Agenda
Thursday, May 10, 2018 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. 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 April 12, 2018 HWMA Board of Directors Meeting.
   c. Approve FY 2017-18 Strategic Plan Update Report
   d. Declare Caterpillar 315 Excavator Surplus Property

3. 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.

4. Receive and Approve Final Fiscal Year 2018-19 Budget, and Approve Resolution 2019-01

5. Board Member Reports

6. Executive Director’s Report

7. Closed Session: None

8. Adjourn
Minutes
Thursday, April 12, 2018 5:30 PM
Eureka City Council Chambers
531 K Street, Eureka, CA

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

1. Call to Order and Roll Call at 5:30 PM
   Motion: Director Bohn Moved and Director Wilson Seconded the motion to appoint Director Sweeney as acting Chair.
   Action: Approve the Motion as made by Director Bohn and seconded by Director Wilson by the following vote:
   Ayes: Bohn, Wilson, Sweeney, Winkler
   Nays: None
   Absent: Pereira, Messner

2. Consent Calendar
   a. Approve Minutes from the March 8, 2018 HWMA Board of Directors Meeting.
   b. Receive February Fiscal Year 2017-18 Financials
   c. Approve the Eel River Recology Fortuna Transfer Station Loading Agreement
   d. Approve the Cummings Road Landfill – Landfill Gas Flare Upgrade Construction Bid Document
   Chairman Sweeney opened the floor to public comment related to the consent calendar. No comment was received.
   Chairman Sweeney closed the floor to public comment.
   Motion: Director Winkler Moved and Director Wilson Seconded the motion to approve the Consent Calendar.
   Action: Approve the Motion as made by Director Winkler and seconded by Director Wilson by the following vote:
   Ayes: Bohn, Wilson, Sweeney, Winkler
   Nays: None
   Absent: Pereira, Messner

3. Oral and Written Communications
   Chairman Sweeney opened the floor to public comment on item not on the Agenda. No comment was received.
   Chairman Sweeney closed the floor to public comment.
4. **Present Draft FY 2018-19 Budget; Provide Direction as Appropriate**
   The Board received a presentation from Executive Director Duffy and Director of Finance and Administrative Services Egerer regarding the draft budget. Chairman Sweeney opened the floor to public comment regarding the draft budget. No comment was received. Chairman Sweeney closed the floor to public comment.

   **Motion:** Director Wilson Moved and Director Winkler Seconded the motion to Finalize the Draft FY 2018-19 Budget as Directed.

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

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

5. **Board Member Reports**
   Reports were received from the following Directors:
   - Director Wilson, regarding Eagle Prairie Bridge.

6. **Executive Director’s Report**
   Executive Director Duffy discussed a variety of ongoing activities with the Board. Chairman Sweeney opened the floor to public comment regarding the Executive Director’s Report. No comment was received. Chairman Sweeney closed the floor to public comment.

7. **Closed Session: None**

8. **Adjourn**
   Chairman Sweeney adjourned the meeting at 6:39 p.m.

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

DATE: April 14, 2018

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 2b) Adopt Resolution Number 2019-02 Adopting a Conflict of Interest Code for HWMA in Compliance with California Government Code Section 87300.

RECOMMENDED ACTION: Voice vote. Adopt Resolution Number 2019-02

DISCUSSION:

California Government Code section 87300 requires all public agencies to adopt and review a Conflict of Interest Code every two years. This Code shall enumerate employee and consultant positions within the Authority who are involved in the making or participate in the making of decisions which may have a material effect on any financial interest of their own; identifying disclosure categories for such employees and consultants; and identifying disqualification requirements for such employees and consultants.

This Resolution would supersede Resolution 2017-02 that established a Conflict of Interest Code on May 12, 2016. The primary modification to the Code was to reflect the elimination of one position, and the two management positions approved by the Board on January 11, 2018.

<table>
<thead>
<tr>
<th>Former Position</th>
<th>Current Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Operations and Facilities Management</td>
<td>Director of Operations</td>
</tr>
<tr>
<td></td>
<td>Director of Environmental Health &amp; Safety</td>
</tr>
</tbody>
</table>

FISCAL IMPACT:
Minimal time associated with developing the report.
RESOLUTION NO. 2019-02
OF THE
HUMBOLDT WASTE MANAGEMENT AUTHORITY
ADOPTING A CONFLICT OF INTEREST CODE

WHEREAS, specified public officials identified in California Government Code section 87200, including Authority Board members and the Executive Director are subject to the conflict of interest disclosure and disqualification requirements set forth in Government Code sections 87200 et seq.; and

WHEREAS, California Government Code section 87300 requires all public agencies to adopt and promulgate a Conflict of Interest Code enumerating employee and consultant positions within the Authority who are involved in the making or participation in the making of decisions which may have a material effect on any financial interest of their own; identifying disclosure categories for such employees and consultants; and identifying disqualification requirements for such employees and consultants;

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Humboldt Waste Management Authority hereby rescinds Resolution Number 2017-02 and adopts as its Conflict of Interest Code those provisions set forth in Appendix A, attached hereto and incorporated herein.

Adopted this 10th day of May, 2018

ATTEST:

______________________________   ____________________________  
HWMA Chair       HWMA Clerk

Date: _________________________    Date: ________________________
APPENDIX A
HUMBOLDT WASTE MANAGEMENT AUTHORITY
CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local
government agencies to adopt and promulgate Conflict of Interest codes. The Fair Political
Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec.18730) which contains
the terms of a standard Conflict-of-Interest code, which can be incorporated by reference in an
agency’s code. After public notice and hearing, it may be amended by the Fair Political
Practices Commission to conform to amendments in the Political Reform Act. Therefore, the
terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted
by the Fair Political Practices Commission are hereby incorporated by reference. This regulation
and the attached Appendix designated officials and employees and establishing disclosure
categories, shall constitute the Conflict-of-Interest code of the Humboldt Waste Management
Authority.

Designated employees shall file their statements with the Humboldt Waste Management
Authority who will make the statements available for public inspection and reproduction (Gov.
Code Section 81008). Upon receipt of the statements of the Board of Directors and the
Executive Director, the Humboldt Waste Management Authority shall make and retain a copy
and forward the original of these statements to the Fair Political Practices Commission.
Statements for all other designated employees shall be retained by the Humboldt Waste
Management Authority.

Public Officials Who Manage Public Investments

The following positions are NOT covered by the Conflict-of-Interest code because they must
file under section 87200 and, therefore, are listed for informational purposes only:

- Governing Board Members
- Executive Director

An individual holding one of the above listed positions may contact the Fair Political
Practices Commission for assistance or written advice regarding their filing obligations if they
believe that their position has been categorized incorrectly. The Fair Political Practices
Commission makes the final determination whether a position is covered by section 87200.
CONFLICT OF INTEREST CODE FOR THE
HUMBOLDT WASTE MANAGEMENT AUTHORITY

Designated Positions | Disclosure Category
----------------------|----------------------
Director of Finance & Administrative Services | 1
Director of Operations | 1
Director of Environmental Health & Safety | 1
Consultants | *1
General Counsel | 1

Disclosure Category

Category 1
Designated employees in Category 1 must report:

a) Investments and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which within the last years has contracted with the Authority to provide services, supplies, materials, machinery or equipments.

b) Investments and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which engages in or may engage in activities which come under regulation by the Authority.

c) Investment and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which engages in the acquisition, disposal or development of real property by the Authority.

d) Investments and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which engages in the preparation of environmental impact report or statements.

e) All interest in real property.

Category 2
Designated employees in Category 2 must report:

*1 Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitations: “The Executive Director may determine in writing that a particular consultant, although a ‘designated position’, is hired to perform a range of duties that is limited scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of the disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict-of-Interest code.
a) Investments and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which within the last two years has contracted with the Authority to provide services, materials or equipment.

b) Investments and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which engages in or may engage in activities which come under regulation by the Authority.
Staff Report

DATE: May 3, 2018  For Meeting Of: May 10, 2018

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 2c)  

RECOMMENDED ACTION:  Receive report on the implementation status of the Authority’s 10-year Strategic Plan; Provide Direction as Appropriate.

Discussion:

The Board of Directors adopted the Authority’s 10-Year Strategic Plan May 9, 2013 and directed progress reports to be presented annually. The Strategic Plan is intended to provide HWMA a framework to guide the development, implementation, and management of new and existing programs and facilities over the next ten years (2013 – 2023). Phased approaches for implementing strategic planning policies were included in the Plan (i.e., immediate, intermediate, and long term).

Staff has prepared the attached report “HWMA 2013-2023 Strategic Plan-Update 2018” as an appendix to the approved plan. Implementation of strategic plan objectives are predicated on available staff capacity and funding.

Financial Impact

No direct fiscal impact associated with the preparation of this update, other than staff time.
This document is an appendix to the “HWMA 2013-2023 Strategic Plan”, and should be viewed as such for proper context.
Strategic Plan Update 2018

HWMA Board of Directors
2018

Sofia Pereira, City of Arcata - Chair
Heidi Messner, City of Eureka - Vice Chair
Summer Daugherty, City of Blue Lake
Frank Wilson, City of Rio Dell
Michael Sweeney, City of Ferndale
Rex Bohn, County of Humboldt

Jill K Duffy, Executive Director
Tyler Egerer, Director of Finance & Administrative Services
Eric Keller Heckman, Director of Operations
Deirdre Hanners, Director of Environmental Health & Safety

Nancy Diamond, General Counsel
Strategic Plan Overview
The Humboldt Waste Management Authority’s Strategic Plan was initiated in 2011, and approved by the HWMA Board on May 9, 2013. The Strategic Plan is intended to guide development, implementation, and management of new and existing programs and facilities over the next ten years.

The HWMA Board of Directors have approved several annual updates to the “2013-2023 Strategic Plan”. This document dated May 10, 2018 updates and replaces the two prior documents dated May of 2016 (Appendix F), and May of 2017 (Appendix G).

Overall, the Strategic Plan remains a solid blueprint in identifying strategies to achieve waste diversion. As staff implements the Plan, implementation constraints will be identified and addressed as necessary.

Mission Statement
Through the adoption of the “2013-2023 Strategic Plan” (“Plan”), the HWMA Board also approved a Mission Statement and Vision Statements that guide and support HWMA’s efforts to implement the Strategic Plan.

HWMA’s Mission Statement is to implement a sustainable, regional materials management system in order to protect and preserve the social, environmental and economic health of our community by supporting, developing and/or promoting policies, programs and facilities that cost effectively, eliminate solid waste generation, reduce disposal and increase diversion to achieve a state-reported diversion rate of 75 percent and a 14,800 ton reduction in land filled materials by 2020.

Vision Statement
In 2017, the Board reviewed the approved Vision Statements, and because the Plan was silent in regards to the Authority owned and operated Cummings Road Landfill, the Board directed an additional bullet be incorporated to recognize the Authority’s responsibility and obligations related to the Cummings Road Landfill.

- Support regional processing of source-separated recyclables;
- Increase cost effective diversion from landfill at HWMA owned, operated or managed facilities;
- Secure cost effective long-term disposal capacity;
- Continue/Expand HWMA Programs that promote waste reduction and diversion;
- Provide program support to HWMA member agencies;
- Manage HWMA facilities and programs in a financially responsible sustainable manner; and
- Complete Cummings Road Landfill Closure activities and conduct 30 Years of Post-Closure Maintenance activities in an environmentally sustainable and economically efficient manner.
Area of Focus

Strategies that comprise the Strategic Plan are separated into four broad areas of focus, which are fairly self-explanatory as presented below:

<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>The facilities, property, equipment and/or agreements necessary for operations, services or programs.</td>
</tr>
<tr>
<td>HWMA Programs</td>
<td>Collection &amp; Diversion Programs performed by HWMA including, but not limited to Household Hazardous Waste, Universal Wastes, Carpet Care, PaintCare, Used Oil Collection etc.</td>
</tr>
<tr>
<td>Support Programs</td>
<td>Authority staff performs data collection, analysis &amp; reporting for AB393 Reporting, quarterly and annual reporting activities.</td>
</tr>
<tr>
<td>Funding</td>
<td>Developing sustainable funding for all HWMA Programs and Services.</td>
</tr>
</tbody>
</table>

The strategies were originally presented by the Strategic Plan consultants as *Immediate/Intermediate and Long-Term phases*, however it is important to note that consultants prioritized the phases by date of completion, but that the *embedded strategies within the phase were not*. The strategies were listed in the order that the policy items were taken up by the Authority’s Strategic Plan Planning Advisory Committee. When this document was initially presented in April 2013, the consultant recommended that the Board and staff prioritize the strategies based on available resources.

Following the Plan’s May 2013 adoption, it became evident during the Immediate Phase implementation activities that the Authority’s Cummings Road Landfill responsibilities and activities lacked identification and incorporation in the Plan. Since the Authority’s formation, the landfill has required a significant amount of time, resources and funding aimed towards actions necessary to close the landfill, and clean up the former burn ash site located on two parcels adjacent to the landfill. *Cummings Road Landfill Construction Closure Phase 1* was completed the summer of 2012, with the construction activities related to the *Corrective Action Plan for the Cummings Road Burn Ash Debris site* completed in October 2014. *Cummings Road Landfill Construction Closure Phase 2 was completed in October of 2015*. The North Coast Regional Water Quality Control Board, CalRecycle and the Humboldt County Local Enforcement Agency approved and certified closed the landfill in February 2017. The Authority is now responsible for 30-years of post-closure maintenance and monitoring activities.

Key Developments of Note

Recology purchased Arcata Garbage in December 2016, and Eel River Disposal in September 2017. These acquisitions included franchise collection equipment, franchise agreements, the Samoa Materials Recovery Facility, Fortuna Transfer Station and maintenance and operation of the Redway Transfer Station. These acquisitions are enabling the evaluation of existing services to customers, and the opportunity to negotiate standardized curbside collection services, rates and agreement terms.
**Diversion Activities Summary**

The projected 72,000 tons of municipal solid waste generation is inclusive of member agency franchise material, material self-hauled to Hawthorne Street Transfer Station (HSTF) as well as material directly hauled to out of area landfills. Actual annual solid waste tonnage handled by the Authority is 63,000 tons, with approximately 81% of the material generated by Member agencies coming into the HSTF, with the remaining being handled by private transfer stations operated by Eel River Recology or Humboldt Sanitation.

The Authority’s Operation staff began manual diversion of self-hauled solid waste shortly after the Draft Strategic Plan was presented to the HWMA Board in April of 2013, and continues today. The following summarizes diversion activities from the Eureka Recycling Center and the Tip Floor by fiscal years FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18. For additional discussion, please refer to Objective 1.5 narrative.

**Total Diversion Activities Summary**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Eureka Recycling Center Tons</th>
<th>Tip Floor Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014-15</td>
<td>3,041.5</td>
<td>702.0</td>
</tr>
<tr>
<td>FY 2015-16</td>
<td>3,260.5</td>
<td>763.8</td>
</tr>
<tr>
<td>FY 2016-17</td>
<td>2,838.0</td>
<td>725.0</td>
</tr>
<tr>
<td>FY 2017-18</td>
<td>2,543.0</td>
<td>1,043.0</td>
</tr>
</tbody>
</table>

**Recycling - Annual Diversion Tonnage**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCC to SWOW</td>
<td>1,560</td>
<td>1,480</td>
<td>1,350</td>
<td>1,200</td>
</tr>
<tr>
<td>Single Stream Drop Off</td>
<td>1,000</td>
<td>900</td>
<td>700</td>
<td>600</td>
</tr>
<tr>
<td>Rigid Plastic</td>
<td>500</td>
<td>400</td>
<td>300</td>
<td>200</td>
</tr>
<tr>
<td>Metal Bales</td>
<td>700</td>
<td>600</td>
<td>500</td>
<td>400</td>
</tr>
<tr>
<td>OCC Bales</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>ERD Metal</td>
<td>100</td>
<td>90</td>
<td>80</td>
<td>70</td>
</tr>
</tbody>
</table>
Plan Implementation

Annual Implementation of Plan

Plan implementation is predicated upon resources being available, including staff capacity and funding, member agency and Board support while balancing these projects with the core purposes outlined in the Authority’s Joint Powers Agreement to handle solid waste, manage the landfill, as well as the regulatory compliance and responsibilities associated with facilities operations and maintenance.

Staff has integrated annual implementation activities into the Authority’s Annual Budget. Furthermore, when specific recommended actions are presented to the Board that further objective implementation, staff reports have been revised to include a section that specifies what strategic objective is being met with requested action.

General Findings

Overall, the Strategic Plan has provided a good blueprint in identifying strategies to achieve waste diversion, however, as our staff works towards implementation, a few findings have emerged:

1. Implementation of regionalization efforts and regional-based activities requires ongoing participation and support of the Member Agencies, and non-member agencies, to implement several goals in the Strategic Plan.

2. Without Member Agencies commitment to establishing the necessary diversion programs and/or source material, HWMA is unable to precede with conversion technology projects such as an Anaerobic Digester or other regional-based projects.

3. An assumption that all member agency material would be subject to the same diversion opportunities; however, unless diversion activities are performed and documented by the contracted satellite facilities, diversion activities will be limited to material received at the Hawthorn Street Transfer Facility.

4. The Strategic Plan, as adopted in 2013, did not address the Cummings Road Landfill, and yet the landfill represents one of the most significant responsibilities and financial liabilities to the Authority.

5. The State Legislature and Governor set a goal of 75% recycling, composting or source reduction of solid wastes by 2020. This represents the next evolutionary phase of waste management in California: an approach that makes current landfill diversion programs equal partners with materials management to achieve the highest and best use of all materials in California.

Phase 1 - Immediate Strategic Goals and Other Critical Projects (May 2013-December 2015)

Phase 1 strategies are summarized here in the order of completion, as well as the additional critical projects undertaken by the Authority within the same two and a half year time frame. The critical projects were required and completed in order to meet regulatory compliance, financial security and/or to maintain regular Authority operations.
1.1 Secure Long-Term Transportation and Disposal of Solid Waste. Update
This process was initiated in June 2013, and a 10-year agreement with Solid Waste of Willits (SWOW) was entered effective June 2, 2014. As SWOW and HWMA approached Year 3 of the 10-year agreement, SWOW requested that HWMA consider early termination of the agreement due to lack of performance and financial duress. The Board approved an amendment for “Early Termination of Transportation and Disposal of Municipal Solid Waste” effective June 24, 2017. Along with the termination of transportation services, disposal at Potrero Hills Landfill (Suisun City) also concluded.

The Board of Directors approved Resolution 2018-03 which detailed the finding that the Public Health, Safety and Well-Being required HWMA to enter into a Solid Waste Transportation and Disposal Contract with Dry Creek Landfill, Inc. without competitive bidding. The Authority entered into an agreement dated June 19, 2017 for the transportation and disposal of solid waste with Dry Creek Landfill, with subcontractor transportation services to be handled by Bettendorf Trucking Enterprises.

The term of the agreement is for a period of 10-years, ending June 30, 2027 unless extended for an addition period of five (5) years. The agreement does not require ‘put or pay, the Authority will not be penalized for materials recovery and diversion that results in less material sent to the landfill, and the Authority has benefited by Bettendorf’s ability to secure reliable back-hauls.

1.2 Regional Recycling RFP Initiated March 2018
The Strategic Plan called for the Authority to Work with Member Agencies to Procure Regional Source-Separated Recyclables Processing Capacity, Authority staff initiated development of a Regional Recycling Request for Proposal (RFP) and Recycling Flow Control Memorandum of Understanding (MOU) in November 2014. Member agencies were asked to determine by May 29, 2015 whether to participate in a regional recycling RFP process.

At the November 12, 2015 meeting, due to the poor commodity market and lack of commitment of regional recyclable material, the Board 1) declined to lead a regional process and 2) directed staff to move forward with exercising the extension of the SWOW agreement for a period of 2 years.

By February 28, 2018, all Member Agencies decided to participate in the “Recycling Processing and Marketing of Regional Curbside Collected Materials Request for Proposals”, and directed flow control of curbside recyclable materials through a Memorandum of Understanding, and the Board directed circulation of a RFP with a submittal deadline of April 30, 2018. It is anticipated that an agreement for services will be entered into effective September 7, 2018.

1.3 Evaluate Development of an Anaerobic Digestion Treatment System. Completed
Concurrent with 1.6 Food Waste Collection, the Authority undertook planning for development of an anaerobic digestion treatment system for the treatment of food wastes. Working with the City of Eureka and member agency staff, the Authority conducted a site study for property
located on Hilfiker Lane, Eureka adjacent to the City of Eureka’s wastewater treatment facility, performed environmental review and adoption of a negative declaration, and secured a consultant to develop an Anaerobic Digester Request for Proposals (RFP). The RFP was circulated and proposals were ranked in the summer of 2013 by the Authority’s Technical Advisory Committee, but HWMA was unable to proceed unless, and until, Member Agencies commit to implementation of organics collection program and provide “flow control” to the Authority. This “flow control” will commit the jurisdiction to providing source material for processing. At that time, related infrastructure development conservatively ranged between $4 and $8 million, not including permits, collection or annual operational costs.

1.4 Renegotiate contracts related to Mad River Compost facility. Completed
The Authority entered into a 10-year agreement for Green Waste Processing Services with Mad River Hardwood, Inc. in June 2017. This agreement consolidated two previous agreements into a singular agreement which 1) reduced contractual redundancies; 2) simplified contract management; and 3) allows for revisions to existing provisions as mutually agreed between the two parties.

The key change to the agreement is that Mad River Hardwood, Inc. functions as a service contract; HWMA is no longer listed as the Facility Operator was it was in 2006. When HWMA and Mad River Hardwood initially entered into an agreement, HWMA assisted in the permitting and facilities improvements to enable reliable and affordable green waste processing.

Overall green-waste tonnage has remained relatively predictable, with a steady tonnage increase over the past 10 years from 2,775 tons in FY 2005-2006 to 5,425 tons in FY 2015-16.

Tonnage fluctuations are generally influenced by rainfall and vegetation growth in any given year. As franchise service agreements are expanded to include curbside collection green-waste tonnage volume are expected to increase. The two primary sources of franchise collection are based in the City of Arcata and the City of Eureka.

The Authority anticipates that with the anticipated increased participation by Franchise Haulers, whether through franchise area service amendments or State mandates (AB 1826 compliance), there will be a continued increase for demand and volume of Franchise green waste received by the Authority.

1.5 Increase Tip Floor Diversion On-Going
In addition to materials processed by the Eureka Recycling Center staff, Tip Floor staff began manual sorting and diversion activities of self-haul materials in late April 2013. Within the first year, FY 2013-14, approximately 179 tons of material was diverted by Authority staff. In FY 14-15, floor diversion increased to 702 tons of material, and increased again in FY 15-16 to 763.8. Influenced by the commodities market and other factors Diversion experienced a slight decrease to 725 tons in FY 16-17. With increased programs and market opportunities, Tip Floor Diversion is currently on pace to achieve approximately 1,043 tons of material diversion for FY 2017-18.
Attachment A on Page 17 lists a complete material breakdown by year.

The primary constraint for increasing material diversion is Authority staffing levels and facility limitations. Staff will continue to evaluate improved methods for increasing not only diversion volumes, but employee safety as well.

1.6 Food Diversion Program.  
Completed

HWMA partnered with the City of Eureka to develop a food waste collection & diversion pilot project. HWMA matched a grant with staff and resources to secure a $200,000 EPA Climate Showcase Communities grant that examined and assessed costs and logistics associated with food waste diversion in a variety of commercial settings within the Eureka community. Beginning late 2012, Recology instituted a dedicated food waste collection route, hauled material to HWMA’s transfer station where the material was checked for contaminants, then loaded into bins and transported to Cold Creek Compost located in Ukiah for composting.

The Eureka City Council considered in December 2013 whether to expand the Pilot Project into a permanent commercial food waste collection program in 2014, however the City Council declined due to the additional collection route, long-distance transportation and higher disposal costs, as compared to conventional land filling. Council did however express their support of diversion and directed City of Eureka staff to work with HWMA to develop a regional organics processing facility.

The pilot project concluded December 31, 2013 – with the final report submitted to the EPA in September 2014.

1.7 Explore developing permitted organic composting capacity.  
On-Going

This Strategic Goal is interrelated with goals 1.3, 1.4, and 1.6. These goals should be approached as integrated materials for planning, cost effectiveness and implementation. Similar to 1.3 and 1.6, Authority staff will be working with member agency staff to re-evaluate and examine development of a regional organics processing facility, which is inclusive of green waste in the upcoming months.

Recommendation: The Board directed evaluation of a subject property in the Summer of 2016, and directed staff to withdraw from negotiations in December of 2016. Staff will continue to work to identify suitable site(s) that can accommodate green-waste and organics such as food-wastes for processing.

1.8 HWMA set a regional diversion target of 75%.  
Completed

In May 2013, the HWMA Board set a regional diversion target of 75%, as well as adopting a ‘Mission Statement” through the adoption of the Strategic Plan.

Today, HWMA and our Member Agencies would have a collective tonnage diversion of 69.24% if all jurisdictions reported as a single entity; however member agency staff continues to prefer providing reports to CalRecycle for individual jurisdictions. Authority staff will be addressing this further as part of objective 1.9 Assume Regional Reporting responsibilities.
1.9 Assume regional reporting responsibilities

Implementation of 1.9 is dependent upon strategies in the Intermediate Phase 2.3 Conduct Annual Survey and 2.4 Compile Franchise Haulers diversion reports.

As presented in the original Strategic Plan, amendment of the joint powers agreement will be necessary to allow formation of a regional reporting agency with the approval of and in behalf of each of the member agencies, with the following “benefits”:

1. A cumulative diversion rate above 50% mandated rate, that would be of benefit to the “smaller” member agencies.
2. Merge planning documents such as the Recycling and HHW elements of the CIWMP.
3. More accurate representation on the required Quarterly Disposal Reports.
4. AB-939 Annual report in behalf of all member agencies, completed filed and managed by HWMA staff.

The proposed revisions necessary to the Authorities existing JPA to be regional would include:

1. Describing member agencies and HWMA’s structure to CalRecycle.
2. Lay out how any penalties would be allocated by member agency.
3. Describe compliance contingencies member agencies would follow should the Authority be dissolved.
4. Describe member agency individual duties.
5. Describe recycling and source reduction programs used to attain goals.

Diversion reporting continues to be the primary responsibility of each member agency. The use of a regional approach as a strategy to manage tasks ranging from specific waste streams to administrative duties and reporting has been actively discussed by the Authority Board on numerous occasions. Thus far, consensus has not been achieved and individual member agency autonomy seems the preferred course as matters are studied in more depth. The Board has not expressed its intent to modify or re-define the existing joint powers agreement in order to enable this goal. Additionally, complete regional reporting would be inclusive of the jurisdictions of Trinidad and Fortuna.

Authority staff continues to work under existing contracts with the staff of three member agencies, the City of Eureka, City of Rio Dell, and County of Humboldt in completing required reporting of AB-939 activities to CalRecycle with the required Electronic Annual Reporting mechanism.

Phase 2 - Intermediate Implementation (January 2016 – December 2018)

These adopted timeframes were for guidance, and in practice, Authority staff have been engaged with working on several of these goals since Plan adoption.
2.1 Expand Satellite Universal Hazardous Wastes Collections

Complimentary to diversion goal 1.5, the Authority is also actively engaged in the administration of permanent satellite collection sites located throughout Humboldt County for collection of universal wastes including household batteries, fluorescent bulbs, medical sharps, pharmaceuticals and used oil, and work to identify additional opportunities.

Efforts between HWMA, Humboldt County Department of Health & Human Services Public Health, and the Humboldt Allies for Substance Abuse Prevention (ASAP), Humboldt Independent Practice Association, and numerous pharmacies have resulted in the establishment of six medication disposal bins all across Humboldt County. The bins will accept all medications, prescription and non-prescription, including controlled substances such as opioid painkillers. Humboldt County has a high rate of prescription medication overdose deaths, and these bins will help reduce the number of dangerous medications in the community.

In March of 2018, HWMA expanded designated consolidated points for the collection of SHARPS containers in the Eureka community; and we dispose of approximately 5,000 pounds of Sharps annually.

For the past 10 years, HWMA has accepted Sharps containers at no charge from residents of Humboldt County at our Hawthorne Street Transfer Station. HWMA also offers replacement Sharps containers, at no charge, when customers bring their full containers in for disposal. Additionally, HWMA has funded satellite collection locations which include, Humboldt Sanitation in McKinleyville, Recology Eel River in Fortuna, Palco Pharmacy in Scotia and Redway Transfer Station.

Eureka residents may drop off, at no charge, Sharps containers and recieve empty Sharps containers at Adorni Center, Wharfinger Building, Humboldt Bay Fire Station 1, Eureka City Hall, and Eureka Police Department.

2.2 Reuse

Authority staff will be evaluating opportunities and conceptual ideas towards implementing this goal. The primary constraint from moving forward will be sufficient space to develop a re-use area.

Currently, household paint that is collected at our permanent household hazardous waste facility is eligible for reuse. This resulted in 3,188 gallons of paint offered to the public, at no charge, for reuse in 2017.

Staff is evaluating the potential to expand re-use of other household items such as cleaners, lubricants and garden chemicals.
2.3 Annual Survey

As presented in the approved Strategic Plan, the Authority is tasked with conducting an annual survey of solid waste and recycling systems used within each Member Agency. Results would be used as an educational and planning tool.

Implementation would involve Authority staff:

1. Designing a comprehensive Electronic Survey format
2. Contacting Member Agency staff and having them complete the survey
3. Compiling results from responses received from the Member Agencies

Authority staff currently solicits and gathers information on program effectiveness from a variety of specific resources on an ongoing basis. Information is received from franchise haulers, member agency staff, receiving landfills, and recycling facilities to help gauge methods and capabilities. This information is compiled, shared with the Authority Board, and reported to CalRecycle as may be required. To date, an annual survey of member agency information has not been employed as a tool to supplement this technique or provide additional information.

2.4 Compilation of Franchise Reports

The Authority and Member Agencies would agree to develop a method to track diversion specifically from franchise haulers serving each member agency. There is an expected benefit to be derived from HWMA staff being able to track franchise diversion in addition to disposal tonnage. Collecting this information would assist with development of a regional view of the success of franchise collection towards AB-341 goals of 75% recycling.

At the request of the individual Member Agency, HWMA staff would:

1. Have Member Agency staff share franchise diversion report numbers with HWMA.
2. Consider re-formatting of reporting methods to clarify franchise diversion, if required.
3. HWMA staff would conduct data analysis of diversion compared to past years.

The Authority staff relies on the franchise haulers serving their respective member agencies to supply solid waste disposal tonnages on both a quarterly and annual basis. Additional diversion volumes are also tracked internally within operations at the Authority’s Hawthorne Street Transfer Station, and from other resources such as schools, composting facilities, and food banks that reside within the cities of Eureka and Rio Dell, and the County of Humboldt (AB-939 responsibility areas). At this time, franchise diversion figures from the other member agencies are not passed to HWMA.

Authority staff has broached the staff of the three other remaining member agencies with this specific information request, however no direct response has been provided to the Authority. As with Strategic Plan objective 2.3 (Annual Survey) discussed above, the regionalization of reporting information with regards to both disposal tonnage and diversion methodology has not enjoyed unanimous support. Authority staff will continue to provide services under existing AB-939 Agreements and other mechanisms that assist all of our member agencies in gathering and utilizing franchise provided information.
2.5 Model Ordinances
HWMA staff has, upon request, developed model ordinances and documents for member agencies to consider. In particular, the Authority developed a “Model Plastic Bag Ordinance”, and accompanying environmental review documents. 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.

2.6 Expand Public Education
Authority staff develops and places radio, print and web advertisements, supports in-classroom educational activities and welcomes tours for interested community groups and organizations.

The Authority maintained website was updated and modernized in the Summer of 2017.

2.7 Transition to Self-Funded Activities.
Ultimately, with the exception of grant funded activities such as oil recycling and tire amnesty and commodity revenues, the majority of the Authority’s program are ‘self-funded’ thru our Waste Management Fee because the Authority does not receive any share of property taxes or other government funding.

As conceptual diversion programs are evaluated, one of the factors evaluated are the real cost to provide the service balanced with the price point that customers are willing to pay.

Phase 3 – Long-Term Implementation
By December 2023
3.1 Develop Mixed Waste Processing Capacity, if Economically Feasible
This objective is slated for examination in the upcoming future. The Authority could work to recover materials through a mixed waste Materials Recovery Facility more efficiently than the hand sort we are working on now, which will assist in meeting that 75% diversion goal. However, as detailed in the Plan, there will be significant costs and a number of logistical matters to be addressed.
2013-2017 Completed Critical Projects
In addition to the Strategic Plan objectives identified above, the following projects or activities were undertaken during the same time period.

**Cummings Road Burn Ash Site – Corrective Action.**
HWMA and Recology were jointly named by the North Coast Regional Water Quality Control Board in a Clean-up & Abatement Order on April 28, 2013 for the former 6.1 acre Burn Ash site adjacent to the Cummings Road Landfill. The Order required the parties to develop a clean-up project removing 91,000 cy of waste material that straddled two parcels within an 18-month compliance window. The excavated material was disposed into the Cummings Road Landfill – Phase 2 area, which avoided approximately $12 million in costs related to out of county transportation and disposal costs. This entailed planning, securing financing, a grant, settlement agreement, permitting, securing a contractor and completing construction. This unexpected project cost over $4.5 million, and the Authority remains obligated to perform 5 years of monitoring and reporting activities. The project was completed within the order timeline of September 2014.

**Long Term Debt Restructure**
Staff presented to the HWMA Board at the February 2015 meeting a refinancing option of the Authority’s 2002 and 2005 series revenue bonds, along with consolidation of the Headwaters Loan ($900,000 to assist in Cummings Road Burn Ash costs) in an effort to reduce annual payment costs.

Through a competitive process, the Authority was able to privately place the debt that resulted in reducing interest payments from 4.50% to 1.68%, did not extend the debt service date, no balloon payment and interest payments have been reduced by approximately $380,000 annually. This was completed in May 2015.

**Tip Floor Repair**
After 14 years of daily operations, the Hawthorne Street Transfer Station Tip Floor was in dire need of attention and repair. Approximately 3,820 square feet of the tip floor was worn and a section of the sub-structural re-bar became exposed due to heavy daily use associated with moving 170 tons of municipal solid wastes per day. In order to avoid structural failure of the concrete slab, a contractor was secured and construction was completed over a 4-day period using a specialty topping material installed over the existing floor at a cost of $285,000. This was completed in March 2015.

In House Preparations of Requests for Proposals – Authority staff is actively developing the in-house capacity and experience in developing Request for Proposals, instead of having the work contracted out. For example, development of the Leachate Hauling, Auditing and Regional Recycling RFP’s, process timelines, supporting documents and using evaluation services of the Authority’s Technical Advisory Committee. This has resulted in cost avoidance of over $120,000 to date by utilizing in-house staff and reduced reliance on consultants.

**Cummings Road Landfill Phase 1 & 2 Closure** – Since the formation of the Authority, closure of the Cummings Road Landfill has been a priority, and in accordance with the approved 2010 Joint Technical Document (JTD) Phase 1 of the landfill closure was completed in late 2012. With the Cummings Road Burn Ash Site Corrective Action Plan completed in October 2014, staff prepared for necessary actions...
to commence and complete Phase 2 landfill closure activities in late 2015. Construction activities were completed on Oct. 22, 2015, with minor corrective work completed in early December.

**Cummings Road Landfill Closure Certification** – Necessary documents and plans were submitted to the North Coast Regional Water Quality Control Board, Humboldt County Local Enforcement Agency (Humboldt County LEA) and CalRecycle for ‘Closure Certification’. The three regulatory entities reviewed, documents were revised as requested and certification was approved in mid-February 2017. This certification also enabled CalRecycle to release Authority funds that had been held as part of the project retention.

**Approval Dates**

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<thead>
<tr>
<th>Regulatory Entity</th>
<th>Approval Date</th>
</tr>
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<tr>
<td>North Coast Regional Water Quality Control Board</td>
<td>February 3, 2017</td>
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<tr>
<td>Humboldt County Local Enforcement Agency</td>
<td>February 10, 2017</td>
</tr>
<tr>
<td>CalRecycle</td>
<td>February 15, 2017</td>
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</table>

Additionally, the Humboldt County LEA issued a “Solid Waste Facility Closure Permit” for the Cummings Road Landfill on February 6, 2017. The next Permit Review Date for this facility is due February 6, 2022.

In November 2017, HWMA staff was notified by the County LEA that, following a CalRecycle audit, there was a need for two addition reports including a “Non-Groundwater Corrective Action Estimate”, and a “Closure/Post-Closure Cost Update”.

**Cummings Road Forest Property Acquisition** – As part of the Cummings Road Burn Ash Settlement and Release Agreement, Recology and HWMA entered into an Option and Purchase Agreement on May 23, 2014, extended in March of 2016, giving HWMA an exclusive option to purchase the surrounding 413 acres of forested property for the amount of $1,032,500.

**Forest Properties & Potential Uses**

The property is composed of 413 acres of seven (7) undeveloped forest parcels that surround the Cummings Road Landfill. A September 2013 appraisal estimated the property value at $2.4 million, including an estimated timber value of $1.1 million. Currently, the property, with the exception of two parcels, is under timber management through a Non-Industrial Timber Management Plan. The two parcels have timber harvest rights held by Humboldt Redwoods Company until 2027.

Potential uses for the property include but are not limited to 1) protect and buffer the landfill from future development pressures; and 2) continued timber harvesting and forestland activities; and/or 3) possible future sale of certain or all parcels; and/or 4) evaluation for use of certain diversion activities such as organics and greenwaste composting.

Cummings Road Timber Harvest – With log prices expected at $1,350/thousand board feet for redwood, the Board of Directors directed staff to secure a forester to oversee a limited harvest of timber, consistent with the NTMP, for the Summer of 2018.
## Fiscal Year 2014-2018 Diversion Volumes By Material Type

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<tr>
<th></th>
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<td>Old Corrugated Cardboard (OCC) to SWOW</td>
<td>1224</td>
<td>1516</td>
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<td>Single Stream Drop Off</td>
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<td>905</td>
<td>1085</td>
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<td>Rigid Plastic</td>
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<td>Metal Bales</td>
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<td>635</td>
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<td>OCC Bales</td>
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<td>ERD Metal</td>
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<td><strong>3261</strong></td>
<td><strong>2709</strong></td>
<td><strong>2543</strong></td>
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<th>Tip Floor</th>
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<th>FY 2015-16</th>
<th>FY 2016-17</th>
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<td>Outside Fiber</td>
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<td>Outside Containers</td>
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<td>Tip Appliance</td>
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<td>Clean Light Metal</td>
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<td>318</td>
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<td>E-Waste</td>
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<td>TV's</td>
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<td>Mattresses</td>
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<td>212</td>
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<tr>
<td><strong>Total Diversion</strong></td>
<td><strong>884</strong></td>
<td><strong>764</strong></td>
<td><strong>669</strong></td>
<td><strong>1,043</strong></td>
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Staff Report

DATE: April 24, 2018

FROM: Eric Keller-Heckman, Director of Operations
Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 2d) Declare Equipment Surplus Property

RECOMMENDED ACTION: Voice Vote

1) Declare the Caterpillar 315 Excavator Surplus Property, and Authorize the Executive Director to Solicit Bids for the Sale of Surplus Property

DISCUSSION:
The Authority currently owns a 1997 Caterpillar 315 excavator and is utilized at the Hawthorne Street Transfer Station for green waste loading activities. Due to the age and condition, staff is recommending the Board declare surplus property and direct the Executive Director to invite bids for its sale.

As part of the planned capital improvements for Fiscal Year 2017-2018, staff has successfully entered into a lease agreement for acquisition of a new excavator dedicated to loading solid wastes. The current solid waste excavator will be transitioned into the primary green waste loader. The Caterpillar 315 has been in use in one form or another since 2005 at the Hawthorne Street Transfer Station and has served well beyond its expected life.

FISCAL IMPACT:
Potential for minor revenue from the sale of the 315 Excavator, depending on bids received. Funds will be transferred to the Capital Improvement Fund for future improvement projects. No impacts to staff costs are anticipated to advertise and manage the bidding process.

ALTERNATIVES:
Board discretion.
Staff Report

DATE: April 25, 2018 For Meeting Of: May 10, 2018

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

SUBJECT: Item 4)
Receive Final Budget, Review and Approve FY2017-2018 Budget.

RECOMMENDED ACTION: Roll Call Vote.
1. Approve Fiscal Year 2018-2019 Budget; and
2. Adopt Resolution 2019-01 for the Collection of Integrated Waste Management Fees; and

DISCUSSION:
Attached is the Final “Fiscal Year 2018-2019 Budget”. As presented, the FY 2018-19 Budget presents a balanced budget with a projected increase of Net Income of $0 (zero). Revenues are projected at $13,384,779 and total projected expenditures are $13,198,779. Reserves also remain fully funded at $2,600,396.

The Draft FY 2018-19 Budget was presented to the Board on April 12, 2018, and accepted with no further direction. The Authority’s Executive Advisory Committee, comprised of city managers and the County Administrative Officer, met April 19th to review and discuss the draft budget. After discussion with Authority staff, the Executive Committee voted unanimously to recommend approval of the budget as presented.

The attached Final Budget contains detailed information, and proposes no change to the existing Waste Management Fee (“Tip Fee’) across any of the solid waste revenue streams (Franchise, Self-Haul, and Satellite Facilities), as discussed at the March 9th meeting. This budget maintains all programs approved by the Board in prior years, funds member agency program management and diversion activities, and fully funds designated and undesignated reserves.

Staff recommends approval of the attached budget and resolutions, to go into effect July 1, 2018.

ALTERNATIVES:
Board discretion

ATTACHMENT:
Attachment A: Final FY 2018-2019 Budget