



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, June 13, 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. 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 May 9, 2019 HWMA Board of Directors Meeting
- b. Receive April 2018-19 Financials
- c. Approve Loading Services Agreement of Member Agency Franchise Solid Wastes with Humboldt Sanitation

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 Board Calendar for Fiscal Year 2019-20

5. Elect Authority Officers for Fiscal Year 2019-20

6. Board Member Reports

7. Executive Director's Report

8. Closed Session: No Need for Closed Session.

9. 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, May 9, 2019 at 5:30 PM
Eureka City Council Chambers
531 K Street, Eureka, CA

Present: Rex Bohn, Michael Sweeney, Sofia Pereira, Leslie Castellano,
Elaine Hogan
Absent: Frank Wilson
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 5:33 p.m. A quorum was present and acting.

2. Consent Calendar

- a. Approve Minutes from the April 11, 2019 HWMA Board of Directors Meeting
- b. Approve Minutes from the April 24, 2019 HWMA Board of Directors Special Meeting
- c. Receive March 2018-19 Financials
- d. Approve FY 2019-20 Strategic Plan Update
- e. Award Facility Storm Water Project Bid

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 Bohn Moved and Director Pereira Seconded the motion to approve the Consent Calendar.

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

Ayes: Bohn, Sweeney, Pereira, Hogan, Castellano

Nays: None

Absent: Wilson

3. 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.

4. Approve Final Fiscal Year 2019-20 Budget

The Board briefly discussed the major talking points of the budget with Executive Director Duffy.

Chairman Sweeney opened the floor to public comment regarding the Final Budget. No comment was received.

Chairman Sweeney closed the floor to public comment.

- Motion:** Director Pereira Moved and Director Castellano Seconded the motion to approve Fiscal Year 2019-2020 Budget; and, Adopt Resolution 2020-01 for the Collection of Integrated Waste Management Fees.
- Action:** Approve the Motion as made by Director Pereira and seconded by Director Castellano by the following vote:
- Ayes:** Bohn, Sweeney, Pereira, Hogan, Castellano
- Nays:** None
- Absent:** Wilson

5. Board Member Reports

Reports were received from the following Directors:

Director Hogan reported on presentations being provided by Zero Waste Humboldt related to waste reduction and improved waste handling at various Blue Lake events and festivals.

Director Pereira reported on the City of Arcata examining options for a single-use plastic bag ban.

6. Executive Director's Report

The Board received the Executive Director's report.

7. Closed Session: No Need for Closed Session.

8. Adjourn

Chairman Sweeney adjourned the meeting at 5:43 p.m.

Next Meeting: June 13, 2019 at 5:30 p.m. at Eureka City Hall Council Chambers.



Staff Report

DATE: June 13, 2019

FROM: Tyler Egerer, Director of Finance and Administrative Services

SUBJECT: Item 2b)
Receive April 2019 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve April 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.

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 04/30/2019* 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) 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.

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:

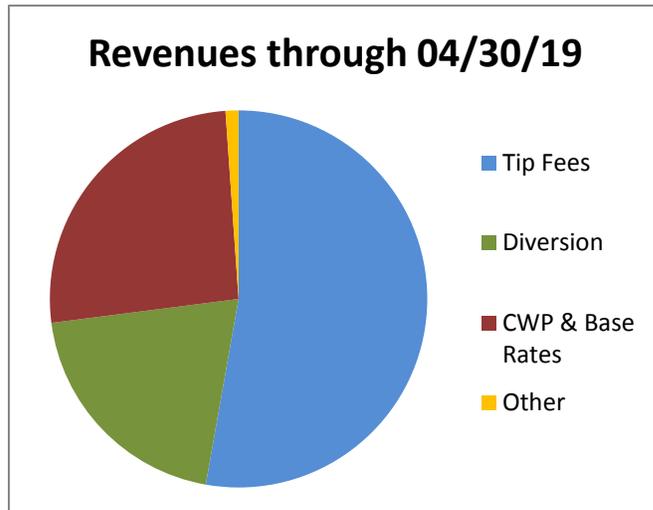
HWMA Operating Fund:	\$2,208,405.30
HWMA Undesignated, Capital, Personnel, and Stabilization Funds:	\$2,407,349.00

Authority Financials:

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

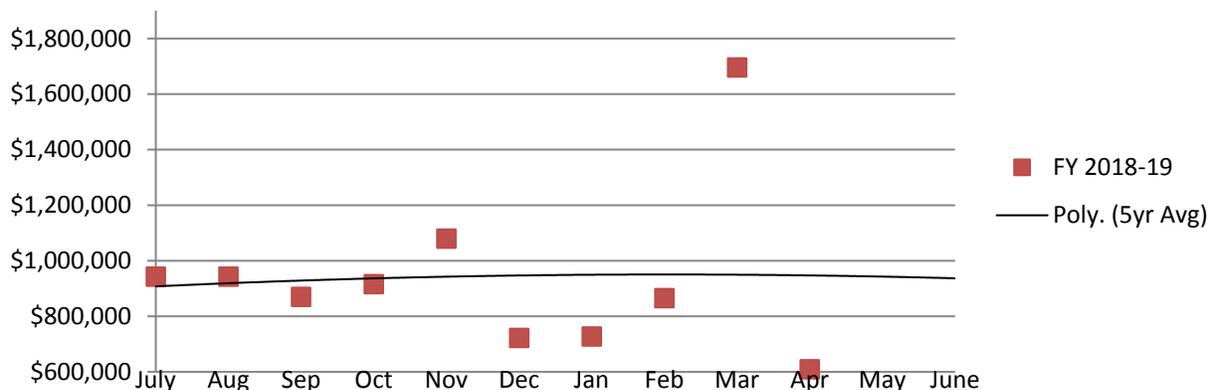
Revenues for April are performing approximately 13% over projections of budgeted estimates for Fiscal Year 2018-19. These estimates encapsulate all activity throughout the Authority, although finances will be influenced by future payouts for fees passed through to Member Agencies, revenue shares for 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.

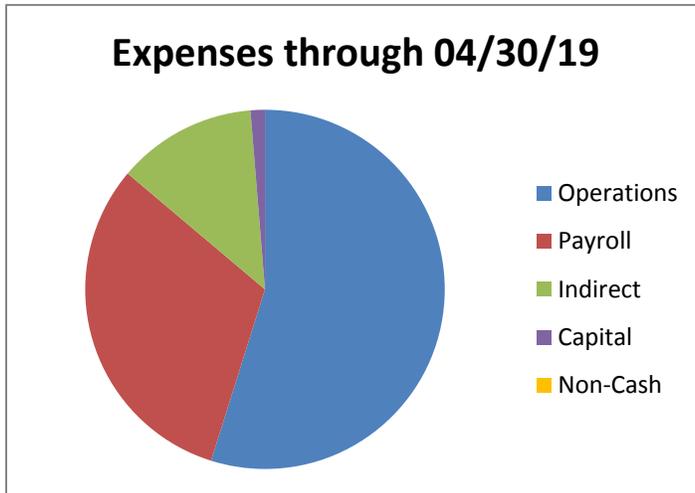


Based on the above factors, and to facilitate long-term planning – relative to the Fiscal Year – for the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity against an annual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



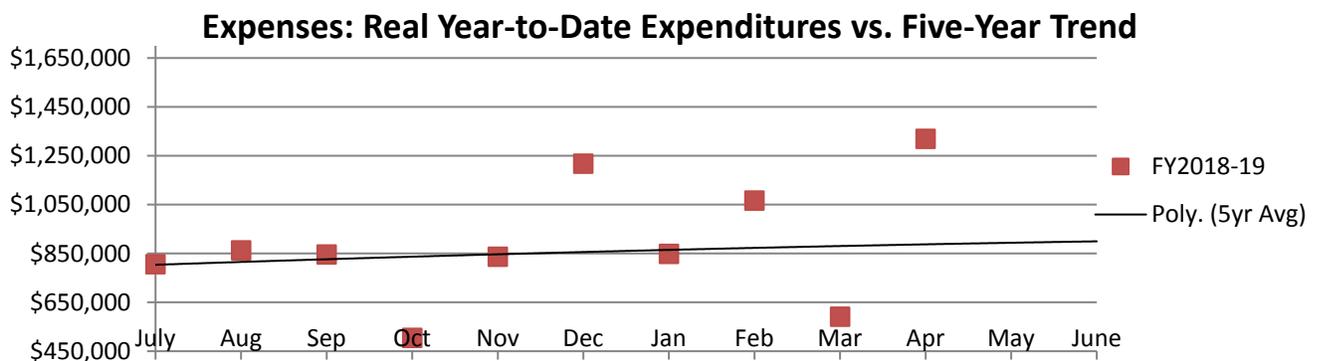
Ongoing disposal activities, a strong construction season, and a continued level of high participation in CRV reimbursement through the Authority’s Eureka Recycling Center are keeping revenue above estimates, resulting in a robust revenue profile for the Fiscal Year.



Expenses for April are also above budget projections. Total Expenses are approximately 12% 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 projected budget estimates. Due to several work-place employee injuries several years ago, the Authority’s worker’s compensation insurance premium was increased by SDRMA. This cost has been 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 decrease this cost beginning with Fiscal Year 2019-20.

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 April. These disbursements are comprised primarily of day-to-day costs, representing approximately \$499,000 in transportation and disposal costs and approximately \$102,860 in CRV reimbursement payments to the general public. Additionally, the May payment on the Chase Loan, which consolidated all of the Authority's long-term debt in 2015, was paid in the amount of \$426,618.11.

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, April 2019
- B) Authority Statement of Operations, April 2019
- C) Activity Report, April 2019
- D) Cash Disbursements, April 2019

Attachment A
Humboldt Waste Management Authority
Statement of Net Position
For the Ten Months Ending 4/30/2019

	4/30/2019	6/30/2018
ASSETS AND DEFERRED OUTFLOWS		
Current Assets:		
Cash and Investments	\$5,035,363	\$4,782,927
Accounts Receivable:		
Customer (Net of Doubtful Accounts)	611,128	897,570
Deposits and Prepaid Expenses	234,986	234,986
Total Current Assets	5,881,477	5,915,483
Noncurrent Assets:		
Capital Assets:		
Property, Plant and Equipment, Net	4,510,087	4,710,242
Waste Authority Contract	221,171	221,171
Total Noncurrent Assets	4,731,258	4,931,413
Total Assets	10,612,735	10,846,896
Deferred Outflows: Pension Plan	435,580	435,580
Total Assets and Deferred Outflows	11,048,315	11,282,476
 LIABILITIES, DEFERRED INFLOWS AND NET POSITION(DEFICIT)		
Current Liabilities		
Accounts Payable and Accrued Liabilities	686,302	764,056
Accrued Payroll	150,022	203,985
Customer Deposits	2,583	2,350
Total Current Liabilities	838,907	970,391
Noncurrent Liabilities		
Long-term Debt Due After One Year	2,486,471	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	12,857,025	13,661,728
Total Liabilities	13,695,932	14,632,119
Deferred Inflows: Pension Plan	109,711	109,711
Deferred Inflows: Unavailable Revenue	67,399	46,999
Total Liabilities and Deferred Inflows	13,873,042	14,788,829
 NET POSITION (DEFICIT)		
Net Investment in Capital Assets	2,244,787	1,640,239
Unrestricted (Deficit)	(5,751,140)	(3,892,576)
Total Net Position	681,626	(1,254,016)
Total Liabilities, Deferred Inflows and Net Position	11,048,315	11,282,476

Humboldt Waste Management Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Ten Months Ending 4/30/2019

	<i>YTD</i>			
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
OPERATING REVENUES:				
Gross Waste Management Fees	6,548,870	6,008,437	540,433	8.99%
Less: Pass-Through Fees	524,600	571,803	(47,203)	(8.26%)
Net Waste Management Fees	<u>6,024,270</u>	<u>5,436,634</u>	<u>587,636</u>	<u>10.81%</u>
Green Waste Fees	256,760	305,583	(48,823)	(15.98%)
Other Fees and Charges	1,472,781	1,134,260	338,521	29.85%
Other Operating Revenues	<u>1,620,327</u>	<u>1,412,862</u>	<u>207,465</u>	<u>14.68%</u>
Total Operating Revenues	<u>9,374,138</u>	<u>8,289,339</u>	<u>1,084,799</u>	<u>13.09%</u>
OPERATING EXPENSES:				
Operations and Maintenance	6,456,209	4,607,587	1,848,622	40.12%
Administrative and General	1,243,157	2,274,033	(1,030,876)	(45.33%)
Professional Services	73,165	65,043	8,122	12.49%
Depreciation and Amortization	412,239	350,465	61,774	17.63%
Closure-related Expenses		365	(365)	(100%)
Other Expenses	<u>715,981</u>	<u>657,269</u>	<u>58,712</u>	<u>8.93%</u>
Total Operating Expenses	<u>8,900,751</u>	<u>7,954,762</u>	<u>945,989</u>	<u>11.89%</u>
Operating Income (Loss)	<u>473,387</u>	<u>334,577</u>	<u>138,810</u>	<u>41.49%</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Income	108		108	-
Timber Harvest Revenue	125,233		125,233	-
Rental Income (Net of Expenses)	100,131	(103,850)	203,981	(196.42%)
Grant Revenue	93,467	157,693	(64,226)	(40.73%)
Grant Expense	(33,118)	(159,353)	126,235	(79.22%)
Interest Expense	<u>(52,332)</u>		<u>(52,332)</u>	-
Total Nonoperating Revenues (Expens...	<u>233,489</u>	<u>(105,510)</u>	<u>338,999</u>	<u>(321.3%)</u>
Change in Net Position	<u>706,876</u>	<u>229,067</u>	<u>477,809</u>	<u>208.59%</u>

Attachment C
Activity Report
July 1, 2018 - April 30, 2019

Waste Tonnage	Tonnage			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Hawthorne						
Franchise	36,749	37,061	99.2%	\$4,739,854	\$4,770,760	99.4%
Self Haul	17,432	16,737	104.2%	\$2,722,083	\$2,663,773	102.2%
Subtotal	54,182	53,797	100.7%	\$7,461,937	\$7,434,533	100.4%
Humboldt Sanitation	5,863	4,261	137.6%	\$577,869	\$419,959	137.6%
ERD	4,403	3,512	125.4%	\$434,026	\$343,115	126.5%
TOTAL.	64,447	61,570	104.7%	\$8,473,832	\$8,197,608	103.4%
Greenwaste	3,543	3,197	110.8%	\$256,419	\$232,594	110.2%
Household Hazardous Waste						
	Customers			Revenue		
	Year to Date	Prior YTD	% of Prior	Year to Date	Prior YTD	% of Prior
Commercial	420	459	91.5%	\$ 29,390.70	\$ 64,151.84	45.8%
Residential	3,680	2,467	149.2%	\$ 4,512.51	\$ 24,826.42	18.2%
Fortuna Residential	0	1	0.0%	\$ -	\$ 60.00	
Revenue from Countywide Fee				\$ 434,197.51	\$ 333,123.82	130.3%
TOTAL.	4,100	2,927	140.1%	\$468,101	\$422,162	110.9%
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	326			299	None	109.0%
February	277			304	None	91.1%
March	320			313	None	102.1%
April	326			328	None	99.4%
May				333	None	0.0%
June				354	None	0.0%
Year-to-Date Average	324			326		99.5%

Attachment D
April 2019
Disbursements

Paid To	Amount	Paid To	Amount
Access Humboldt	\$126.16	Munnell & Sherrill, Inc	\$756.25
Advanced Superior Alarms	\$436.94	Nancy Diamond	\$3,865.50
Advantage Financial Services	\$265.84	Napa Auto Parts	\$32.43
Airgas USA LLC West Division	\$683.40	Network Management Services	\$5,511.66
Alliant Insurance Services	\$10,240.54	New Directions Environmental M	\$1,200.00
Asbury Environmental Services	\$305.00	North Coast Journal	\$865.80
AT & T	\$52.70	North Coast Laboratories, Ltd	\$3,208.00
B & B Portable Toilet Company	\$7,395.85	Northern California Gloves	\$420.77
Bank Fees	\$3,871.10	Northern California Safety Con	\$80.00
Bettendorf Enterprises, Inc.	\$4,347.65	Oak Harbor Freight Lines, Inc.	\$1,100.92
Blue Shield of California	\$33,994.14	Occupational, Environmental He	\$738.00
Cardmember Service	\$3,017.34	P G & E	\$5,952.75
Carolina Software	\$300.00	Pacific Paper Co.	\$1,180.14
Chase	\$426,618.11	Pape Machinery	\$132.14
City of Eureka	\$4,762.24	Peterson CAT	\$5,398.15
Coastal Business Systems, Inc.	\$1,937.00	Phil Graziose	\$98.00
Cora Williams	\$70.00	Picky Picky Picky Store	\$231.41
CRV Cash	\$102,860.00	Pierson Building Center	\$260.84
Crystal Springs Bottled Water	\$122.00	PPG Architectural Coatings	\$45.24
Danielle Guinn	\$167.56	Recology Humboldt County	\$225.00
Dry Creek Landfill, Inc	\$425,064.95	Recology of Humboldt County	\$90.00
Evans Mechanical, Inc	\$73.56	Rogers Machinery Company, Inc.	\$10,721.44
Freon Free Inc	\$881.00	Scrappier's Edge	\$92.87
Golder Associates	\$2,497.95	SCS Field Services	\$2,445.00
Helder M. Morais	\$43.86	SETCO	\$759.50
HOLT OF CALIFORNIA	\$276.44	Sharps Solutions LLC	\$1,425.00
Humboldt Community Services Di	\$28.62	SHN Consulting Engineers and G	\$135.00
Humboldt Lock and Safe	\$30.92	Staples Credit Plan	\$225.41
Humboldt Recycling	\$9,972.75	Suddenlink	\$206.94
I-5 Tire, Inc	\$1,523.60	Times Standard	\$1,012.82
Industrial Electric Arcata, In	\$223.82	Toyota	\$333.08
James L Able Forestry Consulta	\$329.00	Uline Shipping Supply	\$99.19
Jane Nelson	\$244.80	United Rentals Inc.	\$766.12
Kernen Construction Company	\$5.00	US Bank Office Equipment Finan	\$421.13
L&M Renner, Inc	\$690.02	Valley Pacific Petroleum	\$4,889.58
Lawrence & Associates	\$1,408.75	Verizon Wireless	\$425.04
Lost Coast Communications, Inc	\$600.00	Vulcan Incorporated	\$4,212.80
Mad River Hardwood Co., Inc	\$53,944.97		
Mad River Union	\$202.00	Payroll Expenses	\$161,856.36
Mendes Supply Company	\$961.61		
Mercury Disposal Systems, Inc	\$104.00	Total Disbursements	\$1,323,460.59
Mission Uniform & Linen	\$1,359.12		



Staff Report

DATE: April 16, 2019 For Board Meeting: June 13, 2019

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 2c)
Approve Agreement with Humboldt Sanitation for Loading Services of Member Agency Franchise Solid Wastes at the McKinleyville Satellite Transfer Station.

RECOMMENDED ACTION: Voice vote.

- 1) Consider Approval of a 19-month Agreement with Humboldt Sanitation ending December 31, 2021; and
- 2) Authorize the Chair to sign Agreement.

DISCUSSION:
Staff presents a 19-month loading agreement with Humboldt Sanitation for the Board’s consideration. The agreement secures loading of member agency franchise material into trailers provided by the Authority’s designated transportation provider, Bettendorf Trucking. Humboldt Sanitation recently completed development of their new transfer station and is able to stage and load all collected franchise material onsite into trailers.

The proposed agreement will enable Humboldt Sanitation will load Permitted Waste into an individual trailer to the allowable weight capacity. Costs associated with loading trailers are already embedded in the franchise rates paid by member agency curbside customers.

The agreement also addresses the practice of ‘commingling’ of member and non-member agency material and specifies the monthly minimum average trailer loading weight. Commingling of member and non-member wastes occurs on the McKinleyville transfer station’s Tip Floor for the simple reason that it may be difficult to keep waste piles segregated. Following review by both HWMA and Humboldt Sanitation, an ‘Allocation Percentage Formula’ is proposed to be used establish jurisdiction of origin. With the new agreement, Humboldt Sanitation and HWMA intend to cooperate over the next 19 months to explore whether an adjustment to the Allocation Percentage Formula is warranted

This proposed amendment has been reviewed and approved as to form by the Authority’s Legal Counsel and Tasha Eisner, Vice President of Humboldt Sanitation.

FISCAL IMPACT:
This has been included in the proposed budget for FY 2019-20

ALTERNATIVES:

Board discretion

ATTACHMENTS:

1. Agreement Between HWMA and Humboldt Sanitation to Provide MSW Loading Services

**AGREEMENT BETWEEN HUMBOLDT WASTE MANAGEMENT AUTHORITY AND
HUMBOLDT SANITATION TO IMPLEMENT MSW LOADING**

This Agreement is effective this _____ day of _____, 20__, (“Effective Date”) by and between the **Humboldt Waste Management Authority**, a joint powers authority (herein “HWMA” and the “Authority”), and **Humboldt Sanitation, Inc.**, a California corporation with principal offices in McKinleyville, California (herein “Humboldt Sanitation”).

RECITALS

WHEREAS, Humboldt Sanitation holds exclusive agreements from the County for curbside and container collections of solid waste from portions of Humboldt County (“**County Waste**”); and

WHEREAS, Humboldt Recycling LLC (“Humboldt Recycling”) owns and operates a satellite municipal solid waste transfer station located at 2585 Central Avenue, McKinleyville, CA 95519 (“**McKinleyville Transfer Station**”), where it has authorized Humboldt Sanitation to process County Waste as well as solid waste originating from sources not subject to a collection contract with Humboldt County (“**Contractor Waste**”); and

WHEREAS, Humboldt Sanitation, Humboldt Recycling, HWMA, and the County of Humboldt entered into an agreement dated December 13, 2011 “Concerning Transportation and Transfer of Municipal Solid Waste” to a landfill for disposal, including the transport and transfer of County Waste (the “**Transport and Transfer Agreement**”); and

WHEREAS, HWMA entered into an agreement dated June 19, 2017 with Dry Creek Landfill, Inc. (“**DCL**”) to transport and dispose of municipal solid waste from HWMA member agencies at the Dry Creek Landfill located in Jackson County, OR (“**DCL Landfill**”), including disposal of County Waste (the “**Transportation and Disposal Agreement**”); and

WHEREAS, under Paragraph 2.4 of the Transport and Transfer Agreement, HWMA is responsible for providing a transportation contractor to haul County Waste from the McKinleyville Transfer Station to a designated landfill for disposal, and Humboldt Sanitation is responsible for coordinating with HWMA’s transportation contractor to properly load County Waste into the transport containers; and

WHEREAS, DCL entered into a subcontract under the Transportation and Disposal Agreement with Bettendorf Enterprises to provide transportation services for HWMA from the transfer stations in Humboldt County to the DCL Landfill, including transport of County Waste (“**Transportation Subcontractor**”); and

WHEREAS, pursuant to the subcontract between the Transportation Subcontractor and DCL, transportation containers are to be loaded at the McKinleyville Transfer Station to an average minimum of nineteen (19) tons, and no more than twenty-five (25) tons in any single transportation container; and

WHEREAS, the parties enter into this Agreement to ensure that loading of County Waste at the McKinleyville Transfer Station into the Transportation Subcontractor’s containers for transportation and transfer to DCL satisfies the requirements of the Transportation and Disposal Agreement; and

WHEREAS, pursuant to the Transportation and Disposal Agreement, this Agreement with Humboldt Sanitation to load County Waste at the McKinleyville Transfer Station is subject to approval by DCL and the Transportation Subcontractor.

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 Transport and Transfer Agreement, 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. The initial formula shall be based on the percentage formula established in Humboldt Sanitation’s franchise agreement with the County of Humboldt northern areas of the County, which formula is as follows:

County Waste (County collection contract)	55%
Contractor Waste (not subject to County collection contract)	45%

“Designated Disposal Facility” means the landfill disposal facility or facilities with which the Authority has entered into an agreement for solid waste disposal, as such facility(ies) may change from time to time. As of the Effective Date of this Agreement, the Designated Disposal Facility is the Dry Creek Landfill.

“Dispatch Protocol” means the notification procedure agreed upon by HWMA, Humboldt Sanitation and the Transportation Subcontractor for the coordination and delivery of Trailers by the Transportation Subcontractor to the McKinleyville Transfer Station for loading of Permitted Waste. The Dispatch Protocol may be revised from time to time in writing and with the approval of Humboldt Sanitation, HWMA and the Transportation Subcontractor, which approval shall not be unreasonably withheld.

“Loading” means the completion of loading Permitted Waste into an individual Trailer to the allowable weight capacity.

“Trailer” or **“Trailers”** means the transport-ready “‘possum belly’ or ‘walking floor’ trailers supplied by the Authority or Transportation Subcontractor at the direction of DCL for transport of Permitted Waste from the McKinleyville Transfer Station for disposal at the Designated Disposal Facility.

“Waste Management Fees” means those fees established by the Authority that are charged to operators of approved satellite transfer stations (including but not limited to the McKinleyville Transfer Station) for handling Authority member solid waste.

2. TERM OF AGREEMENT. Unless terminated pursuant to Section 8 below, this Agreement shall commence on the Effective Date and terminate concurrently with the termination of the Transport and Transfer Agreement. The current term of the Transport and Transfer Agreement terminates on December 13, 2021, which shall be the termination date for this Agreement. Any earlier termination or extension of the Transport and Transfer Agreement shall automatically result in an earlier termination or extension of this Agreement if such earlier termination or extension affects County Waste.

3. TRAILER LOADING SERVICES AND WEIGHING REQUIREMENTS

3.1 Trailer supply and delivery. The Authority will cause DCL to deliver (or cause the Transportation Subcontractor to deliver) empty Trailers to the McKinleyville Transfer Station to the Loading bays and ready for Loading with tops open, tarps rolled up and all other container openings

closed to prevent leakage or spills. Humboldt Sanitation 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.** Humboldt Sanitation shall Load Trailers with all Permitted County Waste in accordance with all applicable laws and permit requirements and the provisions of this Agreement and in a manner so as avoid damaging Trailers. 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 McKinleyville Transfer Station, and in accordance with the hours of operation set forth in Section 3.2(i). Humboldt Sanitation shall pay all fines or penalties for overloaded or improperly loaded Trailers and for any damage to Trailers caused by Humboldt Sanitation. During Loading, Humboldt Sanitation shall provide reasonable accommodations including restroom facilities for the Transportation Subcontractor's driver.
- (b) **Weight capacity and restrictions.** Trailers shall be loaded with a monthly average minimum weight of nineteen (19) tons of Permitted Solid Waste, provided that in no event shall a single Transport Vehicle be loaded with more than twenty-five (25) tons of Permitted Wastes.
- (c) **Screening and removal of Unpermitted Waste.** Humboldt Sanitation shall screen waste to prevent loading of Unpermitted Waste, and will not knowingly Load Unpermitted Waste. Humboldt Sanitation 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 to the Authority with respect to such Unpermitted Waste, without reimbursement by or offset from the Authority.
- (d) **Load priority.** Once delivered, Trailers shall have Loading priority over other operations at the McKinleyville Transfer Station.
- (e) **Trailer inspection.** After loading, Humboldt Sanitation will inspect each Trailer and clean loose debris from the Trailer to allow the Transportation Subcontractor to secure the Trailer for transport.
- (f) **Commingling of Authority's waste with other waste.** Humboldt Sanitation may load Trailers with Permitted Waste commingled with Permitted Waste from non-member agency jurisdictions provided, however, that any methodology used by Humboldt Sanitation 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.
- (g) **Allocation Percentage Formula.** The initial Allocation Percentage Formula specified in Section 1 is based on tonnages received at the HWMA's Hawthorne Street Transfer Station, located at 1059 West Hawthorne Street, Eureka, CA from Humboldt Sanitation for franchise trash collected within the HWMA's jurisdiction (County Waste), combined with tonnages collected by Humboldt Sanitation at their McKinleyville Transfer Station for waste both inside and outside of HWMA's jurisdiction ("Total Humboldt Sanitation Tonnage"). The

average amount of Contractor Waste received monthly by the Authority from Humboldt Sanitation for the previous two years was divided by the Total Humboldt Sanitation Tonnage reported for each month. The average Contractor Waste tonnage received by the Authority was then represented as a percentage of the Total Humboldt Sanitation Tonnage. The remaining tonnage percentage is applied to Humboldt Sanitation as that tonnage attributable to Contractor Waste.

Either party may propose an adjustment to the existing Allocation Percentage Formula if data indicate that the actual percentages differ from the percentages stated in the Agreement by 10% or more. Humboldt Sanitation and HWMA intend to cooperate over the next 18 months to explore whether an adjustment to the initial Allocation Percentage Formula is called for.

- (h) **Complying with rules of Designated Disposal Facility.** Humboldt Sanitation 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 visual load checking and removal of materials that cannot be accepted by the Designated Disposal Facility. The Authority shall provide Humboldt Sanitation with a copy of such applicable rules.
- (i) **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 McKinleyville Transfer Station.
- (j) **Hours of Operation.** Humboldt Sanitation will make the McKinleyville Transfer Station available to the Transportation Subcontractor and cause the Trailers to be loaded with Acceptable Wastes from 9:00 am to 5:00 pm, Monday through Saturday of each week, and from 9:00 am to 4 pm on Sunday of each week, but not including holidays on which the McKinleyville Transfer Stations is closed.

3.3 Title to waste. HWMA will not assume title to any materials delivered to the McKinleyville Transfer Station or loaded by Humboldt Sanitation. Pursuant to the Transportation and Disposal Agreement, title to Permitted Waste shall transfer to DCL upon exiting the McKinleyville Transfer Station in route to the Designated Disposal Facility.

3.4 Plugged loads. Humboldt Sanitation shall be solely responsible for all additional costs associated with tipping plugged loads. HWMA shall invoice Humboldt Sanitation for all costs HWMA is charged by the Designated Disposal Facility that are associated with tipping plugged loads.

3.5 Scales, weight records, reporting. Humboldt Sanitation shall install, repair, maintain and operate at the McKinleyville Transfer Station appropriate entry and exit scales.

3.6 Trailer departure weights. Humboldt Sanitation shall weigh each loaded Trailer and transport vehicle prior to its departure from the McKinleyville 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 McKinleyville Transfer Station to the Designated Disposal Facility.

3.7 Transportation Subcontractor. Humboldt Sanitation has been informed that DCL, with the HWMA's consent, has subcontracted its transportation obligations under the Transportation and Disposal Agreement to Bettendorf Enterprises, Inc. to act as the Transportation Subcontractor.

4. FEES AND PAYMENT

4.1 Waste Management Fees. Humboldt Sanitation shall pay to HWMA a Waste Management Fee as established, and amended from time to time, by the HWMA Board of Directors.

4.2 Additional fees and charges. Humboldt Sanitation shall pay to HWMA any additional third party fees, fines or penalties otherwise charged to HWMA arising from Humboldt Sanitation's failure to perform its obligations under this Agreement, including but not limited to, charges for plugged loads, overloaded containers, and Unpermitted Waste handling and disposal (as provided in Section 3.2(c)), plus 10% for administrative handling by the HWMA.

4.3 Payment. Humboldt Sanitation shall remit waste tonnage data to the Authority by the 20th day of each month for Permitted Waste delivered to the McKinleyville Transfer Station during the previous month. Waste Management Fees are due 10 days following receipt of HWMA's invoice for the provided waste management data. All additional fees and charges that are payable by Humboldt Sanitation in accordance with this Agreement will be invoiced by the Authority to Humboldt Sanitation and shall be due and payable within 30 days of receipt thereof.

5. RECORDS AND REPORTING, AUDITING

5.1 Reporting. Humboldt Sanitation shall provide HWMA with records as follows: 1) quarterly, entry weight information indicating the jurisdiction of origin for all Permitted Waste received by Humboldt Sanitation at the McKinleyville Transfer Station and 2) monthly, the loaded Trailer weight tickets ready for transport to the Designated Disposal Facility. HWMA shall provide Humboldt Sanitation with the weight tickets and disposal ticket numbers from the Designated Disposal Facility that are used to calculate the monthly Waste Management Fee.

5.2 Record keeping. Humboldt Sanitation shall maintain at its office or other place acceptable to the Authority full and complete accounting books and records documenting Humboldt Sanitation'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 Humboldt Sanitation, HWMA may verify entry and/or loaded Trailer weight records through on-site inspections, sampling and auditing methods.

6. PERFORMANCE STANDARDS

Humboldt Sanitation will perform all its obligations under this Agreement in accordance with accepted practices for comparable facilities, applicable law and the provisions of this Agreement. Humboldt Sanitation is solely liable for all fines and penalties that may be imposed on Humboldt Sanitation in connection with this Agreement to the extent that those fines and penalties are the result of Humboldt Sanitation's violations of applicable law. Humboldt Sanitation 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.

Humboldt Sanitation will promptly report any such events to the Authority orally, followed by written notice within three working days, including details of any witness statements. Humboldt Sanitation 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 Humboldt Sanitation's Insurance. Humboldt Sanitation will secure and maintain in full force and effect:

- (a) **General Liability:** General liability limits with minimum limits of liability per occurrence of One Million Dollars (\$1,000,000); and per aggregate of Two Million Dollars (\$2,000,000);
- (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.** Humboldt Sanitation will ensure that insurance policies are always primary with respect to performance under this Agreement. Humboldt Sanitation will include the Authority, the Transportation Subcontractor, DCL, and each of their respective employees 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 workers' compensation and employer's liability insurance.
- (e) Humboldt Sanitation 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 Transportation Subcontractor's Insurance. HWMA will cause DCL to require the Transportation Subcontractor to secure and maintain in full force and effect the following insurance coverage: Bodily injury and/or property damage with limits at least as great as: \$1,000,000.00 for each person or occurrence, with an aggregate limit of \$2,000,000.00. Further, the Transportation Subcontractor will include Humboldt Sanitation by endorsement or otherwise as additional insured under all policies except with respect to workers' compensation and employer's liability insurance, and will provide Humboldt Sanitation reasonable documentation evidencing such coverage and endorsements.

7.3 Indemnification.

- (a) **General indemnity.** Humboldt Sanitation 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 of, or resulting directly or indirectly from, actions or inactions of Humboldt Sanitation performed or occurring under or in connection with the Agreement, including without limitation losses arising from Humboldt Sanitation's knowing or negligent Loading of Unpermitted Waste, 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 Humboldt Sanitation's indemnification stated above, and upon the HWMA's request, Humboldt Sanitation will indemnify, hold harmless,

protect and defend with legal counsel acceptable to the Authority or co-counsel selected by the Authority at Humboldt Sanitation'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 McKinleyville Transfer Station or the release of any Unpermitted Waste from Humboldt Sanitation'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 Humboldt Sanitation shall remain strictly liable to the Authority to the extent provided under applicable law 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. Humboldt Sanitation'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 Humboldt Sanitation 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. Humboldt Sanitation'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 consenting to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, or administrator of Humboldt Sanitation or any part of Humboldt Sanitation's operating assets or property.

8.2 Remedies upon default. Upon occurrence of a Default, the Authority has the following rights:

- (a) To terminate the Agreement;
- (b) To suspend the Agreement;
- (c) All other available remedies to exercise its remedies in accordance with this Agreement in any other available remedies at law and in equity including specific performance.

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. **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.

10. **INDEPENDENT CONTRACTOR STATUS.** The parties intend that Humboldt Sanitation 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 Humboldt Sanitation will be deemed to be an employee or agent of the Authority. Humboldt Sanitation will have exclusive control over the manner and means of performing its obligations under this Agreement. Humboldt Sanitation officers, employees or agents will not obtain any rights to retirement benefits, workers compensation or any other benefits that accrue to Authority employees.

11. **PARTY'S REPRESENTATIONS.** Each party represents and warrants that it has full legal right, power and authority to execute, deliver, and perform its obligation under this Agreement.

12. **ASSIGNMENTS.** This Agreement may not be assigned in whole or in part without the Authority's approval which shall not be unreasonably withheld.

13. **AMENDMENTS.** This Agreement may be amended only upon mutual written agreement duly authorized and executed by both parties.

14. **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 Humboldt Sanitation:
Tasha Eisner
Humboldt Sanitation
2385 Central Avenue
McKinleyville, CA 95519

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

15. **MISCELLANEOUS.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior representations, understandings and agreements with respect thereto. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each party. Nothing in this Agreement shall be deemed to create any third-party beneficiaries or confer any right or benefit on any person or entity not a party hereto.

[Remainder of this page intentionally left blank]

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

HUMBOLDT WASTE MANAGEMENT AUTHORITY

By: _____ Dated: _____
Michael Sweeney, Chair

Approved as to form:

Nancy Diamond, General Counsel

HUMBOLDT SANITATION, INC.

By: _____ Dated: _____
Tasha Eisner, Vice President

Read And Approved By:

DRY CREEK LANDFILL, INC.

By: _____ Dated: _____
Stephen M. Gambée, CEO

BETTENDORF ENTERPRISES, INC.

By: _____ Dated: _____
Ron Borges, Oregon Operations Manager



Staff Report

DATE: May 24, 2019 For Meeting of: June 13, 2019

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 4)
Review Board of Director's Calendar for FY2019/20

RECOMMENDED ACTION: Voice vote.
Review and Approve Board of Director's Calendar for FY2019/20, Affirm Meeting Place and Time.

DISCUSSION:

Attached is the proposed Board Calendar for FY19/20. Staff recommends that the regularly scheduled monthly meetings on the second Thursday of each month remain unchanged. Staff further recommends that the scheduled time for the meeting also remain unchanged and begin at **5:30 p.m.**

All regular meetings will continue to be held in the Eureka City Council Chambers at 531 K Street, Eureka, CA. Staff has confirmed the availability of this space at the proposed time with City of Eureka staff.

In accordance with prior years, staff is also recommending that no meeting be scheduled for August and December unless otherwise necessary. Additionally, staff is recommending that no meeting be scheduled for February meeting, unless necessary. If a need arises, a special meeting will be called.

FISCAL IMPACT:

No Impact – Administrative

ALTERNATIVES:

Board's Discretion

HWMA Board Calendar FY 2019-2020

JULY

11 July Board Meeting

AUGUST

No Board Meeting

SEPTEMBER

12 September Board Meeting

OCTOBER

10 October Board Meeting

NOVEMBER

14 November Board Meeting

DECEMBER

No Board Meeting

JANUARY 2020

9 January Board Meeting
Board welcomes new members

FEBRUARY

No Board Meeting

MARCH

13 March Board Meeting

APRIL

9 April Board Meeting

MAY

14 May Board Meeting
Adopt FY20/21 Budget and Fee Resolution

JUNE

11 June Board Meeting
Election of Board Officers for FY20/21
Review Calendar for FY20/21



Staff Report

DATE: May 24, 2019 For Meeting of: June 13, 2019

FROM: Jill Duffy, Executive Director

SUBJECT: Item 5)
Elect Authority Officers for FY19/20

RECOMMENDED ACTION: Voice vote.
Nominate and Elect Officers for FY 19/20

DISCUSSION:

The Humboldt Waste Management Authority's Joint Exercise of Powers Agreement requires that the Board appoint new Board Officers each fiscal year. The term of office begins on July 1, 2019 and runs through June 30, 2019.

The officers – and the current appointees – are:

Chair Michael Sweeney, City of Ferndale
Vice-Chair Frank Wilson, City of Rio Dell

Staff recommends the Board open the topic for discussion, and the Board take action to elect Board Officers.

FISCAL IMPACT:

No Impact – Administrative

ALTERNATIVES:

Board's Discretion



Staff Report

DATE: June 3, 2019 For Meeting of: June 13, 2019
FROM: Jill Duffy, Executive Director
SUBJECT: Item 6)
Executive Director Report for June 2019

Administrative Activities

- Presentation about materials management to the Humboldt County Board of Supervisors (May 14) and City of Ferndale (May 15), with the City of Arcata and City of Rio Dell scheduled for June 19th and June 18th respectively.
- Continuing review and revisions for “HWMA Policy 2000 – Personnel Policies”. Once in final draft form, the document will be circulated to employees for review/comment, and then presented to the HWMA Board for consideration.
- Annual evaluations are being prepared for all employees for presentation prior to July 1st.
- Implemented the Household Hazardous Waste facilities expansion to six (6) days per week effective May 1st.
- Redwood Coast Energy Authority performed an audit and recommendations for the recycling center and transfer station. Staff is evaluating strategies to incorporate recommended lighting and lighting system upgrades that will result in less energy consumption.
- Drafted Loading Agreement with Humboldt Sanitation.
- Drafting agreement with Mattress Recycling Council for continued services.
- Drafting Ca Integrated Waste Management Services Agreement with the County of Humboldt.
- Participated in the CARE carpet cost survey (May 22)
- CalRecycle’s contractor from Crowe performed site visit at the Eureka Recycling Center, and collected information for the CalRecycle CRV Cost Survey (May 22)
- The Chair of the Local Task Force has tentatively scheduled the next meeting to be held July 12th at the Adorni Conference Room and requests representatives to hold regular meetings every 2-3 months to address regional planning for recycling and organics processing.
- Initiated the 5-Year ISO settlement topography mapping for the Cummings Road Landfill

Auditor Services for FY 2018-19

The auditor completed their field work in mid-May for the audit review of FY 2018-19, and will finalize report once the final trail balance is completed (by September 1).