reports. Once the audit is finalized and staff closes out the prior year, information presented will represent accurate to-date financial activity and will be marked as such.

Attachment B, Statement of Operations for Period Ending 11/30/2018 is presented in summary format; detailed analysis of each division of the Authority is available by request for those interested in division performance. Highlights of Fiscal Year 2018-19 activity to date include:

a) Consistently strong activity through all divisions is resulting in increased revenue and expenses over initial budget estimates, as additional tonnage produces not only more revenue, but more disposal expenses.

b) Upcoming expenses related to semi-annual payments for long-term debt will have a significant impact on cash and cash equivalents (Attachment A), which are currently higher than average. These large expenditures result in a slight ballooning of cash-on-hand prior to their payment in November and May of each Fiscal Year.

c) Stormwater improvements, on- and off-facility, have increased expenses related to mitigating future stormwater issues and bring the facility in compliance with regulatory requirements. Increases for these expenses are presumed to be ongoing and highly monitored to produce better estimates for spending in future budgets.

The Authority’s cash position is comprised of two accounts; 1) the Authority’s checking account, which handles the day-to-day expenses; and 2) the savings account. The combined value of these
accounts equals the total cash available for Authority reserves and operating cash. The current value of the Authority operating fund and combined reserve funds are as follows:

HWMA Operating Fund: $2,914,731.85  
HWMA Undesignated, Capital, Personnel, and Stabilization Funds: $2,407,349.00

Authority Financials:
Attachments A and B contain detailed balance sheet and income statement (Statement of Operations) information for the November financial report, for Board review and discussion. An analysis of that information as it relates to revenues and expenses, and current month disbursements to vendors and employees, is provided herein.

Revenues for November are performing approximately 19% over projections of budgeted estimates for Fiscal Year 2018-19. These estimates encapsulate all activity throughout the Authority, although finances will be influenced by future payouts for fees passed through to Member Agencies, revenue shares for salvaged materials sales, and the delayed receipt of grant revenues for grant-based projects.

Staff continue to monitor diversion programs in terms of not only cost, but self-sustaining viability. At present, all divisions are operating above budgeted estimates, and are fully funded from self-sustaining revenues or fees passed-through from Self-Haul, Franchise, and Satellite Facility tipping fees.

Based on the above factors, and to facilitate long-term planning – relative to the Fiscal Year – for the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity against an annual trend line, generated from the previous five years of financial information. The trend line provides a reasonable estimation of how revenues are expected to be collected throughout the year, including effects related to weather, seasonal activities, and delayed reimbursements for grants and other projects.

Revenues through 11/30/18

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Percent of Budgeted Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tip Fees</td>
<td>19%</td>
</tr>
<tr>
<td>Diversion</td>
<td></td>
</tr>
<tr>
<td>CWP &amp; Base Rates</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

January 10, 2019
Printed on Recycled Paper
Ongoing disposal activities, a strong construction season, and a continued level of high participation in CRV reimbursement through the Authority’s Eureka Recycling Center are keeping revenue above estimates, resulting in a robust revenue profile for the Fiscal Year.

Expenses for November are also above budget projections. Total Expenses are approximately 4% below budgeted estimates, but do not yet include some one-time expenses related to depreciation of Authority assets, and quarterly payments to Member Agencies for pass-through and recycling fees. Additionally, increases above budgeted estimates are mostly related to increased solid waste tonnage disposed, which is offset by a similar increase in revenue as referenced above.

Payroll expenses are in line with current budget estimates. Due to several work-place employee injuries over the past several years, the Authority’s worker’s compensation insurance premium was increased by SDRMA. This increased cost is reflected in the overall Payroll expenditures. This cost will continue in Fiscal Year 2018-19, however improvements in employee and operational safety have reduced the number of new incidents at all facilities, which will improve this cost in future years.

To provide long-term planning – relative to the Fiscal Year – the Board and staff in decision making, the following estimation of growth for total expenditures is provided below. The following graph tracks current, aggregate, monthly expense activity against an annual trend line, generated from the previous five years of financial information. The trend line provides a reasonable estimation of how expenses are expected influence the Authority’s financials throughout the year, and consider the effects of those one-time, lump sum payments for certain recurring annual costs.
Staff continues to maintain a strong control on ongoing expenses, and the recent change in solid waste transportation and disposal contractors has resulted in minimal impact on ongoing expenses in operations. Overall, staff is pleased to report that expenditure activity is settling into an expected rhythm, with anticipated expenditures for items outlined in the Capital Improvement Plan, or related to long-term debt payments, covered by reserve funds and sufficient operating revenues.

Monthly disbursements to Authority vendors and employees are summarized in Attachment D for the month of November. These disbursements are comprised primarily of day-to-day costs, representing approximately $411,000 in transportation and disposal costs and approximately $89,000 in CRV reimbursement payments to the general public. Additionally, the biannual payment of $430,118.75 to Chase Bank for the 2015 Loan restructure was paid at the start of the month.

**Division Activities (as Summarized in Attachment C):**
Activity for all divisions is trending slightly higher than the previous fiscal year, however this is a usual occurrence as the Authority benefits from higher activity in summer months and sees a smoothing of activity through the rain season.

**Attachments:**
A) Authority Balance Statement, November 2018  
B) Authority Statement of Operations, November 2018  
C) Activity Report, November 2018  
D) Cash Disbursements, November 2018  
Humboldt Waste Management Authority  
Statement of Net Position  
For the Five Months Ending 11/30/2018

<table>
<thead>
<tr>
<th>ASSETS AND DEFERRED OUTFLOWS</th>
<th>11/30/2018</th>
<th>6/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$5,365,715</td>
<td>$4,782,927</td>
</tr>
<tr>
<td>Accounts Receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer (Net of Doubtful Accounts)</td>
<td>746,732</td>
<td>897,570</td>
</tr>
<tr>
<td>Deposits</td>
<td>19,500</td>
<td>19,500</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>6,131,947</td>
<td>5,699,997</td>
</tr>
<tr>
<td><strong>Noncurrent Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment, Net</td>
<td>4,728,779</td>
<td>4,710,242</td>
</tr>
<tr>
<td>Waste Authority Contract</td>
<td>221,171</td>
<td>221,171</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>4,949,950</td>
<td>4,931,413</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>11,081,897</td>
<td>10,631,410</td>
</tr>
<tr>
<td><strong>Deferred Outflows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Plan</td>
<td>435,580</td>
<td>435,580</td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows</strong></td>
<td>11,517,477</td>
<td>11,066,990</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, DEFERRED INFLOWS AND NET POSITION (DEFICIT)</th>
<th>11/30/2018</th>
<th>6/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>555,652</td>
<td>764,056</td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>148,157</td>
<td>203,985</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>22,162</td>
<td>2,350</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>725,971</td>
<td>970,391</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Debt Due After One Year</td>
<td>2,888,823</td>
<td>3,291,174</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>476,183</td>
<td>476,183</td>
</tr>
<tr>
<td>Estimated Closure and Post-Closure Care Costs</td>
<td>9,894,371</td>
<td>9,894,371</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>13,259,377</td>
<td>13,661,728</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>13,985,348</td>
<td>14,632,119</td>
</tr>
<tr>
<td><strong>Deferred Inflows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Plan</td>
<td>109,711</td>
<td>109,711</td>
</tr>
<tr>
<td>Unavailable Revenue</td>
<td>65,676</td>
<td>46,999</td>
</tr>
<tr>
<td><strong>Total Liabilities and Deferred Inflows</strong></td>
<td>14,160,735</td>
<td>14,788,829</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION (DEFICIT)</th>
<th>11/30/2018</th>
<th>6/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>2,061,127</td>
<td>1,640,239</td>
</tr>
<tr>
<td>Unrestricted (Deficit)</td>
<td>(4,528,950)</td>
<td>(4,108,062)</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>(175,435)</td>
<td>(1,254,016)</td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflows and Net Position</strong></td>
<td>11,517,477</td>
<td>11,066,990</td>
</tr>
<tr>
<td>YTD</td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Waste Management Fees</td>
<td>4,283,535</td>
<td>3,598,618</td>
</tr>
<tr>
<td>Less: Pass-Through Fees</td>
<td>757,107</td>
<td>734,616</td>
</tr>
<tr>
<td>Net Waste Management Fees</td>
<td>3,526,428</td>
<td>2,864,002</td>
</tr>
<tr>
<td>Green Waste Fees</td>
<td>152,703</td>
<td>152,792</td>
</tr>
<tr>
<td>Other Fees and Charges</td>
<td>(671)</td>
<td>(671)</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>773,472</td>
<td>710,417</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>4,451,932</td>
<td>3,727,211</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>2,818,953</td>
<td>2,307,235</td>
</tr>
<tr>
<td>Administrative and General</td>
<td>636,961</td>
<td>1,215,746</td>
</tr>
<tr>
<td>Professional Services</td>
<td>35,426</td>
<td>23,070</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>175,233</td>
<td>175,233</td>
</tr>
<tr>
<td>Closure-related Expenses</td>
<td>365</td>
<td>(365)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>365,615</td>
<td>297,030</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>3,856,955</td>
<td>4,018,679</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>594,977</td>
<td>(291,468)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Rental Income (Net of Expenses)</td>
<td>50,032</td>
<td>(51,925)</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>78,322</td>
<td>(78,322)</td>
</tr>
<tr>
<td>Grant Expense</td>
<td>(17,226)</td>
<td>(79,982)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(27,768)</td>
<td>(27,768)</td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues (Expenses)</strong></td>
<td>5,078</td>
<td>(53,585)</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>600,055</td>
<td>(345,053)</td>
</tr>
</tbody>
</table>
### Attachment C

**Activity Report**

**July 1, 2018 - November 30, 2018**

#### Waste Tonnage

<table>
<thead>
<tr>
<th>Franchise</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18,784</td>
<td>18,663</td>
<td>100.6%</td>
<td>$2,422,109</td>
<td>$2,404,926</td>
<td>100.7%</td>
</tr>
<tr>
<td>Self Haul</td>
<td>9,267</td>
<td>8,482</td>
<td>109.2%</td>
<td>$1,449,800</td>
<td>$1,351,950</td>
<td>107.2%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>28,051</strong></td>
<td><strong>27,145</strong></td>
<td><strong>103.3%</strong></td>
<td><strong>$3,871,909</strong></td>
<td><strong>$3,756,875</strong></td>
<td><strong>103.1%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Humboldt Sanitation</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,292</td>
<td>2,171</td>
<td>105.6%</td>
<td>$225,916</td>
<td>$214,029</td>
<td>105.6%</td>
</tr>
<tr>
<td>ERD</td>
<td>2,124</td>
<td>1,719</td>
<td>123.6%</td>
<td>$209,317</td>
<td>$167,906</td>
<td>124.7%</td>
</tr>
<tr>
<td><strong>TOTAL.</strong></td>
<td><strong>32,466</strong></td>
<td><strong>31,035</strong></td>
<td><strong>104.6%</strong></td>
<td><strong>$4,307,142</strong></td>
<td><strong>$4,138,810</strong></td>
<td><strong>104.1%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Greenwaste</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,060</td>
<td>1,599</td>
<td>128.8%</td>
<td>$152,703</td>
<td>$122,418</td>
<td>124.7%</td>
</tr>
</tbody>
</table>

#### Household Hazardous Waste

<table>
<thead>
<tr>
<th>Customers</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
<th>Year to Date</th>
<th>Prior YTD</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>210</td>
<td>216</td>
<td>97.2%</td>
<td>$12,965.85</td>
<td>$35,293.16</td>
<td>36.7%</td>
</tr>
<tr>
<td>Residential</td>
<td>1,840</td>
<td>1,294</td>
<td>142.2%</td>
<td>$2,533.31</td>
<td>$15,578.47</td>
<td>16.3%</td>
</tr>
<tr>
<td>Fortuna Residential</td>
<td>0</td>
<td>1</td>
<td>0.0%</td>
<td>$-</td>
<td>$60.00</td>
<td></td>
</tr>
<tr>
<td>Revenue from Countywide Fee</td>
<td>$218,965.52</td>
<td>$175,862.65</td>
<td>124.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **TOTAL.** | 2,050 | 1,511 | 135.7% | $234,465 | $226,794 | 103.4% |

#### Traffic Count

<table>
<thead>
<tr>
<th>Average Daily Count YTD</th>
<th>Exceptions</th>
<th>Average Daily Count Prior YTD</th>
<th>Exceptions</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>353</td>
<td>None</td>
<td>353</td>
<td>100.0%</td>
</tr>
<tr>
<td>August</td>
<td>344</td>
<td>None</td>
<td>338</td>
<td>101.8%</td>
</tr>
<tr>
<td>September</td>
<td>342</td>
<td>None</td>
<td>340</td>
<td>100.6%</td>
</tr>
<tr>
<td>October</td>
<td>324</td>
<td>None</td>
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<td>January</td>
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<td>February</td>
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<td>None</td>
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<tr>
<td>March</td>
<td>313</td>
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<td>313</td>
<td>0.0%</td>
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<tr>
<td>April</td>
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<td>None</td>
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<td>0.0%</td>
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<tr>
<td>May</td>
<td>333</td>
<td>None</td>
<td>333</td>
<td>0.0%</td>
</tr>
<tr>
<td>June</td>
<td>354</td>
<td>None</td>
<td>354</td>
<td>0.0%</td>
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**Year-to-Date Average** | 337 | 346 | 97.7% |
## Disbursements

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<th>Paid To</th>
<th>Amount</th>
<th>Paid To</th>
<th>Amount</th>
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<td>Accent Wire-Tie</td>
<td>$2,296.36</td>
<td>Mendes Supply Company</td>
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<td>Access Humboldt</td>
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<td>Mercury Disposal Systems, Inc</td>
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<td>New Pig Corporation</td>
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<td>Mendes Supply Company</td>
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</tbody>
</table>

**Total Disbursements**                                   **$1,291,574.12**

January 10, 2019

Printed on Recycled Paper
Staff Report

DATE: January 3, 2019

FROM: Nancy Diamond, HWMA General Counsel

SUBJECT: Item 3c) Approve Amendment No. 2 to Employment Contract with Executive Director.

RECOMMENDED ACTION: Voice vote.
Approve Amendment No. 2 to Agreement between HWMA and Executive Director Jill Duffy

DISCUSSION:
On November 8, 2018, the Board completed its annual evaluation of the Executive Director for employment year November 1, 2017 – October 31, 2018. The Board has concluded that the Executive Director efficiently and effectively serves the Authority and its member agencies by providing cost-effective solid waste services, recyclable processing services, household hazardous waste and other diversion services, landfill and forest management, day-to-day facility management, and Strategic Plan implementation. As a result, the Board would like to give the Executive Director a salary increase commensurate with that received by HWMA staff for FY 2018-2019 equal to 5%. The salary increase shall be applied in two installments of 2.5% each effective November 1, 2018 and November 1, 2019, respectively.

The Executive Director’s current base salary is $118,045 per year. The November 1, 2018 increase of 2.5%, or $2,951.13, will bring her base salary to $120,996.13. The November 1, 2019 increase of 2.5%, or $3024.90, will bring her base salary to $124,021.03.

FISCAL IMPACT:
There are sufficient funds in the FY 2018-19 adopted budget to cover the November 1, 2018 increase, and staff will include the November 1, 2019 increase in the next fiscal year budget.
AMENDMENT NO. 2 TO
AGREEMENT FOR EMPLOYMENT OF
EXECUTIVE DIRECTOR

This is Amendment No. 2 to that certain employment agreement between the Humboldt Waste Management Authority (“Authority”) and Jill K. Duffy (“Director”) entitled, Agreement For Employment of Executive Director entered into on October 24, 2013 and amended effective November 1, 2016 (collectively the “Agreement”). This Amendment is effective on November 1, 2018.

1. **Salary Increase**: Based on exemplary employment activities by Director completed during Employment Agreement year 2017-2018, the Executive Director shall receive a salary increase equal to 5% to be applied in two installments of 2.5% each, effective November 1, 2018 and November 1, 2019, respectively. Effective November 1, 2018, the Executive Director’s current base salary shall be increased from $118,045 per year to $120,996.13; effective November 1, 2019, the Executive Director’s base salary shall be increased from $120,996.13 to $124,021.03.

2. **Ratification of Agreement**: The terms and conditions of the Agreement are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

IN WITNESS WHEREOF, the Authority has caused this Amendment to be signed and executed in its behalf by its Board and the Executive Director has signed and executed this Amendment effective on the day and year first written above.

**AUTHORITY**

Date: ______________

________________________
Michael Sweeney, Chair

**EXECUTIVE DIRECTOR**

Date: ______________

________________________
Jill K. Duffy

Approved as to form

Date: ______________

________________________
Nancy Diamond, HWMA General Counsel
**Staff Report**

**DATE:** January 2, 2018

**FROM:** Tyler Egerer, Director of Finance and Administrative Services

**SUBJECT:** Item 5) Receive Presentation Outlining Independent Auditor’s Report for FY 2017-2018 and File.

**RECOMMENDED ACTION:**
1) Receive Presentation Outlining Independent Auditor’s Report for Fiscal Year 2017-2018 to be Filed with Authority Archives, State Comptroller, and required Financial Institutions; and
2) Authorize Executive Director to Negotiate to Extend Service Agreement for no more than three (3) years for Independent Auditor Services.

**DISCUSSION:**

The annual audit of the Authority’s financial statements is a tool by which the Board and general public may measure the fiscal health of the Authority, both in the sense that it discusses the state of the Authority’s assets and investigates the ongoing activities and reporting procedures of Authority staff. The audit is an independent review of this information which helps guide the Board in improving internal fiscal controls and establishing priorities for future budgets.

In March of 2015, the Board entered into an agreement with the firm of JJACPA to provide annual audit services for a three-year period, at the Authority’s sole discretion, and the option of extend the contract for two (2) additional one-year periods. This report is the fifth audit prepared and presented to the Board. Attached is a copy of The Authority’s *Audited Financial Statements* as prepared and submitted by the firm for fiscal year 2017-2018.

Additionally, staff recommends the Board authorize the Executive Director to negotiate an extension of auditing services with JJACPA for up to three years. This extension would require a change of lead auditor in the seventh year of services, and JJACPA has been working to implement this change throughout the previous five years through training additional staff on hand during previous audit years. Joe Arch would continue to provide broad oversight of activities and review of final document drafts following fieldwork performed by his audit staff. The option to extend auditing services for this additional period is consistent with Auditor Rotation Requirements for Annual Audits of Local Governments, and California Government Code Section 12410.6(b) that allows for a local agency to contract with one accounting firm for account services, provided that the lead auditor change at least once every six years.

Staff has reviewed the enclosed documents and agrees with the content of the audit as presented.
FISCAL IMPACT: None. This item was budgeted.

ATTACHMENTS:
Attachment A: HWMA Final FY 2017-18 Audit
Attachment B: HWMA Communication Letter for FY 2017-18
Final HWMA Fiscal Year 2017-18 Audit
Included as Separate Attachment
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
Humboldt Waste Management Authority
Eureka, California

We have audited, in accordance with the auditing standard 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 Humboldt Waste Management Authority (Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Humboldt Waste Management Authority’s basic financial statements, and have issued our report thereon dated December 26, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control 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 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 the 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 considered to be material weaknesses. However, material weaknesses may exist that we have not identified.
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 result of that testing, and not to provide an opinion on the effectiveness of the entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 26, 2018

JJACPA, Inc.

Dublin, CA
HUMBOLDT WASTE MANAGEMENT AUTHORITY

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS

JUNE 30, 2018
December 26, 2018

To the Board of Directors
Humboldt Waste Management Authority
Eureka, California

We have audited the financial statements of Humboldt Waste Management Authority (Authority) as of and for the year ended June 30, 2018, and have issued our report thereon dated December 26, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 17, 2018, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.
Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the Authority changed its method of accounting for pensions by adopting Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on 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 markedly from management’s current judgments.

The most sensitive accounting estimates affecting the financial statements are landfill closure and postclosure costs.

Management’s estimate of the landfill closure and postclosure costs is based on a third party valuation with experience with similar agencies as well as industry standards, when applicable. We evaluated the key factors and assumptions used to develop the landfill closure and postclosure costs and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority’s financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.
Uncorrected and Corrected Misstatements, Continued

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No material misstatements that were identified as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority’s financial statements or the auditor’s report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 26, 2018.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority’s auditors.
Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 may exist that have not been identified.

This report is intended solely for the information and 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,

Joseph J. Arch

JOSEPH J. ARCH, CPA
President/CEO
JJACPA, INC.
Humboldt Waste Management Authority  
Prior Year Schedule of Findings and Responses and Status  
For the year ended June 30, 2017

There were no current year findings or recommendations.

**Finding 2017-01**

**Significant Deficiency – Board check signing – Cash Management**

**Condition:**

The Authority’s authorized check signers include the Board of Directors. The current disbursement policy requires two signatures on all checks.

**Effect:**

Segregation of duties between the operational and legislative functions is not provided and conflicts of interest could be present without proper identification.

**Cause:**

Past practices have been followed even though scheduling of policy review as the organization grows has not been performed.

**Criteria:**

The Council of Sponsoring Organizations (COSO) of the National Commission on Fraudulent Financial Reporting identifies that management must provide for the design, implementation, and maintenance of effective internal controls. A fundamental element of internal control is the segregation of certain key duties. The general premise of segregation of duties is to prevent one person from having both access to assets and responsibility for maintaining the accountability of those assets. As the legislative body, the Board performs policy setting activities and the Executive or operational branch implement those policies through the maintenance of effective internal controls.

**Recommendation:**

We recommend that the Authority remove any Board member as an authorized signer from the Authority’s bank accounts. We also recommend that the cash disbursement policy be updated to indicate that the two authorized signers be identified in the executive (operational) branch by position.

**Responsible Official’s Response:** Management has responded and fixed the issue as recommended.
Staff Report

DATE: January 3, 2019

FROM: Jill Duffy, Executive Director

SUBJECT: Item 6) Receive Presentation on North Coast Recycling Market Development Zone

RECOMMENDED ACTION: Receive Presentation

DISCUSSION: Receive an update on the North Coast Recycle Market Development Zone and ZoneWorks Conference from Allison Tans, Interim Executive Director to the Workforce Development Board.

FISCAL IMPACT: No direct fiscal impact. The NCRMDZ received $10,000 in base FY 2018-19 funding from HWMA.
ABOUT THE PROGRAM

The Recycling Market Development Zone (RMDZ) program combines recycling with economic development to fuel new businesses, expand existing ones, create jobs, and divert waste from landfills.

This program provides attractive loans, technical assistance, and free product marketing to businesses that use materials from the waste stream to manufacture their products and are located in a zone.

IN THE ZONE

The North Coast RMDZ encompasses the counties of Del Norte and Humboldt, and the incorporated cities of Trinidad, Blue Lake, Arcata, Eureka, Fortuna, Ferndale, Rio Dell, and Crescent City.

REVOLVING LOAN PROGRAM

The Department of Resources Recycling and Recovery (CalRecycle) administers an RMDZ Loan Program to encourage California-based recycling businesses located within California to site new manufacturing facilities and expand existing operations. This program provides low-interest loans for the purchase of equipment and other relevant business costs. The intent of the RMDZ Loan Program is to help California manufacturers increase their processing capabilities and create additional markets for recycled-content products. Additional background and legal information on the RMDZ Loan Program is available online.

CALRECYCLE GOAL

As California’s population grows, so will the estimated 87 million tons of waste generated each year. One way California can manage this waste is by manufacturing quality products out of these materials...before they reach the landfill. Market development is the creation and development of markets for products made in part from postconsumer waste materials diverted from the waste stream. When these diverted materials are used to produce new products, the products are referred to as recycled-content products.
WHAT IS MARKET DEVELOPMENT OF RECYCLABLES?

Market development is the creation and development of markets for products made in part from postconsumer waste materials diverted from the waste stream. When these diverted materials are used to produce new products, the products are referred to as recycled-content products.

WHY IS MARKET DEVELOPMENT FOR RECYCLABLES IMPORTANT?

As California’s population grows, so will the estimated 87 million tons of waste generated each year. One way California can manage this waste is by manufacturing quality products out of these materials...before they reach the landfill.

DOES CALRECYCLE HAVE GRANT FUNDING FOR OTHER MARKET DEVELOPMENT PRACTICES?

Yes, CalRecycle offers a variety of competitive and non-competitive grants throughout the year. Eligible applicants often partner with businesses, nonprofits, and governmental agencies to carry out the reuse project.

WHY IS THE LOAN PROGRAM SO IMPORTANT TO RECYCLING BUSINESSES?

Many conventional lenders hesitate to fund recycling-based manufacturing because, in their view, it involves unproven technologies. Although the RMDZ loan program requires the same types of security collateral as a conventional lender, familiarity with the industry enables CalRecycle to finance new, yet promising, recycling technologies.
Staff Report

DATE: January 2, 2019 For Meeting of: January 10, 2019

FROM: Jill K. Duffy, Executive Director and Tyler Egerer, Administrative Services Manager

SUBJECT: Item 7) FY 2017-18 Mid-Year Review; Receive Report and Take Action as Appropriate.

RECOMMENDED ACTION: That the Board of Directors:
1) Receive and file FY 2017-18 Mid-Year Financial Report;
2) Approve Submitted List of Budget Transfers and Adjustments;
3) Take other action as appropriate.

Overview
Staff is pleased to present the Fiscal Year 2018-19 Mid-Year Budget Review for the Board’s consideration. This Mid-Year Budget reflects actual expenses and revenues received by Authority as of December 31, 2018, is a strong indicator of the financial course of the Authority and will guide staff in the development of the Draft Fiscal Year FY 2018-19 Budget.

The Authority operates on a July – June Fiscal Year, with a mid-year budget review presented at either the January or February board meetings. The mid-year budget is presented to the Board of Directors for your review so that the Board may compare actual revenue and expenditure performance to those presented during the fiscal year budget adoption process. The Mid-Year Budget Review, and any necessary adjustments, allows the Board, staff and the public the opportunity to compare budget projections with fiscal reality. It is a critical tool in maintaining a financially stable course to the Authority.

Staff recommends the Board make formal approval of the following actions:
1) Approve recommended list of budget transfers and adjustments; and Approve FY 2017-18 Mid-Year Budget.

Discussion
Overall, anticipated revenues and expenditures are consistent with the budget as forecast in May 2018. Staff is pleased to report that, despite uncertainty around actual expenses related to stormwater compliance management, there is no anticipated change in the original estimate of no net gain or loss, due primarily to an unanticipated uptick in solid waste tonnage. Noteworthy points of interest within the budget are outlined below.
Planned expenditures related to the Capital Improvement Plan, and other asset purchases, remain on schedule for completion or funding through the end of the Fiscal Year. Other established reserves such as rate stabilization, personnel cost stabilization, and undesignated reserves, remain fully funded.

**FY 2018-19 Mid-Year Budget**

Overall operational revenues and expenditures are in line with the budget assumptions presented last year, with a few notable exceptions:

**Revenue**
- Based on actual tonnage trends, Solid Waste Revenue as identified in the approved FY 2018-19 Budget (Lines 3-6) is anticipated to experience an increase over budget assumptions, from 72,000 to 76,000 tons. This trend has persisted through the last few years, and is attributable to long summer construction seasons and an overall increase in self-haul and curbside solid waste, indicating strong economic activity throughout the region. This represents an overall increase to revenue (including pass-through revenues), and there will be a corresponding uptick in expenses related to transportation and disposal.

- Total County-Wide Program Fees and Base Rates Passed Through (Lines 67-79) will also increase with the expected tonnage increase, though much of the revenue generated will be adjusted through line item activity to account for stormwater activities at the Transfer Station or will be passed on to Member Agency programs for which these funds are generated.

**Expenditures**
- Waste Expenses have been adjusted by to reflect actual costs related to the Authority’s cost of transportation and disposal for all material based on the increased of self-hauled solid waste, hazardous waste and recycled materials received at the Hawthorne Street Transfer Station.

- No changes are anticipated in Payroll Expenses for Fiscal Year 2018-19; all positions are accounted for in the initial budget and no changes in pay grades have been made that would affect estimated costs for the year.

- Overall, Indirect Costs have increased $90,000 from the approved FY 2017-18 budget assumptions. These increases are related primarily to stormwater costs at the Transfer Station as part of efforts to address requirements of the Baykeeper settlement, and improve the overall environmental conditions at the Transfer Station. Staff continues to implement sound, cost-reducing strategies towards the successful effort to control expenses.

- Reserves Funds – All reserve funds remain fully funded through mid-year, and no changes are anticipated that will significantly impact total funds held in reserve. As always, review of reserve funding levels will take place as part of the annual budget process.
In previous years, staff has presented a full budget, adjusted with mid-year recommendations, for Board review. However, there are a small number of changes requested for expenses outside of those which would be adjusted automatically for increased tonnage received. Staff presents the following requested changes in list form, with references to the budgetary line item, for the Board’s consideration:

- $9,000 increase in Bank Fees (Line 86) related to credit card transaction fees, due to an increase in credit card usage through the Transfer Station;
- $8,000 increase in Fuel Expenses (Line 92);
- $4,000 increase in Janitorial Expenses (Line 97);
- $12,000 increase in Operating Expenses (Line 103) for purchase of cardboard gaylord boxes, used for loading of electronic waste at the Recycling Center;
- $9,000 increase in Legal Expenses (Line 98);
- $36,000 increase in Operating Expenses (Line 103) for stormwater related activities;
- $12,000 increase in Utilities Expenses (Lines 121-122) for increases in electrical and sewer fees.

The requested changes of $90,000 will be offset by revenue gains from increased tonnage, above and beyond the additional payments to transportation providers and funds passed through to Member Agencies.

Staff believes the FY 2017-18 mid-year budget adjustments indicates that the decisions made by the Board during the Budget approval process have resulted in a strong, healthy budget performance. Staff is prepared to discuss any items that require additional clarification, and will present further discussion on these topics during the Draft FY 2019-20 Budget scheduled for the March/April 2018 meeting.

**ATTACHMENTS**

There are no attachments.

A copy of the approved FY 2018-19 Budget is available on-line (http://hwma.net/sites/default/files/HWMAFY19Budget.pdf) or upon request at the HWMA Business office.

**FISCAL IMPACTS**

As identified in the staff report.

**ALTERNATIVES**

Board’s discretion.
Staff Report

DATE: December 31, 2018 For Meeting of: January 10, 2019

FROM: Jill Duffy, Executive Director

SUBJECT: Item 9) Executive Director Report for December 2018

Recycling Agreement & Support Activities
Attended the December 5th City of Arcata meeting to provide responses to any questions related to the recycling agreement. The City Council unanimously approved the recycling rate setting at this meeting.

Administrative Activities

- The Level 1 Exceedance Response Action (ERA) and Level 2 Action reports were finalized and uploaded to SMARTS on December 26, 2018.

- Cummings Road (former) Burn Ash Site Mitigation and Monitoring Report Year 4. The fourth of five annual reports were completed and submitted to the NCRWQCB, County LEA and Calif. Fish and Wildlife. The 2018 Annual Report was prepared by myself, with review by Linda Wise of Recology, and submitted December 11th, along with a copy of the 2018 Year Four Vegetation Monitoring Plan prepared by J. Able Forestry. Activities in 2018 included bottle and debris removal totaling 10,360 pounds from the Delta area and Trail 7, and the vegetation survey.

- Staff secured the services of Mercer Fraser to perform the grinding and installation of asphalt of the trailer staging area in front of the Tip Floor in late October. The asphalt is pitting and crumbling after one-month of use. MF representatives reviewed the work and have committed to repair/replace the asphalt when weather conditions warrant.

- Staff designed and constructed a float for the 2018 Trucker’s Parade on December 8, 2018.

- Free Christmas Tree Disposal – A press release was issued December 27th that identifies Christmas tree disposal options throughout the communities. HWMA is accepting trees at no-charge from Dec. 26, Dec. 2018 through Jan. 20, 2019.

- Staff is developing a revised “Records Retention Policy” that will be presented to the Board at an upcoming Board meeting.
• 8-Hour HazWoper Refresher Training – Conducted in-house training for HazWoper certified personnel on Dec. 12 & 20th

• Managers prepared the Employee’s Holiday Luncheon on Weds. December 19th.

• Preparation of the FY 2018-19 Mid Year Budget

• Working on revision/update of the “HWMA Policy 2000 – Personnel Policies”

• Updated the Household Hazardous Waste Operations Plan

• Prepared update of the Injury Illness & Prevention Plan

• Initiation of FY 2019-20 Budget Planning process

**Cummings Road Landfill Flare Upgrade Status**
The Landfill-Gas Flare Upgrade Project to modernize the controls for the John Zink Model ZTOF Landfill-Gas Combustion Flare at Cummings Road Landfill was completed on November 20th. The upgrade includes 1) modernizing the controls and data recording, 2) adding telemetry for remote monitoring, and 3) adding a timer for discontinuous operation.

**HHW Floor Repair Project**
The floor repair project is scheduled to commence January 11, 2019. A press release was distributed on December 27 to media outlets to inform the project that HHW collection services will be unavailable the week of Jan. 11th thru Jan. 21st.

Staff has coordinated for the removal of stored material by the waste hauler, and will be staging necessary removal and storage of equipment. The contractor will then prepare the floors, install topping overlay, allow sufficient curing time and waterproof two sumps.

**Auditor Services for FY 2017-18**
The auditor has completed their review, and the report is being finalized for the January 10, 2019 meeting.