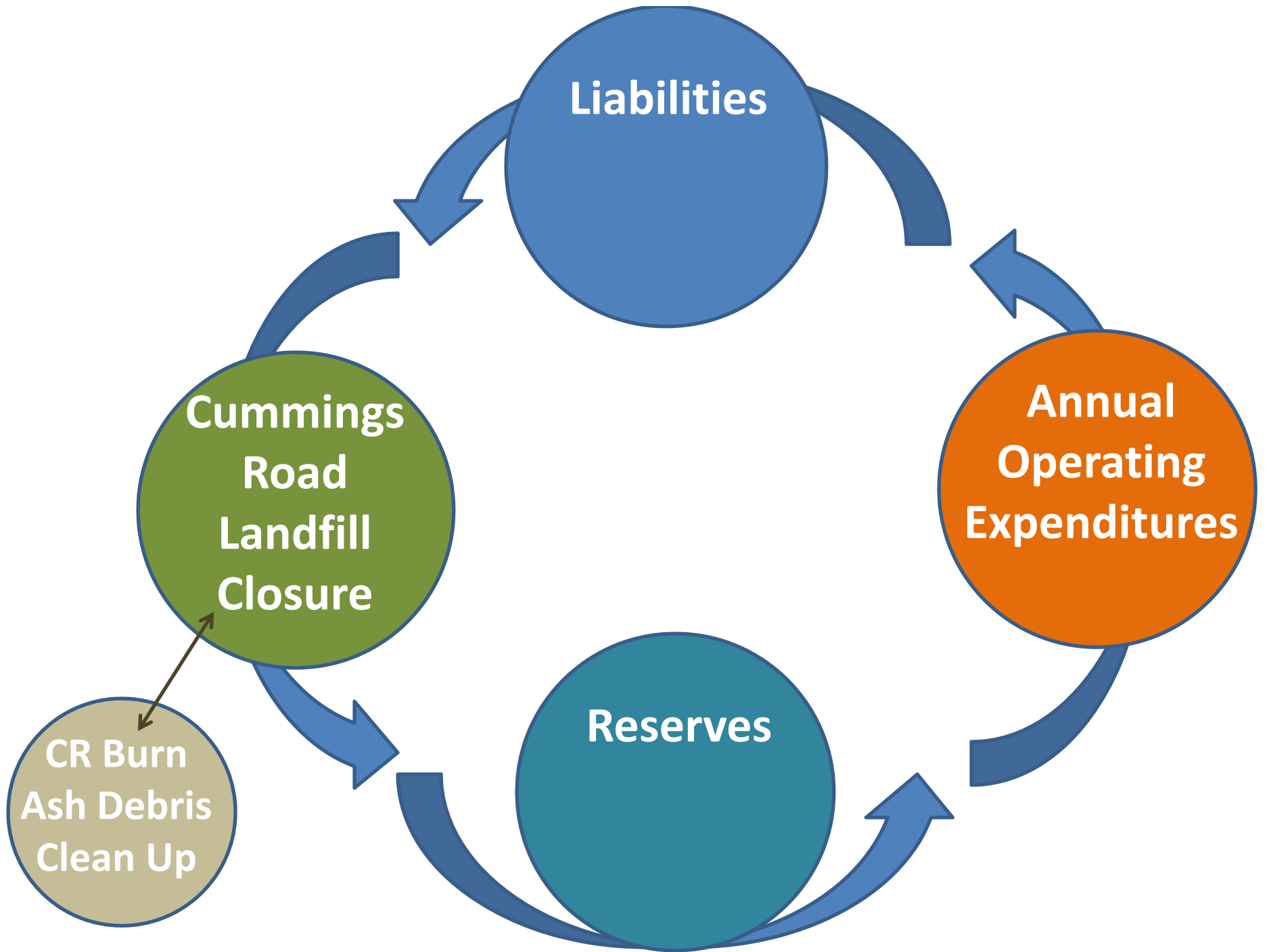




HWMA Finance Overview

September 11, 2014

HWMA Board of Directors





Liabilities

- **Bond Debt Service**

– 2002 Series	\$7,500,000	
– 2005 Series	<u>\$7,845,000</u>	
	\$ 15,345,000	\$8,000,000 Remaining

- **Cummings Road Landfill Closure/Post-Closure**

– 2008	Non-Operating Landfill	\$ 10 million liability
– 2012	Phase 1 Closure	\$ (4.5 million liability reduction)
– 2013	Leachate Disposal Costs	\$ 3.0 million added liability
– 2015	Phase 2 Closure	\$ 2.47 million expected cost

- **Cummings Road Burn Ash Debris Loan**

– 3 year loan with Headwaters/RREDC	\$ 900,000
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Cummings
Road
Landfill
Closure

- **Closure Cost Estimated
\$7.565 million**

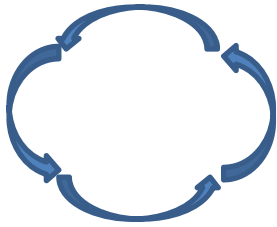
- Phase 1** Closure was completed the **Summer of 2012**
 - Phase 1 cost was **\$4.9 million**
 - Cal-Recycle is holding approximately \$990,000 of HWMA funds until Phase 2 is complete.
 - CAO issued for Cummings Road Burn Ash Site April 26, 2013
 - WDR approved by NCRWQCB on May 2, 2013; allows burn ash debris to be placed into Phase 2 landfill area for capping/closing.

- Phase 2** scheduled for **Summer 2015**
 - Closure Cost estimated at **\$2.75 million**
 - Prepare CQA Report and submit to NCRWQCB for Approval
 - CalRecycle to release total retention estimated at **\$1,540,000**



- **Clean Closure Cost Estimated
\$4.03 million**

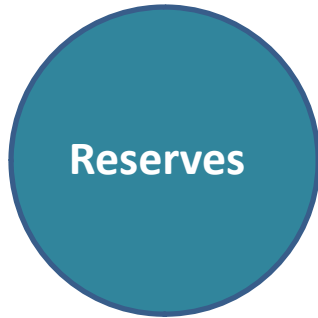
- ❑ Clean Closure activities in final construction phase **Summer of 2014**
 - ❑ Project funding was not planned nor budgeted in advance.
 - ❑ Board approved transfer of \$305,000 from Reserves and matched with Recology
 - (Plan, Design, and Environmental Review costs) \$ 610,000
 - ❑ Secured Cal-Recycle grant for \$750,000. \$ 750,000
 - ❑ Settlement with Recology for \$1,200,000 \$ 1,200,000
 - ❑ Headwaters Loan \$ 900,000
 - ❑ Annual Budgeting for 5 years at \$114,000 \$ 570,000
 - \$ 4,030,000**



Tip Fee History 2009-2014

Fiscal Year	Impact	Franchise	Self Haul	Satellite
FY 2009-10	No Increase	\$128.81	\$155.56	\$100.52
FY 2010-11	Reduce \$5.50/ton	\$123.31	\$150.06	\$ 95.02
FY 2011-12	Reduce 5%	\$117.14	\$142.56	\$ 90.27
FY 2012-13	No Increase			
FY 2013-14	Increase 4.25%	\$124.34	\$152.53	\$ 96.58
FY 2014-15	Increase 1.15%	\$126.79	\$154.28	\$ 97.69

Overall Tip Fee remains unchanged from FY 2009-10 rates



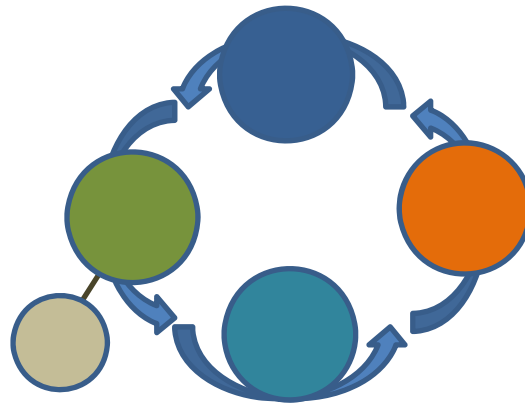
HWMA Policy 3030: *It is recommended that HWMA maintain an operating reserve in the amount of at least 20% of the annual projected expenses.*

- FY 2010-11 **\$2,100,000**
- FY 2011-12 Direct to reduce
 - Additional Reduction of \$151,000 Dec. 2011
- FY 2012-13
 - Reduce by \$350,000
 - Phase 1 Landfill Closure further reduced availability by \$990,000; will be released following Phase 2 completion (early 2016)
- Reserves in 2013-14 **\$1,650,000**
 - Anderson Landfill Billing Dispute \$327,000
 - CR Burn Ash Debris \$305,00 Match



Upcoming for FY 2015-16

- Base Operating Expenditures; plus
- CR Burn Ash Monitoring/Mitigation; and
- Funds to pay for Phase 2 Closure (until release of retention)
- Reserve Restoration
- Strategic Plan Objectives
 - 1.2 Recycling RFP
 - 1.4 Greenwaste Contracts
 - 1.7 Organics Diversion Composting Capacity



Path to Financial Stability

- Control
- Plan
- Forecast

Long-Term Financial Planning Elements

Internal

- Improve Revenue/Expenditure Control
 - Evaluate Cost Saving Opportunities
- Improve Revenue Sources
 - Materials Diversion/Salvage Value
 - In-House Services

Board

- UnDesignated Reserve Recovery
 - CalRecycle Retention Release (2016)
 - Net Asset
- Establish Designated Reserves
- Capital Improvement Plan