



EXECUTIVE ADVISORY COMMITTEE

Kyle Knopp, City of Rio Dell
Greg Sparks, City of Eureka
Mandy Mager, City of Blue Lake
Karen Diemer, City of Arcata-Chair
Jay Parrish, City of Ferndale
Amy Nilsen, CAO, County of Humboldt, Vice Chair

Agenda

Thursday, April 19, 2018 at 2:30 PM
Wharfinger Building – Bay Room
1 Marina Way
Eureka, CA 95501

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1. Call to Order and Roll Call

2. Oral and Written Communications

This time is provided for people to address the Executive Committee or to submit written communications concerning matters not on this agenda. Executive Committee members may respond to statements, but any request that requires 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.

3. Consent Calendar

- a. Approve Minutes from Executive Committee of April 24, 2017**

4. Select Chair and Vice Chair for FY18/19

5. Receive and Discuss Draft Fiscal Year 2018-19 Budget; Recommendation for Final Budget to the HWMA Board of Directors

6. Adjourn



EXECUTIVE COMMITTEE

Kyle Knopp, City of Rio Dell - Chair
Greg Sparks, City of Eureka – Vice Chair
Mandy Mager, City Manager, City of Blue Lake
Karen Diemer, City of Arcata
Jay Parrish, City of Ferndale
Amy Nilsen CAO, County of Humboldt

Meeting Minutes

Thursday, April 24, 2017 1:30 PM

Humboldt Waste Management Authority

Business Office

**1059 W. Hawthorne Street,
Eureka, CA 95501**

Present: Mandy Mager, Amy Nilsen, Kyle Knopp, Karen Deimer, Jay Parrish.
Absent: Greg Sparks
HWMA Staff: Jill Duffy, Tyler Egerer

1. Call to Order and Roll Call at 1:40 PM

2. Oral and Written Communications

Chairman Knopp Opened the floor to public comment regarding Items not on the Agenda. No public comment was received. **Chairman Knopp** Closed the floor to public comment.

3. Review and Approve Consent Calendar. Motion by Amy Nilsen/Second by Jay Parrish to approve. No Public Comment was received. Motion passed unanimously.

4. Select Chair and Vice Chair for FY 2017-18 Motion by Karen Diemer/Second by Jay Parrish to select Karen Diemer as Chair, and Amy Nilsen as Vice Chair. No public comment was received. Motion passed unanimously.

5. Receive and Discuss Draft Fiscal Year 2017-18 Budget. Draft budget was presented to the Executive Advisory Committee. Motion to receive and forward to the HWMA Board of Directors, as presented, was made by Karen Diemer/Second by Mandy Mager. No public comment was received. Motion passed unanimously.

6. Adjourned at 2:00 PM.



EXECUTIVE ADVISORY COMMITTEE

Staff Report

DATE: April 13, 2018 For Meeting Of: April 19, 2018

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

SUBJECT: Item 5)
Review and Provide Direction on Draft FY 2018-2019 Budget.

RECOMMENDED ACTION: Voice vote.
Provide Recommendation to the HWMA Board of Directors

DISCUSSION:

The draft budget for Fiscal Year 2018-2019 is presented for discussion, and a recommendation to the HWMA Board for consideration at their regular May 10, 2018 meeting. This draft budget establishes the goals and priorities to enable management and operation of the HWMA's activities during the fiscal year July 1, 2018 through June 30, 2019.

As presented, there is no proposed change to the Waste Management Fee ("Tip Fee"). This report presents a balanced draft budget, and fully funds reserves, with a Net Increase of \$4,700.00. Revenues are projected at \$13,396,232 and total projected expenditures are \$13,205,532.

This staff report contains six areas of discussion, including: 1) FY 2018-19 Operating Budget Assumptions; and 2) Proposed Capital Expenditures for Draft FY 2018-19; 3) Waste Management Fee Adjustments; 4) Employee Compensation; 5) Reserve Funds; and 6) Other Board Directives for Budget Finalization.

The HWMA Board received the draft report at their regular meeting on April 12, 2018, and made no changes to the report as presented.

1. FY 2018-19 Operating Budget Assumptions

HWMA is dependent primarily upon collection of Waste Collection Fees to fund Authority operations, programs and activities. The following assumptions were incorporated into the Draft FY 2018/19 Budget.

Revenue Assumptions:

- a) There *is no proposed increase* to FY 2018-19 Waste Collection Fees (“Tip Fees”) for discussion purposes. Minor internal budget adjustments to proposed line items are proposed. Details for discussion are contained in *Section 3* of this staff report.
- b) Solid waste disposed is projected at 72,000 tons annually. Tonnage received by category:
 - a. 43,000 tons received franchised hauler waste at the Hawthorne Street Transfer Station.
 - b. 15,000 tons self-haul waste to the Hawthorne Street Transfer Station.
 - c. 4,500 tons franchise waste delivered to satellite facilities (500 tons allocated to Humboldt Sanitation and 4,000 tons to Eel River Disposal).
 - d. 9,500 tons of miscellaneous contractor waste self-hauled directly to landfill(s);
- c) Grant funded projects shall be funded only by grant monies rewarded – except in such instances where fund-matching is required and has been approved by the Board as part of the grant process;

Expenditure Assumptions:

- a) Solid waste transportation hauling and landfill disposal costs were adjusted for the Consumer Price Index by an estimated increase of 2.00%, per the respective agreements.
- b) Payroll expenses are expected to increase by an estimated 5.16%. Discussion of this item is addressed in *Section 4* of this report.
- c) Medical insurance premiums will be adjusted however, information will not be available until closer to May.
- d) Implementation of FY 2018-19 projects identified in the approved 2017 Capital Improvement Plan. Refer to *Section 6* for details.

2. Proposed Capital Expenditures & Improvements

Annual Capital Expenditures and Improvement expenditures are related to 1) annual debt service principal and interest payments; and 2) proposed capital expenditures related to implementation of Non-Capital Improvement Projects.

Annual Debt Service

The Authority successfully restructured its bond debt in May 2015, resulting in payment decreases of principle and interest related to the annual debt service. For FY 2018-19, the Authority will be obligated to pay \$856,615, structured in two payment installments. The total remaining debt of \$2,476,200 is scheduled to be paid off paid by November of 2021. (*Line 121 & 122*)

Capital Expenditures

Proposed Capital Expenditures include costs associated Reserve Fund Requirements and Asset Improvements – Non- CIP which total \$38,403 (*Lines 119 & 120*).

The Non-CIP expenditures will fund the purchase of 1) a Landfill Office Trailer – the office trailer at the landfill was originally installed about 1975, is leaking and the floor is no longer structurally sound. Staff proposes to purchase a smaller replacement trailer; and 2) a GEM 5000 – A methane, carbon dioxide and oxygen field analyzer for performing regular monitoring at the Cummings Road Landfill.

3. Waste Management Fee Adjustments

The Authority annually evaluates and adjusts fees to recover the complete costs associated with providing and operating waste management facilities and programs, including any fees imposed by other governmental agencies. The Waste Management Fee (“Tip Fee” is comprised of three primary components including a) Countywide Program Fees; b) Base Fees; and c) Facility Fees, as well as applicable charges on non-standard waste materials (tires, appliances, bulky items etc), green wastes and household hazardous wastes.

The combination of adjustments provides for, maintenance of the Authority’s Reserve policies, and sufficiently provides for the cost of all diversion programs. The draft budget for FY 2018-19 recommends adjustments to the Countywide Program Fees, Base Fees, and Facilities Fees, but no overall change to the existing Waste Management Fee.

The primary components of the Waste Management Fees are presented in detail in *Attachment B* of this report, and are as follows:

1. *Countywide Program Fee Adjustments:*
The CWPF category is proposed to be increased from \$23.27 to \$24.08 per ton, which represents a \$0.81/ton increase. The increase would be applied to Household Hazardous Waste fees to cover cost of waste disposal.
2. *HWMA Base Fees*
The Base Fee category covers costs associated with Administration, and costs to operate the Universal Waste Programs, Recycling and Cummings Road Operations. The Base Fee is proposed to be increased from \$20.90/ton to \$21.95/ton, which represents an increase of \$1.05/ton.
3. *Facility Fees*
Facility Fees are proposed to be decreased by \$1.69/ton, which offsets the adjusts of the above item increases.

The above adjustments result in an overall ‘no change’ to the Waste Management Fee to Self-Haul, Franchise and Satellite customers. However, there is a \$0.81/increase per ton for Out of Area Self Haul. In FY 2015-16 the fee was \$26.49/ton and it was decreased to \$23.27/ton in FY 2017-18. Please refer to *Attachment C*.

4. Personnel Compensation & Related Items

Employee and payroll costs are budgeted at \$2,543,365 of the Authority’s budget. This represents the full encumbrance costs of full staffing for 36.5 FTE for the operations at the Hawthorne Street Transfer Station seven (7) days a week, as well as the Cummings Road Landfill. Included in this figure are salaries, health benefits, taxes, pension costs and other benefits, such as employee boot allowances.

Staff included the following adjustments for employee compensation and benefits within the FY 2018-19 budget:

- Inclusion of costs associated with the approved Director of Environmental Health & Safety position.
- California Personnel Employee Retirement System (CalPERS) required increase for pension contributions of approximately 0.1% (or \$24,794).
- CalPERS unfunded liability is projected to be \$18,068 for FY 2018-19. This cost is calculated annually as part of total payroll expenses. Paying off the full unfunded pension obligation of approximately \$350,000 would put an unnecessary burden on the Waste Management Tip Fees; staff recommends continuing annual payments and reviewing these costs during future budget discussions.
- Worker’s compensation insurance costs will is expected to increase by \$11,131.
- Medical premium adjustments will be presented with the Final Budget as the Authority expects to receive notice of adjustments in late April.

Employee COLA (Cost of Living Adjustment) & State Minimum Wage Impacts

Periodically, the Board considers providing employees a Cost of Living Adjustment, or COLA, to ensure that, over time, salary adjustments help offset inflation and ensure commiserate salaries remain competitive when recruitment is necessary.

Additionally, in 2016 California approved a State Minimum Wage of \$15/hour by 2022, and tiered the increases over a multi-year period with annual adjustments. The table below details requirements for employers with greater than 26 employees, and HWMA entry –level positions are as follows:

Rate Year (Effective Jan 1)	Hourly Rate	HWMA Classification Grade 100, Step 1 (Entry Level Position)	HWMA Approved COLA
2016 (Base)	\$10.00	\$12.45	1.5%
2017	\$10.50	\$12.45	0%
2018	\$11.00	\$12.70	2%
2019	\$12.00	\$13.34	5%
2020	\$13.00	-	TBD
2021	\$14.00	-	TBD
2022	\$15.00	-	TBD

Historically, entry-level positions compensated Authority employees slightly higher than the minimum wage, and was competitive with similar positions other local governmental entities. This ensured the Authority was competitive, could expect candidates with higher skills sets and abilities, and we were able to retain employees. With the recent adjustments to the State Minimum Wage, the Authority is increasingly having difficulty recruiting and retaining entry level employees, and unless adjustments are made in the next two years, these entry-level wages will not meet minimum wage.

The impacts of the State Minimum Wage represent a 21% increase in from FY 2018-19 to 2021-22 adjustments for this classification grade. Additionally, simply increasing entry-level employee wages to \$15/hour will cause the pay of these lower skilled employees to bump up against the pay of employees in positions that require a higher skill set, greater institutional knowledge, training and/or more responsibilities. This salary ‘compression’ can lead to a number of organizational challenges such as poor employee retention, low employee morale, loss of productivity and decrease of job satisfaction and will need to be proactively addressed.

Staff recommended, and the Board tentatively accepted a 5.0% COLA, pending final budget approval. Further, staff will return to the Board later this year with a suite of options to address actions necessary to meet the minimum wage, ensure competitiveness and retention, and identify increases necessary to address salary compression so we can have a multi-year approach to balance these factors.

Organizational Chart & Classification Plan

It is a recommended practice to periodically review and update the personnel Organizational Chart and Classifications Pay Plan, adjust compensation rates as appropriate, and provide considerations for cost of living adjustments. This was completed during the FY 2017-18 budget process, and updated in January 2018 as part of a mid-year reorganization.

Organization Chart

The Organization Chart was most recently revised in January 2018. The Authority has 36.5 approved positions, 34.5 of which are filled.

Classification Plan

If the Board recommends a COLA adjustment, staff will return with a revised Classification Plan in the Final Budget that reflects the COLA adjustment.

5. Reserve Fund

The Authority has four Reserve fund accounts, the Undesignated Operating Reserve, the Rate Stabilization, Personnel Stabilization, and Capital Improvement Project Fund Reserves.

Authority Reserve Funds

- ***Undesignated Operating Reserve*** – HWMA Policy 3030.1 established an undesignated reserve policy goal to maintain a reserve fund equal to 15% of annual projected operating expenses. This policy was established to ensure fund availability for 1) contingencies for unseen or capital needs; 2) economic uncertainties; and/or 3) cash flow requirements. Based on projected FY 2018/19 Operational Expenses, a 15% target reserve is \$1,199,272.
- ***Rate Stabilization Reserve*** – The fund maintains a base allocation of \$400,000 for Fiscal Year 2018-2019, to be available for use to offset unexpected fuel spike increases or other unexpected costs increases in contracted services related to recycling, green waste, household hazardous waste, solid waste disposal services or State mandated pass through fees.

- **Capital Improvement Reserve Fund** – Funds available for Fiscal Year 2018-2019 will be used solely for the application of the approved Capital Improvement Plan (CIP). CIPs are used to detail operational renovations or improvements greater than \$25,000 expected within a 5-year planning horizon, plan for necessary financing of equipment and materials, and identify project implementation timelines for completion. The fund requires an increase of \$64,480 to meet the anticipated \$852,480 required by the approved CIP.
- **Employee Health and Benefits Stabilization Reserve** – In addition to the market medical health insurance, HWMA self-funds and manages employee dental and vision benefits, which is budgeted annually. Depending upon individual needs, employees may or may not draw upon these budgeted funds. Establishment of this reserve fund allows for hourly staff wages to be budgeted at full encumbrance without unduly affecting Waste Management Fees. The fund maintains a base allocation of \$150,000 for Fiscal Year 2018-2019, which may be used in the event of unusual drawdowns for self-funded benefits, and assist the Authority in meeting necessary salary adjustments related to the new minimum wage tier.

6. Other Board Directives for Budget Finalization

Additionally, staff presented to the Board the following items to complete the final budget for consideration at the May meeting:

a) Capital Improvement Expenditures

Proposed Capital Improvement Expenditures for FY 2018-19 include costs associated, equipment and implementation of projects identified in the approved FY 2016-17 Capital Improvement Plan which include:

- Replace the 2007 Hyster forklift in the Recycling Center which has 4,950 hours on a re-built engine. The chassis and mast components are sharing service wear.
- 70' Pit Scale Replacement- The existing scale was installed in 2005 and necessary for accurate axel and total weight loading of waste into transportation trailers.
- Flare System Upgrade - The upgrade will include 1) modernizing the controls and data recording for the Flare System, 2) adding telemetry for remote monitoring, and 3) adding a timer for discontinuous operation.
- Replacement of the conveyor belt on the Authority's Harris baler, the primary method of processing and preparing recyclable materials for shipment to market and/or other processors. The baler is used extensively, and requires regular maintenance to remain in peak form.

The total projected cost of these projects – \$385,000– is anticipated to be fully funded by the Capital Improvement Reserve Fund, per the approved Capital Improvement Plan established by the Board in October 2016. (*Line 150*)

- ##### **b) Recycling Marketing Development Zone** funding totaling \$10,000 is included for discussion. Funding will be directed to the Humboldt County Economic Development

Division to assist in supporting activities related to the North Coast Recycling Market Development Zone. The County will also receive approximately \$3,500 in FY 2018-19 funding from CalRecycle to support ZIF and ZoneWorks activities. (*Line 52*)

c) **Timber Harvest Revenue** – For purposes of this draft budget, staff has placed anticipated revenue of \$186,000 from the 2018 Timber Harvest into the (Undesignated) Operating Reserve Fund (*Line 151*).

d) **Residential Household Hazardous Waste “No-Charge for Residential Waste Under 15-Gallons”**

To encourage Member Agency residents to properly transport and dispose of residential Household Hazardous Waste in a timely manner, and within disposal volume requirements, staff is recommending that the \$5/15-gallon fee be eliminated. This results in a fiscal impact of (\$35,000) annually. For residential volumes greater than 15 gallons, customers would be charged a flat rate of \$7/gallon over the threshold amount. (*Line 12*)

There are no proposed changes to the Small Quantity Business Generator fees.

ATTACHMENTS:

- A) Draft FY 2018-19 Budget Summary
- B) Draft FY 2018-19 Waste Management Fees
- C) Draft FY 2018-19 County Wide Program Fees
- D) County Wide Programs Fee – Program Overview and Proposed Funding Details
- E) Draft FY 2018-19 AB 939 Allocation

Humboldt Waste Management Authority
 Fiscal Year 2018-2019
 Budget with 0% Change in Tipping Fees

	Administration		Programs		Tip Floor Operations		Recycling Operations		Hazardous Waste		Cummings Road Landfill		FY17-18 Final Budget	% Change from FY17-18	Total FY 18/19 Budget
	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget			
1 Revenues															
2 Revenues from Operations															
3 Franchise Tip Fees					\$5,676,440	\$5,547,378							\$5,676,440	-2.27%	\$5,547,378
4 Self Haul Tip Fees					\$3,116,400	\$2,337,282							\$3,116,400	-25.00%	\$2,337,282
5 Satellite Tip Fees					\$463,279	\$443,560							\$463,279	-4.26%	\$443,560
6 Out of Area Self Haul Fees					\$174,525	\$228,796							\$174,525	31.10%	\$228,796
7 Revenues from Solid Waste	\$0	\$0	\$0	\$0	\$9,430,644	\$8,557,016	\$0	\$0	\$0	\$0	\$0	\$0	\$9,430,644	-9.26%	\$8,557,016
8 Greenwaste Tip Fees															
9 Franchise					\$75,700	\$186,700							\$75,700	146.63%	\$186,700
10 Self Haul					\$198,000	\$180,000							\$198,000	-9.09%	\$180,000
11 Diversion Revenue															
12 Hazardous Waste									\$100,000	\$65,000			\$100,000	-35.00%	\$65,000
13 Single-Stream Processing and Loading							\$150,000	\$150,000					\$150,000	0.00%	\$150,000
14 Self Haul (Appliances, TVs, Tires, Misc. E-waste)			\$14,000	\$0	\$9,000	\$9,000	\$60,000	\$60,000					\$83,000	-16.87%	\$69,000
15 Salvage Revenue from Sale of Materials Processed In-House					\$21,000	\$21,000	\$750,000	\$1,400,000					\$771,000	84.31%	\$1,421,000
16 Revenues from Material Diversion Programs	\$0	\$0	\$14,000	\$0	\$303,700	\$396,700	\$960,000	\$1,610,000	\$100,000	\$65,000	\$0	\$0	\$1,377,700	50.37%	\$2,071,700
17 Total Revenues from Operations	\$0	\$0	\$14,000	\$0	\$9,734,344	\$8,953,716	\$960,000	\$1,610,000	\$100,000	\$65,000	\$0	\$0	\$10,808,344	-1.66%	\$10,628,716
18															
19 Revenue Generated by Program Fees and Base Rate															
20 County-Wide Program Fees															
21 Administrative	\$145,542	\$137,520											\$145,542	-5.51%	\$137,520
22 Hazardous Waste									\$392,430	\$430,112			\$392,430	9.60%	\$430,112
23 Cummings Road Landfill Pledge of Revenue											\$338,328	\$319,680	\$338,328	-5.51%	\$319,680
24 Programs			\$249,980	\$115,020									\$249,980	-53.99%	\$115,020
25 Base Fees															
26 Administrative	\$287,853	\$227,533											\$287,853	-20.96%	\$227,533
27 Cummings Road Landfill Operations										\$274,800	\$343,325		\$274,800	24.94%	\$343,325
28 Universal Waste Programs			\$56,334	\$156,552									\$56,334	177.90%	\$156,552
29 Recycling Programs							\$632,040	\$644,154					\$632,040	1.92%	\$644,154
30 Total Revenue Generated by Program Fees and Base Rate	\$433,395	\$365,053	\$306,314	\$271,572	\$0	\$0	\$632,040	\$644,154	\$392,430	\$430,112	\$613,128	\$663,005	\$2,377,307	-0.14%	\$2,373,896
31															
32 Other Revenues															
33 Timber Harvest, CRLF Forest Property												\$269,000			\$269,000
34 Rental Income, Net of Expenses					\$120,338	\$124,620							\$120,338	3.56%	\$124,620
35 Total Other Revenues	\$0	\$0	\$0	\$0	\$120,338	\$124,620	\$0	\$0	\$0	\$0	\$0	\$269,000	\$120,338	227.10%	\$393,620
36															
37 Total Revenues	\$433,395	\$365,053	\$320,314	\$271,572	\$9,854,682	\$9,078,336	\$1,592,040	\$2,254,154	\$492,430	\$495,112	\$613,128	\$932,005	\$13,305,989	0.68%	\$13,396,232
38															

Humboldt Waste Management Authority
 Fiscal Year 2018-2019
 Budget with 0% Change in Tipping Fees

	Administration		Programs		Tip Floor Operations		Recycling Operations		Hazardous Waste		Cummings Road Landfill		FY17-18 Final Budget	% Change from FY17-18	Total FY 18/19 Budget
	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget			
39 Expenses															
40 Operating Expenses															
41 Solid Waste Hauling & Disposal					\$3,030,963	\$3,026,893							\$3,030,963	-0.13%	\$3,026,893
42 Hawthorne Street TS					\$27,454	\$23,510							\$27,454	-14.37%	\$23,510
43 McKinleyville Satellite					\$262,468	\$224,129							\$262,468	-14.61%	\$224,129
44 Fortuna Satellite															
45 Diverted Materials Hauling & Disposal					\$261,519	\$370,248							\$261,519	41.58%	\$370,248
46 Greenwaste									\$215,000	\$215,000			\$215,000	0.00%	\$215,000
47 Hazardous Waste															
48 Appliances, TVs, Tires, Misc. E-waste					\$12,000	\$12,000	\$100,000	\$100,000					\$112,000	0.00%	\$112,000
49 Leachate											\$75,000	\$100,000	\$75,000	33.33%	\$100,000
50 CRV Paid Out							\$720,000	\$1,370,000					\$720,000	90.28%	\$1,370,000
51 Contract Services															
52 RMDZ			\$15,000	\$10,000									\$15,000	-33.33%	\$10,000
53 Temporary Employment Services															
54 Total Operating Expenses	\$0	\$0	\$15,000	\$10,000	\$3,594,404	\$3,656,781	\$820,000	\$1,470,000	\$215,000	\$215,000	\$75,000	\$100,000	\$4,719,404	15.52%	\$5,451,781
55															
56 Payroll Expenses	\$212,099	\$218,753	\$282,514	\$220,029	\$985,141	\$1,049,389	\$593,383	\$660,179	\$166,549	\$199,973	\$167,567	\$195,042	\$2,407,253	5.65%	\$2,543,365
57															
58 Program Fees and Base Rate Passed-Through to Member Agencies, Authority Programs															
59 County-Wide Program Fees															
60 Administration					\$145,542	\$137,520							\$145,542	-5.51%	\$137,520
61 Hazardous Waste					\$392,430	\$430,112							\$392,430	9.60%	\$430,112
62 Landfill Closure and Post-Closure Maintenance Pledge of Revenue					\$338,328	\$319,680							\$338,328	-5.51%	\$319,680
63 AB939					\$192,024	\$181,440							\$192,024	-5.51%	\$181,440
64 County LEA					\$238,506	\$225,360							\$238,506	-5.51%	\$225,360
65 County Rural Container Program					\$366,522	\$346,320							\$366,522	-5.51%	\$346,320
66 County Table Bluff Landfill Maintenance					\$56,388	\$53,280							\$56,388	-5.51%	\$53,280
67 Illegal Dumping and Cleanup Funds					\$43,434	\$40,320							\$43,434	-7.17%	\$40,320
68 Base Fees															
69 Administrative					\$287,853	\$227,533							\$287,853	-20.96%	\$227,533
70 Cummings Road Landfill Operations					\$274,800	\$343,325							\$274,800	24.94%	\$343,325
71 Universal Waste Programs					\$241,137	\$156,552							\$241,137	-35.08%	\$156,552
72 Recycling Programs					\$632,040	\$644,154							\$632,040	1.92%	\$644,154
73 Total Program Fees and Base Rates Passed Through	\$0	\$0	\$0	\$0	\$3,209,004	\$3,105,596	\$0	\$0	\$0	\$0	\$0	\$0	\$3,209,004	-3.22%	\$3,105,596
74															

Humboldt Waste Management Authority
Fiscal Year 2018-2019
Budget with 0% Change in Tipping Fees

	Administration		Programs		Tip Floor Operations		Recycling Operations		Hazardous Waste		Cummings Road Landfill		FY17-18 Final Budget	% Change from FY17-18	Total FY 18/19 Budget		
	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget					
75	Indirect Expenses																
76	Accounting Expense	\$18,578	\$19,135										\$18,578	3.00%	\$19,135		
77	Advertising Expense	\$1,500	\$1,500	\$9,000	\$7,000	\$1,000	\$1,000	\$3,000	\$3,000	\$17,500	\$17,500	\$32,000	-6.25%	\$30,000			
78	Alarm/Security Expense	\$250	\$250			\$500	\$250	\$500	\$250			\$500	\$250	\$1,750	-42.86%	\$1,000	
79	Bank Fees Expense					\$25,000	\$25,000					\$0	\$0	\$25,000	0.00%	\$25,000	
80	Dues/Membership	\$3,500	\$3,500	\$3,000	\$3,000					\$500	\$500	\$7,000	\$7,000	\$7,000	0.00%	\$7,000	
81	Engineering & Consulting	\$20,000	\$20,000			\$0	\$0					\$110,000	\$80,000	\$130,000	-23.08%	\$100,000	
82	Timber Management Expenses														\$83,000		
83	Environmental Monitoring					\$5,000	\$5,000					\$75,000	\$75,000	\$80,000	0.00%	\$80,000	
84	CRBAS Five-Year Monitoring											\$10,000	\$10,000	\$10,000	0.00%	\$10,000	
85	Gas/Fuel Expense			\$500	\$500	\$35,000	\$35,000	\$2,500	\$2,500	\$2,500	\$2,500	\$1,600	\$1,600	\$42,100	0.00%	\$42,100	
86	Insurance Expenses																
87	Environmental											\$11,000	\$10,300	\$11,000	-6.36%	\$10,300	
88	General Liability	\$4,284	\$4,284	\$4,059	\$4,218	\$24,544	\$24,544	\$5,533	\$5,533	\$4,903	\$4,903	\$3,456	\$3,456	\$46,779	0.34%	\$46,938	
89	Property	\$381	\$381	\$341	\$375	\$3,059	\$3,059	\$492	\$492	\$436	\$436	\$307	\$307	\$5,016	0.68%	\$5,050	
90	Janitorial/Vector Services	\$800	\$1,000	\$1,500	\$1,000	\$10,000	\$8,000	\$3,600	\$3,000	\$500	\$350	\$150	\$150	\$16,550	-18.43%	\$13,500	
91	Legal Expense	\$40,000	\$40,000											\$40,000	0.00%	\$40,000	
92	Property & Equipment Leases	\$5,500	\$10,000			\$15,000	\$122,350							\$20,500	545.61%	\$132,350	
93	Meeting Expense	\$1,200	\$1,000											\$1,200	-16.67%	\$1,000	
94	Employment Expenses (Hiring, Testing, etc.)	\$0	\$0							\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	0.00%	\$5,000	
95	Office Supplies	\$8,000	\$9,150	\$500	\$500	\$3,000	\$3,000	\$2,000	\$2,000	\$750	\$750	\$600	\$600	\$14,850	7.74%	\$16,000	
96	Operating Supplies					\$6,000	\$9,000	\$20,000	\$30,000	\$30,000	\$15,000	\$2,000	\$4,000	\$58,000	0.00%	\$58,000	
97	Outside Printing	\$2,000	\$1,000	\$300	\$1,000	\$1,000	\$500	\$600	\$500	\$1,000	\$500	\$250	\$250	\$5,150	-27.18%	\$3,750	
98	Permits & Fees					\$10,300	\$10,300			\$2,600	\$2,600	\$70,000	\$70,000	\$82,900	0.00%	\$82,900	
99	Postage	\$1,200	\$1,000	\$1,000	\$1,000	\$2,300	\$1,000	\$600	\$500	\$750	\$500	\$1,600	\$1,000	\$7,450	-32.89%	\$5,000	
100	Publications		\$200		\$200	\$200	\$200	\$100	\$200					\$100	900.00%	\$1,000	
101	Repairs & Maintenance Expenses																
102	Facilities	\$400	\$400	\$500	\$500	\$30,000	\$30,000	\$9,000	\$9,000	\$3,000	\$3,000	\$15,000	\$15,000	\$57,900	0.00%	\$57,900	
103	Equipment	\$400	\$400	\$250	\$250	\$65,000	\$65,000	\$30,000	\$30,000	\$2,000	\$2,000	\$16,000	\$16,000	\$113,650	0.00%	\$113,650	
104	Vehicles					\$500	\$1,000			\$2,000	\$2,000	\$1,000	\$1,000	\$3,500	14.29%	\$4,000	
105	Safety Expense	\$200	\$500	\$1,500	\$1,000	\$8,000	\$8,000	\$5,000	\$5,000	\$3,000	\$3,000	\$4,000	\$3,000	\$21,700	-5.53%	\$20,500	
106	Small Tools					\$2,000	\$1,500	\$1,000	\$1,000	\$500	\$500	\$0	\$500	\$3,500	0.00%	\$3,500	
107	Software Expense	\$7,000	\$21,000	\$5,000	\$9,000	\$8,000	\$8,000	\$6,500	\$5,000	\$4,200	\$4,200	\$8,000	\$7,000	\$38,700	40.05%	\$54,200	
108	Telephone Expense	\$2,500	\$2,000	\$1,900	\$1,500	\$4,000	\$5,000	\$1,200	\$1,500	\$1,500	\$1,000	\$2,000	\$1,500	\$13,100	-4.58%	\$12,500	
109	Training	\$4,000	\$4,000	\$4,000	\$4,000	\$2,000	\$2,000			\$4,000	\$4,000	\$3,000	\$3,000	\$17,000	0.00%	\$17,000	
110	Travel - Transportation, Meals, Lodging	\$1,500	\$1,500	\$1,500	\$1,500	\$2,000	\$3,500			\$4,000	\$4,000	\$1,000	\$2,000	\$10,000	25.00%	\$12,500	
111	Mileage Reimbursement	\$900	\$400	\$600	\$200	\$150	\$600	\$150	\$500	\$500	\$250	\$250	\$2,400	\$2,400	\$1,500	-37.50%	\$1,500
112	Uniforms Expense	\$1,000	\$500	\$1,000	\$1,500	\$7,000	\$7,000	\$5,000	\$5,000	\$1,000	\$1,000	\$1,250	\$1,000	\$16,250	-1.54%	\$16,000	
113	Utilities Expense																
114	Electricity/Heat	\$1,600	\$1,600	\$1,800	\$1,900	\$16,000	\$16,000	\$18,000	\$18,000	\$3,000	\$3,000	\$30,000	\$30,000	\$70,400	0.14%	\$70,500	
115	Water	\$1,100	\$1,600	\$750	\$1,400	\$1,000	\$1,500	\$1,000	\$1,500	\$700	\$1,200	\$300	\$800	\$4,850	64.95%	\$8,000	
116	Total Indirect Expenses	\$127,793	\$146,300	\$39,000	\$41,543	\$287,353	\$396,853	\$115,625	\$123,975	\$95,839	\$80,139	\$368,263	\$420,963	\$1,033,873	17.01%	\$1,209,773	
117																	
118	Capital Expenditures																
119	Reserve Fund Requirements					\$224,852	\$8,403							\$224,852	-96.26%	\$8,403	
120	Asset Improvements, Non-CIP							\$48,460				\$30,000	\$30,000	\$78,460	-61.76%	\$30,000	
121	Long-Term Principal					\$870,634	\$804,703							\$870,634	-7.57%	\$804,703	
122	Long-Term Interest					\$66,262	\$51,912							\$66,262	-21.66%	\$51,912	
123	Total Capital Expenditures	\$0	\$0	\$0	\$0	\$1,161,748	\$865,018	\$48,460	\$0	\$0	\$0	\$30,000	\$30,000	\$1,240,208	-27.83%	\$895,018	
124																	
125	Total Expenses	\$339,892	\$365,053	\$336,514	\$271,572	\$9,237,650	\$9,073,636	\$1,577,468	\$2,254,154	\$477,388	\$495,112	\$640,830	\$746,005	\$12,609,742	4.72%	\$13,205,532	
126	Net Income (Loss)	\$93,503	-	(\$16,200)	-	\$617,032	\$4,700	\$14,572	-	\$15,042	-	(\$27,702)	-	\$696,247	-99.32%	\$4,700	

Humboldt Waste Management Authority
 Fiscal Year 2018-2019
 Budget with 0% Change in Tipping Fees

	Administration		Programs		Tip Floor Operations		Recycling Operations		Hazardous Waste		Cummings Road Landfill		FY17-18 Final Budget	% Change from FY17-18	Total FY 18/19 Budget
	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget	FY17-18 Budget	Proposed Budget			
127 Grant Activities															
128 Waste Tire				\$70,000											\$70,000
129 RMDZ			\$3,500										\$3,500		
130 OPP			\$40,000	\$47,490									\$40,000	18.73%	\$47,490
131 HHW HD									\$50,000	\$50,000			\$50,000	0.00%	\$50,000
132 DoC			\$20,000	\$23,000									\$20,000	15.00%	\$23,000
133 Revenues from Grant Programs	\$0	\$0	\$63,500	\$140,490	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$113,500	67.83%	\$190,490
134 Waste Tire Grant				\$70,000											\$70,000
135 RMDZ			\$3,500										\$3,500		
136 Oil Payment Program			\$40,000	\$47,490									\$40,000	18.73%	\$47,490
137 HHW HD Grant									\$50,000	\$50,000			\$50,000	0.00%	\$50,000
138 CCPP Grants			\$20,000	\$23,000									\$20,000	15.00%	\$23,000
139 Expenses Incurred by Grant Programs	\$0	\$0	\$63,500	\$140,490	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$113,500	67.83%	\$190,490
140 Total Grant Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
142 Non-Cash Activities Affecting Net Income															
143 Depreciation Expense	\$82,739	\$82,739	\$5,353	\$1,307	\$265,609	\$265,609	\$35,616	\$35,616	\$30,062	\$30,062	\$5,225	\$5,225	\$424,604	-0.95%	\$420,557
144 Total Non-Cash Activities	\$82,739	\$82,739	\$5,353	\$1,307	\$265,609	\$265,609	\$35,616	\$35,616	\$30,062	\$30,062	\$5,225	\$5,225	\$424,604	-0.95%	\$420,557
146 Reserves and Trusts															
147 Operating Reserve: 15% of Operating Expenses	\$1,056,783	\$32,813		\$34,504		\$705,925		\$319,527		\$62,246		\$44,256	\$1,056,783	13.48%	\$1,199,272
148 Personnel Stabilization Reserve	\$150,000	\$150,000											\$150,000	0.00%	\$150,000
149 Rate Stabilization Reserve	\$400,000					\$400,000							\$400,000	0.00%	\$400,000
150 Capital Improvement Fund	\$788,000					\$787,480						\$65,000	\$788,000	8.18%	\$852,480
151 Current Cash Value of Designated Reserves	\$2,169,932	\$2,407,349				\$0						\$186,000	\$2,169,932	19.51%	\$2,593,349
152 Total Required Budget Funding for Reserves	\$224,851												\$224,851	-96.26%	\$8,403
153 Total Reserves and Trust Funds	\$2,394,783												\$2,394,783	8.64%	\$2,601,752

Attachment B
Fiscal Year 2018 - 2019
Waste Management Fees

	HWMA Self Haul	HWMA Franchise	ERD Franchise	HumSan Franchise	Out of Area Self Haul	Total Disposal
Tonnage Generated	15,000	43,000	4,000	500	9,500	72,000
Countywide Program Fees						
Administration	\$1.91	\$1.91	\$1.91	\$1.91	\$1.91	\$137,520.00
Household Hazardous Waste Program	\$5.97	\$5.97	\$5.97	\$5.97	\$5.97	\$430,111.63
Cummings Road Landfill Maintenance	\$4.44	\$4.44	\$4.44	\$4.44	\$4.44	\$319,680.00
Cleanup/Enforcement Programs	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56	\$40,320.00
Rural Container Program	\$4.81	\$4.81	\$4.81	\$4.81	\$4.81	\$346,320.00
County/Cities AB939 Programs	\$2.52	\$2.52	\$2.52	\$2.52	\$2.52	\$181,440.00
Table Bluff Landfill Maintenance	\$0.74	\$0.74	\$0.74	\$0.74	\$0.74	\$53,280.00
Countywide Enforcement (LEA)	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13	\$225,360.00
Subtotal	\$24.08	\$24.08	\$24.08	\$24.08	\$24.08	\$ 1,734,031.63
HWMA Base Fees						
Administration	\$3.64	\$3.64	\$3.64	\$3.64		\$227,533.24
Universal Waste Programs	\$2.50	\$2.50	\$2.50	\$2.50		\$156,552.27
Recycling Programs	\$10.31	\$10.31	\$10.31	\$10.31		\$644,153.77
Cummings Road Landfill Operations	\$5.49	\$5.49	\$5.49	\$5.49		\$343,324.96
Subtotal	\$21.95	\$21.95	\$21.95	\$21.95		\$ 1,371,564.24
Facility Fees						
Operations						
(Transportation & Disposal)	\$83.26	\$62.37	\$52.54	\$52.54		\$4,167,240.00
Indirect	\$8.20	\$6.37	*	*		\$396,910.00
Capital Expenditures	\$18.33	\$14.24	*	*		\$887,270.00
Subtotal	\$109.79	\$82.98	\$52.54	\$52.54		\$ 5,451,420.00
Total Proposed Waste Mgmt. Fees	\$155.82	\$129.01	\$98.57	\$98.57	\$24.08	
Waste Mgmt. Fees for FY 2015-16	\$155.82	\$129.01	\$98.57	\$98.57	\$23.27	
Percent Increase (Decrease)	0.00%	0.00%	0.00%	0.00%	3.50%	
*	Values for HWMA Facility Fees related to Satellite Facilities relate to transportation and disposal costs only. Other fees for facility operation are set via agreement by Member Agencies with their respective facility operators.					

Attachment C
Fiscal Year 2018 - 2019
County Wide Program Fees

		Per Ton (Revenue)		
	HWMA Self Haul	HWMA Franchise	Satellite Franchise	Out of Area Self Haul
Anticipated Waste Disposed	15,000	43,000	4,500	9,500
72,000				
	(tons/year)			

	FY2017-18	FY2018-19	Change	Total
HWMA Operated				
Administration	\$1.91	\$1.91	\$0.00	\$137,520
Household Hazardous Waste Program	\$5.15	\$5.97	\$0.82	\$430,112
Cummings Landfill Road Maintenance	\$4.44	\$4.44	\$0.00	\$319,680
Cleanup/Enforcement Programs	\$0.57	\$0.56	(\$0.01)	\$40,320
Pass Through				
Rural Container Program	\$4.81	\$4.81	\$0.00	\$346,320
County/Cities AB939 Programs	\$2.52	\$2.52	\$0.00	\$181,440
Table Bluff Landfill Maintenance	\$0.74	\$0.74	\$0.00	\$53,280
Countywide Enforcement (LEA)	\$3.13	\$3.13	\$0.00	\$225,360
Subtotal	\$23.27	\$24.08	\$0.81	\$1,734,032

Attachment D
Draft Fiscal Year 2018-2019
County Wide Program Fees
 Program Overview and Proposed Funding Details

Administration This revenue covers HWMA's administrative salaries and overhead, legal services and Board expenses.

Projected revenue is approximately **\$137,520**.

The Household Hazardous Waste Program diverts household hazardous waste (i.e. oil, pesticides, pharmaceutical etc.) for materials not permitted to be disposed in landfills.

Projected revenue is approximately **\$430,111.63**.

Cummings Road Landfill Maintenance provides necessary funding to cover the expenses associated with non-closure related expenses of the landfill. When final closure of the landfill is complete, funds will be directed towards post-closure related maintenance expenses.

Projected revenue is approximately **\$319,680**.

Cleanup and Enforcement Programs provides funding for cleanup of illegally dumped waste and the processing of abandoned trailers from member agencies, and provides partial funding for a staff position in the Humboldt County Code Enforcement Unit.

Projected revenue is **\$40,320**.

The Rural Container Program the County is responsible for administering contracts for operation of 12 outlying container drop-off sites in the unincorporated, rural areas of Humboldt County. Because the operations are small and remote, actual costs to staff the facility and haul disposed materials does incur higher cost per ton. If the site operators charged the actual cost in their gate tip fee, few individuals would use the sites and illegal dumping in the surrounding area would likely increase.

Projected revenue is **\$346,320**. This is passed directly to Humboldt County Public Works.

County/Cities AB939 Programs This assists in funding waste diversion activities, programs and staffing in HWMA's member cities and the County. At the discretion of the member agency, funds may be used to cover the costs of recycling and other waste diversion programs with the intent that the agencies can comply with AB939's waste reduction mandate.

Projected revenue is **\$181,440**. This is distributed to all member agencies according to an allocation formula previous established by the Board.

Table Bluff Landfill is a closed landfill owned by the County of Humboldt and located south of Eureka. The County is responsible for closure related maintenance and activities.

Projected revenue is **\$53,280**. This is passed directly to Humboldt County Public Works.

The Local Enforcement Agency (LEA) provides local enforcement activity on behalf of CalRecycle's (formerly known as the California Integrated Waste management Board) regulation.

Project revenue is **\$225,360**. This is passed directly to County Environmental Health.

Attachment E
Fiscal Year 2018 - 2019
AB939 Payment Allocation

Proposed Payment Schedule FY 2018-2019

Entity	Total Due	Retained by		Quarterly Payment	Ratio
		HWMA	Payment		
Arcata	22,646.81		5,661.70		6.56%
Blue Lake	7,038.45		1,759.61		2.04%
Eureka	35,714.17	10,000.00	8,928.54		10.35%
Ferndale	7,119.87		1,779.97		2.06%
Rio Dell	8,900.87	5,000.00	2,225.22		2.58%
Unincorporated Areas	72,581.09	72,581.09	18,145.27		21.04%
HWMA	27,438.74	27,438.74	6,859.69		55.37%
	181,440.00	115,019.83	45,360.00		100.00%

History of Payments to Members

Entity	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Arcata	20,980.88	21,154.55	21,077.94	21,077.94	20,418.23	22,646.81	22,646.81
Blue Lake	6,520.69	6,574.60	6,550.85	6,550.85	6,382.78	7,038.45	7,038.45
Eureka	33,086.98	33,349.93	33,240.06	33,240.06	24,181.28	35,714.17	35,714.17
Ferndale	6,596.12	6,642.73	6,626.64	6,626.64	6,416.21	7,119.87	7,119.87
Rio Dell	8,246.11	8,311.93	8,284.26	8,284.26	8,020.25	8,900.87	8,900.87
Trinidad	5,614.44	5,654.84	5,640.41	5,640.41	0.00		
Unincorporated Areas (retained by HWMA)	72,246.84	72,831.62	72,581.09	72,581.09	69,613.16	72,581.09	72,581.09
Retained by HWMA	15,666.26	15,806.30	191,098.74	191,098.74	191,284.86	162,398.74	27,438.74
	168,958.32	170,326.50	345,100.00	345,100.00	326,316.77	316,400.00	181,440.00