

**BOARD OF DIRECTORS**

Sofia Pereira, City of Arcata,
 Elaine Hogan, City of Blue Lake
 Leslie Castellano, City of Eureka
 Michael Sweeney, City of Ferndale, **Chair**
 Rex Bohn, County of Humboldt
 Frank Wilson, City of Rio Dell, **Vice Chair**

Agenda

Thursday, March 14, 2019 at 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. Welcome New Members****3. Consent Calendar**

All matters listed under the Consent Calendar are considered to be routine by the HWMA Board and will be enacted upon by one motion, unless a specific request for review is made by a Board Member or a member of the public. The Consent Calendar will not be read. There will be no separate discussion of these items unless pulled for discussion.

- a. Approve Minutes from the January 10, 2019 HWMA Board of Directors Meeting.
- b. Receive December 2018-19 Financials
- c. Receive January 2018-19 Financials

4. 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.

5. HWMA Overview Presentation - Informational**6. Presentation by 4R Planet - Informational****7. Board Member Reports****8. Executive Director's Report****9. Closed Session:** Closed session pursuant to Government Code 54956.8 Real Property to consider potential purchase.

- a. Property APN 007-011-002; HWMA negotiator: Executive Director; Negotiating parties: City of Eureka; Under negotiation: price and terms.

10. Adjourn



BOARD OF DIRECTORS

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

Minutes

Thursday, November 8, 2018 at 5:30 PM
Eureka City Council Chambers
531 K Street, Eureka, CA

Present: Frank Wilson, Michael Sweeney, Sofia Pereira, Rex Bohn, Heidi Messner, Summer Daugherty
Staff: Jill Duffy, Tyler Egerer, Eric Keller-Heckman, Deirdre Hanners
Legal Counsel: Nancy Diamond

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

Chairman Sweeney called the meeting to order at 5:30 p.m. A quorum was present and acting.

2. Welcome New Members

Item tabled to a future meeting.

3. Consent Calendar

- a. Approve Minutes from the November 8, 2018 HWMA Board of Directors Meeting.
- b. Receive November 2018-19 Financials
- c. Approve Amendment No. 2 to Employment Contract with Executive Director.

Chairman Sweeney opened the floor to public comment regarding the Consent Calendar. No comment was received.

Chairman Sweeney closed the floor to public comment.

Motion: Director Pereira Moved and Director Messner Seconded the motion to approve the Consent Calendar.

Action: Approve the Motion as made by Director Pereira and seconded by Director Messner by the following vote:

Ayes: Wilson, Sweeney, Pereira, Bohn, Messner, Daugherty

Nays: None

4. Oral and Written Communications

Chairman Sweeney opened the floor to public comment regarding items not on the consent calendar. No comment was received.

Chairman Sweeney closed the floor to public comment.

5. Receive FY 2017-18 Fiscal Audit Report.

Executive Director Duffy and Director of Finance and Administrative Services Egerer presented the FY 2017-18 audit.

Chairman Sweeney opened the floor to public comment regarding the FY 2017-18 Audit report and direction to negotiate an extension with the current auditor. No comment was received.

Chairman Sweeney closed the floor to public comment.

Motion: Director Messner Moved and Director Pereira Seconded the motion to receive and file the FY 2017-18 Fiscal Audit Report.

Action: Approve the Motion as made by Director Messner and seconded by Director Pereira by the following vote:

Ayes: Wilson, Sweeney, Pereira, Bohn, Messner, Daugherty

Nays: None

March 14, 2019

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- Motion:** Director Messner Moved and Director Daugherty Seconded the motion to authorize the Executive Director to negotiate an extension with JJACPA, Inc. for auditor services for a period of up to three (3) years.
- Action:** Approve the Motion as made by Director Messner and seconded by Director Daugherty by the following vote:
- Ayes:** Wilson, Sweeney, Pereira, Bohn, Messner, Daugherty
- Nays:** None

6. Receive Presentation on the North Coast Recycling Market Development Zone

Allison Tans, Economic Development Specialist for the County of Humboldt, presented an update on efforts related to the North Coast Recycling Market Development Zone.

Chairman Sweeney opened the floor to public comment regarding the RMDZ presentation. No comment was received.

Chairman Sweeney closed the floor to public comment.

7. Receive and File FY 2018-19 Mid-Year Budget Adjustments

Chairman Sweeney opened the floor to public comment regarding the mid-year budget adjustments. No comment was received.

Chairman Sweeney closed the floor to public comment.

- Motion:** Director Pereira Moved and Director Daugherty Seconded the motion to receive and file the Fiscal Year 2018-19 mid-year budget adjustments.
- Action:** Approve the Motion as made by Director Pereira and seconded by Director Daugherty by the following vote:
- Ayes:** Wilson, Sweeney, Pereira, Bohn, Messner, Daugherty
- Nays:** None

8. Board Member Reports

Reports were received from the following Directors:

Director Wilson reported on the new alternate for the City of Rio Dell, Councilmember Brian Richter;

Director Daugherty reported that she and her current alternate, Councilmember Elaine Hogan, would be discussing which of the two would serve as the primary member of the HWMA Board of Directors.

Director Messner reported that she would be serving as alternate in the future, with Councilmember Leslie Castellano serving as the new primary member of the HWMA Board of Directors.

9. Executive Director's Report

Executive Director Duffy discussed her written Executive Director's report and highlighted ongoing no-charge Christmas tree disposal at the Hawthorne Street Transfer Station and an upcoming closure of the Hazardous Waste facility related to facility improvement construction.

Chairman Sweeney opened the floor to public comment regarding the Executive Director's report. No comment was received.

Chairman Sweeney closed the floor to public comment.

10. Closed Session: No Closed Session

11. Adjourn

Chairman Sweeney adjourned the meeting at 6:26 p.m.

Next Meeting: February 14, 2019 at 5:30 p.m. at Eureka City Hall Council Chambers.



Staff Report

DATE: March 14, 2019

FROM: Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 3b)
Receive December 2018 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve December 2018 Financial Reports.

DISCUSSION:

Each month, staff presents an update on the Authority's financials based on activity to-date for the 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 12/31/2018* 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 2018-19 activity to date include:

- a) Consistently strong activity through all divisions is resulting in increased revenue and expenses over initial budget estimates, as additional tonnage produces not only more revenue, but more disposal expenses.
- b) Upcoming expenses related to semi-annual payments for long-term debt will have a significant impact on cash and cash equivalents (Attachment A), which are currently higher than average. These large expenditures result in a slight ballooning of cash-on-hand prior to their payment in November and May of each Fiscal Year.
- c) Quarterly expenses related to AB939 and program fee payments to member agencies, as well as annual depreciation expenses, will have a significant impact on overall performance, reducing current increases in net position to levels closer to budget estimates through half the current Fiscal Year.
- d) Stormwater improvements, on- and off-facility, have increased expenses related to mitigating future stormwater issues and bring the facility in compliance with regulatory requirements. Increases for these expenses are presumed to be ongoing and highly monitored to produce better estimates for spending in future budgets.

The Authority’s cash position is comprised of two accounts; 1) the Authority’s checking account, which handles the day-to-day expenses; and 2) the savings account. The combined value of these accounts equals the total cash available for Authority reserves and operating cash. The current value of the Authority operating fund and combined reserve funds are as follows:

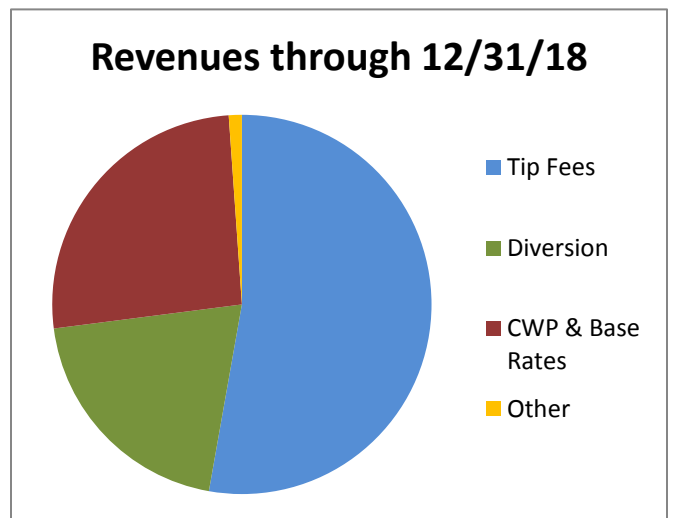
HWMA Operating Fund:	\$2,573,998.55
HWMA Undesignated, Capital, Personnel, and Stabilization Funds:	\$2,407,349.00

Authority Financials:

Attachments A and B contain detailed balance sheet and income statement (*Statement of Operations*) information for the December 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.

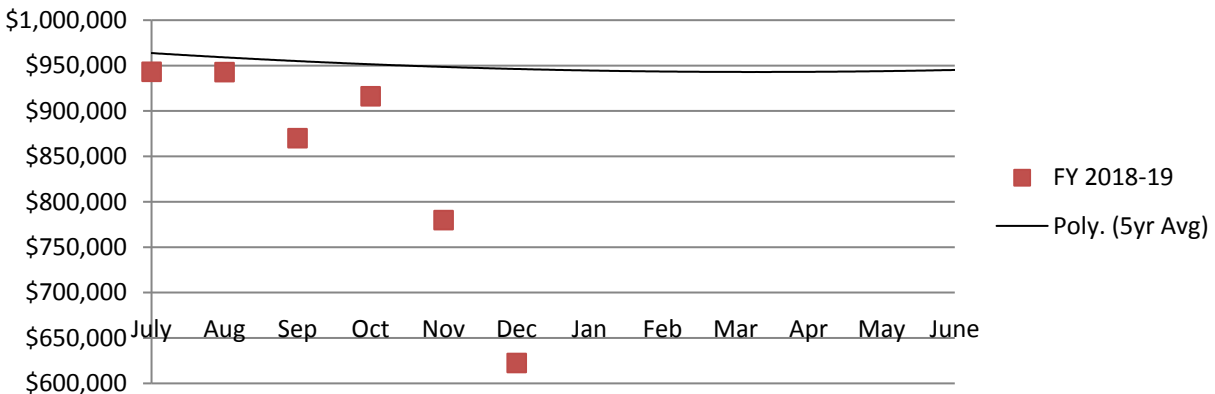
Revenues for December are performing approximately 17% over projections of budgeted estimates for Fiscal Year 2018-19. These estimates encapsulate all activity throughout the Authority, although finances will be influenced by future payouts for fees passed through to Member Agencies, revenue shares for salvaged materials sales, and the delayed receipt of grant revenues for grant-based projects.

Staff continue to monitor diversion 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.



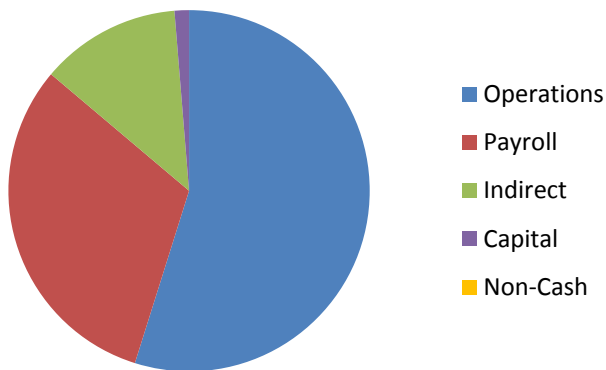
Based on the above factors, and to facilitate long-term planning – relative to the Fiscal Year – for the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity against an annual 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.

Revenue: Real Year-to-Date Earnings vs. Five-Year Trend



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.

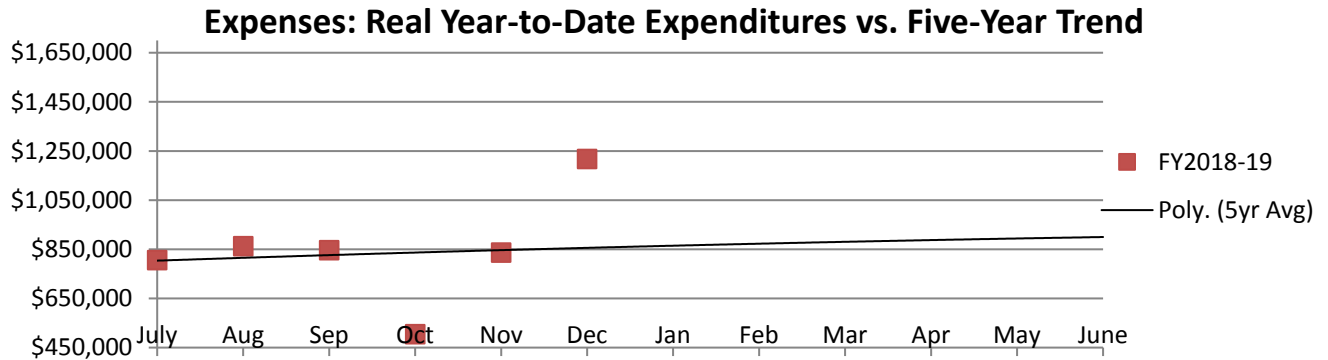
Expenses through 12/31/18



Expenses for December are also above budget projections. Total Expenses are approximately 5% above budgeted estimates, but do not yet include some one-time expenses related to depreciation of Authority assets, and quarterly payments to Member Agencies for pass-through and recycling fees. Additionally, increases above budgeted estimates are mostly related to increased solid waste tonnage disposed, which is offset by a similar increase in revenue as referenced above.

Payroll expenses are in line with current budget estimates. Due to several work-place 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. This cost will continue in Fiscal Year 2018-19, however improvements in employee and operational safety have reduced the number of new incidents at all facilities, which will improve this cost in future years.

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 December. These disbursements are comprised primarily of day-to-day costs, representing approximately \$467,000 in transportation and disposal costs and approximately \$76,000 in CRV reimbursement payments to the general public. Additionally, permitting costs for the Cummings Road Landfill totaling \$70,781, through the State Water Resources Board were paid in December.

Division Activities (as Summarized in Attachment C):

Activity for all divisions is trending slightly higher than the previous fiscal year, fitting in line with recent trends throughout the past two fiscal years, and assisted by alternating weather patterns (dry stretches leading to increased construction work, early spring cleaning, etc.; and wet stretches leading to increased green waste production).

Attachments:

- A) Authority Balance Statement, December 2018
- B) Authority Statement of Operations, December 2018
- C) Activity Report, December 2018
- D) Cash Disbursements, December 2018

Attachment A
Humboldt Waste Management Authority
Statement of Net Position
For the Six Months Ending 12/31/2018

	12/31/2018	6/30/2018
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash and Investments	\$5,409,776	\$4,782,927
Accounts Receivable:		
Customer (Net of Doubtful Accounts)	742,947	897,570
Deposits	19,500	19,500
Total Current Assets	6,172,223	5,699,997
Noncurrent Assets:		
Capital Assets:		
Property, Plant and Equipment, Net	4,815,780	4,710,242
Waste Authority Contract	221,171	221,171
Total Noncurrent Assets	5,036,951	4,931,413
Total Assets	11,209,174	10,631,410
Deferred Outflows: Pension Plan	435,580	435,580
Total Assets and Deferred Outflows	11,644,754	11,066,990
 LIABILITIES, DEFERRED INFLOWS AND NET POSITION(DEFICIT)		
Current Liabilities		
Accounts Payable and Accrued Liabilities	922,567	764,056
Accrued Payroll	149,697	203,985
Customer Deposits	2,350	2,350
Total Current Liabilities	1,074,614	970,391
Noncurrent Liabilities		
Long-term Debt Due After One Year	2,888,823	3,291,174
Net Pension Liability	476,183	476,183
Estimated Closure and Post-Closure Care Costs	9,894,371	9,894,371
Total Noncurrent Liabilities	13,259,377	13,661,728
Total Liabilities	14,333,991	14,632,119
Deferred Inflows: Pension Plan	109,711	109,711
Deferred Inflows: Unavailable Revenue	66,298	46,999
Total Liabilities and Deferred Inflows	14,510,000	14,788,829
 NET POSITION (DEFICIT)		
Net Investment in Capital Assets	2,148,128	1,640,239
Unrestricted (Deficit)	(5,869,966)	(4,108,062)
Total Net Position	856,592	(1,254,016)
Total Liabilities, Deferred Inflows and Net Position	11,644,754	11,066,990

Humboldt Waste Management Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Six Months Ending 12/31/2018

	<i>YTD</i>			
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
OPERATING REVENUES:				
Gross Waste Management Fees	5,011,557	4,318,342	693,215	16.05%
Less: Pass-Through Fees	889,219	881,539	7,680	.87%
Net Waste Management Fees	<u>4,122,338</u>	<u>3,436,803</u>	<u>685,535</u>	<u>19.95%</u>
Green Waste Fees	170,144	183,350	(13,206)	(7.2%)
Other Fees and Charges	(1,402)		(1,402)	-
Other Operating Revenues	960,204	852,500	107,704	12.63%
Total Operating Revenues	<u>5,251,284</u>	<u>4,472,653</u>	<u>778,631</u>	<u>17.41%</u>
OPERATING EXPENSES:				
Operations and Maintenance	3,791,800	2,768,660	1,023,140	36.95%
Administrative and General	753,606	1,458,543	(704,937)	(48.33%)
Professional Services	45,655	27,998	17,657	63.07%
Depreciation and Amortization		210,279	(210,279)	(100%)
Closure-related Expenses		365	(365)	(100%)
Other Expenses	483,344	358,372	124,972	34.87%
Total Operating Expenses	<u>5,074,405</u>	<u>4,824,217</u>	<u>250,188</u>	<u>5.19%</u>
Operating Income (Loss)	<u>176,879</u>	<u>(351,564)</u>	<u>528,443</u>	<u>(150.31%)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Income	50		50	-
Rental Income (Net of Expenses)	60,045	(62,310)	122,355	(196.36%)
Grant Revenue		94,196	(94,196)	(100%)
Grant Expense	(20,086)	(95,856)	75,770	(79.05%)
Interest Expense	(27,768)		(27,768)	-
Total Nonoperating Revenues (Expens...	<u>12,241</u>	<u>(63,970)</u>	<u>76,211</u>	<u>(119.14%)</u>
Change in Net Position	<u>189,120</u>	<u>(415,534)</u>	<u>604,654</u>	<u>(145.51%)</u>

Attachment C
Activity Report
July 1, 2018 - December 31, 2018

Waste Tonnage	Tonnage			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Hawthorne						
Franchise	22,107	22,120	99.9%	\$2,850,789	\$2,850,914	100.0%
Self Haul	10,787	10,070	107.1%	\$1,686,665	\$1,604,803	105.1%
Subtotal	32,894	32,190	102.2%	\$4,537,454	\$4,455,717	101.8%
Humboldt Sanitation	2,764	2,611	105.9%	\$272,464	\$257,361	105.9%
ERD	2,486	2,043	121.7%	\$245,015	\$199,550	122.8%
TOTAL.	38,144	36,844	103.5%	\$5,054,934	\$4,912,629	102.9%
Greenwaste	2,300	1,860	123.7%	\$170,067	\$141,894	119.9%
Household Hazardous Waste						
	Customers			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Commercial	252	307	82.1%	\$ 17,580.40	\$ 37,311.46	47.1%
Residential	2,208	1,678	131.6%	\$ 3,046.11	\$ 17,191.07	17.7%
Fortuna Residential	0	1	0.0%	\$ -	\$ 60.00	
Revenue from Countywide Fee				\$ 257,174.15	\$ 205,783.12	125.0%
TOTAL.	2,460	1,986	123.9%	\$277,801	\$260,346	106.7%
Traffic Count	Average Daily Count YTD	Exceptions		Average Daily Count Prior YTD	Exceptions	% of Prior
July	353			353	None	100.0%
August	344			338	None	101.8%
September	342			340	None	100.6%
October	324			360	None	90.0%
November	324			301	None	107.6%
December	303			320	None	94.6%
January				299	None	0.0%
February				304	None	0.0%
March				313	None	0.0%
April				328	None	0.0%
May				333	None	0.0%
June				354	None	0.0%
Year-to-Date Average	332			335		98.9%

Attachment D
December 2018
Disbursements

Paid To	Amount	Paid To	Amount
Access Humboldt	\$101.09	Mike Nickols	\$300.00
Advanced Superior Alarms	\$153.00	Mission Uniform & Linen	\$1,614.15
Advantage Financial Services	\$237.62	Munnell & Sherrill, Inc	\$39.38
Airgas USA LLC West Division	\$85.50	Nancy Diamond	\$4,190.50
Alves Inc.	\$1,770.00	Napa Auto Parts	\$92.08
Asbury Environmental Services	\$5,335.95	Network Management Services	\$4,190.24
AT & T	\$397.11	New Directions Environmental M	\$1,200.00
B & B Portable Toilet Company	\$4,933.80	North Coast Journal	\$577.20
Bank Fees	\$3,871.44	North Coast Laboratories, Ltd	\$660.00
Bettendorf Enterprises, Inc.	\$6,457.23	Northern California Gloves	\$441.33
Blue Sky Environmental, Inc	\$2,990.00	Northern California Safety Con	\$80.00
Cardmember Service	\$7,137.46	Oak Harbor Freight Lines, Inc.	\$3,445.10
Cash	\$150.92	P G & E	\$4,192.00
City of Eureka	\$3,432.24	Pacific Motorsports	\$92.23
Cora Williams	\$84.00	Pacific Paper Co.	\$600.03
CRV Cash	\$76,139.00	Peterson CAT	\$1,309.34
Crystal Springs Bottled Water	\$146.00	Picky Picky Picky Store	\$3,693.14
DOWNEY BRAND ATTORNEYS LLP	\$808.50	Pierson Building Center	\$651.82
Dry Creek Landfill, Inc	\$346,781.85	Recology Humboldt County	\$225.00
Eric Mason	\$88.00	Rule Steel Tanks, Inc	\$4,702.00
Financial Pacific Leasing	\$11,940.12	Scrappier's Edge	\$17.71
Franchise Tax Board	\$100.00	SCS Field Services	\$500.00
Francotyp-Postalia, Inc	\$390.12	SETCO	\$1,519.00
Freon Free Inc	\$950.30	Sharps Solutions LLC	\$1,235.00
Hensell Materials	\$244.13	SHN Consulting Engineers and G	\$206.25
HOLT OF CALIFORNIA	\$362.33	Sholes Overhead Door, Inc	\$465.00
Humboldt Community Services Di	\$28.62	Specialty Supply Company	\$71.38
Humboldt Fence Co	\$125.00	State Water Resources Control	\$70,781.00
Humboldt Recycling	\$3,591.78	Stericycle, Inc	\$64,957.50
I-5 Tire, Inc	\$2,649.40	Steve Morris Logging & Contrac	\$6,287.07
Industrial Electric Arcata, In	\$100.00	Suddenlink	\$206.94
James L Able Forestry Consulta	\$4,477.75	Toyota	\$333.08
L & M Renner, Inc	\$9,281.53	US Bank Office Equipment Finan	\$1,044.45
Lawrence & Associates	\$4,229.75	Verizon Wireless	\$456.29
Loral Uber	\$44.45	Wes Green Landscape	\$2,238.08
Lost Coast Communications, Inc	\$600.00		
Mad River Hardwood Co., Inc	\$33,078.52	Payroll Expenses	\$178,862.75
Mad River Union	\$602.00		
Mendes Supply Company	\$128.14	Total Disbursements	\$895,501.69



Staff Report

DATE: March 14, 2019

FROM: Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 3c)
Receive January 2019 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve January 2019 Financial Reports.

DISCUSSION:

Each month, staff presents an update on the Authority's financials based on activity to-date for the 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.

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- a) Consistently strong activity through all divisions is resulting in increased revenue and expenses over initial budget estimates, as additional tonnage produces not only more revenue, but more disposal expenses.
- b) Increases in cash flow through a quiet winter season for the Authority, while customer traffic remains high. This better positions the Authority for implementing various construction and capital improvement projects in the coming spring and summer months.
- c) Stormwater improvements, on- and off-facility, have increased expenses related to mitigating future stormwater issues and bring the facility in compliance with regulatory requirements. Increases for these expenses are presumed to be ongoing and highly monitored to produce better estimates for spending in future budgets.

The Authority's cash position is comprised of two accounts; 1) the Authority's checking account, which handles the day-to-day expenses; and 2) the savings account. The combined value of these

accounts equals the total cash available for Authority reserves and operating cash. The current value of the Authority operating fund and combined reserve funds are as follows:

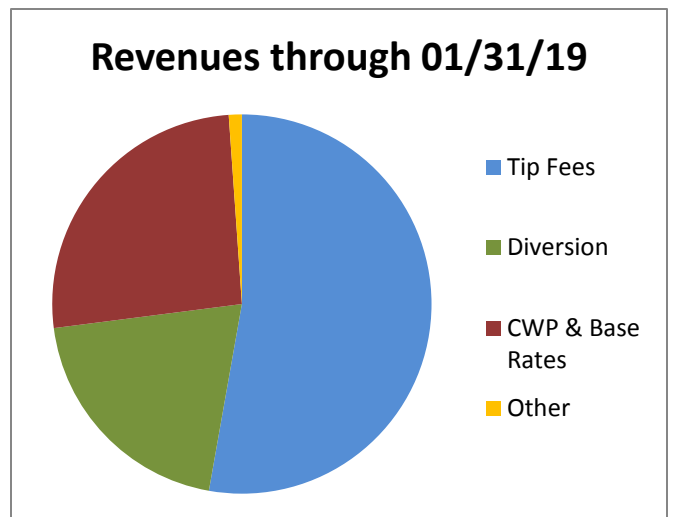
HWMA Operating Fund:	\$2,859,617.35
HWMA Undesignated, Capital, Personnel, and Stabilization Funds:	\$2,407,349.00

Authority Financials:

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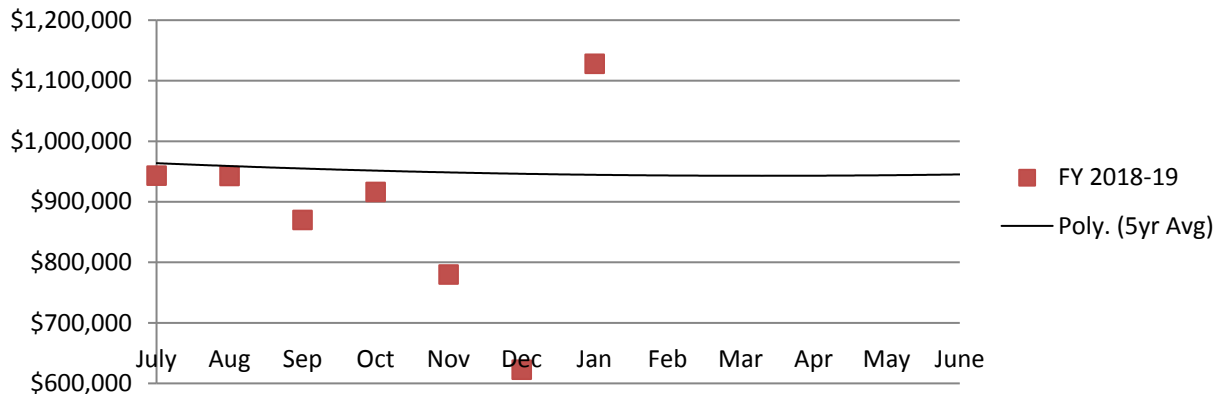
Revenues for January are performing approximately 20% over projections of budgeted estimates for Fiscal Year 2018-19. These estimates encapsulate all activity throughout the Authority, although finances will be influenced by future payouts for fees passed through to Member Agencies, revenue shares for salvaged materials sales, and the delayed receipt of grant revenues for grant-based projects.

Staff continue to monitor diversion 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.



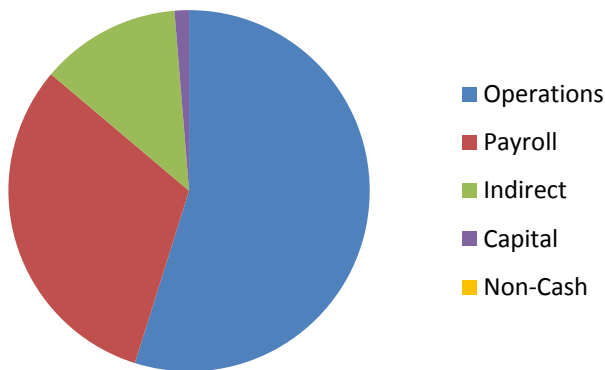
Based on the above factors, and to facilitate long-term planning – relative to the Fiscal Year – for the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity against an annual 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.

Revenue: Real Year-to-Date Earnings vs. Five-Year Trend



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.

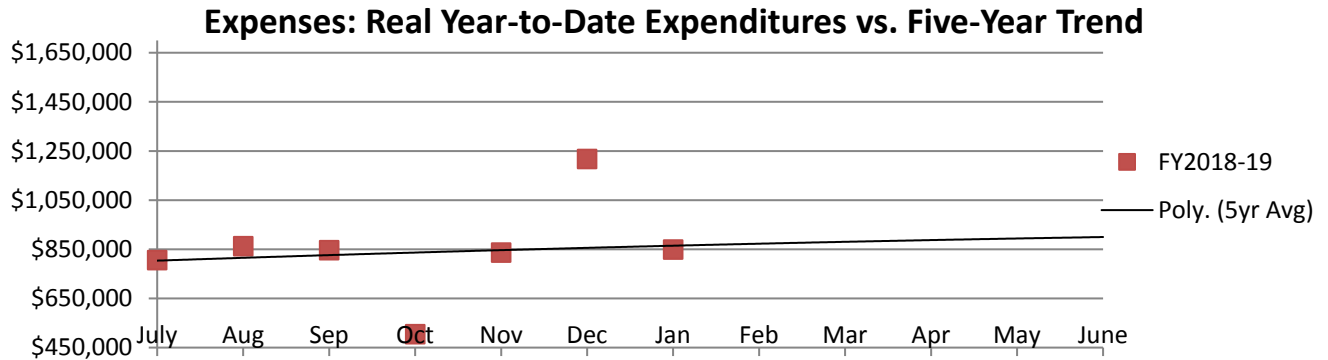
Expenses through 01/31/19



Expenses for January are also above budget projections. Total Expenses are approximately 6% above budgeted estimates, but do not yet include some one-time expenses related to depreciation of Authority assets, and quarterly payments to Member Agencies for pass-through and recycling fees. Additionally, increases above budgeted estimates are mostly related to increased solid waste tonnage disposed, which is offset by a similar increase in revenue as referenced above.

Payroll expenses are in line with current budget estimates. Due to several work-place 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. This cost will continue in Fiscal Year 2018-19, however improvements in employee and operational safety have reduced the number of new incidents at all facilities, which will improve this cost in future years.

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 January. These disbursements are comprised primarily of day-to-day costs, representing approximately \$371,000 in transportation and disposal costs and approximately \$94,000 in CRV reimbursement payments to the general public. Additionally, costs related to the Baykeeper agreement totaling \$7,500 was made to ATA Law Group, and semi-annual costs for groundwater reporting for the landfill were paid in the amount of \$25,533.98.

Division Activities (as Summarized in Attachment C):

Activity for all divisions is trending slightly higher than the previous fiscal year, fitting in line with recent trends throughout the past two fiscal years, and assisted by alternating weather patterns (dry stretches leading to increased construction work, early spring cleaning, etc.; and wet stretches leading to increased green waste production).

Attachments:

- A) Authority Balance Statement, January 2019
- B) Authority Statement of Operations, January 2019
- C) Activity Report, January 2019
- D) Cash Disbursements, January 2019

Attachment A
Humboldt Waste Management Authority
Statement of Net Position
For the Seven Months Ending 1/31/2019

	1/31/2019	6/30/2018
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash and Investments	\$5,696,760	\$4,782,927
Accounts Receivable:		
Customer (Net of Doubtful Accounts)	757,182	897,570
Deposits	66,000	19,500
Total Current Assets	6,519,942	5,699,997
Noncurrent Assets:		
Capital Assets:		
Property, Plant and Equipment, Net	4,911,026	4,710,242
Waste Authority Contract	221,171	221,171
Total Noncurrent Assets	5,132,197	4,931,413
Total Assets	11,652,139	10,631,410
Deferred Outflows: Pension Plan	435,580	435,580
Total Assets and Deferred Outflows	12,087,719	11,066,990
 LIABILITIES, DEFERRED INFLOWS AND NET POSITION(DEFICIT)		
Current Liabilities		
Accounts Payable and Accrued Liabilities	1,079,351	764,056
Accrued Payroll	152,297	203,985
Customer Deposits	20,927	2,350
Total Current Liabilities	1,252,575	970,391
Noncurrent Liabilities		
Long-term Debt Due After One Year	2,888,823	3,291,174
Net Pension Liability	476,183	476,183
Estimated Closure and Post-Closure Care Costs	9,894,371	9,894,371
Total Noncurrent Liabilities	13,259,377	13,661,728
Total Liabilities	14,511,952	14,632,119
Deferred Inflows: Pension Plan	109,711	109,711
Deferred Inflows: Unavailable Revenue	66,298	46,999
Total Liabilities and Deferred Inflows	14,687,961	14,788,829
 NET POSITION (DEFICIT)		
Net Investment in Capital Assets	2,243,374	1,640,239
Unrestricted (Deficit)	(5,965,213)	(4,108,062)
Total Net Position	1,121,597	(1,254,016)
Total Liabilities, Deferred Inflows and Net Position	12,087,719	11,066,990

Humboldt Waste Management Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Seven Months Ending 1/31/2019

	<i>YTD</i>			
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
OPERATING REVENUES:				
Gross Waste Management Fees	5,918,906	4,983,525	935,381	18.77%
Less: Pass-Through Fees	1,050,847	1,028,462	22,385	2.18%
Net Waste Management Fees	4,868,059	3,955,063	912,996	23.08%
Green Waste Fees	193,924	213,908	(19,984)	(9.34%)
Other Fees and Charges	(3,998)		(3,998)	-
Other Operating Revenues	1,144,293	994,112	150,181	15.11%
Total Operating Revenues	6,202,278	5,163,083	1,039,195	20.13%
OPERATING EXPENSES:				
Operations and Maintenance	4,462,904	3,230,085	1,232,819	38.17%
Administrative and General	881,172	1,634,633	(753,461)	(46.09%)
Professional Services	47,491	32,926	14,565	44.24%
Depreciation and Amortization		245,326	(245,326)	(100%)
Closure-related Expenses		365	(365)	(100%)
Other Expenses	531,657	419,714	111,943	26.67%
Total Operating Expenses	5,923,224	5,563,049	360,175	6.47%
Operating Income (Loss)	279,054	(399,966)	679,020	(169.77%)
NONOPERATING REVENUES (EXPENSES):				
Interest Income	60		60	-
Rental Income (Net of Expenses)	70,063	(72,695)	142,758	(196.38%)
Grant Revenue		110,070	(110,070)	(100%)
Grant Expense	(21,412)	(111,730)	90,318	(80.84%)
Interest Expense	(27,768)		(27,768)	-
Total Nonoperating Revenues (Expens...	20,943	(74,355)	95,298	(128.17%)
Change in Net Position	299,997	(474,321)	774,318	(163.25%)

Attachment C
Activity Report
July 1, 2018 - January 31, 2019

Waste Tonnage	Tonnage			Revenue		
Hawthorne	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Franchise	26,261	26,069	100.7%	\$3,386,770	\$3,359,896	100.8%
Self Haul	12,607	11,627	108.4%	\$1,970,278	\$1,852,500	106.4%
Subtotal	38,869	37,697	103.1%	\$5,357,048	\$5,212,396	102.8%
Humboldt Sanitation	3,251	3,046	106.7%	\$320,476	\$300,255	106.7%
ERD	2,970	2,362	125.7%	\$292,723	\$230,779	126.8%
TOTAL.	45,090	43,105	104.6%	\$5,970,247	\$5,743,430	103.9%
Greenwaste	2,638	2,138	123.4%	\$193,846	\$160,798	120.6%
Household Hazardous Waste						
	Customers			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Commercial	252	367	68.7%	\$ 17,580.40	\$ 49,195.18	35.7%
Residential	2,208	1,946	113.5%	\$ 3,046.11	\$ 18,831.07	16.2%
Fortuna Residential	0	1	0.0%	\$ -	\$ 60.00	
Revenue from Countywide Fee				\$ 257,174.15	\$ 238,029.38	108.0%
TOTAL.	2,460	2,314	106.3%	\$277,801	\$306,116	90.8%
Traffic Count	Average Daily Count YTD	Exceptions		Average Daily Count Prior YTD	Exceptions	% of Prior
July	353			353	None	100.0%
August	344			338	None	101.8%
September	342			340	None	100.6%
October	324			360	None	90.0%
November	324			301	None	107.6%
December	303			320	None	94.6%
January				299	None	0.0%
February				304	None	0.0%
March				313	None	0.0%
April				328	None	0.0%
May				333	None	0.0%
June				354	None	0.0%
Year-to-Date Average	332			330		100.5%

Attachment D
January 2019
Disbursements

Paid To	Amount	Paid To	Amount
Advanced Superior Alarms	\$76.50	Lighting Resources, LLC	\$3,782.10
Advantage Financial Services	\$237.62	Loral Uber	\$611.20
Antich Automotive	\$121.92	Lost Coast Communications, Inc	\$600.00
Asbury Environmental Services	\$485.00	Louis Pree	\$143.66
AT & T	\$395.91	Mad River Union	\$202.00
ATA Law Group	\$7,500.00	Mendes Supply Company	\$225.33
B & B Portable Toilet Company	\$4,383.36	Mission Uniform & Linen	\$1,325.22
Bank Fees	\$4,260.88	Munnell & Sherrill, Inc	\$178.89
Bettendorf Enterprises, Inc.	\$4,674.71	Nancy Diamond	\$1,798.00
Blue Shield of California	\$35,977.67	Napa Auto Parts	\$92.47
Call2Recycle, inc	\$14,476.05	NEAC	\$40.00
Cardmember Service	\$4,462.48	Network Management Services	\$3,852.67
Carolina Software	\$300.00	New Directions Environmental M	\$1,125.00
City of Eureka	\$47,412.24	New Pig Corporation	\$1,059.64
Columbus US, Inc.	\$545.00	North Coast Journal	\$865.80
Cora Williams	\$80.00	North Coast Laboratories, Ltd	\$3,368.00
CRV Cash	\$94,257.00	Northern California Safety Con	\$180.00
Crystal Springs Bottled Water	\$114.00	Oak Harbor Freight Lines, Inc.	\$2,201.84
Dry Creek Landfill, Inc	\$332,695.39	P G & E	\$1,967.44
Eric Keller-Heckman	\$120.00	Pacific Paper Co.	\$897.57
Eureka Humboldt Fire Extinguis	\$1,004.29	Peterson CAT	\$1,916.11
Financial Pacific Leasing	\$11,945.12	Pierson Building Center	\$105.93
Franchise Tax Board	\$100.00	Recology Humboldt County	\$225.00
Freon Free Inc	\$478.95	Schuyler Rubber Co.,Inc	\$1,459.46
Golder Associates	\$25,533.98	Scrapper's Edge	\$672.77
Grainger	\$142.27	Sharps Solutions LLC	\$190.00
HOLT OF CALIFORNIA	\$1,010.22	SHN Consulting Engineers and G	\$387.50
Humboldt Community Services Di	\$28.62	Solid Waste of Willits, Inc.	\$18,055.74
Humboldt Fence Co	\$125.00	Steve Morris Logging & Contrac	\$5,062.35
Humboldt Fire District 1	\$240.00	Suddenlink	\$206.94
Humboldt Recycling	\$3,597.20	Thumper's Mechanical Service I	\$6,161.81
I-5 Tire, Inc	\$868.40	Toyota	\$333.08
Industrial Electric Arcata, In	\$247.63	Valley Pacific Petroleum	\$1,478.18
Internal Revenue Service	\$321.61	Verizon Wireless	\$434.75
James L Able Forestry Consulta	\$425.75	Vulcan Incorporated	\$2,180.54
L & M Renner, Inc	\$5,753.17		
Lawrence & Associates	\$1,703.75	Payroll Expenses	\$146,080.61
Les Schwab Tire Center	\$210.00		
		Total Disbursements	<u><u>\$815,779.29</u></u>



Staff Report

DATE: March 7, 2019 For Meeting of: March 14, 2019

FROM: Jill Duffy, Executive Director

SUBJECT: Item 5)
Receive An Overview Presentation of HWMA - Informational

RECOMMENDED ACTION:
Receive Presentation

DISCUSSION:
A short 11-minute informational video describing HWMA's formation, facilities and operations will be presented to the Board.

FISCAL IMPACT:
None.



Staff Report

DATE: February 1, 2019

FROM: Jill Duffy, Executive Director

SUBJECT: Item 6)
Receive Presentation by Allison Poklemba of 4R Planet

RECOMMENDED ACTION:
Receive Presentation

DISCUSSION:

Allison Poklemba, 4R Planet, provides waste awareness education in HWMA member agency school classrooms. 4R Planet coordinates for regular annual classroom presentations and lesson plan development to provide information on current reuse, recycling, composting and other waste reduction practices. In addition to classroom visits, the programs offers assistance and training for school staff in best management practices for their unique recycling and reuse programs.

4R Planet conducts a minimum 42 classroom visits annually, not to exceed \$12,999 for FY 2018-19. Travel time to the more rurally located schools varies considerably, and may affects the baseline cost per classroom visit.

FISCAL IMPACT:

None. Cost for the education program was approved in FY 2018-19 Budget.



Staff Report

DATE: January 31, 2019 For Meeting of: February 14, 2019
FROM: Jill Duffy, Executive Director
SUBJECT: Item 8)
Executive Director Report for February - March 2019

Administrative Activities

- Free Christmas Tree Disposal – As part of a community service, HWMA accepted Christmas Trees, sans ornaments/lights, at no charge from Dec. 26, Dec. 2018 through Jan. 20, 2019. Approximately **22,600** pounds or 11.3 tons of trees were delivered by the public. Trees were then placed into our green waste material for processing and composting by Mad River Hardwoods (aka ‘Wes Green Landscaping’)
- Prepared a presentation for the Solid Waste Local Task Force subcommittee outlining requirements of AB 1826 (Organics Diversion) and SB 1383 (Short Lived Climate Pollutant – Methane Reduction). Presentation will be reviewed by the Local Task Force, and may be presented to city councils and the Board of Supervisors by entity staff.
- Prepared a 10 minute video outlining HWMA, activities, relationship with franchise haulers, landfill closure, diversion activities and regional curbside recycling. This will be used for orientation, educational and public outreach activities.
- Developed a small brochure as a companion piece to the aforementioned video. This brochure is also a stand-alone piece that will help educate the public and elected officials about HWMA responsibilities and activities.
- “Family Fun Day” the first joint activity for HWMA and Recology employees held at the Samoa Resource Recovery Center on Saturday, Jan 26th. Breakfast, facility tours and a ‘zero waste’ project creating beeswax wraps so participants could take home and use – and reuse!
- Review and submittal of the 2018 Second Semi-Annual and Annual report for the Cummings Road Landfill (Groundwater, Spring, Leachate and Surface Water Monitoring) to the North Coast Regional Water Quality Control Board.

- Annual submittal of the California Environmental Reporting System (CERS) Hazardous Materials Business Plans (HMBP) for both the HHW facility and Transfer Station (two reports) before March 1, 2019.
- Annual submittal of the DOORS Report to the California Air Resources Board for Off-Road Diesel Equipment (March 1) for transfer station and landfill equipment.
- Annual submittal of the Hawthorne Street Transfer Station Condition 6 report to the City of Eureka.
- Annual Emission Inventory Report to North Coast Unified Air Quality Management District (March 4).
- Annual CalRecycle certification to accept and process appliances at the Eureka Recycling Center (March 4).
- Submitted the 2018 CalRecycle Covered Electronic Waste Recycling and Recovery Payment System Net Cost Report.
- Mercer Fraser returned to the site on Monday, Jan 28th to remove and replace asphalt in front of the Operations building that was installed in October 2018. The asphalt was cracking and crumbling, and MF responded immediately to review the work. With a favorable weather window, MF mobilized equipment and materials to correct the job on Jan. 28th.
- HWMA is providing compost bins to the City of Eureka as part of their ECO Eureka organic waste reduction activities. Eureka residents may purchase a voucher at the Adorni Center, and present the voucher to HWMA to pick up their bin.

HWMA regularly provides the opportunity to all Humboldt residents to purchase compost bins from the Eureka Recycling Center.

- Preparation activities for the FY 2019-20 Budget
- Continuing work on revision/update of the “HWMA Policy 2000 – Personnel Policies”
- Finalized update of the Injury Illness & Prevention Plan

HHW Floor Repair Project

The floor repair project commenced January 11, 2019, with HWMA staff relocating equipment and supplies, and the contractor initiated work on January 14th – 16th. The contractors cleaned, prepared and installed cement topping overlay, and waterproofed the two sumps. The topping required two-three days of curing time. Staff replaced equipment and supplies and the HWMA HHW Building resumed normal operations on Monday, January 21st.

AB 939 Local Task Force – Subcommittee

The subcommittee of the Local Task Force met on Friday Jan. 11th to discuss SB 1383 -Short Lived Climate Pollutant (Organics) implementation and will be presenting considerations to the AB 939 Local Task Force at an upcoming meeting. HWMA is not a member of the LTF (comprised of one representative from each city/county), but provides administrative support, research and resources.

Corrugated Cardboard Received by Eureka Recycling Center

Due to an influx of material in the domestic paper market, along with continued difficulties to market material domestically and abroad HWMA's usual mill was unable to accommodate OCC collected at the Hawthorne Street Transfer Station, and the Eureka Recycling Center. Additionally, two other northern mills were unable to accommodate this material on short notice, and this material was delivered to a seller that would market the material to overseas markets.

Hawthorne Street Energy Efficiency Audit

Staff in concert with Redwood Coast Energy Authority will be accessing the Authority's current electricity usage and identifying possible opportunities to either increase current efficiencies related to energy usage, or exploring the retrofitting or replacement of the current lighting infrastructure at not only the Hawthorne Street Transfer Station, but the Eureka Recycling Center, and HWMA main office building.