

- 2) Payroll Expenses (Line 56) have been increased to reflect additional temporary hire costs, overtime expenditures, and cost increases in employee benefits over estimated increases.
- 3) Overall, Indirect Costs, (Line 116) have decreased from initial budget assumptions, as have planned costs for asset improvements. Staff continues to implement sound, cost-reducing strategies towards the successful effort to control expenses. These efforts continue to pay off long term, as any avoided costs that result in savings are used to offset cost increases with the objective of minimizing impacts to the “Waste Management Fees”, or “Tip Fee”.

Staff presents “*Fiscal Year 2016/2017 Budget, Adjusted for Mid-Year Activity*” (Attachment A), for the Board’s consideration. With all recommended changes and updates to estimates, Net Assets are expected to increase by \$48,963 over initial budget estimates (Line 130).

Staff believes the FY 2016-17 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 which require additional clarification and will present further discussion on these topics during the FY 2017-18 Budget introduction scheduled for the March 2017 meeting.

ATTACHMENTS

- A) Fiscal Year 2016-17 Budget, Adjusted for Mid-Year Activity, Summary

FISCAL IMPACTS

The budget reflects the reorganization plan outlined in Item Six of this agenda. Fiscal impacts for this reorganization are outlined in the report for that Item.

ALTERNATIVES

Board’s discretion.

Attachment A
Fiscal Year 2016 - 2017
Summary Annual Budget, Adjusted for Mid-Year Activity

	FY 2016/17 Approved Budget	% Change of Proposed Adjustments	\$ Change of Proposed Adjustments	FY 2016/17 Proposed Final Budget
1 Revenues				
2 Revenues from Operations				
3 Franchise Tip Fees	\$5,321,773	0.00%	(\$0)	\$5,321,773
4 Self Haul Tip Fees	\$2,454,199	0.00%	\$0	\$2,454,199
5 Satellite Tip Fees	\$591,435	47.52%	\$281,025	\$872,460
6 Out of Area Self Haul Fees	\$185,448	-42.86%	(\$79,488)	\$105,960
7 Revenues from Solid Waste	\$8,552,854	2.36%	\$201,538	\$8,754,392
8 Greenwaste Tip Fees				
9 Franchise	\$136,000	-19.12%	(\$26,000)	\$110,000
10 Self Haul	\$205,200	12.67%	\$26,000	\$231,200
11 Diversion Revenue				
12 Hazardous Waste	\$100,000	0.00%	\$0	\$100,000
13 Single-Stream Processing and Loading	\$137,000	-27.01%	(\$37,000)	\$100,000
14 Self Haul (Appliances, TVs, Tires, Misc. E-waste)	\$98,000	-4.08%	(\$4,000)	\$94,000
15 Salvage Revenue from Sale of Materials Processed In-House	\$804,000	80.35%	\$646,000	\$1,450,000
16 Revenues from Material Diversion Programs	\$1,480,200	40.87%	\$605,000	\$2,085,200
17 Total Revenues from Operations	\$10,033,054	8.04%	\$806,538	\$10,839,592
18 Revenue Generated by Program Fees and Base Rate				
19 County-Wide Program Fees				
21 Administrative	\$133,700	0.00%	\$0	\$133,700
22 Hazardous Waste	\$450,276	0.00%	\$0	\$450,276
23 Cummings Road Landfill Pledge of Revenue	\$310,800	0.00%	(\$0)	\$310,800
24 Programs	\$249,980	0.00%	\$0	\$249,980
25 Base Fees				
26 Administrative	\$270,804	0.00%	\$0	\$270,804
27 Cummings Road Landfill Operations	\$346,376	0.00%	(\$0)	\$346,376
28 Universal Waste Programs	\$56,334	0.00%	\$0	\$56,334
29 Recycling Programs	\$402,158	0.00%	(\$0)	\$402,158
30 Total Revenue Generated by Program Fees and Base Rate	\$2,220,428	0.00%	(\$0)	\$2,220,428
31 Other Revenues				
33 Revenues from Reimbursements for Materials Collection	\$9,000	-50.00%	(\$4,500)	\$4,500
34 Income from Trust Accounts	\$6,000	50.00%	\$3,000	\$9,000
35 Rental Income	\$121,865	0.00%	\$0	\$121,865
36 Total Other Revenues	\$136,865	-1.10%	(\$1,500)	\$135,365
37 Total Revenues	\$12,390,347	6.50%	\$805,038	\$13,195,385

Attachment A
Fiscal Year 2016 - 2017
Summary Annual Budget, Adjusted for Mid-Year Activity

	FY 2016/17 Approved Budget	% Change of Proposed Adjustments	\$ Change of Proposed Adjustments	FY 2016/17 Proposed Final Budget
39 Expenses				
40 Operating Expenses				
41 Solid Waste Hauling & Disposal				
42 Hawthorne Street TS	\$3,130,351	0.00%	\$0	\$3,130,351
43 McKinleyville Satellite	\$142,469	12.31%	\$17,531	\$160,000
44 Fortuna Satellite	\$203,596	-50.88%	(\$103,596)	\$100,000
45 Diverted Materials Hauling & Disposal				
46 Greenwaste	\$305,925	0.00%	(\$0)	\$305,925
47 Hazardous Waste	\$275,000	0.00%	\$0	\$275,000
48 Appliances, TVs, Tires, Misc. E-waste	\$112,000	17.86%	\$20,000	\$132,000
49 Leachate	\$78,400	2.04%	\$1,600	\$80,000
50 CRV Paid Out	\$480,000	133.33%	\$640,000	\$1,120,000
51 Contract Services				
52 RMDZ	\$10,000	0.00%	\$0	\$10,000
53 Temporary Employment Services	\$0			
54 Total Operating Expenses	\$4,737,740	12.15%	\$575,536	\$5,313,276
55				
56 Payroll Expenses	\$2,362,940	9.79%	\$231,249	\$2,594,189
57				
58 Program Fees and Base Rate Passed-Through to Member Agencies, Authority Programs				
59 County-Wide Program Fees				
60 Administration	\$133,700	0.00%	\$0	\$133,700
61 Hazardous Waste	\$450,276	0.00%	\$0	\$450,276
62 Landfill Closure and Post-Closure Maintenance Pledge of Revenue	\$310,800	0.00%	(\$0)	\$310,800
63 AB939	\$316,400	0.00%	\$0	\$316,400
64 County LEA	\$219,100	0.00%	\$0	\$219,100
65 County Rural Container Program	\$327,600	0.00%	\$0	\$327,600
66 County Table Bluff Landfill Maintenance	\$56,700	0.00%	\$0	\$56,700
67 Illegal Dumping and Cleanup Funds	\$39,900	0.00%	\$0	\$39,900
68 Base Fees				
69 Administrative	\$270,804	0.00%	\$0	\$270,804
70 Cummings Road Landfill Operations	\$346,376	0.00%	(\$0)	\$346,376
71 Universal Waste Programs	\$56,334	0.00%	\$0	\$56,334
72 Recycling Programs	\$402,158	0.00%	(\$0)	\$402,158
73 Total Program Fees and Base Rates Passed Through	\$2,930,149	0.00%	(\$1)	\$2,930,148
74				

Attachment A
Fiscal Year 2016 - 2017
Summary Annual Budget, Adjusted for Mid-Year Activity

	FY 2016/17 Approved Budget	% Change of Proposed Adjustments	\$ Change of Proposed Adjustments	FY 2016/17 Proposed Final Budget	
75	Indirect Expenses				
76	Accounting Expense	\$18,000	0.00%	\$0	\$18,000
77	Advertising Expense	\$21,100	-14.22%	(\$3,000)	\$18,100
78	Alarm/Security Expense	\$1,650	6.06%	\$100	\$1,750
79	Bank Fees Expense	\$27,700	0.00%	\$0	\$27,700
80	Dues/Membership	\$6,500	-15.38%	(\$1,000)	\$5,500
81	Employment Expenses (Hiring, Testing, etc.)	\$5,500	0.00%	\$0	\$5,500
82	Engineering & Consulting	\$113,502	0.00%	\$0	\$113,502
83	Environmental Monitoring	\$78,817	0.00%	\$0	\$78,817
84	CRBAS Five-Year Monitoring	\$30,000	0.00%	\$0	\$30,000
85	Gas/Fuel Expense	\$68,900	-28.16%	(\$19,400)	\$49,500
86	Insurance Expenses				
87	Environmental	\$11,000	0.00%	\$0	\$11,000
88	General Liability	\$42,671	0.00%	\$0	\$42,671
89	Property	\$4,590	-14.56%	(\$668)	\$3,922
90	Janitorial/Vector Services	\$14,500	1.03%	\$150	\$14,650
91	Legal Expense	\$50,000	-20.00%	(\$10,000)	\$40,000
92	Property & Equipment Leases	\$42,700	0.00%	\$0	\$42,700
93	Meeting Expense	\$3,200	-53.13%	(\$1,700)	\$1,500
94	Mileage Reimbursement	\$3,400	7.35%	\$250	\$3,650
95	Office Supplies	\$16,000	24.88%	\$3,980	\$19,980
96	Operating Supplies	\$88,600	7.79%	\$6,900	\$95,500
97	Outside Printing	\$5,150	3.88%	\$200	\$5,350
98	Permits & Fees	\$84,800	9.16%	\$7,765	\$92,565
99	Postage	\$6,300	15.87%	\$1,000	\$7,300
100	Publications	\$100	0.00%	\$0	\$100
101	Rental Expense	\$5,000	0.00%	\$0	\$5,000
102	Repairs & Maintenance Expenses				
103	Facilities	\$74,817	-1.76%	(\$1,317)	\$73,500
104	Equipment	\$139,819	-7.20%	(\$10,069)	\$129,750
105	Vehicles	\$2,500	22.40%	\$560	\$3,060
106	Safety Expense	\$23,900	4.18%	\$1,000	\$24,900
107	Small Tools	\$3,500	0.00%	\$0	\$3,500
108	Software Expense	\$42,400	-12.50%	(\$5,300)	\$37,100
109	Telephone Expense	\$14,300	-28.67%	(\$4,100)	\$10,200
110	Training	\$15,000	0.00%	\$0	\$15,000
111	Travel - Transportation, Meals, Lodging	\$10,000	0.00%	\$0	\$10,000
112	Uniforms Expense	\$16,000	0.55%	\$88	\$16,088
113	Utilities Expense				
114	Electricity/Heat	\$73,350	5.32%	\$3,900	\$77,250
115	Water	\$4,850	-1.03%	(\$50)	\$4,800
116	Total Indirect Expenses	\$1,170,115	-2.62%	(\$30,710)	\$1,139,405
117					
122	Capital Expenditures				
123	Reserve Fund Requirements	-\$154,830			
124	Asset Improvements, Non-CIP	\$147,460	-13.56%	(\$20,000)	\$127,460
125	Long-Term Principal	\$1,102,409	0.00%	\$0	\$1,102,409
126	Long-Term Interest	\$83,809	0.00%	\$0	\$83,809
127	Total Capital Expenditures	\$1,178,848	-1.70%	(\$20,000)	\$1,158,848
128					
129	Total Expenses	\$12,379,792	6.11%	\$756,074	\$13,135,866
130	Net Income (Loss)	\$10,556	463.85%	\$48,963	\$59,519

Attachment A
Fiscal Year 2016 - 2017
Summary Annual Budget, Adjusted for Mid-Year Activity

	FY 2016/17 Approved Budget	% Change of Proposed Adjustments	\$ Change of Proposed Adjustments	FY 2016/17 Proposed Final Budget
131 Grant Activities				
132 Waste Tire	\$0			
133 RMDZ	\$3,500	0.00%	\$0	\$3,500
134 OPP	\$40,000	0.00%	\$0	\$40,000
135 HHW HD	\$205,214	0.00%	\$0	\$205,214
136 DoC	\$20,000	0.00%	\$0	\$20,000
137 Revenues from Grant Programs	\$268,714	0.00%	\$0	\$268,714
138 Waste Tire Grant	\$0			
139 RMDZ	\$3,500	0.00%	\$0	\$3,500
140 Oil Payment Program	\$40,000	0.00%	\$0	\$40,000
141 HHW HD Grant	\$205,214	0.00%	\$0	\$205,214
142 DoC Grant	\$20,000	0.00%	\$0	\$20,000
143 Expenses Incurred by Grant Programs	\$268,714	0.00%	\$0	\$268,714
144 Total Grant Activities	\$0		\$0	\$0
145				
146 Non-Cash Activities Affecting Net Income				
147 Depreciation Expense	\$433,397	0.00%	\$0	\$433,397
148 Total Non-Cash Activities	\$433,397	0.00%	\$0	\$433,397
149				
150 Reserves and Trusts				
151 Operating Reserve: 15% of Operating Expenses	\$1,065,102	\$0	\$0	\$1,065,102
152 Personnel Stabilization Reserve	\$150,000	\$0	\$0	\$150,000
153 Rate Stabilization Reserve	\$400,000	\$0	\$0	\$400,000
154 Capital Improvement Fund	\$400,000	\$0	\$0	\$400,000
155 Current Cash Value of Designated Reserves				
156 Total Required Budget Funding for Reserves				
157 Disbursements from Trust related to Final Closure Approval				
158 CRLF Closure Trust Fund				
159 Total Reserves and Trust Funds	\$2,015,102	0.00%	(\$0)	\$2,015,102



Staff Report

DATE: January 03, 2017 For Meeting of: January 12, 2017

FROM: Jill Duffy, Executive Director

SUBJECT: Item 8)
Executive Director Report for December 2016 & January 2017

RECOMMENDED ACTION: Informational Only.

Administration

Authority staff has worked on several significant matters throughout the months of November and December. For the reader's ease, routine items are presented below, followed by topic specific sections presented on topic specific page.

Cummings Road Landfill

The draft Construction Quality Assurance (CQA) report remains under review, with additional requested information submitted to the County LEA and North Coast Regional Water Quality Control Board. The requested information was submitted December 26th. The County Local Enforcement Agency (LEA) and the North Coast Regional Water Quality Control Board (NCRWQCB) will notify CalRecycle, who will then issue a final letter to HWMA stating the landfill is certified closed. Authority staff expects CalRecycle to release the Authority's remaining funds of \$1.7 million.

Cummings Road Burn Ash Site – Year 2 Annual Report

The second of five annual reports were completed and submitted to the NCRWQCB, County LEA and Calif. Fish and Wildlife. The 2016 Annual Report was prepared by myself, with review by Linda Wise of Recology, and submitted December 21st, along with a copy of the 2016 Year Two Vegetation Monitoring Plan prepared by J. Able Forestry. Activities in 2016 included bottle and debris removal from the Delta area and Trail 7, and the vegetation survey.

Solid Wastes of Willits – Solid Waste Transportation & Disposal Agreement

By way of background, solid waste received by HWMA is loaded into transportation trailers and hauled to the Potrero Hills Landfill for disposal through a contract with Solid Wastes of Willits (SWOW). Following a solicitation process, HWMA entered into a 10-year agreement with SWOW in June of 2014 for the transportation and disposal of the majority of HWMA's solid waste, followed by an expansion effective November 1, 2016 for SWOW being responsible for 100% of the transportation and disposal needs. Approximately 65,000 tons annually is handled through our facilities.

On Monday, December 19th HWMA staff met with SWOW's owner and their consultant regarding their current financial condition. During this meeting SWOW disclosed that they are evaluating whether to enter into bankruptcy proceedings due to losses associated with fulfilling the terms of the HWMA Transportation and Disposal of Permitted Solid Waste Agreement (Solid Waste Agreement), as well as the HWMA Recycling Transportation and Processing Agreement (Recycling Agreement). During the meeting it was requested that HWMA consider 1) releasing SWOW from contract obligations related to the Solid Waste Agreement; and 2) modify recycling rebate costs related to the Recycling Agreement.

The following day, December 20th, the Mendocino County Board of Supervisors also considered a request by SWOW for rate increase adjustments, which was not directly acted on. Details on that meeting are contained in this link <http://www.ukiahdailyjournal.com/general-news/20161220/mendocino-county-garbage-contractor-facing-financial-woes> .

Due to the urgency of the matter, the Authority requested on December 22nd that SWOW execute a 'Covenant Not To Sue and Hold Harmless' in order to proceed with conversations with other potential haulers. SWOW responded on December 30th stating that they are not interested in executing the covenant at this time, but are pursuing all avenues of relief.

Composting Facility Acquisition

Staff met and conveyed to Wes & Teresa Green that the Board decided by consensus at their December 8th special meeting to not pursue purchase of the property and composting. Staff met with the Green's to return to earlier conversations for the restructuring of a greenwaste processing agreement, transfer county permits from the Authority to the Green's, and resolve the matter of the Authority owned Cover-All's which were purchased and installed at the facility in 2007.

Forest Property

Staff toured a portion of the forested property surrounding the landfill with Jim Able and David Cussins of Able Forestry Consulting and Jim Roehl of Recology. In May 2014, the Authority entered into an option to purchase the property, as part of the clean-up and abatement of the burn ash and debris site. The Authority and Recology agreed to extend the purchase option for a period of one-year (May 2017).

The option is for the purchase of 7 parcels of timberlands totaling 450-acres. These forest lands are actively managed and harvested under a non-industrial timber management plan. The properties were originally owned by Palco, purchased by Recology (formerly NorCal) in 1990 and actively managed through a contract with Jim Able Forestry. The Authority agreed to purchase the properties at 43% of the appraised value for a total of \$1.034 million, with the primary purpose of maintaining sufficient buffer property around the landfill, and to protect the landfill from encroaching development pressures.

Accounting Software

The Authority uses Great Plains accounting software, originally purchased in 2004, and the Board approved software upgrade was completed on December 12, 2016. The Director of Finance & Administrative Services and account clerks participated in trainings held throughout November & December. The 2016 software upgrades have expanded functions significantly

over the 2004 version, enabling generation of reports that were previously developed manually by staff.

Eureka High School Wrestling Team Community Clean Up

Students from the Eureka High School Wrestling Team conducted their annual community clean up on Saturday, November 19th. Last year the student volunteers removed over **1.58 tons** of trash, cigarette butts, and misc. debris from Eureka city streets.

2016 Annual Trucker's Parade

For the second year, HWMA participated in the December 17th Annual Trucker's Parade, featuring our "Don't Trash Christmas" themed design. This year's float featured an igloo comprised entirely of plastic milk and water 1-gallon jugs. Our thanks to our internal designer Danni Miller, Scale House Attendant and her co-workers for their efforts to secure materials and construct the igloo, and to Erik Mason for his piloting of the vehicle in the parade.

Operations

HCSO Firewood Program

During November and December, The Authority received wood waste generated from a Pacific Gas and Electric power line right of way project and delivered by their sub-contractors to the Hawthorne Street Transfer Station. The typical green waste was managed in the usual fashion, but the team noted that many logs and large rounds were included with the incoming material. The Humboldt County Sheriff's Office Work Alternative Program (SWAP) firewood project was contacted and offered these logs if they could transport them to their firewood cutting site in Eureka. They happily accepted and over a thirty day period in excess of **44 tons of wood** was distributed to the Sheriff's firewood program at no cost. This was processed into firewood and distributed to area seniors and other needy recipients.

Annual Christmas Tree Recycling

The advertising and outreach supporting the Authority's annual Christmas Tree recycling efforts began in early December and ramped up following the Christmas Holiday. The Hawthorne Street Transfer Station will accept trees at no cost through Monday, January 16th. Early outreach included posting of flyers at all local retailers that were selling trees. Staff checks with member agency staff each year and updates recycling or pick-up opportunities that may involve local schools or scouting groups. Electronic media included news stories on both local television stations and a radio ad campaign on several radio stations. Print media included coverage by the Eureka *Times Standard*. Trees are weighed, tracked, and join the green waste being processed into compost by Mad River Hardwoods.

Mattress recycling program.

The newest member of the product stewardship spectrum, recycling of mattresses, continues in earnest here at HWMA. A third trailer has been loaded with 24 bales of mattresses and foundations and is awaiting departure in early January. The total weight of the two dozen bales is 35,237 pounds. The maximum allowable would be 40,000 pounds which helps illustrate the efficiency of the recycled mattress baling and loading program initiated by the Authority.

Landfill

Regular testing, maintenance, sampling, monitoring, field parameter WDR sampling, seep sampling was performed for the Cummings Road Landfill. Starting this January staff will be adjusting and balancing all outer methane extraction wells (Sentry Wells) to gain CH₄ extraction and reduce Oxygen (O₂) in the flare station.

Deep-rooted plants, mainly pampas grass, is an ongoing maintenance activity that staff performs twice a year. Vegetation maintenance for the final cover is including fertilization, irrigation, elimination of vegetation species that violate the rooting depth limit. Pampas grass is considered a deep-rooted plant and staff will continue the eradication of this species on the foot-print of the landfill.

Staff received the TVA2020, a methane monitoring device, on Dec 22nd, and began orientation of the new equipment so the quarterly monitoring could be performed. Previously, the Authority had rented the equipment from a vendor. Landfill staff performed the 4th quarter monitoring of the 43 grids on the 33.6 acres of the landfill and the positive pressure emission testing. Results met the regulatory standards.

Staffing

Operations and Recycling Center staffing remains lean with the absence of two full-time employees due to injuries.

Programs:

Household Hazardous Wastes:

Permanent Red Shed Collection Events:

November

The First Saturday collection event had 128 attendees delivering household hazardous wastes for disposal.

Additionally, 206 residential customers dropped off HHW throughout the month of November.

December

The First Saturday collection event had 84 attendees delivering household hazardous wastes for disposal.

Additionally, 130 residential customers dropped off HHW throughout the month of December.

In calendar year 2016 the Authority serviced 3,758 residents at our Fixed Hazardous Waste Facility at Hawthorne St. Another 244 residents were serviced around the county at our Mobile Collection events.

HWMA HHW event staff received their annual 8-hour HazWoper refresher training in December and all expenses were covered by grant funds from CalRecycles Oil Payment Program.

Eureka, County and Rio Dell Electronic Annual Report (EAR) for 2016

HWMA's Program staff have begun gathering data in preparation for the upcoming 2016 Electronic Annual Report's to CalRecycle. This service is provided to these member agencies under agreement(s).

Pharmaceutical drop off bins.

With the addition of 3 new operational drop off bins. The total number of bins that accept controlled substances has reached 6. These bins are located in convenient locations throughout the county, and there are plans to place a bin in Arcata and the Blue Lake area. The current pharmaceutical bin collection locations are:

Cloney's Pharmacy in Eureka
 Cloney's Pharmacy in Mckinleyville
 Greens Pharmacy in Fortuna
 Palco Pharmacy in Scotia
 Willow Creek Pharmacy
 Rings Pharmacy in Ferndale.

SB 270 (Plastic Bag Ban)

On November 9th, 2016 Proposition 67 was passed by the voters of California. This yes vote ratified Senate Bill 270. The measure was designed to prohibit large grocery stores from providing plastic single-use carryout bags and ban small grocery stores, convenience stores, and liquor stores from doing so in 2016. The measure requires stores to offer recycled, compostable, and reusable bags to consumers for no more than \$.10 per bag if made of plastic, or recycled paper.

There has been some concerns locally regarding what this bill really means. Many residents expected plastic bags to no longer be available and have raised concerns because stores are continuing to offer plastic bags as a reusable alternative. SB 270 contains language and standards that plastic bag producers must meet for plastic bags to be considered "reusable", as that is an allowable use. If all the necessary requirements are met, stores may distribute plastic bags as a reusable option.

Measure Z

The Humboldt County Board of Supervisor's awarded \$40,000 to HWMA for the purpose of augmenting the Authority's FY2016-17 budget directly related to the disposal of illegally discarded waste brought to the transfer station for proper disposal. These funds are available on a first-come basis by all Humboldt county jurisdictions.

Measure Z reimbursement request was submitted to the County in the amount of \$1,631.01 for the period of July 1-Dec. 31, 2016. The Authority received four (4) requests between July 2016 and December 2016, totaling \$1,631.01.

1. Northcoast Environmental Center – Community Clean Up Amount Used: \$167.71

Total tonnage received at HWMA's Hawthorne Street Facility: 1.3 Tons

2. Mad River Alliance – Community Clean-up Amount Used: \$397.10

Total tonnage received at HWMA's Hawthorne Street Facility: 2.83 Tons, 5 tires, 1 flatscreen TV.

3. Eureka High School Wrestling Club Amount Used: 246.20

Total tonnage received at HWMA's Hawthorne Street Facility: 1.58 Tons

4. Humboldt Bay Fire Department Amount Used: \$820.00

Eight garbage bags containing approximately 1,500 canisters were abandoned in an alley in Eureka. This material is prohibited from being disposed as solid waste, and handled and disposed as household hazardous waste. HWMA staff sorted through the delivered canisters, and was able to reduce cost to \$820.00.

Total received at HWMA's Household Hazardous Waste: 1,500 butane canisters.

City of Arcata Request to Evaluate Feasibility of HWMA Opening CRV BuyBack Facility

HWMA was contacted by Arcata staff in mid-November to conceptually examine whether HWMA could provide some level of CRV Buy-Back service to the Arcata community. The information was gathered and presented to city staff. To date, no additional follow up has been received by Authority staff.

Excluding property, environmental review, site improvements and permitting, costs associated with basic start-up costs for staffing and upfront equipment expenditures ranges between \$225,000 to \$625,000, with the single largest variable being the purchase of a rail-truck to haul bins containing materials to the HWMA Hawthorne Street facility for baling and market transport.

Any proposal for HWMA to provide services to any of our member agencies will require approval by the HWMA Board of Directors, development of a site budget, agreement for services and reimbursement of unrecovered costs to the Authority, and potentially a lease agreement or property purchase.

Background

California law requires CalRecycle to designate “Convenience Zones” based on businesses meeting 3 stipulations.

1. Supermarket is identified in the Progressive Grocer Marketing Guidebook.
2. Supermarket gross annual sales are \$2 million or more.
3. Supermarket is considered a “full-line” store that sells a line of dry groceries, canned goods, or non-food items and perishable items.

Convenience zone recyclers provide opportunities to redeem containers near where beverages were purchased. A Convenience Zone is typically a half-mile radius circle with the center point originating at a supermarket. Convenience zones increase the geographic dispersal of locations where beverage containers can be redeemed. A Convenience Zone is required by law to have within the zone’s boundaries, a recycling center that redeems all California Redemption Value (CRV) containers. A Convenience Zone with a recycler inside its boundaries is considered a served zone.

CRV Buy-Back services have been provided through a combination of private and public CalRecycle certified redemption facilities. Those businesses located within Convenience Zones without a certified CRV Buy-Back Center typically request an “Exemption”, and CalRecycle typically approves the request. However, CalRecycle is limited to approving exemption requests for no more than 35% of the total Convenience Zones *within the State*.

Those businesses who do not secure an “Exemption” are responsible under State law to either provide CRV Buy-Back or pay an Opt-Out fee of \$100 per day.

Arcata has 6 designated convenience zones in their jurisdiction.

There are currently no Arcata Convenience Zones covered by either Humboldt Sanitation or HWMA.

Previous CRV Buy-Back Services in Arcata

Eel River Resource & Recovery operated a 5 day/week CRV Buy-Back facility in Arcata from January 2012 until April 2016. The facility was closed due to insufficient volume of CRV material to support staffing and operational costs, and the poor commodity market.

Available Options

1 - Establish a Location/Staffing for a Reverse Vending Machine

Purchase, installation and maintenance of a Reverse Vending Machine. CalRecycle requires that the RVM also have an employee on site a minimum of 30 hours per week for immediate response in the event a customer encounters any redemption issues, if the machine is out of service, and to handle necessary maintenance activities.

RVM costs range from \$30,000 to \$60,000 per unit, depending upon model. A single unit can process aluminum and PET, but glass requires a separate unit.

2 - Businesses to Pay the CalRecycle Opt-Out Fee

As previously discussed, CalRecycle assesses a \$100 per day fee to those businesses that meet the State stipulations.