Agenda
Thursday, September 14, 2017 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 July 13, 2017 HWMA Board of Directors Meeting.
   b. Receive June Fiscal Year 2016-17 Financials
   c. Receive July Fiscal Year 2017-18 Financials
   d. Approve Scope of Work with Lawrence & Associates for Professional Engineering Services and Other Technical Assistance for FY 2017-18
   e. Revise Authority Purchasing Policies – Amend Check Signers and Dual-Signatory Limits
   f. Approve California Multiple Award Schedule (CMAS) Pricing Program for the Lease of Tip Floor Excavator and Wheel Loader in lieu of competitive bid process.
   g. Review and Approve Recommendation to Award Green Waste Transportation Services to Steve Morris Logging and Contractors, and Provide Direction as Appropriate.
   h. Approve Amendment to Agreement with Recology Eel River to extend the existing Loading Services Agreement for 180-days, ending March 21, 2018.

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. **Approve Response to the Humboldt County Civil Grand Jury Report and Findings**


6. **Board Member Reports**

7. **Executive Director’s Report**

8. **Closed Session:** It is the intention of the Board of Directors to meet in closed session for one item:
   a. Pending litigation California Government Code 54956.9(a); Humboldt BayKeeper v HWMA (United State District Court Northern District of California Civil Case No. 3:17-cv-02301-JD), conference with legal counsel.

9. **Adjourn**
Minutes
Thursday, July 13, 2017 5:30 PM
Eureka City Council Chambers
531 K Street, Eureka, CA

Present: Frank Wilson, Sofia Pereira, Michael Sweeney, Rex Bohn and Summer Daugherty
Absent: Heidi Messner
Staff: Jill Duffy, Tyler Egerer, Brent Whitener
Legal Counsel: Nancy Diamond


Recordings of the meetings of the HWMA Board of Directors are provided for information only, and should not be considered official records of the HWMA. The Actions of the HWMA Board of Directors are recorded below and, following approval by a majority of the members of the Board, are the official record of the Board’s actions for the meeting date noted above.

1. Call to Order and Roll Call at 5:30 PM
Chairwoman Pereira called the meeting to order at 5:35 p.m. A quorum was present and acting.

2. Consent Calendar
   a. Approve Minutes from the June 8, 2017 HWMA Board of Directors Meeting.
   b. Receive May Fiscal Year 2016-17 Financials
   c. Approve Ten Year Agreement for Green Waste Processing Services with Mad River Hardwoods, Inc.
   d. Approve Consent to Change of Control of Municipal Solid Waste Loading Services Agreement from Eel River Resource Recovery to Recology, Inc.
   e. Approve Letters of Support for SB 212 (Medical Waste) and AB 1219 (The California Good Samaritan Food Donation Act)
   f. Approval of the Draft Request for Proposals for Green Waste Transportation Services from Hawthorne Street Transfer Station to Mad River Hardwoods

Chairwoman Pereira opened the floor to public comment regarding the Consent Calendar. No comment was received.
Chairwoman Pereira closed the floor to public comment.

The Board approved the following motions:

Motion: Director Sweeney Moved and Director Daugherty Seconded the motion to approve the Consent Calendar.
Action: Approve the Motion as made by Director Sweeney and seconded by Director Daugherty by the following vote:

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

3. Oral and Written Communications
Chairwoman Pereira opened the floor to public comment regarding items not on the Agenda. Comment was received from the following:

Brian Solom, representing Recology of Humboldt, regarding acquisition of Eel River Disposal.

Chairwoman Pereira closed the floor to public comment.

4. Review and Approve Resolution 2018-03 and the Draft Agreement with Dry Creek Landfill for Transportation and Disposal of HWMA’s Municipal Solid Waste.
Chairwoman Pereira opened the floor to public comment regarding the agenda item. Public comment was received from the following:

Garry Penning, representing Dry Creek Landfill, thanked Authority staff and the Board for their work to complete the contract.

Chairwoman Pereira closed the floor to public comment.

The Board approved the following motions:

Motion: Director Bohn Motioned and Director Daugherty Seconded to Approve Resolution 2018-03 and Authorize the Board Chair to Execute Two Originals of the Agreement.

Action: Approve the Motion as made by Director Bohn and seconded by Director Daugherty by the following vote:

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

5. Receive Proposal for Strategies to Increase Funding of an Unanticipated $533,535 Annual Cost Increase Related to Transportation and Disposal of Solid Wastes. Review and Provide Direction as Necessary. An addendum to this report was provided at the meeting, in which the Unanticipated Annual Cost Increase was adjusted from $533,535 to $88,235. Chairwoman Pereira opened the floor to public comment regarding the Proposal for Strategies. No comment was received. Chairwoman Pereira closed the floor to public comment.

The Board approved the following motions:

Motion: Director Bohn Motioned and Director Daugherty Seconded to Amend Facility Operational Hours Effective November 5, 2017, and Approve the Revised Organizational and Classification Plan.
Action: Approve the Motion as made by Director Bohn and seconded by Director Daugherty by the following vote:

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

6. Review the Scale Software Evaluation Committee Recommendation to Select and Award Scale Software. Chairwoman Pereira opened the floor to public comment regarding the Scale Software Recommendation. No comment was received. Chairwoman Pereira closed the floor to public comment.

The Board approved the following motions:

Motion: Director Sweeney Moved and Director Daugherty Seconded to Award Paradigm Software, LLC the Scale Software RFP and, Following Review by Legal Counsel, Authorize Executive Director to Execute Agreement for Software and Services.

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

7. Board Member Reports: Reports were received from the following Directors:

Director Wilson, regarding the City of Rio Dell’s new Business Park;
Director Daugherty, regarding the City of Blue Lake’s Business Park improvements, a new councilmember in the City of Blue Lake, and new Board appointments at the next City Council meeting.

8. Executive Director’s Report
The Board received Executive Director Duffy’s report.

9. Closed Session:
   a. Pending litigation California Government Code 54956.9(a); Humboldt BayKeeper v HWMA (United State District Court Northern District of California Civil Case No. 3:17-cv-02301-JD), conference with legal counsel.

Chairwoman Pereira opened the floor to public comment related to the Closed Session. No comment was received. Chairwoman Pereira closed the floor to public comment.

Chairwoman Pereira adjourned the meeting to Closed Session at 6:28 p.m.
Chairwoman Pereira reconvened the meeting in Open Session at 7:33 p.m. There was no report out from Closed Session.

10. Adjourn
Chairwoman Pereira adjourned the meeting at 7:33 p.m.

Next Regular Meeting: September 14, 2017 at 5:30 p.m. at Eureka City Hall Council Chambers.
Staff Report

DATE: September 14, 2017

FROM: Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 2b) Receive June 2017 Financial Reports

RECOMMENDED ACTION: Review and Approve

Review and Approve June 2017 Financial Reports.

DISCUSSION:

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

The data provided herein is the preliminary end-of-year data for Fiscal Year 2016-2017. A final version of these figures will be presented as part of the year-end audit at the November 2017 Board meeting.

Attachment B, Statement of Operations for Period Ending 06/30/2017 is presented in summary format; detailed analysis of each division of the Authority is available by request for those interested in division performance. Highlights of Fiscal Year 2016-17 activity include:

a) Strong revenue figures, showing an overall gain of 10% over budgeted estimates;
b) Well-controlled expenses, which fall almost exactly in line with budgeted estimates;
c) An overall positive growth showing an anticipated $3 million reduction in the Authority’s deficit, due to the above mentioned expense controls, higher revenues, and acquisition of new assets which help to enhance the Authority’s Net Position.

The Authority’s cash position has been historically comprised of three accounts; 1) the Authority’s checking account, which handles all the day-to-day expenses; 2) the savings account, which maintains the current cash value of the Authority’s reserve funds; and, 3) the Union Bank Trust Account, which maintains the funds held in trust for the completion of the Cummings Road Landfill Closure Project. With final approval of the Cummings Road Landfill Construction Quality Assurance documents by the North Coast Regional Water Quality Control Board, the Humboldt County Local Enforcement Agency, and CalRecycle, the funds held in trust have been released to the Authority’s general operating fund as of June 20, 2017 and will be used to fully fund Authority reserves and bolster the Authority’s cash flow for activities related to the...
proposed purchase of the Cummings Road Forest Property and planned capital improvement projects.

HWMA Checking, Umpqua Bank: $3,636,828.71  
HWMA Savings, Umpqua Bank: $397,707.70  
HWMA CRLF Trust, Union Bank: Closed 3/20/2017

**Authority Financials:**

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

**Revenues** for June are performing approximately 10% over projections of budgeted estimates for Fiscal Year 2016-17. These estimates encapsulate all activity throughout the Authority, and June may be influenced by future payouts for fees passed through to Member Agencies, revenue shares for salvaged materials sales, and the delayed receipt of grant revenues for grant-based projects.

As diversion programs increase, staff is monitoring the success of those programs in terms of not only cost, but self-sustaining viability. At present, all divisions are operating above budgeted estimates, and are fully funded from self-sustaining revenues or fees passed-through from Self-Haul, Franchise, and Satellite Facility tipping fees.

As public participation in CRV buyback continues to stay strong, due to the lack of private reimbursement centers, revenue estimates for salvage material revenue and processing revenues continue to be high; these will be offset by similarly increased hauling and processing costs as the Authority moves the material to processors for marketing.

Based on the above factors, and to facilitate long-term planning – relative to the Fiscal Year – for the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity against an annual trend line, generated from the previous five years of financial information. The trend line provides a reasonable estimation of how revenues are expected to be collected throughout the year, including effects related to weather, seasonal activities, and delayed reimbursements for grants and other projects.
Ongoing disposal activities, a strong construction season, and a continued level of high participation in CRV reimbursement through the Authority’s Eureka Recycling Center are keeping revenue above estimates, resulting in a robust revenue profile for the Fiscal Year.

**Expenses** for June are below budget projections. Total Expenses are approximately at budgeted estimates thanks to costs avoided in solid waste transportation and disposal and division cost-saving measures.

Payroll expenditures have been brought into line with budget estimates through the mid-year adjustment. Due to several workplace employee injuries over the past several years, the Authority’s worker’s compensation insurance premium was increased by SDRMA. This increased cost is reflected in the overall Payroll expenditures. Staff is working with our worker’s compensation insurance provider, SDRMA, to reduce incident rates by improving the overall workplace environment at the Transfer Station and Landfill.

Based on the above factors, and to provide long-term planning – relative to the Fiscal Year – the Board and staff in decision making, the following estimation of growth for total expenditures is provided below. The following graph tracks current, aggregate, monthly expense activity against an annual trend line, generated from the previous five years of financial information. The trend line provides a reasonable estimation of how expenses are expected influence the Authority’s financials throughout the year, and consider the effects of those one-time, lump sum payments for certain recurring annual costs.

**Expenses through 06/30/17**

- **Operations**
- **Payroll**
- **Indirect**
- **Capital**
- **Non-Cash**
Mid-year adjustments have smoothed out expenditure activity for the year. Staff is pleased with the work of division supervisors and directors to keep budgeted costs not only within estimates, but essentially exactly as budgeted after mid-year adjustments.

Monthly disbursements to Authority vendors and employees are summarized in Attachment D for the month of June. These disbursements are comprised primarily of day-to-day costs, including approximately $92,421 in payments to replenish CRV payout funds; and approximately $435,000 in various waste disposal and transportation and consulting costs.

**Division Activities (as Summarized in Attachment C):**
Activity for all divisions is on track to exceed Fiscal Year 2016-17 activity. New construction, expanded curbside services, and outreach improvements have all contributed to an overall increase in activity.

**Attachments:**
- A) Authority Balance Statement, June 2017
- B) Authority Statement of Operations, June 2017
- C) Activity Report, June 2017
- D) Cash Disbursements, June 2017
### ASSETS AND DEFERRED OUTFLOWS

<table>
<thead>
<tr>
<th>Category</th>
<th>6/30/2017</th>
<th>6/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$4,061,179</td>
<td>$2,215,412</td>
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<tr>
<td>Restricted Cash and Investments</td>
<td></td>
<td></td>
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<tr>
<td><strong>Accounts Receivable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer (Net of Doubtful Accounts)</td>
<td>885,602</td>
<td>795,434</td>
</tr>
<tr>
<td>Grants</td>
<td>4,286</td>
<td>4,369</td>
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<tr>
<td>Deposits</td>
<td>19,500</td>
<td>19,500</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>4,970,567</td>
<td>4,709,858</td>
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<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment, Net</td>
<td>5,040,567</td>
<td>4,354,337</td>
</tr>
<tr>
<td>Waste Authority Contract</td>
<td>221,171</td>
<td>221,171</td>
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<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>5,261,738</td>
<td>4,575,508</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>10,232,305</td>
<td>9,285,366</td>
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<tr>
<td>Deferred Outflows: Pension Plan</td>
<td>346,122</td>
<td>346,122</td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows</strong></td>
<td>10,578,427</td>
<td>9,631,488</td>
</tr>
</tbody>
</table>

### LIABILITIES, DEFERRED INFLOWS AND NET POSITION (DEFICIT)

<table>
<thead>
<tr>
<th>Category</th>
<th>6/30/2017</th>
<th>6/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>788,966</td>
<td>523,452</td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>195,447</td>
<td>139,747</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>4,303</td>
<td>2,350</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>988,716</td>
<td>665,549</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Debt Due After One Year</td>
<td>4,161,808</td>
<td>5,264,217</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>348,321</td>
<td>348,321</td>
</tr>
<tr>
<td>Estimated Closure and Post-Closure Care Costs</td>
<td>7,607,426</td>
<td>7,607,426</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>12,117,555</td>
<td>13,219,964</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>13,106,271</td>
<td>13,885,513</td>
</tr>
<tr>
<td>Deferred Inflows: Pension Plan</td>
<td>469,877</td>
<td>469,877</td>
</tr>
<tr>
<td>Deferred Inflows: Unavailable Revenue</td>
<td>48,069</td>
<td>48,069</td>
</tr>
<tr>
<td><strong>Total Liabilities and Unavailable Inflows</strong></td>
<td>13,624,217</td>
<td>14,403,459</td>
</tr>
</tbody>
</table>

### NET POSITION (DEFICIT)

<table>
<thead>
<tr>
<th>Category</th>
<th>6/30/2017</th>
<th>6/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>1,099,930</td>
<td>(688,709)</td>
</tr>
<tr>
<td>Restricted for Debt Service</td>
<td></td>
<td>1,675,143</td>
</tr>
<tr>
<td>Unrestricted (Deficit)</td>
<td>(6,042,933)</td>
<td>(9,014,002)</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>1,897,213</td>
<td>3,255,597</td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflows and Net Position</strong></td>
<td>10,578,427</td>
<td>9,631,488</td>
</tr>
</tbody>
</table>
### Humboldt Waste Management Authority

**Statement of Revenues, Expenses, and Changes in Net Position**

For the Twelve Months Ending 6/30/2017

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>$ Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Waste Management Fees</td>
<td>9,565,785</td>
<td>8,754,392</td>
<td>811,393</td>
<td>9.27%</td>
</tr>
<tr>
<td>Less: Pass-Through Fees</td>
<td>735,723</td>
<td>669,820</td>
<td>65,903</td>
<td>9.84%</td>
</tr>
<tr>
<td>Net Waste Management Fees</td>
<td>8,830,062</td>
<td>8,084,572</td>
<td>745,490</td>
<td>9.22%</td>
</tr>
<tr>
<td>Green Waste Fees</td>
<td>474,360</td>
<td>341,200</td>
<td>133,160</td>
<td>39.03%</td>
</tr>
<tr>
<td>Other Fees and Charges</td>
<td>872</td>
<td>(400)</td>
<td>1,272</td>
<td>(318%)</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>2,026,568</td>
<td>1,897,500</td>
<td>129,068</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>11,331,862</td>
<td>10,322,872</td>
<td>1,008,990</td>
<td>9.77%</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>6,571,519</td>
<td>6,467,411</td>
<td>104,108</td>
<td>1.61%</td>
</tr>
<tr>
<td>Administrative and General</td>
<td>1,786,768</td>
<td>1,767,681</td>
<td>19,087</td>
<td>1.08%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>67,364</td>
<td>58,000</td>
<td>9,364</td>
<td>16.14%</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>443,044</td>
<td>433,397</td>
<td>9,647</td>
<td>2.23%</td>
</tr>
<tr>
<td>Closure-related Expenses</td>
<td>2,582</td>
<td>2,582</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>606,607</td>
<td>660,777</td>
<td>(54,170)</td>
<td>(8.2%)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>9,477,884</td>
<td>9,387,266</td>
<td>90,618</td>
<td>.97%</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>1,853,978</td>
<td>935,606</td>
<td>918,372</td>
<td>98.16%</td>
</tr>
</tbody>
</table>

| **NONOPERATING REVENUES (EXPENSES):** |         |            |            |         |
| Interest Income             | 120      | 120        | -          |         |
| Investment Earnings         | (1,510)  | 9,000      | (10,510)   | (116.78%) |
| Rental Income (Net of Expenses) | 115,312     | 116,865    | (1,553)    | (1.33%)  |
| Grant Revenue               | 76,317    | 268,714    | (192,397)  | (71.6%)  |
| Grant Expense               | (63,245)  | (268,714)  | 205,469    | (76.46%) |
| Interest Expense            | (83,759)  | (83,809)   | 50         | (.06%)   |
| **Total Nonoperating Revenues (Expens...** | 43,235    | 42,056     | 1,179      | 2.8%     |
| Change in Net Position      | 1,897,213 | 977,662    | 919,551    | 94.06%   |
### Waste Tonnage

<table>
<thead>
<tr>
<th></th>
<th>Tonnage</th>
<th>Revenue</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year to Date</td>
<td>Prior YTD</td>
<td>% of Prior</td>
<td>Year to Date</td>
</tr>
<tr>
<td>Hawthorne</td>
<td>Franchise</td>
<td>45,191</td>
<td>42,956</td>
<td>105.2%</td>
</tr>
<tr>
<td></td>
<td>Self Haul</td>
<td>17,685</td>
<td>16,176</td>
<td>109.3%</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>62,877</strong></td>
<td><strong>59,132</strong></td>
<td><strong>106.3%</strong></td>
</tr>
<tr>
<td></td>
<td>Humboldt Sanitation</td>
<td>5,049</td>
<td>2,214</td>
<td>228.0%</td>
</tr>
<tr>
<td></td>
<td>ERD</td>
<td>7,154</td>
<td>4,184</td>
<td>171.0%</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL.</strong></td>
<td><strong>75,079</strong></td>
<td><strong>65,530</strong></td>
<td><strong>114.6%</strong></td>
</tr>
<tr>
<td>Greenwaste</td>
<td>4,357</td>
<td>3,426</td>
<td>127.2%</td>
<td>$319,861</td>
</tr>
</tbody>
</table>

### Household Hazardous Waste

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>Revenue</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year to Date</td>
<td>Prior YTD</td>
<td>% of Prior</td>
<td>Year to Date</td>
</tr>
<tr>
<td></td>
<td>Commercial</td>
<td>553</td>
<td>323</td>
<td>171.2%</td>
</tr>
<tr>
<td></td>
<td>Residential</td>
<td>3,423</td>
<td>3,100</td>
<td>110.4%</td>
</tr>
<tr>
<td></td>
<td>Fortuna Residential</td>
<td>81</td>
<td>74</td>
<td>109.5%</td>
</tr>
<tr>
<td></td>
<td>Revenue from Countywide Fee</td>
<td>$493,486.65</td>
<td>$458,945.27</td>
<td>107.5%</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL.</strong></td>
<td><strong>4,057</strong></td>
<td><strong>3,497</strong></td>
<td><strong>116.0%</strong></td>
</tr>
</tbody>
</table>

### Traffic Count

<table>
<thead>
<tr>
<th></th>
<th>Average Daily</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Count FY17</td>
<td>Exceptions</td>
<td>Count FY16</td>
</tr>
<tr>
<td>July</td>
<td>314</td>
<td>None</td>
<td>295</td>
</tr>
<tr>
<td>August</td>
<td>315</td>
<td>None</td>
<td>251</td>
</tr>
<tr>
<td>September</td>
<td>300</td>
<td>None</td>
<td>289</td>
</tr>
<tr>
<td>October</td>
<td>266</td>
<td>None</td>
<td>265</td>
</tr>
<tr>
<td>November</td>
<td>287</td>
<td>None</td>
<td>265</td>
</tr>
<tr>
<td>December</td>
<td>279</td>
<td>None</td>
<td>266</td>
</tr>
<tr>
<td>January</td>
<td>283</td>
<td>None</td>
<td>285</td>
</tr>
<tr>
<td>February</td>
<td>271</td>
<td>None</td>
<td>274</td>
</tr>
<tr>
<td>March</td>
<td>291</td>
<td>None</td>
<td>273</td>
</tr>
<tr>
<td>April</td>
<td>307</td>
<td>None</td>
<td>330</td>
</tr>
<tr>
<td>May</td>
<td>317</td>
<td>None</td>
<td>293</td>
</tr>
<tr>
<td>June</td>
<td>344</td>
<td>None</td>
<td>314</td>
</tr>
<tr>
<td><strong>Year-to-Date Average</strong></td>
<td>298</td>
<td>283</td>
<td>105.1%</td>
</tr>
</tbody>
</table>
### July 2016 Disbursements

<table>
<thead>
<tr>
<th>Paid To</th>
<th>Amount</th>
<th>Paid To</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>101Netlink</td>
<td>$60.00</td>
<td>Mendes Supply Company</td>
<td>$119.47</td>
</tr>
<tr>
<td>Accent Wire-Tie</td>
<td>$2,396.48</td>
<td>Mercury Disposal Systems, Inc</td>
<td>$52.00</td>
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<tr>
<td>Advanced Display &amp; Signs</td>
<td>$236.86</td>
<td>Mission Uniform &amp; Linen</td>
<td>$1,729.43</td>
</tr>
<tr>
<td>Advanced Superior Alarms</td>
<td>$158.50</td>
<td>Nancy Diamond</td>
<td>$3,568.50</td>
</tr>
<tr>
<td>Airgas USA LLC West Division</td>
<td>$1,868.85</td>
<td>Network Management Services</td>
<td>$3,826.74</td>
</tr>
<tr>
<td>Antich Automotive</td>
<td>$105.46</td>
<td>New Directions Environmental M</td>
<td>$2,396.25</td>
</tr>
<tr>
<td>Argus-Hazco</td>
<td>$166.33</td>
<td>North Coast Journal</td>
<td>$3,369.20</td>
</tr>
<tr>
<td>Asbury Environmental Services</td>
<td>$1,730.00</td>
<td>North Coast Laboratories, Ltd</td>
<td>$1,691.00</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>$2,974.02</td>
<td>North Coast Unified Air Qualif</td>
<td>$1,907.20</td>
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<tr>
<td>Bettendorf Enterprises, Inc.</td>
<td>$175,660.30</td>
<td>Northern California Safety Con</td>
<td>$80.00</td>
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<tr>
<td>Blue Shield of California</td>
<td>$66,185.14</td>
<td>Oak Harbor Freight Lines, Inc.</td>
<td>$2,433.21</td>
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<tr>
<td>CA SDU</td>
<td>$13.00</td>
<td>Occupational, Environmental He</td>
<td>$749.00</td>
</tr>
<tr>
<td>Capital One Commercial</td>
<td>$348.09</td>
<td>Pacific Gas &amp; Electric</td>
<td>$8,293.79</td>
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<tr>
<td>Cardmember Service</td>
<td>$2,505.27</td>
<td>Pacific Paper Co.</td>
<td>$791.22</td>
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<tr>
<td>Carolina Software</td>
<td>$300.00</td>
<td>Pape Machinery</td>
<td>$335.05</td>
</tr>
<tr>
<td>Cash for CRV</td>
<td>$92,421.00</td>
<td>Paul Domanchuk, O.D.</td>
<td>$230.00</td>
</tr>
<tr>
<td>City of Arcata</td>
<td>$19,577.24</td>
<td>Peterson Tractor</td>
<td>$1,558.86</td>
</tr>
<tr>
<td>City of Blue Lake</td>
<td>$1,823.79</td>
<td>Picky Picky Picky Store</td>
<td>$1,360.80</td>
</tr>
<tr>
<td>City of Eureka</td>
<td>$39,528.97</td>
<td>Pierson Building Center</td>
<td>$536.79</td>
</tr>
<tr>
<td>City of Ferndale</td>
<td>$1,841.67</td>
<td>Pioneer Scale Co.,Inc</td>
<td>$607.13</td>
</tr>
<tr>
<td>City of Rio Dell</td>
<td>$2,306.56</td>
<td>Postage</td>
<td>$1,007.00</td>
</tr>
<tr>
<td>Cox Rasmussen &amp; Co</td>
<td>$146.81</td>
<td>Rackerby Sales &amp; Mfg</td>
<td>$6,188.60</td>
</tr>
<tr>
<td>Crystal Springs Bottled Water</td>
<td>$252.25</td>
<td>RazurSharp</td>
<td>$6.50</td>
</tr>
<tr>
<td>Eureka Glass Company, Inc</td>
<td>$160.00</td>
<td>Redwood Radiology Inc</td>
<td>$33.00</td>
</tr>
<tr>
<td>Eureka Humboldt Fire Extinguis</td>
<td>$153.27</td>
<td>Rogers Machinery Company, Inc</td>
<td>$861.71</td>
</tr>
<tr>
<td>Eureka Napa</td>
<td>$203.41</td>
<td>SCS Field Services</td>
<td>$2,445.00</td>
</tr>
<tr>
<td>Express Services, Inc.</td>
<td>$4,734.90</td>
<td>SDRMA</td>
<td>$49,154.23</td>
</tr>
<tr>
<td>Farm Store</td>
<td>$43.26</td>
<td>SETCO</td>
<td>$1,187.42</td>
</tr>
<tr>
<td>FedEx</td>
<td>$442.64</td>
<td>Sharps Solutions LLC</td>
<td>$2,305.00</td>
</tr>
<tr>
<td>Francotyp-Postalia, Inc</td>
<td>$130.34</td>
<td>SHN Consulting Engineers and G</td>
<td>$5,028.75</td>
</tr>
<tr>
<td>Golder Associates</td>
<td>$1,526.96</td>
<td>Solid Waste of Willits, Inc.</td>
<td>$165,335.51</td>
</tr>
<tr>
<td>Hajoca Corporation</td>
<td>$289.70</td>
<td>Steve Morris Logging &amp; Contrac</td>
<td>$9,250.96</td>
</tr>
<tr>
<td>Holt of California</td>
<td>$10,190.60</td>
<td>Suddenlink</td>
<td>$204.95</td>
</tr>
<tr>
<td>Humboldt Community Services Di</td>
<td>$18.60</td>
<td>Thrifty Supply Company</td>
<td>$280.09</td>
</tr>
<tr>
<td>Humboldt County Dept of Public</td>
<td>$66,331.85</td>
<td>Thumper’s Mechanical Service I</td>
<td>$3,930.00</td>
</tr>
<tr>
<td>Humboldt County Environmental</td>
<td>$32,315.57</td>
<td>Times Printing Company</td>
<td>$206.30</td>
</tr>
<tr>
<td>Humboldt County Sheriff’s Offi</td>
<td>$100.00</td>
<td>Times Standard</td>
<td>$1,176.26</td>
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<tr>
<td>Humboldt Fasteners</td>
<td>$30.02</td>
<td>U-HAUL CORPORATE</td>
<td>$182.41</td>
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<tr>
<td>Humboldt Recycling</td>
<td>$10,668.01</td>
<td>United Rentals Inc.</td>
<td>$540.01</td>
</tr>
<tr>
<td>Humboldt Transit Authority</td>
<td>$50.00</td>
<td>UNUM Life Insurance Company of</td>
<td>$248.69</td>
</tr>
<tr>
<td>I-5 Tire, Inc</td>
<td>$1,053.00</td>
<td>US Bank Office Equipment Finan</td>
<td>$548.83</td>
</tr>
<tr>
<td>Internal Revenue Service</td>
<td>$108.00</td>
<td>Verizon Wireless</td>
<td>$283.50</td>
</tr>
<tr>
<td>KIEM-TV3</td>
<td>$1,370.00</td>
<td>Total Vendor Disbursements</td>
<td>$912,399.26</td>
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<tr>
<td>L &amp; M Renner, Inc</td>
<td>$7,505.59</td>
<td>Total Payroll Disbursements</td>
<td>$97,553.16</td>
</tr>
<tr>
<td>Lawrence &amp; Associates</td>
<td>$10,932.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting Resources, LLC</td>
<td>$5,582.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mad River Hardwood Co., Inc</td>
<td>$57,342.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mad River Union</td>
<td>$501.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maureen Hart</td>
<td>$1,967.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td><strong>$1,009,952.42</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Staff Report

DATE:         September 14, 2017

FROM:        Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 2c)  
Receive July 2017 Financial Reports

RECOMMENDED ACTION: Review and Approve  
Review and Approve July 2017 Financial Reports.

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

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

Attachment B, Statement of Operations for Period Ending 07/31/2017 is presented in summary format; detailed analysis of each division of the Authority is available by request for those interested in division performance. Highlights of early Fiscal Year 2017-18 activity include:

a) Strong revenue figures, resulting from high summer traffic at the Transfer Station Tip Floor and Recycling Center;

b) A matching increase in expenditures over budgeted estimates, related mainly to increased traffic, and to up-front, one-time costs to certain vendors;

The Authority’s cash position is comprised of two accounts; 1) the Authority’s checking account, which handles all of the day-to-day expenses; and 2) the savings account, which maintains the current cash value of the Authority’s reserve funds. The total value of each of these accounts, as of July 2017, is as follows:

HWMA Checking, Umpqua Bank: $3,867,571.15
HWMA Savings, Umpqua Bank: $397,717.51
**Authority Financials:**
Attachments A and B contain detailed balance sheet and income statement (*Statement of Operations*) information for the July financial report, for Board review and discussion. An analysis of that information as it relates to revenues and expenses, and current month disbursements to vendors and employees, is provided herein.

**Revenues** for July are performing approximately 24% over projections of budgeted estimates for Fiscal Year 2017-18. These estimates encapsulate all activity throughout the Authority, and July will be influenced by future payouts for fees passed through to Member Agencies, revenue shares for salvaged materials sales, and the delayed receipt of grant revenues for grant-based projects.

As diversion programs increase, staff is monitoring the success of those programs in terms of not only cost, but self-sustaining viability. At present, all divisions are operating above budgeted estimates, and are fully funded from self-sustaining revenues or fees passed-through from Self-Haul, Franchise, and Satellite Facility tipping fees.

As participation in CRV buyback continues to stay strong, due to a lack of private reimbursement centers, revenue estimates for salvage material revenue and processing revenues continue to be high; these will be offset by similarly increased hauling and processing costs as the Authority moves the material to processors for marketing.

Based on the above factors, and to facilitate long-term planning – relative to the Fiscal Year – for the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity against an annual trend line, generated from the previous five years of financial information. The trend line provides a reasonable estimation of how revenues are expected to be collected throughout the year, including effects related to weather, seasonal activities, and delayed reimbursements for grants and other projects.
Ongoing disposal activities, a strong construction season, and a continued level of high participation in CRV reimbursement through the Authority’s Eureka Recycling Center are keeping revenue above estimates, resulting in a robust revenue profile for the Fiscal Year.

Expenses for July are equally above budget projections. Total Expenses are approximately 18% over budgeted estimates, though many of these costs are related to one-time expenditures for vendor repayments, permitting fees, or ongoing costs related to general Authority financial maintenance, such as depreciation expenses.

Payroll expenses are in line with current budget estimates. Due to several workplace employee injuries over the past several years, the Authority’s worker’s compensation insurance premium was increased by SDRMA. This increased cost is reflected in the overall Payroll expenditures. Staff is working with our worker’s compensation insurance provider, SDRMA, to reduce incident rates by improving the overall workplace environment at the Transfer Station and Landfill.

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

Monthly disbursements to Authority vendors and employees are summarized in Attachment D for the month of July. These disbursements are comprised primarily of day-to-day costs, including approximately $99,000 in payments to replenish CRV payout funds; and approximately $395,000 in various waste disposal and transportation and consulting costs. A one-time repayment to Recology for an overpayment of monthly fees totaling approximately $371,000 is included in these disbursements.

**Division Activities (as Summarized in Attachment C):**
Activity for all divisions is on track to exceed Fiscal Year 2017-18 activity. New construction, expanded curbside services, and outreach improvements have all contributed to an overall increase in activity.

**Attachments:**
- A) Authority Balance Statement, July 2017
- B) Authority Statement of Operations, July 2017
- C) Activity Report, July 2017
- D) Cash Disbursements, July 2017
## Humboldt Waste Management Authority
### Statement of Net Position
For the One Month Ending 7/31/2017

<table>
<thead>
<tr>
<th></th>
<th>7/31/2017</th>
<th>6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS AND DEFERRED OUTFLOWS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$4,286,160</td>
<td>$4,061,179</td>
</tr>
<tr>
<td>Accounts Receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer (Net of Doubtful Accounts)</td>
<td>922,572</td>
<td>885,602</td>
</tr>
<tr>
<td>Grants</td>
<td>4,286</td>
<td>4,286</td>
</tr>
<tr>
<td>Deposits</td>
<td>19,500</td>
<td>19,500</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>5,232,518</td>
<td>4,970,567</td>
</tr>
<tr>
<td><strong>Noncurrent Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment, Net</td>
<td>5,040,567</td>
<td>5,040,567</td>
</tr>
<tr>
<td>Waste Authority Contract</td>
<td>221,171</td>
<td>221,171</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>5,261,738</td>
<td>5,261,738</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>10,494,256</td>
<td>10,232,305</td>
</tr>
<tr>
<td>Deferred Outflows: Pension Plan</td>
<td>346,122</td>
<td>346,122</td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows</strong></td>
<td>10,840,378</td>
<td>10,578,427</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>7/31/2017</th>
<th>6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES, DEFERRED INFLOWS AND NET POSITION (DEFICIT)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>874,086</td>
<td>788,966</td>
</tr>
<tr>
<td>Accrued Payroll</td>
<td>273,699</td>
<td>195,447</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>4,303</td>
<td>4,303</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>1,152,088</td>
<td>988,716</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Debt Due After One Year</td>
<td>4,161,808</td>
<td>4,161,808</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>348,321</td>
<td>348,321</td>
</tr>
<tr>
<td>Estimated Closure and Post-Closure Care Costs</td>
<td>7,607,426</td>
<td>7,607,426</td>
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<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>12,117,555</td>
<td>12,117,555</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>13,269,643</td>
<td>13,106,271</td>
</tr>
<tr>
<td>Deferred Inflows: Pension Plan</td>
<td>469,877</td>
<td>469,877</td>
</tr>
<tr>
<td>Deferred Inflows: Unavailable Revenue</td>
<td>48,069</td>
<td>48,069</td>
</tr>
<tr>
<td><strong>Total Liabilities and Deferred Inflows</strong></td>
<td>13,787,589</td>
<td>13,624,217</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>7/31/2017</th>
<th>6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION (DEFICIT)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>1,099,930</td>
<td>1,099,930</td>
</tr>
<tr>
<td>Unrestricted (Deficit)</td>
<td>(6,042,933)</td>
<td>(6,042,933)</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>1,995,792</td>
<td>1,897,213</td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflows and Net Position</strong></td>
<td>10,840,378</td>
<td>10,578,427</td>
</tr>
</tbody>
</table>

September 14, 2017
Printed on Recycled Paper
Humboldt Waste Management Authority  
Statement of Revenues, Expenses, and Changes in Net Position  
For the One Month Ending 7/31/2017

<table>
<thead>
<tr>
<th>YTD</th>
<th>Actual</th>
<th>Budget</th>
<th>$ Var</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Waste Management Fees</td>
<td>811,902</td>
<td>712,447</td>
<td>99,455</td>
<td>13.96%</td>
</tr>
<tr>
<td>Less: Pass-Through Fees</td>
<td></td>
<td>67,200</td>
<td>(67,200)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Net Waste Management Fees</td>
<td>811,902</td>
<td>645,247</td>
<td>166,655</td>
<td>25.83%</td>
</tr>
<tr>
<td>Green Waste Fees</td>
<td>9,456</td>
<td>9,456</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Fees and Charges</td>
<td>(1,077)</td>
<td>0</td>
<td>(1,077)</td>
<td>-</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>95,782</td>
<td>95,292</td>
<td>490</td>
<td>.51%</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>916,063</td>
<td>740,539</td>
<td>175,524</td>
<td>23.7%</td>
</tr>
</tbody>
</table>

| Operating Expenses: |        |        |       |       |
| Operations and Maintenance | 628,901 | 399,034 | 229,867 | 57.61% |
| Administrative and General | 161,220 | 232,632 | (71,412) | (30.7%) |
| Professional Services | 14,686 | 4,882 | 9,804 | 200.82% |
| Depreciation and Amortization | 35,240 | (35,240) | (100%) | |
| Other Expenses | 44,683 | 47,750 | (3,067) | (6.42%) |
| **Total Operating Expenses** | 849,490 | 719,538 | 129,952 | 18.06% |
| **Operating Income (Loss)** | 66,573 | 21,001 | 45,572 | 217% |

| Nonoperating Revenues (Expenses): |        |        |       |       |
| Interest Income | 10 | 10 | - | - |
| Rental Income (Net of Expenses) | 156 | 10,028 | (9,872) | (98.44%) |
| Grant Revenue | 16,166 | 16,166 | (100%) | |
| Grant Expense | (751) | (16,166) | 15,415 | (95.35%) |
| Interest Expense | (5,522) | 5,522 | (100%) | |
| **Total Nonoperating Revenues (Expenses)** | (585) | 4,506 | (5,091) | (112.98%) |
| **Change in Net Position** | 65,988 | 25,507 | 40,481 | 158.71% |
## Waste Tonnage

<table>
<thead>
<tr>
<th></th>
<th>Tonnage</th>
<th>Revenue</th>
</tr>
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<tr>
<td></td>
<td>Year to Date</td>
<td>Prior YTD</td>
</tr>
<tr>
<td>Hawthorne</td>
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<tr>
<td>Franchise</td>
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<tr>
<td>Self Haul</td>
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<td><strong>Subtotal</strong></td>
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<td><strong>TOTAL.</strong></td>
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<tr>
<td>Greenwaste</td>
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## Household Hazardous Waste

<p>| | | |</p>
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<tr>
<td></td>
<td>Customers</td>
<td>Revenue</td>
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<tr>
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<td>Year to Date</td>
<td>Prior YTD</td>
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<td>Commercial</td>
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<td>Revenue from Countywide Fee</td>
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<td></td>
<td><strong>TOTAL.</strong></td>
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## Traffic Count

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<th>Exceptions</th>
<th>% of Prior</th>
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<td>Year-to-Date Average</td>
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<td>118.5%</td>
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### July 2017
#### Disbursements

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<th>Amount</th>
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**Vendor Disbursements**  $946,419.57

**Employment Disbursements**  $160,083.13

**Total Disbursements**  $1,106,502.70
Staff Report

DATE: August 4, 2017 For Board Meeting: September 14, 2017

FROM: Jill K. Duffy, Executive Director


RECOMMENDED ACTION: Voice Vote
That the Board of Directors:
1) Approve the Scope of Work related to the Cummings Road Landfill and Hawthorne Street Transfer Station; and
2) Authorize the Executive Director to execute an agreement with Lawrence & Associates to secure Professional Support services in an amount of $81,620.

DISCUSSION:
Lawrence & Associates (L&A) has provided HWMA with professional engineering and technical assistance services for various regulatory and planning activities at the Cummings Road Landfill for several years. More recently, HWMA has requested their assistance with technical services related to the Hawthorne Street Transfer Station. Staff recommends the Board approved the attached Scope of Work for Services and authorize the Executive Director to execute an agreement with Lawrence & Associates for Professional Support Services in the amount of $81,620.

BACKGROUND:
Cummings Road Landfill
In 1993, the North Coast Regional Water Quality Control Board (NCRWQCB), via Waste Discharge Requirements (WDR) WDR 93-46, required that Cummings Road Landfill be closed by 1998 as a corrective action measure “because of groundwater contamination caused by the Site”. In 2010, L&A was retained to prepare a Joint Technical Document (JTD) for the Final Closure of the Landfill. After revising the JTD to provide for a two-phased closure that also accommodated disposal of the adjacent burn-ash site debris, the JTD was approved by the NCRWQCB in 2012. L&A subsequently prepared the bidding documents and provided construction management for Phases 1 and 2 of the closure in 2012 and 2015, respectively, as well as the Corrective Action Plan for the Cummings Road Burn Ash Debris site. The landfill was certified closed in February 2017.

With the completion of closure cap, post-closure maintenance and monitoring, HWMA is required to perform regular groundwater monitoring and evaluation surface water monitoring
during rainfall events, leachate monitoring, and maintenance of leachate collection systems and toe drains, gas extraction monitoring and reporting to state and federal agencies.

**Hawthorne Street Transfer Station**
The Hawthorne Street Transfer Station was originally permitted to operate in 1978 within a 15,000 square-foot facility. At that time, solid waste was delivered either to the Transfer Station or directly to the Cummings Road Landfill for disposal. After HWMA acquired the facility from City Garbage Company of Eureka, the Transfer Station was expanded by an additional 31,000 sq. ft., and included construction of a Scale House and Main Business Office in 2002. The Household Hazardous Waste (“Red Shed”) was constructed in 2003.

Over the past 15 years, the Authority has undertaken a myriad of diversion activities including recycling, CRV Buy-Back, green waste diversion, household hazardous waste, electronic waste, universal wastes (including used oil, fluorescent bulbs, and sharps), tires, carpet and mattress diversion. Additionally, HWMA staff manually divert about 800 tons annually from the self-haul area of the Tip Floor. Each of these activities requires room to operate heavy equipment, process and store the segregated materials and contributes to constricting movements within an increasing shrinking space.

1. **Transfer Station Facility Plan and Master Planning**
With the recent acquisition of Arcata Garbage and Eel River Disposal by Recology, the Authority has been informally notified that Recology will be vacating the property they lease from HWMA (949 W. Hawthorne Street). The vacant facility may provide HWMA an opportunity to evaluate existing uses, consider operational modifications, expand operational space and provide covered storage areas. Challenges to expanding into the facility will include traffic flow between the scales combined with what operations from the existing transfer station are suitable for relocation to the expanded facility.

2. **Hazardous (Haz-Mat) Materials Building Drain and Floor**
HWMA will receive CalRecycle grant funding in the amount of $66,000 to resurface the “HHW Red Shed’s Floor.” L&A will prepare recommendations for modifications to the floor in the Haz-Mat building, and assist with engineering and procurement of a successful contractor through a competitive bidding process.

3. **Assistance with Storm-Water Compliance Activities.**
The Transfer Station facility is in a Level 1 status for the 2017-2018 IGP (Industrial General Permit) stormwater reporting year. One of the requirements with the Level 1 status is the preparation of the Level-1 Exceedence Response Action (ERA) evaluation and preparation of a Level 1 ERA report. Additionally, L&A will provide assistance in evaluating Best Management Practices using Best Affordable Technology and updating the Stormwater Pollution Prevention Plan (SWPPP).

4. **Recycling Center Building Drain and Floor**
The Recycling Center occupies the original building area constructed in 1978. To the best of staff’s knowledge, the existing floor has not been modified since original construction. The floor is worn and cracked, and lacks internal plumbing. Equipment used on this floor is related primarily to inbound curbside recyclable trucks, forklifts and 40-year bin placement.
4. Miscellaneous Assistance
HWMA staff periodically requires assistance with technical and regulatory tasks as requested or beyond our abilities or expertise.

FISCAL IMPACT:
Funds for this contract were budgeted as part of the Fiscal Year 2017-18 budget planning process. To date, the Authority has spent approximately $17,000 for landfill engineering work, from a total of $110,000 budget, for anticipated additional engineering costs related to post-closure work outside of the new contract.

ALTERNATIVES:
Board discretion

ATTACHMENTS:
1. Lawrence & Associates Scope of Work, dated August 4, 2017
August 4, 2017
Ms. Jill Duffy
Executive Director
Humboldt Waste Management Authority
1059 West Hawthorne Street
Eureka, CA 95501

Dear Ms. Duffy:

SUBJECT: PROPOSAL FOR SERVICES DURING THE 2017/2018 FISCAL YEAR FOR HUMBOLDT WASTE MANAGEMENT AUTHORITY

INTRODUCTION

Per your request, Lawrence & Associates (L&A) is pleased to present to Humboldt Waste Management Authority (HWMA) this proposal for services for various regulatory and planning tasks and technical support for both Cummings Road Landfill and the Hawthorne Street Transfer Station.

SCOPE OF WORK

1. Transfer Station

   1.1. Assistance with Storm-Water Compliance

L&A will provide general assistance regarding storm-water compliance under the State of California Industrial General Stormwater Permit (IGP), including the following:

- Site visit by a Qualified Industrial Stormwater Practitioner (QISP) to assess the site and view the discharge points.

- Provide a template for an updated General Industrial Storm-Water Pollution Prevention plan (SWPPP) for HWMA editing and customizing.

- Develop revised site schematics.

- Review the HWMA staff edits to the report and provide updated figures.

- Provide suggestions for improved BMPs, and engineering services as necessary to meet and improve storm-water discharge.

- Respond to questions.
The facility is in a Level 1 status for the 2017-2018 IGP stormwater reporting year. One of the requirements with the Level 1 status is the preparation of the Level-1 Exceedence Response Action (ERA) evaluation and preparation of a Level 1 ERA report. The following will be provided in support of the Level 1 compliance efforts:

- Conduct a Level 1 ERA Site Evaluation and review of the existing best Management Practices (BMP) and SWPPP. These items are required by the IGP and are due before October 1, 2017.

- Prepare a Level 1 ERA Report. This will include recommendations for the facility based on the Site Evaluation, with the intent to provide guidance towards meeting the numeric action levels (NAL) for the facility. This item is required by the IGP and is due prior to January 1, 2018.

- The Level 1 status also requires training be conducted by a QISP. While HWMA has a certified QISP, it is recommended that L&A provide the QISP conducted training to the facility. This is an onsite meeting intended for persons with responsibilities or duties related to stormwater. There is not a hard date for completing this training, although, it is suggested to have this completed no later than October 30, 2017 in preparation for the 2017-2018 wet-weather season.

- At this time, update of the SWPPP to incorporate the Recology facility is not included in this scope. It is anticipated to be included after Facility Plan and Master Planning (as described below) are completed.

1.2. Facility Plan and Master Planning

L&A understands that Recology will soon be vacating the facility adjacent to the HWMA transfer station that is owned by the HWMA. The vacant facility provides HWMA the opportunity to expand their currently cramped operation and take advantage of the additional covered spaces. Challenges to expanding into the facility will include traffic flow between the scales combined with what operations from the existing transfer station are suitable for relocation to the expanded facility. While it is difficult to establish a solid scope before starting this work, L&A envisions the following steps:

- Add the new facility to the site map for the transfer station (using data provided by Owners surveyor).
- Meet at the site to view the existing operation and the new facility.
- Discuss goals with the site staff and potential ideas for operations that can be moved to the facility (such as placing the green waste under a covered area).
- Discuss the potential need for a building alteration and cost to make the warehouse/storage portions of the building usable for the intended operation.
- Develop a site plan showing the locations of the operation and traffic flow from the scales to each operation. It may be possible to add a second entrance (or move the existing separate) for non-weighing transactions such as recyclable drop off to minimize a scale time for weighing loads.
- Provide a site-wide parking and traffic plan (including the current site).
• Review the plan with staff.
• Develop an engineer’s estimate for implementation.

After initial consultation with HWMA staff, the scope may need to be amended to better focus on the staff’s needs.

1.3. Hazardous (Haz-Mat) Materials Building Drain and Floor

L&A will provide recommendations for modifications to the floor in the Haz-Mat building including the following scope:

• Site visit by L&A engineer to map the floor, meet with HWMA staff and obtain an understanding of the desired changes.
• Develop a drawing of the desired changes and details showing the desired changes.
• Provide technical specifications sections or specification on a drawing for concrete strength, etc.
• Review and edit client-prepared bid documents.
• Answer questions during bidding.

1.4. Recycling Center Building Drain and Floor

L&A will provide recommendations for modifications to the floor in the Recycling Center building including the following scope:

• Site visit by L&A engineer to map the floor, meet with HWMA staff and obtain an understanding of the desired improvements.
• Develop a drawing of the desired changes and details showing the desired changes.
• Provide technical specifications sections or specification on a drawing for concrete strength, etc.
• Develop preliminary project costs.

1.5. Miscellaneous Assistance

L&A understands that HWMA staff periodically require assistance with technical and regulatory tasks as requested or beyond their abilities. We have included an allowance of 40 hours of senior engineer time, plus $500 for expenses, for this purpose.

2. Cummings Road Landfill

2.1. Report for Groundwater Intercept Investigation

As part of the Waste Discharge Requirements (WDR) for closure of the landfill, the North Coast Regional Water Quality Control Board (NCRWQCB) required that the drains in the groundwater intercept trench be evaluated for proper operation. In the fall of 2016, L&A prepared a work plan and installed three piezometers adjacent to the drain to evaluate water depths. During the winter of 2016/2017, the landfill staff have been collecting water depth data. A report of
findings must be prepared by a registered engineering geologist. L&A will provide the report, including the following:

- Obtain the groundwater depth measurements from landfill staff.
- Obtain the piezometer top elevations from landfill staff or the surveyor.
- Locate rainfall data for the study period.
- Update the site map with the surveyed locations and elevations of the piezometers.
- Plot the water levels and rainfall data and interpret the relationship between them.
- Provide a report with findings and recommendations.

2.2. **Assembly Bill 32 Greenhouse Gas Reporting**

Assembly Bill (AB) 32 requires that the landfill be scanned annually for methane emissions with the results of monitoring reported to the California Air Resources Board (CARB). CARB also requires annual calculation of methane generation and reporting of gas-collection rates. Landfill staff collects that landfill-gas data, and performs the survey. L&A will report the data to the CARB for the HWMA.

2.3. **Federal Greenhouse Gas Reporting**

The Federal EPA requires that all landfills that produce over a certain amount of methane emissions maintain weekly records of landfill-gas flow, methane content, temperature and other data and report methane emissions annually. L&A will obtain the data from landfill staff, prepares a reporting spreadsheet, calculates greenhouse-gas emissions, and submit the data to the EPA through the electronic greenhouse gas reporting tool (e-GGRT).

2.4. **Request for Proposals for Flare Upgrades**

L&A understands that the landfill-gas combustion flare is now over 20-years old and the control and recording systems are outdated and prone to failure. Landfill staff wishes to install a more robust, up-to-date system with remote data access and alarm response. The system also should allow timed operation because the landfill gas concentration has been dropping and it has become more difficult to keep the flare lit.

L&A will assist HWMA in preparing a request for proposals for competitive bidding for a new control system. L&A will also assist with coordination with the local Air Pollution Control District for a permit revision to allow timed operation.

2.5. **Operations Plan Modifications**

In 2016, L&A completed a plan for operation of the landfill monitoring and control systems during closure. Subsequently, the NCRWQCB has requested changes to address monitoring of the groundwater intercept trench and maintenance of the capped portion of burn-ash debris site beneath Cummings Road. L&A will provide the amendment, submit it for informal review to the NCRWQCB (after HWMA approval), incorporate edits, insert the changes into the electronic
version of the document, and then upload the document to the Geotracker website. Replacement pages will be provided to the HWMA for their hard copies.

2.6. Burn Ash Debris Remediation Areas

During the winter of 2016/2017, slip out occurred in native soil on a steep slope downhill of Cummings Road in an area where the burn ash debris had been removed. From an initial review, it appears that the slip out occurred from the top soil to the depth of underlying bedrock, above a horizontal bed of firmer soil/bedrock. The slope is very steep and not safely accessible. Based on the characteristics of the slip out, the ability to modify is limited to spraying hydroseed from above. L&A will provide time to visit the slip out and provide recommendations should it worsen.

Periodically, engineering services may be needed for the postclosure monitoring and maintenance of the burn as debris site. L&A has provided a time allowance of 20 hours of senior engineer time plus $1,000 for expenses for this item.

2.7. Toe Drain Evaluation

Water at the toe of the landfill comes from two sources – the “Toe” drain that collects groundwater from beneath the toe of the landfill and “sideslope” drains that collect water before it enters the landfill. The water from these sources comprises most of the water trucked to the Eureka wastewater treatment plant for disposal. The sideslope drain water is likely groundwater, but has historically had higher than background electrical conductivity and, therefore, has not been allowed to drain to the surface. It may be possible, however, to pump the water to a location on site for infiltration. The toe water has been affected by contact with leachate, but is mostly groundwater. It may be possible to treat the toe drain water with activated carbon for disposal. The landfill staff has been keeping records of the flow from these sources.

L&A proposes to conceptually evaluate the flow, potential locations for disposal, and potential cost of on-site disposal as compared to trucking to the waste-water treatment plant. L&A may require that the HWMA submit and pay for some laboratory analyses (if existing data is not available) to evaluate the quantity of carbon that would be required for treatment. We will provide a technical memo describing our findings with recommendations whether it is likely to be cost effective to pursue onsite treatment.

2.8. Miscellaneous Services

Landfill staff periodically require assistance with compliance or operational issues. L&A has included an allowance for one site visit by a senior engineering geologist and 40 hours of senior engineer time plus $1,000 for expenses, if needed.

COST ESTIMATE

Attachment A shows the estimated time and expense that L&A has allocated to each task. Attachment B presents L&A’s schedule of fees. Some of the tasks are difficult to estimate time for. Some tasks may take more time than anticipated and others less. We will track the budget
for each task, but may allocate time from over-budget tasks to under-budget tasks. Because of the travel time to reach the HWMA offices, L&A provides a reduced billing rate for travel time. The cost of the work is estimated to be approximately $81,620.

If you would like us to perform the work, please update our existing work order agreement.

If you have any questions regarding this proposal, please contact me at (530) 275-4800 or at coles@lwrnc.com.

Sincerely,

Clayton E. Coles
Principal Engineer Geologist, CEG 1730

Attachment A: Cost Estimate
Attachment B: Schedule of Fees
## 1. Transfer Station

**1.1 Stormwater Compliance**
- **Site Visit**: 4 hours, 4 copies
- **Prepare SWPPP & provide BMP suggestions**: 16 hours, 2 copies
- **Assist staff and questions**: 8 hours, 2 copies
- **Conduct Level 1 ERA Evaluation**: 6 hours, 1 copy
- **Prepare Level 1 ERA Report**: 10 hours, 1 copy
- **QISP Conducted Level 1 Training (to facility)**: 4 hours, 1 copy

**1.2 Facility Master Planning**
- **Mapping**: 4 hours, 1 copy
- **Site meeting**: 4 hours, 4 copies
- **Consultation**: 4 hours, 2 copies
- **Develop traffic plan**: 8 hours, 2 copies
- **Review with staff**: 4 hours, 1 copy
- **Engineer's estimate**: 2 hours, 12 copies

**1.3 and 1.4 Floor Drains**
- **Site visit to view floor drains**: 4 hours, 4 copies
- **Drawing for desired changes**: 8 hours, 1 copy
- **Assist with owner RFQ preparation**: 8 hours, 1 copy

**1.5 Miscellaneous Assistance**
- **Allowance for miscellaneous assistance**: 40 hours, 1 copy, $500

### Subtotals
- **$22,720**
- **$495**
- **$4,860**
- **$6,290**
- **$2,550**
- **$1,430**
- **$500**
- **$1,295**
- **$40,140**

## 2. Cummings Road Landfill

**2.1 Groundwater Intercept Report**
- **Prepare report and respond to questions**: 3 hours, 2 copies, 16 copies

**2.2 & 2.3 Greenhouse Gas Reporting**
- **Federal greenhouse gas reporting**: 3 hours, 2 copies, 16 hours, 8 copies
- **State of California AB-32 Reporting**: 1 hour, 2 copies, 24 hours, 4 copies

**2.4 RFP for Flare Upgrades**
- **Prepare RFP for flare upgrades**: 8 hours, 16 copies
- **Answer questions during owner provided bidding**: 2 hours, 8 copies

**2.5 Operations Plan Modifications**
- **Make NCRWQCB requested changes**: 4 hours, 12 copies
- **Make pdf of document & upload to GeoTracker**: 6 hours, 2 copies

**2.6 Burn Ash Debris Remediation Areas**
- **Provide assistance regarding slip out**: 4 hours, 8 copies, 12 hours, 2 copies, $1,000

**2.7 Toe Drain Evaluation**
- **Provide assistance regarding slip out**: 4 hours, 40 copies, 12 hours, 2 copies, 700 copies

### Subtotals
- **$22,720**
- **$495**
- **$4,860**
- **$6,290**
- **$2,550**
- **$1,430**
- **$500**
- **$1,295**
- **$40,140**
<table>
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<tr>
<th>Lawrence &amp; Associates</th>
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<tr>
<td>Copy</td>
<td>Senior Engineer</td>
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<tr>
<td></td>
<td>$160</td>
</tr>
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</table>

**2.8 Miscellaneous Services - Landfill**

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<th>Allowance for miscellaneous assistance</th>
<th>40</th>
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<tr>
<td>Subtotals</td>
<td>$12,480</td>
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<tr>
<td>Totals</td>
<td>$35,200</td>
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</table>

Note: Our commitment is to the total project budget. Work-hour and staff allocations to individual activities are approximate, and are shown to indicate approximate level of effort. The maximum indicated total fee will not be exceeded without written authorization.
ATTACHMENT B - SCHEDULE OF FEES
EFFECTIVE AUG 1, 2017

Professional Services
Engineering Geologist/Hydrogeologist
Principal ................................................................. $160/hour
Senior ........................................................................ $135/hour
Associate ................................................................. $115/hour
Staff ........................................................................ $105/hour
Assistant ................................................................... $100/hour

Engineer
Principal Engineer ........................................................ $175/hour
Senior Registered Civil ............................................ $160/hour
Associate Civil ........................................................ $125/hour
Assistant Civil .......................................................... $105/hour
Engineering Technician .......................................... $85/hour

Project Manager ...................................................... $125/hour

Environmental Assessor ........................................... $110/hour

AutoCAD Operator (Level I) ...................................... $85/hour
AutoCAD Operator (Level II) .................................... $75/hour

Field Technician ........................................................ $85/hour
Laborer ................................................................. $65/hour
Surveyor .................................................................. $80/hour

Tank Fund Administrator ........................................... $65/hour
Clerical ..................................................................... $65/hour
Word Processor ......................................................... $65/hour

Deposition and Court Appearances
Minimum charge ....................................................... $1400 part or full day
Deposition or Court Appearance Rate ....................... $250/hr
Preparation at consulting-service rates ................. as listed above

Drilling Services (CME-55 drilling rig)
7-5/8 and 9-5/8-inch OD augers with operator and helper (See drilling schedule of fees)

Mobilization ............................................................... $125/hour

Other In-House Equipment
Test pumps (submersible, through 5 HP) ............... quoted/job
Campbell 21X data loggers w/ transducers (water and gas) quoted/job
Conductivity, oxygen, temperature and dissolved oxygen probes quoted/job
Meteorological station (wind direction and velocity) quoted/job
Gas-extraction and air-monitoring pumps quoted/job

Mileage .................................................................. $0.70
Mileage (drilling rig) ............................................... $1.00
Per diem (per person/day; may vary dep. upon location) $120+$/day
Level D protection (per person/day) ...................... $30/day
Survey equipment (per day) .................................... $50/day
GPS Survey (per day) .............................................. $150/day

Expenses, Materials, Outside Services
(All direct-job related expenses: reproduction, rental equipment, materials, subcontracted labor and equipment) at cost + 15%
Staff Report

DATE: August 4, 2017 For Meeting of September 14, 2017

FROM: Tyler Egerer, Administrative Services Manager

SUBJECT: Item 2e)
Revise and Approve Authority Purchasing Policies – Check Signers and Dual-Signatory Limits

RECOMMENDED ACTION: Review and Approve
Approve Changes to Authority Purchasing Policy 4040, Purchasing, and Direct Staff to Update Authority Policy Manual.

Discussion:
Staff recommends approval of the revised purchasing policy section 4040, as outlined below. These two policy revisions include 1) adding the Director of Operations and Facilities Maintenance as an additional signer to the Authority’s checking account, which will provide greater flexibility in check signing during periods where the Executive Director is absent, and 2) approve increasing the limit from $5,000 to $20,000 on those checks which require only one signature, thereby reducing the need for additional signers on a monthly basis.

Although not stated in the policy language itself, it is the practice of the Authority to require two signers on checks totaling at least $5,000. In addition, where practicable, it is the intention of the Authority that the Executive Director not sign checks made out for their own reimbursed expenses and/or paychecks. This requires a member of the Board of Directors to be available for the signing of all checks over $5,000, as well as the occasional check made directly to the Executive Director.

Additionally, when the Executive Director is on leave, attending training, or otherwise unavailable, no other staff has the authority to sign checks, requiring at least one member of the Board to be available for all check signing. This is periodically challenging given the increased need for cash on hand at the Eureka Recycling Center which regularly requires checks to be approved and signed daily for cash withdrawals to restock the CRV change bank maintained at the Transfer Station. As the need for CRV buyback services grow, these cash requirements are beginning to regularly exceed the one-signer limit for check writing.

The proposed changes are intended to reflect the changing landscape of both the Authority’s overall expenses, its needs for day-to-day operations, and the growth and assumption of responsibilities of the management staff in-house over the past few years. Additionally, the spelling out of these best practices in the Authority’s purchasing policies will provide better direction for future leadership. Adding the Director of Operations and Facilities Maintenance as
a signer provides flexibility in managing ongoing needs, and ensures adequate signatories during times when both Board members and the Executive Director may not otherwise be available.

Furthermore, the original limit on check signing neither corresponds to spending limits for which the Executive Director is currently authorized - $20,000 or less – nor does it reflect cost increases due to inflation. By increasing the limit on single-signer checks, the Executive Director is further capable of enacting expenditures up to their spending limit, and the need for additional signers is reduced further, requiring Board presence perhaps no more than once per month.

The recommended additions and changes to Section 4040, Purchasing, are outlined below.

POLICY TITLE: Purchasing
POLICY NUMBER: 4040

4040.1 The Executive Director may authorize all purchases of materials, supplies, services, and equipment up to $20,000. When practical, two comparables should be gathered before making the purchase.

4040.2 Purchases of new supplies, materials, equipment, and services of an estimated cost of $20,000 or more are required to be put out to bid. Bidding shall not be required during emergencies, or for the purchase of used supplies, materials, or equipment.

4040.2.1 Notices inviting bids shall include a general description of the articles to be purchased, where the bid document and specifications may be obtained, and the time and place for the bid opening.

4040.2.2 Notices shall be published at least ten (10) days before the date of opening.

4040.2.3 Notices shall be published at least once in a newspaper of general circulation or if there is none, it shall be posted in at least three public places in the County.

4040.2.4 Following the award of a bid, an agreement may be executed as necessary, with Board approval.

4040.3 When purchasing used supplies, materials or equipment with a cost greater that $20,000, a comparison must be made with two similar sources. Board approval is required.

4040.4 Check signing authority for all purchases of materials, supplies, services, and equipment up to $20,000 may be provided by only one signer on the approved list of Authority signatories.

4040.4.1 The approved list of signers on the Authority’s checking accounts shall be comprised of the then-current primary members of the Board of Directors, the Executive Director, and the Director of Operations and Facilities Maintenance. Updates to the list of approved signers will be made by Board action during open session of a regular meeting of the Board of Directors.

4040.4.2 For all purchases of materials, supplies, services, and equipment exceeding $20,000, a second signer from the list of approve signatories is required.
4040.4.3 In no instance shall a signer provide a check signature for reimbursement of their own expenses, or for benefit payments owed to the signer.

**Fiscal Impact:**
None. Changes to the policy will be implemented following approval by the Board, and minimal staff time will be required to update the list of approved signers.

**Alternatives:**
The proposed language allows for both signers on checks over $20,000 to be Authority staff, in lieu of one Board member providing signatures. Although the Board is apprised of monthly disbursements in the monthly Financial reports included in the Consent Calendar, the Board may wish to include the following language in the new policy, to allow Board members to continue to have direct interaction on larger purchases:

4040.4.2.1 In all instances where a second signer is required, the second signer must be a member of the Board of Directors (and must currently be on the list of approved signers).

Staff would recommend against this alternative currently, and to review this language at a future date following discussion of the Fiscal Year 2016-17 audit in November; the Authority’s auditor has identified some topics of discussion related to additional signers which may further enhance this policy following receipt of the annual audit.
Staff Report

DATE: July 25, 2017  For the Meeting of September 14, 2017

FROM: Brent Whitener, Director, Operations and Facilities Management

SUBJECT: Item 2f) Approve California Multiple Award Schedule (CMAS) Pricing Program for the Lease of Tip Floor Excavator and Wheel Loader in lieu of competitive bid process

RECOMMENDED ACTION: Voice vote

Approve California Multiple Award Schedule (CMAS) Pricing Program for the Lease of Tip Floor Excavator and Wheel Loader in lieu of competitive bid process

DISCUSSION: The FY 2017-2018 Budget approved replacement of one excavator and one loader used at the Hawthorne Street Transfer Station Tip Floor. Both pieces of equipment are 2007 model year with the Hitachi excavator logging in excess of 13,000 operating hours, the Caterpillar IT 14G loader, about 9,300 hours. With both machines approaching ten years in service and high hours, this planned replacement will avoid possible unscheduled breakdowns and increased maintenance costs.

Staff has examined several options as a purchasing mechanism ranging from outright purchase through a competitive bidding process to equipment leasing. Staff also evaluated participating with the California Multiple Awards Schedule Program, or CMAS program, is commonly used by local governments. It utilizes pricing which has been negotiated by the State Department of General Services. Leasing under the CMAS program has the additional advantage for the Authority of amortizing equipment costs over a four-year range. From a budget perspective, this 48-month lease option would conclude in mid-2021, the same fiscal year that the Authority Bond debt is paid in full.

In order to use CMAS pricing for lease or purchase, the Board would choose to waive the practice of a sealed, competitive bid, the method which follows Authority Purchasing Policy 4040.2 for purchases in excess of $20,000.00.
The following actual costs apply to equipment lease or purchase as indicated:

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Basic 48-month Lease Costs</th>
<th>Outright purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Hitachi 210 LC Excavator</td>
<td>$5,264.16</td>
<td>$315,865.20</td>
</tr>
<tr>
<td>Service Agreement(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Deere 344K Wheel Loader</td>
<td>$2,978.89</td>
<td>$193,550.00</td>
</tr>
<tr>
<td>Service Agreement(s)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The initial month’s lease payment would include appropriate tax expenses and the refundable security deposit in addition to the normal monthly lease payment. The trade-in values of our old wheel loader and excavator have yet to be evaluated, but are expected to help defray costs.

The lease and pricing information is supplied by Pape Machinery of Central Point, OR. and with local dealership and repair representation in Humboldt County. The Authority has relied on Pape as a regular vendor for over a decade.

If the Board were to approve the CMAS Lease option, the Executive Director would enter in to an agreement with Pape Machinery to pre-order the equipment from the manufacturer. The next step would have a contractor outfit the equipment with the required cab rise, guards, grapples and other modifications specific to use on the Authority tipping floor. Entering into the formal lease agreement and delivery of the equipment would be expected mid-Winter 2017-18. Lease language would be reviewed by legal staff and the agreement executed by the Executive Director.

**Fiscal Impact:**
The Capital Improvement Plan has the necessary funds to undertake these lease transactions. Staff will allocate monies annually from the Capital Improvement Fund to the annual budget to adequately cover the annual lease expense for each piece of equipment, with no impact to annual Solid Waste Tipping Fees.

The use of a lease agreement allows the Authority to amortize the significant cost outlay involved with heavy equipment replacement over a four-year period. At the conclusion of the lease term, the Authority may elect to renew the lease and receive new replacement equipment or possibly purchase the existing leased equipment on-site from the vendor; further discussion of these options will be included in the annual updates to the Capital Improvement Plan

**Alternatives:**
1. Board direct staff to continue to use the existing equipment. The Operations staff identified the need for a structured equipment replacement schedule in 2015. Continued use of aging equipment runs the risk of unscheduled down time that directly interferes with Authority operations. Staff does not recommend this alternative.
2. Board direct staff to use the existing competitive bid process for the lease or purchase of the two machines. The CMAS pricing program assures uniformly fair pricing for equipment throughout the state and streamlines the lease process.
Staff Report

DATE: September 6, 2017, 2017 For Board Meeting: September 14, 2017
FROM: Jill K Duffy, Executive Director
SUBJECT: Item 2g)
Review and Approve Recommendation to Award Green Waste Transportation Services to Steve Morris Logging and Contracting, and Provide Direction as Appropriate.

RECOMMENDED ACTION: Voice vote.
Direct the Executive Director and General Counsel to: 1) initiate negotiations for a five (5) year agreement with Steve Morris Logging and Contracting for transportation services related to the disposal of green waste from the Hawthorne Street Transfer Station to Mad River Hardwoods composting facility; and 2) return to the Board for final agreement review and approval no later than the November 2017 Board meeting.

DISCUSSION:
During the July 13, 2017 meeting, the Board of Directors approved a Request for Proposals for Green Waste Transportation Services for circulation and proposals to be submitted by the deadline of Thursday, August 17, 2017. Three proposals were submitted to the HWMA by the 3 PM, August 17, 2017 deadline. These three proposals were submitted and received from the following:

Steve Morris Logging and Contracting
Humboldt Sanitation
Wes Green Landscaping

Proposals were distributed to a 3-member evaluation committee of Authority staff to conduct an evaluation and ranking of the proposals. The system evaluated several categories with up to 150 available points. The individual ranking results were compiled into the “Green Waste Transportation RFP Evaluation Committee Scoring Results” (Attachment A).

Based on the evaluation results and cost proposals, the reviewers unanimously recommend Steve Morris Logging and Contracting as the preferred contractor to negotiate the terms and conditions of the service Agreement. As detailed in the attached report, the proposal would result in no change – or a potential savings – to future rates for transportation and disposal of the Authority’s green waste, as compared to the rates of the existing contract.
It should be noted that Steve Morris Logging and Contracting included two costs in their proposal based on tonnage volumes identified in 1) Request for Proposal at 15 tons/load and 2) tonnage volumes averages of 13.18 tons/load that Steve Morris Logging hauled in FY 2015-16. This merits a brief discussion.

The Request for Proposal solicited proposals for the hauling of an average of 15 tons per load. Average bin weights hauled by Steve Morris Logging and Contracting have gradually increased over the past two years. HWMA has averaged approximately 14 tons/bin of outbound material per container from January 1, 2016 to current. Due to the increased volume of green waste transported by the general public, and Recology’s curbside collection program which is expanding, Authority staff is looking to increase transportation efficiency by increasing the compaction of green waste for timely material removal. There will be fluctuation of weight due to the composition of green waste (lawn trimmings, branches, foliage and periodically log rounds).

Additionally, Steve Morris Logging and Contracting is requesting consideration of a $70/hour wait fee, in one-half hour increments divided over two trailers per load when there are unavoidable wait times at either the Hawthorn Street Transfer Station or the receiving facility, Mad River Hardwoods.

Steve Morris Logging and Contracting has been performing transportation services to the Authority since 2004 under a series of agreements. Authority staff works well with the representatives and employees, and together we have worked to improve communication and coordination activities over the past four years. This has enabled more predictable scheduling of hauling services.

Staff recommends that the Board receive the report and committee ranking results, and provide direction as to the Board’s preference for the hauling and disposal of green waste to the Mad River Hardwoods facility. Following the September 14th meeting, staff will 1) meet with the designated proposer to initiate agreement negotiations consistent with the proposal; and 2) return to the Board with a draft Agreement for the Board’s review and final approval no later than the November 2017 meeting.

**FISCAL IMPACT:**
The fiscal impact of the primary Steve Morris Logging proposal would result in no change related to current costs. Potential savings could be recognized if Authority staff load to the specifications in the RFP; this topic will be discussed more during negotiations.

**ALTERNATIVES:**
Alternatively, the Board could:

1) Request Extension of the Existing Hauling Agreement with Steve Morris Logging
2) Reject all proposals and re-circulate a RFP. If this alternative is chosen, the Board will need to provide direction on specific items.

**ATTACHMENT:**
Attachment A: “Green Waste Transportation RFP Evaluation Committee Scoring Results” (September 5, 2017)
## Attachment A

### Green Waste Transportation RFP Evaluation Committee Scoring Results

<table>
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<tr>
<th>Proposer</th>
<th>Humboldt Sanitation</th>
<th>Steve Morris Logging &amp; Contracting</th>
<th>SML Based on Actual FY 2015-16 Tonnage Average of 13.18 Tons</th>
<th>Wes Green Landscaping</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>15 Tons/Two 40 Cubic Yard Bins</td>
<td>15 Tons/Two 40 Cubic Yard Bins</td>
<td>15 Tons/Two 40 Cubic Yard Bins</td>
<td>15 Tons/One 50 Cubic Yard Bin</td>
</tr>
<tr>
<td><strong>Score</strong></td>
<td><strong>99</strong></td>
<td><strong>102</strong></td>
<td>*</td>
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<td><strong>1</strong></td>
<td>3</td>
<td><strong>3</strong></td>
</tr>
<tr>
<td><strong>Cost per Ton Based on Proposal</strong></td>
<td><strong>$22.40/ton</strong></td>
<td><strong>$14.00/ton</strong></td>
<td><strong>$15.94/ton</strong></td>
<td><strong>$20.00/ton</strong></td>
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<tr>
<td><strong>Special Considerations</strong></td>
<td>None</td>
<td>*</td>
<td>*</td>
<td>None</td>
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<tr>
<td></td>
<td></td>
<td><strong>$1.17/ton</strong></td>
<td><strong>$1.33/ton</strong></td>
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</table>

* Steve Morris Logging and Contracting is requesting consideration of a $70/hour wait fee; one-half hour increments divided over two trailers per load.
Staff Report

DATE: August 31, 2017 For Board Meeting: September 14, 2017

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 2h)
Approve Amendment to Agreement with Recology Eel River to extend the existing Loading Services Agreement for 180-days, ending March 21, 2018.

RECOMMENDED ACTION: Voice vote.

DISCUSSION:
At the July 13, 2017 meeting, the Board approved a Consent to Change Control from Eel River Resource Recovery, Inc. (ERRR) to Recology to acknowledge and approve the ERRR change in ownership. Acquistion of ERRR was completed on September 1, 2017.

HWMA originally entered into a live loading agreement with ERRR in September of 2015 to allow its transportation and disposal contractor to provide a trailer to the Eel River Disposal Facility for daily loading of member agency solid waste. This agreement was approved for assignment to Recology and was revised to reflect the change in HWMA’s transportation subcontractor to Bettendorf Enterprises and the designated disposal facility to Dry Creek Landfill. This agreement expires on September 21, 2017.

Staff is requesting the Board approve Amendment No. 1 to extend the termination date of the Agreement. This will enable sufficient transitional time for Recology and enable to development of an agreement for loading services. Due to the upcoming holiday season, staff is recommending that the term of the agreement be extended for 180-days terminating March 21, 2018.

This proposed amendment has been reviewed and approved as to form by the Authority’s Legal Counsel and Linda Wise, General Manager of Recology.

FISCAL IMPACT:
These expenditures have been included in the proposed budget for FY 2017-18.

ALTERNATIVES:
Board discretion

ATTACHMENTS:
1. Proposed Amendment 1 between HWMA and Eel River Recology.
2. Acknowledgement and Consent To Change Of Control Affecting Agreement Between Humboldt Waste Management Authority And Eel River Resource Recovery, Inc. To Provide MSW Loading Services
3. Agreement Between HWMA And Eel River Resource Recovery, Inc. (*September 22 2017*)
AMENDMENT No. 1
TO AGREEMENT BETWEEN
HUMBOLDT WASTE MANAGEMENT AUTHORITY
AND RECOLOGY EEL RIVER
TO PROVIDE MSW LOADING SERVICES

This is an amendment to that certain agreement between Humboldt Waste Management Authority ("HWMA") and Recology Eel River ("Recology") to Provide MSW Loading Services, dated September 22, 2015 ("Agreement"). This Amendment is effective September 21, 2017.

RECITALS

WHEREAS, pursuant to that certain Acknowledgment and Consent to Change of Control Affecting Agreement between Humboldt Waste Management Authority and Eel River Resource Recovery, Inc. to Provide MSW Loading Services, effective as July 13, 2017, HWMA consented to the change of control of Eel River Resource Recovery, Inc. ("ERRR").

WHEREAS, ERRR became a wholly owned subsidiary of Recology Inc. on August 31, 2017.

WHEREAS, ERRR merged with and into Eel River Disposal Company, Inc. on September 1, 2017, and such merged company was rebranded “Recology Eel River”.

WHEREAS, the Agreement expires on September 21, 2017 and the parties wish to extend its term for six (6) months in order to negotiate a new agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and representations recited herein and made a material part hereof, the parties agree as follows:

1. **Agreement Extension.** Section 2, Term of Agreement, is hereby amended to extend the Agreement termination date from September 21, 2017 to March 21, 2018.

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

[Signature Page Follows]
IN WITNESS WHEREOF, the parties have executed this Amendment No.1 effective as of the date written above.

RECOLOGY EEL RIVER

Date: ________________

By __________________________

George P. McGrath, Executive Vice President & COO

HUMBOLDT WASTE MANAGEMENT AUTHORITY

Date: ________________

By __________________________

Sofia Pereira, Chair of the Board

ATTEST:

Date: ________________

___________________________

Jill Duffy, Clerk of the Board

Approved as to form:

Date: ________________

___________________________

Nancy Diamond, General Counsel, HWMA
ACKNOWLEDGEMENT AND CONSENT TO CHANGE OF CONTROL
AFFECTING AGREEMENT BETWEEN
HUMBOLDT WASTE MANAGEMENT AUTHORITY AND
EEL RIVER RESOURCE RECOVERY, INC
TO PROVIDE MSW LOADING SERVICES

This Acknowledgement and Consent to Change of Control ("Consent") is made by the Humboldt Waste Management Authority ("HWMA") in reference to that certain agreement entered into between the HWMA and Eel River Resource Recovery, Inc. ("ERRR"), entitled Agreement to Provide MSW Loading Services, dated effective as of September 22, 2015 ("Live Loading Agreement"). This Consent is effective as of July 13, 2017.

REQUITAS

A. ERRR owns and operates a transfer station located at 965 River Walk Drive, Fortuna, CA (the "Eel River Transfer Station") where ERRR and its subsidiaries haul municipal solid waste ("MSW") collected from sites located within the HWMA jurisdiction.

B. ERRR and HWMA entered into the Live Loading Agreement to facilitate the loading of MSW at the Eel River Transfer Station into trailers operated by HWMA’s transportation and disposal contractor, Solid Wastes of Willits, Inc. ("SWOW"), under that certain agreement dated June 1, 2014 between HWMA and SWOW for the transportation and disposal of solid waste ("SWOW Transportation and Disposal Agreement").

C. Pursuant to the Live Loading Agreement, ERRR loads the HWMA solid waste into SWOW trailers for transportation by SWOW to the designated landfill, Potrero Hills Landfill.

D. Effective June 24, 2017, the SWOW Transportation and Disposal Agreement terminated, and HWMA has entered into a new transportation and disposal agreement with Dry Creek Landfill, Inc. ("DCL"), under the terms of which DCL subcontracts to Bettendorf Enterprises, Inc. to transport HWMA solid waste to the Dry Creek Landfill.

E. ERRR has entered into an agreement with Recology, Inc. ("Recology") whereby Recology will acquire all the outstanding shares of ERRR in July 2017 after which Recology will rebrand ERRR as "Recology Eel River." This transaction is referred to herein as a "Change of Control."

F. Recology has provided HWMA notice of its intent to honor ERRR’s obligations under the Live Loading Agreement.

G. HWMA desires to acknowledge and consent to the Change of Control of ERRR and Live Loading Agreement subject to a change in designation of the Transportation Contractor and Designated Disposal Facility, as those terms are defined in the Live Loading Agreement, and Recology desires to accept HWMA’s acknowledgement and consent subject to such change in designations.

NOW THEREFORE, HWMA acknowledges, approves and consents to the change in control of ERRR to Recology as the party obligated to perform under the Live Loading Agreement and Recology Eel River as the rebranded name, subject to the following mutual agreements between HWMA, ERRR and Recology.
1. **Character of Consent.** This Consent by HWMA is not, and will not be, deemed or construed as consent to any future or other assignment of the Live Loading Agreement. This Consent is not, and will not be deemed or construed to modify, waive, or affect any of the provisions, covenants, or conditions of the Live Loading Agreement, waive any breach of the Live Loading Agreement or any of the rights of HWMA, or enlarge or increase HWMA's obligations under the Live Loading Agreement.

2. **Assumption of ERRR's Obligations.** Recology expressly assumes and agrees to perform and comply with every obligation of ERRR under the Live Loading Agreement, including, without limitation, ERRR's obligation to obtain insurance and indemnify HWMA pursuant to Section 8 of the Live Loading Agreement, expressly subject to the following changes in definitions:

   - The "Transportation Contractor" shall mean Bettendorf Enterprises, Inc.
   - The "Designated Disposal Facility" shall mean the Dry Creek Landfill facility owned and operated by Dry Creek Landfill, Inc. and located at 6260 Dry Creek Road, Eagle Point, Oregon 97524

Neither this assumption by Recology, the agreement between ERRR and Recology for Change in Control, nor HWMA's Consent will release or discharge ERRR from any liability under the Live Loading Agreement arising from its performance under the Live Loading Agreement prior to the date of this Consent.

3. **Scope and Conditions of Acknowledgement and Approval.** In granting this Consent, it is understood and agreed that (a) HWMA does not consent to or approve of any term, provision, covenant, or condition in the Change of Control agreement between ERRR and Recology, and HWMA will not be bound by said Change of Control agreement, (b) no rights will be granted to Recology under said Change of Control agreement that are greater than those granted to ERRR under the Live Loading Agreement, and (c) said Change of Control agreement will be subordinate to the Live Loading Agreement and this Consent: in the event of any conflict between the terms and provisions of the Live Loading Agreement or this Consent and the terms and provisions of said Change of Control agreement, the terms and provisions of the Live Loading Agreement or the Consent, as applicable, will prevail.

**IN WITNESS WHEREOF,** the parties have executed this acknowledgement and approval as of the date first written above:

(Signatures on following page)
ERRR,

Harry Hardin, Owner

* Recology Inc.,

George P. McGrath, Executive Vice President and COO

HWMA,

Sofia Bregura, Chair of the Board

Approved as to form

Nancy Diamond, HWMA General Counsel

* Recology agrees to Section 2 subject to, and effective as of, the consummation of the Change of Control, and agrees to Section 3 on the condition that it shall have no force or effect as between Recology and ERRR.
AGREEMENT BETWEEN
HUMBOLDT WASTE MANAGEMENT AUTHORITY
AND
EEL RIVER RESOURCE RECOVERY, INC.
TO PROVIDE MSW LOADING SERVICES

This Agreement is effective this September 22, 2015, by and between the Humboldt Waste Management Authority, a joint powers authority (herein “HWMA” and the “Authority”) Eel River Resource Recovery, Inc., a California corporation with principal offices in Fortuna, California (herein “ERRR”).

RECITALS

WHEREAS, the HWMA owns and operates a municipal solid waste transfer station for the benefit of its member agencies located at 1059 W. Hawthorne St., Eureka, CA 95501 (“Hawthorne Street Transfer Station”); and

WHEREAS, HWMA has entered into a Transportation and Disposal Agreement with Solid Wastes of Willits (“Transportation Contractor”) to transport and dispose of municipal solid waste at Potrero Hills Landfill located in Solano County, CA (“Transportation and Disposal Agreement”); and

WHEREAS, Eel River Disposal Co., Inc (“ERD”) holds franchise agreements to collect curbside municipal solid waste from the HWMA member agencies consisting of the Cities of Rio Dell, and Ferndale, and haul such solid waste to its satellite transfer station located at 965 River Walk Drive, Fortuna, CA (“Eel River Transfer Station”); and

WHEREAS, Eel River Disposal and Resource Recovery, Inc. (“ERD & RR”) holds franchise agreements to collect curbside municipal solid waste from the HWMA member agencies consisting of the County of Humboldt and haul such solid waste to its satellite transfer station located at 965 River Walk Drive, Fortuna, CA (“Eel River Transfer Station”); and

WHEREAS, under the terms of the HWMA Joint Powers Agreement, the municipal solid waste collected by ERD and ERD & RR pursuant to said franchise agreements is subject to HWMA’s flow control and disposal in accordance with the Authority’s Transportation and Disposal Agreement; and

WHEREAS, ERD and ERD & RR collect monthly payments from their customers under said franchise agreements, which payments include a fee established by ordinance of the HWMA to fund HWMA programs including the transportation and disposal of solid waste; and

WHEREAS, HWMA desires to contract with Eel River Resource Recovery to load said member agency municipal solid waste collected at the Eel River Transfer Station into the Transportation Contractor’s trailers for transportation and disposal by the Transportation Contractor pursuant to the Transportation and Disposal Agreement, and ERRR desires to provide such services; and

WHEREAS, pursuant to the Transportation and Disposal Agreement, this Agreement with ERRR to load member agency solid waste at its satellite transfer facility is subject to approval by Transportation Contractor.

NOW THEREFORE, in consideration of the mutual promises, covenants, and representations recited herein and made a material part hereof, the parties agree as follows:
1. **DEFINITIONS**

Unless otherwise defined in the text, capitalized words will have the meaning set forth as follows:

**"Allocation Percentage Formula"** means the formula used to allocate commingled tonnage to a jurisdiction of origin based on the percentage formula established in ERD’s franchise agreement with the County of Humboldt as follows:

- City of Fortuna: 60%
- Unincorporated County: 22%
- City of Rio Dell: 11%
- City of Ferndale: 7%

**"Designated Disposal Facility"** means the landfill disposal facility or facilities with which the Authority has entered into agreement for solid waste disposal. As of the Effective Date of this agreement, Disposal Facility shall mean Potrero Hills Landfill, or such other landfill disposal facility as the Authority may designate.

**"Dispatch Protocol"** means the notification procedure agreed upon by HWMA, ERRR and the Transportation Contractor for the coordination and delivery of Trailers by the Transportation Contractor to the Eel River Transfer Station for loading of Permitted Waste, attached hereto as Exhibit “A” and incorporated herein. The Dispatch Protocol may be revised from time to time in writing and with the approval of ERRR, HWMA and the Transportation Contractor, which approval shall not be unreasonably withheld.

**"Eel River Transfer Station"** means the transfer facility owned and operated by Eel River Resource Recovery, Inc. and located at 965 Riverwalk Drive, Fortuna, CA.

**"Hazardous Waste"** means materials as defined by Section 40141 of the California Public Resources Code; all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by Sections 25110.02, 25115, and 25117 of the California Health and Safety Code (the California Hazardous Waste Control Act), California Health and Safety Code Section 25100 et seq., and future amendments to or re-codification of such statutes or regulations promulgated thereunder, including 23 California Code of Regulations Sections 2521 and 2522; and materials regulated under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., as amended (including, but not limited to, amendments thereto made by the Permitted Solid Waste Disposal Act Amendments of 1980), and related federal, state and local laws and regulations; materials regulated under the Toxic Substance Control Act, 15 U.S.C. Section 2601 et seq., as amended, and related federal, State of California, and local laws and regulations, including the California Toxic Substances Account Act, California Health and Safety Code Section 25300 et seq.; materials regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601, et seq., as amended, and regulations promulgated thereunder; and materials regulated under any future additional or substitute federal, state or local laws and regulations pertaining to the identification, transportation, treatment, storage or Disposal of toxic substances or Hazardous Waste. If two or more governmental agencies having concurrent or overlapping jurisdiction over hazardous waste adopt conflicting definitions of "hazardous waste", for purposes of collection, transportation, processing and/or Disposal, the broader, less restrictive definition shall be employed for purposes of this Agreement.

**"Live Loading"** means the completion of loading Permitted Waste into an individual Trailer to the allowable weight capacity while the Trailer’s truck driver stands-by.
“Permitted Waste” means Solid Waste excluding without limitation, Hazardous Waste, Household Hazardous Waste, other unacceptable waste, recyclable materials, or material used as alternative daily cover (ADC).

“Solid Waste” means putrescible and non-putrescible solid, semisolid and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, street sweepings and catch basin residue, construction and demolition waste not classified as discarded materials, bulky goods not classified as recycled materials, discarded brown goods not classified as recycled materials, dewatered, treated or chemically fixed sewage sludge which is not Hazardous Waste, manure, vegetable or animal solid and semi-Solid Wastes, residues from recycling, composting and similar processes, and other discarded wastes and any other materials defined in Section 40191 of the California Public Resources Code, as may be amended from time to time, which is generated within the Authority.

“Solid Wastes of Willits” or “SWOW” means Solid Wastes of Willits, Inc. a California corporation having a business address located at P.O. Box 1425, 351 Franklin Ave, Willits, CA 95490.

“Stand-by Charge” means the fee based on the Stand-by Rate charged to and paid by ERRR for delays in completing the Live Load of any Trailer in excess of 58 minutes.

“Stand-by Rate” means the rate for determining the Stand-by Charge and represents the costs incurred by the Transportation Contractor for standing time during Trailer loading in excess of 58 minutes, calculated as $29.62 for every fifteen (15) minute increment, or portion thereof, after 58 minutes.

“Trailer” or “Trailers” means the transport-ready “possum belly” trailers supplied by the Authority or Transportation Contractor for transport of Permitted Waste from the Eel River Transfer Station for disposal at the Designated Disposal Facility.

“Transportation Contractor” means the trucking entity or entities with which the Authority has entered into contracts to transport solid wastes to the Disposal Facilities. As of the Effective Date of this contract, Transportation Contractor shall mean Solid Wastes of Willits.

“Transportation and Disposal Agreement” means that certain Agreement entered into between the Authority and SWOW for the Transportation and Disposal of Permitted Solid Wastes, dated June 1, 2014.

“Unpermitted Waste” means wastes that the Designated Disposal Facility may not receive under its permits, including but not limited to:

(a) agricultural wastes comprised of animal manures;

(b) asbestos, including friable materials that can be crumbled with pressure and are therefore likely to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances, which may be a Hazardous Waste if it contains more than one percent asbestos other than non-friable materials containing asbestos which are triple bagged, boxed and taped;

(c) ash residue from the incineration of solid wastes, including municipal waste, infectious waste described in item (7) below, sludge, and agricultural wastes described in item (1) above;
(d) **auto shredder** "fluff" consisting of upholstery, paint, plastics, and other non-metallic substances which remains after the shredding of automobiles;

(e) **Hazardous Wastes**, explosives, ordnance, highly flammable substances and noxious materials;

(f) **Infectious Wastes** which have disease transmission potential and are classified as Hazardous Wastes by the State Department of Health Services, including pathological and surgical wastes, medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubing, bottles, drugs, patient care items such as linen or personal or food service items from contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical purposes or with known infectious diseases other than patient care items that have been disinfected;

(g) **Liquid Wastes** which are not spadeable, usually containing less than fifty percent solids, including cannery and food processing wastes, landfill leachate and gas condensate, boiler blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank pumpings, rendering plant byproducts, sewage sludge, and those liquid wastes which

(h) **Radioactive Wastes** under Chapter 7.6 (commencing with Section 25800) of Division 20 of the State Health and Safety Code, and any waste that contains a radioactive material, the storage or disposal of which is subject to any other State or federal regulation.

"**Waste Management Fees**" means those fees established by the Authority that are charged to operators of approved Satellite Transfer Stations for handling Authority member solid waste.

2. **TERM OF AGREEMENT.** The effective date of this Agreement shall be and this Agreement shall terminate on September 21, 2017

3. **TRAILER LOADING SERVICES AND WEIGHING REQUIREMENTS**

3.1 **Trailer supply and delivery.** The Authority will cause the Transportation Contractor to deliver empty Trailers to the Eel River Transfer Station, backed into the loading bays and ready for loading with tops open, tarp rolled up and all other container openings closed to prevent leakage or spills. ERRR shall coordinate with the Authority to receive sufficient empty transport-ready Trailers to ensure that the transport of HWMA Permitted Waste occurs with the regularity and frequency necessary to comply with applicable law, including time and volume limitations on the storage of solid waste. Such coordination and delivery of Trailers shall be in accordance with the Dispatch Protocol.

3.2 **Permitted Waste loading.**

(a) **Proper loading.** ERRR shall Live Load Trailers with all Permitted Solid Waste collected from HWMA member agencies in accordance with all applicable laws and permit requirements and the provisions of this Agreement. Loading shall occur with the regularity and frequency necessary to comply with applicable law, including time or volume limitations on the storage of Permitted Waste at the Eel River Transfer Station. ERRR shall pay all fines or penalties for overloaded or improperly loaded Trailers. During loading, ERRR shall provide reasonable accommodations including restroom facilities for the Transportation Contractor's driver.
(b) **Weight capacity and restrictions.** Each Trailer shall be Live Loaded on a pit scale to an allowable weight capacity as determined by the California Department of Transportation axle weight limitations for transport vehicles, no less than 20.5 tons Permitted Waste per Trailer and no more than 23 tons Permitted Waste per Trailer, depending on the transport vehicle.

(c) **Screening and removal of Unpermitted Waste.** ERRR shall screen waste to prevent loading of Unpermitted Waste, and will not Load Unpermitted Waste. ERRR shall pay the total cost of Unpermitted Waste handling and disposal as well as all fees, charges and other amounts billed by the Designated Disposal Facility for ERRR’s delivery of Unpermitted Waste to the Designated Disposal Facility without reimbursement by or offset from the Authority.

(d) **Load timing.** Once delivered, Trailers shall have loading priority over other operations at the Eel River Transfer Facility. Live Loading shall be completed for each Trailer within fifty (50) minutes after the Trailer is situated at the Eel River Transfer Station loading bay and is ready for loading. ERRR shall pay a Stand-by Rate equal to $29.62 for each 15 minute interval, or fraction thereof, in excess of fifty eight (58) minutes during which loading is completed.

(e) **Trailer inspection.** After loading, ERRR will inspect each Trailer and clean loose debris from the Trailer to allow the Transportation Contractor to secure the Trailer for transport.

(f) **Commingling of Authority’s waste with other waste.** Verification of actual tonnage attributable to the HWMA member agencies shall be completed by ERRR by the end of the second quarter of 2016. ERRR may load Trailers with Permitted Waste commingled with Permitted Waste from non-member agency jurisdictions until it has completed verification. Any methodology used by ERRR to estimate tonnage attributable to HWMA member agencies and to non-member agencies shall be approved in advance in writing by the Authority and is subject to periodic verification or audit by the Authority. The Allocation Percentage Formula is based on ERRR’s existing routing software that identifies the container size and an assumed weight calculation factor of 32 pounds per 32 gallon container, 20 pounds per 20 gallon container and cubic yard bin weight of 202 pounds per cubic bin yard which is accepted by the Authority until the verification is completed. Since actual container weights will vary from time to time, the existing Allocation Percentage Formula shall be used until verification is complete. Proposed revisions to the Allocation Percentage Formula will be approved by the County of Humboldt and Cities of Rio Dell, Ferndale and Fortuna prior to implementation.

(g) **Complying with rules of Designated Disposal Facility.** ERRR shall load Trailers in compliance with all applicable rules, regulations, protocols, instructions and directions of the Designated Disposal Facility, including but not limited to rules with respect to load checking and removal of materials that cannot be accepted by the Designated Disposal Facility. The Authority shall provide ERRR with a copy of such applicable rules.

(h) **Right to inspect loading operations.** The Authority may, upon 24 hours advance notice, but is not obligated, to observe and inspect loading operations at the Eel River Transfer Station.

3.3 **Title to waste.** HWMA will not assume title to any materials delivered to the Eel River Transfer Station or loaded by ERRR. Pursuant to the Transportation Agreement, title to Permitted Waste shall transfer to the Transportation Contractor upon loading into the Trailer.
3.4 Plugged loads. ERRR shall be solely responsible for all additional costs associated with tipping plugged loads. HWMA shall invoice ERRR for all costs HWMA is charged by the Designated Disposal Facility that are associated with tipping plugged loads.

3.5 Scales, weight records, reporting. ERRR shall install, repair, maintain and operate at the Eel River Transfer Station appropriate 1) entry scales and 2) pit scales.

3.6 Trailer departure weights. ERRR shall weigh each loaded Trailer and transport vehicle prior to its departure from the Eel River Transfer Station, and record and report such weights to HWMA in a format sufficient to allow HWMA to accurately track the Permitted Waste transported from the Eel River Transfer Station to the Designated Disposal Facility.

4. FEES AND PAYMENT.

4.1 Waste Management Fees – ERD Franchise. ERRR shall pay to HWMA a Waste Management Fee –Satellite Facility Eel River Disposal (Fortuna) on all Solid Waste collected by ERD from HWMA member agencies equal to then current rate as adopted by the Authority. The Waste Management Fee as of the Effective date of this Agreement is as follows:

<table>
<thead>
<tr>
<th>SATELLITE FACILITY – EEL RIVER DISPOSAL (FORTUNA)</th>
<th>PER TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>HWMA Base Fee</td>
<td>$17.21</td>
</tr>
<tr>
<td>Countywide Programs</td>
<td>$26.49</td>
</tr>
<tr>
<td>Facility Fees</td>
<td>$54.87</td>
</tr>
<tr>
<td><strong>Total Satellite Facilities Rate</strong></td>
<td><strong>$98.57</strong></td>
</tr>
</tbody>
</table>

The Waste Management Fee is subject to amendment by the Authority, in which case the Authority Executive Director, or her designee, shall notify ERRR of the changed rate.

4.2 Stand-by and other additional fees and charges. ERRR shall pay to HWMA Stand-by Charges and any additional third party fees, fines or penalties otherwise charged to HWMA arising from its performance under his Agreement, including but not limited to, charges for plugged loads, overloaded containers and Unpermitted Waste handling and disposal plus 10% for administrative handling HWMA.

4.3 Payment. ERRR shall remit the Waste Management Fee by the 10th day of each month for Permitted Waste delivered to the Eel River Transfer Station during the previous month. Records of entry weight information indicating the Authority jurisdiction from which the Permitted Waste derived shall be provided quarterly. All additional fees and charges that are payable by ERRR in accordance with this Agreement will be invoiced by the Authority to ERRR and shall be due and payable within 30 days of receipt thereof.

5. RECORDS AND REPORTING, AUDITING

5.1 Reporting. ERRR shall provide HWMA with records as follows: 1) quarterly, entry weight information indicating the jurisdiction of origin for the Permitted Waste received by ERD and ERD RR at the Eel River Transfer Station and 2) monthly, the loaded Trailer weight tickets ready for transport to the Designated Disposal Facility. HWMA shall provide ERRR with the weight tickets and disposal ticket numbers from the Designated Disposal Facility that are used to calculate the monthly Satellite Facility Fee.
5.2 Record keeping. ERRR shall maintain at its office or other place acceptable to the Authority full and complete accounting books and records, and shall prepare and submit, without additional request, and at no cost to the Authority, records documenting ERRR’s proper performance under this Agreement. The Authority may audit such books and records at the Authority’s own expense upon three working days’ notice. Records shall be maintained for a minimum of three years after termination of this Agreement.

5.3 Tonnage audit. Upon three (3) days’ advance notice to ERRR, HWMA may verify entry and/or loaded Trailer weight records through on-site inspections, sampling and auditing methods.

6. PERFORMANCE STANDARDS

ERRR will perform all its obligations under this Agreement in accordance with accepted practices for comparable facilities, applicable law and the provisions of this Agreement. ERRR is solely liable for all fines and penalties that may be imposed on ERRR to the extent that those fines and penalties are the result of ERRR’s violations of applicable law. ERRR retains responsibility for all injuries, accidents and other mishaps associated with its performance under this Agreement, including personal injury and damage to any real or personal property.

ERRR will promptly report any such events to the Authority orally, followed by written notice within three working days, including details of any witness statements. ERRR will institute an emergency operations plan and provide a copy to the Authority upon the Authority’s request. Said plan shall mitigate and correct hazards that may arise due to accidents or destruction of transportation services, including property damage and traffic disruption, and will include any business plan for emergency response to the release or threatened release of hazardous materials in accordance with applicable law.

7. INSURANCE AND INDEMNITY.

7.1 Insurance. ERRR will secure and maintain in full force and effect:

(a) General Liability: General liability limits with minimum limits of liability per occurrence of Three Million Dollars ($3,000,000); and per aggregate of Four Million Dollars ($4,000,000);

(b) Workers’ Compensation insurance as required by state law;

(c) Employer’s liability insurance: Bodily injury by accident in the amount of One Million Dollars each accident and bodily injury by disease in the amount of One Million Dollars ($1,000,000) policy limit and One Million Dollars each employee.

(d) General Provisions. ERRR will ensure that insurance policies are always primary with respect to performance under this Agreement. ERRR will include the Authority and its employees, officials, members, officers, agents, contractors, assigns and volunteers by endorsement or otherwise as additional insured under all policies except with respect to general liability and employer’s liability insurance.

(e) ERRR will file with the Authority evidence of coverage in force, including endorsements, together with a Certificate of Insurance on an authority-approved form.

7.2 Indemnification.
(a) **General indemnity.** ERRR will defend, indemnify and hold harmless the HWMA and its employees, officials, members, officers, agents, assigns and volunteers from and against any and all liability to which any of them may be subjected by reason or resulting directly or indirectly from actions or inactions of ERRR performed or occurring under or in connection with the Agreement, whether or not those liabilities are litigated, settled or reduced to judgment and whether or not those liabilities are caused in part by any wrongful or negligent act, error or omission by any party indemnified under this Agreement.

(b) **Hazardous waste.** Without limiting ERRR’s indemnification stated above, and upon the HWMA’s request, ERRR will indemnify, hold harmless, protect and defend with legal counsel acceptable to the Authority or co-counsel selected by the Authority at ERRR’s sole cost, the Authority from and against all liabilities paid, incurred or suffered by or asserted against the Authority in a judicial, administrative or regulatory form or otherwise, arising or resulting in whole or in part from any repair, cleanup or detoxification, or preparation and implementation or any removal, remedial response, closure or other plan concerning any Unpermitted Waste at the Eel River Transfer ultimately the release of any Unpermitted Waste from ERRR’s transportation vehicles or containers.

The indemnities described in this subsection are intended to operate as an agreement pursuant to 42 USC § 9607(e) and California Health & Safety Code § 25364, to insure, protect, hold harmless and indemnify the Authority from liabilities in accordance with this section. The Authority does not hereby waive or surrender any other indemnity or remedy available to it, and ERRR is strictly liable to the Authority for hazardous materials conditions arising under this Agreement, including any repair, cleanup or detoxification thereof or preparation and implementation of any removal, remedial, response, closure or other plan.

8. **EVENTS OF DEFAULT.**

8.1 **Default.** Each of the following constitutes an event of default (“Default”):

(a) Breach of Agreement. ERRR’s failure to perform any of its obligations under this Agreement and fails to cure that breach within fifteen (15) days of receiving notice from the HWMA specifying the breach.

(b) Attachment of any equipment owned by ERRR that is necessary for its ability to provide loading services if said equipment is seized, attached, or levied upon and not placed back into service within two business days.

(c) Failure to load into Trailers the exact tonnage equivalent of all Permitted Waste actually collected.

(d) Bankruptcy, insolvency, liquidation. ERRR’s filing of a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, administrator of ERRR for any part of ERRR’s operating assets or property.

8.2 **Remedies upon default.** Upon occurrence of a Default, the Authority has the following rights:
8.3 **Waiver.** Either party’s waiver of any breach or default may not be deemed to be a waiver of any other breach or default, including ones with respect to the same obligations under this Agreement. The subsequent acceptance by either party of any damages or other money paid by the other party may not be deemed to be a waiver by that party of any preexisting or concurrent breach or default. Failure to object to breach or event of default is not and may not be construed as a waiver of that provision.

9. **Liquidated Damages.** The parties acknowledge that timely, consistent and efficient operations are of utmost importance to the Authority; failure to allow the Transportation Contractor into the staging area and failure to conduct timely Live Loading operations in accordance with this Agreement increases costs to the Authority. The Authority has considered and relied on the ERRR’s representations as to its quality of service commitment in entering into this Agreement. The parties further recognize that quantified standards of performance are necessary and appropriate to ensure consistent and reliable service. The parties recognize that if the Contractor fails in its obligations, the Authority, its member agencies and franchise customers may suffer damages that will be impractical and difficult to ascertain and determine the exact amount of such damages. Therefore, the Parties agree that the Stand-by Charges represents a reasonable estimate and remedy to such damages.

Payment of Stand-By Charges in no way limits the Authority’s ability to seek other damages for other causes; and does not excuse ERRR from conducting appropriate cure of default as provided in Section 8.

10. **Dispute Resolution.** During the pendency of any dispute hereunder, the Parties shall continue to perform their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner. Following the parties’ mutual good faith efforts to resolve disputes for a period of no less than thirty (30) days, the parties may attempt to resolve their dispute through non-binding arbitration.

11. **Independent Contractor Status.** The parties intend that ERRR will perform the services required by this Agreement as an independent Contractor engaged by the Authority and not as an officer or employee of the Authority. No employee or agent of ERRR will be deemed to be an employee or agent of the Authority. ERRR will have exclusive control over the manner and means of performing its obligations under this Agreement. ERRR officers, employees or agents will not obtain any rights to retirement benefits, workers compensation or any other benefits that accrue to Authority employees.

12. **Party’s Representations.** ERRR represents and warrants that it has full legal right, power and authority to execute, deliver, and perform its obligation under this Agreement.

13. **Assignments.** This Agreement may not be assigned in whole or in part without the Authority’s approval which shall not be unreasonably withheld.

14. **Amendments.** This Agreement may be amended only upon mutual written agreement duly authorized and executed by both parties.
15. **NOTICES.** Notices and other communications made under this Agreement shall be in writing, first class postage prepaid or delivered personally to the following address, which may be changed by notice from the parties:

To ERRR:  c/o Harry Hardin, President  
Eel River Resource Recovery, Inc  
P.O. Box 266  
Fortuna, CA 95540

HWMA:  c/o Jill K. Duffy, Executive Director  
Humboldt Waste Management Authority  
1059 West Hawthorne Street  
Eureka, CA 95501

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement effective on the date first above stated.

**HUMBOLDT WASTE MANAGEMENT AUTHORITY**

By: [Signature]  
Jack Thompson, Chairman

Dated: [Date]

Approved as to form:

[Signature]

Nancy Diamond, General Counsel, HWMA

Dated: [Date]

**EEL RIVER RESOURCE RECOVERY, INC.**

By: [Signature]  
Harry Hardin, President

Dated: [Date]

**READ AND APPROVED BY**

**TRANSPORTATION CONTRACTOR, SOLID WASTES OF WILLITS**

[Signature]

By: Gerald W. Ward, President

Dated: [Date]

Exhibit A: HWMA, ERRR and SWOW Dispatch Loading Protocol (dated July 1, 2015)
Staff Report

DATE: August 7, 2017

FROM: Jill Duffy, Executive Director


RECOMMENDED ACTION: Voice vote.
That the Board:
1) Review the section of the 2016-17 Humboldt County Civil Grand Jury Report titled “The Authority to Manage Our Waste” as it pertains to the Humboldt Waste Management Authority; and
2) Discuss and approve draft response; and
3) Submit Response to Presiding Judge Joyce Hinrichs, Humboldt County Superior Court

RECOMMENDATION:
Staff recommends the Board of Directors review the attached draft response letter, provide necessary revisions, and direct staff to submit the response to the Presiding Judge and the Grand Jury.

DISCUSSION:
On June 26, 2017, The Humboldt County Civil Grand Jury released a section of its 2016-17 Final Report titled “The Authority to Manage Our Waste”. In addition to the report, the Grand Jury prepared several findings and recommendations relative to HWMA and requires a response regarding specific recommendations.

Penal Code section 933(c) requires that the governing body of the public agency (in this case, the HWMA Board of Directors), who is the subject of the grand jury report comment to the Presiding Judge of the Superior Court on the findings and recommendations in the report within 90 days. Based on the release date, the Board is required to provide a response no later than September 26th.

The report included seven (7) findings and seven (7) recommendations. The Grand Jury requires that HWMA respond to Recommendations R1, R2, R3, R4, R5, R6 and R7. However, staff believes that responses to the Findings F1-F7 is also appropriate. Similar response requests are made to the County of Humboldt (R5 & R7) and the cities of Fortuna and Trinidad (R5).
HWMA staff consulted with legal counsel Nancy Diamond and staff of the Authority’s member agencies in preparation the attached response.
ATTACHMENTS:
1. Draft Grand Jury Response Letter
September 15, 2017

Honorable Judge Joyce D. Hinrichs
Presiding Judge
Superior Court of Humboldt County
825 5th Street
Eureka, CA 95501

Re: Humboldt County Civil Grand Jury Report: The Authority to Manage Our Waste”.

Dear Honorable Judge Hinrichs,

The Humboldt Waste Management Authority’s Board of Directors respectfully submits the following responses to the Humboldt County Civil Grand Jury’s 2016-17 Report titled “The Authority to Manage Our Waste”, which was released June 26, 2017. California Penal Code 933(c) requires that the identified public agency provide a response within 90 days of receipt. This report was received, discussed and approved at a regular September meeting of the HWMA Board of Directors, held September 14, 2017.

Response to Findings:

F1. HWMA is caught in the middle of growing pressures to deal with an increasing volume of waste, a shrinking market for recycled materials, and a 30-year commitment to continue monitoring and cleanup of the closed Cummings Road Landfill site.

Partially Disagree

Increasing volume of waste – Disagree
When the Authority was formed in 1999, the annual average volume of received waste was 110,000 tons annually, and the transfer station was designed to accommodate this volume of material. This volume has decreased over the past seventeen years primarily due to diversion activities and the 2008 Recession. Today the Hawthorne Street Transfer Station handles 63,000 tons as in-bound solid waste from franchise and public self-haulers.

The challenge to the Authority is that when the facility was constructed in 2001, it’s purpose was to receive waste as a singular stream and transfer directly into trailers destined for landfill disposal. It was not designed as a multi-faceted facility that handles, diverts and segregates specific materials. Since 2002, HWMA has implemented multiple diversion programs and activities, and one result is that we find ourselves constrained by space because of necessary processing and storage requirements for the diverted materials – not necessarily due to the solid waste volume.

The Authority has reduced solid wastes going to landfill by successfully developing and implementing programs that handle and segregate discrete types of materials to diverted recoverable materials from landfills. Factors responsible for the volume reduction include 1)
implementation of waste diversion legislation (i.e. AB 939, AB 341 and AB 1826), and 2) diversion activities including recycling, green-waste, household hazardous waste and universal waste, carpet and mattress diversion activities from entering the solid waste stream, and 3) Authority employees manually divert an average of 800 tons annually from the solid waste stream. Furthermore, following the 2008 recession, solid waste volumes also declined due to consumers curtailing their purchasing habits and a reduction in building/remodeling activity.

The Authority waste volumes (including HWMA’s Transfer Station, satellite facilities and tonnage direct hauled to landfills) has remained steady at 70,000 tons for several years. We increased the solid waste forecast for FY 2017-18 to 72,000 tons of material, which the Authority’s Transfer Station has sufficient capacity to handle.

**Shrinking market for recycled materials – Disagree**

Domestic and international recycling commodity trends are in a constant shift of ebbs and flows, and it is the nature of the business to experience fluctuating demands and prices. The market is not ‘shrinking’ so much as there is an increasing demand for higher quality (or ‘uncontaminated’) materials coupled with fluctuating commodity prices which poses a challenge to the industry as a whole.

Recycling is considered a service that is expected by the public. However the public may not understand that recycling is not a ‘free service’ as there are costs and resources to provide curbside collection services to a transfer station, facility overhead, labor, equipment for materials processing and transportation to the market; as well as a constantly evolving waste stream, consumption patterns and habits. Throwing garbage or trash into a recycling bin is one of the primary causes of ‘contamination’ that prohibits the recovery of recyclable materials and causes an undervaluing of that material. Combine this with our geographically isolated proximity, even during times of robust recycling commodity market-values, Humboldt County incurs a significant cost in the transportation of material to market. These transportation costs erode the Authority’s ‘profitability’ from recycling activities.

HWMA, our member agencies, and franchise haulers regularly conduct education and outreach activities because recycling success starts at the bin by the consumer. We need consumers to be mindful about those materials they are placing into their recycling bin, and work with us to minimize contaminants.

**30-year commitment to continue monitoring and clean-up of the closed Cummings Road Landfill – Partially Disagree**

When HWMA was formed, it purchased the Hawthorne Street Transfer Station and the Cummings Road Landfill from City Garbage of Eureka, now Recology Humboldt. Through the joint powers agreement and purchase, the Authority became responsible for the transfer station maintenance, planning, permitting, monitoring activities and the Cummings Road Landfill. The Authority committed through a “Pledge of Revenue” to ensure necessary funding for the maintenance and 30-year post-closure obligations of the landfill.

In March 2011, the North Coast Regional Water Quality Control Board (NCRWQCB) and CalRecycle approved the Joint Technical Document for landfill closure activities. The Authority secured a contractor and commenced Phase 1 construction in the Summer of 2012, with Phase 2 construction closures activities anticipated to commence in 2013.
However, adjacent to the landfill property is the former 6.1 acre Cummings Road Burn Ash Site straddling HWMA’s landfill property and the neighboring property owned by Recology. A common historic practice was to open air burn municipal solid waste and push the residual debris off to the side. In the case of this site, the municipal solid waste generated by City of Eureka residents was open air burned by a private operator between 1933 and 1969 and pushed off nearby ravines, where it accumulated for 36 years, creating a legacy burn ash debris site. The NCRWQCB issued a joint 18-month clean-up and abatement order to HWMA and Recology. Neither party was responsible for creating the legacy waste, but as property owners we were held responsible for corrective actions.

The project was completed in October 2014. This long-term solution resulted in creek and redwood forest restoration, fish passage barrier removal, and improved public health and safety. 91,600 cubic yards of collected burn ash debris was placed within the (unclosed) Phase 2 geomembrane lined portions of the Cummings Road Landfill; the landfill’s leachate control system ensures any potential metals do not leach into the soil, stream, or groundwater. In June of 2014, Phase 2 construction activities commenced and was completed in October 2015.

Total project costs to close the landfill and clean-up the former Burn Ash Site was approximately $12 million.

The Cummings Road Landfill was certified closed by the CalRecycle, NCRWQCB and the Humboldt County Local Enforcement Agency in February of 2017. The Authority is now responsible for 30-years of Post-Closure Monitoring. No additional cleanup activities are necessary at the landfill. Costs related to Post-Closure Monitoring are provided for by the Authority having agreed to a Pledge of Revenue with the State of California Department of Resources Recycling and Recovery. Annually, the Authority budgets a portion of its County-Wide Program Fees to cover the estimated $253,581 in costs required to maintain the Landfill. These costs are born by all solid waste tonnage which originates within the jurisdiction of the Authority’s Member Agencies – whether disposed of at one of the Authority’s facilities or not – and is used solely to comply with this Pledge of Revenue.

F2. Serious financial issues include a persistent deficit in operations (until 2016-2017), and unclear financial statements regarding HWMA’s net worth position.

Partially Disagree.

As detailed in the FY 2015-16 Financial Audit, the Authority has worked to resolve the persistent deficit in operations. The audit will, to some degree, continue to reflect an on-going deficit related to the liabilities associated with the Cummings Road Landfill due to the 30-year obligation of post-closure maintenance and monitoring.

Under the current Executive Directors’ leadership, beginning in 2013, HWMA implemented aggressive expenditure controls, solicited and secured competitive contracts, reduced reliance on outside consultants, and restructured long-term bond debt obligations with interest rates decreased from 4.5% to 1.68%. Authority staff has also recommended several reorganizations that improved operational and staffing efficiencies. Additionally, management has developed internal budget forecasting tools to guide long-term financial planning activities for 3-5 year
planning horizons. Collectively these actions have stabilized and incrementally improved the Authority’s financial position.

Monthly financial statements are presented each month to the Board of Directors, with a fiscal year audit that is conducted by an independent auditor, reviewed and approved annually by the Board. The Authority’s net worth position is identified in Note 6 on page 25 of the audit, as well as on page 8 of Manager’s Discussion and Analysis which precedes the audited financial statements. The three components of the Authority’s net position (which for-profit entities report as “net equity”) are required by the Government Accounting Standards Board (GASB), and are detailed in GASB Statement 63, on pages 6 and 7. For more information, the full language of this statement may be found at http://gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391.

F3. HWMA lacks an integrated financial reporting system, and provides inadequate training for personnel who are responsible for the reporting.

Agree

As identified in the FY 2013-14 Financial Audit, the Authority’s auditor recommended that the Authority address system software vulnerabilities and upgrade to an integrated financial reporting system. This entailed two significant components 1) the purchase of an upgrade the Authority’s 2004 accounting software which was completed in December 2016; and 2) the purchase new scalehouse software capable of tracking of solid waste, recycling and tracking of other diverted materials scheduled to be completed by Fall of 2017. The scalehouse software system can also be integrated with the accounting software. Combined these two programs cost the Authority approximately $80,000.

F4. A severe shortage of space for operations at the Hawthorne facility limits the Authority’s ability to divert recyclables from the waste stream and to deal with food waste.

Partially Disagree

The Hawthorne Street Transfer Station was originally permitted to operate in 1978 within a 15,000 square-foot facility. After HWMA acquired the facility, the Transfer Station was expanded by an additional 31,000 sq. ft to handle member agency and public self-haul solid waste material. Over the past 15 years, the Authority has undertaken a myriad of diversion activities including but not limited to: recycling, CRV Buy-Back, green waste diversion, household hazardous waste, electronic waste, universal wastes (including used oil, fluorescent bulbs, and sharps), tires, carpet and mattress diversion. Additionally, HWMA staff manually diverts about 800 tons annually from the self-haul area of the Tip Floor. Each of these activities requires room to safely operate heavy equipment, process and store the segregated materials and contributes to constricting movements within an increasing shrinking space.

HWMA handles three distinct streams of recyclable materials 1) single stream curbside collected recyclable materials delivered by franchise haulers, 2) source separated recyclable materials delivered to the Eureka Recycling Center; and 3) operation of a California Redemption Value (CRV) Buy-Back Center.
Single-stream curbside material is stored in a bunker on the ‘tip floor’, loaded into trailers that are transported to a contracted processor for sorting, baling and marketing. The material must be segregated for delivery and loading purposes.

Source-separated and CRV material received at the Eureka Recycling Center is processed and baled on site, marketed and transported to specific facilities. These materials also include electronic and other universal wastes, mattresses, appliances and used oil. It should be noted that CRV transactions at the Eureka Recycling Center have quadrupled since 2013 as a result of both CalRecycle regulations and the decline of commodity values that caused a number of private recycling centers to close their doors. Today, the Eureka Recycling Center is the only CRV Buy-Back facility within the Eureka and Arcata area.

From 2007 until 2014, the Authority undertook the planning and implementation of a “Pilot Project for Food Waste Collection”, however the pilot project showed the vulnerability of a diversion program being developed without member agencies being willing to commit to the implementation of curbside collection services and associated diversion processing costs. The lack of a food waste diversion project was due to collection and processing costs, not space limitations at the Authority.

**F5. On a yearly basis, approximately 70,000 tons of waste is transported to recycling sites and landfills (including Potrero Hills, a 550-mile round trip) by diesel-burning trucks.**

**Partially Disagree**

Effective June 26, 2017, 100% of the Authority’s solid waste is transported to Dry Creek Landfill (White City, Oregon) for disposal using a local transportation contractor. The Authority’s previous contractor, Solid Wastes of Willits, requested early termination on May 30, 2017 from the 10-year service agreement that was entered into June 2, 2014 due to ongoing financial difficulties and an inability to meet contract performance obligations. This change has reduced the hauling distance to 407 miles round trip.

All off-site transportation of solid waste, recyclable, green-waste and other specialty materials is performed by contractors under an agreement for contracted services. The Authority does not own or maintain a commercial transportation fleet.

**F6. HWMA is not operating as a regional entity, foregoing the opportunity for shared resources, economies of scale, and more efficient (and eco-friendly) trucking transportation.**

**Disagree**

The Authority would welcome a more regional approach and comprehensive, inclusive agency membership. Repeated overtures to non-members have been made over the past fifteen years since agency formation, and will continue. A complete membership roster in and of itself, cannot guarantee efficiencies. The lack of flow control on recyclables within existing Authority framework is one example of divergent approaches and differing viewpoints of our current membership.
As to ‘more efficient’ trucking, solid waste is placed into trailers with an average weight of 23.5 tons per truck, then hauled direct to Dry Creek Landfill. Trailers are filled to volume and weight capacity. There are no additional eco-friendly economic and environmental advantages by combining tonnage as stated in Finding F6.

F7. HWMA lacks operational disaster planning, and is not developing viable options to deal with forecasted rising groundwater levels.

Partially Disagree
In addition to general emergency response protocols and responses, Authority staff participated with Humboldt County Emergency Services in developing a “Disaster Debris Control Plan” tailored to local conditions to meet federal FEMA and other requirements. As illustrated by the two-week Highway 101 closure in late April 2017 which coincided with intermittent closures of Highway 299, the Authority was able to rapidly secure and re-direct solid waste to an alternate landfill, with no interruption to the public’s collection and disposal services. This illustrates just how adaptable the agency is at adjusting to changing conditions and critical needs.

The Board believes the Grand Jury was referring to “Sea Level Rise Projections”. The Authority agrees that Sea Level rise presents a host of local and global issues. The HWMA Hawthorne Street Transfer Station may be affected similarly with hundreds of other local businesses situated within the City of Eureka’s West Side Industrial Park, the historical fill area west of Broadway and well within both tsunami and tidal affected zones. The Board discussed this topic at their July 2016 meeting. Engineering experts have advised the Authority Board of possible outcomes and cures that may be considered within the next several decades. HWMA will work with our member agencies to evaluate and determine appropriate strategies.

Refer to R6 response.

Response to Recommendations:

R1. The Humboldt County Civil Grand Jury recommends that the HWMA Board must give immediate attention to improved financial accounting and reporting, and must ensure that up-to-date systems are available and maintained by adequately trained staff (F2,F3).

Implemented
As detailed in the response to Finding 3, the FY 2016-17 budget included funding for the purchase and implementation of financial accounting and scalehouse software. Financial accounting software was installed and has been operating since December 2016. The Board approved purchase of new scalehouse software at their July 13th, 2017 meeting.

R2. The Humboldt County Civil Grand Jury recommends that the financial management staff clearly separate accounting for activities involving Hawthorne operations from continuing obligations for the Cummings Road Landfill (F2).

Not Reasonable to Implement
Implementation of this recommendation is not necessary because the annual budgets and line item accounts clearly separate budgeting and accounting activities for Administration, Programs, Tip Floor Operations, Recycling Operations, Hazardous Waste and the Cummings Road...
Landfill. Furthermore, since adoption of the FY 2014-15 Annual Budget, each year the Board adopts a budget that includes an annual budget summary narrative by division, key accomplishments and objectives for the forthcoming year.

Audits are prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with accepting auditing standards by an independent, licensed certified public accountant, and each annual audit includes a dedicated note which addresses the Cummings Road Landfill.

R3. The Humboldt County Civil Grand Jury recommends that a rolling multi-year forecast for revenues and expenses, including best estimates for planned projects be required annually and used as the basis for facility planning.

Implemented
Staff presents a draft budget to the HWMA Board of Directors in early spring of each year, and incorporated in the presentation is an overview of a rolling 3-5 year budget forecast. This enables the Board to see the proposed budget for the upcoming year, and provide direction so the Authority is positioned to meet foreseeable financial impacts such as annual CPI adjustments, the State of California’s tiered minimum wage increase, expiration of long-term debt obligation, and other related impacts. Further, the Board established ‘designated reserve accounts’ to further stabilize and buffer the Authority’s finances in the event of unexpected cost increases related to fuel spikes, governmental pass through fees or other activities.

In November of 2016, the Board approved a seven-year “Capital Improvement Plan (CIP) Fiscal Year 2017-2023”. The CIP is a planning and fiscal management tool used to assist in the coordination, timing and financing of capital improvements over a multi-year period. The approved CIP is intended to:

- Initiate the timely repair and replacement of aging infrastructure and rolling stock.
- Enable Board and public discussion of Authority infrastructure needs, Board approved priorities and Strategic Plan implementation.
- Identify the most economical means of financing capital improvements, with the goal of avoiding sharp increases to the Authority’s Waste Management Fee (“Tipping Fee”).

R4. The Humboldt County Civil Grand Jury recommends that, given its current lack of storage and on-site recycling capability, HWMA staff perform a cost analysis for contracting out its recycling versus acquiring more space for this purpose.

Part Requires Further Analysis, Not Reasonable to Implement Remainder
As described in the Finding 4, there are two areas where recycling activities are held. For curbside collected materials that are stored and transferred into trailers to an out of area process, this recommendation may be appropriate depending on the outcome of the upcoming regional recycling Request For Proposals tentatively scheduled for early 2018.

As to outsourcing Eureka Recycling Center activities, the Authority will not be implementing this. HWMA contracted services for the operation of the Eureka Recycling Center from 2001 until 2009. The Board of Directors directed that the Authority assume operation of the recycling
operations which went into effect in 2011, and today HWMA operates the only local California Redemption Value (CRV) Buy-Back Center in Eureka, Arcata and the surrounding communities. Five (5) privately owner-operated CRV Buy-Back centers were unable to financially maintain their operations due to increased regulatory requirements, and a declining value of material commodities. The Eureka Recycling Center also receives public drop-off of materials such as cardboard, scrap metals, non-CRV materials, batteries, used oil, electronics, appliances and e-waste.

R5. The Humboldt County Civil Grand Jury recommends that the HWMA carefully analyze whether operating as a regional authority that includes all of Humboldt County would be more cost effective for ratepayers, while decreasing the environmental impact of current inefficient hauling. Our County Board of Supervisor (BOS) should take an active leadership role in promoting HWMA as a regional authority by encouraging the membership of Fortuna and Trinidad (F1, F6).

HWMA unable to implement
The Joint Power Agreement was written with the objective of the Authority eventually becoming a limited ‘regional’ authority for solid waste. Limited in the sense that cities maintain the right to enter into their own agreements with franchise curbside collection waste, recycling haulers and diversion activities.

Provisions exist for additional membership to the Authority, however entities are required to give ‘flow control’ of their solid waste to HWMA. This flow control is necessary to demonstrate committed tonnage volumes to leverage and secure competitive services. All other material such as recyclables or green-waste and other materials are not subject to mandatory ‘flow control’ unless the entity agrees to voluntarily and formally direct materials to the Authority.

R6. The Humboldt County Civil Grand Jury recommends that the HWMA Board and staff create, prioritize and regularly review an HWMA mid to long-term plan, projecting expected waste volume increases and ensuring adequate facilities for waste management and for recycling. The plan must project and recommend mitigation of the effects of the rising water table, as well as deal with operations following natural disasters (F1, F7).

Implemented
The HWMA Board has approved plans since 2013 that guide strategic planning, and capital improvements for Authority operations, and regularly approves direction to Authority staff for various projects and planning efforts. In May of 2013 HWMA adopted a ten (10) year strategic plan “HWMA 2013-2023 Strategic Plan”, that has guided numerous endeavors the Authority has undertaken over the past four years. This plan and implementation progress is updated annually by the HWMA Board of Directors.

As described in the response to R3, in November of 2016 the Board of Directors approved a Capital Improvement Plan which is used to plan and finance capital improvements projects over a multi-year period.

The Board of Directors received a presentation and discussed Humboldt Bay Sea Level Rise Inundation Vulnerability Modeling, Mapping and Adaption Planning and HWMA’s Facilities in...
July 2016. The Authority will incorporate the findings in this study in upcoming master facility planning efforts.

HWMA staff assisted in the coordination and development of the Humboldt County Office of Emergency Services “Debris Management Plan” which addresses debris resulting from incidents such as earthquakes, floods, tsunami and continuity of vital services such as garbage collection in the event of emergencies.

R7. The Humboldt County Civil Grand Jury recommends that the HWMA obtain support of the Board of Supervisors to conduct a feasibility study for the use of modern incineration methods to deal with solid waste (F5)

Not Reasonable to Implement
The HWMA Board of Directors has existing authority under the joint powers agreement to conduct feasibility studies for Authority projects, and would obtain support of all member agencies including, but not limited to, the Humboldt County Board of Supervisors.

Although the HWMA Board of Directors appreciates this recommendation, all strategies to achieve 1) waste minimization, 2) recycling, 3) diversion and 4) all forms of waste disposal, including landfill, waste-to-energy and incineration, will be explored through a public process.

Sincerely

Sofia Periera
Chairperson

Cc: Jim Glover, Chair of the Humboldt County Civil Grand Jury
The Authority to Manage Our Waste

SUMMARY

Humboldt Waste Management Authority (HWMA) provides a vital service, one that our community depends on to ensure safe, sanitary, efficient, and environmentally-sensitive disposal and recycling of household and industrial waste. The Humboldt County Civil Grand Jury (HCCGJ) has not investigated HWMA’s operations since 2000. We decided to review Humboldt’s waste management operations, particularly in view of the recent closure of the landfill east of Eureka.

HWMA is responsible for providing efficient waste management for 80% of the solid waste of Humboldt County. Organized as a Joint Powers Authority (JPA) in 1999, HWMA manages the collection, removal, and disposal of solid waste as well as the recycling of materials on behalf of its member agencies. These include the cities of Arcata, Blue Lake, Eureka, Ferndale, and Rio Dell, with a Humboldt County Board of Supervisors (BOS) member representing its unincorporated areas, including Northern, Eastern and Southern Humboldt County. In addition to handling waste management, HWMA assumed responsibility for the closure, remediation and ongoing monitoring of the Cummings Road Landfill.

Our findings report an operation that is providing generally good service to its members and customers, with notably creative solutions and overall good operational management. The recent official closure of the Landfill represents an opportunity to refocus efforts on needed plant and equipment upgrades, and especially on gaps in longer-term planning. Past auditor reports have noted deficiencies in HWMA’s profitability and financial reporting systems, although the past year’s report showed considerable progress toward reduction of debt obligations as well as a return to operational profitability.
HCCGJ noted that Fortuna and Trinidad are not members of the JPA, and we investigated the extent to which this exclusion could be detrimental to the financial and environmental interest of members and non-members alike. We found that inefficiencies from HWMA’s lack of being a true regional Authority detract from the county’s waste and recycling management efforts.

BACKGROUND

Joint Powers Authorities (JPAs) have been widely used in California for more than 75 years, and are distinct from their member agencies in that a JPA is typically governed by its own board of directors. A well-run JPA can provide more efficient services by pooling the resources of member agencies, focusing on common solutions and avoiding duplication of effort.

HWMA was formed as a JPA in 1999, purchasing the assets, responsibilities and liabilities of its predecessor, the Humboldt County Waste Management Authority, with a combination of revenue bonds and loans. In 2000, it purchased the Hawthorne street facility from Eureka City Garbage, which included the use of the Cummings Road Landfill site. These assets were financed with a combination of trust funds, existing revenue stream, and short-term loans. Later, a grant/loan was obtained from the Headwaters Fund for clean-up of the Landfill.

The Landfill and its management was acquired from NorCal Waste Inc. in 2000, with HWMA receiving a trust fund of some $7 million for the closure construction costs. Post-closure and mitigation of the site cost another $6.5 million, requiring a state-mandated pledge of revenue. Further clean-up and mitigation costs associated with the resulting Cummings Burn Ash site were not planned and the Authority had to secure necessary funding from the Headwaters Fund to complete the project within the Cleanup and Abatement Order timeframe. The net result of these three items was an increase of the HWMA’s overall debt.

HWMA manages approximately 70,000 tons of solid waste annually, in addition to running an integrated waste management program that includes facilities for greenwaste composting, household hazardous waste collection, a CRV buy-back program, recyclable materials drop-off, and several material-specific take-back programs.¹

In addition to overseeing the collection and disposal of approximately 80% of the volume of solid waste in Humboldt County, HWMA also has continuing responsibility for the remaining obligations inherited from the Cummings Road Landfill, including mandated maintenance and monitoring of the site for a period of 30 years from its 2015 closure. Dating from the 1930’s, the former Landfill was an open-burning dump site for the greater Eureka area. Accumulated trash was set afire, and the resulting ash was simply pushed downslope. This practice of burning was stopped in the late 1960’s, although a portion of the site continued to receive trash as a landfill into the 1970’s. In the winter of 2005-2006, heavy rainfall caused slope failures in which significant amounts of the old burn ash were exposed and carried within the slide into the drainage areas downslope. The eventual remediation project, which required permitting approval from many agencies, finally resulted in the completion of corrective action in 2014. This project has consumed much of HWMA’s time and resources since 2006, and resources continue to be stretched with respect to the ongoing monitoring and maintenance of the former Landfill site.

Because of the damaging environmental effects of uncontrolled dump and burn sites similar to the Cummings Road Landfill, the California legislature has progressively enacted laws and

regulations, seeking to protect the environment, and more recently to minimize the volume of solid waste transported to designated and highly regulated landfills. Diversion of recyclable materials from solid waste has been the primary method of achieving this goal, and is a primary goal of HWMA, followed by diversion of greenwaste and, more recently, of food waste. Food waste accounts for 20-30% of the waste stream handled by HWMA, and is reported by management as a focus of future segregation efforts for composting, although a program attempted in 2012-2013 was not successful.

Recent legislation affecting waste management includes the policy goal from California State Assembly Bill 341 (AB 341)–Waste Diversion (2010)\(^2\) that not less than 75% of solid waste generated be source-reduced, recycled or composted by the year 2020. In a public online discussion, HWMA has indicated confidence that the Authority would achieve the 75% goal although staff has acknowledged that it will be a difficult challenge.

The isolation of Humboldt County from major urban centers further complicates how solid waste is managed in the region. Lacking a local landfill, solid waste must travel by truck over challenging roads to a licensed landfill. (HWMA now contracts for its waste to be hauled to the Potrero Hills site in Marin County.) While smaller landfills sites in Shasta County and in Oregon are available, the alternative of a new local landfill facility is currently not deemed to be feasible.

**METHODODE**

The Grand Jury asked: Is HWMA a viable entity operationally and financially? Are its rates reasonable? Is the greatest possible amount of our waste being diverted or recycled? Is disposal of non-recyclables being done with the least ecologically damaging results?

The HCCGJ gathered information from a variety of sources:

- Interviews with management and staff of HWMA
- Interviews with HWMA Board Members
- Interview with a BOS member
- Meeting agendas and minutes from August 2016 thru March 2017
- Financial Statements and Auditor Reports from August 2016 thru February 2017
- HWMA website postings, including Capital Equipment Plan
- “Permitting Tool Kit for Food Waste Anaerobic Digesters,” Prepared by HWMA, March 2013\(^3\)
- “Sea Level Rise,” Adaptation Planning Report Addendum No.1,” City of Eureka, Dec. 15, 2016\(^4\)

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\(^3\) [http://www.hwma.net/sites/default/files/HWMAPermittingToolkit.pdf](http://www.hwma.net/sites/default/files/HWMAPermittingToolkit.pdf)


DISCUSSION

HWMA is largely meeting the challenges of normal operations and continuing obligations from the Cummings Road Landfill with ingenuity and creative thinking. Examples of creative services include free-to-the-customer appliance recycling, free mattress recycling (with a recycling fee built into the purchase by law), and free hazardous waste drop-off. Besides the CRV buy-back program, the Hawthorne street recycling center offers friendly and efficient availability for self-service. Self-haul is available, and reasonably priced disposal of greenwaste is provided. Commercial rates (i.e., rates that are charged to HWMA’s contractors) provide the basis for end-customer rates, and are the lowest in the area.

The Grand Jury observes that several challenging areas need attention. HWMA’s ability to maintain competitive rates for its services, while providing for increasing volume and for expected environmental impacts, require the dedication of its staff and active leadership of its Board.

Three Major Areas of Concern

1. Operational Challenges

- Management reports that the volume of both solid waste and recyclables is notably increasing, with recycling expanding fivefold in the past three years as small operators have exited a severely declining commodities market for recycled materials.

- HWMA is a CRV Buyback Center, reimbursed by the state for refunds. While this is in theory a revenue neutral operation, a non-reimbursed CRV center staff person has been added in each of the past three years to handle the increased volume.

- Although Humboldt County has better-than-average compliance, with customer separation of recyclables (60-80%), employees still must separate the remainder from the waste stream. In the past, non-CRV recyclables have been an important source of revenue, but markets for many materials have nearly collapsed in the past several years, and transportation costs take much of the profit from those still in demand. HWMA is currently losing money on its non-CRV recycling operations.

- Lack of space at the Hawthorne site is a factor affecting safety and efficiency. Inadequate space for diversion activity, storage, and separation of recyclables and food waste is a limiting factor in expanding services, and in meeting the state mandated diversion goal, as well as maintaining safe working conditions.

- Hazardous waste volume is increasing, and its disposal is costly. Butane cans are an increasing menace, and marijuana legalization is expected to increase waste materials requiring special handling. Even as methods for composting are sought, food waste, which produces methane, requires special processing. HWMA manages these hazards as part of its service to the community.

- HWMA’s current recycling equipment is reportedly inadequate for large scale operation, resulting in loss of potential revenue from resales of usable materials. Arcata (an HWMA member) recently decided not to take its recycling to HWMA. A city official commented that the Arcata City Council made that decision because
they thought more materials could be reclaimed, and that “Zero Waste of Humboldt wanted to move away into something more local.” However, Arcata’s hazardous waste is all handled by HWMA.

- Illegal dumping is a County-wide issue. HWMA management is consciously aware that maintaining an affordable fee structure for customers impacts illegal dumping. Moreover, its mattress recycling program (free to customers) and its appliance “free-recycling” program are services designed to have a positive effect in deterring illegal dumping.

- HWMA’s arrangements for transport and disposal are complex. The Authority manages three existing disposal and associated transport contracts: one transport contract just renewed with Bettendorf Trucking for one year, one for disposal with Dry Creek Landfill in southern Oregon, and a ten-year transport and disposal contract with Solid Waste of Willits (SWOW), of which eight years remain.

- HWMA operational management agrees that the Authority could provide more services, streamline its operation, and reduce member costs by becoming an all-county regional authority. Staff maintains that shared space and equipment resources, economies of scale, and coordinated transportation costs could save up to 15% in expenses for both HWMA and the communities who choose to join. Regional operation could ultimately lower the cost to ratepayers as well as decreasing the environmental impact of current inefficient hauling.

A number of factors appear to be impeding the development of a regional authority. Among them are:

- As noted, Fortuna and Trinidad are not part of the JPA, and have separate contracts with Eel River Disposal and Humboldt Sanitation, respectively. Contractual obligations, as well as realigning overall use of disposal options, would require adjustment and management cooperation.

- In the case of Fortuna, long-standing animosities and distrust have plagued cooperation, mainly stemming from HWMA’s assumption of the responsibility for the Landfill closure. Fortuna’s city managers at the time did not agree to assume this responsibility. Although HWMA and Fortuna have recently cooperated in the handling of hazardous waste, and have jointly participated in public recycling events, there have been no recent overtures by either party for Fortuna’s inclusion in the HWMA.

- Current major concerns are the financial difficulties of Solid Waste of Willits (SWOW), the contractor who has been providing transportation to the Potrero Hills site in Marin County. SWOW has recently appealed for relief from Mendocino County following its president’s prediction of its “imminent financial collapse.” A review of the situation by the Mendocino Board of Supervisors concluded that SWOW’s losses stemmed primarily from its operations in Humboldt County. Whether SWOW will fail or resort to an unfavorable renegotiation of rates is not clear. Either result would be potentially significant to HWMA’S operation. As of 11/1/2016, SWOW has been transporting 100% of HWMA’s solid waste to the Potrero Hills Landfill.
2. Financial Management and Reporting: Observations and Concerns

A long-term deficit operation has existed since at least fiscal year 2010-2011. While the 2015-2016 results indicate a turning point in operational deficits, HWMA’s financial viability clearly depends on stable hauling and landfill costs, efficient operations at Hawthorne, and achieving at least a revenue-neutral recycling operation.

- Audits since 2008 have cited recurrent reporting deficiencies. The lack of an integrated financial reporting system contributes to the lack of clarity of financial reports.

- For the fiscal year ending June 30, 2016, HWMA reported a net operating income of $1,172,432 (a significant improvement from their loss of $539,386 in 2015). Management attributed the turnaround to a refinance of outstanding debt, and to an increase in fee income from improved participation by satellite facilities, as well as to “improved recordkeeping.” Operational expenses increased, but were offset by expense reductions from the completion of the Cummings Road burn ash site remediation.

- A Negative Net Position of -$4.8 million on June 30, 2016 can be compared to -$8.0 million for the previous year. According to staff, the improvement resulted from cost saving efforts, as well as lower costs for continued monitoring and maintenance of the Cummings Road Landfill. However, financial reports do not clearly identify specifics of Restricted Funds, Deferred Inflows, and Deferred Outflows. The calculation of Net Position is not supported by sufficient detail to be meaningful to the reader.

- Financial reports do not clearly identify and separate waste management operations from Cummings Road obligations. Clearly delineating the reporting of operational income and expenses from the Cummings Road project would give a more accurate assessment of operational efficiencies, and reveal the true costs of Cummings Road. For example, staff time spent on the latter is not broken out independently of overall Hawthorne operations.

- Hardware and software tools needed to track and report operations have not been regularly maintained. Following an October 2016 computer crash affecting vendor payment processing and monthly financial reporting, the Authority stated there were server capability improvements. It reported a January 2017 upgrade of its 2004 Great Plains software.

- Recent audits state that staff does not have the expertise or knowledge to properly prepare full disclosure financial statements, nor to identify significant and necessary adjustments. Despite several years of acknowledging the problem, financial management staff has not completed training in the specifics of its accounting system, and had not completed training for the anticipated software upgrade prior to its installation.

3. Planning Issues

HWMA lacks urgently needed planning in the areas of:

- **Back-up options for contractors and disposal availability**
  HWMA needs an operational/financial plan to deal with the short-term loss or renegotiation of contracts for hauling and disposal options.
• **Budget development for forecasting and performance measurement**
  The forward projection of revenues and expenses (including cost estimates and timelines of projects planned for the next several years) needs more attention as a critical tool for focus on longer-term objectives.

• **Lack of space at its Hawthorne facility**
  Lack of space at the Hawthorne site is a factor affecting safety and efficiency. Inadequate space for diversion activity, storage and separation of recyclables and food waste is a limiting factor in reaching the mandated diversion target, as well as expanding services. It also creates a challenge to maintaining safe working conditions.

• **Medium to long-term viability of the Hawthorne facility**
  HWMA needs to develop and prioritize options for dealing with the observed rising water table threatening its Hawthorne location. The present water table as reported by HWMA management is 19 inches below the surface. Although there is a significant range of sea-level rise projections for the Humboldt Bay Region, most predictions are of a 3 to 6 foot rise by the end of this century. The Authority cannot reasonably continue to postpone dealing with this vital concern.

• **A clearly communicated disaster plan**
  A plan for how operations would be affected following a major flood, earthquake or landslide—particularly dealing with how solid waste would be handled until transported to available landfills—must be communicated to employees and other stakeholders well before an occurrence.

• **Long-term planning for increasing overall waste volume**
  HWMA has demonstrated forward thinking in planning for overall waste volume, particularly with the problem of dealing with food waste. In 2013, HWMA released a “Permitting Tool Kit for a Regional Food Waste Digester,” based on an HWMA feasibility study titled “Food Waste Diversion and Utilization in Humboldt County”

  The goal was removing food waste from the waste stream and converting it into renewable energy and fertilizer. Even though this project had specific difficulties that were beyond the scope of the Authority’s powers to resolve, the innovative thinking that went into it proves that HWMA has already applied creative thinking to solve some of our waste management problems in Humboldt County.

  Currently, modern incineration methods have evolved as a much-improved method for converting waste with near-to-negligible emissions. They are in wide use in Europe, and are in operation in over 300 U.S. communities. Incineration offers the conversion of waste into clean energy, producing and lowering the costs of electricity. A feasibility study and evaluation would be a first step in determining if this option could be a remedy to the inefficiencies and negative environmental impacts of hauling waste to distant landfills.

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FINDINGS

F1. HWMA is caught in the middle of growing pressures to deal with an increasing volume of waste, a shrinking market for recycled materials, and a 30-year commitment to continue monitoring and cleanup of the closed Cummings Road Landfill site.

F2. Serious financial issues include a persistent deficit in operations (until fiscal year 2016-2017), and unclear financial statements regarding HWMA’s net worth position.

F3. HWMA lacks an integrated financial reporting system, and provides inadequate training for personnel who are responsible for the reporting.

F4. A severe shortage of space for operations at the Hawthorne facility limits the Authority’s ability to divert recyclables from the waste stream and to deal with food waste.

F5. On a yearly basis, approximately 70,000 tons of waste is transported to recycling sites and landfills (including Potrero Hills, a 550-mile round trip) by diesel-burning trucks.

F6. HWMA is not operating as a regional entity, foregoing the opportunity for shared resources, economies of scale, and more efficient (and eco-friendly) trucking transportation.

F7. HWMA lacks operational disaster planning, and is not developing viable options to deal with forecasted rising groundwater levels.

RECOMMENDATIONS

R1. The Humboldt County Civil Grand Jury recommends that the HWMA Board must give immediate attention to improved financial accounting and reporting, and must ensure that up-to-date systems are available and maintained by adequately trained staff. (F2, F3)

R2. The Humboldt County Civil Grand Jury recommends that the financial management staff clearly separate accounting for activities involving Hawthorne operations from continuing obligations for the Cummings Road Landfill. (F2)

R3. The Humboldt County Civil Grand Jury recommends that a rolling multi-year forecast for revenues and expenses, including best estimates for planned projects, be required annually and used as a basis for facility planning. (F3)

R4. The Humboldt County Civil Grand Jury recommends that, given its current lack of storage and on-site recycling capability, HWMA staff perform a cost analysis for contracting out its recycling versus acquiring more space for this purpose. (F1, F4)

R5. The Humboldt County Civil Grand Jury recommends that the HWMA carefully analyze whether operating as a regional authority that includes all of Humboldt County would be more cost effective for ratepayers, while decreasing the environmental impact of current inefficient hauling. Our County Board of Supervisors (BOS) should take an active leadership role in promoting HWMA as a regional authority by encouraging the membership of Fortuna and Trinidad. (F1, F6)

R6. The Humboldt County Civil Grand Jury recommends that the HWMA Board and staff create, prioritize and regularly review an HWMA mid to long-term plan, projecting expected waste volume increases and ensuring adequate facilities for waste management and for recycling. The plan must project and recommend mitigation of the effects of the rising water table, as well as deal with operations following natural disasters. (F1, F7)
R7. The Humboldt County Civil Grand Jury recommends that the HWMA obtain support of the Board of Supervisors to conduct a feasibility study for the use of modern incineration methods to deal with solid waste. (F5)

REQUIRED RESPONSES

Pursuant to Penal code section 933.05, the Humboldt County Civil Grand Jury requires responses as follows:

- Humboldt Waste Management Authority Board of Directors (R1, R2, R3, R4, R5, R6, R7)
- Humboldt County Board of Supervisors (R5, R7)

REQUESTED RESPONSES

- Fortuna City Manager (R5)
- Trinidad City Manager (R5)

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.
Staff Report

DATE: August 30, 2017

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 5)

RECOMMENDED ACTION: Voice vote.

That the Board:
1) Receive an Overview of Regional Recycling Efforts and Activities to Date;
2) Review and Approve the Draft “Recycling Flow Control Memorandum of Understanding”; and
3) Receive the Draft “Recycling Processing and Marketing of Regional Curbside Collected Materials Request for Proposals”; and
4) Discuss Process and Timeline; and
5) Direct Authority staff to circulate the Recycling Flow Control MOU to Member Agencies; and
6) Request member agency response no later than January 15, 2018; and
7) Provide Direction to Staff as Appropriate.

DISCUSSION:
The Authority is currently under a services agreement with Solid Wastes of Willits (SWOW) to process and market curbside collected recyclable materials from the City of Eureka, portions of Humboldt County and HWMA’s mixed recyclables received at the Hawthorne Street Transfer Station. This agreement will end in September of 2018.

With the adoption of the “2013-2023 HWMA Strategic Plan” Objective 1.2 – Work with Member Agencies to Procure Regional Source-Separated Recyclables Processing Capacity, the Board has previously expressed its desire to act as regional coordinator to procure regional source-separated and mixed recycling processing capacity of curbside collected recyclable materials on behalf of HWMA’s member agencies. The goal of the regional recycling procurement is to provide participating agencies with comprehensive, stable and cost effective recycling processing and marketing services. Combining tonnage and recycling processing contract management responsibilities into the Authority’s system would reduce duplicative administrative efforts for member agencies to solicit and manage individual recyclable contracts, and maximize leverage opportunities to secure competitive proposals for the combined tonnage in a transparent and equitable manner.
There are three critical steps necessary for HWMA to act as a regional coordinator, 1) Member Agencies commit to give “Flow Control” of curbside collected recyclable material to HWMA; and 2) HWMA Board to receive the draft Regional Recycling Processing and Marketing of Curbside Collected Materials Request for Proposals”; and 3) the HWMA Board to review and select the successful proposer.

STEP ONE: RECYCLING FLOW CONTROL MEMORANDUM OF UNDERSTANDING
A successful regional recycling RFP procurement process is dependent upon member agency commitment of their curbside collected recyclable tonnage. Under the HWMA JPA provisions, member agencies retained ‘flow control’ of recyclable materials, and will need to determine whether to commit their recyclable tonnage in a regional effort. This means that each entity must decide whether to direct ‘flow control’ of their recyclable material tonnage to HWMA by entering into a Memorandum of Understanding (MOU) prior to a “Regional Recycling Processing and Marketing of Curbside Collected Materials” RFP being released.

The Draft MOU (Attachment 1) will enable HWMA to solicit proposals as a joint powers authority acting on behalf of its Member Agencies, and enter into an agreement for recyclable processing and marketing services with a contractor who will provide receiving and processing of recyclable materials at a Regional Processing Facility. Each Participating Agency will agree to direct their franchise collection hauler to deliver all recyclable materials collected to the Authority’s designated processing facility.

The key question for member agencies will be to evaluate and determine which option they will pursue related to their curbside collected recyclable materials:

1) Individual jurisdictions to retain discretion of where to send their curbside collected recyclable tonnage; or
2) Jurisdictions commit and combine their curbside collected recyclable tonnage to the Authority, and the Authority will prepare and issue a Request for Proposal for the Processing and Marketing of Curbside Collected Recyclables, with the purpose of entering into a long-term agreement with a successful proposer.

Member agencies will need to determine whether to commit and participate in this regional based project, and whether to direct flow control of their recyclable material tonnage to the Authority through approval of a MOU prior to the Recycling RFP being released.

STEP TWO: RECYCLING PROCESSING AND MARKETING OF REGIONAL CURBSIDE COLLECTED MATERIALS REQUEST FOR PROPOSALS
The Recycling Processing and Marketing of Regional Curbside Collected Materials” Request for Proposal (RFP) was prepared in-house by Authority and member agency staff, and approved by the HWMA Board of Directors in early 2015. This document reflected the collective desires and concerns of our member agency’s staff and the Board at that time. HWMA and representatives of member agencies on August 17, 2017 to review the document, and reviewed revisions associated with updating tonnage information and minor document clarifications.
The document was initially prepared using the 2010 Recycling RFP as a base document, conversations with member agency staff in 2012, notations made following consideration by the city council's of Arcata and Eureka in 2013, the 2013 Strategic Plan, and public input. This document was approved by the HWMA Board in February 2015.

The RFP was developed to secure 1) a low-cost and efficient local recycling, receiving and processing services; and 2) an agreement for a recommended 10-year term, with a five-year (5-year) extension option, that meets the following goals and objectives:

- Produces commodities for high value end market.
- Flexibility to adapt to market fluctuations and trends to secure most competitive price rates.
- A quarterly market value credit to the Authority based on the tons processed. The potential ability to accept additional materials.
- Reuse in Value Added Product. Participating Agencies may request that HWMA divert specified recyclable materials for reuse in a value-added, local product.
- Maintain quarterly facility total residual disposal to less than 8% of inbound materials from the franchise haulers.
- Meet all current and future state and local regulations and permitting conditions, and have an Operations Plan approved by local regulatory authorities at the time the Processing Agreement goes into effect.
- Fair treatment of employees.
- Full cooperation with member agency franchise operators, as well as the Hawthorne Street Transfer Station.
- Maintain a high level of service (timely, courteous, and responsive) to the Authority and our Member Agencies.
- Ensure the cost competitiveness and effectiveness of the services provided; and
- Pursuant with CA Assembly Bill 32, minimize the carbon footprint; reduce greenhouse gas emissions and other adverse environmental impacts while maximizing the sustainability of the services.

Staff requests the Board receive the Draft RFP as necessary, and circulate to the Authority’s member agencies so they can consider participation in a regional recycling process. The Final RFP will be presented to the Board for approval at the February meeting. This will enable staff to amend the tonnage volume figures reflective of the committed participating agencies. Staff is prepared to present a presentation of the Draft RFP to the Board at the October Board meeting.

**STEP THREE**

**PROPOSED PROCESS AND TIMELINE**

The table below illustrates the Regional Recycling RFP process, timeline and status:

<table>
<thead>
<tr>
<th>Step No.</th>
<th>Pathway</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Review and Discuss Proposed Process with Member Agency Staff and Proposed Timeline</td>
<td>August 17, 2017</td>
</tr>
<tr>
<td>2.</td>
<td>Present Process &amp; Proposed Timeline to HWMA Board</td>
<td>September 14, 2017</td>
</tr>
<tr>
<td>4.</td>
<td>Circulate MOU &amp; RFP to Member Agencies</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>HWMA Board Final Review &amp; Approve Recycling RFP for Circulation</td>
<td>February 8, 2018</td>
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</table>
BACKGROUND: CURBSIDE COLLECTED RECYCLABLE MATERIALS

Following a solicitation process for the processing and marketing of curbside collected recyclables in 2010, HWMA and Solid Wastes of Willits (SWOW) entered into a 5-year agreement in 2011 to handle and process the Authority’s and participating member agencies curbside collected single-stream recyclable materials until September 6, 2016. During considerations to embark upon another RFP solicitation process, there were concerns around securing competitive proposals with the then low commodity market. The HWMA Board opted to approve an amendment to extend the SWOW agreement for a 2-year period, which expires on September 6, 2018.

Since 2011, committed curbside collected recyclable material tonnage from the City of Eureka, a portion of the unincorporated County of Humboldt and mixed-stream materials dropped off at the Authority’s recycling center have been transported and processed under the SWOW recycling agreement. The agreement provides for the loading cost recovery, transportation and revenue sharing of the commodities which is distributed regularly to those member agencies directing their recyclables to the Authority, in accordance with a Memorandum of Understanding entered into by the Authority participating member agencies.

The cities of Ferndale and Rio Dell, and some of the County’s franchise areas did not opt into the 2011 MOU because their recyclable materials were handled by Eel River Disposal, located in Fortuna. Additionally, in northern Humboldt County, the County directs a portion of recyclable material to Humboldt Sanitation in the McKinleyville franchise area.

HWMA extended the intent of the MOU’s revenue sharing provision to the cities of Arcata and Blue Lake and Humboldt State University, for recyclable materials directed to the Authority in 2012. Due to an offer for a higher revenue share, in July of 2014 the City of Blue Lake decided to direct their recyclable material to Eel River Disposal’s Samoa Facility, followed soon after by Humboldt State University. The City of Arcata directed recyclable material to ERD’s Samoa Facility in August of 2016.

**Potential Combined Recyclable Tonnage**

Recognizing that precise measurement of recyclable tonnages generated within HWMA’s member agencies is dependent on voluntary submission of data to the Authority, based on anticipated commitment levels, staff has identified that recyclable tonnage could meet a 7,500 ton/annual threshold. This tonnage is predicated on a minimum participation of the cities of Arcata, Blue Lake, Eureka and satellite areas of unincorporated Humboldt County including the areas surrounding Arcata, Eureka, and Blue Lake areas.

When the contract for hauling recyclable material was presented to the Board in 2010, the Authority estimated a baseline of 7,000 tons, increasing by 1.5% each year. Actual tonnage

<table>
<thead>
<tr>
<th></th>
<th>RFP Circulation &amp; Response</th>
<th>February-May 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>RFP Evaluation and Ranking</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Present Ranking and Recommendation to HWMA Board of Directors</td>
<td>June 2018</td>
</tr>
<tr>
<td>8.</td>
<td>HWMA Board to Approve Agreement</td>
<td>July 2018</td>
</tr>
</tbody>
</table>
received in the first year (2011-2012) was 3,377 tons, with 655 tons generated by the Authority’s Eureka Recycling Center. In 2012 and 2013 the cities of Eureka and Arcata implemented mandatory curbside collection and recycling tonnage increased to 6,415 tons, with 1,822 tons of recyclable material generated from the Eureka Recycling Center. In 2013-2014 the Authority received 7,371 tons from franchise haulers with an additional 1,011 tons of recyclable material from the Eureka Recycling Center. These figures include both mixed recyclables and source-separated commercial cardboard.

Staff anticipates recycling tonnage could increase annually as a result of consumer participation, on-going educational activities and other franchise areas expanding to include curbside recycling. This could result in an estimated 7,700 tons of recyclable materials in 2017-2018, and 7,900 tons in 2018-2019. Additionally, with implementation of AB 341- 75% Statewide Diversion Goal (Chesbro) the Authority expects there will be an increase of materials collection in order to meet diversion goals.

Table 1 presents the past (5) years of mixed-stream recyclable material and source-separated commercial cardboard from the Authority’s Member Agencies, not including Ferndale, Rio Dell and portions of unincorporated Humboldt County.

Table 1: Material Tonnage Received in 2011-2014 and Projected Through 2016 from HWMA Member Agencies

<table>
<thead>
<tr>
<th>Year</th>
<th>Mixed-Stream Recycling</th>
<th>Source-Separated Commercial Cardboard</th>
<th>Total Annual Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>7646</td>
<td>855</td>
<td>8501</td>
</tr>
<tr>
<td>2013-14</td>
<td>7371</td>
<td>1361</td>
<td>8732</td>
</tr>
<tr>
<td>2014-15</td>
<td>8126</td>
<td>1459</td>
<td>9585</td>
</tr>
<tr>
<td>2015-16</td>
<td>8134*</td>
<td>1513</td>
<td>9647</td>
</tr>
<tr>
<td>2016-17</td>
<td>6452*</td>
<td>1030</td>
<td>7482**</td>
</tr>
</tbody>
</table>

*2015-17 excludes all tonnage from HSU and Blue Lake.  
** 2016-17 excludes all tonnage from Arcata.

Commodity Market Conditions
In the past six years, nationally and internationally, materials commodity prices declined for newspaper, mixed paper, corrugated cardboard, glass, plastic, and metal cans. Recently however the commodity markets are beginning to rebound.

FISCAL IMPACT: No direct fiscal impact. The report and documents were prepared in-house.

STRATEGIC PLAN OBJECTIVE: Objective 1.2 – Work with Member Agencies to Procure Regional Source-Separated Recyclables Processing Capacity

ALTERNATIVES:  
The Board may:
1) **Decline to act as a regional coordinator for the solicitation and procurement of processing and marketing of curbside recyclable materials.** With the recent acquisition of Eel River Disposal, Recology is now the owner operator of the Samoa Facility. This facility was originally designed and operated as a material recovery facility for recyclable materials. Three member agencies currently direct their curbside recyclable materials to the facility, and it is possible that the governing bodies of the remaining entities may also desire to sole-source direct their material to...
this facility. Acceptable material type, payment and/or compensation, and record-keeping and reporting would be the responsibility of each entity.

2) Discretion of the Board.

ATTACHMENTS:
Attachment 1: Draft “Recycling Flow Control Memorandum of Understanding
Attachment 2: Draft “Recycling Processing and Marketing of Regional Curbside Collected Materials Request for Proposals”
MEMORANDUM OF UNDERSTANDING BETWEEN THE HUMBOLDT WASTE MANAGEMENT AUTHORITY AND ITS MEMBER AGENCIES TO PARTICIPATE IN A RECYCLING PROCESSING AND MARKETING OF REGIONAL CURBBSIDE COLLECTED RECYCLABLE MATERIAL PROPOSAL

This Memorandum of Understanding is entered into by and between the Humboldt Waste Management Authority (“HWMA”), a joint powers authority, and the undersigned participating member agencies (each, a “Participating Agency”) and is effective this __________ day of (“Effective Date”).

Recitals

A. HWMA is a joint powers authority formed by the cities of Arcata, Blue Lake, Eureka, Ferndale, Rio Dell, and the County of Humboldt for purposes of efficient solid waste management.

B. Based on the interests of its member agencies, HWMA is preparing to solicit a request for proposals for cost-effective regional recyclables materials processing services, evaluate said proposals and enter into an agreement for services.

C. In order to solicit and secure a competitive proposal, member agencies are asked to commit their source-separated and mixed recyclable tonnage to HWMA.

D. HWMA anticipates that said agreement with the Authority’s designated contractor for recyclable services will contain the following key components:

1. Acceptance of source-separated or mixed recyclable materials from franchise haulers at either the HWMA facility (1059 W. Hawthorne Street, Eureka, CA), or other facilities approved by the HWMA and Contractor for purposes of implementing the Regional Recyclable Materials Processing Contract.

2. A term of ten years, with a five-year extension option.

3. Payment by the contractor for the recyclable materials at a rate to be determined through the negotiation process, with share of revenue distributed to member agencies based on contributed tonnage.

4. Low-cost and efficient local recycling, receiving and processing services.

5. Maximize commodities for high value end market.

6. Flexibility to adapt to market fluctuations and trends to secure most competitive price rates.

7. A quarterly market value credit to the Authority based on the tons processed.

8. The demonstrated ability, and expressed interest, to accept and market additional materials.

9. Maintain quarterly facility total residual disposal to less than 8% of inbound materials from the franchise haulers.
10. Meet or exceed all current and future state and local regulations and permitting conditions, and have an Operations Plan approved by local regulatory authorities at the time the Processing Agreement goes into effect.

11. Creation of good quality jobs and fair treatment of employees.

12. Full cooperation with member agency franchise operators, as well as the Hawthorne Street Transfer Station.

13. Maintain a high level of service (timely, courteous, and responsive) to the Authority and its Member Agencies.

14. Ensure the cost competitiveness and effectiveness of the services provided; and

15. Pursuant with CA Assembly Bill 32, minimize the carbon footprint; reduce overall greenhouse gas emissions and other adverse environmental impacts while maximizing the sustainability of the services.

The undersigned HWMA member agencies would like to participate in the HWMA Regional Recycling RFP process, and ensure combined recycling tonnage is committed for recyclables materials processing.

NOW THEREFORE, based on the terms recited above, the parties enter into this memorandum of understanding:

1. **Recyclable Materials Processing Agreement.** HWMA shall solicit proposals and enter into an agreement for recyclable processing and marketing services with the Authority’s Designated Recycling Contractor (“Contractor”) with basic terms as outline above (“Recyclable Materials Processing Agreement”).

2. **Recyclable Materials Flow Control.** For the term of the Recyclable Materials Processing Agreement, each Participating Agency agrees to direct its franchise collection hauler to deliver all recyclable materials it collects under agreement with the Participating Agency to either the HWMA transfer facility located at 1059 W. Hawthorne Street, Eureka, or other facility approved by the HWMA for receipt by Contractor for purposes of implementing the Regional Recyclable Materials Processing Agreement, unless otherwise specified in existing franchise agreements.

3. **Reuse in Value Added Product.** Participating Agencies may request that HWMA divert specified recyclable materials for reuse in a value-added, local product.

4. **Reporting.** HWMA will provide quarterly and annual summary reports to each Participating Agency indicating the tonnage of recyclable materials processed for that period from the jurisdiction of each Participating Agency, a statement of revenues received from the Contractor, and any other information concerning contract administrator as the Participating Agency should request.

5. **Contract Management.** HWMA shall manage and administer the Recyclable Materials Processing Agreement based on direction from the HWMA Board of Directors.
6. **Meetings and Consultation.** HWMA staff agrees to meet as needed with Participating Agency staff to coordinate and discuss the ongoing management of the Recyclable Materials Processing Agreement.

7. **Revenue Distribution.** Revenue received by HWMA from the Contractor derived from the sale of recyclable commodities shall be disbursed to each Participating Agency quarterly on the following basis:

   a. HWMA shall retain for contract administration 15% of the agreed upon $ per ton base revenue received from all single-stream and source separated recyclable commodities;

8. **Education.** The HWMA and Participating Agencies shall undertake coordinated educational and outreach activities to assist the Contractor in achieving a diversion rate of 92% of all recyclable materials received. The HWMA and Participating Agencies will coordinate, prepare and implement an annual education campaign, including periodic collection route audits to identify excessive residuals in the recycling stream.

9. **Additional Participation.** HWMA member agencies not initially participating in this MOU shall be permitted to enter into this MOU and thereby participate in the Recyclable Materials Processing Agreement subject to modified terms and conditions, if any, acceptable to both the HWMA Board of Directors and Contractor.

10. **Third Party Beneficiaries.** Participating Member Agencies are not considered third party beneficiaries under the Recyclable Materials Processing Agreement.

11. **Indemnity.** Pursuant to the HWMA Joint Powers Authority Agreement, the HWMA shall indemnify each Participating Agency for any defense to claims, as well as cost of any judgments imposed for claims resulting from actions by the HWMA in relations to its management and implementation of the Recyclable Materials Processing Agreement.

12. **Counterparts.** This MOU may be executed in separate counterparts, and all counterparts when signed, shall constitute and enforceable agreement.

13. **Humboldt County Nuclear Free Ordinance Compliance.** The Contractor has certified to the HWMA that it is not a Nuclear Weapons Contractor, in that it does not knowingly or intentionally engage in the research, development, production, or testing of nuclear warheads, nuclear weapon systems, or nuclear weapons components as defined by the County of Humboldt Nuclear Free Humboldt County Ordinance. The Contractor will agree to notify HWMA if it becomes a Nuclear Weapons Contractor as defined above, and the HWMA retains the authority to immediate terminate the Recyclable Materials Processing Agreement if it determines that the Contractor’s certification is false or if the Contractor becomes a Nuclear Weapons Contractor.
WHEREFORE, the governing bodies of each of the parties below has authorized and approved this Memorandum of Understanding on the date stated below:

**HUMBOLDT WASTE MANAGEMENT AUTHORITY**
Dated:
By: Board Chair
Attested to by:
Dated:
Executive Director Signature:

**CITY OF ARCATA**
Dated:
By: Its Mayor
Attested to by:
Dated:
City Clerk Signature:

**CITY OF BLUE LAKE**
Dated:
By: Its Mayor
Attested to by:
Dated:
City Clerk Signature:

**CITY OF EUREKA**
Dated:
By: Its Mayor
Attested to by:
Dated:
City Clerk Signature:

**CITY OF FERNDALE**
Dated:
By: Its Mayor
Attested to by:
Dated:
City Clerk Signature

**COUNTY OF HUMBOLDT**
Dated:
By: Its Chair of the Board
Attested to by:
Dated:
County Clerk Signature:
CITY OF RIO DELL
Dated:
By: Its Mayor
Attested to by:
Dated:
City Clerk Signature:
REQUEST FOR PROPOSALS

FOR

RECYCLING PROCESSING AND MARKETING OF REGIONAL CURBSIDE COLLECTED RECYCLABLE MATERIALS

ISSUED BY:

Humboldt Waste Management Authority

1059 West Hawthorne Street
Eureka, CA 95501

Month Day, Year
### TABLE OF CONTENTS

1.0 GENERAL INFORMATION ........................................................................................................ 4  
   1.1 Humboldt Waste Management Authority ........................................................................ 4  
   1.2 Authority Goals and Objectives ...................................................................................... 5  
   1.3 Organization of the RFP ................................................................................................. 6  

2.0 PROPOSAL CONSIDERATIONS .............................................................................................. 7  
   2.1 Rights of the Authority .................................................................................................... 7  
   2.2 Consequence of Submission of Proposal ........................................................................ 7  
   2.3 Proposal Costs ................................................................................................................ 8  
   2.4 Proposal Schedule .......................................................................................................... 8  
   2.5 Anti-Collusion Statement ............................................................................................... 9  
   2.6 Conflict of Interest ........................................................................................................ 9  
   2.7 Limits on Disclosure of Proposal .................................................................................. 9  
   2.8 Proposer Code of Conduct ............................................................................................ 10  

3.0 BACKGROUND INFORMATION ............................................................................................. 10  
   3.1 Recyclable Material Tonnage from Authority Member Agencies ................................. 13  

4.0 SCOPE OF SERVICES ............................................................................................................ 14  
   4.1 Recyclable Materials Receiving and Processing Facility .................................................. 14  

5.0 AGREEMENT ARRANGEMENTS ............................................................................................ 16  

6.0 PROPOSAL SUBMITTAL INSTRUCTIONS ......................................................................... 16  
   6.1 Qualifications Response ................................................................................................. 16  
      6.1.1 Company Information ........................................................................................... 17  
      6.1.2 Key Personnel ...................................................................................................... 17  
      6.1.3 Compliance, Litigation and Debarment History .................................................... 18
6.1.4 Environmental Compliance .................................................................18
6.2 Financial Response.................................................................................18
6.3 Operations Response .............................................................................19
  6.3.1 Recyclables Receiving and Processing .........................................19
6.4 Agreement Acceptance Response .........................................................20

7.0 COST PROPOSAL AND COST FORM ..............................................20

8.0 PROPOSAL EVALUATION AND PROPOSER SELECTION .............22
  8.1 Proposal Evaluation Procedures ......................................................22
  8.2 Proposal Evaluation Criteria ..........................................................22

9.0 PROPOSAL SUBMITTAL INSTRUCTIONS .......................................26
  9.1 Authority Contact and Address .......................................................26
  9.2 Submittal of Written Questions ......................................................26
  9.3 Proposal Submittal Format .............................................................26
  9.4 Clarification of Proposal Information .............................................27
  9.5 Presentation to HWMA Board ........................................................27
  9.6 Selection of Recommended Proposers ..........................................27
  9.7 Schedule .........................................................................................27
  9.8 Proposal Content ............................................................................27

Attachment 1 – Cost Forms .................................................................31
Attachment 2 – Distance from Each Member Agency to the Proposer’s Proposed Receiving Facility Form .................................................................33
Attachment 3 - Anti-Collusion Form .......................................................34
1.0 General Information
The Humboldt Waste Management Authority (“HWMA or Authority”) is issuing this Request for Proposals to select a qualified Proposer to process curbside collected recyclable materials from Member Agencies and mixed stream material from the Authority’s Eureka Recycling Center. The Agreement will be between the HWMA and the selected Proposer for a ten (10) year period. The terms of this Agreement may be extended for a five (5) year period at the sole discretion of the Authority. The term of the Agreement is expected to commence September 5th of 2018, or unless otherwise directed by the HWMA Board of Directors. The Proposer will be responsible for securing property for a facility within the Authority’s Member Agency’s jurisdictions to receive recyclable material for transportation to the Proposer’s facility for processing, marketing and disposal of residual materials.

Proposals are being solicited from qualified Proposers, or a group of qualified Proposers, that form a team arrangement, for purposes of this solicitation. In the event a teaming arrangement is proposed, the Proposers should recognize that the team must be represented by a single prime Proposer that will be responsible for entering into this Agreement and serve as the primary contact and responsible party. The Proposal shall be submitted in accordance with the guidelines presented in this RFP. All data and information furnished by the HWMA or referred to in this RFP are provided for the Proposer’s convenience. The HWMA does not guarantee that such information or data is accurate and assumes no responsibility as to the accuracy of the information. Proposers are encouraged to independently verify the accuracy and interpretation of all such information or data.

1.1 Humboldt Waste Management Authority
The Humboldt Waste Management Authority is a Joint Powers Authority (JPA) consisting of the Member Agencies of the jurisdictions of Arcata, Blue Lake, Eureka, Ferndale, Rio Dell, and Humboldt County. The cities of Fortuna and Trinidad are not members of the HWMA JPA, although Trinidad has expressed interest in joining. The Authority was established in 1999 and acted as a regional focus point in a diverse waste management system. One of the primary goals of the Authority is to provide program support for cost-effective waste reduction, recycling, and solid waste programs to Member Agencies through their franchised collection providers and the public recyclers to meet and exceed the minimum 50% diversion mandated by California State Law, AB 939.

The Authority operates the Hawthorne Street Transfer Station, which includes the Eureka Recycling Center, located at 1059 West Hawthorne Street in the city of Eureka. The Hawthorne Street Transfer Station serves as a hub and central location in the area for drop off of solid waste from the public and local franchise collection haulers. Solid waste collected at the Transfer Station is loaded and hauled by transfer trailer trucks to the Dry Creek Landfill in Medford, Oregon.

The Hawthorne Street Transfer Station also accepts recyclable materials at its drop-off location from the public and commercial businesses. Household hazardous waste, E-waste, and Universal materials are also received and managed at the Eureka Recycling Center housed within this complex, as well as through mobile collection programs in the Humboldt County area. The Authority owns and manages the Cummings Road Landfill in Eureka. The Authority also
manages through contractual means composting of organic materials at the Mad River Compost Facility owned and operated by third-party contractors.

1.2 Authority Goals and Objectives
The Authority is interested in receiving proposals from companies that have demonstrated experience providing transportation and processing of recyclable materials comparable to those described in this RFP, to ensure success of the services for the Authority and its Member Agencies. The Authority will place an emphasis on a Proposer who places a high priority on reliable, cost effective, and environmentally sound operations, and who has demonstrated measurable results through its on-going operations on other similar projects. The Authority’s goals and objectives for future services include:

- Low-cost and efficient local recycling, receiving and processing services.
- Produce commodities for high value end market.
- Flexibility to adapt to market fluctuations and trends to secure most competitive price rates.
- A quarterly market value credit to the Authority based on the tons processed. The potential ability to accept additional materials.
- Maintain quarterly facility total residual disposal to less than 8% of inbound materials from the franchise haulers.
- Meet all current and future state and local regulations and permitting conditions, and have an Operations Plan approved by local regulatory authorities at the time the Processing Agreement goes into effect.
- Fair treatment of employees.
- Full cooperation with member agency franchise operators, as well as the Hawthorne Street Transfer Station.
- Maintain a high level of service (timely, courteous, and responsive) to the Authority and its Member Agencies.
- Ensure the cost competitiveness and effectiveness of the services provided; and
- Pursuant with CA Assembly Bill 32, minimize the carbon footprint; reduce greenhouse gas emissions and other adverse environmental impacts while maximizing the sustainability of the services.

1.3 Organization of the RFP
General information regarding the RFP purpose, process, and schedule are provided in the following.

- Section 1 contains General Information to assist Proposers in understanding the current and proposed services required, including general information about HWMA member agencies.
- Section 2 contains Proposal Considerations such as the rights of the Authority, consequence of Contract’s submission of their proposal, costs to prepare a proposal, and the proposal schedule.
Section 3 presents Background Information regarding recyclable material types to process and estimated quantities to be processed under this Agreement.

Section 4, Scope of Services, defines the work and services covered by this RFP.

Section 5 details the timeline to arrive at an Agreement, and terms and conditions for the requested services.

Section 6 discusses the RFP Proposal Requirements to be submitted by the Proposer.

Section 7 describes the Cost Proposal and Compensation required for submittal for this RFP and the Proposer’s compensation and payment method to be employed by the Authority.

Section 8 describes the Proposal Evaluation and Proposer selection process to be followed by the Authority.

Section 9 presents the Proposal Submittal Instructions to be followed by Proposers for submittal of their RFP.

Attachment 1 contains the Proposal Cost Forms required to be filled out by the Proposer.

Attachment 2 contains a Form to calculate the distance from each Member Agency to the Proposer’s Proposed Receiving and Processing Facility.

Attachment 3 is the Anti-Collusion Form.

2.0 Proposal Considerations

2.1 Rights of the Authority
   The Authority’s rights include, but are not limited to, the following:

   Reissuing or modifying the RFP.

   Withdrawing the RFP at any time during the procurement process

   Issuing addenda to the RFP, including extending or revising the timeline for submittals.

   Requesting clarification or additional information from the Proposers at any time during the procurement process.

   Execution of an Agreement with the successful Proposer on the basis of the original proposals and/or any other information submitted by the Proposers during the procurement process.
❑ Rejection of any or all proposals, waiving irregularities in any proposals, accepting or rejecting all or part of any proposals, and waiving any requirements of the RFP, as may be deemed in the best interest of the Authority.

❑ Negotiating with more than one Proposer.

❑ Accepting a proposal that does not offer the lowest cost but offers the best overall proposal, which the Authority determined is in the best interest of the Member Agencies based on the Proposer’s qualifications, operations proposal, financial strength, and willingness to accept the Agreement terms as well as its cost proposal.

❑ Discontinuing negotiations after commencing negotiations with a selected Contactor if progress is unsatisfactory in the sole judgment of the Authority, and commencing negotiations with another qualified Proposer.

2.2 Consequence of Submission of Proposal

❑ Proposal submission constitutes an incontrovertible representation and warranty by Proposer that the Proposer has investigated all aspects of the RFP.

❑ Proposer is aware of the applicable facts pertaining to the RFP process, its procedures and requirements.

❑ Proposer has read and understands the RFP, and complied with every requirement.

❑ Without exception, the proposal is premised upon performing and furnishing the services and equipment required by this RFP and Agreement and as such means, methods, techniques as may be indicated or required by this RFP and Agreement.

❑ Proposer submittal of an RFP, and/or any addendums, are sufficient in scope and detail to indicate and convey understanding of all the terms and conditions for performance and furnishing services of the project.

The submission of a proposal shall not be deemed an agreement between the Proposer and the Authority, and the following conditions apply:

❑ Authority shall not be obligated to respond to any proposal submitted, nor is bound in any manner by the submission of a proposal by a Proposer.

❑ Acceptance of a proposal by the Authority obligates the Proposer to enter into good faith Agreement negotiations on the proposal submitted.

❑ The Agreement shall not be binding or valid against the Authority unless and until it is executed by the Authority Board and the selected Proposer, and the Proposer’s performance bond or other surety has been accepted.
2.3 Proposal Costs
Costs of investigating, preparing, and submitting a proposal is the sole responsibility of the Proposer and shall not be chargeable in any manner to the HWMA. The HWMA will not reimburse any Proposer for any costs associated with the preparation and submission of proposals or expenses incurred in making an oral presentation, participating in an interview, or negotiating an Agreement with the HWMA.

2.4 Proposal Schedule
The HWMA intends to adhere to the schedule provided in Table 1 during the selection process. This schedule may change at the HWMA's sole discretion.

### Table 1: Proposal Procurement Schedule

<table>
<thead>
<tr>
<th>Task</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>HWMA release RFP.</td>
<td>February 13, 2018</td>
</tr>
<tr>
<td>Deadline to submit written questions and comments by Proposers.</td>
<td>TBD</td>
</tr>
<tr>
<td>HWMA will issue to Proposers: response to written questions and RFP addendum if necessary.</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>PROPOSAL DUE</strong></td>
<td></td>
</tr>
<tr>
<td>HWMA may request clarification of proposal information.</td>
<td></td>
</tr>
<tr>
<td>HWMA interviews shortlisted Proposer(s).</td>
<td></td>
</tr>
<tr>
<td>HWMA Board selects Proposer.</td>
<td></td>
</tr>
<tr>
<td>HWMA conducts and completes negotiations with Contractor.</td>
<td></td>
</tr>
<tr>
<td>Proposer commences providing services.</td>
<td></td>
</tr>
</tbody>
</table>

*The Authority retains the rights to modify and/or amend dates as necessary.

2.5 Anti-Collusion Statement
A sworn anti-collusion statement is included as Attachment 4 as part of the proposal package. The Authority requires that a non-collusion statement be made as a sworn affidavit executed and sworn before a person who is authorized to administer oaths by laws of the State. This certification is required as important evidence in the event that collusion or bid rigging is discovered at a later date. If any Proposer submits a false statement, sanctions could then be taken against the Proposer.

2.6 Conflict of Interest
The Proposer must disclose any contractual relationship that exists, or has existed, between the Proposer and a predecessor organization of the Proposer, or a sub-contractor included in the Proposer's response to this RFP, and the HWMA or its Member Agencies. Proposers must also disclose any existing business or personal relationship between the Proposer, its principals, or any affiliate or subcontractor, and the HWMA, its Member Agencies, or any other entity or person involved in the project that is the subject of this RFP.

Failure to disclose any such prior or existing contractual or personal relationship as described in this section may result in disqualification of the proposal. The Authority will make the final determination regarding the existence of a conflict of interest.
2.7 Limits on Disclosure of Proposals
The HWMA has determined that the public interest will be best served if proposals submitted by Proposers in response to this RFP are not made available for review by other companies participating in the competitive selection process. For that reason, proposals submitted during the RFP process will not be made available to other Proposers or the public earlier than the date on which the HWMA issues to Member Agencies a shortlist of a company or companies recommended for final negotiation. The HWMA may, at its sole discretion, release select portions of the proposal(s) of the recommended companies that have not been identified as entitled to confidential treatment as containing trade secrets.

Conversely, public release may be deferred until the Authority has narrowed its consideration to one preferred Proposer. All materials received from that Proposer (other than those entitled to protection under California Government Code Section 6254(k)) will be made available for public review by the Member Agencies no less than twenty (20) days prior to the date on which the governing board of each Member Agency will consider a staff recommendation to award the Agreement to a selected company.

The HWMA will implement the following procedures:

1. All materials which a Proposer believes to contain trade secret information entitled to protection from disclosure under Government Code Section 6254(k) must be clearly marked on each page as “CONFIDENTIAL”; and

2. Prior to the date on which the Board of Directors selects its preferred Proposer, if HWMA receives a request to review and/or copy materials submitted by any Proposer, the Authority will decline release of those materials; and

3. If the person submitting the request files a legal action against HWMA seeking its release, the HWMA will notify the affected Proposer(s) and will not oppose a motion by such Proposer(s) to intervene in the action. The Proposer(s) must either intervene or agree to pay HWMA’s and its agent(s) legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the HWMA will have no obligation to defend the action and may release the information sought without any liability whatsoever; and

4. Proposer will not seek damages against HWMA, its agents, or any Member Agency for recovery of its attorneys’ fees as a result of any dispute related to the release or withholding of information submitted in response to this RFP.

2.8 Proposer Code of Conduct
The Proposer is required to follow the Proposer Code of Conduct as a result of submitting an RFP. The Code of Conduct for Proposers includes the following provisions:

1. Prohibits ex parte communications with HWMA Board members or elected officials of Member Agencies;
2. Prohibits giving any gift or monetary compensation to an HWMA Board member, staff member or its agents; and

3. Prohibits collaboration or discussion with other Proposers of the content of the proposal or rates proposed.

Failure to abide by the above will result in the bid proposal being disqualified.

3.0 Background Information
The HWMA, through its Member Agencies, has been tasked with the responsibility to contractually manage an agreement for processing and marketing of recoverable commodities, sale of the materials, and disposal of residuals. Recyclable materials within the Member Agencies are collected through a variety of methods including residential curbside collection programs in the cities of Arcata, Blue Lake, Eureka, and some unincorporated areas of Humboldt County, commercial recycling programs in some of the jurisdictions and drop-off materials at the Eureka Recycling Center.

For purposes of responding to this RFP, Proposers can expect to process mixed-stream residential material from commercial collection activities, commercial source-separated recyclables (e.g. cardboard), and other materials as directed by the Authority.

Commercial source-separated recyclables (i.e. cardboard) is an example of a commercial recycling program. Single-stream material is also collected by businesses and placed in designated bins and picked up by haulers.

Residential recycling curbside collection programs are set up as a mixed-stream system; residents set out containers with mixed-stream materials (for example, mixed paper, cardboard glass, plastic, and metal) for collection.

Recyclable Material Types
Table 2 lists the various types of acceptable materials collected from Member Agency jurisdictions.

Table 2: HWMA Member Agencies Recyclable Material Characterization

<table>
<thead>
<tr>
<th>Recyclable Material Category</th>
<th>Subcategory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source-separated material</td>
<td>Corrugated cardboard</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td>Mixed Fiber</td>
<td>Corrugated cardboard, chip board, office paper, computer paper, magazine, junk mail, envelopes, catalogs, brown paper bags, paper board, telephone books, paperback books, colored paper, construction paper, hard back books, and cereal and food boxes.</td>
</tr>
<tr>
<td>Newspaper</td>
<td>Inserts, coupons, and advertisements.</td>
</tr>
<tr>
<td>Glass</td>
<td>Clear, brown, green (all colors), CRV and non-CRV containers.</td>
</tr>
</tbody>
</table>
Plastics Materials identified as P.E.T. # 1-7 (includes examples)
- #1 PETE (Clear plastic containers)
- #2 HDPE (Ridge Containers)
- #3 V (Vinyl or PVC)
- #4 LDPE (Various containers, bags)
- #5 PP (Ketchup, syrup, yogurt containers)
- #6 PS (Styrofoam)
- #7 Other (Electrical wiring, CD/DVD cases, etc.)
- Plastic bags and film plastic
- All containers stamped with the Society for Plastics Industry (SPI) code #1 through #7.

<table>
<thead>
<tr>
<th>Aluminum</th>
<th>Food and beverage containers, foil, foil containers, pots, pans and baking containers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal</td>
<td>Steel, tin, and bi-metal containers; small pieces of scrap metal weighing less than 10 pounds.</td>
</tr>
<tr>
<td>Textiles</td>
<td>Old clothes and fabrics</td>
</tr>
<tr>
<td>Aseptic packaging</td>
<td>Milk, fruit juice, broth, soup, etc. containers.</td>
</tr>
<tr>
<td>Gable top</td>
<td>Milk and juice cartons</td>
</tr>
</tbody>
</table>

The types of recyclable materials collected curbside are at the discretion of each individual Member Agency at this time. Materials are subject to change and decisions will be at the discretion of each Member Agency. Franchise haulers operating in the City of Eureka, and some unincorporated areas of Humboldt County including the Greater Arcata and Eureka areas are currently directed to deliver recyclable items collected to the Hawthorne Street Transfer Station.

### Table 3: HWMA Member Agencies Recycling Programs

<table>
<thead>
<tr>
<th>Component/Program Name</th>
<th>Arcata</th>
<th>Blue Lake</th>
<th>Eureka</th>
<th>Ferndale</th>
<th>Humboldt, County</th>
<th>Rio Dell</th>
<th>Trinidad (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Curbside</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Residential Drop-Off</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Residential Buy-Back</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Commercial On-Site Pickup</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Commercial Self-Haul</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Government Recycling Programs</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>School Recycling Programs</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Special Collection Seasonal (regular)</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Special Collection Events</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Other Recycling</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

(1) While not a member agent, has expressed interest in being included in proposal.

HWMA has an existing agreement with Solid Wastes of Willits, terminating in September 2018, for the transportation, processing, and marketing of participating member agency franchise curbside collected recyclables and mixed stream recyclable materials received at the Authority.
These materials do not include source-separated goods including cardboard, cans, CRV, white goods, scrap metal, electronic and household hazardous wastes received at the Eureka Recycling Center. Franchise collectors for Eureka, and the unincorporated areas of the Greater Arcata and Eureka area deliver recyclable materials and cardboard to the Hawthorne Street Transfer Station. The received materials are then loaded into Solid Wastes of Willits trucks for transportation to their processing facility located in Willits, CA.

The Eureka Recycling Center operated by the Authority receives mixed stream recyclable materials. Only this tonnage is included in the RFP. Recyclable materials from the cities of Ferndale and Rio Dell, and the adjacent unincorporated areas of southern Humboldt County area are currently processed at the privately-owned Recology Eel River MRF in Samoa. Since the respective franchise agreements are committed by contract to direct recyclable materials to the Samoa facility, their tonnage is not included into the RFP. Recyclable materials from Humboldt State University, City of Fortuna and its general area are also not included within recyclables material tonnage estimates to be considered for the purposes of responding to this RFP.

Humboldt Sanitation operates a privately owned transfer station in McKinleyville that collects source-separated recyclables and CRV from the unincorporated community of McKinleyville and surrounding areas, as well as the City of Trinidad. The Humboldt Sanitation tonnage is not included in the RFP estimates because existing franchise agreements direct recycling material to Humboldt Sanitation until 2021.

Recology recently acquired the Eel River Transfer facility located in Fortuna, and the Samoa Processing Facility, a MRF and permitted medium volume transfer station, located in the unincorporated community of Samoa, CA. The cities of Arcata, Blue Lake, Ferndale, Fortuna and Rio Dell direct their curbside collected material to this facility. This Member Agency material (may or may not) be included in the RFP. Humboldt State University is also directing source-separated recyclables to the Samoa facility, and the HSU tonnage is not included in the RFP estimates.

The recycling tons described herein do not include recycling material received by open market drop-off commercial recycling centers including Humboldt Sanitation, Recology Eel River Popko Recycling, and Redway Transfer Station, as these companies serve independently from Member Agency franchise collection agreements. Additionally, other materials received by HWMA (i.e. electronic waste, household hazardous waste, CRV recyclables, white goods and other material) will be processed and marketed by the Authority.

3.1 Recyclable Material Tonnage from Authority Member Agencies
Since processing of recyclables in the Authority region are non-regulated, precise measurement of recyclable tonnages generated within the HWMA is dependent on voluntary submission of data to the Authority. To the best of the Authority’s knowledge, as of August 2017 the total annual tonnage of recyclable materials is presented in Table 4. This tonnage is based on actual curbside collected materials received from the cities of Arcata, Blue Lake, and Eureka, and satellite areas of unincorporated Humboldt County surrounding urban pockets of customers to nearby Arcata, Eureka, and Blue Lake areas.
Current and Future Recycling Tonnage

Based on anticipated commitment levels, recyclable tonnage could meet a 7,500 ton/annual threshold. HWMA anticipates recycling tonnage could increase annually as a result of consumer participation, on-going educational activities and other franchise areas expanding to include curbside recycling. This could result in an estimated 7,700 tons of recyclable materials in 2017-2018, and 7,900 tons in 2018-2019. Additionally, with implementation of AB 341-75% Statewide Diversion Goal (Chesbro) the Authority expects there will be an increase of materials collection in order to meet diversion goals.

Table 4 presents the past (5) years of mixed-stream recyclable material and source-separated commercial cardboard tonnage from the Authority’s Member Agencies, not including Ferndale, Rio Dell and portions of unincorporated Humboldt County.

Table 4: Material Tonnage Received in 2011-2014 and Projected Through 2016 from HWMA Member Agencies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed-Stream Recycling</td>
<td>7646</td>
<td>7371</td>
<td>8126</td>
<td>8134*</td>
<td>6452*</td>
</tr>
<tr>
<td>Source-Separated Commercial Cardboard</td>
<td>855</td>
<td>1361</td>
<td>1459</td>
<td>1513</td>
<td>1030</td>
</tr>
<tr>
<td>Total Annual Tons</td>
<td>8501</td>
<td>8732</td>
<td>9585</td>
<td>9647</td>
<td>7482**</td>
</tr>
</tbody>
</table>

*2015-17 excludes all tonnage from HSU and Blue Lake.
**2016-17 excludes all tonnage from Arcata.

4.0 Scope of Services

Section 4 describes the scope of services that the selected Proposer will be required to perform as part of the Agreement with the HWMA. Proposers should carefully review the Agreement scope of services, terms, and conditions that will define the contractual arrangements between the HWMA and the Contractor selected through this RFP process. In the event of a conflict between the Agreement and this RFP, the language in the Agreement takes precedence. For all services required under the Agreement, the Contractor must provide all labor, supervision, equipment, and materials in conformance to all required permits and regulatory requirements.

Interested proposers will submit a proposal for a Regional Processing Facility located within an HWMA Member Agency’s jurisdiction.

4.1 Recyclable Materials Receiving and Processing Facility

- Develop, secure and maintain a building with sufficient capacity to receive Authority’s Member Agencies’ recyclable materials and the Authority’s Eureka Recycling Center’s mixed recyclable material for loading and transfer to Contractor’s facility for processing.
Contractor is required to provide all necessary personnel, rolling stock equipment, and supplies necessary for operations of the facility, transporting the recyclables, and other obligations through the Term of this Agreement.

Contractor’s facility shall be open (business hours) to receive Authority’s recyclable materials from 7:00 a.m. to 5:00 p.m., Monday through Friday, including all holidays. Member Agencies franchise collection haulers shall have key-card access to the receiving facility after normal business hours, 24 hours per day, and 365 days per year. The hours of operation of the facility may be changed upon mutual agreement between the HWMA and the Contractor.

Contractor shall ensure that the traffic into the selected facility flows smoothly, that there are no delays in unloading, and that the unloading area is clear to receive recyclable materials at all times during operating hours.

Contractor shall provide loader equipment and move the unloaded mixed-stream recyclable materials into the proper temporary storage area with fiber materials in an area separate from the container recyclable materials. Source-separated recyclable materials shall be kept separate from either of the mixed-stream recyclable materials and stockpiled within a temporary storage area or container until ready to transport to the Contractor’s processing facility.

The Proposer shall collect source-separated recyclable materials from the Authority’s Hawthorne Street Transfer Station and transport to a local processing facility.

For recyclable materials located at the Hawthorne Street Transfer Station, Contractor shall load the respective type of recyclables (either fibers or containers) into a transfer trailer truck when sufficient volumes of material are available to fully load the trailer.

The Proposer must provide turnaround time at the receiving facility of less than 15 minutes for franchise haul trucks.

Inbound and outbound franchise haul trucks must weighed, identify area of origin, and electronic files of the scale data must be submitted monthly to the Authority.

Maintain sufficient personnel and equipment to process at the Contractor’s facility all loads of recyclable materials from the Authority.

Maximize cost-effective recovery of recyclable materials, including local markets, delivered to the Contractor’s processing facility. Allowable exceptions will be made for value added services.

A complete record of all commodity sales transactions shall be kept by the Contractor and shall be submitted for review according to the reporting requirements of the Agreement.
Contractor is responsible for securing markets for recovered materials and maintaining accurate accounting of material quantities, types, pricing, and payments received on all recovered materials at the highest and best price available in the competitive market.

Contractor will market materials to obtain the highest gross revenue from commodity sales.

Following separation and recovery of Authority’s recyclable materials, Contractor will dispose of residuals as approved by the sole discretion of the Authority. The disposal rate for residuals at no time will exceed the cost that would locally be provided by the HWMA.

Contractor will provide monthly documentation in a form satisfactory to the Authority and as required by applicable law documenting the recyclable material tonnage received, processed, marketed and the disposal of residuals.

The Proposer selected will be expected to be flexible and proactive in working with the Authority in order to provide services in an efficient manner and to add or modify services as requested to improve such services throughout the Term of the Agreement.

Proposers are encouraged to provide alternatives in addition to the standard scope of services outlined in Section 4 if they can improve the efficiency, save monies, and/or reduce the disposal of residuals.

5.0 Agreement Arrangements

The procurement schedule in Table 1 designates the schedule to select a Proposer and to finalize the Agreement with the selected Proposer as the Authority’s Contractor. The Agreement will provide Proposer required terms and conditions of the required services and the HWMA’s roles, responsibilities, and obligations.

The HWMA is interested in selecting a Proposer that is willing to negotiate and execute an Agreement in a timely manner.

6.0 Proposal Submittal Instructions

Proposers must provide all information requested in this section and addendum items, if any, as part of their proposals. Attachments 2 and 3 contain the Cost Proposal Forms required to be completed by each Proposer. Failure to provide all required information as listed below may be grounds for rejection of a proposal. The proposal requirements have been separated into the following responses: Qualifications, Financial, Operational, Agreement Acceptance, and Cost Proposal.

6.1 Qualifications Response

State the name and address of the company that will be signing the Agreement and the name, address, phone number, fax number, e-mail address, and title of person to be contacted regarding the proposal. Provide the names of any other company (ies) that will share significant responsibilities as team members in performing under the Agreement.
Describe your company and staff qualifications as they relate to successfully providing recycling, processing and marketing and/or solid waste transfer station and permitted processing facility.

Describe how the Proposer’s material marketing sale programs result in obtaining superior market value.

Describe how the company fosters innovation and high quality performance with proven examples.

Describe any proposed partnerships that could support or enhance recycling diversion efforts.

If companies are submitting as a team, describe any prior successful working arrangements involving similar types of services for similarly sized communities.

6.1.1 Company Information
At a minimum, provide a detailed description of your company and its qualification to provide the requested services in the RFP.

Describe services provided currently, or in the past, to other jurisdictions that are directly relevant to services described in this RFP, including descriptions of relevant contracts and the dates the service was provided.

Include a table that illustrates the distance (mileage) recyclables are transported and tonnage transported for each jurisdiction that utilizes the processing facility proposed to accept recyclable materials from the HWMA.

Provide detailed information regarding the processing facility operations proposed for processing and sale of the Authority’s recyclables. At a minimum, include permitting information; facility design and equipment in-use including a detailed flow chart of system operations; tonnage processed and recovered; residuals remaining as a percentage of tonnage received; and number of full time equivalent personnel employed at the facility.

Provide the name, telephone number, and address for three (3) municipal clients serviced by the Proposer as references for your experience for the services requested in the RFP.

6.1.2 Key Personnel
Provide detailed information on the Company’s personnel to enable the Authority to determine the Company’s personnel qualification to implement the requested services in this RFP.

Provide names and resumes of principal officers, partners, or other officials of the company who will perform significant responsibilities required under the RFP.

Identify the names of individual(s) who will implement the Agreement, and include resumes for each key individual responsible for implementation of the Agreement.
Describe relevant technical experience of key personnel, how long they have been with the company and their backgrounds in solid waste transfer, recycling materials processing and receiving, recyclable marketing services, and customer service.

6.1.3 Compliance, Litigation and Debarment History

Provide detailed information regarding the Proposer’s litigation history. Has any company, partner, or subsidiary proposing on this RFP or any corporate officer been involved within the past ten (10) years in litigation arising from:

- Performance of solid waste contracts or recycling contracts;
- Violation of environmental laws, regulations, permits, or federal antitrust laws; and
- Connection with allegation of corrupt practices.

Has any company, partner, or subsidiary in this venture, or any corporate officer, been the subject of any enforcement action, order, decree, or notice of violation of any environmental laws, regulations, or permits? If an answer is "yes," please explain fully.

Provide details of any past or pending litigation against the Proposer or its parent company or joint venture company (ies) by a governmental entity contracting with the Proposer or its parent for services relating to waste management services, or against such a governmental entity by the Proposer or its parent company or joint venture in the past five (5) years. Failure to disclose an accurate litigation history may result in disqualification of the proposal.

Proposer must provide information detailing its worker safety record for the past five (5) years for the company and its affiliates in California or pertinent State(s) where it operates.

The worker safety record information will include, but not be limited to, employee safety metrics commonly used in the industry such as the number of hours lost for individual injuries per employee and workers’ compensation insurance ratios.

6.1.4 Environmental Compliance

List any environmental compliance-permit violations incurred by the company, partner or subsidiary in this venture, or sub-Proposer in the past five (5) years for similar types of facilities operated within Northern California.

6.2 Financial Response

Provide support that the Proposer has financial resources sufficient to undertake the proposed services.

Provide audited financial statements, including income and balance sheets for the contractually responsible party and any parent company and joint venture company (ies),
for the most recent three (3) complete fiscal years and an audited statement through the most recently completed quarter of the current fiscal year.

- Provide a statement from the chief financial officer indicating that there has been no material change in the financial circumstances of the proposing entity (or its parent or owners if they are providing financial assurance of performance) since the date of the last audited statements.

6.3 Operations Response
Operations information supplied by the Proposer should focus on the methods of performing the services required under Section 4, Scope of Services. Proposers should describe in detail the proposed method for providing the following services requested in the RFP.

- Describe the number and nature of jobs created or retained for providing the services requested in the RFP over the life of the contract period, including location of jobs, pay scale and benefit package for each job category.

- Describe the safety and training plans at the facilities, and safety plans for the drivers and collection trucks using the facility.

- Provide a table showing the position and number as full-time equivalents (or partial FTE) of all company employees that will be involved with providing these services.

6.3.1 Recyclables Receiving and Processing
The Proposer will be required to locate and operate a recyclables receiving and processing facility to 1.) Receive recyclables from the Member Agencies franchise haulers; and 2.) Transport mixed-stream recyclable materials from the Authority’s Eureka Recycling Center. The Proposer’s facility must be located within any one of the Authority’s Member Agency jurisdictions. Proposers are required to submit the following information on the facility:

- Address of the recyclables receiving facility. Provide a site map(s) showing the facility and its location to the surrounding area.

- Describe the facility layout and features in detail including the square footage of the building and the square footage of the recyclable receiving area.

- Describe the load receiving and inspection procedure proposed for use at the facility.

- Describe how the Proposer will collect and transport mixed sourced recyclable materials from the Authority’s Eureka Recycling Center to a local processing facility.

- Detail the staffing levels and equipment requirements that will be employed by the Proposer to process the materials. Identify the location, function and work hours for the personnel.

- Complete Attachment 3 “Distance from Each Member Agency to the Proposer’s Proposed Receiving and Processing Facility”.

September 2017 REQUEST FOR PROPOSALS PROCESSING AND MARKETING OF RECYCLABLE MATERIAL

Item 5)
Describe how the Proposer will maintain safe and efficient unloading procedures of Authority’s recyclables.

Describe how materials will be received and managed on the tipping floor of the processing facility.

Proposer will provide a detailed Materials Marketing Plan as part of the proposal submission.

The Marketing Plan shall include: 1) a materials specifications section that lists the materials specifications for the markets/vendors used by the Proposer, 2) a materials marketing contingency section that discusses how the Proposer will manage a change in market conditions, 3) a list all of the Proposer’s commodity buyers.

Description of the experience, history, and volumes marketed by your materials marketing staff/agent.

List the volumes and sale price by commodity types that will be produced by the Authority that have been sold by the Proposer (from Northern California) over the last 12 months.

Provide a detailed description of a proposed revenue sharing program with the Authority for materials recovered and sold by the Proposer.

6.4 Agreement Acceptance Response
The HWMA is interested in selecting a Proposer that is prepared to negotiate and execute an Agreement in a timely manner.

7.0 Cost Proposal and Cost Form
Receiving cost effective and efficient recyclable processing and marketing services is a priority for the HWMA Member Agencies. The Proposer is required to submit its cost proposals using the Cost Forms in Attachment 2 for this submittal. The Attachment 2 Cost Form is divided into two (2) separate components:

Form #1, Standard Cost Proposal
A. Receiving Facility Cost: The determination of the cost per ton by the Proposer related to the operation of a recyclables material receiving and loading facility.

B. Transportation Cost: The determination of the cost per ton related to the transportation of the Authority’s mixed recyclable materials from the Eureka Recycling Center to the Proposer’s processing facility.

C. Processing Cost: The determination of the cost per ton related to the processing of the Authority’s recyclable materials at the Proposer’s processing facility.

D. Summation of All Cost Components: Proposers are required to sum Cost Components
Form #2, Cost Proposal with Revenue Sharing
The Attachment 2 Cost Form #2 with Revenue Sharing includes the Cost Components listed above less a share of the sale revenues of commodities per ton:

- **A. Receiving Facility Cost:** The determination of the cost per ton by the Proposer related to the operation of a recyclables material receiving and loading facility.

- **B. Transportation Cost:** The determination of the cost per ton related to the transportation of the Authority’s mixed recyclable materials from the Eureka Recycling Center to the Proposer’s processing facility.

- **C. Processing Cost:** The determination of the cost per ton related to the processing of the Authority’s mixed and source-separated recyclable materials at the Proposer’s processing facility.

- **D. The Determination of the Revenue per Ton from the Sales of Recyclables Credited Back to the HWMA.** We understand that this will be based on the items included in the final agreement and revenue may vary in response to periodic market conditions. Proposer should propose a method for sharing revenue and demonstrate projected revenue at the date of the bid submittal and allow for annual market adjustments.

- **E. Summation of All Cost Components:** Proposers are required to sum Cost Components A, B, C less Component D into one (1) Total Cost per Ton Fee ($) for the services requested by the Authority for this RFP. For future rate escalation and Proposer compensation purposes, the Total Cost per Ton Fee will be the unit cost value submitted by the Proposer.

Section 8.0 Proposal Evaluation and Proposer Selection

8.1 Proposal Evaluation Procedures
The proposals will be evaluated based on their content, completeness, and clarity. Specific evaluation criteria has been developed that will focus on evaluating the information requested in the RFP. Proposals will be evaluated based on the extent to which they meet evaluation criteria.

Proposals will be evaluated by a RFP Evaluation Committee (RFP Committee) consisting of two (2) HWMA staff members, and a staff member from each of the Authority’s member agencies who have agreed to be a “Participating Agency”. The Authority’s Executive Director will help facilitate the process and support the RFP Evaluation Committee. The Executive Director will be available to answer questions by the RFP Evaluation Committee as needed, but will not have any proposal scoring and ranking voting authority. Each evaluator will review all proposals received using a set of established evaluation criteria that will be applied to identify the relative
strengths and weaknesses of individual proposals.

The ratings from the RFP Committee evaluators will be compiled to determine a preliminary ranking of the proposals based solely on the evaluation criteria. After initial evaluation of proposals and preliminary ranking, the RFP Evaluation Committee may prepare a shortlist of Proposers to be interviewed.

Invitations may be issued to Proposers on the shortlist to make oral presentations to and/or interviews with the evaluation team. Site visits to Proposer’s representative facilities by RFP Committee members may also be conducted as part of the selection process.

Based on the contents of submitted proposals, the results of interviews and oral presentations and site visits, if conducted, along with any other information requested by the HWMA, the review team will prepare a final ranking of the short listed Proposers and present its ranking to the HWMA Board of Directors. After the HWMA Board approval, HWMA staff will enter into negotiations with the selected Proposer to develop an agreement that provides the services outlined in this RFP. The final agreement will be presented to the Board for approval.

In the event the negotiations with the selected Proposer are unsuccessful, the HWMA may designate another Proposer from the list of shortlisted Proposers and enter into negotiations with that Proposer.

8.2 Proposal Evaluation Criteria
Proposals will be numerically scored and ranked using the criteria and weighting described in this section. The scores assigned will reflect the extent to which criteria is satisfied relative to other proposals. The evaluation criteria and maximum score that can be achieved for each criterion are presented in Table 6.

<table>
<thead>
<tr>
<th>Proposal Evaluation Criteria</th>
<th>Maximum Evaluation Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost proposal</td>
<td>40</td>
</tr>
<tr>
<td>Operations proposal</td>
<td>30</td>
</tr>
<tr>
<td>Company qualifications and experience</td>
<td>15</td>
</tr>
<tr>
<td>Environmental enhancements, workforce compliance, litigation history and other considerations</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Maximum Score</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The potential factors that may be considered by the proposal evaluation team when developing the score for each criterion are presented below. Proposer must be fully compliant with the RFP and procurement procedures as demonstrated by submittal of all elements required including completion of the proposal cost form and compliance with proposal submission process.

**Cost Proposal (Maximum 40 points)**

- Reasonableness of Cost Proposal: Logical relationship between proposed costs and operational assumptions for the cost proposal.
- Competitiveness of Cost Proposal: Cost competitiveness relative to other proposals submitted
- Location and distance of the Proposer’s receiving facility to each of the Member Agencies.
- Revenue Sharing Plan: Reasonable relationship between market conditions and potential revenue sharing.

**Operational Proposal (Maximum 30 points)**

- Approach: Reasonableness and reliability of the proposed services (e.g., technology, equipment, and staffing levels); reasonableness of productivity and operating assumptions (operating metrics).
- The number and nature of jobs created or retained in Authority’s Member Agency jurisdictions over the life of the contract period, including pay scale and benefit package for each job category.
- General Operations: Proposed methods of tracking and reporting operational activities such as productivity, staffing levels, and training programs.
- Diversion Plans: Proposed methods to increase diversion of materials at processing facility, plans, and transfer station diversion commitments that the company may guarantee.
- Processing System Design: The efficiency of the processing sorting equipment layout, equipment, personnel and use of technology in the proposed sorting system for the Authority’s recyclables. Scale software system capabilities, reliability, billing and reporting procedures. How the Proposer will handle the Authority’s mixed-stream recyclables in combination with its other single-stream customers, if applicable. The functionality and capabilities of the sorting system including the tons per hour throughput, effectiveness at sorting materials, labor conservation, and employee working conditions.
- Separation Efficiency: Proven effectiveness of the sorting system to deliver clean and fully separated commodity types and the ability of the system to capture recyclables and
reduce residual.

- **Commodity Marketing Experience**: Demonstrated ability to reliably market the Authority’s commodities and obtain the best revenues from commodity sales including: descriptions of current and past materials marketing experiences and purchase contracts with buyers that demonstrate the company’s future price/volume commitments.

Provide copies of all pertinent regulatory permits and contact names for regulatory agencies that monitor the facility’s compliance with applicable local, state, and federal laws.

**Company’s Qualifications and Experience (Maximum 15 points)**

- **Company Experience**: Demonstrated experience of the company in operating transfer stations, transporting waste and other materials, operation of recycling, processing and related facilities.

- **Past Performance Record**: Review of company’s history with litigation and regulatory action (e.g., nature of past and pending civil, legal, regulatory, and criminal actions; history and nature of payments of liquidated damages); regulatory compliance related to equipment and facilities including compliance with land use permits, environmental permits, highway requirements, etc.

- **Key Personnel Qualifications**: Extent and relevance of the qualifications and experience of key personnel proposed for the team and on-going management of the operations.

- **Management**: Demonstrated capabilities of the company’s existing management and its responsiveness to the ongoing needs and requests of customers including: reporting, providing new services, tracking and monitoring operational activities, regulatory compliance, safety record, general quality of operations, billing and collection, scale house performance and management, and administrative services.

- **Financial Stability**: Financial strength and ability of company to acquire equipment and provide financial assurance of performance based on review of its audited financial statements and its proposed financing plan.

- **Jurisdiction References**: Level of satisfaction of jurisdictional customers with Proposer services.

**Environmental Enhancements, Workforce Compliance, Litigation History and Other Considerations (Maximum 15 points)**

- **Green-house Gas (GHG) Emissions**: Reduction in GHG through the use of alternative fuels in trucks and equipment; purchase or generation of renewable power in Proposer’s buildings; the use of carbon offsets to counter atmospheric emissions, or other GHG emission reduction proposals.

- **Market Enhancement**: Identify domestic markets for recyclable materials and propose a
plan for maximizing reuse or recycling within the US.

- PROPOSER must provide information detailing its worker safety record for the past five (5) years for the company and its affiliates in California or pertinent State(s) where it operates.

- The worker safety record information will include, but not be limited to, employee safety metrics commonly used in the industry such as the number of hours lost for individual injuries per employee and workers’ compensation insurance ratios.

- Provide a table showing the position and number as full-time equivalents (or partial FTE) of all company employees that will be involved with providing these services.

- Describe any criminal proceedings in which the Proposer, and/or any director or officer of the proposer or affiliate and any individual identified as key personnel in the proposal has been named as a defendant that are either currently pending or were concluded within the past ten (10) years. For each proceeding, provide the name of the case, the court in which it was filed, and the docket number.

- Describe any civil lawsuit in which the Proposer has been named as a defendant or cross-defendant, either currently pending or were concluded within the past five (5) years. For each lawsuit, provide the name of the case, the court in which it was filed, and the docket number. Lawsuits which involved only claims for personal injury or property damage arising from vehicle accidents which resulted in defense verdicts or in judgments against defendant, or settlements of less than $100,000, need not be disclosed.

- Describe any administrative proceedings involving the Proposer initiated by federal, state, or local regulatory agencies that are either currently pending or were concluded within the past ten (10) years. For each, provide the name of the regulatory Authority, the nature of the proceeding, and the amount of any fines or penalties assessed.

### Section 9 Proposal Submittal Instructions

#### 9.1 Authority Contact and Address
Proposers shall submit all correspondences, questions and the proposal submittal to the following contact individual:

Jill Duffy  
Executive Director  
Humboldt Waste Management Authority  
1059 West Hawthorne Street  
Eureka, CA 95501  
Telephone number: 707.268.8464  
Email: jduffy@hwma.net
9.2 Submittal of Written Questions
HWMA requires Proposer to submit all questions and requests for information in writing (email is acceptable) directly to HWMA at the address listed in Section 9.1. The deadline for submitting written questions and requests for information will be Month Day, Year. HWMA will NOT accept questions or requests for information after Month Day, Year.

9.3 Proposal Submittal Format
The Proposer shall submit (8) double-sided copies in three-ring binders of the complete proposal and one (1) single-sided signed original, no later than 2:00 p.m. on Month Day, Year in a sealed package. In addition, a computer disk containing an electronic copy of the proposal in Adobe PDF (preferred) or Microsoft Word shall be submitted in a sealed package.

Proposals must be printed on 8½” x 11” paper with 30% or greater post-consumer recycled-content paper. All pages shall be consecutively numbered.

The sealed package shall be clearly labeled:

PROPOSAL TO HWMA FOR
“RECYCLING PROCESSING AND MARKETING
OF REGIONAL CURBSIDE COLLECTED RECYCLABLE MATERIALS”
Name of Proposer:

The proposal must be mailed or hand delivered to HWMA’s Business Office address as cited in Section 9.1. Proposals received late will not be considered and will be returned unopened to the Proposer. Postmarks will not be accepted as proof of receipt.

9.4 Clarification of Proposal Information
Proposer may be asked to clarify information through written communications and interviews or during site visits of the Proposer’s processing facility. The clarification process may be performed by HWMA staff, RFP Committee and/or Member Agency staff.

9.5 Presentation to HWMA Board
One or more Proposers may be invited to present their proposals to the HWMA Board and Member Agencies. Invitations to present will be based on evaluation of the proposals at a time to be determined.

9.6 Selection of Recommended Proposers
After the HWMA selects and approves a Proposer, Agreement negotiations will commence. Upon notification of being selected to negotiate a contract, the Proposer will have seven (7) calendar days to provide a surety made payable to the HWMA in the amount of $100,000 and in the form of a cashier’s check or surety bond. The purpose of the surety bond is to guarantee that the Proposer will execute in good faith the Agreement. If the selected Proposer does not execute the Agreement within thirty (30) calendar days after receiving notice of its selection, the HWMA reserves the right to keep the surety to offset potential costs associated with identification of an alternate service provider(s) and schedule delays. Un-cashed checks will be returned to all proposers within ten (10) calendar days after an Agreement is executed.
9.7 Schedule
The schedule for the RFP procurement process is presented in Section 2.4, Table 1.

9.8 Proposal Content
Proposals must be submitted according the following format and include the following information:

1. Cover letter providing:
   - Name, address, and telephone and fax number of Proposer and key contact person.
   - Description of type of organization (e.g., corporation, partnership) submitting proposal.
   - If teaming arrangement with is proposed, describe past working relationships on similar projects.
   - Name of entity that would sign the Agreement.
   - A statement that you have reviewed the requirements of the project as described in this RFP, its enclosures, and all addenda, by listing all addenda and dates received.
   - The cover letter and Forms must be signed by an officer or agent of the Proposer authorized to bind the Proposer. In signing proposal, the Proposer agrees that the terms of proposal and the cost as submitted by Proposer are firm for a period of one year from proposal due date and assures that a performance bond or other instrument as specified in the Agreement will be issued by the Proposer.

2. Executive summary (not to exceed two pages) that highlights the major topics of your qualifications and proposal and clearly states the services the proposal addresses.

3. Responses to all information requested in Section 4. Organize your responses into topics, and address each element following the format outlined below so that all requested information can be readily found.

4. Proposal Outline
Each proposal must address the topics and scope of work as stated in Sections 6 and 7 of the RFP in the following format:

i. Title Page, Cover Letter, Table of Contents, Executive Summary

I. Company Description, Experience and Qualifications Element
   1. Company Information
   2. Company Qualifications
   3. Key Personnel
   4. Personnel and Experience
   5. Litigation History
6. Environmental Compliance

II. Operations Element
   1. Methods and Procedures for Operations of the Recyclable Receiving Facility
   2. Transportation of Materials
   3. Processing Facility (MRF) Operation
   4. Materials Marketing Plan

III. Financial Background Element
   1. Financial Stability, Materially Letter
   2. Financing Method

IV. Proposed Environmental Enhancements Element

V. Agreement Acceptance Component Element

VI. Cost Proposals Element
   1. Cost Proposal Form # 1
   2. Cost Form #2
   3. Anti-Collusion Affidavit Form
   4. Distance from Proposer’s Receiving/Transfer Facility to Member Agencies Form

Appendix, Additional Information – Other information or data relevant to your proposal is optional and may be included as an Appendix to the proposal.
**Attachment 1: Cost Proposal Form #1**

Proposer Name: ____________________

<table>
<thead>
<tr>
<th><strong>A. Receiving Facility Cost:</strong> (Cost per ton related to the operation of a recyclables material receiving and loading facility.)</th>
<th>Receiving Facility Cost ($) = $______/ton</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. Transportation Cost:</strong> (Cost per ton related to the transportation of the Authority’s recyclable materials from the Eureka Recycling Center to the Proposer’s processing facility.)</td>
<td>Transportation Cost ($) = $______/ton</td>
</tr>
<tr>
<td><strong>C. Processing Cost:</strong> (Cost per ton related to the processing of the Authority’s recyclable materials at the Proposer’s processing facility.)</td>
<td>Processing Cost ($) = $______/ton</td>
</tr>
<tr>
<td><strong>D. Summation of All Cost Components:</strong> (Sum Cost Components A, B and C into one (1) Total Cost per Ton Fee ($) for the services.)</td>
<td>Total Cost Components ($) = $______/ton</td>
</tr>
</tbody>
</table>
## Attachment 2: Cost Proposal Form #2, Revenue Share

<table>
<thead>
<tr>
<th>Proposer Name: ____________________</th>
</tr>
</thead>
</table>

### A. Receiving Facility Cost:
(Cost per ton related to the operation of a recyclables material receiving and loading facility.)

Receiving Facility Cost ($) = $________/ton

### B. Transportation Cost:
(Cost per ton related to the transportation of the Authority’s recyclable materials from the Eureka Recycling Center to the Proposer’s processing facility.)

Transportation Cost ($) = $________/ton

### C. Processing Cost:
(Cost per ton related to the processing of the Authority’s recyclable materials at the Proposer’s processing facility.)

Processing Cost ($) = $________/ton

### D. Revenue Share:
(Revenue share related to the sales of HWMA recovered materials.)

- Mixed Recycling Revenue Share ($) = $________/ton
- Source-Separated Revenue Share ($) = $________/ton

Total Revenue Share ($) = $________/ton

### E. Summation of All Cost Components:
(Sum Cost Components A, B, C, less Component D into one (1) Total Cost per Ton Fee ($), Component D for the services.)

Total Cost Components ($) = $________/ton
### Attachment 3: Distance from Proposer’s Receiving facility to Member Agencies Form

Proposer Name: ____________________

<table>
<thead>
<tr>
<th>Selected Centroid Location</th>
<th>Proposer’s Receiving/Transfer Location</th>
<th>One Way Distance (Miles) From Each Centroid to Proposer’s Receiving/Transfer Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 South G Street, Arcata, CA 95521</td>
<td></td>
<td></td>
</tr>
<tr>
<td>111 Greenwood Road, Blue Lake, CA 95525</td>
<td></td>
<td></td>
</tr>
<tr>
<td>949 West Hawthorne Street, Eureka, CA 95501</td>
<td></td>
<td></td>
</tr>
<tr>
<td>965 Riverwalk Drive, Fortuna, CA 95540</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attachment 4 Anti-Collusion Statement Form

The undersigned Proposer has not divulged to, discussed, or compared his/her proposal with other Proposers and has not colluded with any other Proposer or parties to the proposal whatsoever. Proposer acknowledges that all information contained herein is part of the public domain as defined in the guidelines in Section 2.7 Limits on Disclosure of Proposals as stated in the RFP and as governed by the State of California.

I certify that this proposal is made without prior understanding, agreement or connection with any corporation, firm or person submitting a proposal for the same service, and is in all respects fair and without collusion. I agree to abide by all conditions of these proposal specifications and I certify that I am authorized to sign this proposal.

(Please type or print below)

Executed under penalty of perjury on this ______ day of ________, 2016 at _______.

SIGNED BY: ____________________________________
TITLE: _________________________________________
ORGANIZATION: _______________________________

Subscribed and sworn to before me this ______ day of ________, 2015 at _______.

Notary Public
My Commission expires:
Staff Report

DATE: August 30, 2017 For Meeting of: September 14, 2017

FROM: Jill Duffy, Executive Director

SUBJECT: Item 7
Executive Director Report for September 2017

RECOMMENDED ACTION: Informational Only.

Administration

Tour of Recology’s San Francisco Transfer Station (Tunnel Ave) and Recycle Central/Pier 96 (Amador Street)

Linda Wise, General Manager of Recology Humboldt, invited City of Eureka staff members and myself to a tour of their solid waste and recycling materials recovery facility located in San Francisco on Friday, July 21.

With a Zero Waste goal, Recology has implemented a series of diversion program and services to prevent the landfiling of materials including recycling, household hazardous waste diversion, universal and electronic waste, recycling of construction and debris material (Sustainable Crushing program) and greenwaste/organics composting program. One of the interesting diversion activities that caught our attention is a Styrofoam densification machine – this enables segregated styrofoam to be broken up and then compressed into 8 x 8’blocks. This material may then be marketed for reuse and recycling.

Recycling Central is located in a 185,000 square foot facility, with approximately 750 tons of material sorted daily. In addition to the automated sort lines, the facility employs over 180 employees. The lines include a series of conveyer systems, manual and optical sort activities, to enable separation and contaminant removal activities. Material is then baled and transported to recycling markets.

A short video will be shown at the meeting.

Website Development
We have found, and corrected, a few necessary revisions to the website. We will continue to fine tune and update.
Presentation to Kiwanas Club - McKinleyville
Myself and Tasha Eisner of Humboldt Sanitation provided a presentation of solid waste and
diversion services, transportation and disposal to the Kiwanas Club of McKinleyville on
Tuesday, August 22nd.

Cummins Road Burn Ash Debris Mitigation, Monitoring & Reporting – Year 3
As part of the (former) Cummings Road Burn Ash Debris project that removed 91,600 cubic
yards of material from properties owned by HWMA and Recology in 2014, the Authority is
required to perform 5 years of mitigation, monitoring and reporting on the project site.

On June 26th, staff initiated debris and bottle removal in the project area for the third consecutive
year. Clean up activities were completed June 30th, and Daily Field Reports were submitted to
the NCRWQCB. The Vegetation Survey is scheduled to occur between September and October.
Following completion of these two items, the annual report will be prepared and submitted to the
North Coast Regional Water Quality Control Board by December 31st of this year.

Forest Property Acquisition
Staff and legal counsel finalized the forest property acquisition efforts. The escrow account was
opened, preliminary title reports received with final review and purchase was completed on
Friday, September 1, 017

Sholes Overhead
Replacement of the eight (8) roll-up door motors at the Hawthorne Street Transfer Station was
completed in August.

Trash Clean-up Around Facility
A total of 800 pounds of trash was removed from areas around the transfer station associated
with homeless encampments on August 1st. Removal of trash from Palco Marsh to the west of
HWMA’s facility was 480 pounds, and from the vacant property across the street was 360
pounds.

Operations
Landfill
August
• Gina Morrison from NCRWQCB performed the 1st Semiannual inspection of the landfill,
burn ash dump site & S-9 steam (Ryan Creek).
• Craig Greenlee from County Environmental Health performed the 2nd Quarterly
inspection of the landfill.
• Submitted information to Golder & Associates information necessary to prepare the 1st
Semiannual (January through July) ground water monitoring report in accordance with
the WDR.
• Parameter, & Seep surface water sampling ended for 2017 because there is “No Flow” at
some of the sampling points.
• Sent (PWA) all info needed for (May & Junes) water quality monitoring report. Staff will
not sample again until flow is discharging from the lowest gabion dam S-1a above S-1 or
from S-8; and/or the initial seep inspection that is required prior to October 1st.
• Gen 2000 has been sent in for calibration & Certificate. Certificate will be sent to (L&A) for the Annual AB-32 monitoring report.
• Sierra Mass Flow meter was sent in for Calibration & Certificate as well. Certificate will also be sent to (L&A) for the annual AB-32 monitoring report along with other info needed.
• Maintenance for the month of July.
  o Leachate compressor solenoid replaced.
  o Flare compressor received its regular two-month tune up, (oil, oil filter, air filter) & has been checked out and is in good condition.
  o A water drain has been put down at the (NSP) for draining the other side of the road where it ponds at. This will drain the water that is next to (GMP-5) & will help below the area where the deer & rodents have walked and caused holes so water collect and creates erosion. This was also put in Craig Greenlee’s inspection report at the beginning of the year.
  o Belts for Blower 2 have been replaced. They were showing signs of wear.
  o Staff has been working on removing the brush from roads on the foot print of the landfill. Brush can get very thick and out of control along with the pampas grass that is part of the post closure monitoring & operation plan for the Cummings Road Landfill.
  o Safety meeting for the month was on landfill safety and what procedure to follow if one of the landfill staff gets hurt in the field. All monitoring, sampling, testing, maintenance, reporting, adjustments, record keeping & scheduling of duties has been completed for the month.
• Site tour was provided to interested HWMA employees who work at the Transfer Station

Programs:

Household Hazardous Wastes:

Permanent Red Shed Collection Events:

August 5
The First Saturday collection event had 124 attendees delivering household hazardous wastes for disposal.
Additionally, 264 residential customers dropped off HHW throughout the month of July.

Tire Amnesty Grant
The Authority received notification that HWMA was granted $88,180 for the FY 17-18 Local Government Waste Tire Amnesty (TA4) grant cycle. These funds will be used to receive and properly dispose of tires at no-cost to residents. This grant will be administered in a similar fashion to prior years, where coupons will be administered to member agencies for distribution to residents. The “Coupon” program will begin early 2018 and run for upwards of 16 months, depending on funds available. In conjunction with the “Coupon” program, amnesty days will be held in the cities of Garberville, Mckinleyville and Ferndale. These sites were chosen based on past year collection event numbers. More info and dates will be available at a later time.
**Household Hazardous Waste Grant**
The Authority received notification that HWMA was granted $66,958 for the FY 17/18 Household Hazardous Waste Discretionary Grant (HD29) grant cycle. These funds will be utilized in three ways. $19,708.00 will be used for continuing education and outreach regarding the Fixed Facility located at Hawthorne St. and the opportunities for disposal it offers residents. $44,250.00 will be used to completely revamp the current floor of the onsite Fixed Facility. Finally, $3,000 is retained for administration of grant activities.

**Annual Jurisdiction EAR’s**
Staff completed and submitted the yearly EAR reports for Unincorporated Humboldt County and the cities of Eureka and Rio Dell. The 2016 EAR marks the first year in the next 4-year review cycle by CalRecycle. This cycle will have a heavy focus on AB1826 implementation and monitoring.

**CalRecycle Yearly State of Disposal and Recycling in California 2017 update**
For the 3rd year in a row, the diversion rate for the state as a whole continued to decline. In 2014 the diversion rate was 50%, 2015 46% and in 2016 the rate was 44%. It is projected that in order to meet the 75% diversion mandate imposed by AB341 by 2020, the State of California needs to remove close to 24 million tons of waste from the waste stream.