AGENDA

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY MEETING OF THE PROGRAMS AND ADMINISTRATION COMMITTEE

Thursday, February 11, 2016
9:00 A.M.

StopWaste Offices
1537 Webster Street
Oakland Ca 94612
510-891-6500

Page			
	1.	**Convene Meeting**	
	2.	**Public Comments** An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Programs & Administration Committee, but not listed on the agenda. Each speaker is limited to three minutes.	
1	**3.**	**Approval of the Draft Minutes of January 14, 2016**	**Action**
5	**4.**	**Community Murals (Judi Ettlinger)** This item is for information only.	**Information**
7	**5.**	**Annual Audit for Fiscal year 2014/15 (Pat Cabrera & Gina Peters)** Staff recommends that the P&A and the P&O Committees review and forward the audit report to the Waste Management Authority and Energy Council for acceptance and filing, and that the Recycling Board accept and file the audit report.	**Action**
65	**6.**	**Assessment Criteria for Product Decisions Activities (Justin Lehrer)** Staff recommends that the Board review and approve the proposed criteria for evaluating targets and programs.	**Action**
73	**7.**	**Organics Processing Development Reserve Usage & Criteria (Debra Kaufman)** Staff recommends that the Committee direct staff to budget OPD reserve funds for organics diversion projects that go beyond in-county processing capacity, using the proposed product decisions criteria.	**Action**
	8.	**Member Comments**	
	9.	**Adjournment**	

The Programs & Administration Committee is a Committee that contains more than a quorum of the Board. However, all items considered by the Committee requiring approval of the Board will be forwarded to the Board for consideration at a regularly noticed board meeting.

This page intentionally left blank

DRAFT

MINUTES OF THE ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY MEETING OF THE PROGRAMS AND ADMINISTRATION COMMITTEE

Thursday, January 14, 2016

9:00 A.M.

StopWaste Offices
1537 Webster Street
Oakland CA 94612
510-891-6500

Members Present:

City of Alameda	Jim Oddie
City of Berkeley	Susan Wengraf
Castro Valley Sanitary District	Dave Sadoff
City of Dublin	Don Biddle
City of Fremont	Suzanne Lee Chan
City of Newark	Mike Hannon
Oro Loma Sanitary District	Shelia Young
City of San Leandro	Deborah Cox

Absent:

County of Alameda	Keith Carson
City of Livermore	Laureen Turner
City of Oakland	Dan Kalb
City of Union City	Lorrin Ellis

Staff Present:

Wendy Sommer, Executive Director
Tom Padia, Deputy Executive Director
Jeff Becerra, Communications Manager
Wes Sullens, Program Manager
Arliss Dunn, Clerk of the Board

1. Convene Meeting

Vice Chair Shelia Young called the meeting to order at 9:05 a.m. Wendy Sommer welcomed Deborah Cox to the Board as the new representative for the City of San Leandro, although not yet officially.

2. Public Comments

There were none.

3. Approval of the Draft Minutes of November 12, 2015 (Wendy Sommer) Action

Board member Wengraf made the motion to approve the draft minutes of November 12, 2015. Board member Biddle seconded and the motion was carried 7-0 (Carson, Chan, Ellis, Kalb, Turner absent).

Chair Sadoff assumed chairmanship for the remainder of the meeting.

4. Communications Planning 2016 (Wendy Sommer & Jeff Becerra) Information

This item is for information only, however discussion and feedback from Board members will be used to help plan communications-related spending for the FY 16-17 budget.

Jeff Becerra provided an overview of the staff report and presented a PowerPoint presentation. The combined report and presentation is available here: Communications 2016-01-14-16

Mr. Becerra distributed copies of the new agency brochure and a list of talking points and clarified that the brochure is not intended for the general public but rather a tool for Board members to utilize when communicating with their constituents and key stakeholders about StopWaste. Board members commended staff for developing the brochure as it provides a clear illustration of the agency's multiple programs and services. Board member Hannon inquired if the brochure is available in multiple languages. Mr. Becerra stated no, as it is not intended for the general public. However, we can revisit the issue as we move forward in utilizing the brochure. Board members recommended several agencies that should receive copies of the brochure, such as the local Chambers of Commerce, school districts, Tri-Valley Council, Tri-Valley Education Foundation, etc. Chair Sadoff recommended that staff should engage with the ACSDA (Alameda County Special Districts Association). Ms. Sommer stated that she and Mr. Padia recently attended the special districts meeting and will schedule a presentation in the future.

Board member Wengraf stated that she is happy to include an article about StopWaste in the newsletter to her constituents but is concerned that there is no delineation between StopWaste and local entities that provide recycling and refuse services and StopWaste may receive the angry and frustrated calls from residents. Board member Chan inquired about the types of communication and outreach that staff is offering to provide. Mr. Becerra stated that the outreach can be tailored to the audience, e.g. meeting with faith based or CBOs to inform regarding grant funding opportunities, etc.

Board member Young suggested focusing on multi-family as there are multiple issues with regard to contamination. She recommends collaborating with rental housing associations and other property associations.

Mr. Becerra distributed the most recent Benchmark Services report and informed the Board that the current reports are specific to each jurisdiction. Ms. Sommer added staff will be returning to the Board in the spring with a recommendation on whether to continue, discontinue or modify the report. This is based on our agreement with the City of Dublin. Ms. Sommer stated one of the negatives of the report is that Prop 26 limits the dissemination of the report to account holders only and we are unable to post the report on public websites.

Chair Sadoff recommended that we revisit the mission statement as it is too long and unwieldy. He suggested that the first paragraph of the talking points 'StopWaste is a public agency responsible for reducing waste in Alameda County and we do this through projects at home, at work, and at school' is a befitting statement. The Committee thanked staff for the report.

5. Recycling in the Age of Product Transparency (Wendy Sommer & Wes Sullens) Information

This item is for information only, however discussion and feedback from Board Members will be used to help adjust strategic plan targets for recycle content products.

Wes Sullens provided an overview of the staff report and a PowerPoint presentation. The combined report and presentation is available here: Recycled Content-01-14-16.

Chair Sadoff inquired if we are partnering with the Office of Environmental Health Hazard Assessment as they set health standards for all these materials. Mr. Sullens stated that we have been receiving feedback from the Air Resources Board staff and they have interaction with the OEHHA. Board member Biddle stated that with the decrease in the cost of oil it is cheaper to purchase new plastic than to utilize recycled plastic and inquired if this will pose a significant challenge. Mr. Padia stated yes if it remains at \$30-\$40 a barrel as opposed to \$90 range per barrel. Mr. Padia added there are fairly weak secondary commodities markets across the board and plastics are especially hit hard because many of them are made using natural gas or petroleum. Board member Wengraf stated that she is conflicted about encouraging her constituents to put their plastics in the recycling bin if they may not be recycled and suggested the Board address this issue at a retreat. Mr. Padia stated that it has been an ongoing issue when adding new materials to the recycling stream as it requires repeated messaging to affect behavior change. Mr. Padia added that normally 90% of materials placed in residential recycling carts are recycled.

Board member Hannon stated that he strongly feels that it starts with manufacturer concern with the life cycle of materials. Mr. Sullens concurred with Board member Hannon and added although the fear of regulations is a motivation for manufacturers there's also the industry recognition that their products are featured in the most prominent buildings via LEED, Build it Green, GreenPoint Rated, etc. Board member Chan stated that we need to be able to inform and regulate materials at the local level. Ms. Sommer stated that it is very important to have StopWaste staff participating at a "high level" for setting standards and to provide our expertise in order to influence the decision makers as opposed to only working with suppliers.

Board member Young inquired how to adjust our strategic plan targets based on the information presented and asked if it should be agendized on a quarterly basis. Ms. Sommer stated that staff will be returning to the Board in February with a set of criteria that we can use to assess the product targets such as recycled content products and future programs. Staff will then come back in March with recommendations on how to adjust the targets based on the list of approved criteria.

The Board thanked staff for the very valuable information.

6. Member Comments

Ms. Sommer announced that Tom Padia is the new Deputy Executive Director.

7. Adjournment

The meeting adjourned at 10:20 a.m.

This page intentionally left blank

StopWaste
at home • at work • at school

DATE: February 11, 2016

TO: Programs & Administration Committee
Planning & Organization Committee/Recycling Board

FROM: Wendy Sommer, Executive Director

BY: Judi Ettlinger, Senior Program Manager

SUBJECT: Community Murals

SUMMARY

Beginning in April 2015, StopWaste and Oakland-based muralists from Community Rejuvenation Project teamed up to use art to encourage people to compost food scraps. With the talents of artists Desi Mundo and Pancho Peskador, StopWaste launched a series of murals across Alameda County to raise awareness about the importance of composting food scraps and food-soiled paper to help create healthy, water-conserving soil for local community gardens and urban farms.

With each unique mural, Community Rejuvenation Project, StopWaste and communities throughout Alameda County are communicating the importance of food scrap recycling, promoting local community gardens and greening neighborhoods throughout the County.

At the February 11 meeting, staff will present a slide show of the murals.

RECOMMENDATION

This item is for information only.

This page intentionally left blank

DATE:	February 11, 2016
TO:	Programs and Administration Committee Planning and Organization Committee/Recycling Board
FROM:	Wendy Sommer, Executive Director Pat Cabrera, Administrative Services Director
BY:	Gina Peters, Chief Financial Officer
SUBJECT:	Fiscal Year 2014-2015 Audit Report

SUMMARY

California state law requires that the Agency issue a complete set of financial statements annually and that an independent firm of certified public accountants audit the financial reports. The Agency's fiscal year (FY) closed on June 30, 2015, at which time Agency staff prepared the financials in conformity with generally accepted accounting principles (GAAP) and the firm of Maze and Associates audited the reports. Staff and the auditor will present the Audit Report to the Committees for review.

DISCUSSION

The auditor's responsibility is to express opinions on the financial statements. We are pleased the Agency received an unmodified (clean) audit opinion for FY 2015 from the external auditors. In addition, there were no internal control weaknesses noted.

The Annual audit report for the fiscal year ended June 30, 2015 is attached. The Management's Discussion and Analysis (MD&A) section of the report (pages 5-8) provides an overview of the Agency's financial activities for the year. The report includes a total Agency (WMA, Recycling Board and Energy Council) Statement of Net Position (page 9); total Statement of Revenues, Expenses and Changes in Net Position (page 10); and total Statement of Cash Flows (page 11). On pages 32-37, the report shows the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position by Board and by fund. The two Boards and the Energy Council are distinct legal entities (but function as one Agency); therefore these statements are of particular importance as they separately outline their respective financial activity for the year.

REVENUE & EXPENSES

The audit report shows total revenues (excluding Revolving Loan Fund income) of $36.3 million. This is a 17.4% reduction in revenues compared to mid-year budget estimates. The decrease is due primarily to the timing of grant funding. Total expenses (Revolving Loan Fund expenses excluded) were $30.7 million, a 28% reduction compared to the amended mid-year budgeted expenses. The decrease is attributable primarily to the timing of grant expenses which are linked to grant funding.

REVOLVING LOAN FUND (RLF)

At the end of the fiscal year, the loans receivable balance was $367,729. $48,057 repayments from outstanding loans were collected and one loan for $175,000 was issued during the year.

NET POSITION

Total net position is the difference between the Agency's assets and deferred outflows and its liabilities and deferred inflows of resources. Deferred Outflows represents a consumption of net assets that applies to a future reporting period/periods (equivalent to a prepaid expense). Deferred Inflows is the acquisition of net assets that applies to a future period/periods (equivalent to deferred revenue). The Agency's total net position was $46.8 million (Authority's portion $38.2 million or 81.5%; Recycling Board's $8.6 million or 18.5 % and Energy Council $4,000). The total net position is comprised of $14.4 million net investment in capital assets (land, buildings, furnishing and equipment) and $32.4 million unrestricted. $14.4 million of the unrestricted $32.4 million are reserved and designated for specific purposes by the Board. The remaining $18 million may be used to meet the Agency's ongoing obligations, including outstanding contracts.

The Authority's portion (including Household Hazardous Waste fees) of the unrestricted net position as of June 30, 2015 was $23.7 million which includes $13.7 million reserved for specific purposes by the Board. The Recycling Board's unrestricted net position (excluding revolving loans) was $6.6 million including $0.7 million in reserves.

The Revolving Loan Fund's unrestricted net position was $2.1 million consisting of $0.4 million in loan receivables and $1.7 million s unreserved. As indicated above net position is the difference between the Agency's assets and deferred outflows and its liabilities and deferred inflows of resources. Not all assets can be readily converted to cash (i.e liquid) such as the investments in capital assets (building, furniture and equipment); the prepayment of Other Post Employment Benefits (OPEB) is an asset but this asset is not available for the Agency to meet its ongoing obligations, neither are the deferred outflows. Conversely, not all liabilities are due within one year, some are long-term liabilities that may be paid off over a long period of time or from specified funds (not operating revenues), such as the net pension liability. Recognizing these factors and for purposes of determining what portion of the net position (per audit report) is available to supplement the following year's budget, we eliminated the net OPEB assets, deferred outflow/inflows, accrued vacation and the net pension liability to arrive at a new calculated available net position. This new available net position (after making provisions for Board approved reserves and contract commitments) is what we refer to as "adjusted beginning fund balance 7/1/15" in the FY 15/16 midyear budget. We consider this amount as available because these are additional funds (addition to projected revenues) that may be used to spend on Agency programs and projects.

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) 68-ACCOUNTING FOR PENSIONS

The Agency participates in a cost-sharing multiple-employer pension plan (Miscellaneous Risk Pool) and has disclosed its share of the plan's collective net pension liability ($3,501,440) as a liability in the Statement of Net Position (balance sheet). The net pension liability is the unfunded liability for pension benefits promised to current employees, retirees, and their beneficiaries. Prior to GASB 68, the miscellaneous risk pool's total unfunded liabilities, based on the annual CalPERS Actuarial valuation were disclosed in the notes to the financial reports. CalPERS actuary will continue to annually issue (for a fee) the additional report called GASB 68 Accounting Valuation Report that will provide the net pension liability number that will be recorded on subsequent statement of net position reports.

There are three main components of GASB 68:

1) Net pension liability - The net pension liability balance shown on the statement of net position is one year in arrears. CalPERS actuaries valued the pension liability as of 6/30/2013 and applied roll forward procedures to come up with a liability as of 6/30/2014. This 6/30/2014 liability is what is reflected on the statement of net position.

2) Deferred pension contributions - As a result of the net pension liability being a year in arrears, the pension contributions ($640,526) made in FY 2014-15 will be applied to the following year's (FY 2015-16) liability and is therefore reflected on the statement of net position as "deferred outflow of resources" (the equivalent of prepaid expense).

3) Differences between expected and actual earnings on investments- GASB 68 requires that these differences be amortized on a straight-line basis over five years.

At the November 18, 2015 meeting, the Board approved a $0.6 million pay down of the net pension liability.

RECOMMENDATION

Staff recommends that the P&A and the P&O Committees review and forward the audit report to the Waste Management Authority and Energy Council for acceptance and filing, and that the Recycling Board accept and file the audit report.

Attachment: Audit Report for FY14-15.

ALAMEDA COUNTY
WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND
RECYCLING BOARD AND ENERGY COUNCIL

BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

This Page Left Intentionally Blank

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
For The Year Ended June 30, 2015

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alameda County Waste Management Authority,
Alameda County Source Reduction and Recycling Board
and Energy Council
Oakland, California

Report on Financial Statements

We have audited the accompanying financial statements of the Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council (Agency) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W **mazeassociates.com**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2015, and the change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required a prior period adjustment to net position as discussed in Note 1H to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements as a whole. The Supplemental Information as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
December 28, 2015

This Page Left Intentionally Blank

ALAMEDA COUNTY WASTE MANGEMENT AUTHORITY, ALAMEDA COUNTY SOURCE REDUCTION AND RECYLING BOARD AND ENERGY COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Management's Discussion and Analysis (MD&A) provides an overview of the Agency's (Alameda County Waste Management Authority; Alameda County Source Reduction and Recycling Board; and Energy Council) financial activities for the year ended June 30, 2015. To obtain a complete understanding of the Agency's financial condition, this document should be read in conjunction with the financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The Agency assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of Fiscal Year (FY) 2015 by $46.8million (reported as net position). The Authority's total net position was 81.5% and Recycling Board's 18.5%.

- In fiscal year ended June 30, 2015, the Agency's operating revenues from tonnages and all other sources increased by $8.9 million or 49.4% from the prior year primarily due to additional revenues from the Household Hazardous Waste Program which the Agency took over as the fiscal agent.

- Non-Operating revenues, mainly grants increased by $5.1 million or 123% as compared to the prior year, a reflection of the Agency's success at obtaining external funding.

- The Agency's operating expenses increased by $9.8 million or 46.7 % as compared to the prior year. The Household Hazardous waste program included for the first time in Agency operating expenses partially accounted for the increase, in addition to grant related expenses corresponding to the increased grants received.

- The Agency implemented Government Accounting Standards Board's (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71 in FY2015. The Agency's net pension liability of $3.5 million was disclosed as a liability in the Statement of Net Position and the beginning FY 2015 unrestricted net position was restated to reflect the impact of the implementation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency is comprised of three separate Boards, Alameda County Waste Management Authority Board, Alameda County Source Reduction and Recycling Board and Energy Council.

The Agency operates as an Enterprise Fund and presents its financial statements using the full accrual basis of accounting. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred, regardless of when cash is received or paid.

The Agency's financial reports include three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows.

The Statement of Net Position includes information about the Agency's assets, liabilities, deferred outflows and inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. There are two sections to the Statement of Net Position: Invested in Capital assets and Unrestricted.

The Statement of Revenues, Expenses and Changes in Net Position present the results of the Agency's operations over the course of the fiscal year and information as to how the net position changed during the year. All of the fiscal year's revenues and expenses are accounted for in this statement.

The Statement of Cash Flows provides information about the Agency's cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities. The statement shows what the sources and uses of cash were and what the change in the cash balance was during the fiscal year.

Statement of Net Position

Table 1 reflects a comparison of the Agency's net position for fiscal year ended June 30, 2015 and 2014.

Table 1
Summary Statement of Net Position at June 30, 2015 and 2014

	2015	2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Current and Other Assets	$42,079,121	$35,458,314	$6,620,807	18.6%
Capital Assets	14,453,559	14,613,629	(160,070)	(1%)
Total Assets	56,532,680	50,071,943	6,460,737	12.9%
Deferred employer pension contributions	640,526	-0-	640,526	0.0%
Total deferred outflows of resources	640,526	-0-	640,526	0.0%
Current liabilities and Other Liabilities	9,062,115	3,956,276	5,105,839	129%
Total Liabilities	9,062,115	3,956,276	5,105,839	129%
Deferred inflows – pension related	1,307,381	-0-	1,307,381	0.0%
Total deferred inflows of resources	1,307,381	-0-	1,307,381	0.0%
Net position:				
Net investment in capital assets	14,453,559	14,613,629	(160,070)	(1%)
Unrestricted	32,350,151	31,502,038	848,113	2.6%
Total net position	$46,803,710	$46,115,667	$688,043	1.4%

The total net position may serve over time as a useful indicator of the Agency's financial position. At the close of the fiscal year, June 30, 2015, the Agency's assets plus deferred outflows exceeded liabilities plus deferred inflows by $46.8 million. As mentioned earlier, the Agency implemented GASB 68 and 71 in FY 2015. As a result of the implementation, net pension liability of $3.5 million was disclosed as a liability in the Statement of Net Position and the beginning FY 2015 unrestricted net position was restated.

The largest portion of the Agency's net position, $32.4 million (69.1%) is unrestricted and represents resources that may be used to meet any of the Agency's ongoing obligations. $14.4 million (44.4%) of the $32.4 million are in reserves and have been designated for specific purposes by the Board. The remaining $18 million represents available balance that may be used to meet the Agency's ongoing obligations, including outstanding contracts.

The Agency's investment in capital assets (land, buildings, furniture and equipment) amounted to $14.5 million.

The Agency has no external restrictions on how any portion of the net position may be used.

Statement of Revenues, Expenses and Changes in Net Position

Table 2 provides a summary of the Agency's operations for the fiscal years ended June 2015 and 2014.

Table 2
Summary Statement of Revenues, Expenses and Changes in Net Position
for the years ending June 30, 2015 and 2014

	2015	2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Operating revenues	$27,015,879	$18,072,025	$8,943,854	49.4%
Non-operating revenues	9,312,274	4,175,906	5,136,368	123%
Total Revenues	36,328,153	22,247,931	14,080,222	63.2%
Operating expenses	30,583,848	20,780,953	9,802,895	47.1%
Depreciation	160,070	162,322	(2,252)	(1.3%)
Total expenses	30,743,918	20,943,275	9,800,643	46.7%
Change in Net Position	5,584,235	1,304,656	4,279,579	328%
Beginning net position (restated) **	41,219,475	44,811,011	(3,591,536)	(8%)
Ending net position	$46,803,710	$46,115,667	$688,043	1.4%

** Restated due to the implementation of GASB Statements 68 and 71. Fiscal year 2013-2014 amounts have not been restated.

The Statement of Revenues, Expenses, and Changes in Net Position shows how the Agency's net position changed during the fiscal year. Compared to the prior fiscal year, the Agency recognized an increase in net position of $0.69 million even after the impact of GASB 68. The net position increase is due in part to increased operating revenues from the Household Hazardous Waste fees program (HHW) of $9.1 million offset by a slight reduction in disposal and other revenues of $0.2 million.

Non-operating revenues comprised primarily of grants and interest income. Compared to 2014, grants revenues were higher by $5.1 million.

The Agency's total operating expenses increased by $9.8 million or 46.7% compared to the prior year primarily due to expenses related to the HHW program and grant related expenses corresponding to the increased grants received.

Capital Assets

At June 30, 2015, the Agency had invested $14.5 million in capital assets, net of depreciation. The investment in capital assets includes land, buildings, furnishings and equipment. No assets were added to furniture and equipment.

Details of the capital assets, net of accumulated depreciation, as of June 30, 2015 and 2014 are as follows:

	2015	2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Land (Altamont and Webster Street)	$9,230,922	$9,230,922	$-0-	
Buildings (Webster Street and Education Center)	6,278,660	6,278,660	-0	
Furniture and equipment	259,652	259,652	-0	
Total Capital Assets	$15,769,234	$15,769,234	-0	
Less: Accumulated Depreciation	(1,315,675)	(1,155,605)	(160,070)	(13%)
Ending capital assets, net Assets	$14,453,559	$14,613,629	$(160,070)	(13%)

Request for information

The Agency's financial statements are designed to provide a general overview of the Agency's finances and to show the Agency's accountability of the resources it receives and expends. If you have questions about this report, or need additional information, contact the Chief Financial Officer at Alameda County Waste Management Authority, Recycling Board and Energy Council, 1537 Webster Street, Oakland CA 94612.

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	
Current Assets	
Cash and cash equivalents (Note 2)	$36,153,560
Accounts receivable	2,534,859
Interest receivable	31,678
Grants receivable	759,627
Loans receivable - current (Note 3)	63,172
Total Current Assets	39,542,896
Noncurrent Assets	
Capital Assets - net of accumulated depreciation (Note 4)	14,453,559
Loans receivable - non-current (Note 3)	304,557
Net OPEB asset (Note 9)	2,231,668
Total noncurrent assets	16,989,784
Total Assets	56,532,680
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension (Note 8)	640,526
LIABILITIES	
Current Liabilities	
Accounts payable	3,894,033
Accrued expenses	217,616
Accrued vacation (Note 6)	75,786
Due to other governmental agencies (Note 5)	1,067,658
Unearned revenue	20,483
Total current liabilities	5,275,576
Noncurrent liabilities	
Net pension liability (Note 8)	3,501,440
Accrued vacation (Note 6)	285,099
Total Noncurrent liabilities	3,786,539
Total Liabilities	9,062,115
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	17,525
Related to pension (Note 8)	1,289,856
Total Deferred Inflows of Resources	1,307,381
NET POSITION (Note 7)	
Restricted for:	
Net investment in capital assets	14,453,559
Unrestricted	32,350,151
Total Net Position	$46,803,710

See accompanying notes to financial statements

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY AND
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

OPERATING REVENUES	
Disposal and waste import mitigation fees	$15,991,118
Household hazardous fee	9,117,151
Benchmark fees	966,471
Other	941,139
Total Operating Revenues	27,015,879
OPERATING EXPENSES	
Salaries and benefits	6,479,417
Program expenses	23,899,072
Legal and accounting	157,922
Board expenses	47,437
Depreciation (Note 4)	160,070
Total Operating Expenses	30,743,918
OPERATING LOSS	(3,728,039)
NON-OPERATING REVENUE	
Grants	9,193,371
Interest income	118,903
Total Non-Operating Revenue	9,312,274
CHANGE IN NET POSITION	5,584,235
Net position, beginning of year, as adjusted (Note 1H)	41,219,475
Net position, end of year	$46,803,710

See accompanying notes to financial statements

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY AND
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	$26,735,745
Cash payments to suppliers	(21,794,787)
Cash payments to employees for wages and benefits	(7,183,253)
Net cash provided by (used for) operating activities	(2,242,295)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grants	10,006,246
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	106,329
Net change in cash and cash equivalents	7,870,280
Cash and cash equivalents at beginning of year	28,283,280
Cash and cash equivalents at end of year	$36,153,560

Reconciliation of operating loss to net cash provided by (used for) Operating activities:	
Operating loss	($3,728,039)
Adjustments to reconcile operating loss to	
Depreciation	160,070
(Increase) decrease in accounts receivable	(153,191)
(Increase) decrease in loans receivable	(126,943)
(Increase) decrease in OPEB asset	729,306
Increase (decrease) in accounts payable	1,821,409
Increase (decrease) in accrued expenses	66,292
Increase (decrease) in amounts due to other governments	(14,191)
Increase (decrease) in unearned revenue	(293,172)
Increase (decrease) in accrued vacation	41,586
Increase (decrease) net pension liability, deferred inflows and deferred outflows	(745,422)
Net cash provided by (used for) operating activities	($2,242,295)

See accompanying notes to financial statements

This Page Left Intentionally Blank

NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Agency and its Programs

Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council are three separate legal entities

The Alameda County Waste Management Authority (Agency) is a public agency formed in 1976 by a Joint Exercise of Powers Agreement among the County of Alameda, each of the fourteen cities within the county, and two sanitary districts that provide refuse and recycling collection services. The Agency has a seventeen-member board composed of elected officials appointed by each member agency.

The Agency is responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for development of solid waste facilities and offers a wide variety of other programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding is provided by per ton disposal and waste import mitigation fees.

The Alameda County Source Reduction and Recycling Board (Recycling Board) was created in 1990 by the voters of Alameda County through a ballot initiative, "Measure D". The eleven-member board includes six citizen experts appointed by the Alameda County Board of Supervisors and five elected officials from the Alameda County Waste Management Authority.

The Recycling Board is responsible for programs that promote source reduction, residential and commercial recycling, recycled product procurement and market development. Program funding is provided from a per ton disposal surcharge at the Altamont and Vasco Road landfills.

The Energy Council was formed in Spring 2013 as a Joint Powers Agency to seek funding on behalf of its member agencies to develop and implement programs and policies that reduce energy demand, increase energy efficiency, advance the use of clean, efficient and renewable resources, and help create climate resilient communities. The Energy Council will assist its members in strengthening staff capacity, providing technical expertise, and securing funds to implement local sustainable energy strategies. To date, thirteen members serve on the Board. Funding for projects comes from external sources, mainly grants.

B. Basis of Presentation

The Agency's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Enterprise fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

Enterprise funds are accounted for using "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and deferred outflows of resources, and liabilities and deferred inflow of resources, (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

D. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expense and a liability. Generally, earned vacation may be accumulated up to a maximum of 400 hours by all personnel. Agency employees do not receive compensation for accumulated sick leave unless they retire, in which case they have the option of cashing out half of their sick leave or converting sick leave to service credit. To date all eligible employees have chosen the latter option. Accordingly no sick leave has been accrued.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then.

NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Agency has only one item that qualifies for reporting in this category.

G. *Implementation of Governmental Accounting Standards Board (GASB) Pronouncements*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2015.

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement had a material impact on the Agency's financial statements. See Note 1H below and Note 8 for additional information.

GASB Statement No. 69 – In 2014, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operation.* This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This Statement did not have a material impact on the financial statements for the fiscal year 2015.

GASB Statement No. 71 – In 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.* The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014, therefore, the Agency implemented this Statement in fiscal year ending June 30, 2015, along with GASB 68 as discussed above.

H. *Prior Period Adjustment*

As a result of the implementation of GASB Statements 68 and 71, the Agency made an adjustment of $4,148,095 to the beginning net position. See Note 8 for additional information.

NOTE 2 - CASH AND INVESTMENTS

The Agency invests in investment pools. The Agency carries its investments at fair market value, as required by generally accepted accounting principles. Cash and investments at June 30, 2015 consist of the following:

Cash on hand and in banks	$263,381
Investment pools	35,890,179
Total cash and cash equivalents	$36,153,560

A. *Authorized Investments*

The Agency is authorized to invest in the instruments, in the table below, which also identifies certain provisions of the California Government Code or the Agency's investment policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Alameda County Investment Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

B. *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table, which shows the distribution of the Agency's investments by maturity:

Authorized Investment Type	Remaining Maturity (in Months) 12 Months or less
Alameda County Investment Pool	$23,729,213
Local Agency Investment Fund (LAIF)	12,160,966
	$35,890,179

The Agency is considered to be a voluntary participant in the Alameda County Investment Pool, an external investment pool. The fair value of the Agency's investment in the pool is reported in the financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Agency is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Agency reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2015, these investments matured in an average of 239 days.

C. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The State and County pools are not rated.

D. Concentration of Credit Risk

Investments in any one issuer (other than U. S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments. As of June 30, 2015 there were no investments that represent 5% or more of the total Agency investments.

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the Agency's cash on deposit. All of the Agency's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the Agency's name.

NOTE 3 – LOANS RECEIVABLE

The Agency lends out monies to businesses in order to improve their recycling and waste management programs. The Revolving Loan Fund is designed to encourage businesses to reduce the amount of waste going to Alameda County landfills by providing low interest loans for source reduction, recycling, composting, processing or recycled market development efforts. Loan funds are available to existing and start up businesses with projects that reduce waste disposed in Alameda County landfills. To be eligible, businesses must be located in Alameda or an adjacent county, or be relocating to Alameda County. The fund is administered by the Safe-BidCo. on behalf of the Alameda County Source Reduction and Recycling Board. Loans are available from $10,000 to $300,000 with interest rates ranging from Wall Street Journal (WSJ) prime to prime plus 6%. Loan terms do not exceed 5 years. As of June 30, 2015, outstanding loans totaled $367,729.

NOTE 4 – CAPITAL ASSETS

Capital assets are stated at cost less accumulated depreciation, which is provided on the straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives of the assets and capitalization thresholds are listed below:

Asset Type	Asset Life	Capitalization Thresholds
Building and improvements	25 to 50 years	$5,000
Vehicles, furniture, and equipment	5 to 10 years	$5,000

The Agency's capital assets at June 30, 2015 consist of:

	Balance June 30, 2014	Additions	Balance June 30, 2015
Capital assets not being depreciated:			
Land	$9,230,922		$9,230,922
Total	9,230,922		9,230,922
Capital assets being depreciated:			
Buildings and improvements	6,278,660		6,278,660
Furniture and equipment	259,652		259,652
Total	6,538,312		6,538,312
Less accumulated depreciation for:			
Building	(971,650)	($130,460)	(1,102,110)
Furniture and equipment	(183,955)	(29,610)	(213,565)
Total	(1,155,605)	(160,070)	(1,315,675)
Total capital assets being depreciated, net	5,382,707	(160,070)	5,222,637
Total capital assets, net	$14,613,629	($160,070)	$14,453,559

NOTE 5 – DUE TO OTHER GOVERNMENTAL AGENCIES

The Agency provides direct funding to member agencies through the mandated allocation of funds to municipalities. Measure D requires the Agency to disburse 50% of Measure D fees on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs. On June 30, 2015, $1,067,658 represented the last quarter of Measure D fees that had not yet been remitted.

NOTE 6 – LONG-TERM LIABILITIES

A summary of long-term liability activities for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Reductions	Ending June 30, 2015	Due within One Year
Accrued vacation	$319,299	$216,500	$174,914	$360,885	$75,786

NOTE 7 – NET POSITION

A. *Net Position*

Net Position is the excess of all the Agency's assets and deferred outflows over all its liabilities, and deferred inflows regardless of fund. Net Position are divided into three captions defined below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflows.

Restricted describes the portion of Net Position which is restricted to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Agency cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

NOTE 8 - PENSION PLAN

A. *General Information about the Pension Plans*

Plan Descriptions – All qualified regular, limited term and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 8 - PENSION PLAN (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	**PEPRA**
Hire date	Prior to January 1, 2013	After January, 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Required employee contribution rates	7.942%	6.25%
Required employer contribution rates	14.660%	6.25%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan is as follows:

	Miscellaneous
Contributions - employer	$636,132

NOTE 8 - PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the Agency reported net pension liabilities for its proportionate shares of the net pension liability for the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$3,501,440

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous
Proportion - June 30, 2013	0.14601%
Proportion - June 30, 2014	0.14167%
Change - Increase (Decrease)	-0.004%

For the year ended June 30, 2015, the Agency recognized pension expense of $2,675. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$640,526	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		($113,210)
Net differences between projected and actual earnings on plan investments		(1,176,646)
Total	$640,526	($1,289,856)

NOTE 8 - PENSION PLAN (Continued)

The $640,526 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Increase (Decrease) in Pension Expense
2016	($334,594)
2017	(334,594)
2018	(326,508)
2019	(294,160)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50% (1)
Mortality	Derived using CalPERS' Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation
(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

NOTE 8 - PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

NOTE 8 - PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Agency's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.50%
Net Pension Liability	$6,238,484
Current Discount Rate	7.50%
Net Pension Liability	$3,501,440
1% Increase	8.50%
Net Pension Liability	$1,229,954

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

A. Post Employment Health Care Benefits

Description

The Agency participates in the CALPERS sponsored health care plan for its employees and long-service retirees and/or their dependents. In addition, the Agency sponsors and administers dental and vision coverage for its employees and/or their dependents.

The Agency provides post-retirement health care benefits to eligible retirees. Prior to January 1, 2007, eligible employees retiring at or after age 50 with a minimum of 5 years of service credit, may opt to continue health care coverage, including spouse and dependents, with a monthly premium paid by the Agency. Vesting requirements have been implemented for employees hired after January 1, 2007.

The Agency has elected to set up a trust fund with the California Employers' Retiree Benefit Trust (CERBT) to fund their plan. The Agency does not have a stand-alone financial statement to their plan. Financial activity of the plan will be included as part of the CERBT's financial statements available through their executive office.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The Plan provisions and benefits in effect at June 30, 2015 are summarized as follows:

	HIRED BEFORE 1/1/2007	HIRED ON OR AFTER 1/1/2007
Full Retirement Benefit		
Eligibility Age	50	50 (52 if hired after 2012)
Service Required	5 years	20 years
Benefit Amount	Payment of any PERS premium for retiree and eligible dependents.	Payment of PERS premium for retiree and eligible dependents to limits under Section 22893. In 2014, caps are $642 for 1-party, $1,218 for 2-party, and $1,559 for family
Benefits End	Paid for life	Paid for life
Partial Retirement Benefit		
Eligibility Age	Not Applicable	50 (52 if hired after 2012)
Service Required		10-19 years
Benefit Amount		Full benefit times vested percentage of 50% to 95%
Benefits End		Paid for life
PERS Minimum Benefit		
Eligibility Age	Not Applicable	50 (52 if hired after 2012)
Service Required		5 years in PERS
Benefit Amount		$115 in 2013, $119 in 2014, and indexed to the medical component of the Consumer Price Index thereafter.
Benefits End		Paid for life
Post-Retirement Death Benef	Payment of premium for eligible dependents for life of spouse or, while eligible, for children.	Payment of premium for eligible dependents for life of spouse or, while eligible, for children.
Pre-Retirement Death Benefi	PERS minimum to surviving spouse only if that spouse receives continuation of PERS pension as form of annuity.	PERS minimum to surviving spouse only if that spouse receives continuation of PERS pension as form of annuity.
Disability Benefit	Same as Full Retirement Benefit shown above, at any age, as long as service requirement is met.	Same as Full Retirement Benefit shown above, at any age, as long as service requirement is met.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Policy and Actuarial Assumptions

The Agency has elected to fully fund the annual required contribution (ARC) which is determined by an actuary. The contribution requirements of the Agency are established and may be amended by the Board of Directors.

The current year ARC was determined as part of a July 1, 2013 actuarial valuation using the projected unit credit method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.50% investment rate of return, (b) 3% payroll growth rate, (c) 2.75% general inflation rate, and (d) health care cost trend rates assumed to increase 5% per year for medical benefits.

Generally accepted accounting principles permit assets to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. For the fiscal year ended June 30, 2015, the Agency annual cost for the healthcare plan was $105,009. The Agency's OPEB asset amortization and the net OPEB asset for the year ended June 30, 2015 were as follows:

Annual required contribution	$120,200
Interest on net OPEB asset	(164,826)
Amortization of net OPEB asset	149,635
Annual OPEB cost (expense)	105,009
Contribution made	123,800
Increase in net OPEB asset	18,791
Net OPEB asset, beginning of year	2,212,877
Net OPEB asset, end of year	$2,231,668

The Plan's annual required contributions and actual contributions for the last three years ended June 30 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	% of OPEB Cost Contributed	Net OPEB Asset
6/30/2013	$154,800	(A)	100%	$2,197,686
6/30/2014	105,009	$120,200	100%	2,212,877
6/30/2015	105,009	123,800	118%	2,231,668

(A) Contribution was fully funded in prior year

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial study is presented below:

Actuarial Valuation Date	Actuarial Valuation of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A-B)/C]
7/1/2013	3,303,800	2,896,300	$407,500	114%	4,056,500	10.05%

NOTE 10 – RISK MANAGEMENT

The Agency carries commercial insurance coverage for its general liability, property damage, and workers' compensation insurance. The Agency also carries public officials and employee liability insurance, as well as employee dishonesty and forgery/alteration insurance, for those employees who have check signing authority, as well as those employees who handle funds in any manner.

The following types of loss risks are covered through commercial insurance policies as follows:

Type of Coverage (Deductible)	Coverage Limits
General Liability ($1,000)	$2,000,000
Property ($1,000)	$350,000,000
Boiler and Machinery ($2,500)	$25,000,000
Workers' Compensation ($1,000)	Statutory Limit

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The Agency's Federal and State grant programs are subject to the provisions of the Federal Single Audit Act as amended and applicable State requirements. In addition, these programs are still subject to further examinations by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Agency expects such amounts, if any, to be immaterial.

The Agency is subject to litigation arising in the normal course of business. In the opinion of the Agency attorney's there are no pending litigation which is likely to have a material adverse effect on the financial position of the Agency.

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years*

	2015
	Miscellaneous
	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.05627%
Plan's proportion share of the Net Pension Liability (Asset)	$3,501,440
Plan's Covered Employee Payroll	$4,307,146
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	81.29%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	$463,227

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Cost-Sharing Multiple Employer Defined Pension Plan - Miscellaneous Plans
For the Fiscal Year Ended June 30, 2015
Schedule of Contributions
Last 10 Years*

	2015
	Miscellaneous
	Fiscal Year 2014-2015
Actuarially determined contribution	$557,498
Contributions in relation to the actuarially determined contributions	(557,498)
Contribution deficiency (excess)	$0
Covered-employee payroll	$4,307,146
Contributions as a percentage of covered-employee payroll	12.94%

Notes to Schedule

Valuation date:	6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	Classic - 2.5% @ 55 or 2% @ 62
Mortality	Derived using CalPERS Membership Data for all Funds

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Schedule of Funding - Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Valuation of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A-B)/C]
7/1/2011	$546,600	$2,911,800	($2,365,200)	19%	$3,189,700	(74.2%)
7/1/2013	3,303,800	2,896,300	$407,500	114%	4,056,500	10.05%

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
SUPPLEMENTARY SCHEDULE OF NET POSITION - WASTE MANAGEMENT
JUNE 30, 2015

	Solid Waste	Mitigation Fees	Benchmark Fees	Household Hazardous Waste	Total
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$5,449,457	$14,304,374	$89,925	$6,391,594	$26,235,350
Accounts receivable	500,479	290,538	297,099	722,044	1,810,160
Interest receivable	9,592	6,346		5,762	21,700
Grants receivable	185,825				185,825
Total current assets	6,145,353	14,601,258	387,024	7,119,400	28,253,035
NON-CURRENT ASSETS:					
Capital assets, net of accumulated depreciation	258,569	14,194,990			14,453,559
Net OPEB asset	2,231,668				2,231,668
Due from other funds	2,813,648	12,325		81,468	2,907,441
Total Noncurrent Assets	5,303,885	14,207,315		81,468	19,592,668
TOTAL ASSETS	11,449,238	28,808,573	387,024	7,200,868	47,845,703
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	640,526				640,526
LIABILITIES					
CURRENT LIABILITIES:					
Accounts payable	397,130	324,511	16,743	2,362,998	3,101,382
Accrued expenses	202,616			15,000	217,616
Accrued vacation	75,786				75,786
Due to other funds	316,943	1,015,008	259,142	221,070	1,812,163
Total current liabilities	992,475	1,339,519	275,885	2,599,068	5,206,947
LONG-TERM LIABILITIES					
Accrued vacation	285,099				285,099
Net pension liability	3,501,440				3,501,440
Total long-term liabilities	3,786,539				3,786,539
TOTAL LIABILITIES	4,779,014	1,339,519	275,885	2,599,068	8,993,486
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	17,525				17,525
Related to pension	1,289,856				1,289,856
Total deferred inflows of resources	1,307,381				1,307,381
NET POSITION					
Net investment in capital assets	258,569	14,194,990			14,453,559
Unrestricted	5,744,800	13,274,064	111,139	4,601,800	23,731,803
TOTAL NET POSITION	$6,003,369	$27,469,054	$111,139	$4,601,800	$38,185,362

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - WASTE MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Solid Waste	Mitigation Fees	Benchmark Fees	Household Hazardous Waste	Total
OPERATING REVENUES					
Fees	$4,788,916	$2,645,492			$7,434,408
Household hazardous fees				$9,117,151	9,117,151
Benchmark fees			$966,471		966,471
Other	182,000	741,789		5,467	929,256
Total operating revenues	4,970,916	3,387,281	966,471	9,122,618	18,447,286
OPERATING EXPENSES					
Salaries and benefits	2,637,701	1,406,278	291,547	160,458	4,495,984
Program expenses	2,000,699	2,273,069	694,762	4,383,742	9,352,272
Legal and accounting	74,020	6,383		60,939	141,342
Board expenses	43,737				43,737
Depreciation	23,567	136,503			160,070
Total operating expenses	4,779,724	3,822,233	986,309	4,605,139	14,193,405
OPERATING INCOME (LOSS)	191,192	(434,952)	(19,838)	4,517,479	4,253,881
NONOPERATING REVENUES					
Grants	395,650				395,650
Interest income	20,611	52,133		10,013	82,757
Total nonoperating revenues	416,261	52,133		10,013	478,407
NET INCOME BEFORE TRANSFERS	607,453	(382,819)	(19,838)	4,527,492	4,732,288
Transfers in (out)	(74,308)			74,308	
NET INCOME (LOSS) AFTER TRANSFERS	533,145	(382,819)	(19,838)	4,601,800	4,732,288
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	5,470,224	27,851,873	130,977		33,453,074
NET POSITION, END OF YEAR	$6,003,369	$27,469,054	$111,139	$4,601,800	$38,185,362

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
SUPPLEMENTARY SCHEDULE OF NET POSITION - RECYCLING BOARD
JUNE 30, 2015

	Municipality Allocation	Revolving Loan Fund	Pre-March 1995	Discretionary	Grants to Non-Profits	Source Reduction	Market Development	Recycled Product Price	Total
ASSETS									
CURRENT ASSETS:									
Cash and cash equivalents	$712,472	$1,691,059	$694,981	$2,466,601	$2,122,082	$1,038,270	$751,384	$245,546	$9,722,395
Accounts receivable	362,349			108,705	72,470	72,470	72,470	36,235	724,699
Interest receivable	936	1,628		6,832					9,396
Loans receivable - current		63,172							63,172
Due from other funds				$7,096	518		31,669		39,283
Total current assets	1,075,757	1,755,859	694,981	2,589,234	2,195,070	1,110,740	855,523	281,781	10,558,945
NON-CURRENT ASSETS:									
Loans receivable - non current		304,557							304,557
TOTAL ASSETS	1,075,757	2,060,416	694,981	2,589,234	2,195,070	1,110,740	855,523	281,781	10,863,502
LIABILITIES									
CURRENT LIABILITIES:									
Accounts payable		324		36,542	151,289	89,025	32,636	116,639	426,455
Due to other funds	7,162	8,193		81,253	182,899	140,101	186,553	149,357	755,518
Due to other governments	1,067,658								1,067,658
Total current liabilities	1,074,820	8,517		117,795	334,188	229,126	219,189	265,996	2,249,631
TOTAL LIABILITIES	1,074,820	8,517		117,795	334,188	229,126	219,189	265,996	2,249,631
NET POSITION									
Unrestricted	937	2,051,899	694,981	2,471,439	1,860,882	881,614	636,334	15,785	8,613,871
TOTAL NET POSITION	$937	$2,051,899	$694,981	$2,471,439	$1,860,882	$881,614	$636,334	$15,785	$8,613,871

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
- RECYCLING BOARD
FOR THE YEAR ENDED JUNE 30, 2015

	Municipality Allocation	Revolving Loan Fund	Pre-March 1995	Discretionary	Grants to Non-Profits	Source Reduction	Market Development	Recycled Product Price	Total
OPERATING REVENUES									
Fees	$4,278,354			$1,283,507	$855,671	$855,671	$855,671	$427,836	$8,556,710
Other		$11,883							11,883
Total operating revenues	4,278,354	11,883		1,283,507	855,671	855,671	855,671	427,836	8,568,593
OPERATING EXPENSES									
Salaries and benefits		46,608		19,930	107,656	362,660	618,752	21,012	1,176,618
Program expenses	4,280,920	26,539		239,703	736,990	317,338	341,918	614,115	6,557,523
Legal and accounting		613		14,338					14,951
Board expenses				3,700					3,700
Total operating expenses	4,280,920	73,760		277,671	844,646	679,998	960,670	635,127	7,752,792
OPERATING INCOME (LOSS)	(2,566)	(61,877)		1,005,836	11,025	175,673	(104,999)	(207,291)	815,801
NONOPERATING REVENUES									
Interest income	2,916	6,056		23,774					32,746
Total nonoperating revenues	2,916	6,056		23,774					32,746
NET INCOME	350	(55,821)		1,029,610	11,025	175,673	(104,999)	(207,291)	848,547
NET POSITION, BEGINNING OF YEAR	587	2,107,720	$694,981	1,441,829	1,849,857	705,941	741,333	223,076	7,765,324
NET POSITION, END OF YEAR	$937	$2,051,899	$694,981	$2,471,439	$1,860,882	$881,614	$636,334	$15,785	$8,613,871

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
SUPPLEMENTARY SCHEDULE OF NET POSITION - ENERGY COUNCIL
JUNE 30, 2015

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$195,815
Interest receivable	582
Grants receivable	573,802
Due from other funds	28,750
TOTAL ASSETS	798,949
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	366,196
Due to other funds	407,793
Unearned revenue	20,483
TOTAL LIABILITIES	794,472
NET POSITION	
Unrestricted	4,477
TOTAL NET POSITION	$4,477

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
ENERGY COUNCIL
FOR THE YEAR ENDED JUNE 30, 2015

OPERATING EXPENSES	
Salaries and benefits	$806,815
Program expenses	7,989,277
Legal and accounting	1,629
Total operating expenses	8,797,721
NON-OPERATING REVENUES	
Grants	8,797,721
Interest income	3,400
Total non-operating revenues	8,801,121
NET INCOME	3,400
NET POSITION, BEGINNING OF YEAR	1,077
NET POSITION, END OF YEAR	$4,477

This Page Left Intentionally Blank

MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Alameda County Waste Management Authority,
Alameda County Source Reduction and Recycling Board and Energy Council
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council (Agency), as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated December 28, 2015. Our report included an emphasis paragraph regarding the implementation of a new accounting principle.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W **mazeassociates.com**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated December 28, 2015 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
December 28, 2015

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY, ALAMEDA COUNTY RESOURCE REDUCTION AND RECYCLING BOARD AND ENERGY COUNCIL MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2015

This Page Left Intentionally Blank

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY,
ALAMEDA COUNTY RESOURCE REDUCTION AND RECYCLING BOARD
AND ENERGY COUNCIL
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS

For The Year Ended June 30, 2015

Table of Contents

This Page Left Intentionally Blank

MAZE & ASSOCIATES

MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of
Alameda County Waste Management Authority,
Alameda County Source Reduction and Recycling Board
and Energy Council
Oakland, California

In planning and performing our audit of the basic financial statements of Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council (Agency), in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
December 28, 2015

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W **mazeassociates.com**

This Page Left Intentionally Blank

MAZE & ASSOCIATES

REQUIRED COMMUNICATIONS

To the Board of Directors of
Alameda County Waste Management Authority,
Alameda County Source Reduction and Recycling Board
and Energy Council
Oakland, California

We have audited the basic financial statements of the Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council (Agency) for the year ended June 30, 2015. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and *Government Auditing Standards*.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. The following pronouncements became effective during the year ended June 30, 2015 and had material effects on the financial statements as discussed in Note 8 to the financial statements:

> GASB 68 – *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*
>
> GASB 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*

Unusual Transactions, Controversial, or Emerging Areas

We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W **mazeassociates.com**

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements are depreciation, actuarial estimates for the Agency's Pension Plan and actuarial estimates for the Agency's Other Post-Employment Benefits Plan.

Management's estimate of depreciation is based on the estimated useful lives of the capital assets. The value of the assets, liability and assumptions used to determine annual required contributions to the Agency's Pension Plan and Other Post-Employment Benefits Plan is determined by an actuary study provided to the Agency as of June 30, 2014 and June 30, 2013, respectively. We evaluated the key factors and assumptions used to develop the depreciation expense, and reviewed the current actuary study and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all/certain such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated December 28, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Other Information Accompanying the Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

******

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
December 28, 2015

This Page Left Intentionally Blank

This page intentionally left blank

STOPWASTE
at home • at work • at school

DATE: February 11, 2016

TO: Programs & Administration Committee
Planning & Organization Committee/Recycling Board

FROM: Wendy Sommer, Executive Director

BY: Justin Lehrer, Senior Program Manager

SUBJECT: Assessment Criteria for Product Decisions Activities

SUMMARY

As part of the mid-term review of the 2020 strategic plan progress, staff has developed proposed criteria for evaluating the efficacy of current or future Agency projects. The criteria will be used to make adjustments to the Product Decision Targets identified in the Strategic Workplan. At the February 11 meetings, staff will review the proposed criteria with the Board.

DISCUSSION

The objective of the mid-term review and recalibration of the strategic plan is to assess our progress and consider the value of the activities we engage in. Today we have information and knowledge that was not available at the time the plan was approved in 2010. Projects have matured, lessons have been learned and applied, and external conditions may have changed. Our goal is to take a thorough look at the project portfolio, assess our progress, advance to new goals where possible, and evolve or course-correct as needed based on current needs and conditions.

In order to have a thoughtful and consistent assessment process, staff developed a set of criteria that can be applied to existing projects or future activities the Agency is considering. These criteria first took shape during strategic review of the eight Product Decisions "targets" projects (Attachment B). Lacking a formalized, consistent approach to how we evaluate the projects we undertake, questions arose of what factors we should consider when setting priorities for existing work and potential future projects. These factors evolved into a Project Assessment (Attachment A) that our teams are utilizing to help determine whether a project aligns with Agency priorities and is an effective use of our limited resources.

The criteria provide an important reality check on the overall achievability of the targets. Effective goals are ambitious, while still attainable. If there are technical or financial barriers, or other factors outside of our influence, we need to identify them and adjust our strategy accordingly.

For example, the food service ware target states that 90% of food service businesses with organics collection will use utensils and food ware considered readily recyclable, compostable, or reusable. However, there are numerous technical issues, varying acceptability by jurisdictions and mixed success with collection, sorting, and processing (recycling or compost) of the wide variety of compostable and recyclable single-use food ware & packaging. In many cases these items get screened out and landfilled, end up as contamination in the wrong stream, or as residual overs bound for the landfill, as in the case with compostable utensils that don't fully decompose. Rather than pushing forward and driving more of these problematic products into the waste stream, we can reconsider our level of influence and best role in this area – including participating in policy and technical dialogues working to address some of the issues, while in the meantime supporting the reduction of these hard-to-recycle products by promoting waste prevention and reusable food service ware as preferable alternatives with technical assistance and outreach to a smaller receptive universe of businesses.

A similar effort to develop evaluation criteria recently took place as part of the planning discussion for the Organics Processing Development (OPD) Reserve. Subsequently, the two sets of criteria were integrated, and we are in the midst of a similar process to merge with criteria utilized for BAYREN and other Energy Council projects. We plan to apply similar criteria to grant proposals we receive.

Hierarchy, Priority & Impact Areas

In addition to the evaluation criteria, the Project Assessment (Attachment A) identifies the project's place in the waste management hierarchy (Reduce, Reuse, Recycle, Rot), and how a project addresses Priority Areas and Impact Areas.

The US EPA's current initiatives and strategic plan for Sustainable Materials Management through 2022 calls out three focus areas for action: Organics, Packaging, and Built-Environment. Just about all of the Product Decisions work already fits within these three focus areas. Organics includes food waste prevention and our recycled content compost & mulch projects; we have several packaging-related efforts such as reusable transport packaging, the reusable bag ordinance, and food service ware; and the built-environment not only pertains to green building materials, but also to operation of the built environment, including energy conservation and efficiency work that the Energy Council is focused on. Adopting these as Priority Areas and structuring our projects around them presents an opportunity to improve our operational efficiency, administratively merging some smaller projects together that can leverage shared effort and resources within a specific priority area. Aligning our priority areas with other agencies such as the US EPA also increases our opportunity to apply for external funding.

Impact Areas represent the (often multiple) expected environmental benefits that will result from a project, such as waste prevention or diversion from landfill, energy conservation, or water savings. Identifying where multiple benefits exist early in the project evaluation process will help staff assess where we can achieve the most impact, or "bang for our buck."

Summary and Next Steps

The criteria are not meant to be a quantitative exercise; they are a tool for decision-making. Successful projects may not meet all the criteria, and professional judgment plays an equally important role in this process. The idea is to ensure the right questions are asked, consistently, so that informed decisions can be made.

We are interested in receiving input from Board members on the criteria and if anything is missing. Staff will use the adopted criteria to adjust the Product Decision Targets, propose organics projects and develop future programs.

RECOMMENDATION

Staff recommends that the Board review and approve the proposed criteria for evaluating targets and programs.

This page intentionally left blank

ATTACHMENT A

StopWaste
at home • at work • at school

PROJECT ASSESSMENT

Project/Concept Name (incl. Project #): ____

Priority Area: ❑ Organics ❑ Packaging ❑ Built Environment (Energy, Green Building, C&D)

Impact Area: ❑ Landfill Conservation (Prevention or Diversion) ❑ Energy Conservation
❑ Hazardous Waste ❑ Reduce GHGs ❑ Recycled Content / Market Dev
❑ Other (Soil, Water, etc.)

Place in Hierarchy: ❑ Reduce ❑ Reuse ❑ Recycle ❑ Rot

Criteria	**Response** *Yes, No, Maybe*	**Assessment/Comments**
Influence Are we positioned to effectively influence the target audience? Can the project be achieved within Alameda County or is broader geographic reach needed (i.e. would this be better suited as a regional, state or federal initiative)?		
Technical Feasibility Aside from cost or other factors, can it be done? Is the technology available and the pieces in place to make it work? (e.g., if goal is recyclable/compostable food service ware, are these products acceptable and recoverable in local facilities?)		
Timeliness & Leverage Is the project timely given the current societal and political		

environment and/or internal considerations? (Are the stars aligned, are there current opportunities to leverage?).		
Criteria	**Response** *Yes, No, Maybe*	**Assessment/Comments**
Member Agency, Partner & Funder Alignment Does the project align with or support goals/initiatives of our Member Agencies and other potential partners (e.g., water agencies)? Is there opportunity to collaborate? Is it equitable among member agencies?		
Innovation & Leadership Is the project innovative or does it experiment with a new concept/idea? Seed for future funding?		
Measurability Practically speaking, can progress be measured? Note the metric/method.		
Budget Is current project budget sufficient, or is adequate funding readily available? Is there a plan for funding?		
Potential Impact & Cost Effectiveness Consider the overall expected magnitude of impact of the project, along with expected costs to determine the overall "bang for your buck." When feasible, use		

metrics such as cost per ton (or other)		
Questions:		
Recommendation:		

Additional Considerations:

- **Available Staff** – Can the concept be executed at existing project staffing levels?
- **General Community/Social Impact** – Does the goal provide a benefit/value to the general public? What does the broader community think of this effort? Consider receptivity, need for stakeholder input.

ATTACHMENT B

The following product decisions targets were approved by the Boards at the end of 2011:

1. **Waste Prevention:**

   A. Institutional Food Service/Commercial Cafeterias
   Institutional kitchens and high volume food service operators located in Alameda County that participate in technical assistance or other support services from the Authority, reduce food and other inputs by an average of 25% or more from an established baseline.

   B. Reusable Transport Packaging
   90% of businesses in Alameda County with appropriate shipping and receiving circumstances are utilizing reusable transport packaging when economically advantageous.

2. **Household Hazardous Waste:**

   A. HHW Alternatives
   90% of stores that sell products destined for HHW facilities will stock and promote non-toxic/less-toxic HHW alternative products.

3. **Recycled Content:**

   A. Bulk Compost
   90% of permitted landscape projects in Alameda County use locally produced or sourced compost.

   B. Bulk Mulch
   90% permitted landscape projects in Alameda County use local, recycled mulch.

   C. Building Materials
   90% of building material supply centers will stock and promote recycled content building materials that support local green jobs.

4. **Hard To Recycle:**

   A. Institutional and Commercial Food Service Ware & Packaging
   90% of customers (institutional and commercial) with separate organics collection purchase and use readily recyclable/reusable/compostable food service ware and packaging.

   B. Packaging Life Cycle Analysis and Recyclability Labeling
   90% of Alameda County brand owner/manufacturers will incorporate life-cycle metrics consistent with the Global Protocol on Packaging Sustainability into their packaging design process to reduce the environmental impact of their packaging, utilize accurate recyclability labeling which is compliant with the Federal Trade Commission's (FTC) Green Guides, and where possible, use the Sustainable Packaging Coalition's (SPC) How2Recycle label.

   C. Single Use Plastic Bags
   Single use plastic bags are strongly discouraged from distribution in retail stores.

DATE:	February 11, 2016
TO:	Programs & Administration Committee
FROM:	Wendy Sommer, Executive Director
BY:	Debra Kaufman, Senior Program Manager
SUBJECT:	Organics Processing Development Reserve Usage & Criteria

SUMMARY

The Organics Processing Development (OPD) reserve fund was created for the development of in-county organics processing capacity or facilities. The reserve currently has a balance of $7.1 million. Staff will give a presentation on how the funds have been spent and recommend that the Board direct staff to use the OPD reserve to fund projects that further the agency's goals to divert more organics beyond development of in-county processing facilities.

DISCUSSION

In 1998, the Agency established an Organics Processing Development (OPD) reserve fund for the development or advancement of in-county organics processing capacity or facilities. Of the funds that have been spent, the majority were spent on pursuing a compost facility in 2007 in Sunol which was not approved. Over time, given the absence of viable facilities investigated by the Agency, small amounts of the reserve have been used to promote organics diversion such as grants for businesses to buy indoor organics bins and funds to increase residential organics recovery. The majority of funds, however, remain reserved for in county processing capacity.

The OPD reserve currently has a balance of $7.1 million. Currently, there are two existing in-county projects going through the permitting process, which will ultimately come to the Authority Board for CoIWMP amendments. The first is a green waste windrow composting project in Livermore on Greenville Road, designed to take only plant debris. The other project is a covered aerated static pile (CASP) composting facility planned by Waste Management at the Altamont Landfill site, designed to accept up to 500 tons per day of green and food waste. Additionally, EBMUD is planning a facility in Oakland to handle Oakland's commercial food scraps (more details are provided below). Given this, staff recommends other uses for at least some of the OPD reserve, especially to promote increased participation in existing residential and commercial organics collection programs and to meet new laws related to organics diversion and capacity.

EBMUD Project

In 2008, the Agency negotiated terms with EBMUD to provide them with $1 million for in-county food scrap processing capacity if they met established criteria, (e.g. new diversion, equitable pricing for all member agencies, acceptance of commercial organics as set out by generators, and prohibiting the landfill disposal of residuals). In eight years, EBMUD was never able to meet these criteria, and recently went on to develop a project for new processing capacity for source separated commercial food waste.

This facility is expected to take commercial food waste from the City of Oakland via their collector, Waste Management, and will be sized to handle 190 tons per day. Agency staff informed EBMUD that the $1 million would be re-purposed for our own needs since their current project is substantially different than what was originally discussed, doesn't meet Agency criteria, and is the result of a franchise agreement. The WMA has adopted funding guidelines in the past that require participation by multiple agencies and prohibited subsidy of contractually required activity.

State Requirements and National Focus on Organics Diversion

Approximately 30% by weight of Alameda County's residential and commercial garbage is compostable organics. There is an increasing statewide focus on organics given the high percentage continuing to go to landfill, including:

- AB 876 recently was signed into law which requires local governments to identify 15 years of organics processing capacity, which our member Agencies will need to respond to
- The California Air Resources Board is considering phasing organics out of landfills by 2025 as a method to reduce methane production
- The Governor's 2015 Healthy Soils Initiative highlighted the benefits of compost and mulch application

In addition to the attention placed on reducing organics in the landfill via more composting and/or more anaerobic digestion, edible food waste reduction (food that can be donated rather than composted to help those in need), has also received attention. The EPA has partnered with the Ad Council to conduct a $90 million national campaign to educate consumers on how to avoid wasting edible food. Given this, it is timely for the Agency to consider participating in a food waste reduction outreach campaign or effort of some sort, to help leverage locally the resources that are being applied to address this issue statewide and nationally. At the state level, the Governor's office is interested in laws, programs, and policies that the state can put into place to reduce the amount of edible food wasted. Californians Against Waste, is working with NRDC on state legislation to reform product date requirements (e.g., use by, sell by, best by dates).

OPD Criteria

To help evaluate possible uses/projects for the OPD reserve, Agency staff propose using the same set of criteria for assessing and prioritizing the Agency's product decisions target projects. Possible organics projects that could be considered include efforts to increase the quantity and quality of participation in existing residential and commercial organics collection programs, efforts to increase edible food donation and reduce edible food waste, and helping member agencies meet planning capacity requirements of AB 876. After using the approved criteria to assess project ideas, staff would return during the FY 16-17 budget process with project suggestions to use some portion of the OPD reserve. The remainder of the OPD fund could be repurposed for other Agency priorities or reserved for future organics related projects.

The proposed criteria are contained within the memo in this packet related to Product Decisions Targets.

RECOMMENDATION

Staff recommends that the Committee direct staff to budget OPD reserve funds for organics diversion projects that go beyond in-county processing capacity, using the proposed product decisions criteria.