



BOARD OF DIRECTORS

Jack Thompson, City of Rio Dell, **Chair**
Natalie Arroyo, City of Eureka,
Adelene Jones, City of Blue Lake
Sofia Pereira, City of Arcata, **Vice Chair**
Michael Sweeney, City of Ferndale
Rex Bohn, County of Humboldt

Agenda

Thursday, September 10, 2015 5:30 PM

Eureka City Council Chambers

531 K Street, Eureka, CA

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

2. Consent Calendar

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

- a. Approve Minutes from the July 9, 2015 HWMA Board of Directors Meeting.
- b. Receive the June Fiscal Year 2014-2015 Financials
- c. Receive the July Fiscal Year 2014-2015 Financials
- d. Receive 2015-16 Legislative Session Status Report
- e. Approve Agreement between HWMA and Eel River Resource Recovery, Inc. to Provide Municipal Solid Waste Loading Services.
- f. Approve Agreement between HWMA and Steve Morris Logging, Inc. to Provide Green Waste Hauling Services

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. Regional Recycling RFP

5. Board Member Reports

6. Executive Director's Report

7. Closed Session: Session It is the intention of the Board of Directors to meet in closed session for two items:

a. Potential Litigation pursuant to California Government Code 54956.9(c).

b. Public Employee Performance Evaluation for the position of the Executive Director pursuant to Government Code Section 54957.

8. Adjourn



BOARD OF DIRECTORS

Jack Thompson, City of Rio Dell, **Chair**
Natalie Arroyo, City of Eureka,
Stephen Kullmann, City of Blue Lake
Sofia Pereira, City of Arcata
Michael Sweeney, City of Ferndale
Rex Bohn, County of Humboldt, **Vice Chair**

Minutes

Thursday, June 11, 2015 5:30 PM

Eureka City Council Chambers

531 K Street, Eureka, CA

Present: Jack Thompson, Natalie Arroyo, John Sawatzky (alternate for Stephen Kullmann), Michael Sweeney, Rex Bohn
Absent: Sofia Pereira
Staff: Jill Duffy, Tyler Egerer, Brent Whitener
Legal Counsel: Nancy Diamond (absent)

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

Chairman Thompson called the meeting to order at 5:31 p.m. A quorum was present and acting.

2. Closed Session: Session It is the intention of the Board of Directors to meet in closed session for one item: Threat of Litigation pursuant to California Government Code 54956.9(b).

Chairman Thompson Opened the Floor to Public Comment regarding Closed Session. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

Chairman Thompson Adjourned the Meeting to Closed Session at 5:32 p.m.

Chairman Thompson Called the Meeting to Order from Closed Session at 5:43 p.m.

Report Out: No report out was made from Closed Session.

3. Consent Calendar

- a. Approve Minutes from the June 11, 2015 HWMA Board of Directors Meeting.
- b. Receive May Fiscal Year 2014-2015 Financials
- c. Approve Amendment No. 2 to Agreement between HWMA and Eel River Resource Recovery, Inc. to Provide Municipal Solid Waste Loading Services.
- d. Approve Resolution 2016-03 Authorizing Destruction of Archived Authority Records
- e. Approve Purchase of Fork Lift Truck for Household Hazardous Waste

Chairman Thompson Opened the Floor to Public Comment regarding the Consent Calendar. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

Motion: Director Sawatzky Moved and Director Sweeney Seconded to Approve the Consent Calendar.

Action: Approve the Motion as made by Director Sawatzky and Seconded by Director Sweeney by the following vote:

Ayes: Thompson, Arroyo, Sawatzky, Sweeney, Bohn
Nays: None
Absent: Pereira

4. Oral and Written Communications

Chairman Thompson Opened the Floor to Public Comment regarding Items not on the Agenda. No comment was received.

Chairman Thompson Closed the Floor to Public Comment.

5. Board Member Reports

Chairman Thompson reported on efforts by the City of Rio Dell to secure emergency standby wells for the city in response to the lengthening drought conditions being faced by the State. He noted that work on the project is going well.

6. Executive Director's Report

Executive Director Duffy provided a presentation on the current activities taking place at the Cummings Road Landfill in relation to Phase Two Closure Construction. Further information was provided in a handout that is included in and made a part of these minutes.

7. Adjourn

Chairman Thompson Adjourned the Meeting at 6:05 p.m.

Next Meeting: September 10, 2015 at 5:30 p.m. at Eureka City Hall Council Chambers.



Staff Report

DATE: September 10, 2015

FROM: Tyler Egerer, Administrative Services Manager

SUBJECT: Item 2b)
Receive June 2015 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve June 2015 Financial Reports.

DISCUSSION:

Each month, staff presents to the Board an update on the Authority's financials based on activity to-date for a period two months prior to the current month. This enables staff to provide a more complete presentation of the full financial activity for that period, as it is more likely that all financial data will have been recorded and finalized 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. With the audit complete and the audit being presented later this evening, the financials presented here, for June, reflect this change.

Attached are the following reports, for your review:

Attachment A, Statement of Assets and Liabilities:

Attachment A of Item 3b presents the Authority's Assets and Liabilities as they stand to-date through June 30, 2015, and as compared to year-end amounts for Fiscal Year 2013-2014.

To date, the Authority is showing a decrease in net assets of \$881,282. The recent volatility in projected changes to net assets through year end is the result of large payments for current projects, including final payment of the Cummings Road Burn Ash Cleanup Project and the repairs to the Hawthorne Street Transfer Station Tip Floor. The refinancing of the Authority's long-term debt and receipt of certain revenues related to grants and other projects have similar, but opposing, effects on this volatility.

The figures presented for June reflect adjustments made across all account to finalize amounts for preparation of year-end audit work, and therefore are close to actual year-end numbers; final work for the Fiscal Year 2014-2015 may alter these numbers somewhat, however these figures are representative of actual activity for the Fiscal Year.

During the FY 2013-14 audit process, certain revenues and liabilities were recognized as no longer being recordable in the Authority's Statement of Assets and Liabilities. The end result is a number of categories with no current value; these accounts have either been written off or adjusted out as of the end of Fiscal Year 2013-14. In addition, bond accounts and outstanding liability for bond debt have been written off with the refinance activities undertaken in March 2015.

Attachment B, Statement of Operations (Detail, Summary, and Graphic)

Attachment B of Item 3b presents the to-date income and expense activity of the Authority for the current Fiscal Year, as compared to the approved budget for that Fiscal Year.

The Statement of Operations confirms the reported decrease in net assets of \$881,282 seen in Attachment A. To gain a quick understanding of the effects of current revenues and expenditures, the summary provided in Attachment B2 provides the key reasons for this increase.

Total Revenues are approximately 14.0% below budgeted estimations, and total operating costs are 6.0% below budget estimates. These percentages reflect changes approved by the Board in the Mid-Year budget adjustments presented at the January meeting. Tonnage numbers remain slightly below estimates, and salvage markets have tapered off in recent months, reducing total revenues.

Costs related to the clean closure of the Cummings Road Burn Ash Site (a component of Other Revenues & Expenses, which sit at 160% of budgeted estimates) make up most of the loss for Fiscal Year 2014-15; revenues are down slightly, however corresponding reductions in capital expenditures offset that lost revenue.

Attachment C, Activity Report:

The Activity report provides the Board with a snapshot of the to-date tonnages and revenues received by the Authority at both its facility on Hawthorne Street and the Satellite Facilities the Authority contracts with in McKinleyville and Fortuna. In addition, traffic and revenue numbers for Household Hazardous Waste and traffic counts for the Hawthorne Street Transfer Station are provided. All data is compared to similar data for the previous year.

The Authority depends on solid waste tonnage to generate a significant portion of its revenues and funding for other projects, through the collection of a per-ton Tipping Fee on solid waste collected. In recent years, the Authority has reliably estimated its annual budget on a combined total of 70,000 tons of solid waste being received through its Hawthorne Street Transfer Station and Satellite Facilities. The Activity report provides a quick overview of how well actual tonnage disposed is matching up to that estimation, and how that references to the previous year's activity.

As of June 30, 2015, solid waste tonnage through all facilities is down 11.8%. This is due primarily to a significant reduction in tonnage collected through the Authority's Satellite Facilities, as contracts for those facility's self-haul tonnages have either expired or are folded into oversight by the Member Agencies holding those contracts. The Authority will still recognize revenue from these tonnages in form of County-Wide Program Fees; however, this will result in less revenue than originally estimated (as reflected in the 5.6% decrease in revenues seen in the Activity Report for solid waste revenues).

Staff is monitoring tonnage closely in the first half of Fiscal Year 2015-16 to determine if tonnage estimates should be lowered again, for the first time in approximately four years. However, new contracts have been secured to bring additional waste into the system, which will help with revenue and provide for more diversion opportunities, and should provide a significant boost in both tonnage numbers and revenue.

Household Hazardous Waste numbers remain strong compared to the prior year, bolstered by grant funded events in Fortuna and other underserved parts of the County, and through efforts by HHW staff to continue to improve availability for commercial waste disposal at the Hawthorne Street Transfer Station HHW Disposal Facility.

The final comparative item, Average Daily Car Count, provides a simple view of the average daily traffic at the Authority for permitted solid waste disposal. This includes traffic for self-haul waste customers, franchise solid waste haulers, and the Authority's solid waste transportation and disposal haulers. As evidenced in this report, traffic is up 10.0% at the Transfer Station, due most likely to a slight decrease in the minimum fee of \$8.00 to dispose solid waste – in the past, lower minimum tipping fees have resulted in more traffic. This appears to be the case today, even in light of mandatory waste collection ordinances in a number of cities.

Attachments D & E: Monthly Disbursements and Cash Position

The final attachments provided in this report provide the Board with an idea of what the Authority pays out on a monthly basis, and what funds the Authority maintains either for immediate access, or those funds held in trust to assist with long-term debt and landfill expenses.

Attachment D, June 2015 Disbursements, is a listing of all the amounts paid to all of the Authority's vendors and employees for the month. Each listing is a sum total of amounts paid to vendors, who June have had multiple checks written during the month. The employee costs are presented as one lump sum, and include not only payroll paid to employees, but also amounts paid for income taxes and retirement benefits.

Disbursements of note for June include waste transportation and disposal costs of \$299,210; consultant costs related to Phase II Closure at the Cummings Road Landfill are on the rise, and cash allotments for CRV payments at the Authority's Recycling Center are increasing due to an influx of traffic, primarily in response to the closure of several private recycling centers.

Attachment E, Cash Position, shows the balance of the checking, savings, and trust accounts as of June 2015. It should be noted that only the checking and savings balances are available to the Authority for general business expenses. Union Bank funds are used solely for costs related to Closure of the Cummings Road Landfill.

Attachments:

- A) Statement of Assets and Liabilities June 2015
- B) Authority-wide Income Detail, Summary Report June 2015
- C) Activity Report June 2015
- D) Cash Disbursements June 2015
- E) Cash Position Report June 2015

Attachment A
Humboldt Waste Management Authority
Preliminary Final Statement of Assets and Liabilities
For the Period Ending June 30, 2015

| ASSETS | June 30, 2015 | June 30, 2014 |
|--|-------------------------|-------------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$1,997,851.87 | \$3,672,404.96 |
| Accounts Receivable | \$830,638.07 | \$645,436.56 |
| Prepaid Items | \$126,237.55 | \$46,806.98 |
| Total Current Assets | <u>\$2,954,727.49</u> | <u>\$4,364,648.50</u> |
| Restricted Assets | | |
| Investment with Bond Trustee | \$0.00 | \$2,304,538.99 |
| Closure and post Closure care Trust Fund | \$3,788,885.04 | \$3,922,323.96 |
| Article Five Trust Fund | \$0.00 | \$63,441.49 |
| Accrued Interest Receivable | \$0.00 | \$18,181.04 |
| Total Restricted Assets | <u>\$3,788,885.04</u> | <u>\$6,308,485.48</u> |
| Other Assets | | |
| Property, Plant, & Equipment | \$4,744,597.07 | \$4,879,861.45 |
| Deferred Charges | \$0.00 | \$228,222.86 |
| Grants Receivable | \$2,624.40 | \$26,932.52 |
| SWoW Receivable | \$11,900.00 | \$35,700.00 |
| Deferred Revenue | (\$43,470.00) | (\$865,680.37) |
| Waste Authority Permit | \$221,171.00 | \$221,171.00 |
| Contract with Anderson Landfill | \$0.00 | \$0.48 |
| Goodwill Depreciable - Purchase of WSG | \$311,038.86 | \$933,117.18 |
| Total Other Assets | <u>\$5,247,861.33</u> | <u>\$5,459,325.12</u> |
| Total Assets | \$11,991,473.86 | \$16,132,459.10 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts Payable | \$647,256.99 | \$1,144,657.48 |
| Deferred Revenue - Kernan | \$106,823.42 | \$74,114.92 |
| Deferred Revenue | \$0.00 | \$486,936.94 |
| Current Portion of Bonds Payable | \$0.00 | \$862,600.00 |
| Current Portion of Leases Payable | \$0.00 | \$0.00 |
| Current Portion of Loan Payable | \$50,000.00 | \$50,000.00 |
| Accrued Wages and Payroll taxes payable | \$131,918.59 | \$128,611.09 |
| Accrued Interest Payable | \$0.00 | \$72,450.00 |
| Other Accrued liabilities | \$2,100.00 | (\$46,013.53) |
| Total Current Liabilities | <u>\$938,099.00</u> | <u>\$2,773,356.90</u> |
| Long Term Liabilities | | |
| Loans Payable | \$60,655.40 | \$163,655.40 |
| Equipment Leases Payable | \$0.00 | \$0.00 |
| Estimated closure and post closure costs | \$12,500,000.00 | \$12,500,000.00 |
| Long-Term Debt | \$6,338,132.00 | \$7,495,000.00 |
| Total Long Term Liabilities | <u>\$18,898,787.40</u> | <u>\$20,158,655.40</u> |
| Total Liabilities | \$19,836,886.40 | \$22,932,012.30 |
| Net Assets | | |
| Equity Reserved | (\$5,601,130.96) | (\$5,601,130.96) |
| Unrestricted | \$724,845.00 | \$1,496,473.55 |
| Restricted for Special Programs | \$0.00 | \$0.00 |
| Investment in Capital Assets | (\$2,087,845.00) | (\$2,087,845.00) |
| Increase (Decrease) in Net Assets | (\$881,281.58) | (\$607,050.79) |
| Total Net Assets | <u>(\$7,845,412.54)</u> | <u>(\$6,799,553.20)</u> |
| Total Liabilities and Net Assets | \$11,991,473.86 | \$16,132,459.10 |

Attachment B1
Preliminary Final Statement of Operations, All Divisions
For the Period Ending June 30, 2015

| | Total | | Administration | | Tip Floor | | Recycling | | Greenwaste | | Hazardous Waste | | Programs | | Landfill | | Burn Ash Site | |
|---|-------------------|-------------------|----------------|----------------|------------------|----------------|------------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | YTD Actual | FY 14-15 Budget | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of | YTD Actual | YTD 100.00% of |
| 1 Revenues | | | | | | | | | | | | | | | | | | |
| 2 Franchise Tipping Fees | 5,169,887 | 5,282,325 | | | 5,169,887 | 97.9% | | | | | | | | | | | | |
| 3 Self-Haul Tipping Fees | 1,204,845 | 2,508,351 | | | 1,072,189 | 47.5% | 27,411 | 18.3% | | | 105,245 | 105.2% | | | | | | |
| 4 Reimbursements | 1,383 | 13,000 | | | | | | | | | | 0.0% | 1,383 | 34.6% | | | | |
| 5 Appliances | 39,561 | 44,000 | | | | | 39,561 | 89.9% | | | | | | | | | | |
| 6 Cathodes | 12,086 | 13,000 | | | | | 12,086 | 93.0% | | | | | | | | | | |
| 7 Tires | 8,568 | 8,000 | | | 8,568 | 107.1% | | | | | | | | | | | | |
| 8 E-waste Revenue | 80,709 | 98,000 | | | | | 80,709 | 91.7% | | | | | | 0.0% | | | | |
| 9 Greenwaste Tip Fee - HWMA | 340,121 | 313,700 | | | | | | | 340,121 | 108.4% | | | | | | | | |
| 10 Fees - Other Waste Facilities | 966,909 | 1,118,055 | | | 792,754 | 85.4% | 174,156 | 91.7% | | | | | | | | | | |
| 11 Salvage Sold | 730,911 | 610,000 | | | 50,942 | 46.3% | 679,969 | 136.0% | | | | | | | | | | |
| 12 Income from Trust Fund | 37,842 | 50,000 | | | | | | | | | | | | | 37,842 | 75.7% | | |
| 13 | | | | | | | | | | | | | | | | | | |
| 14 Pass Through Revenue | | | | | | | | | | | | | | | | | | |
| 15 Administration Fee | 128,244 | 133,700 | 128,244 | 95.9% | | | | | | | | | | | | | | |
| 16 HHW Program Revenue | 415,619 | 433,300 | | | | | | | | | 415,619 | 95.9% | | | | | | |
| 17 Landfill Fee | 313,561 | 326,900 | | | | | | | | | | | | | 313,561 | 95.9% | | |
| 18 Rural Container Program | 280,661 | 292,600 | | | 280,661 | 95.9% | | | | | | | | | | | | |
| 19 Table Bluff Landfill Maintenance | 69,158 | 72,100 | | | 69,158 | 95.9% | | | | | | | | | | | | |
| 20 Countywide Enforcement (LEA) | 178,602 | 186,200 | | | 178,602 | 95.9% | | | | | | | | | | | | |
| 21 AB 939 Programs Revenue | 335,988 | 345,100 | | | | | | | | | | | 335,988 | 97.4% | | | | |
| 22 Cleanup | 38,272 | 39,900 | 38,272 | 95.9% | | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | | | | | | |
| 24 Grant Income | | | | | | | | | | | | | | | | | | |
| 25 Waste Tire Grant | 0 | 0 | | | | | | | | | | | | | | | | |
| 26 RMDZ & DOC Grant Funds | 29,435 | 0 | | | | | | | | | | | 29,435 | | | | | |
| 27 CalRecycle CRBAD Clean-Up Grant | 529,113 | 750,000 | | | | | | | | | | | | | | | 529,113 | 70.5% |
| 28 Oil Payment Program Grant | 0 | 25,000 | | | | | | | | | | 0.0% | | | | | | |
| 29 Household Hazardous Waste Grant | 22,876 | 120,000 | | | | | | | | | 22,876 | 19.1% | | | | | | |
| 30 | | | | | | | | | | | | | | | | | | |
| 31 Total Revenues | 10,934,350 | 12,783,231 | 166,516 | | 7,622,760 | | 1,013,892 | | 340,121 | | 543,740 | | 366,806 | | 351,403 | | 529,113 | |
| 32 | | | | | | | | | | | | | | | | | | |
| 33 Direct Expenses | | | | | | | | | | | | | | | | | | |
| 34 Solid Waste Hauling | 1,660,455 | 1,896,567 | | | 1,660,455 | 87.6% | | | | | | | | | | | | |
| 35 Solid Waste Disposal | 1,242,876 | 1,266,259 | | | 1,242,876 | 98.2% | | | | | | | | | | | | |
| 36 ERD Satellite Hauling & Disposal | 244,879 | 171,032 | | | 244,879 | 143.2% | | | | | | | | | | | | |
| 37 HumSan Satellite Hauling & Disposal | 296,543 | 118,768 | | | 296,543 | 249.7% | | | | | | | | | | | | |
| 38 Greenwaste Hauling & Disposal | 260,388 | 261,285 | | | | | | | 260,388 | 99.7% | | | | | | | | |
| 39 Tire Hauling & Disposal | 8,662 | 7,000 | | | 8,662 | 123.7% | | | | | | | | | | | | |
| 40 CRV Paid Out | 477,888 | 360,000 | | | | | 477,888 | 132.7% | | | | | | | | | | |
| 41 Leachate & Asbestos Hauling | 113,632 | 142,493 | | | | | | | | | | | | | 113,632 | 79.7% | | |
| 42 | | | | | | | | | | | | | | | | | | |
| 43 Total Waste Expense | 4,305,322 | 4,223,404 | 0 | | 3,453,414 | | 477,888 | | 260,388 | | 0 | | 0 | | 113,632 | | 0 | |
| 44 | | | | | | | | | | | | | | | | | | |
| 45 Operational Expenses - Pass Throughs | | | | | | | | | | | | | | | | | | |
| 46 Cleanup & Enforcement Expense (Account 901) | 37,483 | 37,000 | 37,483 | 101.3% | | | | | | | | | | | | | | |
| 47 County Code Enforcement Program | 32,000 | 32,000 | | 0.0% | 32,000 | | | | | | | | | | | | | |
| 48 Rural Container Program Passed Thru | 235,033 | 292,600 | | | 235,033 | 80.3% | | | | | | | | | | | | |
| 49 Table Bluff Landfill Maintenance Passed Thru | 57,915 | 72,100 | | | 57,915 | 80.3% | | | | | | | | | | | | |
| 50 Countywide Enforcement (LEA) Passed Thru | 149,566 | 186,200 | | | 149,566 | 80.3% | | | | | | | | | | | | |
| 51 AB 939 Paid to Agency Members | 53,071 | 63,136 | | | | | | | | | | | 53,071 | 84.1% | | | | |
| 52 | | | | | | | | | | | | | | | | | | |
| 53 Other Operational Expenses | | | | | | | | | | | | | | | | | | |
| 54 RMDZ | 9,076 | 15,000 | | | | | | | | | | | 9,076 | 60.5% | | | | |
| 55 Contract Services | 241,502 | 359,000 | | | 40,859 | 81.7% | 12,670 | 97.5% | | | 186,763 | 63.1% | 1,210 | | | | | |
| 56 | | | | | | | | | | | | | | | | | | |
| 57 Operational Expenses | 815,646 | 1,057,036 | 37,483 | | 515,373 | | 12,670 | | 0 | | 186,763 | | 63,357 | | 0 | | 0 | |
| 58 | | | | | | | | | | | | | | | | | | |
| 59 Payroll Expense | 2,231,488 | 2,292,839 | 288,797 | 101.4% | 728,639 | 95.7% | 491,120 | 97.7% | 16,447 | 76.0% | 194,988 | 105.9% | 275,527 | 92.0% | 235,971 | 98.8% | | |
| 60 | | | | | | | | | | | | | | | | | | |
| 61 Indirect Expenses | | | | | | | | | | | | | | | | | | |
| 62 Accounting Expense | 15,100 | 16,500 | 15,100 | 91.5% | | | | | | | | | | | | | | |
| 63 Advertising Expense | 17,054 | 21,100 | 1,472 | 147.2% | 1,181 | | 2,264 | 75.5% | | | 8,110 | 108.1% | 3,630 | 40.3% | 396 | | | |
| 64 Alarm/Security Expense | 952 | 1,650 | 294 | 117.6% | 70 | 23.3% | 294 | 58.8% | | | | | | | 294 | 49.0% | | |
| 65 Bank Fees Expense | 43,380 | 43,782 | 6,825 | 124.1% | 25,098 | 109.1% | | | | | | | | | 11,457 | 358.0% | | 0.0% |
| 66 Dues/Membership | 4,942 | 2,500 | 1,891 | 756.4% | | | | | | | 371 | 16.5% | 2,680 | | | | | |
| 67 Education Expense | 0 | 0 | | | | | | | | | | | | | | | | |
| 68 Engineering & Consulting | 14,181 | 21,000 | | | 8,407 | 140.1% | | | | | | | 4,722 | | 1,052 | 7.0% | | |
| 69 Environmental Monitoring | 77,589 | 82,000 | | | 1,914 | 95.7% | | | | | | | | | 75,675 | 94.6% | | |
| 70 Freight Out | 120,107 | 100,000 | | | 4,700 | | 107,009 | 107.0% | | | | | 8,398 | | | | | |

Attachment B2
Humboldt Waste Management Authority
Preliminary Final Summary Statement of Operations
Year-to-Date for the Period Ending June 30, 2015

| | YTD Total | FY 14-15 Budget | % of Total Budget | Admin | Transfer Station | HHW | Cummings Landfill | Recycling | Compost Facility | Programs | CRBAS |
|--------------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|-------------------|------------------|------------------|------------------|--------------------|
| Operations | | | | | | | | | | | |
| Total Revenues | 10,934,350 | 12,783,231 | 85.5% | 166,516 | 7,622,760 | 543,740 | 351,403 | 1,013,892 | 340,121 | 366,806 | 529,113 |
| Hauling & Disposal Expense | 4,305,322 | 4,223,404 | 101.9% | 0 | 3,453,414 | 0 | 113,632 | 477,888 | 260,388 | 0 | 0 |
| Operational Expense | 815,646 | 1,057,036 | 77.2% | 37,483 | 515,373 | 186,763 | 0 | 12,670 | 0 | 63,357 | 0 |
| Payroll | 2,231,488 | 2,292,839 | 97.3% | 288,797 | 728,639 | 194,988 | 235,971 | 491,120 | 16,447 | 275,527 | 0 |
| Indirect Expense | 1,701,295 | 2,033,095 | 83.7% | 143,583 | 274,684 | 104,774 | 274,986 | 217,202 | 22,648 | 134,305 | 529,113 |
| Subtotal Operating Cost | 9,053,751 | 9,606,374 | 94.2% | 469,863 | 4,972,110 | 486,525 | 624,589 | 1,198,880 | 299,483 | 473,188 | 529,113 |
| Net Operations | 1,880,600 | 3,176,857 | | (303,347) | 2,650,650 | 57,216 | (273,186) | (184,988) | 40,638 | (106,383) | 0 |
| Capital Expenditures | 336,669 | 1,661,000 | 20.3% | 0 | 312,978 | 0 | 0 | 0 | 0 | 0 | 23,690 |
| Other Revenues & Expenses | (2,425,213) | (1,509,842) | 160.6% | (49,830) | (844,833) | (47,389) | (303,563) | (36,524) | (17,721) | (30,956) | (1,094,396) |
| Net Change in Assets | (881,282) | 6,015 | | (353,177) | 1,492,839 | 9,826 | (576,750) | (221,513) | 22,917 | (137,339) | (1,118,086) |

**Attachment C
Activity Report
July 1, 2014 -June 30, 2015**

| Waste Tonnage | Tonnage | | | Revenue | | |
|---------------------|---------------|---------------|---------------|--------------------|--------------------|---------------|
| | Year to Date | Prior YTD | % of Prior | Year to Date | Prior YTD | % of Prior |
| Hawthorne | | | | | | |
| Franchise | 40,734 | 41,814 | 97.4% | \$5,135,276 | \$5,229,890 | 98.2% |
| Self Haul | 15,269 | 15,290 | 99.9% | \$2,413,701 | \$2,450,120 | 98.5% |
| Subtotal | 56,004 | 57,104 | 98.1% | \$7,548,977 | \$7,680,010 | 98.3% |
| Humboldt Sanitation | 2,080 | 5,739 | 36.2% | \$220,432 | \$234,856 | 93.9% |
| ERD | 3,907 | 7,440 | 52.5% | \$381,689 | \$718,588 | 53.1% |
| TOTAL. | 61,991 | 70,283 | 88.2% | \$8,151,098 | \$8,633,453 | 94.4% |
| Greenwaste | 2,185 | 1,979 | 110.4% | \$178,060 | \$167,630 | 106.2% |

Household Hazardous Waste

| | Customers | | | Revenue | | |
|-----------------------------|--------------|--------------|---------------|------------------|------------------|---------------|
| | Year to Date | Prior YTD | % of Prior | Year to Date | Prior YTD | % of Prior |
| Commercial | 366 | 266 | 137.6% | \$83,480 | \$53,244 | 156.8% |
| Residential | 3,309 | 2,628 | 125.9% | \$19,742 | \$28,357 | 69.6% |
| Fortuna Residential | 59 | 30 | 196.7% | \$255 | \$1,022 | 24.9% |
| Revenue from Countywide Fee | | | | \$415,619 | \$410,660 | 101.2% |
| TOTAL. | 3,734 | 2,924 | 127.7% | \$519,096 | \$493,284 | 105.2% |

| Traffic Count | Average Daily | | Exceptions | Average Daily | | % of Prior |
|----------------------|---------------|------|------------|---------------|--------|------------|
| | Count FY15 | | | Count FY14 | | |
| July | 289 | None | 262 | None | 110.3% | |
| August | 275 | None | 248 | None | 110.9% | |
| September | 259 | None | 243 | None | 106.6% | |
| October | 250 | None | 226 | None | 110.4% | |
| November | 259 | None | 224 | None | 115.4% | |
| December | 248 | None | 218 | None | 113.7% | |
| January | 278 | None | 227 | None | 122.5% | |
| February | 254 | None | 206 | None | 123.4% | |
| March | 251 | None | 241 | None | 104.0% | |
| April | 272 | None | 257 | None | 105.8% | |
| May | 267 | None | 262 | None | 101.7% | |
| June | 286 | None | 282 | None | 101.4% | |
| Year-to-Date Average | 266 | | 241 | | 110.0% | |

Attachment D
June 2015 Disbursements

| Paid To | Amount | Paid To | Amount |
|--------------------------------|--------------|--------------------------------|-----------------------------------|
| 101Netlink | \$60.00 | Mission Uniform & Linen | \$1,266.45 |
| Access Humboldt | \$150.00 | Munnell & Sherrill, Inc | \$64.66 |
| Advanced Superior Alarms | \$147.00 | Nancy Diamond | \$1,692.00 |
| Airgas USA LLC West Division | \$644.21 | Network Management Services | \$2,711.97 |
| Asbury Environmental Services | \$1,170.00 | NEVA SWAN | \$300.00 |
| AT & T | \$377.10 | North Coast Journal | \$616.50 |
| B & B Portable Toilet Company | \$5,823.96 | North Coast Laboratories, Ltd | \$217.00 |
| Bank Fees | \$2,039.01 | Northern California Gloves | \$453.49 |
| Bettendorf Enterprises, Inc. | \$124,792.00 | Northern California Safety Con | \$80.00 |
| Blue Shield of California | \$49,824.00 | Occupational, Environmental He | \$258.00 |
| Broadway Medical | \$81.39 | Pacific Gas and Electric | \$8,230.59 |
| CA SDU | \$13.00 | Pacific Paper Co. | \$526.51 |
| Calif Dept of Resources, Recyc | \$103,000.00 | Pape Machinery | \$173.68 |
| California Product Stewardship | \$2,250.00 | Patrick Owen | \$160.00 |
| Capital One Commercial | \$109.22 | Peterson Tractor | \$439.05 |
| Cardmember Service | \$5,066.32 | Picky Picky Picky Store | \$810.85 |
| Cash | \$270.14 | Pierson Building Center | \$525.97 |
| City of Eureka | \$14,779.14 | Postage | \$1,201.00 |
| Clean Harbors Env Services | \$315.00 | Pro Pacific Auto Repair, Inc. | \$167.57 |
| Cora Williams | \$600.70 | Randy Jones Trucking | \$2,000.00 |
| Cox Rasmussen & Co | \$8,970.00 | Redwood Teen Challenge | \$120.31 |
| CRV Cash Disbursements | \$50,077.00 | Rogers Machinery Company, Inc. | \$5,776.05 |
| Crystal Springs Bottled Water | \$75.00 | RWS Services | \$371.52 |
| Cynthia Evans | \$321.91 | Scrapper's Edge | \$18.62 |
| Don's Rent All Inc | \$123.97 | SDRMA | \$126,237.55 |
| Eureka Humboldt Fire Extinguis | \$79.13 | SETCO | \$1,187.42 |
| Eureka Napa | \$11.40 | Sharps Solutions LLC | \$1,210.00 |
| Express Services, Inc. | \$4,271.61 | Solid Waste of Willits, Inc. | \$132,941.32 |
| Franchise Tax Board | \$140.22 | Steve Morris Logging & Contrac | \$1,838.97 |
| Golder Associates | \$6,595.93 | Suddenlink | \$204.95 |
| Holmes Security Video System | \$750.00 | Thrifty Supply Company | \$24.99 |
| Holt of California | \$1,348.73 | Thumper's Mechanical Service I | \$3,370.00 |
| Humboldt Community Services Di | \$20.90 | Tiffany Ibbs | \$177.41 |
| Humboldt County Dept of Agricu | \$1,364.00 | Times Printing Company | \$400.42 |
| Humboldt County Environmental | \$807.68 | Uline Shipping Supply Speciali | \$183.76 |
| Humboldt County Sheriff's Offi | \$100.00 | United Rentals Inc. | \$725.78 |
| I-5 Tire, Inc | \$5,483.80 | UNUM Life Insurance Company of | \$261.00 |
| Industrial Electric Arcata, In | \$2,048.15 | US Bank Office Equipment Finan | \$174.94 |
| Janis Erickson | \$363.40 | Verizon Wireless | \$378.52 |
| Jeff Williams | \$250.00 | Western Chain Saw | \$16.30 |
| L & M Renner, Inc | \$2,483.70 | Zep Manufacturing Company | \$149.51 |
| Lawrence & Associates | \$10,073.90 | | |
| Lost Coast Communications, Inc | \$3,179.71 | Total Vendor Disbursements | <u>\$732,322.68</u> |
| Mad River Hardwood Co., Inc | \$19,374.37 | | |
| Maureen Hart | \$4,101.25 | Total Payroll Disbursements | <u>\$152,129.58</u> |
| Mendes Supply Company | \$455.10 | | |
| Mercury Disposal Systems, Inc | \$275.00 | Total Disbursements | <u><u>\$884,452.26</u></u> |

Attachment E
Humboldt Waste Management Authority
Cash Position
For the Period Ending June 30, 2015

| Fund Name | Investor | Restricted | Unrestricted |
|--|-------------------|-----------------------|-----------------------|
| Public Funds Checking Account | Umpqua Bank | | \$1,593,919.86 |
| Public Funds Savings Account | Umpqua Bank | | \$397,468.83 |
| Landfill Closure/Post Closure Trust Fund | Union Bank | \$3,802,561.21 | |
| Landfill Article 5 Corrective Action Trust Fund | Union Bank | \$0.00 | |
| Project Fund - Series 2002 Bond | Bank of New York | \$0.00 | |
| Reserve Fund - Series 2002 Bond | Bank of New York | \$12,754.18 | |
| Debt Service Fund - Series 2002 Bond | Bank of New York | \$0.00 | |
| Revenue Fund for Bond Payment - Series 2002 Bond | Bank of New York | \$0.00 | |
| Reserve Fund - Series 2005 Bond | Bank of New York | \$0.00 | |
| Cost of Issuance - Series 2005 Bond | Bank of New York | \$0.00 | |
| Revenue Fund - Series 2005 Bond | Bank of New York | \$0.00 | |
| Bond Payment Deposit | AIG - Wells Fargo | \$0.00 | |
| Total Funds | | \$3,815,315.39 | \$1,991,388.69 |



Staff Report

DATE: September 10, 2015

FROM: Tyler Egerer, Administrative Services Manager

SUBJECT: Item 2c)
Receive July 2015 Financial Reports

RECOMMENDED ACTION: Review and Approve
Review and Approve July 2015 Financial Reports.

DISCUSSION:

Each month, staff presents to the Board an update on the Authority's financials based on activity to-date for a period two months prior to the current month. This enables staff to provide a more complete presentation of the full financial activity for that period, as it is more likely that all financial data will have been recorded and finalized 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.

The July financials represent initial activity for the 2015-16 Fiscal Year. Attachment B, *Preliminary Statement of Operations for Period Ending 07/31/2015* is presented in summary format; detailed analysis of each division of the Authority is available by request for those interested in division performance. Highlights from the first month of activity include:

- a) Payments for initial work on Phase II of the Cummings Road Landfill Closure Project;
- b) Strong management of ongoing expenses, and better than expected revenue collection;
- c) New layouts for both financial staff reports and statements.

The Authority's cash position is currently comprised of three accounts; the Authority's checking account, which handles all of the day-to-day expenses; the savings account, which maintains the current cash value of the Authority's reserve funds; and, the Union Bank Trust Account, which maintains the funds held in trust for the completion of the Cummings Road Landfill Closure Project. Following the completion of the Phase II Closure Construction, these funds will be released into the Authority's general funds. The total value of each of these accounts is as follows:

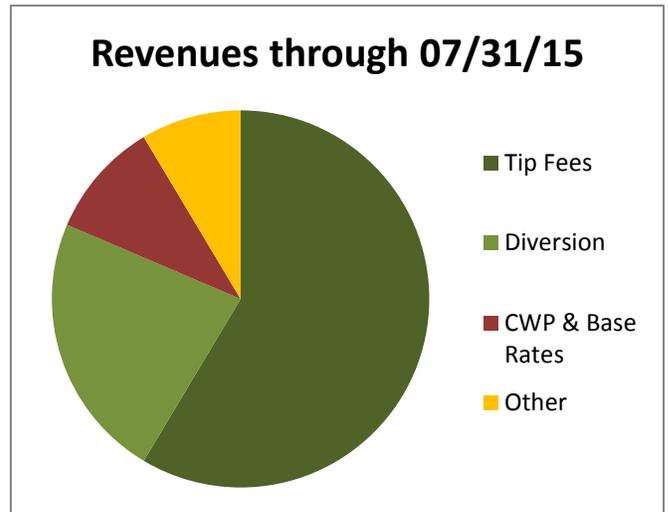
| | |
|------------------------------|----------------|
| HWMA Checking, Umpqua Bank: | \$1,573,626.74 |
| HWMA Savings, Umpqua Bank: | \$397,478.63 |
| HWMA CRLF Trust, Union Bank: | \$3,802,287.73 |

Authority Financials:

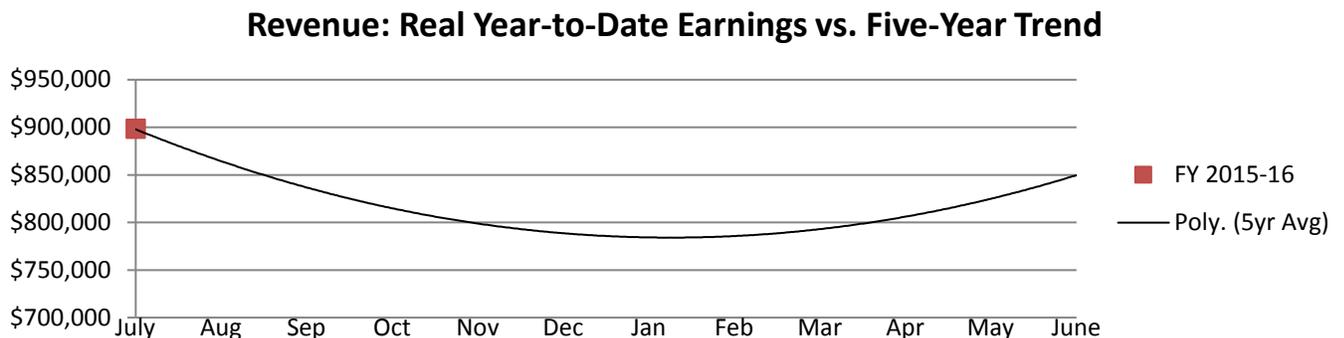
Attachments A and B contain detailed balance sheet and income statement (*Statement of Operations*) information for the July financial report, for Board review and discussion. An analysis of that information as it relates to revenues and expenses, and current month disbursements to vendors and employees,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

Revenues for July are performing at 9.00% of budgeted estimates for Fiscal Year 2015-16. These estimates encapsulate all activity throughout the Authority, and may be influenced by future payouts for fees passed through to Member Agencies, revenue shares for salvaged materials sales, and the delayed receipt of grant revenues for grant-based projects.

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

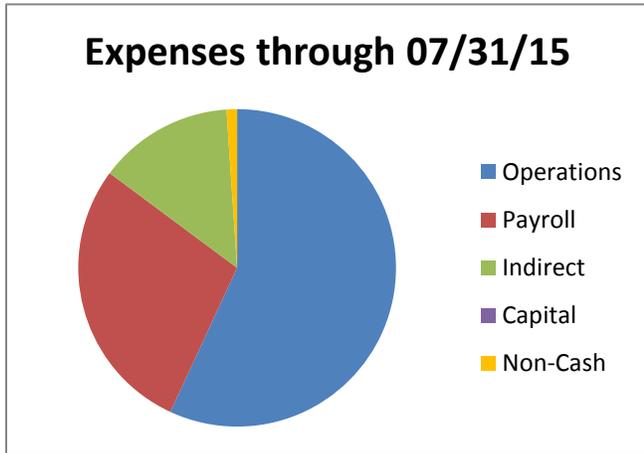


Based on the above factors, and in an attempt to provide long-term planning – relative to the Fiscal Year – for both the Board and staff in decision making, the following estimation of growth for total revenues is provided below. The following graph tracks current, aggregate, monthly revenue activity 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 Drivers for FY 2015-16 are the result of increased activity in both greenwaste disposal and recycling center activity. More franchise greenwaste is coming in than budget estimates were close to suggesting (Attachment B, Line 10, 23.06% of budget). The increase in activity will increase costs as well, however greenwaste disposal continues to be self-sustaining, and therefore will result in very minor impacts to the Authority's overall financials.

In addition, the Authority’s Recycling Center has seen a significant increase in participation in its California Redemption Value (CRV) buyback program. With almost all of the local, private CRV centers closing down in the face of stricter regulations and weak materials markets, the Authority remains one of the few sites in the greater Eureka area that will reimburse customers for their CRV materials. With average daily sales up at least 30% per day, the Authority is able to leverage the increase in materials against the market to recognize the best sale prices available. This has greatly increased salvage revenue over projections (Attachment B, Line 14, 61.12% of budget).



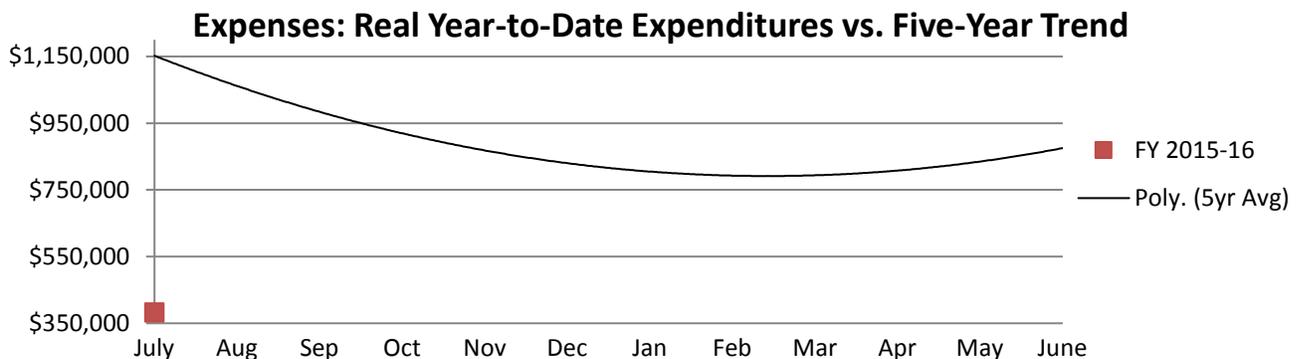
Expenses for July are significantly lower than annual trends. Total Expenses (Attachment B, Line 124) are at 3.27% of budgeted estimates. The main reason for this disparity is an unusual delay in the payment of transportation and disposal billings from the Authority’s solid waste haulers. This discrepancy will most likely even itself out in the coming months.

Payroll expenditures (Attachment B, Line 62) are approximately 3.0% below estimated totals: employee turnover, delays in filling Programs positions, and continued

examination and development of future uses of the Operations Manager position have all contributed to near-term savings on payroll expenses.

In general, and even without major projects being undertaken, Authority expenses are prone to large spikes in activity, which push costs to near budgetary limits in a short amount of time. These spikes are often the result of large, one-time costs such as permit fees, lump sum insurance payments, or large grant expenditures.

Based on the above factors, and in an attempt to provide long-term planning – relative to the Fiscal Year – for both 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 take into account the effects of those one-time, lump sum payments for certain recurring annual costs.



Staff is in the process of revamping a number of expense reporting methods to better illustrate and make transparent the relationship of expenses to their corresponding activities. To that end, much of the activity for July remains a work-in-progress: as staff finds errors in reporting from previous habits, corrections over the coming months will result in minor shifts across expense line items.

However, of chief interest in this first month are the savings previously mentioned in payroll expenditures; the expected increase in CRV reimbursements due to the increase in customer activity (Attachment B, Line 56, 12.03% of budget); and significant increases in illegal disposal costs (Attachment B, Line 69, 15.62% of budget). Staff will monitor activities in these categories and provide updates in the future regarding their status.

Monthly disbursements to Authority vendors and employees are summarized in Attachment C. Regular expenditures for transportation and disposal costs total \$341,850; costs related to Phase II of the Cummings Road Landfill Closure total \$263,567.

Division Activities (as Summarized in Attachment C):

Solid waste tonnage and revenue remain very close to prior year activity; the continued dry and warm summer weather has allowed for a continued uptick in activity, with daily traffic numbers continuing to be approximately 10% over prior year averages. At this rate, tonnage may end up slightly below the budgeted estimate of 70,000 tons; however staff is pursuing a number of avenues to increase inbound tonnage at the Transfer Station. Shortfalls in tonnage may result in a reduction in revenue, but also result in a similar reduction in shipping and disposal expenses, which greatly offset those shortfalls.

Hazardous waste activity appears down for the month, compared to previous year-to-date totals. With several smaller mobile events being held, and the continued decline of participation at monthly events at the Hawthorne Transfer Station, staff expects to see a continuing decline in both traffic and revenue. However, as with most years, the end of summer often sees a sharp decline in activity, to be bolstered significantly with the onset of the following summer and a revival of mobile event activity.

Attachments:

- A) Authority *Preliminary* Balance Statement, July 2015
- B) Authority *Preliminary* Statement of Operations, July 2015
- C) Activity Report, July 2015
- D) Cash Disbursements, July 2015

Attachment A
Humboldt Waste Management Authority
Preliminary Statement of Assets and Liabilities
For the Period Ending July 31, 2015

| ASSETS | July 31, 2015 | June 30, 2015 |
|--|-------------------------|-------------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$1,983,563.24 | \$1,997,851.87 |
| Accounts Receivable | \$830,922.91 | \$830,638.07 |
| Prepaid Items | \$115,717.75 | \$126,237.55 |
| Total Current Assets | <u>\$2,930,203.90</u> | <u>\$2,954,727.49</u> |
| Restricted Assets | | |
| Closure and post Closure care Trust Fund | \$3,788,611.56 | \$3,788,885.04 |
| Other Assets | | |
| Property, Plant, & Equipment | \$4,707,754.41 | \$4,744,597.07 |
| Grants Receivable | \$2,624.40 | \$2,624.40 |
| SWoW Receivable | \$11,900.00 | \$11,900.00 |
| Deferred Revenue | (\$48,470.00) | (\$43,470.00) |
| Waste Authority Permit | \$221,171.00 | \$221,171.00 |
| Goodwill Depreciable - Purchase of WSG | \$259,199.00 | \$311,038.86 |
| Total Other Assets | <u>\$5,154,178.81</u> | <u>\$5,247,861.33</u> |
| Total Assets | \$11,872,994.27 | \$11,991,473.86 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts Payable | \$75,159.91 | \$647,256.99 |
| Deferred Revenue - Kernan | \$106,823.42 | \$106,823.42 |
| Current Portion of Loan Payable | \$50,000.00 | \$50,000.00 |
| Accrued Wages and Payroll taxes payable | \$67,477.59 | \$131,918.59 |
| Other Accrued liabilities | \$2,100.00 | \$2,100.00 |
| Total Current Liabilities | <u>\$301,560.92</u> | <u>\$938,099.00</u> |
| Long Term Liabilities | | |
| Loans Payable | \$60,655.40 | \$60,655.40 |
| Equipment Leases Payable | \$0.00 | \$0.00 |
| Estimated closure and post closure costs | \$12,500,000.00 | \$12,500,000.00 |
| Long-Term Debt | \$6,338,132.00 | \$6,338,132.00 |
| Total Long Term Liabilities | <u>\$18,898,787.40</u> | <u>\$18,898,787.40</u> |
| Total Liabilities | \$19,200,348.32 | \$19,836,886.40 |
| Net Assets | | |
| Equity Reserved | (\$5,601,130.96) | (\$5,601,130.96) |
| Unrestricted | (\$156,436.58) | (\$156,436.58) |
| Restricted for Special Programs | \$0.00 | \$0.00 |
| Investment in Capital Assets | (\$2,087,845.00) | (\$2,087,845.00) |
| Increase (Decrease) in Net Assets | \$518,058.49 | (\$0.00) |
| Total Net Assets | <u>(\$7,327,354.05)</u> | <u>(\$7,845,412.54)</u> |
| Total Liabilities and Net Assets | \$11,872,994.27 | \$11,991,473.86 |

Attachment B
Fiscal Year 2015 - 2016
Preliminary Statement of Operations for Period Ending 07/31/2015

| | | Total FY15/16 Budget | Year-to-Date Revenues and Expenses as compared to 8.33% of Total Budget | |
|----|--|-------------------------|---|---------------|
| 1 | Revenues | | | |
| 2 | Revenues from Operations | | | |
| 3 | Franchise Tip Fees | \$ 5,418,420 | \$ 443,532 | 8.19% |
| 4 | Self Haul Tip Fees | \$ 2,337,300 | \$ 223,970 | 9.58% |
| 5 | Satellite Tip Fees | \$ 522,421 | \$ 76,323 | 14.61% |
| 6 | Out of Area Self Haul Fees | \$ 203,948 | \$ - | 0.00% |
| 7 | Offset for Program and Base Fees | \$ (2,926,212) | \$ (248,159) | 8.48% |
| 8 | Revenues from Solid Waste | \$ 5,555,877 | \$ 495,667 | 8.92% |
| 9 | Greenwaste Tip Fees | | | |
| 10 | Franchise | \$ 24,500 | \$ 5,650 | 23.06% |
| 11 | Self Haul | \$ 316,200 | \$ 20,597 | 6.51% |
| 12 | Diversion Revenue | | | |
| 13 | Hazardous Waste | \$ 100,000 | \$ 4,363 | 4.36% |
| 14 | Single-Stream Processing and Loading | \$ 140,000 | \$ 85,564 | 61.12% |
| 15 | Self Haul (Appliances, TVs, Tires, Misc. E-waste) | \$ 294,000 | \$ 10,020 | 3.41% |
| 16 | Salvage Revenue from Sale of Materials Processed In-House | \$ 570,000 | \$ 28,771 | 5.05% |
| 17 | Revenues from Material Diversion Programs | \$ 1,444,700 | \$ 154,966 | 10.73% |
| 18 | Total Revenues from Operations | \$ 7,000,577 | \$ 650,632 | 9.29% |
| 19 | | | | |
| 20 | Revenue Generated by Program Fees and Base Rate | | | |
| 21 | County LEA | \$ 186,200 | \$ 15,105 | 8.11% |
| 22 | County Rural Container Program | \$ 316,400 | \$ 25,668 | 8.11% |
| 23 | County Table Bluff Landfill Maintenance | \$ 65,800 | \$ 5,338 | 8.11% |
| 24 | Illegal Dumping and Cleanup Funds | \$ 39,900 | \$ 3,237 | 8.11% |
| 25 | Administration (County-Wide Program Fees and Base Rate Combined) | \$ 434,401 | \$ 38,274 | 8.81% |
| 26 | Hazardous Waste (County-Wide Program Fee) | \$ 440,073 | \$ 35,719 | 8.12% |
| 27 | Cummings Road Landfill (County-Wide Program Fees and Base Rate Combined) | \$ 764,310 | \$ 66,384 | 8.69% |
| 28 | Programs (County-Wide Program Fees and Base Rate Combined) | \$ 423,818 | \$ 34,051 | 8.03% |
| 29 | Recycling (Base Rate) | \$ 255,310 | \$ 23,283 | 9.12% |
| 30 | Total Revenue Generated by Program Fees and Base Rate | \$ 2,926,212 | \$ 247,059 | 8.44% |
| 31 | | | | |
| 32 | Other Revenues | | | |
| 33 | Revenues from Reimbursements for Materials Collection | \$ 9,000 | \$ 850 | 9.44% |
| 34 | Interest Income | \$ 30,000 | \$ 11 | 0.04% |
| 35 | Rental Income | \$ 118,488 | \$ 9,483 | 8.00% |
| 36 | Total Other Revenues | \$ 157,488 | \$ 10,343 | 6.57% |
| 37 | | | | |
| 38 | | | | |
| 39 | Total Revenues | \$ 10,084,277 | \$ 908,035 | 9.00% |
| 40 | Expenses | | | |
| 41 | Operating Expenses | | | |
| 42 | Solid Waste Hauling | | | |
| 43 | Hawthorne Street TS | \$ 1,918,078 | \$ 27,138 | 1.41% |
| 44 | McKinleyville Satellite | \$ 62,060 | \$ 9,584 | 15.44% |
| 45 | Fortuna Satellite | \$ 107,942 | | |
| 46 | Solid Waste Disposal | | | |
| 47 | Hawthorne Street TS | \$ 1,262,609 | | |
| 48 | McKinleyville Satellite | \$ 50,212 | | |
| 49 | Fortuna Satellite | \$ 65,406 | | |
| 50 | Diverted Materials Hauling & Disposal | | | |
| 51 | Greenwaste | \$ 279,132 | \$ 4,072 | 1.46% |
| 52 | Hazardous Waste | \$ 275,000 | \$ 462 | 0.17% |
| 53 | Appliances, TVs, Tires, Misc. E-waste | \$ 109,000 | \$ 4,665 | 4.28% |
| 54 | Leachate | \$ 100,000 | | |
| 55 | Asbestos | \$ - | | |
| 56 | CRV Paid Out | \$ 480,000 | \$ 57,752 | 12.03% |
| 57 | Contract Services | | | |
| 58 | RMDZ | \$ 10,000 | | |
| 59 | Temporary Employment Services | \$ - | \$ 3,583 | |
| 60 | Total Operating Expenses | \$ 4,719,439 | \$ 107,256 | 2.27% |
| 61 | | | | |
| 62 | Payroll Expenses | \$ 2,344,300 | \$ 126,062 | 5.38% |
| 63 | | | | |

Attachment B
Fiscal Year 2015 - 2016
Preliminary Statement of Operations for Period Ending 07/31/2015

| | | Total FY15/16 Budget | Year-to-Date Revenues and Expenses as compared to 8.33% of | |
|-----|---|-------------------------|---|---------------|
| 64 | Program Fees Passed-Through to Member Agencies | | | |
| 65 | AB939 | \$ 66,420 | | |
| 66 | County LEA | \$ 186,200 | | |
| 67 | County Rural Container Program | \$ 316,400 | | |
| 68 | County Table Bluff Landfill Maintenance | \$ 65,800 | | |
| 69 | Illegal Dumping and Cleanup Funds | \$ 39,900 | \$ 6,232 | 15.62% |
| 70 | Total Program Fees and Base Rates Passed Through | \$ 674,720 | \$ 6,232 | 0.92% |
| 71 | | | | |
| 72 | Indirect Expenses | | | |
| 73 | Accounting Expense | \$ 16,500 | \$ 1,750 | 10.61% |
| 74 | Advertising Expense | \$ 21,100 | \$ 555 | 2.63% |
| 75 | Alarm/Security Expense | \$ 1,650 | \$ 1,325 | 80.28% |
| 76 | Bank Fees Expense | \$ 27,700 | \$ 2,637 | 9.52% |
| 77 | Dues/Membership | \$ 4,250 | | |
| 78 | Employment Expenses (Hiring, Testing, etc.) | \$ 5,200 | | |
| 79 | Engineering & Consulting | \$ 25,000 | | |
| 80 | Environmental Monitoring | \$ 81,500 | \$ 2,099 | 2.58% |
| 81 | CRBAS Five-Year Monitoring | \$ 55,283 | | |
| 82 | Gas/Fuel Expense | \$ 68,900 | \$ 4,052 | 5.88% |
| 83 | Insurance Expenses | | | |
| 84 | Environmental | \$ 11,000 | | |
| 85 | General Liability | \$ 42,671 | \$ 2,361 | 5.53% |
| 86 | Property | \$ 4,590 | \$ 1,094 | 23.84% |
| 87 | Janitorial/Vector Services | \$ 15,300 | \$ 1,414 | 9.24% |
| 88 | Legal Expense | \$ 70,000 | | |
| 89 | Leases - Property & Equipment | \$ 42,060 | \$ 1,629 | 3.87% |
| 90 | Meeting Expense | \$ 3,200 | | |
| 91 | Mileage Reimbursement | \$ 3,400 | | |
| 92 | Office Supplies | \$ 16,100 | \$ 1,030 | 6.40% |
| 93 | Operating Supplies | \$ 88,600 | \$ 2,379 | 2.69% |
| 94 | Outside Printing | \$ 5,150 | \$ 17 | 0.32% |
| 95 | Permits & Fees | \$ 104,800 | \$ 1,743 | 1.66% |
| 96 | Postage | \$ 6,300 | \$ 187 | 2.96% |
| 97 | Publications | \$ 100 | | |
| 98 | Rental Expense | \$ 798 | | |
| 99 | Repairs & Maintenance Expenses | | | |
| 100 | Facilities | \$ 88,500 | \$ 3,147 | 3.56% |
| 101 | Equipment | \$ 110,250 | \$ 8,297 | 7.53% |
| 102 | Vehicles | \$ 6,500 | | |
| 103 | Safety Expense | \$ 23,900 | \$ 5,114 | 21.40% |
| 104 | Small Tools | \$ 7,500 | | |
| 105 | Software Expense | \$ 44,400 | \$ 3,602 | 8.11% |
| 106 | Telephone Expense | \$ 14,300 | \$ 537 | 3.75% |
| 107 | Training | \$ 8,700 | \$ 435 | 5.00% |
| 108 | Travel - Transportation, Meals, Lodging | \$ 7,500 | | |
| 109 | Uniforms Expense | \$ 16,500 | \$ 1,326 | 8.04% |
| 110 | Utilities Expense | | | |
| 111 | Electricity/Heat | \$ 86,350 | \$ 6,929 | 8.02% |
| 112 | Water | \$ 4,850 | \$ 418 | 8.61% |
| 113 | Total Indirect Expenses | \$ 1,140,402 | \$ 54,077 | 4.74% |
| 114 | | | | |
| 115 | Total Operational and Indirect Expenses | \$ 8,878,861 | \$ 293,627 | 3.31% |
| 118 | | | | |
| 119 | Capital Expenditures | | | |
| 120 | Reserve and Capital Improvement Expenses | | | |
| 121 | Long-Term Interest | \$ 111,139 | | |
| 122 | Total Capital Expenditures | \$ 111,139 | | |
| 123 | | | | |
| 124 | Total Expenses | \$ 8,990,000 | \$ 293,627 | 3.27% |
| 125 | | | | |
| 126 | Net Income (Loss) from Operating Activites | \$ 1,094,277 | \$ 614,408 | 56.15% |

Attachment B
Fiscal Year 2015 - 2016
Preliminary Statement of Operations for Period Ending 07/31/2015

Total FY15/16
Budget Year-to-Date Revenues and
Expenses as compared to 8.33% of

127

128 **Non-Cash Activities Affecting Net Assets**

| | | | | |
|-----|-------------------------------------|---------------------|------------------|--------------|
| 129 | Depreciation Expense | \$ 397,889 | \$ 36,843 | 9.26% |
| 130 | (Gain)/Loss on Sale of Bonds | | \$ 274 | |
| 131 | Amortization Expense - WSG Goodwill | \$ 622,078 | \$ 51,840 | 8.33% |
| 132 | Total Non-Cash Activities | \$ 1,019,967 | \$ 88,957 | 8.72% |

133

134 **Grant Activities**

| | | | | |
|-----|--|-------------------|-----------------|--------------|
| 135 | Waste Tire | \$ - | | |
| 136 | RMDZ | \$ 5,000 | | 0.00% |
| 137 | OPP | \$ 40,000 | | 0.00% |
| 138 | HHW HD | \$ 205,214 | | 0.00% |
| 139 | DoC | \$ 20,000 | | 0.00% |
| 140 | Revenues from Grant Programs | \$ 270,214 | \$ - | 0.00% |
| 141 | Waste Tire Grant | \$ - | | |
| 142 | RMDZ | \$ 5,000 | | 0.00% |
| 143 | Oil Payment Program | \$ 40,000 | | 0.00% |
| 144 | HHW HD Grant | \$ 205,214 | | 0.00% |
| 145 | DoC Grant | \$ 20,000 | | 0.00% |
| 146 | Expenses Incurred by Grant Programs | \$ 270,214 | \$ - | 0.00% |
| 147 | Total Grant Activities | \$ - | \$ 7,393 | |

148

Increase (Decrease) in Net Assets \$ 74,310 \$ 518,058 697.16%

149

150

151 **Reserves and Trusts**

| | | | | |
|-----|--|---------------------|--------------|---------|
| 152 | Funds Replenished from Release of CRLF Trust | | | |
| 153 | Current Cash Value of Designated Reserves | | \$ 397,479 | |
| 154 | HWMA Reserve Policy - 20% of Operating Expenses (Includes Payroll) | \$ 1,750,000 | \$ 397,479 | 22.71% |
| 155 | Disbursements from Trust to Cover Phase II Expenses | | | |
| 156 | Disbursements from Trust for Retention | | | |
| 157 | CRLF Closure Trust Fund | \$ 3,769,932 | \$ 3,769,932 | 100.00% |
| 158 | Total Reserves and Trust Funds | \$ 5,519,932 | | |

Attachment C
Activity Report
July 1, 2015 -July 31, 2015

| Waste Tonnage | Tonnage | | | Revenue | | |
|---------------------|--------------|--------------|------------|------------------|------------------|------------|
| | Year to Date | Prior YTD | % of Prior | Year to Date | Prior YTD | % of Prior |
| Hawthorne | | | | | | |
| Franchise | 3,465 | 3,559 | 97.3% | \$440,708 | \$451,270 | 97.7% |
| Self Haul | <u>1,335</u> | <u>1,368</u> | 97.6% | <u>\$213,107</u> | <u>\$216,026</u> | 98.6% |
| Subtotal | 4,800 | 4,927 | 97.4% | \$653,814 | \$667,296 | 98.0% |
| Humboldt Sanitation | 259 | 132 | 196.8% | \$25,573 | \$22,246 | 115.0% |
| ERD | <u>378</u> | <u>725</u> | 52.2% | <u>\$36,946</u> | <u>\$70,814</u> | 52.2% |
| TOTAL. | <u>5,437</u> | <u>5,783</u> | 94.0% | <u>\$716,334</u> | <u>\$760,356</u> | 94.2% |
| Greenwaste | <u>264</u> | <u>236</u> | 112.2% | <u>\$20,075</u> | <u>\$19,671</u> | 102.1% |

Household Hazardous Waste

| | Customers | | | Revenue | | |
|-----------------------------|--------------|------------|------------|-----------------|-----------------|------------|
| | Year to Date | Prior YTD | % of Prior | Year to Date | Prior YTD | % of Prior |
| Commercial | 22 | 32 | 68.8% | \$3,148 | \$5,971 | 52.7% |
| Residential | 435 | 589 | 73.9% | \$1,140 | \$3,316 | 34.4% |
| Fortuna Residential | 16 | 9 | 177.8% | \$75 | \$20 | 375.0% |
| Revenue from Countywide Fee | | | | \$35,719 | \$35,389 | 100.9% |
| TOTAL. | <u>473</u> | <u>630</u> | 75.1% | <u>\$40,082</u> | <u>\$44,695</u> | 89.7% |

| Traffic Count | Average Daily | | Average Daily | | % of Prior |
|----------------------|---------------|------------|---------------|------------|------------|
| | Count FY16 | Exceptions | Count FY15 | Exceptions | |
| July | 295 | None | 289 | None | 102.1% |
| August | | None | 275 | None | 0.0% |
| September | | None | 259 | None | 0.0% |
| October | | None | 250 | None | 0.0% |
| November | | None | 259 | None | 0.0% |
| December | | None | 248 | None | 0.0% |
| January | | None | 278 | None | 0.0% |
| February | | None | 254 | None | 0.0% |
| March | | None | 251 | None | 0.0% |
| April | | None | 272 | None | 0.0% |
| May | | None | 267 | None | 0.0% |
| June | | None | <u>286</u> | None | 0.0% |
| Year-to-Date Average | 295 | | 266 | | 111.1% |

Attachment D
July 2015 Disbursements

| Paid To | Amount | Paid To | Amount |
|--------------------------------|---------------|--------------------------------|-----------------------------------|
| 101 THINGS TO DO | \$1,208.00 | Mad River Union | \$621.00 |
| 101Netlink | \$61.00 | Maureen Hart | \$868.00 |
| Access Humboldt | \$137.50 | Mendes Supply Company | \$180.14 |
| Advanced Superior Alarms | \$213.75 | Mercury Disposal Systems, Inc | \$104.00 |
| AFLAC | \$323.80 | Meyers Earthwork Inc | \$257,770.15 |
| Airgas USA LLC West Division | \$262.58 | Mission Uniform & Linen | \$1,171.80 |
| Arcata Garbage Co | \$601.29 | Nancy Diamond | \$3,258.90 |
| Asbury Environmental Services | \$1,271.40 | Network Management Services | \$2,784.56 |
| AT & T | \$376.76 | North Coast Fabricators | \$1,508.60 |
| B & B Portable Toilet Company | \$4,320.39 | North Coast Journal | \$616.50 |
| Bank Fees | \$2,050.60 | North Coast Laboratories, Ltd | \$201.00 |
| Bettendorf Enterprises, Inc. | \$135,687.34 | North Coast Unified Air Qualif | \$1,743.30 |
| CA SDU | \$13.00 | Northern California Safety Con | \$80.00 |
| CalPERS | \$9,126.00 | Oak Harbor Freight Lines, Inc. | \$2,730.00 |
| Capital One Commercial | \$71.17 | Pacific Gas and Electric | \$7,058.53 |
| Cardmember Service | \$457.92 | Pacific Paper Co. | \$654.70 |
| Carolina Software | \$300.00 | Peterson Tractor | \$1,006.92 |
| Cash for CRV | \$63,753.00 | Picky Picky Picky Store | \$1,762.21 |
| City of Arcata | \$10,197.99 | Pierson Building Center | \$186.06 |
| City Of Eureka | \$24,214.31 | Pioneer Scale Co.,Inc | \$2,387.50 |
| Clean Harbors Env Services | \$34,024.00 | Pro Pacific Auto Repair, Inc. | \$119.87 |
| Cox Rasmussen & Co | \$3,024.86 | Randy Jones Trucking | \$7,050.00 |
| Crystal Springs Bottled Water | \$64.50 | Recology Humboldt County | \$666.11 |
| East Bay Machine & Hydraulics | \$85.67 | Redwood Electronics Corporatio | \$1,942.09 |
| Eco Medical | \$505.66 | Rogers Machinery Company, Inc. | \$749.99 |
| Englund Marine Supply Co. Inc. | \$40.09 | Scrapper's Edge | \$205.46 |
| Eureka Humboldt Fire Extinguis | \$513.06 | SCS Field Services | \$250.00 |
| Eureka Napa | \$10.18 | SDRMA | \$50.00 |
| Eureka Rubber Stamp Co. | \$13.26 | SETCO | \$1,187.42 |
| Express Services, Inc. | \$2,616.04 | Solid Waste of Willits, Inc. | \$147,122.13 |
| Fernbridge Tractor and Equipme | \$378.03 | St Joseph Hospital | \$278.20 |
| Franchse Tax Board | \$303.49 | Steve Morris Logging & Contrac | \$3,943.05 |
| Freon Free Inc | \$279.25 | Suddenlink | \$204.95 |
| GEO Plastics (CA) | \$2,459.08 | Times Standard | \$512.50 |
| Holmes Security Video System | \$450.00 | U-HAUL CORPORATE | \$409.10 |
| Holt of California | \$1,398.26 | United Rentals Inc. | \$436.13 |
| Humboldt Community Services Di | \$20.90 | UNUM Life Insurance Company of | \$261.00 |
| Humboldt County Sheriff's Offi | \$100.00 | US Bank Office Equipment Finan | \$557.69 |
| Humboldt Recycling | \$5,595.77 | Verizon Wireless | \$249.24 |
| I-5 Tire, Inc | \$777.40 | Zep Manufacturing Company | \$346.02 |
| Interdyn BMI | \$231.25 | | |
| JJACPA , Inc | \$1,750.00 | Total Vendor Disbursements | <u>\$789,584.39</u> |
| L & M Renner, Inc | \$3,689.34 | | |
| Lawrence & Associates | \$3,337.83 | Total Payroll Disbursements | <u>\$158,807.26</u> |
| Lost Coast Communications, Inc | \$613.00 | | |
| Mad River Hardwood Co., Inc | \$19,420.85 | Total Disbursements | <u><u>\$948,391.65</u></u> |



Staff Report

DATE: September 1, 2015 For Board Meeting: Sept 10, 2015

FROM: Jill K Duffy, Executive Director

SUBJECT: Item 2d)
Status summary of Introduced California Legislation Pertaining to Solid Waste, Hazardous Waste, Waste Diversion, Disposal (Update as of August, 2015)

RECOMMENDED ACTION:

Receive updated 2015-16 Legislative Session summary;

DISCUSSION:

Staff has updated the 2015-2016 Legislative Session Summary that was originally presented to the Board at the May 2015 meeting. The information highlighted in the *Status* column indicates when and where the bill was last heard in the California Legislature as of August 31, 2015.

At the direction of the Board, staff drafted and forwarded the following letters in support or opposition to the noted pending legislation:

- AB 45 (Mullin) Household Hazardous Waste-Oppose, 5/14/15
- SB 489 (Monning) Solar Photovoltaic Modules- Comment Letter, 5/14/15
- AB 1239 (Gordon) Tire Recycle Incentive Program Act-Conditional Support, 6/15/15

Language used in the letter to Assemblyman Gordon discussing the Tire Recycling Program Act (AB 1239) included concerns noted by the Board in the June, 2015 meeting.

FISCAL IMPACT:

Legislative Bill introduction for the year and tracking of their current status through the process is a function within HWMA Programs and is typically assigned to a Programs Analyst who works in concert with the Executive Director. Other groups with similar interest such as Californians Against Waste and the CA Product Stewardship Council network with us to help align similar goals. The final say in terms of support or opposition is at the sole discretion of the Board. On average, about four hours of staff time per month is utilized to remain current on legislative status and update the Board accordingly.

ATTACHMENTS:

2015-16 Legislative Session Summary (updated and highlighted)

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|---|--------------------------|--|
| 1 | Bill No/Author/ Title | AB 45 (Mullin) Household hazardous waste. |
| | Summary | This bill would require each jurisdiction that provides for the residential collection and disposal of solid waste to increase the collection and diversion of household hazardous waste in its service area by 15% over a CalRecycle-determined baseline amount by July 2020, and require CalRecycle to adopt a model ordinance for the establishment for door-to-door household hazardous waste collection programs, and household hazardous waste residential pickup services as the principal means of collecting household hazardous waste |
| | Status | Active Hearing postponed - Assembly Appropriations Comm. 5/28/15 |
| | Recommended Action | Oppose, and refer to member agencies. |
| | Staff Comments | HWMA, on behalf of its member jurisdictions, operates a permanent HHW collection facility, conducts annual mobile HHW events throughout the county, and maintains satellite collection sites for universal wastes, including batteries, fluorescent lights and medical sharps. This bill does not consider the recent success of Extended Producer Responsibility (EPR) legislation (e.g., for paint, mercury thermometers) in source reduction of HHW. Bill is opposed by CSAC, RCRC, CPSC and numerous jurisdictions. Could significantly increase costs of local curbside solid waste programs, if franchise haulers are required to collect HHW at the curb. This would impose new duties on local agencies and create a state-mandated local program. |

| | | |
|---|--------------------------|--|
| 2 | Bill No/Author/ Title | AB 190 (Harper) Solid Waste: Single-use carryout bags. |
| | Summary | This bill would repeal the statewide plastic bag ban (SB 270). |
| | Status | Active. Failed in Committee, 4/13/15, with reconsideration granted. Same |
| | Recommended Action | Monitor |
| | Staff Comments | The Authority's Strategic Plan Strategy 2.5 supports a ban on single-use bags, and one member agency has already adopted a single-use carryout bag ban ordinance. This bill would preempt a local jurisdiction from enacting its own ordinance. Taking a position at this time could potentially put our member agencies at odds with each other. SB 270 (Padilla) signed into law last year, is being challenged both in court and by referenda. |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|---|--------------------------|--|
| 3 | Bill No/Author/ Title | AB 191 (Harper) Solid Waste Single-Use carryout bags. |
| | Summary | This bill would repeal the requirement that a store that distributes recycled paper bags make those bags available for purchase for not less than \$0.10. |
| | Status | Active. Failed in Committee, 4/13/15, with reconsideration granted. Same |
| | Recommended Action | Monitor |
| | Staff Comments | This bill would preempt a local jurisdiction from enacting its own ordinance. Taking a position at this time could potentially put our member agencies at odds with each other. SB 270 (Padilla) signed into law last year, is being challenged both in court and by referenda. |

| | | |
|---|--------------------------|---|
| 4 | Bill No/Author/ Title | AB 199 (Eggman) Alternative energy; recycled feedstock |
| | Summary | Expands types of projects eligible for the sales and use tax exclusion to include projects that process or utilize recycled feedstock, but would not include a project that processes or utilizes recycled feedstock in a manner that constitutes disposal. |
| | Status | Active Assembly Appropriations Committee 8/27/15 |
| | Recommended Action | Support |
| | Staff Comments | This bill is intended to encourage infrastructure improvements in CA-based recycling and organics processing operations, by eliminating sales tax on purchases of MRF, composting and recycled content manufacturing equipment. |

| | | |
|---|--------------------------|--|
| 5 | Bill No/Author/ Title | AB 263 (Patterson) Hazardous Waste |
| | Summary | Requires Department of Toxic Substances Control (DTSC) to regularly update regulations related to EPA Test Methods for Evaluating Potential Hazardous Chemicals in Solid Waste |
| | Status | Active Hearing cancelled by author 4/15/15 |
| | Recommended Action | Monitor |
| | Staff Comments | |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|---|--------------------------|---|
| 6 | Bill No/Author/ Title | AB 385 (Chiu) Solid Waste Facilities: local enforcement agencies. |
| | Summary | This bill would, if a solid waste facility in a jurisdiction is within a quarter mile of a municipality or municipalities that are not part of the jurisdiction, require the local enforcement agency to hold a public meeting every 6 months to report violations, investigations, and remedial actions that have occurred since the previous meeting and to receive information regarding odor and other nuisance impacts of the facility from representatives of that municipality or those municipalities, as specified. By imposing new duties on a local enforcement agency, this bill would create a state-mandated local program. |
| | Status | Active Returned to Senate Environmental Quality Comm 7/1/15 |
| | Recommended Action | <u>Refer to Humboldt County CAO Office</u> |
| | Staff Comments | Staff recommends referral to the Humboldt County CAO office, since the local enforcement agency (LEA) for all jurisdictions in Humboldt County is the Solid Waste Enforcement Program of the County's Division of Environmental Health. However, due to the remote nature of Humboldt County and its neighbors, if enacted, this bill will likely have no impact on member agencies. |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|---|--------------------------|---|
| 7 | Bill No/Author/ Title | AB 590 (Dahle). Greenhouse Gas Reduction Fund. |
| | Summary | <p>AB 590, as amended, Dahle. Greenhouse Gas Reduction Fund. The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all monies, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.</p> <p>This bill would create the Biomass State Cost Share Account within the Greenhouse Gas Reduction Fund. The bill would require certain amounts to be transferred from the Greenhouse Gas Reduction Fund to the Biomass State Cost Share Account for the 2015–16 through 2019–20 fiscal years. The monies in the account, upon appropriation, would be available for expenditure by the State Energy Resources Conservation and Development Commission for the purposes of maintaining the current level of biomass power generation in the state and revitalizing currently idle facilities in strategically located regions. The bill would establish requirements for an applicant to receive funding from the account for a facility’s eligible electrical generation.</p> |
| | Status | Active Senate Appropriations Committee 8/27/15 |
| | Recommended Action | Support |
| | Staff Comments | Humboldt County has three active biomass facilities, which may benefit from the monies available in the proposed Biomass State Cost Share Account; also, the closure of one or more of the existing biomass facilities in the county may affect HWMA member agency compliance with AB 939. |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|---|--------------------------|---|
| 8 | Bill No/Author/ Title | AB 628 (Bloom). Used oil. |
| | Summary | Existing law authorizes the Department of Toxic Substances Control to regulate the disposal of hazardous waste, including used oil, and, for those purposes, defines “used oil” to mean oil that has been refined from crude oil, or any synthetic oil, that has been used, and, as a result of use or as a consequence of extended storage, or spillage, has been contaminated with physical or chemical impurities. This bill would clarify that the synthetic oil referred to in the definition of “used oil” may be from any source. |
| | Status | Active Sen. Env. Quality Comm.- Cancelled by Author 6/23/15 |
| | Recommended Action | None |
| | Staff Comments | This bill clarifies the definition of used oil, as regulated by DTSC. |

| | | |
|---|--------------------------|---|
| 9 | Bill No/Author/ Title | AB 640 (Dahle) Household hazardous waste |
| | Summary | Existing law authorizes public agencies to operate household hazardous waste collection facilities, as defined, and specifies conditions for the transportation of household hazardous waste. This bill would make nonsubstantive changes to the definitions pertaining to those provisions. |
| | Status | Active No action taken 3/27/15 |
| | Recommended Action | None |
| | Staff Comments | This bill contains language clean-up of existing regulations. |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|----|--------------------------|--|
| 10 | Bill No/Title/ Author | AB 649 (Patterson) Medical waste. Take back programs. |
| | Summary | This bill would include among those authorized treatment methods any alternative medical waste treatment solely designed to treat pharmaceutical waste, including a pharmaceutical incinerator, as defined, and would require this method to be evaluated and approved by the State Department of Public Health. The bill would authorize a law enforcement agency that operates a prescription drug takeback program to utilize a pharmaceutical incinerator-up to 4 times per year if the incinerator-is evaluated and approved by the department. |
| | Status | Active Senate Appropriations Committee 8/27/15 |
| | Recommended Action | None |
| | Staff Comments | May facilitate the siting of prescription drug takeback programs by local law enforcement, if the alternative waste treatment results in lower costs |

| | | |
|----|--------------------------|---|
| 11 | Bill No/Author /Title | AB 864 (Williams) Solid waste facilities: temporary permits. |
| | Summary | <p>This bill would require, until January 1, 2025, CalRecycle to adopt regulations to authorize an enforcement agency to issue a temporary solid waste facilities permit to facilities required under the act to have a solid waste facilities permit, but for which a permit has not been obtained. LEA's previously had the ability (per AB 1473, Feurer) to issue temporary solid waste facility permits, under specified conditions, and this program sunsetted in 2010. This bill would require the CalRecycle regulations to direct any person desiring to obtain a temporary solid waste facilities permit to submit an application to the enforcement agency no later than 60 days from the date it is determined by the enforcement agency that a permit is required. The bill would require the owner or operator of a facility covered under a temporary permit to agree to inspections, at least monthly, by the enforcement agency.</p> <p>The bill would require a local enforcement agency to notify the operators of all facilities within its jurisdiction of the availability of temporary solid waste facilities permits, thereby imposing a state-mandated local program by imposing new duties upon local enforcement agencies. The bill would also require the department to review and act on a proposed temporary solid waste facilities permit submitted by an enforcement agency within 30 days of that submission.</p> |
| | Status | Active Revised ,re-written as Oil Spill Response Bill 5/ 19/15 |
| | Recommended Action | <u>Monitor, and refer to the Humboldt County CAO Office</u> |
| | Staff Comments | According to the author, "AB 864 fosters the anticipated construction and operation of new recycling facilities by reinstating temporary permitting authority under the guidance and oversight of CalRecycle." |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|----|-----------------------|--|
| 12 | Bill No/Author /Title | AB 876 (McCarty) Compostable organics. |
| | Summary | <p>Existing law (AB 939) requires each county to prepare a countywide siting element that provides, among other things, for an estimate of the total transformation or disposal capacity that will be needed for a 15-year period to safely handle solid wastes generated with the county that cannot be reduced, recycled, or composted, and to identify areas for the location of new or expanded solid waste transformation or disposal facilities, if needed or desired.</p> <p>This bill would require each countywide siting element to provide an estimate of the total organics processing capacity that will be needed over a 15-year period to safely handle organic wastes generated with the county and to identify areas for the location of organics processing facilities, if needed or desired, thereby imposing a state-mandated local program. The bill would also make legislative findings and declarations.</p> |
| | Status | Active Senate Appropriations Committee 8/25/15 |
| | Recommended Action | Monitor |
| | Staff Comments | Rural County Representatives of California (RCRC) opposes this bill, as it duplicates many of the new reporting requirements related to organic waste already mandated by AB 1826 (Chesbro) that was passed last year. |

| | | |
|----|-----------------------|--|
| 13 | Bill No/Author /Title | AB 888 (Bloom) Waste Management: plastic microbeads. |
| | Summary | This bill would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product, as specified. The bill would exempt from those prohibitions the sale or promotional offer of a product containing less than 1 part per million (ppm) by weight of plastic microbeads, as provided. |
| | Status | Active Senate Floor 3rd Reading 8/31/15 |
| | Recommended Action | Refer to Publicly-Owned Treatment Works (POTWs) located within Member Agency jurisdictions. |
| | Staff Comments | Staff interprets this as more of a wastewater treatment and marine debris issue rather than a solid waste issue. |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|----|--------------------------|--|
| 14 | Bill No/Author/ Title | AB 901 (Gordon) Solid waste: reporting requirements: enforcement. |
| | Summary | <p>This bill would, require recycling and composting operations and facilities to submit specified information directly to CalRecycle, rather than to counties, and would delete the requirement for counties to submit that information to cities, regional agencies, and the department.</p> <p>The bill would delete references to periodic tracking surveys and make other related changes to the various reporting requirements; provide for imposition of civil penalties on any person who refuses or fails to submit information required by the governing regulations; and the bill would provide for local agencies, on request, to be designated by the department to exercise the enforcement authority.</p> |
| | Status | Active Senate Appropriations Committee- Suspense 8/17/15 |
| | Recommended Action | <u>Refer to the Humboldt County CAO Office</u> |
| | Staff Comments | |

| | | |
|----|--------------------------|---|
| 15 | Bill No/Author/ Title | AB 997 (T. Allen) Plastics: Waste to Energy |
| | Summary | This bill would restate the policy goal of the state to provide that the goal is for not less than 75% of solid waste generated to be source reduced, recycled, used for power generation in dedicated anaerobic digesters as well as in modern landfills capturing methane gas, or composted by the year 2020, and annually thereafter |
| | Status | Active Assembly Nat. Resources Comm. - Cancelled by Author 4/23/15 |
| | Recommended Action | Oppose |
| | Staff Comments | This bill would allow solid waste that is “used for power generation ... in modern landfills capturing methane gas” to count as recycling. AB 1126 (Gordon), Chapter 411, Statutes of 2013 established permitting requirements for certain conversion (“Engineered Municipal Solid Waste”) technologies that process plastics. This bill would allow disposal of plastics in a qualified landfill to be considered “recycling.” |

Attachment 7.1
2015-2016 Legislative Session Summary

| | | |
|----|--------------------------|---|
| 16 | Bill No/Author/ Title | AB 1045 (Irwin) Organic waste: Composting |
| | Summary | Existing law requires each city, county, city and county, and regional agency, to develop a source reduction and recycling element of an integrated waste management plan. Those entities are required to divert 50% of all solid waste through source reduction, recycling, and composting. Currently, three state agencies have jurisdiction of over compost and compost facilities. This bill would require CalRecycle, in coordination with the State Air Resources Board and the State Water Resources Control Board, to develop a policy that promotes the development of streamlined permitting and regulation of composting facilities while protecting air and water quality. The bill would require the CalRecycle to promote a goal of reducing at least 5 million metric tons of greenhouse gas emissions per year through the development and application of compost on working lands, and would authorize the agency to work with the Department of Food and Agriculture to achieve this goal. |
| | Status | Active Senate Floor 2nd Reading 8/31/15 |
| | Recommended Action | Support |
| | Staff Comments | Significant gains in organic waste diversion are necessary to meet the 75% waste diversion goal by 2020 of AB 341 (Chesbro, 2011). Streamlined permitting and regulatory requirements for compost facilities will assist the state in meeting its statewide goal of 75% diversion by 2020, and HWMA in meeting its Strategic Goal 1.8: Set a Regional Diversion Target of 75%. |

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| 17 | Bill No/Author/ Title | AB 1063 (Williams) Solid waste. Disposal facilities. Fees |
| | Summary | Existing law requires the operator of a disposal facility to pay to the State Board of Equalization a fee based on the amount of solid waste disposed at each disposal site. The act currently limits Department of Resources Recycling and Recovery (CalRecycle) to a maximum of \$1.40 per ton. This bill would require, on or before July 1, 2016, the Department of Resources Recycling and Recovery, to hold a public hearing and workshop to develop a proposal for the Legislature regarding a new solid waste management fee which would provide the department with the revenue necessary to carry out certain actions. The bill would require the department, within 6 months of the public hearing and workshop, to propose a new solid waste management fee to the Legislature. |
| | Status | Active Sen. Env. Quality Comm. -Cancelled by Author 8/19/15 |
| | Recommended Action | Monitor |

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| Staff Comments | This bill has been significantly modified by committee since its original introduction based on objections and concerns that have been raised by public entities and organizations such as CSAC, RCRC, CA League of Cities and industry representatives. |
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| 18 | Bill No/Author/ Title | AB 1103 (Dodd) Solid waste: Organics |
| | Summary | Existing law, on and after April 1, 2016, requires a business that generates a certain amount of organic waste to arrange for organic recycling services specifically for organic waste, and requires each city, county, or regional agency to implement an organic waste recycling program designed to divert organic waste generated by those businesses. Existing law defines the term “organic waste” for purposes of those provisions to include food waste and food-soiled paper waste. This bill would also define the terms “food-soiled paper” and “food waste” for purposes of those provisions. |
| | Status | Active Assembly Natural Resources Committee 7/15/15 |
| | Recommended Action | None |
| | Staff Comments | |

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| 19 | Bill No/Author/ Title | AB 1108 (Low). Beverage Containers: recycling. |
| | Summary | The California Beverage Container Recycling and Litter Reduction Act requires certified recycling centers, when accepting an empty beverage container from a consumer, to pay the refund value. Current CalRecycle regulations limit the amount of aluminum or plastic containers that individuals can bring to a Certified Recycling Center to <u>100</u> pounds and glass containers are limited to <u>1,000</u> pounds per day. This bill would prohibit a certified recycling center from accepting or paying the refund value to a consumer for more than <u>50</u> pounds of aluminum beverage containers or plastic beverage containers, or any combination thereof, or <u>500</u> pounds of glass beverage containers, submitted by that consumer to the certified recycling center in a single 24-hour period. |
| | Status | Active. Senate Env. Quality Comm. -Cancelled by Author 7/21/15 |
| | Recommended Action | Monitor |
| | Staff Comments | This bill is intended to reduce fraud in CalRecycle’s Beverage Container |

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| Comments | Fund. Would impact individuals who recycle at HWMA and other local CRV redemption centers, as it would reduce the amounts of CRV material that can be redeemed in a 24-hour period. |
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| 20 | Bill No/Author/ Title | AB 1136 (Steinorth) Reusable/Paper Grocery Bags: Fee Exemption |
| | Summary | Subject to the referendum on SB 270, this bill would expand the group of customers who would be provided a reusable grocery bag or a recycled paper bag at no cost at the point of sale to include a customer who is 65 years of age or older and a customer who provides proof of current attendance at a California college or university. |
| | Status | Active Assembly Nat. Resources Comm. – Cancelled by Author 5/11/15 |
| | Recommended Action | Monitor |
| | Staff Comments | |

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| 21 | Bill No/Author/ Title | AB 1159 (Gordon) Product Stewardship: Pilot Program: household batteries and home-generated sharps wastes |
| | Summary | This bill would establish the Product Stewardship Pilot Program and, until January 1, 2024, require producers and product stewardship organizations of covered products, to develop and implement a product stewardship plan for household batteries and home-generated sharps. |
| | Status | Active Assembly Appropriations Comm. Postponed 5/28/15 |
| | Recommended Action | Support |
| | Staff Comments | With Extended Producer Responsibility (EPR) legislation already in place in CA for paint, mercury thermometers, carpet, and mattresses, this bill adds to the products that will be managed by a product stewardship organization; to date, the other EPR legislation has saved HWMA ratepayers and member agencies on end-of-life costs to properly recycle or dispose of hard to manage waste streams. |

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| 22 | Bill No/Author/ Title | AB 1239 (Gordon) Tire recycling: California tire regulatory fee and waste tire program |
| | Summary | <p>Existing law establishes, as a part of the waste tire program, the tire recycling program, which promotes and develops alternatives to the landfill disposal of used whole tires. The program provides for grants to certain entities involved in activities that result in reduced landfill disposal of whole used tires, and development and implementation of a waste tire incentive payment program to promote increased demand of waste tires recycled in this state. Under the act, until June 30, 2019, the Rubberized Pavement Market Development Act provides for the award of grants to certain public agency projects that use rubberized asphalt concrete.</p> <p>This bill would repeal the Rubberized Pavement Market Development Act and instead enact the Tire Recycling Incentive Program Act. The bill would require the department, in accordance with the tire recycling program, to establish this incentive program to award payments to eligible recipients, as specified. The bill would require the department, while the existing tire fee remains greater than or equal to \$1.75 per tire, to annually allocate, of the amount appropriated to the department for purposes of the waste tire program, \$30,000,000 for the tire recycling incentive program.</p> |
| | Status | Active To Senate Environmental Quality Committee 6/11/15 |
| | Recommended Action | Support |
| | Staff Comments | Supported by Californians Against Waste (CAW) and California State Association of Counties (CSAC). Will incentivize uses of recycled tires, such as crumb rubber in asphalt paving projects and Tire-derived Aggregate (TDA) in civil engineering applications. |

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| 23 | Bill No/Author/ Title | AB 1247 (Irwin) Sales and use taxes: exemption: organic input material. |
| | Summary | Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. That law provides various exemptions from those taxes, including an exemption for fertilizer to be applied to land, the products of which are to be used as food for human consumption or are to be sold in the regular course of business. This bill would additionally exempt from those taxes the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, organic input material, as defined, to be applied to land, the products of which are to be used as food for human consumption or are to be sold in the regular course of business. |
| | Status | Active Assembly Revenue & Taxation Committee- Suspense 5/18/15 |
| | Recommended Action | Monitor |
| | Staff Comments | Intent of bill appears to be the incentivizing of markets for compost and similar products on CA ag lands. |

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| 24 | Bill No/Author/ Title | AB 1256 (Williams) Solid waste: administration |
| | Summary | AB 1256, as introduced, Williams. Solid waste: administration. The existing California Integrated Waste Management Act of 1989 is administered by the Department of Resources Recycling and Recovery in the California Environmental Protection Agency. This would make nonsubstantive changes to the provision establishing the department. |
| | Status | Active Assembly Floor or 1 st Reading 3/2/15 |
| | Recommended Action | None |
| | Staff Comments | |

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| 25 | Bill No/Author/ Title | AB 1377 (Thurmond) Solid waste: Diversion: green material |
| | Summary | Existing law governs the use of solid waste as alternative daily cover in the construction and operation of a solid waste landfill, including the determination of what constitutes diversion through recycling rather than disposal. Existing law provides for the department to adopt regulations in this regard. This bill would delete obsolete provisions relating to the adoption of regulations. |
| | Status | Active. Senate Natural Resources Comm. – 3/23/15 |
| | Recommended Action | None |
| | Staff Comments | |

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| 26 | Bill No/Author/ Title | AB 1435 (Alejo). Hazardous waste: toxics: packaging. |
| | Summary | The Toxics in Packaging Prevention Act generally prohibits a manufacturer or supplier from offering for sale or for promotional purposes in this state a package or packaging component that includes intentionally introduced lead, mercury, cadmium, or hexavalent chromium in the package or in a packaging component. The act defines the term “package” as meaning any container that provides a means of marketing, protecting, or handling a product and specifies that a package does not include a reusable bag. This bill would also exclude a “glass beverage container” and a “glass food or drink container” from the definition of “package.” |
| | Status | Active Senate Appropriations Committee Hearing Cancelled 8/20/15 |
| | Recommended Action | Monitor |
| | Staff Comments | Supported by the beer and wine industries, but the potential impacts of heavy metals leaching from recycled glass is unclear. |

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| 27 | Bill No/Author/ Title | AB 1447 (Alejo). Solid waste: food and beverage packaging. |
| | Summary | Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires each glass container manufacturer in the state to use a minimum percentage of 35% of postfilled glass, except as specified, in the manufacturing of glass food, drink, or beverage containers. The bill would clarify that for purposes of the minimum postfilled glass requirement, a glass container manufacturer in the state includes a glass container manufacturer who imports glass containers from outside of the state for filling. Requires manufacturers of PET plastic packaging to report to CalRecycle the amounts of new PET packaging and postfilled PET used. Also mandates that starting July 1, 2016, each manufacturer of PET packaging use a minimum of 10% postfilled PET in the plastic packaging it manufactures. |
| | Status | Active Assembly Appropriations Committee- Held Submission 5/28/15 |
| | Recommended Action | Support |
| | Staff Comments | Closes a loophole on glass beverage containers imported into CA and mandates 10% minimum recycled content in new PET packaging sold in the state. Intent is to increase markets for recyclables in CA, rather than exporting out of state or overseas. Also, see SB 732 (Pan), which is similar. |

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| 28 | Bill No/Author/ Title | SB 162 (Galgiani) Treated Wood waste: disposal. |
| | Summary | Existing law requires, among other things, treated wood waste be disposed of in either a class I hazardous waste landfill, or in a composite-lined portion of a solid waste landfill unit that meets certain requirements. Existing law makes these, and other requirements regarding treated wood waste, inoperative on June 1, 2017. A violation of the state's hazardous waste control laws is a crime. This bill would extend the operation of these provisions regarding treated |

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| | | wood waste indefinitely. |
| Status | | Active. Assembly Floor 3rd Reading 8/28/15 |
| Recommended Action | | Support |
| Staff Comments | | |

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| 29 | Bill No/Author/ Title | SB 225 (Wieckowski) Recycling: Used tires |
| | Summary | The California Tire Recycling Act imposes a California tire fee on a new tire purchased in the state. This bill would require CalRecycle, when adopting the 5-year plan and expending appropriated funds, to ensure expenditures reflects the California Integrated Waste Management Act's priorities for waste reduction and recycling. |
| | Status | Active Language Amended 2/15-Medical Waste/BioHazard Bags |
| | Recommended Action | Monitor. |
| | Staff Comments | |

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| 30 | Bill No/Author/ Title | SB 423 (Bates). Pharmaceutical waste: over-the-counter drugs and nutritional supplements. |
| | Summary | Excludes from the definition of pharmaceutical waste, for purposes of regulation under the Medical Waste Management Act, any over-the-counter human or veterinary drug or dietary supplement that is, among other things, characterized and managed as a hazardous or solid waste and with respect to an over-the-counter human or veterinary drug, is not disposed of on land within the state. |
| | Status | Active Senate Floor 2nd Reading 8/31/15 |
| | Recommended Action | Monitor |
| | Staff Comments | |

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| 31 | Bill No/Author/ Title | SB 489 (Monning) Hazardous waste. Photovoltaic Modules |
| | Summary | This bill would authorize the department to adopt regulations to designate end-of-life photovoltaic modules that are identified as hazardous waste as a universal waste and subject those modules to universal waste management. The bill would authorize the department to revise the regulations as necessary. |
| | Status | Active Assembly Appropriations Committee 8/31/15 |
| | Recommended Action | Support |

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| Action | |
| Staff Comments | Photovoltaics are becoming more common. Older panels contain recyclable materials that could be dismantled. There is a lack of clarity under existing state law whether used solar photovoltaic (PV) panels can be treated as municipal solid waste or hazardous waste, and this bill authorizes DTSC to declare used solar PV panels as universal waste. |

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| 32 | Bill No/Author/ Title | SB 625, as amended, Galgiani. Waste management: synthetic plastic microbeads. |
| | Summary | This bill would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing synthetic plastic microbeads, as specified. The bill would exempt from those prohibitions the sale or promotional offer of a product containing less than 1 part per million (ppm) by weight of synthetic plastic microbeads, as provided. |
| | Status | Active Senate Env. Quality Comm.- Cancelled by author 4/30/15 |
| | Recommended Action | Refer to member agencies' respective public works departments that operate POTWs |
| | Staff Comments | Similar to AB 888 |

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| 33 | Bill No/Author/ Title | SB 654 (De León). Hazardous waste: facilities permitting. |
| | Summary | Existing law, as part of the hazardous waste control law, requires-facilities handling hazardous waste to obtain a permit from the Department of Toxic Substances Control. Existing law requires an owner or operator of a facility intending to renew the facility's permit to submit a complete Part A application for a permit renewal prior to the expiration of the permit. Existing law requires the owner or operator to submit a complete Part B application when requested by the department. Existing law requires the department to issue a permit if the facility meets specified requirements. This bill would-instead require the owner or operator of a facility to submit complete Part A and Part B applications for a permit renewal at least 2 years prior to the expiration date of the permit. The bill would require the department to issue a final permit decision for an application for permit renewal within 36 months of the expiration of the facility's permit. The bill would provide that a facility that has not been issued a final permit within 36 months following the expiration of the permit's fixed term shall be deemed in violation of the hazardous waste control law. Since a violation of-the hazardous waste control law-is a crime, the bill would impose a state-mandated local program. |
| | Status | Active Assembly Appropriations Comm. -Suspense 8/19/15 |
| | Recommended Action | Monitor |

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| Staff Comments | Aimed at improving DTSC’s slow turnaround times on processing of permits for hazardous waste facilities. HWMA operates its permanent Household Hazardous Waste Facility under a state “Permit-by-Rule,” with permitting authority delegated by DTSC to Humboldt County’s CUPA program at the Division of Environmental Health. |
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| 34 | Bill No/Author/ Title | SB 662 (Introduced by Committee on Environmental Quality) Recycling. |
| | Summary | Existing law creates the Recycling Market Development Revolving Loan Subaccount (Subaccount) and appropriates the funds for making loans in accordance with RMDZ guidelines. Existing law makes these provisions inoperative on July 1, 2021. This bill would authorize the department to expend money in the Subaccount to make payments to local governing bodies related to the promotion of the zone. |
| | Status | Active Assembly Appropriations Committee 3rd Reading 8/31/15 |
| | Recommended Action | Monitor – Staff to continue research. |
| | Staff Comments | |

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| 35 | Bill No/Author/ Title | SB 732 (Pan) Beverage container: recycling. |
| | Summary | This bill would, on and after January 1, 2017, require every manufacturer of a beverage sold in a plastic beverage container to demonstrate to the Department of Resources Recycling and Recovery that each type of plastic beverage container sold in this state contains, on average, not less than 10 percent postfilled material. Repeals Section 14575.1 of the Public Resources Code that relates to purchases empty PET at artificial scrap values. Also prohibits CalRecycle from reducing the processing fee requirements for any beverage manufacturer for any beverage container sold in the state, unless the beverage manufacturer demonstrates that the beverage container is manufactured at a facility that meets or exceeds certain percentage of recycled content, regardless of whether the container is manufactured in the state. |
| | Status | Active Senate Env. Quality Committee Failed in Committee 4/16/15 |
| | Recommended Action | Monitor |
| | Staff Comments | Similar to AB 1447, this bill also affects the processing fees set by CalRecycle for PET (#1 Plastic) beverage containers. |

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| 36 | Bill No/Author/ Title | SB 742 (Hertzberg) Solid waste: Diversion |
| | Summary | <p>The California Integrated Waste Management Act of 1989, The act requires each state agency to develop and adopt, in consultation with the department, an integrated waste management plan. Existing law requires each state agency and each large state facility, on and after January 1, 2004, to divert at least <u>50%</u> of all solid waste from landfill disposal or transformation facilities through source reduction, recycling, and composting activities.</p> <p>This bill would require each state agency and each large state facility, on and after January 1, 2018, to divert at least <u>60%</u> of all solid waste from landfill disposal or transformation facilities through source reduction, recycling, and composting activities. The bill would also delete an obsolete provision.</p> |
| | Status | Active Senate Appropriations Committee Held in Form 5/28/15 |
| | Recommended Action | Monitor |
| | Staff Comments | This bill does not directly impact the Authority's operation or rates. However, this bill could affect waste diversion rates for those member agencies that have a large state facility (e.g., HSU, College of the Redwoods) in their jurisdiction. The Authority may see an increase of recyclable or other divertible materials. |



Staff Report

DATE: August 31, 2015 For Board Meeting: September 10, 2015

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 2e)
Approve Agreement with Eel River Resource Recovery, Inc. for Loading Services of Member Agency Franchise Solid Wastes.

RECOMMENDED ACTION: Voice vote.

- 1) Consider Approval 2-year Agreement with Eel River Resource and Recovery, Inc. ending September 22, 2017; and
- 2) Authorize the Chair to sign Agreement.

DISCUSSION:

Staff presents a 2-Year agreement with Eel River Resource and Recovery, Inc. (ERRR) for the Board's consideration. The agreement secures loading of member agency franchise material into trailers provided by the Authority's designated transportation hauler, Solid Wastes of Willits (SWOW).

The proposed agreement with ERRR will continue 'live loading' of member agency material at the Fortuna transfer facility, into SWOW's trailers. This 'live loading' solution differs from the original intent to maintain an SWOW trailer on-site and available for loading. SWOW has agreed to 'live loading' of trailers which was initiated in November 2014. Live Loading means the completion of loading Permitted Waste into an individual Trailer to the allowable weight capacity while the Trailer's truck driver stands-by. Costs associated with loading trailers are already embedded in the franchise rates paid by curbside customers.

The agreement also addresses the practice of 'commingling' of member and non-member agency material, specifically by acknowledging that commingling does occur on the Fortuna transfer station's Tip Floor. Approximately 15 years ago, an 'Allocation Percentage Formula' was used to determine jurisdiction of origin, however only the County of Humboldt and Fortuna (a non-member agency) approved the allocations. To address this, ERRR has agreed to conduct a tonnage audit by the end of the second quarter of 2016. Any necessary revisions to the Allocation Percentage Formula will be approved by Eel River Disposal (a subsidiary of ERRR) and the respective jurisdictions holding the franchise agreement.

This proposed amendment has been reviewed and approved as to form by the Authority's Legal Counsel and Harry Hardin, President of ERRR.

FISCAL IMPACT:

This has been included in the proposed budget for FY 2015-16

ALTERNATIVES:

Board discretion

ATTACHMENTS:

1. Agreement Between HWMA and ERRR, Inc. to Provide MSW Loading Services
2. Exhibit A HWMA – ERRR Transportation Dispatch Protocol (*September 2015*)

**AGREEMENT BETWEEN
HUMBOLDT WASTE MANAGEMENT AUTHORITY
AND
EEL RIVER RESOURCE RECOVERY, INC.
TO PROVIDE MSW LOADING SERVICES**

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

RECITALS

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

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

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

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

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

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

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

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

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

1. **DEFINITIONS**

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

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

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

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

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

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

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

“Live Loading” means the completion of loading Permitted Waste into an individual Trailer to the allowable weight capacity while the Trailer’s truck driver stands-by.

“Permitted Waste” means Solid Waste excluding without limitation, Hazardous Waste, Household Hazardous Waste, other unacceptable waste, recyclable materials, or material used as alternative daily cover (ADC).

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

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

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

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

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

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

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

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

- (a) **agricultural wastes** comprised of animal manures;
- (b) **asbestos**, including friable materials that can be crumbled with pressure and are therefore likely to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances, which may be a Hazardous Waste if it contains more than one percent asbestos other than non-friable materials containing asbestos which are triple bagged, boxed and taped;
- (c) **ash** residue from the incineration of solid wastes, including municipal waste, infectious waste described in item (7) below, sludge, and agricultural wastes described in item (1) above;

- (d) **auto shredder** "fluff" consisting of upholstery, paint, plastics, and other non-metallic substances which remains after the shredding of automobiles;
- (e) **Hazardous Wastes**, explosives, ordnance, highly flammable substances and noxious materials;
- (f) **Infectious Wastes** which have disease transmission potential and are classified as Hazardous Wastes by the State Department of Health Services, including pathological and surgical wastes, medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubing, bottles, drugs, patient care items such as linen or personal or food service items from contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical purposes or with known infectious diseases other than patient care items that have been disinfected;
- (g) **Liquid Wastes** which are not spadeable, usually containing less than fifty percent solids, including cannery and food processing wastes, landfill leachate and gas condensate, boiler blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank pumpings, rendering plant byproducts, sewage sludge, and those liquid wastes which
- (h) **Radioactive Wastes** under Chapter 7.6 (commencing with Section 25800) of Division 20 of the State Health and Safety Code, and any waste that contains a radioactive material, the storage or disposal of which is subject to any other State or federal regulation.

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

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

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

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

3.2 Permitted Waste loading.

- (a) **Proper loading.** ERRR shall Live Load Trailers with all Permitted Solid Waste collected from HWMA member agencies in accordance with all applicable laws and permit requirements and the provisions of this Agreement. Loading shall occur with the regularity and frequency necessary to comply with applicable law, including time or volume limitations on the storage of Permitted Waste at the Eel River Transfer Station. ERRR shall pay all fines or penalties for overloaded or improperly loaded Trailers. During loading, ERRR shall provide reasonable accommodations including restroom facilities for the Transportation Contractor's driver.

- (b) **Weight capacity and restrictions.** Each Trailer shall be Live Loaded on a pit scale to an allowable weight capacity as determined by the California Department of Transportation axle weight limitations for transport vehicles, no less than 20.5 tons Permitted Waste per Trailer and no more than 23 tons Permitted Waste per Trailer, depending on the transport vehicle.
- (c) **Screening and removal of Unpermitted Waste.** ERRR shall screen waste to prevent loading of Unpermitted Waste, and will not Load Unpermitted Waste. ERRR shall pay the total cost of Unpermitted Waste handling and disposal as well as all fees, charges and other amounts billed by the Designated Disposal Facility for ERRR's delivery of Unpermitted Waste to the Designated Disposal Facility without reimbursement by or offset from the Authority.
- (d) **Load timing.** Once delivered, Trailers shall have loading priority over other operations at the Eel River Transfer Facility. Live Loading shall be completed for each Trailer within fifty (50) minutes after the Trailer is situated at the Eel River Transfer Station loading bay and is ready for loading. ERRR shall pay a Stand-by Rate equal to \$29.62 for each 15 minute interval, or fraction thereof, in excess of fifty eight (58) minutes during which loading is completed.
- (e) **Trailer inspection.** After loading, ERRR will inspect each Trailer and clean loose debris from the Trailer to allow the Transportation Contractor to secure the Trailer for transport.
- (f) **Commingling of Authority's waste with other waste.** Verification of actual tonnage attributable to the HWMA member agencies shall be completed by ERRR by the end of the second quarter of 2016. ERRR may load Trailers with Permitted Waste commingled with Permitted Waste from non-member agency jurisdictions until it has completed verification. Any methodology used by ERRR to estimate tonnage attributable to HWMA member agencies and to non-member agencies shall be approved in advance in writing by the Authority and is subject to periodic verification or audit by the Authority. The Allocation Percentage Formula is based on ERRR's existing routing software that identifies the container size and an assumed weight calculation factor of 32 pounds per 32 gallon container, 20 pounds per 20 gallon container and cubic yard bin weight of 202 pounds per cubic bin yard which is accepted by the Authority until the verification is completed. Since actual containers weights will vary from time to time, the existing Allocation Percentage Formula shall be used until verification is complete. Proposed revisions to the Allocation Percentage Formula will be approved by the County of Humboldt and Cities of Rio Dell, Ferndale and Fortuna prior to implementation.
- (g) **Complying with rules of Designated Disposal Facility.** ERRR shall load Trailers in compliance with all applicable rules, regulations, protocols, instructions and directions of the Designated Disposal Facility, including but not limited to rules with respect to load checking and removal of materials that cannot be accepted by the Designated Disposal Facility. The Authority shall provide ERRR with a copy of such applicable rules.
- (h) **Right to inspect loading operations.** The Authority may, upon 24 hours advance notice, but is not obligated, to observe and inspect loading operations at the Eel River Transfer Station.

3.3 Title to waste. HWMA will not assume title to any materials delivered to the Eel River Transfer Station or loaded by ERRR. Pursuant to the Transportation Agreement, title to Permitted Waste shall transfer to the Transportation Contractor upon loading into the Trailer.

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

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

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

4. FEES AND PAYMENT.

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

| SATELLITE FACILITY – EEL RIVER DISPOSAL (FORTUNA) | PER TON |
|--|----------------|
| HWMA Base Fee | \$17.21 |
| Countywide Programs | \$26.49 |
| Facility Fees | \$54.87 |
| Total Satellite Facilities Rate | \$98.57 |

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

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

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

5. RECORDS AND REPORTING, AUDITING

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

5.2 Record keeping. ERRR shall maintain at its office or other place acceptable to the Authority full and complete accounting books and records, and shall prepare and submit, without additional request, and at no cost to the Authority, records documenting ERRR's proper performance under this Agreement. The Authority may audit such books and records at the Authority's own expense upon three working days' notice. Records shall be maintained for a minimum of three years after termination of this Agreement.

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

6. PERFORMANCE STANDARDS

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

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

7. INSURANCE AND INDEMNITY.

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

- (a) **General Liability:** General liability limits with minimum limits of liability per occurrence of Three Million Dollars (\$3,000,000); and per aggregate of Four Million Dollars (\$4,000,000);
- (b) **Workers' Compensation insurance as required by state law;**
- (c) **Employer's liability insurance:** Bodily injury by accident in the amount of One Million Dollars each accident and bodily injury by disease in the amount of One Million Dollars (\$1,000,000) policy limit and One Million Dollars each employee.
- (d) **General Provisions.** ERRR will ensure that insurance policies are always primary with respect to performance under this Agreement. ERRR will include the Authority and its employees, officials, members, officers, agents, contractors, assigns and volunteers by endorsement or otherwise as additional insured under all policies except with respect to general liability and employer's liability insurance.
- (e) ERRR will file with the Authority evidence of coverage in force, including endorsements, together with a Certificate of Insurance on an authority-approved form.

7.2 Indemnification.

- (a) **General indemnity.** ERRR will defend, indemnify and hold harmless the HWMA and its employees, officials, members, officers, agents, assigns and volunteers from and against any and all liability to which any of them may be subjected by reason or resulting directly or indirectly from actions or inactions of ERRR performed or occurring under or in connection with the Agreement, whether or not those liabilities are litigated, settled or reduced to judgment and whether or not those liabilities are caused in part by any wrongful or negligent act, error or omission by any party indemnified under this Agreement.
- (b) **Hazardous waste.** Without limiting ERRR's indemnification stated above, and upon the HWMA's request, ERRR will indemnify, hold harmless, protect and defend with legal counsel acceptable to the Authority or co-counsel selected by the Authority at ERRR's sole cost, the Authority from and against all liabilities paid, incurred or suffered by or asserted against the Authority in a judicial, administrative or regulatory form or otherwise, arising or resulting in whole or in part from any repair, cleanup or detoxification, or preparation and implementation or any removal, remedial response, closure or other plan concerning any Unpermitted Waste at the Eel River Transfer ultimately the release of any Unpermitted Waste from ERRR's transportation vehicles or containers.

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

8. EVENTS OF DEFAULT.

8.1 Default. Each of the following constitutes an event of default ("Default"):

- (a) Breach of Agreement. ERRR's failure to perform any of its obligations under this Agreement and fails to cure that breach within fifteen (15) days of receiving notice from the HWMA specifying the breach.
- (b) Attachment of any equipment owned by ERRR that is necessary for its ability to provide loading services if said equipment is seized, attached, or levied upon and not placed back into service within two business days.
- (c) Failure to load into Trailers the exact tonnage equivalent of all Permitted Waste actually collected.
- (d) Bankruptcy, insolvency, liquidation. ERRR's filing of a voluntary claim for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, administrator of ERRR for any part of ERRR's operating assets or property.

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

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

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

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

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

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

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

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

15. **NOTICES.** Notices and other communications made under this Agreement shall be in writing, first class postage prepaid or delivered personally to the following address, which may be changed by notice from the parties:

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

HWMA: c/o Jill K. Duffy, Executive Director
Humboldt Waste Management Authority
1059 West Hawthorne Street
Eureka, CA 955

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

**HUMBOLDT WASTE MANAGEMENT
AUTHORITY**

By _____ Dated: _____
Jack Thompson, Chairman

Approved as to form:

_____ Dated: _____
Nancy Diamond, General Counsel, HWMA

EEL RIVER RESOURCE RECOVERY, INC.

By _____ Dated: _____
Harry Hardin, President

**READ AND APPROVED BY
TRANSPORTATION CONTRACTOR, SOLID WASTES OF WILLITS**

_____ Dated: _____
By: Gerald W. Ward, President

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

Solid Waste Transportation Dispatch Protocol Eel River Disposal's Transfer Station (ERD-TF)

*Version
September 2015*

I. Purpose

To provide coordination of adequate trailer availability for the timely removal of Authority designated solid waste from the ERD-TF tip floor. Trailers may be loaded Tuesday through Friday (i.e., no weekend loading), from 8 am to 4 pm. An average of one (1) trailer each day four days a week is expected to accommodate adequate removal of member agency franchise solid waste.

II. Responsible Positions

A. HWMA:

1. Solid Waste Operations Supervisor - leads implementation of this protocol
2. Lead Operator - responsible when Solid Waste Ops Supervisor is not on duty
3. Operations Manager - backup for positions above when both are not on duty

B. Eel River Disposal Transfer Station:

4. Operations Supervisor Manager
5. Assistant Manager
6. General Manager – backup for positions above in the event of absence.

III. Protocol

Effective September 10, 2015 an average of 4 trailers per week are expected to be delivered by HWMA's Transportation Contractor to haul HWMA's member agency solid waste material. These trailers will have loading priority at the time of their arrival at ERD's Transfer Station to enable live loading.

A. Dispatch Coordination Activities:

1. ERD Operations Manager will notify HWMA's Operation Supervisor **24 hours** in advance of trailer request. Requests must be received prior to 10:30 in the morning Monday-Thursday for following day trailer delivery. HWMA Operations Supervisor will coordinate with the Authority's Transportation Contractor of total trailer delivery for all facilities.
2. ERD Operations Manager will ensure that sufficient material is available for loading at the expected time of arrival (no less than 20.5 tons and no more than 23.0 tons/trailer).
3. Authority's Transportation Contractor will notify ERD's Operations Manager approximately 30-45 minutes prior to arrival at ERD's Transfer Station. ERD's Operation Manager will ensure that the loading bay is available and empty at the time of container delivery, and solid waste material available for immediate loading.
4. The Authority's Transportation Contractor will arrive with trailer prepared to be loaded, with tarps opened.
5. ERD will provide spotters and assistance as necessary to enable the safe backing of trailers and trucks into the loading bay.

6. The Transportation Contractor's driver will conduct a visual inspection of the truck/trailer *prior to loading* to document any pre-existing conditions or damage, and condition of cross bars and top rails. Deficiencies will be reviewed and noted by ERD's Operation's Manager, or designee.
7. Transportation Contractor's driver may have access to restroom facilities and other appropriate waiting areas as designated by ERD during the loading process.
8. Live Loading activities are expected to take no more than 50 minutes. Loading will take place on the 'pit scales' to ensure loading and compliance with axel weight restrictions. ERD will clear any debris or material from the trailer from the top rails and make sure nothing is poking up higher than the top of the trailer side that could prevent proper tarping.
9. Trailers will be loaded with Permitted Solid Wastes and meet loading and weight criteria contained within Loading Agreement.
10. Following loading, the Transportation Contractor's driver will conduct a visual inspection of the truck/trailer to document any damage incurred as a result of loading activities. Noted damage will be reviewed and noted by ERD's Operation's Manager, or designee. Damage will be reported the HWMA Operations Supervisor in a timely manner.
11. Transportation Contractor driver** will close and secure the tarp, and depart from the facility using the northern gate.

B. Weekends and Holidays:

Unless prior arrangements have been made, empty trailers are not delivered by Transportation Contractor on weekends or holidays. In the event of holiday or higher volume of MSW disposed, contact HWMA's Operation Supervisor to verify and coordinate trailer availability for weekends and holidays loading on a case-by-case basis.

IV. Contact Information:

A. HWMA staff

1. Helder Morais, Operations Supervisor:

Cell: (707) 599-4113
Office: (707) 268-8680, ext. 225
Email: hmorais@hwma.net

2. Aaron Manson, Lead Operator (Alternate):

Cell: (707) 499-0504
Email: amanson@hwma.net

3. Brent Whitener, Acting Operations Manager

Cell: (707) 599-5762
Office: (707) 268-8680 ext.211
Email: bwhitener@hwma.net

***Detail to be confirmed with SWOW*

B. Eel River Disposal Staff:

1. Kris Mobley, Operations Manager

Cell: (707) 496-3546
Phone: (707) 725-5156
Email: erkism@sbcglobal.net

2. Chuck Schager, Assistant Manager

Cell: (707) 498-4466
Phone: (707) 725-5156
Email: erchuck@sbcglobal.net

3. Rick Powell, General Manager

Cell: (707) 296-3144
Office: (707) 725-5156
Email: errickp@sbcglobal.net

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*Version
September 2015*

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7. Transportation Contractor's driver may have access to restroom facilities and other appropriate waiting areas as designated by ERD during the loading process.
8. Live Loading activities are expected to take no more than 50 minutes. Loading will take place on the 'pit scales' to ensure loading and compliance with axel weight restrictions. ERD will clear any debris or material from the trailer from the top rails and make sure nothing is poking up higher than the top of the trailer side that could prevent proper tarping.
9. Trailers will be loaded with Permitted Solid Wastes and meet loading and weight criteria contained within Loading Agreement.
10. Following loading, the Transportation Contractor's driver will conduct a visual inspection of the truck/trailer to document any damage incurred as a result of loading activities. Noted damage will be reviewed and noted by ERD's Operation's Manager, or designee. Damage will be reported the HWMA Operations Supervisor in a timely manner.
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Cell: (707) 296-3144
Office: (707) 725-5156
Email: errickp@sbcglobal.net



Staff Report

DATE: August 21, 2015 For Board Meeting: September 10, 2015

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 2f)
Approve (3 year) Agreement with Steve Morris, dba Steve Morris Logging & Contracting, to Haul Green Waste to Mad River Compost Facility.

RECOMMENDED ACTION: Voice vote.
Approve and Authorize Board Chair to execute the Agreement between HWMA and Steve Morris Logging & Contracting, to provide green waste transportation services.

DISCUSSION:

HWMA has contracted with Steve Morris of Steve Morris Logging & Contracting (SML) to haul green waste from the Hawthorne Street Transfer Station to the Mad River Compost Facility located on West End Road, Arcata. The Authority has previously entered into three agreements with SML for hauling services beginning in April 2004 through December 31, 2014. The most recent active contract term lapsed in January 2015; however, SML continued to provide green waste hauling services.

Staff proposes a 3-year hauling agreement for the Board's consideration, with similar provisions and terms to the most recent agreement, terminating December 31, 2018. A cost adjustment of 10% increase for transportation and wood waste processing is due primarily to 1) mandated vehicle upgrades to meet 2015 California Air Resource District emission standards; and 2) with only one power facility on the North Coast accepting only high quality wood waste, general wood waste material is transported 160 miles to the Wheelabrator Shasta Energy Company as hog fuel. This agreement has been reviewed and approved as to form by the Authority's Legal Counsel and Steve Morris.

HWMA staff recommends SML to continue contract hauling of green waste from the Hawthorne Street Transfer Station to the Mad River Compost Facility. The working relationship between HWMA and SML has been satisfactory, and SML has been responsive to the Authority's needs.

FISCAL IMPACT:

The changes in the proposed contract increase combined greenwaste transportation and chipping costs for wood waste by approximately \$4,300. The FY 2015-16 budget estimates a net income of \$9,300, prior to calculations for depreciation. The increase in costs will reduce estimated net income to \$5,000 for FY 15-16, though overall cash flow will remain positive with minimal impact to Authority assets.

STRATEGIC PLAN OBJECTIVE:

Strategy 1.4 – Renegotiate Contracts related to Mad River Compost

ALTERNATIVES:

Alternatively, the Board could direct:

- 1.) Board's discretion
- 2.) Develop and circulate an RFP for Green Waste Hauling Services

ATTACHMENTS:

1. *Agreement between HWMA and Steve Morris dba as Steve Morris Logging & Contracting for Green Waste Hauling (2015)*

**AGREEMENT BETWEEN HUMBOLDT WASTE MANAGEMENT AUTHORITY
AND
STEVE MORRIS LOGGING & CONTRACTING
TO PROVIDE TRANSPORTATION SERVICES**

This Agreement is made this by and between the Humboldt Waste Management Authority, a joint powers authority (herein “HWMA” and the “Authority”) and Steve Morris, dba Steve Morris Logging & Contracting, a general partnership, with principal offices in Arcata, California (herein “SML”). This Agreement is effective on January 1, 2015.

RECITALS

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

WHEREAS, the California Integrated Waste Management Act of 1989 (AB 939) requires the diversion of waste from landfills, and

WHEREAS, Green Waste and other wood waste can be diverted from the landfill and composted or transformed for a beneficial use and result in a financial savings for Authority rate-payers; and

WHEREAS, the Authority has a facility to accept Green Waste and there are three wood-fired power plants located in Humboldt County; and

WHEREAS, SML has the expertise and equipment to transport Green Waste, and to transport and process wood waste; and

WHEREAS, SML holds all required Federal and State permits and licenses to provide trucking services in California; and

WHEREAS, the Authority wishes to obtain such transportation services, and SML wishes to provide such services to the Authority, and

WHEREAS, SML has been hauling green waste from the Authority’s facility located at Hawthorne Street, Eureka, CA, since April of 2004, and the parties desire to enter into a new contract;

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

1. DEFINITIONS

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

“Fuel Surcharge” means the difference between the fuel index rate established at \$ 2.06/gallon and the average California weekly diesel fuel index for the four weeks prior to the month being invoiced, published by the US department of Energy (http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_sca_w.htm).

“Green Waste” means waste tree trimmings, brush, wood that is not treated with preservatives or painted, lawn clippings and other waste foliage.

“Hawthorne Street Transfer Station” means the Authority owned and operated transfer station located at 1059 West Hawthorne Street, Eureka, CA.

“Mad River Compost Facility” means the green waste compost facility operated by North Coast Hardwood, Inc located at 6360 West End Road, Arcata, CA.

“Permitted Waste” means Green Waste and solid waste.

“SML Facility” means the Steve Morris Logging company yard located at 1500 Glendale Drive, Arcata, CA.

“Wood Waste” means untreated and unpainted lumber and pallets and specifically excludes stumps, plywood and pressboard.

2. TRANSPORTATION SERVICES

2.1 Green waste transportation. SML shall transport Green Waste collected or deposited at the Hawthorne Street Transfer Station to the Mad River Compost Facility for processing. Said transport shall occur with the regularity and frequency agreed to by both parties.

2.2 Wood waste transportation. At the specific request and direction of HWMA, SML shall transport designated Wood Waste collected or deposited at the Hawthorne Street Transfer Station to the SML Facility for processing and subsequent delivery to a wood-fired energy plant. Said transport shall occur only upon the specific approval of HWMA.

2.3 SML transportation permits. SML will secure and maintain all permits required for transportation of Permitted Waste and will promptly supply the Authority with copies of any permits upon request.

2.4 Complying with rules at local facilities. SML will comply with all rules, regulations, protocols, instructions and directions at local composting and energy facilities, including but not limited to rules with respect to delivery, weighing, unloading, load checking and removal of materials that cannot be accepted at the Facility. Any changes in pick up or delivery schedule or new rules or regulations that are not presently in place and part of SML’s present routine (e.g., load tarping) will be grounds for good faith rate renegotiation based on actual increased costs to SML as a result of such new rules or regulations.

2.5 Right to inspect operations. The Authority may, but is not obligated, to observe and inspect operations at the SML Facility.

3. CONTAINER, WEIGHING REQUIREMENTS

3.1 Supplying containers. SML shall acquire, supply, operate, maintain, repair and replace, at its own cost and expense, sufficient transport-ready truck trailer containers (“Containers”) to provide transportation services as set out in this Agreement. The parties acknowledge that SML presently provides four Containers, and if more Containers are required, the parties shall negotiate a reasonable additional fee.

3.2 Loading Containers.

(a) **Proper loading.** SML shall bring Containers to the Transfer Station ready for loading. HWMA shall load the Containers in accordance with practices developed with SML, and shall be liable to SML for damage to the Containers that results from loading where HWMA is responsible for such damage. HWMA shall pay for the actual cost of repairs as invoiced from SML to HWMA, subject to advance review of estimated repair costs. Notwithstanding the above, HWMA shall not be responsible for costs associated with maintenance and repair of the Containers arising from ordinary wear and tear, including without limitation, cosmetic damage that does not impact the structural or functional integrity of the Container for use as required under this Agreement.

(b) **Container inspection.** After loading, HWMA will inspect each Container, clean loose debris from the edges and remove or flatten anything protruding above top of Containers.

(c) **Tarping of loads.** If requested by SML, HWMA will assist SML with installing a tarp covering over loaded Containers prior to their departure from the Transfer Station. HWMA's assistance is without assumption of liability, and SML is responsible to determine that condition of the truck load meets all local and state laws.

3.3 Scales, weight records, reporting. SML will weigh and record each Container at the Hawthorne Street Transfer Station. The parties shall develop light load protocols in a manner sufficient to allow HWMA to accurately track the amount of Permitted Waste diverted. The parties shall use light load protocols presently in place for such tracking, to the extent such protocols adequately allow for the tracking required by the Authority to monitor diversion rates. However, in the event such present protocols do not allow the Authority to adequately monitor diversion rates, SML shall implement alternate protocols, and the parties shall negotiate in good faith should the alternate protocols cause an actual increase of SML costs.

4. RECORDS AND REPORTING

SML shall maintain at its office or other place acceptable to the Authority full and complete accounting books and records, and shall prepare and submit, without additional request, and at no cost to the Authority, records documenting SML'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.

5. COMPLIANCE WITH APPLICABLE LAW

SML will perform all its obligations under this Agreement in accordance with accepted practice for comparable facilities, applicable law and the provisions of this Agreement. SML is solely liable for all fines and penalties that may be imposed on SML to the extent that those fines and penalties are the result of SML's violations of applicable law. SML retains responsibility for all injuries, accidents and other mishaps associated with its performance under this Agreement, including personal injury, damage to any real or personal property. SML will promptly report any such events to the Authority orally, followed by written notice within three working days, including details of any witness statements. SML 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.

6. INSURANCE AND INDEMNITY.

6.1 Insurance. SML shall 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) **Comprehensive automobile liability insurance:**
SML shall obtain comprehensive coverage for all vehicles and all motor equipment, owned, leased, hired, borrowed or operated by SML in its performance of this Agreement, and shall obtain uninsured/underinsured motorists liability coverage. Deductibles will be no greater than \$10,000 per loss unless otherwise approved at the sole discretion of the Authority, which deductibles will be the responsibility of Contract. Minimum limits of liability for automobile liability will be One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

(c) **Workers' Compensation insurance:** as required by state law.

(d) **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.

SML shall ensure that insurance policies are always primary with respect to performance under this Agreement. SML will include the Authority and its employees, officials, members, officers, agents, assigns and volunteers by endorsement or otherwise as additional insured under all policies except with respect to employer's liability insurance.

SML shall file with the Authority evidence of coverage in force, including endorsements, together with a Certificate of Insurance on an authority-approved form.

6.2 Indemnification.

SML shall defend, indemnify and hold harmless the HWMA and its employees, officials, members, officers, agents, assigns and volunteers from and against any and all liability to which any of them may be subjected by reason or resulting directly or indirectly from actions or inactions of SML performed or occurring under or in connection with the Agreement, whether or not those liabilities are litigated, settled or reduced to judgment and whether or not those liabilities are caused in part by any wrongful or negligent act, error or omission by any party indemnified under this Agreement. The indemnification provided herein expressly covers liability for any losses that may result from the Authority's assistance in covering Container loads prior to their departure from the Transfer Station.

7. FEES AND PAYMENT.

7.1 Green Waste transportation Fees. HWMA shall pay SML for transportation services a transport fee of Ninety-seven dollars and twenty-eight cents (\$97.28) per load of Green Waste delivered to the Mad River Compost Facility. SML may also charge a monthly Fuel Surcharge based on a twenty eight (28) mile round trip at five (5) miles per gallon.

7.2 Wood Waste transportation and processing Fees. When Wood Waste transportation is requested by the HWMA pursuant to Section 2.2, HWMA shall pay SML for transportation services a transport fee of Ninety-seven dollars and twenty-eight cents (\$97.28) per load of Wood Waste delivered to the SML Facility and subsequent delivery to a wood-fired energy plant. HWMA shall pay SML a chipping fee of Thirteen dollars and thirty-four cents (\$13.34) per ton of Wood Waste processed for

delivery to a wood-fired energy plant. SML may also charge a monthly Fuel Surcharge based on a thirty two mile (32) round trip at five miles (5) per gallon.

7.3 Payment terms. SML shall invoice HWMA each month by the tenth day of the month for services provided the previous month and HWMA shall pay SML within ten (10) days of receipt of each invoice, provided such invoice is undisputed. If HWMA disputes an invoice, it will pay the undisputed amount and provide notice to SML of the dispute within ten (10) days receipt of the invoice, together with any request for additional information, identified with reasonable specificity. Within ten (10) days of receiving the HWMA's notice of dispute, SML will respond and supply any requested information. If SML does not respond within those ten (10) days, it will be deemed to concur with Authority. If the HWMA disagrees with SML's response and the HWMA and SML cannot reach agreement during a fifteen (15) day working period immediately following the SML's response, either party may submit the matter in accordance with dispute resolution procedures established in this Agreement.

Payment by HWMA to SML is not deemed a release of the responsibility and liability of SML, its employees, contractors, agents and consultants for the services to be performed under this Agreement, nor is payment deemed to be an assumption of responsibility or liability by the Authority for any defect or error in SML's services.

7.4 Annual adjustment. The transportation and processing fees shall be adjusted by the annual change in the Consumer Price Index for the US City Average – All Urban Consumer Index, CPI – U (All Urban Consumers; 1982 – 84 = 100, for the month of January, compiled and published by the United States Department of Labor, Bureau of Labor Statistics.) The CPI adjustment shall occur beginning July 1, 2016 and each anniversary thereafter for the term of the Agreement and shall be enacted by adoption of the HWMA tipping fee.

SML may request a transportation fee increase greater than CPI by providing relevant cost information to HWMA. Such request must be submitted to HWMA by March 1 of the year the increase is requested and the increase, if approved by the Authority Board, shall be effective on July 1 of that year.

8. EVENTS OF DEFAULT.

8.1 SML Default. Each of the following constitutes an event of default ("SML default"):

(a) Breach of Agreement – SML fails to perform any of its obligations under this Agreement and fails to cure that breach within thirty (30) days of receiving notice from the HWMA specifying the breach.

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

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

8.2 HWMA default. Each of the following constitutes an event of default ("HWMA default"):

(a) The HWMA fails to pay the transportation fee in accordance with Article 7.

8.4 Remedies upon default.

(a) Authority's remedies. Upon occurrence of a SML default, the Authority has the following rights:

1. To terminate the Agreement;
2. To suspend the Agreement;
3. 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.

(b) SML's remedies. Upon occurrence of an Authority default, SML has the rights to exercise any and all available remedies at law.

8.5 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. TERM OF AGREEMENT. The effective date of this Agreement shall be January 1, 2015 and this Agreement shall terminate on December 31, 2018. The indemnifications of Section 6 shall survive termination of the Agreement.

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

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

12. PARTY'S REPRESENTATIONS. SML represents and warrants as follows:

- (a) SML has full legal right, power and authority to execute, deliver, and perform its obligations under this Agreement; and
- (b) The undersigned is duly authorized to bind SML to this Agreement.

13. ASSIGNMENTS. This Agreement may not be assigned in whole or in part without advance written approval from HWMA which approval shall be based on HWMA's assessment, in its discretion, of such factors as whether the prospective assignee has the economic ability to meet the terms of this Agreement, will maintain the levels of insurance required, and is otherwise capable of adequately performing its obligations under this Agreement without increasing HWMA's exposure to liability or insurance premiums.

14. SUBCONTRACTORS. SML may use subcontractors only upon the advance written approval of the HWMA. Approved subcontractors shall satisfy all insurance requirements of this Agreement.

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

16. **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 SML: c/o Steve Morris
Steve Morris Logging & Contracting
1500 Glendale Drive
Arcata, CA 95519

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

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

STEVE MORRIS LOGGING & CONTRACTING

By _____
Steve Morris, Partner

Date _____

HUMBOLDT WASTE MANAGEMENT AUTHORITY

By _____
Jack Thompson, Chair

Date _____

Approved As To Form:

Nancy Diamond, Authority Counsel

Date _____

Insurance Certificates Approved:

By: _____

Date _____



Green Waste and Wood Waste Transportation Dispatch Protocol – Hawthorne Street Transfer Station (HSTF)

I. Purpose

To coordinate with the contracted wood and green waste hauler for the timely removal of organic green waste and wood waste from the HSTF green waste bunkers adjacent to the self haul area or other identified wood waste bins used for transport. The bins are loaded Monday through Friday by HWMA tip floor Operations Staff, with pick-up and transportation on Monday, Wednesday, Friday and periodically Saturday/Sunday as tonnage requires.

This protocol may be amended as necessary.

II. Responsible Positions

A. HWMA:

1. Operations Supervisor (“Ops Sup”), leads implementation of this protocol
2. Lead Operator - responsible when Ops Supervisor is not on duty
3. Operations Manager - backup for positions above when both are not on duty

B. Transportation Coordinators:

1. Steve Morris Trucking dispatcher
2. Steve Morris Driver

III. Protocol

A. Weekdays:

HWMA Employees

When arriving for his/her morning shift, the Ops Sup, or alternate, will:

- 1) Make a visual estimate of the quantity of green waste in the bunkers and wood waste bins.
- 2) Direct Operations Staff to complete loading of any available bins on-site for transport.
- 3) Confirm with Hazardous Waste staff that there are no conflicting trucking commitments such as waste load-out or other operations that may delay or interfere with bin switch adjacent to the green waste bunker area
- 4) Contact Steve Morris Logging dispatcher on Monday, Wednesday, and Friday mornings, at a minimum, to advise of the need to switch out loaded bins and provide empty bins. The live-loading of bins with the SML driver present should be avoided when possible and only occur when other operational commitments have created unforeseen delays.
- 5) Bins should always be loaded when adequate green waste material is available.

Steve Morris Logging Drivers:

- 1) The Steve Morris driver will use the HWMA scale to determine entry weights, as required.
- 2) The Driver will switch out bins on Felt Street, per current practice, in order to facilitate bin placement and loading at the transfer station.
- 3) SML drivers will advise HWMA staff that empty bins are available for loading.
- 4) Request assistance as necessary.

Contact Information:

A. HWMA staff

1. Helder Morais, Operations Supervisor:
Cell phone: 707-599-4113
Office phone: 707 268-8680, ext. 225
Email: hmorais@hwma.net
2. Aaron Manson, Lead Operator (Alternate):
Cell phone: 707-499-0504
3. Brent Whitener, Operations Manager (Acting)
Cell phone: 707 599-5762
Office phone: 707 268-8680 Ext 211
Email: bwhitener@hwma.net

B. Steve Morris Logging staff

1. Jake Morris,
Cell phone: 707-498-8165
Email: jake@stevemorrislogging.com
2. Wayne Johnson
Cell phone: 707-601-2714
3. Steve Morris
Cell phone: 707-498-2101
Email: steve@stevemorrislogging.com
4. Steve Morris – Main Office
Phone: 707-822-8537
Email: Jessica@stevemorrislogging.com



Staff Report

DATE: August 24, 2015 **For Board Meeting:** September 10, 2015

FROM: Jill K. Duffy, Executive Director

SUBJECT: Item 4)
Regional Recycling Request for Proposal Process, Status & Recommendation.

RECOMMENDED ACTION: Voice vote.

That the Board:

- 1) Delay the Regional Recycling RFP solicitation process; and
- 2) Continue with the current Solid Wastes of Willits, Inc. agreement for recyclable processing until 2016; and
- 3) Enter discussions with Solid Wastes of Willits, Inc. to exercise the two-year extension option; and
- 4) Authorize the Executive Director and Legal Counsel to negotiate with Solid Waste of Willits, Inc. and return to the Board with a Draft Amendment for Extension.

DISCUSSION:

At the June 11, 2015 meeting, the Board directed Authority staff to meet with representatives of those member agencies who have expressed a intent to participate in the regional recycling effort with the purpose of reviewing requested revisions to the Recycling Flow Control Memorandum of Understanding (MOU) and the Regional Recycling RFP for the Processing and Marketing of Materials (RFP), discuss available options and return to the Board with a recommended action.

Authority staff met with representatives from the City of Arcata, City of Eureka and the County of Humboldt on June 29, 2015. Representatives from Rio Dell, Blue Lake and Ferndale were invited to participate, but no responses were received.

After reviewing the MOU and RFP revisions, the committed tonnage to date, current recyclable commodity trends and available options, agency staff representatives recommend that the Authority 1) suspend the Recycling RFP process; and 2) continue with Solid Waste of Willits for recyclable processing until 2016, and enter into discussions to exercise the two-year extension option, and 3) return to the Board with proposed action.

The Authority's current processor has indicated its willingness to negotiate an extension. Staff believes this time may be used to prepare a more robust long-term plan for recycled materials to develop a comprehensive approach that better supports the local community and encourages participation of all of the Authority's member agencies.

BACKGROUND:

HWMA and Solid Wastes of Willits entered into 5-year agreement in 2011 to handle and process the Authority's single-stream recyclable materials until September 6, 2016. The agreement specifies that no later than one (1) year before the end of the term, the parties have the option to negotiate in good faith on one two (2) year extension on mutually agreeable negotiated terms and conditions. To preserve the one-year notice provision, staff submitted notice to Solid Waste of Willits on August 24, 2015 that the Authority desires to exercise discussion of the extension option, with no proposed revisions to the existing agreement.

Recyclable materials from the cities of Arcata, Eureka, a portion of the unincorporated County of Humboldt and materials dropped off at the Authority's recycling center are transported and processed under this agreement. The agreement provides for revenue sharing which is distributed regularly to those member agencies directing their recyclables to the Authority, in accordance with a Memorandum of Understanding entered into by the Authority, the City of Eureka and County of Humboldt.

HWMA honored the intent of the MOU's revenue sharing provision to the cities of Arcata and Blue Lake, and Humboldt State University for recyclable materials directed to the Authority. In July of 2014 the City of Blue Lake directed their recyclable material to Eel River Disposal's Samoa Facility, followed soon after by Humboldt State University. Arcata continues to direct material to the Hawthorne Street Transfer Station.

Today, the cities of Blue Lake, Rio Dell and Ferndale, and the southern portion of Humboldt County direct their franchise recyclables to Eel River Disposal. In northern Humboldt County, the County directs a portion of recyclable material to Humboldt Sanitation in the McKinleyville franchise area.

Remaining member agency directed single-stream materials are transported to the Hawthorne Street Transfer Station by franchise haulers for Eureka, Arcata and the County's unincorporated Greater Arcata/Eureka, Fieldbrook and Garberville areas, where it is then loaded into SWOW trailers. Single-stream material received at the Authority's Eureka Recycling Center is also loaded into SWOW trailers. Single-stream materials are transported to SWOW's material recovery facility for processing.

In accordance with the processing agreement, the Authority receives quarterly payments from the processor and passes revenue thru to the contributing entities in accordance to the existing Memorandum of Understanding.

Single-stream material – not less than \$8/ton (minus 10% administrative charge)
Source-separated material (Cardboard) - \$55/ton

Regional Recycling RFP Process

Following the Authority's adopted 2013 Strategic Plan, Objective 1.2 – *Work with Member Agencies to Procure Regional Source-Separated Recyclables Processing Capacity*, Authority staff initiated development of a Regional Recycling Request for Proposal (RFP) and Recycling Flow Control Memorandum of Understanding (MOU) in November 2014, each of which was presented and approved by the HWMA Board in early 2015. Both documents were circulated to

the city councils and County Board of Supervisors in March 2015 with a request they discuss and determine by May 29, 2015 whether to participate in a regional recycling RFP process.

The goal of the Regional Recycling RFP effort is to provide Participating Agencies with comprehensive, stable and cost effective recycling processing services. Combining tonnage and recycling processing contract management responsibilities into the Authority's system would reduce duplicative administrative efforts for member agencies to solicit and manage individual recyclable contracts, and maximize leverage opportunities to secure competitive proposals for the combined tonnage in a transparent and equitable manner.

Due to a lack of consensus by Member Agencies to participate in the proposed regional recycling effort by May 29th, the HWMA Board directed HWMA staff to meet with those member agency staff representatives to discuss the requested RFP and MOU revisions, develop options to handle recyclable materials and amended time frames, and return to the Board with a recommendation.

Commodity Market Conditions

In the past four years, nationally and internationally, materials commodity prices have declined for newspaper, mixed paper, corrugated cardboard, glass, plastic, and metal cans. The recent declines are due to a variety of factors, including fuel prices, global markets demanding higher quality source separated materials and lower prices paid by commodity per ton. In late August 2015 commodity prices have continued their decline with the more recent volatility of the Asian stock markets.

When the Authority approved the September 2011 processing agreement with SWOW it resulted, for the first time, that the Authority and participating entities benefitted from a Tonnage Fee revenue formula that is adjusted up or down, but not less than \$8.00 per ton, using weighted average Composite Market Values (CMV). The Authority then distributes these funds to the participating agencies who are able to use the revenue at their discretion.

While the commodity market was performing strong, the Authority received revenues upwards of \$12.13/ton for single-stream material. Despite the decline in commodity market values, the Authority continues to receive the minimum amount of \$8.00 per ton. Source-separated corrugated cardboard is also processed and marketed by SWOW, with \$65 per ton returned to the Authority for distribution to participating agencies.

When markets are volatile, processors will seek to minimize market risk by either (1) assuming a low price for commodities in preparing an RFP price proposal to avoid losses; or (2) try to share the risk with the local community. Consequently, the Authority and our participating agencies are in a poor negotiating position under the current market conditions.

Participating agency staff recommends that the Authority delay circulation of an Regional Recycling Processing RFP and monitor the commodity markets until they become more favorable.

FISCAL IMPACT: No direct fiscal impact.

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



Staff Report

DATE: August 31, 2015

For Meeting of: September 10, 2015

FROM: Jill Duffy, Executive Director

SUBJECT: Item 6)
Executive Director Report

RECOMMENDED ACTION: Informational Only

Cummings Road Landfill Phase 2 Activities

Meyers Earthwork construction activities of the Cummings Road Landfill – Phase 2 Closure activities are scheduled to conclude September 30, 2015. The subcontractor, International Lining, arrived July 27 and departed August 27th, to install and weld the liner. Meyers is hauling soil for cover, compaction and erosion control placement. HWMA staff will begin reconnecting leachate and gas collection systems mid-September.

Construction activities have been hampered as a result of encountering approximately 5,000 cubic yards of ‘waste out of limits’ of the approved cell, challenges with soil moisture content to meet compaction requirements, and removal of large redwood stumps and rebar encased concrete from the old Halverson Project in order to access the vegetative soil cover.

Weekly meetings remain on-going, with conference calls as needed to coordinate various activities. Gina Morrison of the North Coast Regional Water Quality Control Board has conducted four site visits, and expects to visit before the end of the construction season. The Humboldt County LEA has also conducted site visits to observe the closure activities. Daily and Weekly reports are prepared by GeoLogic, reviewed by the project engineer and myself prior to submittal to the NCRWQCB and County LEA.

Two invoices have been submitted, totaling approximately \$1.4 million as of August 27th, with another invoice expected in early September. The Authority has paid Meyer’s \$1.33 million, with \$70,000 held as 5% retention. Staff initiated requests to CalRecycle to release trust funds in late April to ensure adequate cash availability for regular Authority activities and construction invoice payment. CalRecycle authorized transfer of \$2.1 million in funds that were transferred on August 31st. This is the only trust fund transfer until final closure of the landfill is approved by the NCRWQCB, County LEA and CalRecycle. Staff anticipates the release of approximately \$1.7 million once closure is approved. As a consequence, the Authority will be temporarily responsible for all non-construction related costs of the closure of the landfill – Project Engineer, and GeoLogic invoices, until these funds are released. Staff continues to closely scrutinize overall Authority expenditures in light of the fiscal constraints.

Cummings Road Burn Ash Debris Mitigation, Monitoring & Reporting

As part of the (former) Cummings Road Burn Ash Debris project that removed 91,600 cubic yards of material from properties owned by HWMA and Recology in 2014, the Authority is required to perform 5 years of mitigation, monitoring and reporting. Activities for the Summer of 2015 included:

Cummings Road Culvert Repair and Replacement

In late September 2014, the newly installed 200' linear long culvert experienced joint failure during a 2.65" rain event. HWMA staff was able to install a temporary bypass that enabled adequate drainage during the winter months.

As part of the Cummings Road Landfill Phase 2 Closure activities, Meyer's Earthwork was required to perform remove culvert, perform necessary excavation, repair and replace culvert with anchors, and apply erosion control. The culvert has been replaced and the application of erosion control is expected to be performed about September 8th.

Bottle & Debris Removal

HWMA and Recology are required to perform any exposed bottle and debris removal from the Lower Delta, Trail 7 and from within the unnamed tributary to Ryan Creek. Bottle & Debris removal activities commenced in early July for a period of approximately 5 days, with a crew of five laborers conducting hand removal and hauling of collected material in 5 gallon buckets.

A little over 7.5 cubic yards of material was manually removed and disposed of.

Vegetation Survey

Areas disturbed by the excavation and clean-up activities received mulching, forest seed mix and tree plantings in 2014 per the specifications in the approved Vegetation Management Plan. The Authority will have a consultant prepare the require baseline vegetation survey and submittal of the first-year monitoring report to the California Fish & Wildlife and NCRWQCB.

The purpose of the surveys will be to evaluate the establishment of plantings, assessing the need to implement additional remedial measures and monitor for the need of invasive plant removal. During site visits this summer, natural recruitment of native vegetation has been observed.

Erosion Control, Water Bar Maintenance & Winterization Activities

Trail 6 will require correction to reduce future site erosion and sediment release during storm events.

Water Bars will require maintenance incurred as a result of the mitigation and monitoring activity for Summer of 2015.

Straw will be installed in various locations to reduce potential sediment loading to unnamed tributaries.

These activities will occur in September

Response to SWRCB 401 Letter

Gil Falcone of the NCRWQCB prepared a Inspection Memo dated May 12, 2015 based on observations made he made during the CRBAD site visit on December 4, 2014. In coordination with Recology, and assistance from Lawrence & Associates (project engineer), HWMA submitted clarifications, comments and/or responses in response to the Inspection Memo in early August. Gina Morrison conducted a site inspection on August 13th of the CRBAD site to evaluate site conditions.

In addition to these activities, Gina Morrison of the NCRWCQB notified the Authority that she is requiring the preparation and submittal of Daily Reports whenever *any* activity occurs on this former project site. This includes a narrative and photographs that are prepared by myself, and reviewed by Linda Wise General Manager of Recology, prior to submittal.

Costs for mitigation, monitoring and reporting activities were included in the FY 2015-16 budget, and staff is working closely with Recology to identify cost controls.

FY 2014-15 Audit Activities

Phase One of the annual audit fieldwork was completed in early August. Staff has received some constructive recommendations for improving workflow, which are being implemented.

Phase Two of the audit fieldwork is scheduled for late September. Staff is finalizing year-end accounting to prepare for the final audit adjustments. Following completion of the field work, staff and the auditor will prepare and finalize the FY 2014-15 Audit report which is expected to be presented to the Board at the November meeting.

Operations & Recycling

Operations –

Operators of Solid waste transfer stations are required to operate under an CalRecycle/County LEA approved Transfer/Processing Report (TPR). Required information includes, but is not limited to, descriptions of all site activities, hours of operation, facility design capacity, detailed site maps, stormwater and wastewater treatment, details related to the transportation and disposal of solid wastes, special material handling protocols, management and staffing requirements.

These TPR's are required to be reviewed every 5 years. The Authority submitted the Hawthorne Street Transfer Station TPR and application to the County LEA by July 20, 2015.

Recycling – the Eureka Recycling Center

HWMA's Eureka Recycling Center is experiencing impacts as a result of the closure of several private recycling centers and an increased client activity dropping off recyclable and CRV materials.

The general public drops off CA Redemption Value containers, or CRV, and receives a cash "pay out" by ERC staff for eligible aluminum cans, plastic beverage containers, and glass bottles. The CRV pay out is a measure of activity over a given period, however is limited because it does not reflect increases in other recycling center activities including:

1. accepting cardboard, plastic, glass, and other non-CRV materials from the public,

2. electronic waste recycling
3. appliance recycling
4. commercial cardboard that support recycling revenues for some member agencies
5. baling, storage and loading of diverted materials for brokerage markets

The calendar of recent private recycling activities that impacted our operation includes:

1. Curtailment of CRV acceptance at General Recycling, 132 4th Street, Eureka in July 2014
2. Closure of Cormier’s Redwood Acres Recycling , 3750 Harris St. Eureka in mid –June, 2015
3. Interim Closure and current reduced hours at Sherrick’s Recycling, 1237 Bayshore Way, Eureka, in May and June 2015

CRV Daily Pay out in excess of \$2,000.00 were virtually unheard of three years ago. This equates to a tremendous amount of CRV material being accepted, weighed, and readied for processing by the employees working in the buy-back area of ERC. Heavy lifting and physical exertion are required of our recycling staff over the course of a day to keep up with this volume of material is straining Authority staff.

Historical perspective:

Daily Average-The average of all CRV paid out for the month noted. Using This snapshot shows comparable payout averages for the spring and summer months indicated over the past three years.

| Year | April Average Day Pay-Out | May Average Day Pay-Out | June Average Day Pay-Out | July Average Day Pay-Out |
|-------------|--|--|---|---|
| 2013 | \$ 1,001 | \$1,052 | \$1,113 | \$1,115 |
| 2014 | \$ 990 | \$1,037 | \$1,165 | \$1,401 |
| 2015 | <i>\$1,264</i> | <i>\$1,356</i> | <i>\$1,597</i> | <i>\$1,811</i> |

In July alone, the 2015 CRV payouts represent a 62.4% increase in over July 2013. We will continue monitoring and may need to bring operational recommendations to the Board at a future date

Household Hazardous Waste events and activities:

The HHW Red Shed was closed for the July 4th Holiday. There were a total of 200 weekday appointments during the month of July, in part due to HHW disposal not being available on that “first Saturday”.

The McKinleyville HHW collection event, co-sponsored by the McKinleyville Community Services District, saw 205 attendees.

The Saturday, August 1st Red Shed event had 128 attendees, with additional weekday totals of 109 for the month.

The yearly Ferndale HHW collection, the seventh annual event at the Ferndale High location, had 46 clients attend.

Pharmaceutical/ Medications Round-UP

The HWMA staff teamed with the Eureka Moose Lodge, Humboldt County Public Health, Cloney's Pharmacy, and Eureka Police Department to sponsor a medication collections event at the Eureka Moose Lodge. This well advertised event ran concurrent with the Moose Health Fair on **Saturday, August 29th from 10 AM until 4 PM**. There were 165 attendees that brought their pharmaceuticals from communities ranging from Trinidad to Ferndale. The vast majority of residents were from the Eureka/Cutten area. The presence of law enforcement allowed the collection of controlled substances such as narcotic drugs and prescriptions related to Oncology treatment protocols. A total of 275 pounds of medications and 7 pounds of narcotic prescriptions were received for proper disposal during the event. HWMA expresses sincere thanks to those people and organizations that made this collection event successful.

Personnel Changes:

Erick Keller Heckman, a valued long term employee at Eureka Recycling Center and on the HWMA tipping floor successfully competed for and received an appointment as Programs Analyst I. He is expected to fill the position in early October, with a focus on assisting member agencies with grant and reporting activities. Organics and Diversion Materials Coordinator Patrick Owen departed HWMA in mid-August bound for a Land Use position with Sonoma County. We thank him for his seven years service here at HWMA and wish him well in his new endeavors.