



BOARD OF DIRECTORS

Jack Thompson, City of Rio Dell, **Chair**
Mike Newman, City of Eureka, **Vice Chair**
Lana Manzanita, City of Blue Lake
Alex Stillman, City of Arcata
John Maxwell, City of Ferndale
Rex Bohn, County of Humboldt

Agenda

Thursday, February 13, 2014 5:30 PM

Eureka City Council Chambers

531 K Street, Eureka, CA

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

2. Closed Session/Report Out

It is the intention of the Board of Directors to meet in closed session for two items pursuant to:

- a. Potential litigation California Government Code 54956.9(b); Riverwatch, Notice of Intention to File Suit; and
- b. Pending litigation California Government Code 54956.9(a); ACRC v HWMA (Humboldt County Superior Court Case No. DR110811), conference with legal counsel.

3. Reconvene in Open Session at 6:00 PM

4. 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 January 9, 2014 HWMA Board of Directors Meeting.
- b. Receive December FY013/14 Financials
- c. Consider Approval of AB 939 Agreement between HWMA & Rio Dell
- d. Approve Cummings Road Burn Ash Site Amendment No. 1 between HWMA and Recology

5. 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. Cummings Road Burn Ash Dump – Receive and File Notice of Intent to Adopt a Mitigated Negative Declaration for the Cummings Road Burn Ash Site Corrective Action Project; Informational Item – Receive Presentation and File Staff Report**
- 7. 2013-14 Mid-Year Budget Review; Receive Report and Take Action as Appropriate**
- 8. Budget Outlook for FY 2014-15; Receive Report and Provide Direction as Appropriate**
- 9. Board Member Reports**
- 10. Executive Director’s Report**
- 11. Adjourn**

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Minutes**Thursday, January 9, 2014 5:30 PM****Eureka City Council Chambers****531 K Street, Eureka, CA**

Present: Rex Bohn, Alex Stillman, Mike Newman, John Maxwell, Jack Thompson
Absent: Lana Manzanita
Staff: Jill Duffy, Tyler Egerer, Brent Whitener and Patrick Owen
Legal Counsel: Nancy Diamond

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

Chairman Thompson called the meeting to order at 5:34 p.m. A quorum was present and acting.

2) Closed Session/Report Out

It is the intention of the Board of Directors to meet in closed session pursuant to Government Code Section 54956.9(b), anticipated litigation.

Chairman Thompson Opened the Floor to Public Comment regarding Closed Session. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

Chairman Thompson Adjourned the Meeting to Closed Session at 5:37 p.m.

3) Reconvene in Open Session at 6:00 PM

Chairman Thompson called the meeting to order from Closed Session at 6:28 p.m.

No Report Out from Closed Session was made.

4) Revisions or Modifications to the Agenda

Director Newman pulled Items 5d) and 5e) for discussion.

Motion: Director Stillman Motioned and Director Maxwell Seconded to Approve the Consent Calendar with Modifications.

Action: Adopt motion by Director Stillman as seconded by Director Maxwell by the following vote.

Ayes: Bohn, Maxwell, Newman, Stillman, Thompson.

Noes: None

Abstain: None

Absent: Manzanita

5) Consent Calendar

- a. Approve Minutes from the October 10, 2013 HWMA Board of Directors Meeting.
- b. Approve Minutes from the October 24, 2013 HWMA Board of Directors Special Meeting.
- c. Approve Minutes from the November 14, 2013 HWMA Board of Directors Meeting.
- d. Receive October FY013/14 Financials
- e. Receive November FY 2013/14 Financials

- f. Designate and Approve Proposed Changes to Signatories on Authority Checking Account.
- g. Approve Letter of Authorization to PaintCare Inc. to begin participation in its paint recovery program; and approve Amendment No. 1 to Clean Harbors Agreement.

6) Oral and Written Communications

Chairman Thompson Opened the Floor to Public Comment regarding Items not on the Agenda. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

7) Receive and File FY 2012-13 Financial Audit

Discussion of this Item begins at approximately 00:07:03 of the meeting video.

Sarah Wright, of Demello, McAuley, McReynolds and Holland LLP, the Authority's auditing firm, presented a brief overview of the Fiscal Year 2012/2013 budget.

Chairman Thompson Opened the Floor to Public Comment regarding the Audit. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

The Board discussed the Auditor's recommendations, including interest rates and fraud detection methods, as well as ways to generally improve fraud protection.

An Item will be brought back at the February or March Board meeting to discuss whether to extend the current auditing contract for a year, or publish an RFP for auditing services.

8) Discuss and Approve Proposed Mobile Event Hazardous Waste Collection Schedule for 2014 & 2015

Discussion of this Item begins at approximately 00:23:45 of the meeting video.

Programs Manager Whitener introduced the prospective changes to the mobile event schedule for hazardous waste collection.

The Board discussed a number of facets of the schedule; the benefits of ongoing mobile events; and the availability of other outlets for HHW if the mobile schedule was to be curtailed in the coming year.

Chairman Thompson Opened the Floor to Public Comment regarding the Mobile Event Calendar.

Chuck Schager, of Eel River Disposal, spoke in support of HWMA's Mobile HHW Events (00:35:15)

Chairman Thompson Closed the Floor to Public Comment.

Motion: Director Maxwell Motioned and Director Bohn Seconded to Approve Garberville as an Annual Mobile Event.

Action: Director Maxwell Withdrew the Motion after Director Bohn Rescinded his Second.

Motion: Director Newman Motioned and Director Stillman Seconded to Approve the Proposed Mobile Event Hazardous Waste Collection Schedule for 2014 & 2015 with the Addition of Garberville to the List of Annual Events.

Action: Adopt motion by Director Newman as seconded by Director Stillman by the following vote.

Ayes: Bohn, Maxwell, Newman, Stillman, Thompson.

Noes: None

Abstain: None

Absent: Manzanita

9) Resolution Authorizing the Executive Director to Submit Grant Application to CalRecycle for the Solid Waste's Legacy Disposal Site Abatement Partial Grant Program.

Discussion of this Item begins at approximately 00:53:40 of the meeting video.

Executive Director Duffy provided a brief update regarding the Burn Ash Site, and the need for staff to explore all available sources of funding, in light of unforeseen and unbudgeted expenses related to clean closure of the site.

The Board pledged its support to the project, and affirmed its desire to provide letters of support from its respective Member Agencies, where possible.

Chairman Thompson Opened the Floor to Public Comment regarding the Burn Ash Site Abatement Grant. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

Motion: Director Bohn Motioned and Director Stillman Seconded to Approve the Consent Calendar with Modifications.

Action: Adopt motion by Director Bohn as seconded by Director Stillman by the following vote.

Ayes: Bohn, Maxwell, Newman, Stillman, Thompson.

Noes: None

Abstain: None

Absent: Manzanita

10) Review and Adopt Proposed 2014 Legislative Goals

Discussion of this Item begins at approximately 01:01:28 of the meeting video.

Executive Director Duffy reviewed the guideline process to date, as approved by the Board at previous meetings. She further outlined the path forward as outlined in the presented process.

Zero Waste Humboldt provided an email supporting the proposed guidelines.

Chairman Thompson Opened the Floor to Public Comment regarding the proposed Legislative Guidelines. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

Motion: Director Stillman Motioned and Director Bohn Seconded to Approve the Consent Calendar with Modifications.

Action: Adopt motion by Director Stillman as seconded by Director Bohn by the following vote.

Ayes: Bohn, Maxwell, Newman, Stillman, Thompson.

Noes: None

Abstain: None

Absent: Manzanita

11) Items Pulled from Consent Calendar

Discussion of this Item begins at approximately 01:09:58 of the meeting video.

Items 5d) and 5e):

Director Newman indicated the continued downward trend of self-haul tonnage through the Authority's Transfer Station in both sets of financials as a reminder of the need for staff and the Board to reevaluate the Tip Fee structure for all revenue sources – Self-Haulers, Franchisers, and Satellite Facilities.

Chairman Thompson Opened the Floor to Public Comment regarding the October and November Financials. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

Motion: Director Stillman Motioned and Director Newman Seconded to Accept and Receive the October and November 2013 Financial Statements.

Action: Adopt motion by Director Stillman as seconded by Director Newman by the following vote.

Ayes: Bohn, Maxwell, Newman, Stillman, Thompson.

Noes: None

Abstain: None

Absent: Manzanita

12) Board Member Reports

Discussion of this Item begins at approximately 01:14:40 of the meeting video.

Director Maxwell applauded City of Eureka staff for their comprehensive report regarding the organics program. He understood the decision made by the City Council, and urged Authority staff to consider a variety of options to keep the discussion of the future of organics in Humboldt County alive through the wind-down of the pilot project.

Director Bohn thanked Executive Director Duffy for attending the meeting with the Rural County Representatives of California, an organization which the County of Humboldt just joined.

13) Executive Director's Report

Discussion of this Item begins at approximately 01:18:25 of the meeting video.

Executive Director Duffy briefly reported on the following activities: the due date for the RFP for Long-Term Disposal and Transportation of Municipal Solid Waste; ongoing activities regarding the Burn Ash Site; plans to update and provide for Board review the HWMA Policy Handbook; critical repairs required for the Hawthorne Street Transfer Station Tip Floor; and the wind-down of the Food Waste Pilot Collection Project.

Director Bohn thanked Juliette Bohn, Project Manager for the Pilot Project, for her work.

14) Adjourn

Chairman Thompson Adjourned the Meeting at 7:55 p.m.

Next Meeting: February 13, 2014 at 5:30 p.m. at Eureka City Hall Council Chambers.



Staff Report

DATE: February 5, 2014

FROM: Tyler Egerer, Administrative Services Manager

SUBJECT: Item 4b)
Receive December 2013 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve December 2013 Financial Reports.

DISCUSSION:

Attached are the following reports, for your review.

December Financial Reports:

Authority Net Change in Assets through December 2013, as reported on the *Statement of Assets and Liabilities (Attachment A)*, *Statement of Operations, All Divisions (Attachment B1)* and the *Summary Statement of Operations (Attachment B2)*, show an increase in Net Assets of \$320,017. Amounts represented in Attachment A are *preliminary*; staff will update figures following approval of mid-year budget adjustments.

Included with the December financials is the *Summary Chart of Operations (Attachment B3)*, representing summary information reported in Attachment B2 in a chart format; the light blue area represents the total amount budgeted for Fiscal Year 2013-2014. The dark blue shaded area represents the year-to-date portion of revenues and expenses through December 2013. In instances where the dark blue area overtakes the light blue, actual financial activity has overrun budget estimates – either as revenues earned over estimated amounts, or expenses incurred beyond budget limits.

Through December, the Authority's financial position remained positive. Revenues are approximately 4.9% under budget estimates, due to a reduction in tonnage from a normal decrease in activity in the winter months, although many operations continue to perform well above expectations – namely, franchise disposal and salvage revenues.

Authority operating expenditures are approximately 2.8% below budget projections. The performance of all divisions in working towards cost savings is the chief reason for this decrease. In addition, the effects of the winter season on revenues are mirrored in day-to-day expenses; as revenues decline due to a decline in tonnage, expenses for the disposal of those tonnages naturally decline below their original budget estimated levels. These numbers will flatten out again as the spring renews disposal activity, and will change according to approved mid-year adjustments to be discussed during the February Board meeting.

December Activity Report:

The Activity Report (Attachment C) compares tonnage and revenue information on a current-to-previous Fiscal Year basis. Tonnage year-to-date mirrors the information in Attachments A and B; namely, that the winter season is creating a dip in activity. Greenwaste tonnage and revenue continues to be down significantly, as tonnage from the City of Eureka's curbside greenwaste program continues to be diverted to an alternate disposal location.

Overall activity in Household Hazardous Waste is up compared to activity through December 2012. Revenue had decreased slightly over similar activity in the previous year, however increased pass-through revenue and residential participation in HHW disposal keep this decrease minor; traffic numbers should level out soon, as mobile events shut down for the winter season.

Average daily traffic through the Transfer Station is averaging lower for the first half of the year than it did the year before, due to the decline of self-haul tonnage by 8%.

Cash Disbursements:

Disbursements for December (Attachment D) totaled \$1,241,017. Payroll expenditures totaled \$131,538 for the month of December, with bond payments and transportation and disposal costs comprising \$835,007 of the remaining disbursements; this number is significantly higher than it has been in previous months due a payment to Waste Management for a make good agreement on present and past issues with billings for the Anderson Landfill.

Cash Position Report:

This report (Attachment E) shows the balance of the checking, savings, and trust accounts as of December 31, 2013. It should be noted that only the checking and savings balances are available to the Authority for general business expenses. The bond balances are restricted for bond payments only.

Attachments:

- A) *Preliminary* Statement of Assets and Liabilities December 2013
- B) Authority-wide Income Detail,
Summary Report and Summary Chart December 2013
- C) Activity Report December 2013
- D) Cash Disbursements December 2013
- E) Cash Position Report December 2013

Attachment A
Humboldt Waste Management Authority
Preliminary Statement of Assets and Liabilities
For the Period Ending December 31, 2013

ASSETS	December 31, 2013	June 30, 2013
Current Assets		
Cash and Cash Equivalents	\$2,659,833.08	\$2,353,145.31
Accounts Receivable	\$606,491.94	\$634,206.86
Prepaid Items	\$24,272.79	\$47,660.19
Total Current Assets	\$3,290,597.81	\$3,035,012.36
Restricted Assets		
Investment with Bond Trustee	\$2,206,341.69	\$2,206,341.69
Closure and post Closure care Trust Fund	\$4,085,472.47	\$4,618,020.25
Article Five Trust Fund	\$64,677.72	\$66,109.57
Accrued Interest Receivable	\$85,610.92	\$70,407.28
Total Restricted Assets	\$6,442,102.80	\$6,960,878.79
Other Assets		
Property, Plant, & Equipment	\$5,056,079.20	\$5,281,481.20
Deferred Charges	\$243,243.68	\$258,264.50
Grants Receivable	\$52,737.21	\$51,616.61
SWoW Receivable	\$35,700.00	\$35,700.00
Deferred Revenue	(\$28,147.72)	(\$135,811.00)
Waste Authority Permit	\$221,171.00	\$221,171.00
Contract with Anderson Landfill	\$31,686.06	\$63,371.64
Goodwill Depreciable - Purchase of WSG	\$1,244,156.34	\$1,555,195.50
Total Other Assets	\$6,856,625.77	\$7,330,989.45
Total Assets	\$16,589,326.38	\$17,326,880.60
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	(\$127,331.59)	\$729,310.75
Deferred Revenue - Kernan	\$76,806.87	\$76,806.87
Deferred Revenue	\$249,947.47	\$249,947.47
Current Portion of Bonds Payable	(\$452,060.00)	(\$20,160.00)
Current Portion of Leases Payable	\$0.00	\$0.00
Current Portion of Loan Payable	\$50,000.00	\$50,000.00
Accrued Wages and Payroll taxes payable	\$55,578.65	\$59,502.90
Accrued Interest Payable	\$78,150.00	\$78,150.00
Other Accrued liabilities	\$13,256.97	\$2,100.00
Total Current Liabilities	(\$55,651.63)	\$1,225,657.99
Long Term Liabilities		
Loans Payable - CIWMB Closure	\$163,655.40	\$163,655.40
Equipment Leases Payable	\$0.00	\$0.00
Estimated closure and post closure costs	\$9,429,855.96	\$9,429,855.96
Bonds payable, long-term portion	\$9,235,000.00	\$9,235,000.00
Total Long Term Liabilities	\$18,828,511.36	\$18,828,511.36
Total Liabilities	\$18,772,859.73	\$20,054,169.35
Net Assets		
Equity Reserved	(\$2,843,240.24)	(\$2,843,240.24)
Unrestricted	\$2,511,730.30	\$2,702,401.00
Restricted for Special Programs	(\$84,195.00)	(\$84,195.00)
Investment in Capital Assets	(\$2,087,845.00)	(\$2,087,845.00)
Increase (Decrease) in Net Assets	\$320,016.59	(\$414,409.51)
Total Net Assets	(\$2,183,533.35)	(\$2,727,288.75)
Total Liabilities and Net Assets	\$16,589,326.38	\$17,326,880.60

Attachment B1

Statement of Operations, All Divisions
For the Period Ending December 31, 2013

	Total		Administration		Tip Floor		Recycling		Greenwaste		Hazardous Waste		Programs		Landfill		Organics FW		Organics AD		
	YTD Actual	FY 13-14 Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	YTD Actual	YTD 50.00% of Budget	
1 Revenues																					
2 Franchise Tipping Fees	2,736,133	5,232,743			2,707,821	52.7%											28,312	30.2%			
3 Self-Haul Tipping Fees	626,221	2,840,446			503,985	20.7%	79,418	31.8%			42,818	28.5%									
4 Reimbursements	1,041	226,100										0.0%	1,041	52.1%							
5 Appliances	20,523	60,000					20,523	34.2%													
6 Cathodes	7,522	18,000					7,522	41.8%													
7 Tires	4,653	10,000			4,653	46.5%															
8 E-waste Revenue	41,461	100,000						0.0%					41,461	82.9%							
9 Greenwaste Tip Fee - HWMA	156,372	383,200							156,372	40.8%											
10 Fees - Other Waste Facilities	713,689	1,308,964			618,723	53.4%	94,966	38.0%													
11 Salvage Sold	306,436	135,000			48,053	87.4%	258,382	132.5%													
12 Administration Fee	109,623	217,000	109,623	50.5%																	
13 HHW Program Revenue	218,893	433,300									218,893	50.5%									
14 Landfill Fee	165,142	326,900													165,142	50.5%					
15 Income from Trust Fund	27,598	70,000													27,598	39.4%					
16																					
17 Pass Through Revenue																					
18 Countywide Enforcement (LEA)	94,064	186,200	94,064	50.5%																	
19 Rural Container Program	97,600	193,200	97,600	50.5%																	
20 Table Bluff Landfill Maintenance	17,681	35,000	17,681	50.5%																	
21 AB 939 Programs Revenue	174,336	345,100											174,336	50.5%							
22 Cleanup	20,157	39,900			20,157	50.5%															
23																					
24 Grant Income																					
25 Waste Tire Grant	0	50,000												0.0%							
26 Oil Payment Program Grant	0	50,000										0.0%		0.0%							
27 Household Hazardous Waste Grant	470	30,000									470	1.6%									
28 Dept. of Conservation Grant	0	20,000												0.0%							
29 Foodwaste Pilot Project Grant	53,440	94,000															53,440	56.9%			
30																					
31 Total Revenues	5,593,053	12,405,054	318,968		3,903,393		460,811		156,372		262,180		216,838		192,739		81,751		0		
32																					
33 Direct Expenses																					
34 Solid Waste Hauling	773,372	2,047,011			773,372	37.8%															
35 Solid Waste Disposal	871,970	1,280,050			871,970	68.1%															
36 Satellite Facility Diposal Fees	371,581	790,192			371,581	47.0%															
37 Greenwaste Hauling & Disposal	139,942	319,996							139,942	43.7%											
38 Food waste Hauling & Disposal	48,516	131,040															48,516	37.0%			
39 Tire Hauling & Disposal	2,430	7,000			2,430	34.7%															
40 CRV Paid Out	181,896	365,000					181,896	49.8%													
41 Leachate & Asbestos Hauling	80,157	181,865			296										79,861	43.9%					
42																					
43 Total Waste Expense	2,469,864	5,122,154	0		2,019,649		181,896		139,942		0		0		79,861		48,516		0		
44																					
45 Operational Expenses - Pass Throughs																					
46 Cleanup & Enforcement Expense (Account 901)	8,986	25,000			8,986	35.9%															
47 County Code Enforcement Program	32,000	32,000			32,000	100.0%															
48 Countywide Enforcement (LEA) Passed Thru	79,681	186,200	79,681	42.8%																	
49 Rural Container Program Passed Thru	85,807	193,200	85,807	44.4%																	
50 Table Bluff Landfill Maintenance Passed Thru	11,847	35,000	11,847	33.8%																	
51 AB 939 Paid to Agency Members	21,417	71,420											21,417	30.0%							
52																					
53 Other Operational Expenses																					
54 RMDZ	6,354	10,000											6,354	63.5%							
55 Contract Services	147,655	360,000			17,425	87.1%	15,219	60.9%			112,527	36.3%	2,484	49.7%							
56																					
57 Operational Expenses	393,746	912,820	177,334		58,411		15,219		0		112,527		30,255		0		0		0		
58																					
59 Payroll Expense	1,112,319	2,274,908	101,382	44.5%	363,218	46.4%	257,090	52.3%	10,221	51.2%	99,173	53.0%	117,970	53.1%	118,266	53.1%	15,000	24.9%	30,000	48.9%	
60																					
61 Indirect Expenses																					
62 Accounting Expense	6,992	15,500	6,992	45.1%																	
63 Advertising Expense	6,282	37,700	102		47	1.9%	242	8.1%			3,418	22.8%	1,074	6.7%			1,399	116.6%			
64 Alarm/Security Expense	1,014	2,400	138	34.5%				0.0%	738	147.6%					138	13.8%					
65 Bank Fees Expense	16,027	23,500		0.0%	13,967	77.6%									2,060	68.7%					
66 Dues/Membership	867	4,600	485	32.3%	205	68.3%		0.0%			95	19.0%	82	8.2%							0.0%
67 Engineering & Consulting	92,125	167,500	4,814		59,619	72.7%		0.0%					1,133		465	2.3%			26,095	40.8%	
68 Environmental Monitoring	35,021	82,000			247	12.4%									34,774	43.5%					
69 Gas/Fuel Expense	30,960	80,550			24,476	44.5%			2,616		2,714	56.5%	107	3.9%	1,048	17.5%					

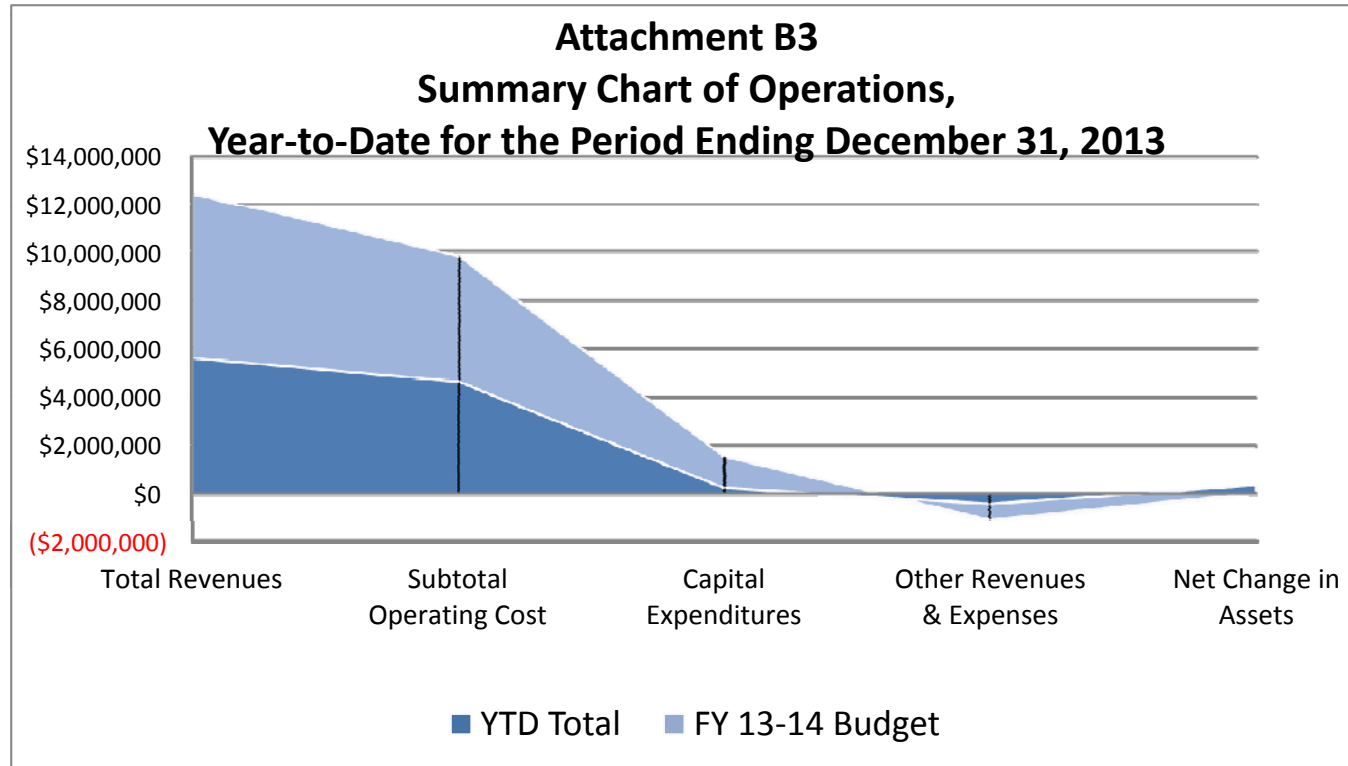
Attachment B1

Statement of Operations, All Divisions
For the Period Ending December 31, 2013

	Total		Administration		Tip Floor		Recycling		Greenwaste		Hazardous Waste		Programs		Landfill		Organics FW		Organics AD	
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70 Grant Expense - Waste Tire Grant, Net of Payroll	12,299	40,000											12,299	30.7%						
71 Grant Expense - Oil Payment Program, NoP	13,209	40,000											0.0%	13,209	66.0%					
72 Grant Expense - HHW Grant, NoP	5,411	24,000									5,411	22.5%								
73 Grant Expense - Dept. of Conservation, NoP	2,912	16,000											2,912	18.2%						
74 Grant Expense - Foodwaste Pilot Project, NoP	4,338	76,700															4,338	5.7%		
75 Insurance - Environmental	0	10,000														0.0%				
76 Insurance - General Liability	14,828	28,591	1,963	42.5%	4,712	58.9%	3,534	47.1%			785	51.0%	2,656	57.5%	1,178	51.0%				
77 Insurance - Property	8,520	16,026	191	44.3%	5,309	57.0%	296	32.8%	129	51.3%	1,320	53.1%	476	69.3%	799	40.7%				
78 Janitorial/Vector Services	8,045	17,700	202	40.4%	5,118	46.5%	1,598	45.6%			216	21.6%	762	50.8%	150	75.0%				
79 Legal Expense	43,171	55,000	41,806	76.0%																1,365
80 Property & Equipment Leases	19,613	47,200	2,153	51.3%	7,111	47.4%			10,349	47.0%										0.0%
81 Meeting Expense	888	5,700	888	27.7%										0.0%						
82 Office Supplies	5,674	16,700	1,735	43.4%	2,206	44.1%	571	38.1%			634	25.4%	241	9.6%	288	41.2%				0.0%
83 Operating Supplies	33,842	41,500			1,222	10.2%	3,444	38.3%			28,536	142.7%	518		122	24.4%				
84 Outside Printing	2,526	4,200	2,205	367.5%			119	39.6%					201		2	0.3%				0.0%
85 Permits & Fees	74,959	84,594			1,791	17.9%			4,320						68,848	114.6%				0.0%
86 Postage	3,455	4,600	506	63.2%	594	99.0%	538	89.7%			588	146.9%	874	58.3%	355	50.7%				
87 Publications	0	600														0.0%				
88 Repairs & Maintenance Facilities	30,642	93,500		0.0%	13,313	44.4%	3,704	74.1%			635	12.7%	3	0.1%	12,987	26.0%				
89 Repairs & Maintenance Equipment	40,158	157,200	206	9.4%	30,925	38.7%	4,843	8.8%							4,184	27.9%				
90 Repairs & Maintenance Vehicles	3	6,000			3											0.0%				
91 Safety Expense	11,756	18,050	86	28.6%	4,048	81.0%	2,144	71.5%		0.0%	2,089	41.8%	1,385	55.4%	2,005	91.1%				
92 Small Tools	1,002	6,500													1,002	25.1%				
93 Software Expense	19,135	38,100	1,751	18.4%	4,140	47.0%	1,731	39.3%			2,082	47.3%	4,895	55.6%	4,536	206.2%				
94 Taxes	0	200														0.0%				
95 Telephone Expense	5,753	15,900	1,100	30.5%	1,571	60.4%	356	23.7%			780	35.5%	966	48.3%	981	24.5%				
96 Training	227	21,500	139	2.3%	18	0.6%					70	2.0%		0.0%		0.0%				0.0%
97 Travel - Transportation, Meals, Lodging	3,958	21,500									2,695	44.9%	60	2.0%	5	0.2%			1,198	20.0%
98 Mileage Reimbursement	1,814	4,700	613	36.0%	50	49.7%					986	98.6%	116	19.3%		0.0%	50	24.9%		
99 Transportation Expense	40,676	65,000					39,124	88.9%			1,551	7.4%								
100 Uniforms Expense	8,078	16,100	75	15.1%	2,719	49.4%	3,104	51.7%			761	69.2%	525	87.5%	894	44.7%		0.0%		
101 Utilities - Electricity/Heat	37,178	61,800	617	41.1%	8,417	54.3%	9,808	51.6%			1,388	46.3%	927	51.5%	16,021	76.3%				
102 Utilities - Water/Sewer	3,376	5,700	460	57.5%	1,004	67.0%	1,004	83.7%			402	44.6%	376	47.0%	131	26.1%				
103																				
104 Total Indirect Expenses	646,736	1,474,611	69,225		192,831		79,514		14,797		57,154		45,797		152,971		5,788		28,658	
105																				
106 Total Expenses	4,622,665	9,784,493	347,941		2,634,109		533,719		164,960		268,853		194,022		351,098		69,303		58,658	
107																				
108 Net Operations	970,388	2,620,561	(28,974)		1,269,284		(72,908)		(8,588)		(6,673)		22,816		(158,359)		12,448		(58,658)	
109																				
110 Capital Expenditures																				
111 Capital Improvements	0	223,800		0.0%	0	0.0%	0	0.0%				0.0%								
112 Bond Interest Expense	211,600	411,000			211,600	51.5%	0													
113 Bond Principal Payments	0	877,000			0	0.0%	0													
114 Total Capital Expenditures	211,600	1,511,800	0		211,600		0		0		0		0		0		0		0	
115																				
116 Other Revenue & (Expenses)																				
117 Depreciation	(230,262)	(512,721)	(24,948)	45.4%	(127,500)	44.7%	(20,262)	36.8%	(8,862)	50.0%	(22,326)	49.6%	(15,480)	48.4%	(10,884)	47.3%				
118 Discounts Taken	0	0																		
119 Rental Income	66,739	114,500	66,739	58.3%																
120 Interest Earned	205	15,000	205	1.4%																
121 Investment Income	15,204	0			15,204															
122 Gain/(Loss) on Disposal of Assets	(9,517)	0														(9,517)				
123 Hawthorne Street Pre-development Expense	(2,188)	(3,000)			(2,188)	72.9%														
124 Rental Expense	0	(2,000)	0	0.0%																
125 Landfill Closure Expense	(9,861)	0														(9,861)				
126 Landfill Clean-Up: Burn Dump Share of Costs	223,610	0													223,610					
127 Landfill Clean-Up: Burn Dump Expenses	(134,956)	0													(134,956)					
128 Amortization of Anderson Contract	(31,686)	(63,371)			(31,686)	50.0%														
129 Amortization of WSG Contract	(311,039)	(622,078)			(311,039)	50.0%														
130 Bond Premium Amortization	(15,021)	(30,042)			(15,021)	50.0%														
131																				
132 Total Other Revenue & Expenses	(438,772)	(1,103,712)	41,996		(472,229)		(20,262)		(8,862)		(22,326)		(15,480)		58,392		0		0	
133																				
134																				
135 Net Increase (Decrease) in Assets	320,017	5,049	13,022		585,455		(93,170)		(17,450)		(28,999)		7,336		(99,967)		12,448		(58,658)	
136																				
137 HWMA Undesignated Reserves	0	1,850,000																		
138 CRLF Closure Trust Fund	0	3,769,932																		

Attachment B2
Humboldt Waste Management Authority
Summary Statement of Operations
Year-to-Date for the Period Ending December 31, 2013
by Department

	YTD Total	FY 13-14 Budget	% of Total Budget	Admin	Transfer Station	HHW	Cummings Landfill	Recycling	Compost Facility	Programs	Organics
Operations											
Total Revenues	5,593,053	12,405,054	45.1%	318,968	3,903,393	262,180	192,739	460,811	156,372	216,838	81,751
Hauling & Disposal Expense	2,469,864	5,122,154	48.2%	0	2,019,649	0	79,861	181,896	139,942	0	48,516
Operational Expense	393,746	912,820	43.1%	177,334	58,411	112,527	0	15,219	0	30,255	0
Payroll	1,112,319	2,274,908	48.9%	101,382	363,218	99,173	118,266	257,090	10,221	117,970	45,000
Indirect Expense	646,736	1,474,611	43.9%	69,225	192,831	57,154	152,971	79,514	14,797	45,797	34,446
Subtotal Operating Cost	4,622,665	9,784,493	47.2%	347,941	2,634,109	268,853	351,098	533,719	164,960	194,022	127,962
Net Operations	970,388	2,620,561		(28,974)	1,269,284	(6,673)	(158,359)	(72,908)	(8,588)	22,816	(46,211)
Capital Expenditures	211,600	1,511,800	14.0%	0	211,600	0	0	0	0	0	0
Other Revenues & Expenses	(438,772)	(1,103,712)	39.8%	41,996	(472,229)	(22,326)	58,392	(20,262)	(8,862)	(15,480)	0
Net Change in Assets	320,017	5,049		13,022	585,455	(28,999)	(99,967)	(93,170)	(17,450)	7,336	(46,211)



Attachment C
Activity Report
July 1, 2013 - December 31, 2013

Waste Tonnage	Tonnage			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Hawthorne						
Franchise	21,541	21,574	99.8%	\$2,694,175	\$2,592,394	103.9%
Self Haul	7,610	8,275	92.0%	\$1,219,133	\$1,260,292	96.7%
Subtotal	29,151	29,849	97.7%	\$3,913,309	\$3,852,686	101.6%
Humboldt Sanitation	2,860	2,768	103.3%	\$115,584	\$118,337	97.7%
ERD	3,935	3,262	120.6%	\$380,002	\$302,207	125.7%
TOTAL.	35,945	35,879	100.2%	4,408,895	4,273,231	103.2%
Greenwaste	885	1,314	67.4%	\$77,225	\$105,117	73.5%

Household Hazardous Waste

	Customers			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Commercial	133	171	77.8%	\$27,687	\$59,375	46.6%
Residential	1,585	1,383	114.6%	\$14,603	\$12,554	116.3%
Fortuna Residential	13	16	81.3%	\$527	\$355	148.5%
Revenue from Countywide Fee				\$218,893	\$191,618	114.2%
TOTAL.	1,731	1,570	110.3%	\$261,710	\$263,902	99.2%

Traffic Count	Average Daily		Average Daily		% of Prior
	Count FY14	Exceptions	Count FY13	Exceptions	
July	262	None	266	None	98.5%
August	248	None	252	None	98.4%
September	243	None	252	None	96.4%
October	226	None	238	None	95.1%
November	224	None	239	None	93.8%
December	236	None	236	None	100.0%
January		None	247	None	0.0%
February		None	227	None	0.0%
March		None	239	None	0.0%
April		None	249	None	0.0%
May		None	263	None	0.0%
June		None	256	None	0.0%
Year-to-Date Average	240		247		97.1%

Attachment D
December 2013 Disbursements

Paid To	Amount	Paid To	Amount
101Netlink	\$60.00	Mad River Hardwood Co., Inc	\$32,959.24
Access Humboldt	\$150.00	Maureen Hart	\$1,445.00
Advanced Superior Alarms	\$138.00	McKenny's Do It Best Bldg Cent	\$176.65
AFLAC	\$370.60	Mendes Supply Company	\$295.04
Airgas USA LLC West Division	\$1,889.43	Mercury Disposal Systems, Inc	\$394.00
Anderson Landfill	\$447,383.63	Mission Uniform & Linen	\$845.80
AT & T	\$375.69	Nancy Diamond	\$6,814.05
Bank Fees	\$3,083.65	Network Management Services	\$2,788.88
Bank of New York	\$107,550.00	NEVA SWAN	\$214.98
Bettendorf Enterprises, Inc.	\$198,839.67	North Coast Laboratories, Ltd	\$216.00
Blue Shield of California	\$24,953.99	Northern California Gloves	\$192.90
CA SDU	\$513.00	Northern California Safety Con	\$80.00
California Special Districts A	\$1,005.00	Oak Harbor Freight Lines, Inc.	\$1,856.67
Cardmember Service	\$3,354.12	Occupational, Environmental He	\$516.00
Cardno ENTRIX	\$27,548.39	P G & E	\$5,283.67
City of Eureka	\$7,176.75	Pacific Paper Co.	\$489.13
Clean Harbors Env Services	\$18,479.35	Pape Machinery	\$2,751.25
CMRS-FP	\$1,200.00	Patrick Murphy Logging	\$7,229.02
Cold Creek Compost	\$1,041.67	Peterson Tractor	\$1,820.75
Conexis	\$100.00	Picky Picky Picky Store	\$1,448.91
Cora Williams	\$50.20	Pierson Building Center	\$789.65
Crystal Springs Bottled Water	\$118.00	Pioneer Scale Co.,Inc	\$567.13
Custom Sweeping	\$420.00	Pro Pacific Auto Repair, Inc.	\$108.89
Cutten Animal Health Center	\$31.50	Randy Jones Trucking	\$850.00
Cynthia Evans	\$247.78	Recology Humboldt County	\$3,559.00
DCI BUILDERS	\$1,594.79	Redwood Teen Challenge	\$262.50
Don's Rent All Inc	\$185.38	RWS Services	\$49.04
Eel River Disposal	\$32,292.25	S.D.R.M.A	\$23,604.00
Employment Security Department	\$51.40	Schuyler Rubber Co.,Inc	\$3,039.70
Englund Marine Supply Co. Inc.	\$23.39	SCS Field Services	\$250.00
Eureka Napa	\$34.63	SETCO	\$1,187.42
Express Services, Inc.	\$10,177.63	SHN Consulting Engineers and G	\$1,132.50
FedEx	\$55.66	Staples Credit Plan	\$49.34
Freon Free Inc	\$784.00	Statewide Traffic Safety & Sig	\$119.08
Golder Associates	\$924.00	Steve Fontaine	\$622.50
Harbor Freight Tools	\$92.58	Steve Morris Logging & Contrac	\$2,072.01
Howell, Elijah	\$1,010.94	Suddenlink	\$204.95
Humboldt Community Services Di	\$19.95	Thumper's Mechanical Service I	\$4,931.92
Humboldt County Dept of Public	\$19,545.82	Times Standard	\$184.47
Humboldt County Environmental	\$15,948.43	Umpqua Bank	\$29,281.50
Humboldt County Sheriff's Offi	\$25.00	United Rentals Inc.	\$2,021.54
Humboldt Recycling	\$2,116.00	US Bank Office Equipment Finan	\$417.83
I-5 Tire, Inc	\$1,120.60	Verizon Wireless	\$437.50
Industrial Electric Arcata, In	\$220.01	Woods Pest Control	\$315.00
INTELLIWASTE, INC	\$7,064.22	Yellow Pages	\$6,338.64
J. CARLOS CHAVEZ	\$541.16	Zep Manufacturing Company	\$210.02
Jacob J Morris	\$5,194.67		
James L Able Forestry Consulta	\$2,935.50		<hr/> \$1,109,479.56

Attachment E
Humboldt Waste Management Authority
Cash Position
For the Period Ending December 31, 2013

Fund Name	Investor	Restricted	Unrestricted
Public Funds Checking Account	Umpqua Bank		\$2,260,173.36
Public Funds Savings Account	Umpqua Bank		\$397,149.05
Landfill Closure/Post Closure Trust Fund	Union Bank	\$3,756,453.21	
Landfill Article 5 Corrective Action Trust Fund	Union Bank	\$64,052.72	
Project Fund - Series 2002 Bond	Bank of New York	\$408.92	
Reserve Fund - Series 2002 Bond	Bank of New York	\$136,917.34	
Debt Service Fund - Series 2002 Bond	Bank of New York	\$0.00	
Revenue Fund for Bond Payment - Series 2002 Bond	Bank of New York	\$200,188.10	
Reserve Fund - Series 2005 Bond	Bank of New York	\$693,995.00	
Cost of Issuance - Series 2005 Bond	Bank of New York	\$24,891.97	
Revenue Fund - Series 2005 Bond	Bank of New York	\$187,383.47	
Bond Payment Deposit	AIG - Wells Fargo	\$599,395.00	
Total Funds		\$5,663,685.73	\$2,657,322.41



Staff Report

DATE: February 2, 2014 For Board Meeting: February 13, 2014

FROM: Jill K Duffy, Executive Director

SUBJECT: Item 4c)
Consider Approval of Agreement between HWMA and City of Rio Dell to Provide California Integrated Waste Management Act Compliance and Waste Reduction Services.

RECOMMENDED ACTION: Voice vote.

- 1) Approve Agreement between HWMA and City of Rio Dell for the Authority to provide California Integrated Waste Management Act Compliance and Waste Reduction Services on behalf of the City from January 1, 2014 through June 30, 2015; and
- 2) Authorize the Chair to sign the Agreement.

DISCUSSION:

Staff recommends that the Board approve an 18 month Agreement with the City of Rio Dell effective January 1, 2014 through June 30, 2015. In consultation and development with city staff, HWMA will provide the City of Rio Dell with specified AB 939 waste reduction activities (see attached Agreement and Scope of Work). The City's request for these services is due to limited staffing resources and because HWMA provides similar AB 939 services on behalf of two other member jurisdictions.

The City of Rio Dell is scheduled to consider this Agreement at their February 2, 2014 city council meeting.

This Agreement will enable HWMA to administer CalRecycle waste reduction and compliance activities in accordance with the California Integrated Waste Management Act and waste reduction activities specific to the needs of the city.

Through this Agreement, HWMA will 1). prepare Rio Dell's Annual AB 939 Electronic Annual Report to CalRecycle, 2). provide assistance with related CalRecycle inquiries, 3). implement necessary public education and outreach related to waste reduction and hazardous waste.. Other activities involve securing Beverage Container Recycling grant funds allocated to the City, purchasing recycling supplies, coordinating classroom education for city students and overseeing an electronic waste collection event in city limits.

Costs for the proposed eighteen months of AB 939 activities in this Agreement's Scope of Work will total \$12,000. Funding will come from two sources allocated to the City. One is CalRecycle's City and County Beverage Container Grant for approximately \$5,000. Seven thousand (\$7,000) will come from AB 939 pass-through fees that HWMA currently collects on solid waste tonnage and passes on to Rio Dell.. HWMA will track costs and staff time needed to perform agreed upon activities, in order to bill appropriately and have an accurate representation of resources needed if the city and HWMA moves forward with future AB 939 agreements.

The attached Agreement has been reviewed and approved by the Authority's Legal Counsel.

If the eighteen (18) month agreement is mutually beneficial, HWMA and the City will then consider a future agreement for the Board's consideration prior to the termination of this agreement. Rio Dell and HWMA staff will evaluate existing and proposed programs, costs and service provisions and consider recommendations for a subsequent agreement.

Fiscal Impact:

Under the proposed agreement, funding for services will be derived from Rio Dell's California Beverage Container Fund grant and the AB 939 pass through payment. The City will continue to receive its total apportioned AB 939 pass-through and monies allocated by the Beverage Container Fund grant. HWMA will invoice the City annually for services under this agreement in a total amount not to exceed \$12,000. This revenue source is not currently included in HWMA's FY 13/14 or FY 14/15 Programs Budget.

Strategic Planning Objectives:

1.8 – Set a Regional Diversion Target of 75%; Approval of this request will assist in the objective of supporting greater diversion activities and education.

1.9 – Regional Reporting; Approval of this request will assist in the objective of supporting regional reporting activities.

2.1 – Expand Satellite Universal Hazardous Waste Collections; Approval of this request will assist in the objective of supporting expanded education and collection of universal waste (e.g. electronic waste amnesty and medical sharps collection).

2.6 – Expand Public Education; Approval of this request will assist in the objective of supporting expanded public education including classroom education about waste reduction and recycling.

ALTERNATIVES:

Board's Discretion

ATTACHMENT:

Proposed Rio Dell and HWMA AB 393 Agreement
to be distributed prior to or at HWMA's February 13
Board meeting.



Staff Report

DATE: February 6, 2014 For the Meeting of: February 13, 2014

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 4d)
 Authorize Transfer and Receipt of Funds for Cummings Road
 Burn Ash Debris Site.

RECOMMENDED ACTION: Voice vote.

- 1) Authorize the transfer of \$80,000 from HWMA's Undesignated Reserves into the Cummings Road Burn Ash Site budget account; and
- 2) Authorize the Executive Director to accept \$80,000 from Recology of Humboldt and place into the line item account.

DISCUSSION:

Background

On July 11, the Board established two line items in the budget in the amount of \$450,000 for receipt and expenditures of funds for activities related to clean up of the Cummings Road Burn Ash Site. Pursuant to that Board action, HWMA and Recology of Humboldt have each contributed \$225,000 into the account. These funds have been used to prepare a corrective action cleanup plan (CAP) responsive to the North Coast Regional Water Quality Control Board Cleanup and Abatement and 13267 Order No. R1-2013-0033 including the associated environmental review. Specifically, the funds were dedicated for and have been used to:

- (1) Prepare a cleanup plan for the Burn Ash Site;
- (2) Prepare a project description for use in the environmental review document to be prepared pursuant to the California Environmental Quality Act ("CEQA");
- (3) Prepare a cleanup plan implementation schedule;
- (4) Conduct CEQA review of the proposed cleanup plan, including any necessary studies, sampling, or analysis for HWMA Board approval as lead agency;
- (5) Obtain the necessary permits and approvals to implement the cleanup plan including consultation with the staffs of the Regional Board and other agencies;
- (6) Pay Regional Board oversight costs;
- (7) Prepare design plans, specifications and bidding documents to conduct the cleanup of the Burn Ash Site; and
- (8) Pay other expenditures determined jointly by the Parties to be necessary to comply with the Cleanup and Abatement Order.

Representatives of HWMA and Recology have been working together to comply with the joint obligations under the Cleanup and Abatement Order and implement development of the cleanup

plan. However, unanticipated cost overruns associated with higher than estimated regulatory agency permit costs and completion of environmental review necessitate increasing expenditures.

HWMA's Executive Director and Recology will each approve any and all expenditures to be paid prior to the expenditure or acceptance of work. Pursuant to prior Board action, the Executive Director is authorized to expend up to \$40,000 from this account for the above purposes, and amount over are subject to Board approval.

FISCAL IMPACT:

Staff is requesting transfer of \$80,000 from undesignated reserves.

ALTERNATIVES:

Board's Discretion

**AMENDMENT TO INTERIM FUNDING AGREEMENT REGARDING
CLEANUP OF THE CUMMINGS ROAD BURN ASH SITE**

This AMENDMENT TO INTERIM AGREEMENT REGARDING CLEANUP OF THE CUMMINGS ROAD BURN ASH SITE (“Amendment”) is entered into by and between the HUMBOLDT WASTE MANAGEMENT AUTHORITY, a California joint powers authority (“HWMA”), and RECOLOGY HUMBOLDT COUNTY (formerly CITY GARBAGE COMPANY OF EUREKA, INC.), a California corporation (“Recology”). HWMA and Recology are also referenced individually as “Party” and collectively as “Parties.”

RECITALS

WHEREAS, the Parties previously entered into an INTERIM AGREEMENT REGARDING CLEANUP OF THE CUMMINGS ROAD BURN ASH SITE (“Agreement”), effective June 28, 2013, for the purpose of sharing equally in the funding of certain work required by Cleanup and Abatement and 13267 Order No. RI-2013-0033 (“Order”) on an interim basis, subject to reallocation of their respective shares of such funding in any final settlement agreement between the Parties regarding cleanup of the Cummings Road Burn Ash Site (“Burn Ash Site”) and subject to each Party reserving all its rights to assert that it is not responsible for any costs incurred to clean up the Burn Ash Site, and is entitled to recover its contribution under the Agreement from the other Party, in the event the Parties are unable to reach a final settlement agreement.

WHEREAS, in accordance with Paragraph 2 of the Agreement, HWMA and Recology have each contributed \$225,000, that has been and will be used as they mutually agree for the work and other purposes specified in said paragraph of the Agreement.

WHEREAS, the costs for the work and other purposes specified in Paragraph 2 of the Agreement are now estimated to exceed the total amount of \$450,000 previously contributed by the Parties due to unforeseen circumstances beyond their control, including but not limited to the higher than unanticipated costs to obtain all necessary regulatory agency permits and conduct environmental review.

WHEREAS, the Parties desire to make equal supplemental contributions, subject to all terms and conditions of the Agreement, so that they will have sufficient funds available to complete the work and other purposes specified in Paragraph 2 of the Agreement, through preparation of design plans, specifications, and bidding documents to implement the Corrective Action Plan for the Burn Ash Site.

NOW THEREFORE, in reliance on the above Recitals, and in consideration of the mutual promises contained herein, the Parties mutually agree to amend the Agreement as follows:

AMENDMENT TO INTERIM FUNDING AGREEMENT

1. The first sentence of Paragraph 2 of the Agreement, after the heading entitled Equal Contributions for Certain Work, is revised to read as follows:

HWMA and Recology shall each contribute a total of \$305,000, consisting of an initial contribution of \$225,000 and a supplemental contribution of \$80,000, to be used as they mutually agree for the following purposes:...

The remainder of the first sentence of Paragraph 2, consisting of an enumeration of eight (8) specified purposes for use of the contributed funds, remains unchanged.

2. The first sentence of Paragraph 3 of the Agreement, after the heading entitled Administration of Funds, is revised to read as follows:

HWMA shall administer the funds contributed by the Parties under this Agreement by establishing a separate line item on the HWMA budget with its \$225,000 initial contribution and its \$80,000 supplemental contribution and to which it will allocate Recology's \$225,000 initial contribution, which Recology shall pay to HWMA within ten (10) days of the Effective Date of this Agreement, and Recology's \$80,000 supplemental contribution, which Recology shall pay within ten (10) days of the Effective Date of the Amendment to this Agreement.

3. All other terms of the Agreement remain unchanged.

4. Counterparts; Authority. For purposes of this Amendment, signatures provided by facsimile or e-mail shall have the same force and effect as original signatures. This Amendment may be executed in counterparts. Each of the undersigned represents and warrants that he or she is authorized to sign this Amendment on behalf of the Party or Parties for whom he or she is signing.

5. Effective Date. The Effective Date of this Amendment is the date the last signature is placed on this Amendment by HWMA's Executive Director or Recology.

IN WITNESS WHEREOF the undersigned have executed this Amendment as set forth below.

DATED: February ____, 2014

By: _____

Jill Duffy
Executive Director
Humboldt Waste Management Authority

DATED: February ____, 2014

By: _____

Michael J. Sangiacomo
President and CEO
Recology Humboldt County



Staff Report

DATE: January 27, 2014 For Meeting Of: February 13, 2014

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 6)
Notice of Intent to Adopt a Mitigated Negative Declaration for the Cummings Road Burn Ash Site Corrective Action Project

RECOMMENDED ACTION:

Informational Item – Receive Presentation and File Report

SUMMARY:

Humboldt Waste Management Authority, serving as the lead agency for the Cummings Road Burn Ash Site Corrective Action Project (Burn Site CAP), is required by the California Environmental Quality Control Act (CEQA) to evaluate the potential environmental effects of the cleanup project. The attached draft Initial Study and proposed Mitigated Negative Declaration (IS/ MND) was prepared in accordance with CEQA requirements and standards, and will be circulated for public comment prior to Board approval. Board action to adopt the MND is tentatively scheduled for the Board's May 8 meeting, and will inform the Board's decision whether to modify, approve or deny approval of the proposed Burn Site CAP, also scheduled for its May 8 meeting.

The draft IS/MND will be released for public and agency review on February 14, 2014, with a **30-day review and comment period** concluding March 16, 2014. A Notice of Intent to Approve a Mitigated Negative Declaration for the Cummings Road Burn Ash Corrective Action Project will be filed with the Office of Planning and Research and published in the Eureka Times Standard. Copies of the draft IS/MND will be available for review at the Humboldt County Main Library located at 1313 3rd Street, Eureka and HWMA's Business Office located at 1059 W. Hawthorne Street.

Background

An initial study is a preliminary analysis prepared by the lead agency, in consultation with other relevant agencies, evaluating potential environmental effects from the proposed project. CEQA requires initial studies to contain a description of the project, including the project location, identification of the environmental setting, and identification of the potential environmental effects. The attached draft IS/MND provides a detailed description of the Burn Site CAP, including the burn site location, surrounding land uses, a description of the anticipated site preparation, burn ash excavation, and relocation and restoration activities along with detailed maps illustrating the project area parcel and surrounding environment.

As described in the document in more detail, Recology Humboldt County (Recology) and the Humboldt Waste Management Authority (HWMA) own adjacent parcels of land where the historic Cummings Road Burn Dump operated from 1933 to 1969. In 1969, a portion of the burn dump was converted into a landfill, which became the Cummings Road Landfill (Landfill). The remaining portion of the burn dump is known as the Cummings Road Burn Ash Site (Burn Site). From the 1930's until approximately 1969, municipal solid waste was disposed of through open air burning, with ash debris pushed onto adjacent side slopes. Recology acquired the property on which the Cummings Road Landfill and Cummings Road Burn Ash Site (Burn Site) are located in 1975, six years after burn dump operations had ceased. In 2000, the Cummings Road Landfill was purchased by HWMA from Recology.

The burn ash debris straddles the Landfill - Burn Ash Site property line with approximately 1.33 acres located on HWMA property and 4.87 acres located on Recology's property for a total of approximately 6.2 affected acres. Total estimated cubic yards of burn ash debris and adjacent soil is calculated at 54,000 cubic yards, conservatively estimated for planning purposes at 60,000 cubic yards. The majority of the burn ash material resides on steep slopes in heavily vegetated areas south of Cummings Road. The Cummings Road Landfill Waste Discharge Requirements (WDR) issued May 2, 2013 by the North Coast Regional Water Quality Control Board allows for HWMA to accept and place excavated burn ash into the Cummings Road Landfill prior to the Landfill Phase II closure.

In April 2013, the NCRWQCB issued a Clean-up and Abatement Order that requires HWMA and RHC complete clean-up of the burn ash debris site by no later than September 30, 2014. In response, the HWMA and RHC prepared a Corrective Action Plan and Project Description that describes the proposed clean up and submitted them to the NCRWQCB and Local Enforcement Agency (Humboldt County Division of Environmental Health). Concurrently the referenced IS/MND was prepared. Circulation of the IS/MND is the next step in the process leading to site cleanup.

Following closure of the public comment period for the draft IS/MND, staff will review public comments and prepare responses prior to the Board's decision to adopt the MND scheduled for the May 8, 2014 Board meeting.

FY 2013-14 MidYear Budget

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

Revenue

- Total tonnage received has increased slightly over previous years, due to the increase in mandatory curbside participation through franchise haulers.
 - Franchise tonnage at both the Hawthorne Street Transfer Station and Eel River Disposal Satellite Facility are up approximately 1,000 tons each. Tonnage through the Humboldt Sanitation Satellite Facility remains consistent with activity from the previous Fiscal Year.
 - Self Haul tonnage at Hawthorne Street Transfer Station is down 8% (approximately 550 tons), however total revenue is estimated to increase slightly over original budget estimates due to the 4.25% increase in tip fee and historical disposal trends through the end of the Fiscal Year.
 - Based on these trends, staff estimates the total tonnage disposed for Fiscal Year 2013-14 will be closer to 72,000 tons.

- Recycling/Diversion activities for the first half of FY 2013-14 are performing almost 100% over original estimates through the beginning of the year. This is based on improved marketing strategies for bulk scrap material, however it is important to note that materials markets can be volatile and therefore this estimate is prone to more volatility than other budgeted figures. Reductions shown in the Recycling Division budget (Attachment A, Recycling Division, Line Items 3-6) are the result of more of the Authority's recycling material being marketed for scrap at higher prices than originally anticipated, represented as an increase to Line Item 11, "Salvage Sold".

- Staff is working to retain a financial advisor to assist with a possible restructure and refinancing of the Authority's 2002/2005 series bonds as directed at the January 2014 Board meeting. It is expected that the Authority will recognize either significant savings or increased borrowing potential through a debt restructure.

Expenditures

- Tip Fees increased at WM Anderson Landfill from \$18.00/ton to \$20.75/ton; this was an unexpected increase of \$2.75/ton

- Unforeseen expenditures related to potential release of the unknown underground storage tank at the CRL (the underground tank was removed in 1987 without permits). Contaminated soil was encountered in July 2014 during geotechnical studies associated with burn ash site characterization work. Staff recommends the Board authorize transfer of \$20,000 for the initial planning to clean up contaminated soil remaining from the site of the previous underground storage tank.

- As noted in the January 2014 Executive Directors report, critical repairs to the Hawthorn Street Transfer Station's Tip Floor are necessary. Staff proposes the Board direct capital improvement funds approved in the FY 2013-14 to cover the costs of repair. The transfer of funds on Line 111 of Attachment A shows an increase of \$94,500 to the Tip Floor capital improvements budget, with a corresponding reduction of smaller projects within the Recycling and Hazardous Waste Divisions. Staff recommends the Board encumber these funds for Fiscal Year 2015, as the project will need to be planned and scheduled for a time of year when there is less traffic through the Transfer Station.

Undesignated Reserves

During the FY 2013-14 budget discussions, Authority Reserves were at \$1.8 million; however over half of these funds (\$990,000) are being held by CalRecycle as the required 20% retention for Phase I Cummings Road Landfill closure activities and are unavailable to the Authority until Phase II of the landfill closure is completed. The total amount of funds to be held in reserve will be reevaluated during the Fiscal Year 2014/2015 budget, in order to meet the Board's policy of maintaining an undesignated reserve of 20% of the Authority's operating expenses.

Cumulatively, the following has impacted total available reserves over the past half year, resulting in the adjusted availability of reserves at \$800,000:

- CalRecycle continues to hold the complete 20% retention funds of \$990,000, pending completion of Cummings Road Landfill Closure. However, CalRecycle released to the Authority \$550,000 in December 2013 for funds held in excess¹ of the 20% retention for Phase I and the total cost of Phase II Closure of the Landfill.
- Board authorized settlement with Anderson Landfill in the amount of \$327,000 to resolve an outstanding billing dispute from 2012.
- Unforeseen expenditures related to the Cummings Road Burn Ash Site. The Board approved establishment of a budget line item in July 2014, to distinguish expenses incurred for this project from regular Landfill activity. Available funds were derived from a transfer of \$225,000 from the Authority's undesignated reserve and the Board authorized receipt of a matching \$225,000 from Recology Humboldt County so the parties work cooperatively on the cleanup activities. To date, these expenses include consulting and engineering work, and an environmental impact report.

Staff presents Attachment A, *Fiscal Year 2013/2014 Budget, Adjusted for Mid-Year Activity*, for the Board's consideration. The most significant change is the positive value in Net Assets, which has increased from \$5,049 to \$177,395. In addition to savings being recognized by all Divisions in day-to-day expenditures, temporary and internal reassignment of duties associated with the

¹ Based on revised engineering estimates for Cummings Road Landfill Phase II Closure costs prepared by Lawrence & Associates in August 2013.

Organics Division through the end of FY 2013-14 will result in approximately \$128,000 to total savings.

The addition of the Cummings Road Burn Ash Site Category has decreased the overall improvement of Net Assets (Attachment A, Line 135) at Mid-Year, as these unplanned expenses are being paid for with undesignated reserve funds. The Authority is sharing the cost of these early consulting and engineering expenses with Recology of Humboldt, and the Authority's share to date is anticipated to be \$315,000.

Requested Board Actions

Staff is recommending that the Board make formal approval of the following actions:

- 1) Receive and file Mid-Year Financial Review;
- 2) Approve Submitted List of Budget Transfers and Adjustments, including the following significant changes:
 - Staff recommends the Board authorize transfer of another \$80,000 in funds to complete ongoing engineering and consulting work. Recology will provide an equivalent match of \$80,000.
 - Addition of the Burn Ash Site Category to the Budget, with an adjusted total expenses of \$315,000 for consulting and engineering fees related to the Burn Ash Site.
 - A \$5,000 increase to Landfill consulting and engineering estimates to cover the costs of work on the previously undiscovered underground storage tank on site. Staff will work to receive reimbursement of these expenses from the previous property owner and SWRCB's UGST Cleanup Program.
 - Encumber Capital Improvement budget for Fiscal Year 2014 and direct all funds towards the repair of the Transfer Station Tip Floor in Fiscal Year 2015. No net change to Capital Improvement budget. All other changes as identified in Attachment A;
- 3) Take other action as appropriate

ATTACHMENTS

Attachment A - Fiscal Year 2013-14 Budget, Adjusted for Mid-Year Activity

FISCAL IMPACTS

As identified in the staff report.

ALTERNATIVES

Board's discretion.

Attachment A

Adjustments, Mid Year

For Fiscal Year 2013/2014 Budget

	Total		Administration		Tip Floor		Recycling		Greenwaste		Hazardous Waste		Programs		Landfill		Organics		Burn Ash Site	
	Proposed MY Budget	FY 13-14 Budget	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value
1 Revenues																				
2 Franchise Tipping Fees	5,536,591	5,232,743			5,506,591	367,448											30,000	(63,600)		
3 Self-Haul Tipping Fees	2,836,233	2,840,446			2,536,233	95,787	200,000	(50,000)			100,000	(50,000)								
4 Reimbursements	11,100	11,100								9,100	0	2,000	0							
5 Appliances	40,000	60,000					40,000	(20,000)												
6 Cathodes	15,000	18,000					15,000	(3,000)												
7 Tires	10,215	10,000			10,215	215														
8 E-waste Revenue	50,000	100,000						(50,000)					50,000	0						
9 Greenwaste Tip Fee - HWMA	322,000	383,200							322,000	(61,200)										
10 Fees - Other Waste Facilities	1,421,905	1,408,964			1,221,905	62,941	200,000	(50,000)												
11 Salvage Sold	511,567	250,000			111,567	56,567	400,000	205,000												
12 Administration Fee	222,848	217,000	222,848	5,848																
13 HHW Program Revenue	444,978	433,300								444,978	11,678									
14 Landfill Fee	335,710	326,900												335,710	8,810					
15 Income from Trust Fund	60,000	70,000												60,000	(10,000)					
17 Pass Through Revenue																				
18 Countywide Enforcement (LEA)	191,218	186,200	191,218	5,018																
19 Rural Container Program	198,407	193,200	198,407	5,207																
20 Table Bluff Landfill Maintenance	35,943	35,000	35,943	943																
21 AB 939 Programs Revenue	354,401	345,100											354,401	9,301						
22 Cleanup	40,975	39,900			40,975	1,075														
24 Grant Income																				
25 Waste Tire Grant	50,000	50,000											50,000	0						
26 Oil Payment Program Grant	50,000	50,000								25,000	0	25,000	0							
27 Household Hazardous Waste Grant	30,000	30,000								30,000	0									
28 Dept. of Conservation Grant	20,000	20,000										20,000	0							
29 Foodwaste Pilot Project Grant	94,000	94,000														94,000	0			
31 Total Revenues	12,883,092	12,405,054	648,417		9,427,487		855,000		322,000		609,078		501,401		395,710		124,000		0	
33 Direct Expenses																				
34 Solid Waste Hauling	2,231,727	2,047,011			2,231,727	184,716														
35 Solid Waste Disposal	1,362,041	1,280,050			1,362,041	81,991														
36 Satellite Facility Diposal Fees	809,224	790,192			809,224	19,032														
37 Greenwaste Hauling & Disposal	265,000	319,996							265,000	(54,996)										
38 Food waste Hauling & Disposal	53,000	131,040															53,000	(78,040)		
39 Tire Hauling & Disposal	7,000	7,000			7,000	0														
40 CRV Paid Out	350,000	365,000					350,000	(15,000)												
41 Leachate & Asbestos Hauling	190,296	181,865			296									190,000	8,135					
43 Total Waste Expense	5,268,288	5,122,154	0		4,410,288		350,000		265,000		0		0	190,000		53,000		0		
45 Operational Expenses - Pass Throughs																				
46 Cleanup & Enforcement Expense (Account 901)	25,000	25,000			25,000	0														
47 County Code Enforcement Program	32,000	32,000			32,000	0														
48 Countywide Enforcement (LEA) Passed Thru	191,218	186,200	191,218	5,018																
49 Rural Container Program Passed Thru	198,407	193,200	198,407	5,207																
50 Table Bluff Landfill Maintenance Passed Thru	35,943	35,000	35,943	943																
51 AB 939 Paid to Agency Members	71,420	71,420											71,420	(0)						
53 Other Operational Expenses																				
54 RMDZ	10,000	10,000											10,000	0						
55 Contract Services	365,000	360,000			30,000	10,000	20,000	(5,000)			310,000	0	5,000	0						
57 Operational Expenses	928,988	912,820	425,568		87,000		20,000		0		310,000		86,420		0		0		0	
59 Payroll Expense	2,182,192	2,274,907	227,607	0	782,103	(0)	491,804	(0)	20,000	19	186,977	(0)	222,235	(0)	222,555	0	28,911	(92,734)		
61 Indirect Expenses																				
62 Accounting Expense	15,500	15,500	15,500	0																
63 Advertising Expense	35,002	37,700	102		0	(2,500)	1,500	(1,500)			15,000	0	16,000	0		2,400	1,200			
64 Alarm/Security Expense	2,000	2,400	200	(200)	300	(200)	900	400						600	(400)					
65 Bank Fees Expense	29,200	23,500	3,000	500	23,000	5,000								3,200	200					
66 Dues/Membership	2,705	4,600	1,000	(500)	205	(95)	0	(300)		500	0	1,000	0			0	(1,000)			
67 Engineering & Consulting	401,946	167,500	4,814		82,000	0	0	(1,500)				1,133		25,000	5,000	64,000	0	225,000	225,000	
68 Environmental Monitoring	161,500	82,000			1,500	(500)								80,000	0			80,000	80,000	
69 Gas/Fuel Expense	72,300	80,550			55,000	0	7,000			5,300	500	1,000	(1,750)	4,000	(2,000)					

Attachment A

Adjustments, Mid Year

For Fiscal Year 2013/2014 Budget

	Total		Administration		Tip Floor		Recycling		Greenwaste		Hazardous Waste		Programs		Landfill		Organics		Burn Ash Site	
	Proposed MY Budget	FY 13-14 Budget	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value	Proposed Total MYA	Change in Value
70 Grant Expense - Waste Tire Grant, Net of Payroll	40,000	40,000												40,000	0					
71 Grant Expense - Oil Payment Program, NoP	40,000	40,000										20,000	0	20,000	0					
72 Grant Expense - HHW Grant, NoP	24,000	24,000										24,000	0							
73 Grant Expense - Dept. of Conservation, NoP	16,000	16,000												16,000	0					
74 Grant Expense - Foodwaste Pilot Project, NoP	46,700	76,700																46,700	(30,000)	
75 Insurance - Environmental	11,000	10,000														11,000	1,000			
76 Insurance - General Liability	29,775	28,591	3,926	(695)	9,423	1,423	7,067	(433)				1,571	31	5,431	811	2,356	46			
77 Insurance - Property	17,459	16,026	383	(49)	10,617	1,310	592	(311)	618	367	2,699	215	952	265	1,597	(365)				
78 Janitorial/Vector Services	16,050	17,700	500	0	10,000	(1,000)	3,200	(300)				600	(400)	1,500	0	250	50			
79 Legal Expense	86,365	55,000	85,000	30,000																1,365
80 Property & Equipment Leases	42,154	47,200	4,500	300	15,000	0			20,654	(1,346)						2,000	(4,000)			
81 Meeting Expense	3,700	5,700	3,200	0	0	(250)	0	(250)						500	(500)	0	(1,000)			
82 Office Supplies	13,700	16,700	4,000	0	5,000	0	500	(1,000)				2,000	(500)	1,500	(1,000)	700	0	0	(500)	
83 Operating Supplies	54,018	41,500	6,000	(6,000)	9,000	0	9,000	0				38,000	18,000	518	500	0				
84 Outside Printing	4,851	4,200	2,600	2,000	500	(1,000)	300	0				1,000	0	201	250	(250)			(300)	
85 Permits & Fees	83,643	84,594			10,000	0	500	0	4,320						68,823	8,729			(14,000)	
86 Postage	5,100	4,600	800	0	700	100	700	100				600	200	1,500	0	800	100			
87 Publications	300	600			150	0	150	0						0	(300)					
88 Repairs & Maintenance Facilities	81,000	93,500	0	(500)	30,000	0	5,000	0				4,000	(1,000)	2,000	(1,000)	40,000	(10,000)			
89 Repairs & Maintenance Equipment	136,700	157,200	1,200	(1,000)	70,000	(10,000)	50,000	(5,000)				3,000	(1,000)	500	(500)	12,000	(3,000)			
90 Repairs & Maintenance Vehicles	5,003	6,000			3		1,000	0						0	(1,000)	4,000	0			
91 Safety Expense	21,100	18,050	300	0	6,300	1,300	4,000	1,000		(50)	5,000	0	2,500	0	3,000	800				
92 Small Tools	5,500	6,500			1,000	0	1,000	0				500	0		3,000	(1,000)				
93 Software Expense	38,100	38,100	5,000	(4,500)	8,000	(800)	3,900	(500)				4,400	0	8,800	0	8,000	5,800			
94 Taxes	200	200													200	0				
95 Telephone Expense	13,300	15,900	3,100	(500)	3,000	400	1,000	(500)				2,200	0	2,000	0	2,000	(2,000)			
96 Training	15,000	21,500	4,000	(2,000)	1,500	(1,500)	1,000	(1,000)				3,500	0	3,000	0	2,000	0	0	(2,000)	
97 Travel - Transportation, Meals, Lodging	13,698	21,500			1,500	(1,000)	0	(1,000)				6,000	0	3,000	0	2,000	(1,000)	1,198	(4,802)	
98 Mileage Reimbursement	4,550	4,700	1,700	0	100	0	100	0				1,500	500	600	0	500	(500)	50	(150)	
99 Transportation Expense	83,000	65,000					80,000	36,000				3,000	(18,000)							
100 Uniforms Expense	15,500	16,100	300	(200)	5,500	0	6,000	0				1,100	0	600	0	2,000	0	0	(400)	
101 Utilities - Electricity/Heat	59,300	61,800	1,200	(300)	15,500	0	17,000	(2,000)				3,000	0	1,600	(200)	21,000	0			
102 Utilities - Water/Sewer	5,700	5,700	900	100	1,500	0	1,300	100				700	(200)	800	0	500	0			
103																				
104 Total Indirect Expenses	1,752,619	1,474,611	147,225		373,299		202,709		25,592		149,170		132,636		301,276		115,713		305,000	
105																				
106 Total Expenses	10,132,088	9,784,493	800,400		5,652,690		1,064,513		310,592		646,147		441,291		713,831		197,624		305,000	
107																				
108 Net Operations	2,751,004	2,620,561	(151,984)		3,774,797		(209,513)		11,408		(37,069)		60,110		(318,121)		(73,624)		(305,000)	
109																				
110 Capital Expenditures																				
111 Capital Improvements	223,800	223,800	3,600	0	220,200	94,500	0	(17,500)				0	(77,000)							
112 Bond Interest Expense	411,000	364,885			411,000	0								0	46,115					
113 Bond Principal Payments	877,000	877,000			877,000	0														
114 Total Capital Expenditures	1,511,800	1,511,800	3,600		1,508,200		0		0		0		0		0		0		0	
115																				
116 Other Revenue & (Expenses)																				
117 Depreciation	(470,488)	(512,721)	(49,892)	5,108	(264,980)	20,020	(40,521)	14,479	(17,723)	(2)	(44,648)	352	(30,958)	1,042	(21,766)	1,234				
118 Discounts Taken	0	0																		
119 Rental Income	114,500	114,500	114,500	0																
120 Interest Earned	10,000	15,000	10,000	(5,000)																
121 Investment Income	12,670	0			12,670															
122 Gain/(Loss) on Disposal of Assets	0	0																		
123 Hawthorne Street Pre-development Expense	(4,000)	(3,000)			(4,000)	(1,000)														
124 Rental Expense	(2,000)	(2,000)	(2,000)	0																
125 Landfill Closure Expense	(17,000)	0													(17,000)					
126 Landfill Clean-Up: Burn Dump Share of Costs	0	0																		
127 Landfill Clean-Up: Burn Dump Expenses	0	0																		
128 Amortization of Anderson Contract	(63,371)	(63,371)			(63,371)	0														
129 Amortization of WSG Contract	(622,078)	(622,078)			(622,078)	0														
130 Bond Premium Amortization	(30,042)	(30,042)			(30,042)	0														
131																				
132 Total Other Revenue & Expenses	(1,071,809)	(1,103,712)	72,608		(971,801)		(40,521)		(17,723)		(44,648)		(30,958)		(38,766)	1,234			0	
133																				
134																				
135 Net Increase (Decrease) in Assets	167,395	5,049	(82,976)	(21,416)	1,294,795	194,381	(250,034)	66,973	(6,315)	(9,516)	(81,718)	40,684	29,152	59,780	(356,887)	(21,301)	(73,624)	157,761	(305,000)	(305,000)
136																				
137 HWMA Undesignated Reserves	398,000	1,800,000	1,500,000		(327,000)										(445,000)				(330,000)	
138 CRLF Closure Trust Fund	3,729,215	3,769,932																		



Staff Report

DATE: January 14, 2014 For Meeting of: February 13, 2014

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

SUBJECT: Item 8)
Budget Outlook for FY 2014-15; Receive Report and Provide Direction as
Appropriate

RECOMMENDED ACTION:

That the Board of Directors provide direction to staff for the development of the draft FY 2014-15 budget incorporating the following:

- 1) Board directed proposed revenue and expenditure assumptions presented in the staff report, or as amended by the Board;
- 2) Allow the Undesignated Reserves to fall below 20% of Operating Revenue requirement;
- 3) Approve In Concept Proposed Reorganization of the Programs Division
- 4) Approve in Concept Additional Accountant Position and Administrative Services Division

DISCUSSION:

HWMA receives the majority of its' funding directly from tip rates associated with member agency tonnage delivered to either the Hawthorne Street Facility or satellite facilities who operate under an agreement with HWMA, and revenue derived through marketing of salvage materials such as plastics, metal and paper. A small portion of revenue is derived through interest earned on principle and awarded grants. HWMA does not receive any portion of property tax revenue, nor State or Federal revenue streams other than CRV¹ reimbursement or awarded grants for specific projects.

The recommended budget parameters will assist in evaluating necessary actions to ensure a stable level of funding and expenditures described above for continuation of services and programs provided by HWMA, and continued implementation of the adopted Strategic Plan. However, with expenditures potentially increasing more rapidly than revenues, HWMA must proceed with caution so as to avoid a structural deficit. Following three years of no rate increase, last year's Budget was balanced in part by increasing the tip rate by 4.25%, and tapping into Undesignated Reserves for unforeseen expenditures.

¹ CRV-California Redemption Value

Based on Board direction, staff will develop the draft FY 2014/15 budget and draft Tip Fee Rate Schedule for presentation to the Board at the April 10 Board meeting.

Fiscal Year 2014-15 Budget Preview

The approach to next year's budget is to consider this current fiscal year as a base document for assumption purposes. Proposed revisions will need to include Board direction to prepare the following:

Revenue Assumptions

- Tonnage trend: Staff recommends maintaining a conservative estimate of 70,000 tons per year.
- There are potential impacts associated with the proposed establishment of an additional private transfer station in the greater Eureka/Arcata area. Staff estimates as much as 5,000 tons per year could be diverted from the Hawthorne Street Transfer Station. The resulting loss of disposal revenue would either be borne by the remaining tonnage, or other significant savings would have to be realized to continue programs at their currently funded levels.
- Unless directed otherwise, staff recommends continuing programs at their current level of funding with the rate structures currently in place. In the case of some Divisions – Recycling and Hazardous Waste – this may result in some underfunding to be covered by the Tip Fee, in an attempt to continue the highest level of participation at the most affordable rates for the public.
- Another factor to guide the development of the FY 2014-15 budget are parameters for a Board acceptable percentage increase, if necessary, in the Tip Fee. Traditionally this change has been recommended by staff and presented to the Board, however in light of a number of ongoing projects and a desire to keep services as reasonable as possible for the ratepayers, an earlier discussion of the limits on Tip Fee changes will help staff develop a budget that reflects the Board's goals for the upcoming fiscal year.

Expenditure Assumptions

- A Cost of Living Allowance for employees, not including the Executive Director. Staff is recommending the Board discuss and provide direction for a COLA increase from 1.5% to 3.0%.
 - This equates to approximately a \$20,000 to \$45,000 increase in salary for current positions.
- Health insurance rates are expected to increase approximately 30% or \$72,000 in FY 2014-15.

- PERS retirement costs will increase 0.74% (10.17% to 10.91%; approximately \$11,000) for employees hired before January 1, 2013. Employees hired after that date will cost the Authority 6.25% of wages.
- Insurance – including general liability, automobile, property, and worker’s compensation insurance – are expected to increase 3% to 5%.
- Last year the Board approved a reduction in the fuel assumption rate for transportation of solid waste that more accurately reflects actual fuel rate costs. Staff recommends continuing this budget assumption.
- Transportation and Landfill Disposal rate changes. Staff is not requesting the Board to provide parameters at this meeting for budget development as these costs will be dependent upon the Board’s final selection and successful contract with the chosen contractor(s).
- Utility costs, operating expenses, and other day-to-day costs of operation will be reviewed and compared to similar services to provide the Authority with as cost-effective an alternative as possible, while adhering to Board purchasing policies. While expenses tend to increase annually, staff will work to keep those increase impacts as minimal as possible.

Capital Improvements

- Staff will evaluate Fiscal Year 2014-15 capital improvement needs through the budgetary process. Staff will continue to work towards development of a Capital Improvement Plan for future consideration.

County Wide Pass-Through Fees

Staff has circulated a request to County personnel that requests for fee modifications (increase or decrease) be submitted to the Executive Director prior to the February Board meeting. Requested changes to the County Wide Pass-Through Fee will be incorporated in the draft budget for discussion by the Board in April.

Staff will also recommend at the April meeting to change the composition of the CWPTF’s such that these per-ton fees cover long-term and ongoing obligations of the Authority and its Member Agencies. It is staff’s intention that these changes be developed to keep CWPTF’s affordable for landfill self-haulers and private transfer stations, while ensuring that these tonnages continue to cover costs that this and past Boards have deemed necessary for Integrated Waste Management activities for their Member Agencies.

Staff has been discussing with the County LEA to consider adjusting HWMA’s LEA Pass-Through and consider expanding collection of these fees to all solid waste facilities as provided for under existing Public Resources Code. This will fairly and equitably enable collection of County fees of non-member agency material to be collected from other transfer or solid waste facilities.

Reserve Fund Restoration

Board adopted policy calls for HWMA to maintain reserves at 20% of the total Operating Expenditures. In FY 2011/12 the Reserve level was \$1.8 million. Due to funds transferred for purposes of the Anaerobic Digester RFP (\$100,000), unforeseen expenditures related to Phase I Landfill Closure (\$990,000), Burn Ash Site (\$225,000), Anderson Settlement (\$327,000) available reserves on-hand have decreased to \$800,000.

Staff recommends the Board suspend the 20% Reserve requirement policy until completion of two major projects at the Cummings Road Landfill, namely (1) the closure of the Cummings Road Burn Ash Site, and (2) Phase II Closure of the Cummings Road Landfill. Any savings realized during the coming Fiscal Year may be applied towards replenishing reserves, but committing extra funds specifically to restore reserves to their appropriate level could significantly increase Tip Fees in the coming year. Additionally, staff will develop a proposal for Board discussion regarding replenishing of the Reserves.

Staff will continue to work on developing new reserve policy aimed at creating both designated and undesignated reserves to better manage reserve funds in coming years.

Additional Budget Considerations

The list below summarizes the additional points of discussion and direction that staff is looking for from the Board. These include 1) staffing and proposed reorganization requests; and 2) Evaluate and present proposal for change in operational ours; and 3) discretionary funding requests; and 4) new rate structure development.

1) Staffing Request/Division Reorganization

- Approve in concept establishing a Accounting Clerk II Position 1.0 FTE, per recommendation of the 2012/13 Audit finding. A potential reorganization of the Administration Division may be undertaken to negate some of the increased cost of this additional position. Staff requests the Board direct development of a new job description, potential budget impacts and necessary implementation steps so the proposal can return to the Board for appropriate actions.

- With the conclusion of the 1-year Food Waste Collection Pilot Project and resignation of the Organics Program Manager on December 31, 2013, staff is recommending the Board consider reorganization of the Programs Division by the following steps:
 - Reclassify the employee position currently allocated as the Organic Diversion Program Manager position to a Programs Analyst position within the Programs Division. Salary savings will be recognized by dropping managerial benefits associated from the position and returning the position to an hourly wage.

 - Eliminate 1.25 FTE staffing (0.5 FTE Utility Worker and 0.75 Organic Waste Specialist). These positions were approved as part of the FY 2013/14 Budget, however hiring for these positions were suspended pending completion of the Food Waste Collection Pilot Project and determination whether a permanent

PAINTCARE

At the January meeting, the Board approved to moving forward with PaintCare services. HWMA's Authorization Letter, and the Clean Harbors contract have been received and both PaintCare and CH reps have conducted HWMA site visits. The HHW staff anticipates beginning PaintCare collection during the month of February.

HHW GRANT (Fortuna HHW Event)

The Progress report and mid-term payment request for reimbursement of \$24,786.00 (less 10%) was received and approved by CalRecycle. This was the grant that funded the Fortuna HHW this past summer, in addition to routine advertising, signage, and supplies for the HHW.

MEDICAL SHARPS

The sharps containers that HWMA received from a CalRecycle Grant are being actively distributed to low income programs, resource centers, senior centers, and targeted outreach networks. In excess of 600 sharps containers have been distributed thus far. A more comprehensive letter report will be provided to the HWMA Board and CalRecycle later this Spring as the grant concludes.

RECYCLING CONTAINERS

CA DOC/Calrecycle Grant monies were used to purchase permanent recycling containers. These were received by HWMA and distributed to the McKinleyville Community Services District (5 containers), Humboldt County Parks Department (10) and the Humboldt County Court House (2). The blue, well labeled containers will help these agencies divert materials and familiarize users with source segregation.

ELECTRONIC WASTES

The four required annual reports to the CA Dept. of Toxic Substance Control (DTSC) were submitted January 24th. These reports detail sources and handling data of over 680,000 pounds of e waste received by Eureka recycling Center and at Programs collection events during calendar 2013. In addition, HWMA assisted County of Humboldt in arranging for the secure destruction of 1,500 pounds of computer hard drives and following up with Certificates of Destruction being provided to the county Purchasing team.

TRAINING

Senior HazMat Technician Tiffany Ibbs successfully completing the week long Hazardous Materials Certified Instructors Course provided by CA Specialized Training Institute. This added endorsement allows her to provide training to our staff regarding such subjects as asbestos management and recognition of hazards risks during routing tip floor operations.