

Programs & Administration Committee

Dianne Martinez, **Chair**
City of Emeryville

Melissa Hernandez, **Vice Chair**
City of Dublin

David Haubert, County of Alameda

Trish Herrera Spencer, City of Alameda

Preston Jordan, City of Albany

Susan Wengraf, City of Berkeley

Jenny Kassan, City of Fremont

Mike Hannon, City of Newark

Shelia Young, Oro Loma Sanitary District

Jen Cavanaugh, City of Piedmont

Jack Balch, City of Pleasanton

Jaime Patiño, City of Union City

Timothy Burroughs, Executive Director

AGENDA
ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY MEETING
OF THE
PROGRAMS AND ADMINISTRATION COMMITTEE
Thursday, March 10, 2022
9:00 A.M.

TELECONFERENCE MEETING

Teleconference/Public Participation Information to Mitigate the Spread of COVID-19.

This meeting will be held entirely by teleconference. All Board members, staff, and the public will only participate via the Zoom platform using the process described below. The meeting is being conducted in compliance with the recent amendments to the Ralph M. Brown Act suspending certain teleconference rules due to the ongoing state of emergency and state and local health officials recommendations to maintain social distancing. The purpose of these amendments was to provide the safest environment for the public, elected officials, and staff while allowing for continued operation of the government and public participation during the COVID-19 pandemic.

Members of the public and staff who are not presenting an item may attend and participate in the meeting by:

1. Calling US: +1 669 900 6833 and using the Webinar ID: 869 3628 6521
2. Using the [Zoom](#) website or App and entering meeting code 869 3628 6521

Board members and any other individuals scheduled to speak at the meeting will be sent a unique link via email to access the meeting as a panelist. All Board members MUST use their unique link to attend the meeting. During the meeting the chair will explain the process for members of the public to be recognized to offer public comment. The process will be described on the StopWaste website at <http://www.stopwaste.org/virtual-meetings> no later than 5:00 p.m., Wednesday, March 9, 2022. The public may also comment during the meeting by sending an e-mail to publiccomment@stopwaste.org prior to the close of public comment on the item being addressed. Each e-mail will be read into the record for up to three minutes.

In accordance with the Americans with Disabilities Act and the recent amendments to the Ralph M. Brown Act, if you need assistance to participate in this meeting due to a disability, please contact the Clerk of the Board at (510) 891-6517. Notification 24 hours prior to the meeting will enable the agency to make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

I. CONVENE MEETING

II. ROLL CALL OF ATTENDANCE

III. PUBLIC COMMENTS

Open public discussion from the floor 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 unless a shorter period of time is set by the Chair.

Page IV. CONSENT CALENDAR

1 1. Approval of the Draft Minutes of February 10, 2022

3 2. Resolution regarding meeting via teleconference to promote social distancing, pursuant to AB 361

Adopt Resolution #PA 2022-03.

V. REGULAR CALENDAR

7 1. Rules of Procedure for Teleconferencing at Waste Management Authority and Committee Meetings (Timothy Burroughs)

Adopt Resolution #PA 2022-04 to recommend that the WMA Board remove the limit on the number of Board members who may utilize teleconferencing for Board and Committee meetings, and that this amendment to the Rules of Procedure be approved on an interim basis, until the end of calendar year 2022.

21 2. Core Fund Balance and Reserve Analysis (Pat Cabrera)

This item is for information only. Staff will continue to prepare and present annual fiscal forecasts using these newly developed models and advise the Boards of any changes in disposal trends which would require significant changes to Agency expenditures and/or revenues.

VI. MEMBER COMMENTS

VII. ADJOURNMENT – to April 14, 2022

DRAFT

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

Thursday, February 10, 2022

9:00 A.M.

TELECONFERENCE MEETING

Members Present:

County of Alameda

City of Alameda

City of Albany

City of Berkeley

City of Dublin

City of Emeryville

City of Fremont

City of Newark

Oro Loma Sanitary District

City of Piedmont

City of Pleasanton

City of Union City

David Haubert

Trish Herrera Spencer

Preston Jordan

Susan Wengraf

Melissa Hernandez

Dianne Martinez, Chair

Jenny Kassan

Mike Hannon

Shelia Young

Jen Cavanaugh

Jack Balch

Jaime Patiño

Staff Present:

Timothy Burroughs, Executive Director

Pat Cabrera, Administrative Services Director

Jeff Becerra, Communications Manager

Justin Lehrer, Operations Manager

Adrienne Ramirez, Assistant Clerk of the Board

Arliss Dunn, Clerk of the Board

I. Convene Meeting

Chair Dianne Martinez called the meeting to order at 9:02 a.m. Timothy Burroughs explained the process that would be utilized during the meeting. A link to the process is available here: [Virtual-Meetings-Instructions](#).

II. Public Comments

There were no public comments on the remote call and no public comments were received via the public comments email address.

III. CONSENT CALENDAR

1. Approval of the Draft Minutes of January 13, 2022

**2. Resolution regarding meeting via teleconference to promote social distancing, pursuant to AB 361
Adopt Resolution #PA 2022-02.**

DRAFT

There were no public comments for the Consent Calendar. Board member Jordan moved approval of the Consent Calendar and Board member Cavanaugh seconded. The motion carried 12-0. The Clerk called the roll:

(Ayes: Balch, Cavanaugh, Hannon, Haubert, Hernandez, Jordan, Kassan, Martinez, Patiño, Spencer, Wengraf, Young. Nays: None. Abstain: None. Absent: None)

IV. REGULAR CALENDAR

1. Reusable Foodware Project Update (Justin Lehrer)

This item is for information only.

Timothy Burroughs introduced the item. Justin Lehrer provided an overview of the staff report and presented a PowerPoint presentation. A link to the report and the presentation is available here: [Reusable Foodware Project Update.pdf](#). Additional time was provided to the Board for discussion and clarifying questions. An audio link to the discussion is available here: [Reusable-Foodware-Project-Update-Discussion](#)

Board members expressed support for continuing to pursue pilot projects that develop reuse infrastructure in the county, while remaining sensitive to business concerns given the challenges they have faced during the pandemic. Chair Martinez thanked Mr. Lehrer for the presentation and stated that she was pleased to see that as pandemic restrictions are easing that we are back on track in our efforts in promoting the use of reusables.

V. MEMBER COMMENTS

Timothy Burroughs stated that staff is developing recommendations regarding returning to in-person meetings after AB 361 is no longer in effect and will provide an update at a future P&A meeting.

VI. ADJOURNMENT

The meeting adjourned at 9:46 a.m.



DATE: March 10, 2022

TO: Programs & Administration Committee

FROM: Timothy Burroughs, Executive Director

SUBJECT: Resolution regarding meeting via teleconference to promote social distancing, pursuant to AB 361

SUMMARY

On September 16, 2021, the Governor signed into law as an urgency measure, AB 361 (Rivas), which allows local legislative bodies to continue to meet by teleconference in order to promote public health and safety, subject to certain conditions, which must be reconsidered every 30 days. At its March 10, 2022, meeting, the Programs & Administration Committee will consider a resolution to approve and direct the continued use of teleconferencing for its public meetings to enable social distancing, as long as the findings required by AB 361 are met and other provisions of the Brown Act are followed.

DISCUSSION

In light of the continued state of emergency declared by the Governor related to COVID-19, state and local officials have imposed or recommended measures to promote social distancing. This direction from state and local health officials is based on the increased safety protection that social distancing provides as one method to reduce the risk of COVID-19 transmission.

The state of emergency and associated direction from state and local health officials to promote social distancing continues to impact the ability for the Programs & Administration Committee to meet safely in person. The direction from public health officials that informs the findings in the attached resolution has not changed. Therefore, staff recommends that the Committee approve the attached resolution to direct the continued use of teleconferencing for its public meetings to enable social distancing, as long as the findings required by AB 361 are met and other provisions of the Brown Act are followed. The Committee will need to revisit the need to conduct meetings remotely at least every 30 days following adoption of the attached resolution.

RECOMMENDATION

Adopt resolution #PA 2022-03.

Attachment: Programs & Administration Committee Resolution #PA 2022-03

**PROGRAMS & ADMINISTRATION COMMITTEE
RESOLUTION #PA 2022-03**

**MOVED:
SECONDED:**

AT THE MEETING HELD MARCH 10, 2022

WHEREAS, in response to the COVID-19 pandemic, the Governor adopted a series of Executive Orders allowing the legislative bodies of local governments to meet remotely via teleconference so long as other provisions of the Brown Act were followed; and

WHEREAS, on September 16, 2021, the Governor signed into law as an urgency measure, AB 361, which allows for the continued use of remote meetings by local legislative bodies subject to certain conditions, which must be reconsidered every 30 days; and

WHEREAS, the Programs & Administration Committee has considered the current state of health guidance related to public meetings in Alameda County and finds it necessary to continue with remote meetings to promote public health and safety.

NOW THEREFORE BE IT RESOLVED, that the Programs & Administration Committee approves and directs the continued use of teleconferencing for its public meetings based on the following findings required by Government Code Section 54953(e), as amended by AB 361:

- The entire State of California remains under a proclaimed state of emergency as declared by the Governor of the State of California related to the COVID-19 pandemic.
- State and local officials have imposed or recommended measures to promote social distancing. For example, on September 23 the Alameda County Health Care Services Agency Director recommended social distancing at all meetings of the Board of Supervisors and its committees. This recommendation is consistent with the Division of Occupational Safety and Health of California's (Cal/OSHA) Emergency Temporary Standards, which require employers to train and instruct employees that the use of social distancing helps combat the spread of COVID-19 (8 Cal. Code Regs. 3205(c)(5)(D).).
- The state of emergency continues to directly impact the ability to meet safely in person. For example, given the constraints of the Program & Administration Committee's available meeting spaces, social distancing is difficult without severely limiting space for members of the public to attend.
- The Committee anticipates this resolution will appear on its consent calendar for review and ratification or update at each regular Committee meeting for as long as the Governor's proclaimed state of emergency related to the COVID-19 pandemic remains in effect and the Committee desires to continue remote public meetings.

BE IT FURTHER RESOLVED, that:

1. Programs & Administration Committee meetings will continue to be conducted remotely for the next 30 days in compliance with AB 361, to better ensure the health and safety of the public.
2. The Programs & Administration Committee will reconsider the circumstances of the state of emergency and the need to conduct meetings remotely at least every 30 days following adoption of this resolution.
3. If the Committee determines the need still exists at each 30-day mark, the determination will be ratified by a vote of the Committee documented in the minutes of that meeting.

Passed and adopted this 10th day of March 2022 by the following vote:

AYES:

NOES:

ABTAIN:

ABSENT:

Arliss Dunn, Clerk of the Board

This page intentionally left blank



DATE: March 10, 2022

TO: Programs and Administration Committee

FROM: Timothy Burroughs, Executive Director

SUBJECT: Rules of Procedure for Teleconferencing at Waste Management Authority and Committee Meetings

SUMMARY

The Waste Management Authority Rules of Procedure, which are approved and can be revised by the Board, state that no more than four Board members may utilize teleconferencing for a WMA Board meeting at no more than four teleconferencing locations. The Rules of Procedure also state that for the Programs and Administration (P&A) Committee, no more than two Committee members may utilize teleconferencing at a given Committee meeting, at no more than two teleconferencing locations. The purpose of this memo is for the P&A Committee to consider recommending to the WMA Board interim amendments to the Rules of Procedure, consistent with the Brown Act, to remove the limit on the number of Board members who may utilize teleconferencing for Board and Committee meetings. The interim amendments would be in place until the end of calendar year 2022, at which time the Board would reevaluate and consider next steps.

DISCUSSION

In order to promote public health and safety, the WMA Board and P&A Committee have met exclusively by teleconference since the onset of the COVID-19 pandemic in March 2020. Initially, it was an Executive Order issued by the Governor that streamlined legislative body teleconferencing by suspending certain Brown Act rules, including the requirements that all teleconference locations be made available for the public, that each teleconference location be identified on the agenda, and that the agenda be posted at each teleconference location. Then, on September 16, 2021, the Governor signed AB 361 into law, which amends the Brown Act to allow local legislative bodies to continue to meet by teleconference as they did under the Executive Order subject to various procedural safeguards that have consistently been a part of the WMA Board's practice. The "streamlined" teleconferencing pursuant to AB 361 is allowed only when the Governor has declared a state of emergency and the legislative body confirms every 30 days that state or local health officials have imposed or recommended measures to promote social distancing. The law remains in effect until January 1, 2024.

At such time as the streamlined procedures are no longer in place, the Board's standard Rules of Procedure will take effect. If the Board makes interim amendments to the Rules of Procedure regarding teleconferencing, then those changes would become effective at that time instead.

Staff is recommending that the P&A Committee and ultimately the WMA Board consider removing the limit on the number of Board members who may utilize teleconferencing for Board and Committee meetings. Current limits on the number of Board members who may teleconference are in Sections 3-8 and 5-13 of the WMA Board Rules of Procedure (Attachment 1).

Staff recommends that the Board make this amendment on an interim basis, until the end of calendar year 2022, at which time the Board would reevaluate the interim rules and decide on next steps.

Having corresponded with several other public agencies that operate in Alameda County and the Bay Area, staff has found that it is not standard practice for regional legislative bodies to have rules of procedure that limit the number of Board members who may participate by teleconference. Public agencies throughout the region are in the process of setting up "hybrid" meeting procedures, meaning that members of the legislative body, agency staff, and members of the public may participate in Board meetings either in person or via teleconference. The StopWaste Board room is equipped for hybrid meetings.

If the Board chooses to adopt interim amendments to the rules of procedure, then staff will provide specific instructions for Board and Committee members to ensure that Brown Act rules are followed. Specifically, the Brown Act requires the following once the streamlined procedures of AB 361 are no longer in effect:

- At least a quorum of the legislative body must participate from locations within the local agency's jurisdiction (i.e., Alameda County);
- Each teleconference location must be specifically identified in the notice and agenda of the meeting, including a full address and room number, as may be applicable;
- Agendas must be posted at each teleconference location, even if a hotel room or a residence;
- Each teleconference location, including a hotel room or residence, must be accessible to the public and have technology, such as a speakerphone, to enable the public to participate;
- The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location; and
- All votes must be by roll call.

Importantly, once a teleconference location is noticed to the public, Board members must ensure that someone is at the location at the time of the meeting to provide public access to the space and to provide the public the ability to make comments. Also, Board members must provide the Clerk of the Board with their meeting location details at least one week prior to the Board meeting to ensure that the Agency meets required noticing deadlines.

Finally, staff encourages the Board to attend the May 25, 2022, Board meeting in person, which is the date the Board will consider Agency budget adoption, and also attend in person the last meeting of the calendar year in December to review 2022 accomplishments and prepare for the new year.

RECOMMENDATION

Adopt Resolution #PA 2022-04 to recommend that the WMA Board remove the limit on the number of Board members who may utilize teleconferencing for Board and Committee meetings, and that this amendment to the Rules of Procedure be approved on an interim basis, until the end of calendar year 2022.

Attachment 1: Current Alameda County Waste Management Authority Board Rules of Procedure

PROGRAMS & ADMINISTRATION COMMITTEE

RESOLUTION #PA 2022-04

**MOVED:
SECONDED:**

AT THE MEETING HELD MARCH 10, 2022

INTERIM AMENDMENTS TO THE RULES OF PROCEDURE REGARDING TELECONFERENCING

WHEREAS, the Alameda County Waste Management Authority Rules of Procedure allow no more than four WMA Board members to utilize teleconferencing at a Board meeting at no more than four teleconferencing locations, and

WHEREAS, the WMA Board Rules of Procedure allow no more than two members of the Programs & Administration Committee to utilize teleconferencing at a Committee meeting at no more than two teleconference locations, and

WHEREAS, these limitations were suspended during the COVID-19 public health emergency to allow all Board members to participate via teleconference to protect public health and safety and will take effect at such time as the Board and Programs & Administration Committee resume in person meetings, and

WHEREAS, the Brown Act sets strict rules for teleconferencing, designed to enable members of the public to access and participate in meetings of legislative bodies at teleconference locations, and

WHEREAS, having corresponded with several other public agencies that operate in Alameda County and the Bay Area, staff has found that it is not standard practice for regional legislative bodies to have rules of procedure that limit the number of board members who may participate by teleconference, and

WHEREAS, staff is recommending that the Programs & Administration Committee consider recommending to the WMA Board amendments to the Rules of Procedure, removing the limit on the number of Board members who may utilize teleconferencing for Board and Committee meetings for an interim period, until the end of calendar year 2022,

NOW THEREFORE, BE IT RESOLVED, that the Programs & Administration Committee recommends that the WMA Board remove the limit on the number of Board members who may utilize teleconferencing for Board and Committee meetings, and that this amendment to the Rules of Procedure be approved on an interim basis, until the end of calendar year 2022.

Passed and adopted this 10th day of March 2022 by the following vote::

AYES:

NOES:

ABSENT:

ABSTAINED:

Arliss Dunn, Clerk of the Board

ATTACHMENT 1

Alameda County Waste Management Authority
Rules of Procedure
Page 1

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY

WASTE MANAGEMENT AUTHORITY BOARD

RULES OF PROCEDURE

REVISED October 25, 2017

Article 1

General Provisions

- Section 1-1 Name of Board The name of the Board is the Alameda County Waste Management Authority Board (hereinafter referenced as “WMA Board”).
- Section 1-2 Authority for Rules These rules apply to the WMA Board (including Committees of the WMA Board) and are adopted pursuant to the Joint Exercise of Powers Agreement for Waste Management dated February 13, 1990, as it may be amended from time to time. The provisions of said agreement are herein incorporated by reference.
- Section 1-3 Purpose of Rules The purpose of these rules is to provide for the orderly and fair conduct of the meetings of the WMA Board.

Article 2

Organization of WMA Board

- Section 2-1 Composition of WMA Board The WMA Board is composed of seventeen (17) members and seventeen (17) alternates appointed pursuant to the agreement creating the Alameda County Waste Management Authority (hereinafter referenced as “WMA”).
- Section 2-2 Officers The Officers of the WMA Board shall be a President, First Vice-President and Second Vice-President, who shall serve until the elections of their successors in accordance with Section 2-3.
- Section 2-3 Election of Officers The Officers shall be elected at the regular meeting of the WMA in the month of June of each year. They shall be elected by a majority of the total authorized vote of the WMA Board and shall serve from July 1 through June 30 of the following year. No member may serve more than one term in the same leadership position on the WMA Board within a two-year time frame. This does not limit a person who has served in one office for a year serving in a

different office the following year (e.g., the First Vice President in one year serving as the President the next year).

- Section 2-4 Executive Director The WMA Board shall appoint an Executive Director of the WMA who shall be responsible for, among other duties, administration of WMA programs.
- Section 2-5 Duties of President The President shall preside at all meetings of the WMA Board and shall conduct the business of the WMA Board in the manner prescribed by these Rules. The President shall preserve order and decorum and shall decide all questions of order subject to the action of a majority of the WMA Board.
- Section 2-6 Duties of the First and Second Vice-President In the absence or inability of the President to act, the Vice Presidents shall perform the duties of the President in the order of the succession.
- Section 2-7 Duties of Executive Director In addition to the duties set forth in the Joint Exercise of Powers Agreement, the Executive Director shall perform the following duties:
- (a) Prepare an agenda for each meeting of the WMA Board;
 - (b) Attend each meeting of the WMA Board;
 - (c) Appoint a Clerk of the Board to:
 - (i) Notify all WMA Board members of the time and place of each meeting;
 - (ii) Maintain a record of all proceedings of the WMA Board;
 - (iii) Maintain all records of the WMA ;
 - (iv) Maintain records of the proceedings of the WMA Board and its committees ; and
 - (v) Attest to the WMA Board's approval of ordinances, resolutions, and other expressions of WMA Board policy.
 - (d) Perform other duties directed by law, the Officers, or the WMA Board. These duties may be delegated as determined necessary by the Executive Director.

Article 3
Meetings of WMA Board

- Section 3-1 Regular Meetings Regular monthly meetings will be held at 3:00 p.m. on the fourth Wednesday of the month, except for the months of November and December when the meetings will be held at 3:00 p.m. on the third Wednesday of the month.
- Section 3-1.1 Cancellation and/or Reschedule of Regular Meetings Any regular meeting of the WMA Board may be canceled or rescheduled by the President, or the Executive Director on the direction of the President, no less than seven (7) calendar days prior to the scheduled date of such meeting. Notification of cancellation or reschedule shall be mailed to all parties who are notified of regular meetings of the WMA Board.
- Section 3-2 Special Meetings Special meetings of the WMA Board may be called by order of the President or by a majority of the members. The order calling the special meeting shall specify the time of the meeting and the business to be transacted at such meeting.
- Section 3-3 Adjourned Meetings Any regular meeting of the WMA Board may be adjourned to any date prior to the date established for the next regular meeting. Any adjourned regular meeting is part of the regular meeting. Any special meeting may be adjourned, and any adjourned special meeting is part of the special meeting.
- Section 3-4 Effect of Holiday If any meeting day or adjourned meeting day falls on a holiday, the meeting of the WMA Board shall be specially scheduled by the WMA Board.
- Section 3-5 Quorum A majority of the members of the WMA Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time pursuant to Section 3-6 of these Rules.
- Section 3-6 Absence of Quorum In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place, and the absent members shall be notified. If all members are absent, the Executive Director shall adjourn the meeting to a stated time and place and notify all members pursuant to Section 3-7 of these Rules.

Section 3-7 Notice of Meetings All meetings of the WMA Board shall be held subject to the provisions of the Ralph M. Brown Act (see Sections 54950 et. seq. of the California Government Code) and other applicable laws of the State of California requiring notice of meetings of the WMA Board.

Section 3-8 Teleconferencing WMA Board members who are unable to attend a meeting in person are encouraged to have their member agency's alternate attend in their place. WMA Board members unable to attend a meeting in person may participate in meetings by teleconference in accordance with this section. No more than four WMA Board members may utilize teleconferencing at a WMA Board meeting at no more than four teleconferencing locations. A WMA Board member wishing to utilize teleconferencing should notify the Clerk of the Board prior to the release of the agenda for the affected WMA Board meeting of the teleconference location that is accessible to the public. Agendas are typically released five (5) days in advance of the meeting. The Clerk of the Board will identify the teleconference location in the agenda of the meeting and ensure posting of the agenda at the teleconference location. Votes at a WMA Board meeting where teleconferencing is utilized will be taken by roll call. If more than four members request teleconferencing, the four selected shall be chosen on the basis of the order of request, and in the case of ties, by seniority on the WMA Board. Members shall be compensated for attendance via teleconferencing on the same basis they would be if they were physically present.

Section 3-9 Compensation WMA Board members and alternates are compensated in accordance with compensation policies approved by the WMA Board. WMA Board members must attend a WMA Board meeting to be compensated for that meeting. An agency appointed alternate may be compensated only if WMA member from that agency is not present at the meeting.

Article 4
Conduct of Meetings

- Section 4-1 Order of Business The business of each meeting of the WMA Board shall be transacted as far as is practicable in the following order:
- (a) Call to order;
 - (b) Roll call of attendance;
 - (c) Announcements by President;
 - (d) Open public discussion from the floor;
 - (e) Approval of minutes of prior meetings (may be included in the consent calendar);
 - (f) Consent calendar;
 - (g) Regular calendar;
 - (h) Member comments and communications from the Executive Director; and
 - (i) Adjournment.

The above order of business may be suspended or changed at any time upon order of the President. The consent calendar may contain those matters the nature of which have been determined by the Executive Director to be routine, and items that have been recommended by a Committee for WMA Board approval, and will be approved by a single action. Any item shall be removed from the consent calendar and placed for discussion on the regular calendar at the request of any member. WMA Board members who were not in attendance at a meeting but have read the minutes of the meeting may vote in connection with approval of those minutes. The regular calendar shall contain all other matters and business.

Open public discussion from the floor is provided for any member of the public wishing to speak on any matter within the jurisdiction of the WMA, but not listed on the agenda. Each speaker is limited to three minutes unless a shorter period of time is set by the President.

- Section 4-2 Parliamentary Rules The rules and procedures set forth in Rosenberg's Rules of Order (Exhibit 1) are hereby adopted for the government of the WMA Board in all cases not otherwise provided for in these rules.

- Section 4-3 Vote Required A two-thirds majority of the total authorized vote shall be required for expenditures of \$500,000 or more. Except as

provided by the Joint Powers Agreement (specifically amendments to the JPA and approval of a new member to the JPA which also require a two-thirds majority of the authorized vote), a majority of the authorized vote shall be required for all other actions.
An abstention to vote by any member shall be construed as that member not voting on a particular matter.

- Section 4-3.1 Alternate's Vote An agency alternate may vote on any matter under consideration only in the absence of the agency member from the meeting or as provided under Section 4-6 of these rules.
- Section 4-4 Roll Call Votes Roll call votes shall proceed in the following manner:
(i) The presiding officer will direct the Clerk of the Board to report on the WMA Board members who have joined or left the meeting since the roll call of attendance at the beginning of the meeting;
(ii) The presiding officer will ask for a voice vote on the matter;
(iii) If there are no "nay" votes or abstentions, the presiding officer will direct that the matter be reported as passed unanimously with the names of all WMA Board members in attendance reported as voting in favor;
(iv) If there are any "nay" votes or abstentions, the presiding officer will direct the Clerk of the Board to call the name of each agency and record the vote of the representative of the agency and then report the total number of "aye," "nay" and "abstain" votes.
(v) The roll call shall be in alphabetical order of the name of the agency, except that the President shall be called last.
- Section 4-5 Roll Call Not Required The roll need not be called in voting upon a motion except when requested by a member or otherwise required by law. If the roll is not called, in the absence of objection, the President may order the motion unanimously approved.
- Section 4-6 Voting Ineligibility Any member attending a WMA Board meeting and ineligible to vote on any matter under consideration by the WMA Board at that meeting shall briefly describe the reason for being ineligible and then leave the WMA Board table before the matter is considered and refrain from participation in any action concerning the matter. If the member is ineligible due to a conflict of interest under the Political Reform Act, the member's disclosure shall include the information required by that Act and the member shall leave the room and not be counted towards a quorum. Notwithstanding the

foregoing, a member is not required to leave the WMA Board table or room for matters that are on the consent calendar.

Article 5 Committees

Section 5-1 Committees: Specific Committees, Notice of Meetings and General Rules

The WMA Board has two Committees: The Programs and Administration Committee (P&A) and the Alameda County Recycling Board serving as a committee of the WMA (Planning Committee). (See Sections 5.3– 5.6)

Any committee that constitutes a quorum of the WMA Board shall be noticed as both a meeting of the committee and a meeting of the WMA Board. Meetings of the Planning Committee shall be noticed as both a meeting of the committee and a meeting of the Recycling Board (RB). General rules pertaining to WMA Board committees are as follows:

- Only Committee members are permitted to vote on matters before the Committee.
- WMA alternates are members of the P&A Committee if the WMA P&A Committee member from their agency is not present.
- Because WMA alternates may not serve on the RB per the County Charter, WMA alternates are not members of the Planning Committee under any circumstances.
- No Committee may take final agency action on behalf of the WMA Board.
- Only Committee members (including WMA alternates attending the P&A Committee if the WMA member from their agency is not present) will receive compensation for attending the meeting.
- A majority of the Committee members present and voting is required for adoption of recommendations/actions.
- WMA Board members who are not Committee members may attend a Committee meeting but will not count towards formation of the quorum necessary to conduct the meeting nor will they receive compensation.

- Section 5-2 Planning Committee Vacancy When a vacancy occurs on the Planning Committee, the Executive Director shall request the WMA Board to appoint a replacement.
- Section 5-3 P&A Committee This committee consists of the twelve WMA Board members who are not members of the Recycling Board (RB)/Planning Committee.
- The P&A Committee primarily provides oversight for administration and communications projects and other projects that are not assigned to the Planning Committee.
- Section 5-4 The P&A Committee Administration. The P&A Committee meets on the 2nd Thursday of each month at 9:00 a.m. at the WMA office. Six P&A Committee members constitute a quorum. The officers of the P&A Committee shall be a Chair and Vice Chair who shall serve until the elections of their successors. Beginning in June, 2018 the Chair and Vice Chair shall be elected at the regular meeting of the Committee in the month of June of each year. They shall be elected by a majority of the total authorized vote of the Committee and shall serve from July 1 through June 30 of the following year. Beginning July 1, 2018 no member may serve more than one term in the same leadership position on the P&A Committee within a two-year time frame. This does not limit a person who has served in one office for a year serving in a different office the following year (e.g., the Vice Chair in one year serving as the Chair the next year).
- Section 5-5 Planning Committee. This committee consists of the eleven Recycling Board (RB) members. The Planning Committee will primarily provide oversight for projects assigned to it in the areas of source reduction, market development, recycled content purchasing, grants to non-profits, and planning projects.
- Section 5-6 Planning Committee Administration The RB typically meets on the second Thursday of each month at 4 or 7 p.m. at locations determined by the RB. Meetings of the Planning Committee will be at the times and locations of RB meetings. Six RB members constitute a quorum. In accordance with Measure D, the RB formulates rules for its own procedures and other rules as necessary to facilitate the implementation of Measure D.

- Section 5-7 Other Committees The President or the WMA Board may appoint such other committees from time to time as may be appropriate to administer the powers and programs of the WMA.
- Section 5-8 Cancellation and/or Reschedule of Regular Committee Meetings Any regular Committee meeting of the WMA may be canceled or rescheduled by the Chair, or the Executive Director with the consent of the Chair, no less than seven (7) calendar days prior to the scheduled date of such meeting. Notification of cancellation or reschedule shall be mailed to all parties who are notified of regular meetings of the Committee.
- Section 5-9 Special Meetings Special Committee meetings may be called by order of the applicable Committee Chair or the Executive Director with the consent of the Chair or by a majority of the members of the Committee acting at a properly noticed public meeting. The order calling the special meeting shall specify the time of the meeting and the business to be transacted at such meeting.
- Section 5-10 Adjourned Meetings Any regular meeting of a Committee may be adjourned to any date prior to the date established for the next regular meeting. Any adjourned regular meeting is part of the regular meeting. Any special meeting may be adjourned, and any adjourned special meeting is part of the special meeting.
- Section 5-11 Effect of Holiday If any meeting day or adjourned meeting day falls on a holiday, the meeting of the Committee shall be specially scheduled by a majority vote of the Committee.
- Section 5-12 Absence of Quorum In the absence of a quorum, the members present shall adjourn the meeting to a stated time and place, and the absent members shall be notified. If all members are absent, the Executive Director shall adjourn the meeting to a stated time and place and notify all members pursuant to Section 3-7 of these Rules.
- Section 5-13 Teleconferencing Committee members unable to attend a meeting in person may participate in meetings by teleconference in accordance with this section. P&A Committee members who are unable to attend a P&A Committee meeting in person are encouraged to have their member agency's alternate attend in their

place. No more than two Committee members may utilize teleconferencing per Committee meeting at no more than two teleconferencing locations. A Committee member wishing to utilize teleconferencing should notify the Clerk of the Board prior to the release of the agenda for the affected Committee meeting of the teleconference location that is accessible to the public. Agendas are typically released five (5) days in advance of the meeting. The Clerk of the Board will identify the teleconference location in the agenda of the meeting and ensure posting of the agenda at the teleconference location. Votes at a Committee meeting where teleconferencing is utilized will be taken by roll call in accordance with the procedures for meetings of the WMA Board. If more than two members request teleconferencing, the two selected shall be chosen on the basis of the order of request, and in the case of ties, by seniority on the WMA Board. Members shall be compensated for attendance via teleconferencing on the same basis they would be if they were physically present.

DATE: March 10, 2022

TO: Programs and Administration Committee
Planning Committee/Recycling Board

FROM: Pat Cabrera, Administrative Services Director

SUBJECT: Core Fund Balance and Reserve Analysis

SUMMARY

The Agency engaged the consulting services of Crowe LLP to perform fiscal forecasts and a core fund balance and reserve analysis to help determine an adequate or minimum funding level for those resources. This analysis focused on the Agency's core revenue structure and projected expenditures (the Agency's "core" budget is effectively the Agency's general fund, and the primary source of revenue for the core budget is landfill tonnage-based fees). Crowe also developed a forecasting model, including seven scenarios that staff can use to update the projections and help determine funding trends and associated fiscal measures to support the Agency's operations and mission. At the March 10 meetings of the Programs and Administration Committee and the Planning Committee/Recycling Board, staff will present the findings of this study and implications for the Agency's fiscal planning. This presentation will also encompass the annual fiscal forecast.

DISCUSSION

For several years staff have presented core revenue and expenditure fiscal forecasts to the P&A Committee and Planning Committee/Recycling Board each spring. The forecasts provide prior and current year data and include preliminary budget figures for the upcoming fiscal year, as well as three-year projections. These forecasts serve two main purposes: 1) to help determine the level of core expenditures for the next fiscal year budget and 2) to project core revenues for the following three years, which helps inform the Agency of potential fiscal issues. Since the Agency's primary source of core revenue comes from tonnage-based fees (also referred to as tipping fees) charged at the landfill, tracking disposal and projecting trends is a priority.

The current year budget assumes modest declines in tonnage-based revenue disposed at an in-County facility, and that projection has proved accurate to date, based on actual data for the current fiscal year. The previous forecast assumed level core expenditures, which the Agency has been able to achieve thus far through prudent spending. This includes matching or in some cases budgeting less core expenditures compared to core revenue and using expenditure surpluses and one-time or excess revenues to shore up the core fund balance and/or pay down unfunded liability. At the end of FY 20-21 the combined core fund balance and reserves totaled approximately \$26.9M, which is approximately 2.5 times the Agency's annual core budget.

Because the Agency's mission is to reduce landfill disposal, including the goal in the Countywide Integrated Waste Management Plan of achieving landfill obsolescence by 2050, it has increased fund balances and/or reserves through the years, knowing that its primary source of revenue will decline over time. Under the current revenue structure, maintaining consistent core expenditures will at some point not be sustainable. As revenues decrease, or even if revenues remain flat, consistent or increased expenditures would over time lead to structural deficits. As such, some threshold of fund balance will be needed to fill in budgetary gaps while critical financial and programmatic decisions are being made and implemented, such as reductions in certain expenditures and/or consideration of an increase or restructuring of fees. Given the unique manner in which the Agency is funded and its overall mission to reduce disposal, determining what that threshold should be required a comprehensive analysis beyond our usual fiscal forecasts. The Crowe analysis (Attachment 1) provided that information based on differing scenarios as discussed below.

FORECAST SCENARIOS

The main purpose of the Crowe analysis is to help determine an adequate or minimum core fund balance with reserves that the Agency should maintain that both supports advancement of the Agency's mission today, while also providing the means to plan for the future. To achieve this purpose, the consultants assisted with developing seven forecasting scenarios as described below (see page 9 of Attachment 1 for more a detailed description of each scenario). The Agency intended for these scenarios to cover a range of potential circumstances that could occur in the future and the potential impact of these scenarios on the Agency's reserves and fund balance.

For purposes of this analysis, Scenario A represents the best case from a revenue perspective, descending to Scenario G which is the worst case, again from a revenue perspective. The basis for Scenarios A, B, C, and F is historical, meaning that a review of historical trends such a disposal changes over a specific time frame and/or impacts from the recession were factored into the forecast. The basis for Scenarios D, E, and G is "goal-based," meaning that the trends reflect longer-term declines in tonnage based on policy goals.

Scenario Descriptions

Scenario	Brief Description	Tonnage Change	Basis
A. Status Quo with Growth	Slight growth based on most recent five years	Increase	Historical
B. Status Quo	Tonnage stays flat	No Change	Historical
C. Economic Cycle	Declines based on most recent 15 years	Decrease	Historical
D. Organics	Achieve 75% reduction in landfilled organics by Jan 1, 2025 (FY 24/25) using a FY 20/21 baseline (SB 1383 ¹), then tonnage stays flat	Decrease	Goal-based
E. Organics and Recyclables	Achieve 75% reduction in landfilled organics by Jan 1, 2025 (FY 24/25) using a FY 20/21 baseline (SB 1383), then 75% reduction in recyclables by FY 29/30	Decrease	Goal-based
F. Recession	Tonnage declines similar to 2008 Recession to its recovery	Decrease	Historical
G. Recycling Plan	Achieve Recycling Plan goal of 100% diversion by 2045	Decrease	Goal-based

Scenario assumptions, including projected changes in tonnage, expenditures, and staffing levels (FTEs)

Scenario	Revenue (Tonnage) Projection			Expenditure Projection	
	Annual Change	3-Year Change (FY 23/24)	9-Year Change (FY 29/30)	Annual Expenditures/ Inflation	Core FTEs
A. Status Quo with Growth	+0.5%	+1.5%	+4.6%	FY 21/22 and 22-23 expenditures match budget, 7% in FY 23-24, then 3% per year	43.4 Core FTEs
B. Status Quo	0.0%	0.0%	0.0%		
C. Economic Cycle	-2.0%	-5.9%	-16.6%		
D. Organics	-4.0% (-40,498 tons/year thru FY 24/25)	-11.0%	-14.7%		
E. Organics and Recyclables	-4.0% (-40,498 tons/year thru FY 24/25) -1.5% (-14,399 tons/year thru FY 29/30)	-11.0%	-21.2%		
F. Recession ²	-4.0%	-11.5%	-30.7%	FY 21-22 and 22-23 expenditures match budget, then 7% per year	43.4 Core FTEs through FY 22-23, then increases to 50 FTEs by FY 27-28
G. Recycling Plan	-6.0%	-16.9%	-42.7%		

¹ Senate Bill 1383 Short-lived climate pollutants. Section 39730.6. Requires local government to reach a 75% reduction in organics landfilled by January 1, 2025. StopWaste is using a FY 20-21 baseline for the purposes of the projection.

² Although inflation is typically low during a recession, the Agency used the high expenditure escalation in this scenario to show a higher bound expectation for expenditures over the time period.

KEY FINDINGS FROM THE SCENARIO ANALYSIS

The main way in which the Crowe analysis is useful to the Agency is that it helps identify a level of fund balance and reserves needed, for each scenario, to support the Agency's operations and mission while making any needed adjustments to expenditures and/or revenues. Summarized below are some main takeaways from the analysis. Further below is a more detailed discussion of these takeaways.

Here are the key findings:

- Under all seven scenarios, the Agency has accumulated sufficient fund balance and reserves, currently approximately \$26.9M, to address any operating deficit at least through FY 23-24. The Agency's current fund balance is at a level that allows for strategic one-time spending in excess of revenues of up to \$1.5M in FY22-23
- Based on current fund balance, the Agency does not require any fee adjustments at this time
- The longer-term forecast (through FY 29-30) shows a decline in all fund balances and reserves even in the best-case scenario, with some scenarios showing the Agency exhausting all fund balances and reserves. That is because even in the scenario which shows revenue growth, it will not outpace inflationary impacts
- The Agency's unique circumstances related to revenue generation and the complexity of adjusting the fees that generate Agency revenue expose the Agency to financial risk in the longer-term, which points to the benefits of maintaining higher fund balance than other area waste management authorities that have different, more nimble fee structures
- The Agency can use the tools developed as part of this project on an on-going basis to inform its budgetary and policy decision-making going forward. With active monitoring of the Agency's fund balance, the Agency can more proactively assess and manage potential surpluses or deficits. In the event of a potential deficit three years out, the Agency can, ahead of time, limit or reduce expenditures, or if adjusting expenditures is not sufficient, initiate the two-to-three-year process for approval of a fee increase or restructuring.

MINIMUM FUND BALANCES AND RESERVES

As mentioned previously, a component of this analysis was to help determine what the Agency should maintain as an appropriate level of fund balance with reserves. The Crowe report refers to this amount as the "incremental fund balance with reserves," or what Agency staff consider to be the minimum level of funding required per forecasting scenario in order to continue to efficiently operate while decisions are made to address funding imbalances if needed. This calculation is described in detail on page 12 of the report (Attachment 1). The three-year timeframe is used because actions to address funding declines, whether it is a fee increase or programmatic changes (i.e., reductions), take time to implement effectively.

As of today, the Agency would have sufficient surplus fund balance and reserves based on any of the seven scenarios to operate under an annual deficit for at least the next three years. Furthermore, as shown on p. 14 (exhibit 5) of the report (Attachment 1), all scenarios show a surplus above this minimum level ranging from approximately \$15.8M (best case) to \$11.1M (worst case). This surplus allows for some strategic one-time spending in excess of current fiscal year revenues, in order to advance the Agency's mission. This highlights the difference between the Agency's shorter term financial position, which is stable, and the longer-term challenges that it will have to address at some point. Provided that the Agency maintains at least a minimum level of fund balance there is some discretion for one-time spending if needed.

The Agency often compares the combined fund balance and reserves to the annual core budget, e.g., the combined fund balance and reserves are equivalent to 2.5 times an average core budget. Therefore, another way to describe the minimum funding level is an amount equivalent to 1 to 1.4 times an average core budget (depending on the scenario). The Agency currently meets that minimum with additional surplus equivalent to approximately one year.

BENCHMARK WITH OTHER AGENCIES

Crowe gathered funding information from other neighboring waste management authorities. As shown on pgs. 23 and 24 of the report (Attachment 1), the revenues funding these agencies are structured very differently and as such, are not particularly useful comparators. Central Contra Costa Waste Authority, Marin County Hazardous and Solid Waste, West Valley Solid Waste Management Authority and West Contra Costa Waste Authority receive their revenue through franchise agreements, which can be increased annually. While South Bayside Waste Management Authority and Sonoma County Waste Management Agency do rely on tipping fees, they own the transfer station and/or landfills and can also raise rates annually. The Agency does not own or operate a landfill or transfer station, therefore raising tipping fees or securing another funding source will require voter approval. As such, the Agency does not have the flexibility to raise fees as do these other authorities, which was one of the key findings by Crowe and further supports the need to have a higher fund balance/reserve and to continue to be nimble and prudent with our expenditures.

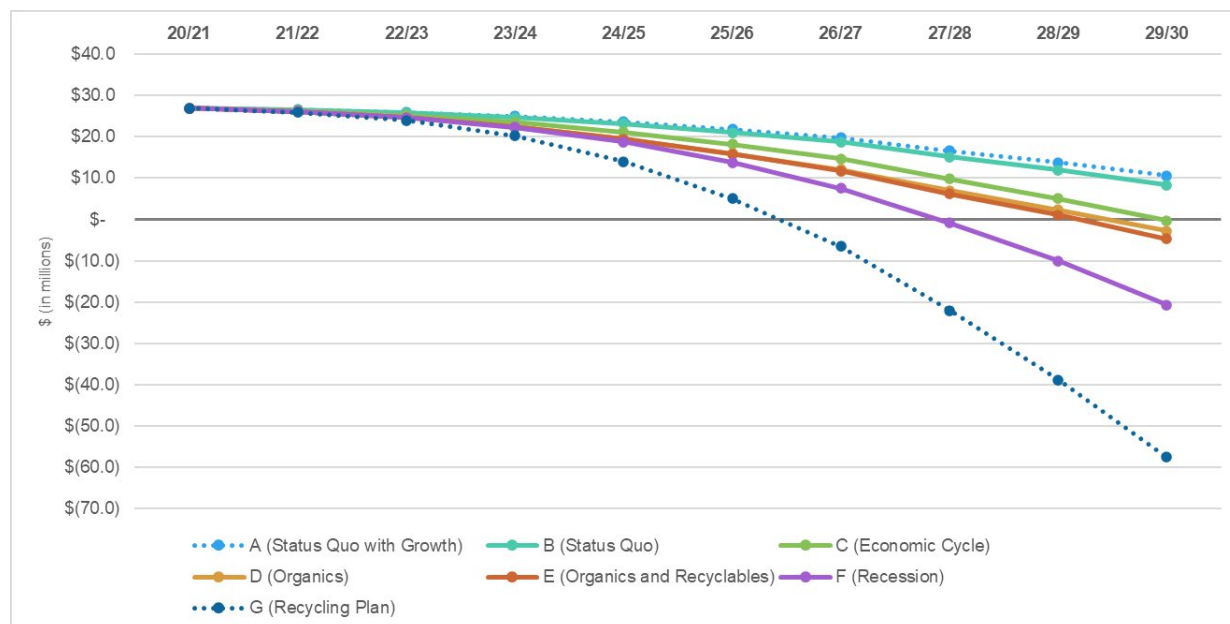
LONGER TERM FORECASTS

While financial forecasting is a valuable tool, it is an estimate that becomes less accurate the further out data are projected. However, extending the scenarios through FY 29-30 still provides insight as shown below.

Projected Ending Fund Balance with Reserves – Years 3, 6, and 9

Scenario	Base Year 2020/21	Year 3 2023/24	Year 6 2026/27	Year 9 2029/30
A. Status Quo with Growth	\$26.9 million	\$25.0 million	\$19.8 million	\$10.6 million
B. Status Quo	\$26.9 million	\$24.7 million	\$18.7 million	\$8.3 million
C. Economic Cycle	\$26.9 million	\$23.5 million	\$14.7 million	-\$0.2 million
D. Organics	\$26.9 million	\$22.4 million	\$12.1 million	-\$2.8 million
E. Organics and Recyclables	\$26.9 million	\$22.4 million	\$11.7 million	-\$4.7 million
F. Recession	\$26.9 million	\$22.3 million	\$7.6 million	-\$20.6 million
G. Recycling Plan	\$26.9 million	\$20.3 million	-\$6.6 million	-\$57.5 million

Projected Fund Balance with Reserves (FY 20-21 through FY 29-30)



The longer-term forecast (thru FY 29-30) shows a decline in all fund balances and reserves even in the best-case scenario, with scenarios C- G showing the Agency exhausting all fund balances and reserves. That is because simple inflationary increases will outpace revenues in the best-case scenario, and more likely we will experience declines in tonnage-based revenues over time. While the Agency will plan ahead to minimize the risk of these longer-term forecasts, they do highlight the need for the Agency to continue to regularly update the forecasting models to help identify trends and to address this fiscal imbalance at some point in the not-too-distant future.

BUDGET IMPACTS FOR FY 22-23

While the longer-term forecasts indicate challenges for the Agency, the short-term forecasts show that even in the worst-case scenario the Agency is in a stable financial position. In fact, the Agency does not have to adhere to a strict core revenue-to-core expenditure budget if there is a need to increase spending next fiscal year. As previously mentioned, under any of the seven scenarios (p. 16 of Attachment 1), the Agency could spend an additional \$1.5M in FY 22-23 (and FY 23-24) and still maintain a surplus beyond the minimum fund balance and reserves needed to provide an adequate timeline for fiscal planning.

Staff is in the process of preparing the FY 22-23 budget, which will be presented at the joint session of the Boards and the Energy Council on April 27, 2022. While the Agency will always exercise fiscal prudence, this analysis provides particularly useful information given potential higher expenditures associated with SB 1383 implementation, prioritization of efforts to reduce single-use foodware, and additional focus on grant distribution, particularly to underserved communities.

RECOMMENDATION

This item is for information only. Staff will continue to prepare and present annual fiscal forecasts using these newly developed models and advise the Boards of any changes in disposal trends which would require significant changes to Agency expenditures and/or revenues.

Attachment 1: Crowe report: Fiscal Forecasts and Fund Balance/Reserve Analysis

This page intentionally left blank



Smart decisions. Lasting value.™

Fiscal Forecasts and Fund Balance/Reserve Analysis

February 24, 2022



Submitted to:

Alameda County Waste Management Authority, the
Alameda County Source Reduction and Recycling Board,
and the Energy Council (StopWaste)
1537 Webster Street
Oakland, CA 94612

 This report is printed on 100% post-consumer recycled content paper.



Table of Contents

Executive Summary	1
1. Incremental Fund Balance with Reserves	6
A. Scenarios and Assumptions	6
B. Incremental Fund Balance with Reserves	12
C. Scenario Projections	17
2. Benchmarking Results.....	20
3. Disclosure	25
Appendix A: Individual Scenario Incremental Fund Balance Calculations	26

Executive Summary

In recent history, Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board, and the Energy Council (StopWaste or the Agency) has matched core¹ expenditures with core revenues, but the Agency is now at a point where its expenditures are expected to exceed revenues. The Agency projects that expenditures must continue to increase as cost-of-living increases and revenues are expected to decline as member agency programmatic efforts continue to evolve and advance. The Agency may start entering a period of a structural deficit (where annual expenditures exceed revenues), depending on the actual extent of landfill tonnage declines, and thus, the Agency is proactively conducting an analysis and developing a decision-making tool based on varying scenarios. The services were provided under AICPA Consulting Services only. Section 3 of this report provides the disclosure for this analysis.

Comparisons to six (6) neighboring waste management authorities indicate that comparable relative fund balance/reserve levels are somewhat lower than the Agency's. However, these comparable authorities generally have less extensive program requirements and more stable and controllable and predictable revenue generating capabilities (e.g., through rates charged to customers annually). In contrast, the Agency relies on a landfill fee revenue source which is uncontrollable and in long-term decline. Additionally, the Agency must undergo a multi-year approval timeline to adjust its fees. Consequently, due to the higher risk to meet its budgetary requirements and the less stable revenues, the Agency believes it is justified to maintain a higher relative fund balance/reserve level than comparable waste management authorities.

As part of this scope of work, we assisted the Agency, using their own data, to develop a fund balance model (in Excel). We then used the Agency's model to calculate the impacts of various Agency developed scenarios. The Agency intended for these scenarios to cover a range of potential circumstances that could occur in the future and the potential impact of these scenarios on the Agency's reserves and fund balance². This analysis calculated the impact on the Agency fund/reserve balance under seven (7) scenarios as follows:

1. Scenario A – Status Quo with Growth
2. Scenario B – Status Quo
3. Scenario C – Economic Cycle
4. Scenario D – Organics
5. Scenario E – Organics and Recyclables
6. Scenario F – Recession
7. Scenario G – Recycling Plan (Landfill Obsolescence).

Exhibit ES-1 provides a brief description and the basis of projection for each scenario. One scenario has tonnage slightly growing, one scenario has tonnage remaining constant, while other five scenarios project decreasing tonnage that range from small to large annual declines. Each scenario is based on either historical changes in tonnage or achieving a diversion goal.

Exhibit ES-2 profiles the unique assumptions for each scenario, which include tonnage projections and expenditure projections, and number of core full-time equivalents (FTEs). Annual tonnage changes range from +0.5% per year, no change (0%), up to -6% per year. In all scenarios, expenditures in FY 21/22 and FY 22/23³ match the agency's budgeted expenditures, and FY 23/24 expenditures are projected with +7% inflation⁴. For Scenarios A to E, expenditures in FY 24/25 and beyond is projected at +3% per year. For Scenarios F and G, the +7% annual inflation is maintained for the remaining years. The +7% inflation in

¹ Revenues and expenditures for which the Agency has most discretion; the Energy Council is not core-funded.

² Agency defined as total fund balance minus reserves.

³ Preliminary FY 22/23 budget numbers provided by StopWaste staff, which may change upon budget approval.

⁴ Impacts all expenditure categories such as salaries, benefits, hard costs, and hard costs overhead.

FY 23/24 is an assumption in the event that currently elevated inflation levels of 2021 and 2022 is sustained⁵. The number of core FTEs remain the same for all scenarios besides Scenario G (Recycling Plan), where core FTEs escalate from 43.4 starting in FY 23/24 to 50 FTEs by FY 27/28.

Exhibit ES-1 Scenario Descriptions

Scenario	Brief Description	Tonnage Change	Basis
A. Status Quo with Growth	Slight growth based on most recent five years	Increase	Historical
B. Status Quo	Tonnage stays flat	No Change	Historical
C. Economic Cycle	Declines based on most recent 15 years	Decrease	Historical
D. Organics	Achieve 75% reduction in landfilled organics by Jan 1, 2025 (FY 24/25) using a FY 20/21 baseline (SB 1383 ⁶), then tonnage stays flat	Decrease	Goal-based
E. Organics and Recyclables	Achieve 75% reduction in landfilled organics by Jan 1, 2025 (FY 24/25) using a FY 20/21 baseline (SB 1383), then 75% reduction in recyclables by FY 29/30	Decrease	Goal-based
F. Recession	Tonnage declines similar to 2008 Recession to its recovery	Decrease	Historical
G. Recycling Plan	Achieve Recycling Plan goal of 100% diversion by 2045	Decrease	Goal-based

Exhibit ES-2 Scenario Assumptions – Projection Years (Modifications to Scenarios)

Scenario	Revenue (Tonnage) Projection			Expenditure Projection	
	Annual Change	3-Year Change (FY 23/24)	9-Year Change (FY 29/30)	Annual Expenditures/ Inflation	Core FTEs
A. Status Quo with Growth	+0.5%	+1.5%	+4.6%	FY 21/22 and 22/23 expenditures match budget, 7% in FY 23/24, then 3% per year	43.4 Core FTEs
B. Status Quo	0.0%	0.0%	0.0%		
C. Economic Cycle	-2.0%	-5.9%	-16.6%		
D. Organics	-4.0% (-40,498 tons/year thru FY 24/25)	-11.0%	-14.7%		
E. Organics and Recyclables	-4.0% (-40,498 tons/year thru FY 24/25)	-11.0%	-21.2%	FY 21/22 and 22/23 expenditures match budget, then 7% per year	43.4 Core FTEs through FY 22/23, then increases to 50 FTEs by FY 27/28
	-1.5% (-14,399 tons/year thru FY 29/30)				
F. Recession ⁷	-4.0%	-11.5%	-30.7%	FY 21/22 and 22/23 expenditures match budget, then 7% per year	43.4 Core FTEs through FY 22/23, then increases to 50 FTEs by FY 27/28
G. Recycling Plan	-6.0%	-16.9%	-42.7%		

⁵ CPI for All Urban Consumers (CPI-U). Bureau of Labor Statistics. All items in West urban, all urban consumers, not seasonally adjusted. Series ID: CUUR0400SA0.

⁶ Senate Bill 1383 Short-lived climate pollutants. Section 39730.6. Requires local government to reach a 75% reduction in organics landfilled by January 1, 2025. StopWaste is using a FY 20/21 baseline for the purposes of the projection.

⁷ Although inflation is typically low during a recession, the Agency used the high expenditure escalation in this scenario to show a higher bound expectation for expenditures over the time period.

Exhibit ES-3 provides the incremental fund balance and the incremental fund balance with reserves⁸ for the various scenarios for FY 20/21. **Exhibit ES-4** provides a summary with a months in incremental fund balance/reserve⁹ perspective. The incremental fund balance ranges from \$1.9 million (2 months) to \$6.6 million (6.7 months) depending on the scenario, and average \$4 million (4 months). The incremental fund balance with reserves ranges from \$11.1 million (11.2 months) to \$15.8 million (16 months) and average \$13.2 million (13.3 months). These ranges provide insight into the agency's potential fund balance/reserves amounts through FY 23/24, as of the end of FY 20/21.

For all scenarios, the calculated surplus fund balance at the end of the base year (FY 20/21) ranges from \$11.1 million (11.2 months, worst case) to \$15.8 million (15.9 months, best case), and based on this data the Agency does not believe it will require a fee adjustment at this time¹⁰. Based on the Agency's current ending fund balance with reserves of \$26.9 million at the end of FY 20/21, Exhibit ES-3 shows that the Agency would have sufficient surplus fund balance to operate under an annual operating deficit represented by any of the seven scenarios for at least the next three years through FY 23/24.

Exhibit ES-3

Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

Scenario	Reserve (Base Year)	Incremental Fund Balance in Base Year	Incremental Fund Balance with Reserves in Base Year	Ending Fund Balance with Reserves (Base Year) ¹¹	Surplus Fund Balance (Base Year)
A. Status Quo with Growth	\$9,200,191	\$1,936,307	\$11,136,498	\$26,900,000	\$15,763,501
B. Status Quo	9,200,191	2,238,143	11,438,334	26,900,000	15,461,666
C. Economic Cycle	9,200,191	3,425,504	12,625,695	26,900,000	14,274,304
D. Organics	9,200,191	4,457,495	13,657,686	26,900,000	13,242,314
E. Organics and Recyclables	9,200,191	4,457,495	13,657,686	26,900,000	13,242,314
F. Recession	9,200,191	4,581,258	13,781,449	26,900,000	13,118,550
G. Recycling Plan	\$9,200,191	\$6,627,017	\$15,827,208	\$26,900,000	\$11,072,792
Average		\$3,960,460	\$13,160,651		\$13,739,349

Exhibit ES-4

Months in Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

Scenario	Months in Reserve (Base Year)	Months in Incremental Fund Balance in Base Year	Months in Incremental Fund Balance with Reserves in Base Year	Months in Ending Fund Balance with Reserves (Base Year) ¹²	Months in Surplus Fund Balance (Base Year)
A. Status Quo with Growth	9.3	2.0	11.2	27.2	15.9
B. Status Quo	9.3	2.3	11.5	27.2	15.6
C. Economic Cycle	9.3	3.5	12.7	27.2	14.4
D. Organics	9.3	4.5	13.8	27.2	13.4
E. Organics and Recyclables	9.3	4.5	13.8	27.2	13.4
F. Recession	9.3	4.6	13.9	27.2	13.2
G. Recycling Plan	9.3	6.7	16.0	27.2	11.2
Average		4.0	13.3		13.9

⁸ Defined in Section 1B.

⁹ Based on projected monthly expenditures of \$990,610 in FY 21/22

¹⁰ Where the surplus fund balance represents additional fund balance beyond what is needed to meet current reserves

¹¹ Ending fund balance represents Unrestricted Reserves and Net Position Available Fund Balance (Core) per Agency accounting records.

¹² Ending fund balance represents Unrestricted Reserves and Net Position Available Fund Balance (Core) per Agency accounting records.

Exhibit ES-5 provides a summary of the six (6) comparative waste management authorities used for the benchmarking analysis, including the primary revenue source (tipping fees or rates), a description of the revenue source, and the implementation timeline to increase rates/fees when an increase is warranted. While it takes Alameda County up to two to three years to implement a tipping fee increase, all neighboring authorities are able to increase fees or rates as often as annually. Below provides a summary of two primary revenue generation categories, collection of tipping fees through a landfill or rates through a hauler:

- Four of the six neighboring authorities generate revenue through rates from residential and commercial solid waste accounts collected by franchised haulers. Rates are subject to periodic reviews and increases to rates can occur as often as annually, if warranted, typically as part of the annual budgeting process. Although subject to public comments, rate adjustments are largely at the board's discretion, which are based on cost of living increases and/or on results of rate reviews
- Two of the six neighboring authorities generate revenue through collecting tipping fees at landfills or a transfer station owned by the authority or county. Of these two authorities, South Bayside owns a transfer station that services their entire county (San Mateo County) and is able to increase fees on an annual basis through broad approval. Similarly, Sonoma County owns the county's landfill (as well as multiple transfer stations) and can also increase fees on an annual basis through board approval. Due to cost of living increases and/or results of fee analyses, South Bayside implements fee increases through an agreement with the transfer station operator and Sonoma County implements fee increases through an agreement with the landfill operator.

Alameda County is completely unique in the way that fee increases must undergo a process requiring a vote from the public, which can take up to two to three years from initiation to implementation. Among all comparable authorities, Alameda County is the only authority relying on tonnage revenue they do not have direct control over. Additionally, Alameda County is subject to declining revenues as landfill tonnage are expected to decline over time due to evolving and advancing programmatic efforts. The longer it takes to implement a fee increase, generally the larger the fund balance/reserve is necessary. The more revenues are expected to decline, the larger the fund balance/reserve is necessary should costs stay constant. The longer it takes to implement a fee increase, the more that risk related to fluctuations (declines) in tonnage should be factored into determining a fund balance/reserve level. In the end, the Agency believes that these factors provide support for a higher fund balance/reserve level for Alameda County compared to neighboring waste management authorities.

Exhibit ES-5**Benchmarking – Primary Revenue Sources and Fee Increase Timeline**

Organization	Primary Revenue Source		Description of Primary Revenue Source	Typical Fee Increase Implementation Timeline (if needed)
	Tipping Fees via Landfill/TS	Rates via Hauler		
1. Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board, and the Energy Council	●		Tipping fees generated at Alameda County landfills.	2 to 3 years
2. Central Contra Costa Waste Authority		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers.	Annually
3. South Bayside Waste Management Authority	●		Tipping fees generated from a South Bayside-owned transfer station that services the entire JPA region.	Annually
4. Marin County Hazardous and Solid Waste		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers.	Annually
5. Sonoma County Waste Management Agency	●		Tipping fees generated at Sonoma County-owned landfills and transfer stations.	Annually
6. West Valley Solid Waste Management Authority		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers.	Annually
7. West Contra Costa Waste Authority		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers.	Annually

Key Takeaways of Fiscal Forecasts and Fund Balance/Reserve Analysis

Below provides a summary of the key takeaways of this analysis:

- **Incremental Fund Balance** – The incremental fund balance ranges from \$1.9 million (2 months) to \$6.6 million (6.7 months) depending on the scenario, and average \$4 million (4 months)
- **Incremental Fund Balance with Reserves** – The incremental fund balance with reserves ranges from \$11.1 million (11.2 months) to \$15.8 million (16 months) and average \$13.2 million (13.3 months)
- **Surplus Fund Balance** – The calculated surplus fund balance at the end of the base year (FY 20/21) ranges from \$11.1 million (11.2 months, worst case) to \$15.8 million (15.9 months, best case)
- **Fee Adjustment** – Based on the calculated surplus fund balances, the Agency does not believe it will require a fee adjustment at this time
- **Benchmarking** – Alameda County's unique revenue generation and fee adjustment characteristics is exposed to higher risk (less stable revenue source in conjunction with a multi-year approval timeline to adjust fees), which the Agency believes it justifies a greater fund balance/reserve level than comparable waste management authorities who average six (6) months in fund balance with reserves
- **Annual Evaluation** – The Agency can use the tools developed as part of this project on an on-going basis to inform its budgetary and policy decision-making going forward. With active monitoring of the Agency's fund balance, the Agency can more proactively assess and manage potential surpluses or deficits. In the event of a potential deficit three years out, the Agency can, ahead of time, limit or reduce expenditures, or if adjusting expenditures is not sufficient, initiate the two to three year process for approval of a fee increase.

1. Incremental Fund Balance with Reserves

This section is organized as follows:

- A. *Scenarios and Assumptions*
- B. *Incremental Fund Balance with Reserves*
- C. *Scenario Projections.*

A. Scenarios and Assumptions

As nearly 100 percent of core revenues are generated from landfill tonnage, the Agency's fund balance and reserves are extremely sensitive to changes in landfill tonnage (tonnage), especially as fee adjustments require a multi-year period to gain approval and implement. Therefore, the seven scenarios were developed based on varying degrees of changes to tonnage. **Exhibit 1** provides a brief description and the basis of projection for each scenario. One scenario has tonnage slightly growing, one scenario has tonnage remaining constant, while the other five scenarios project decreasing tonnage that range from small to large declines. Each scenario is based on either historical changes in tonnage or achieving a diversion goal. Scenarios based on historical tonnage cover a period of slight growth, no growth, slight declines, moderate declines, and significant declines. The goal-based scenarios are projected to have moderate to significant declines. Page 9 provides the methodology used to determine the tonnage projections for each scenario.

Exhibit 2 profiles the unique assumptions for each scenario, which include tonnage projections and expenditure projections, and the number of core full time equivalent (FTE) staff levels. Annual tonnage changes range from +0.5% per year, no change (0%), up to -6% per year. In all scenarios, expenditures in FY 21/22 and FY 22/23¹³ match the Agency's budgeted expenditures, and FY 23/24 expenditures are projected to increase by +7% (equivalent to high end estimates of current inflation levels)¹⁴. For Scenarios A to E, expenditures for FY 24/25 and beyond are projected to increase at +3% per year. For Scenarios F to G, expenditures for FY 24/25 and beyond are projected to increase at +7% per year. The +7% inflation in FY 23/24 is an assumption in the event that currently elevated inflation levels of 2021 and 2022 is sustained¹⁵. The number of core FTEs remain the same for all scenarios besides Scenario G (Recycling Plan), where core FTEs escalate from 43.4 starting in FY 23/24 to 50 by FY 27/28. Together, the scenarios represent a range of best-case, slight revenue growth with moderate expenditure growth, to worst-case, aggressive revenue declines with aggressive expenditure growth, for projected fund balances.

Exhibit 3 provides the inputs and assumptions for the base year. The base year is FY 20/21 and the inputs used are actuals.

Exhibit 4 provides the inputs and assumptions that apply to all scenarios. The following summarizes these universal assumptions:

1. No changes to operations – No changes to core operations (no growth, no shrinkage)
2. No fee changes – No fee adjustments
3. No changes to tonnage mix – The tonnage mix between in-county and out-of-county remains constant at 93% in-county and 7% out-of-county
4. No unexpected revenues – No unexpected/ one-time revenues (e.g., from a property easement)
5. No changes to expenditure mix – Hard costs are 20% of total costs, hard costs overhead is 14% of total costs, salaries and benefits remain at 66% of total costs
6. Maintaining existing reserves – Existing Agency reserve levels are maintained.

¹³ Preliminary FY 22/23 budget numbers provided by StopWaste, which may change upon budget approval.

¹⁴ Impacts all expenditure categories such as salaries, benefits, hard costs, and overhead.

¹⁵ The current annual average Consumer Price Index (CPI) was 7.0 percent for All Urban Consumers (CPI-U), All items in West urban, all urban consumers, not seasonally adjusted (Series ID: CUUR0400SA0) as prepared by the Bureau of Labor Statistics.

Exhibit 1 Scenario Descriptions

Scenario	Brief Description	Tonnage Change	Basis
A. Status Quo with Growth	Slight growth based on the average annual change in tonnage over the most recent five years	Increase	Historical
B. Status Quo	Tonnage remains flat at current levels	No Change	Historical
C. Economic Cycle	Declines based on the average annual change in tonnage over the previous 15 years	Decrease	Historical
D. Organics	Achieve 75% reduction in landfilled organics by January 1, 2025 (FY 24/25) using a FY 20/21 baseline (SB 1383 ¹⁶), then tonnage stay flat	Decrease	Goal-based
E. Organics and Recyclables	Achieve 75% reduction in landfilled organics by January 1, 2025 (FY 24/25) using a FY 20/21 baseline (SB 1383), and a 75% reduction in recyclables by FY 29/30	Decrease	Goal-based
F. Recession	Tonnage declines similar to the timeframe spanning the 2008 Recession, or from FY 2006/07 2015/16	Decrease	Historical
G. Recycling Plan	Achieve the Authority Recycling Plan goal of 100% diversion by 2045	Decrease	Goal-based

Exhibit 2 Scenario Revenue, Expenditure, and Staffing Assumptions

Scenario	Revenue (Tonnage) Projection			Expenditure Projection	
	Annual Change	3-Year Change (FY 23/24)	9-Year Change (FY 29/30)	Annual Expenditures/ Inflation	Core FTEs
A. Status Quo with Growth	+0.5%	+1.5%	+4.6%	FY 21/22 and 22/23 expenditures match budget, 7% in FY 23/24, then 3% per year	43.4 Core FTEs
B. Status Quo	0.0%	0.0%	0.0%		
C. Economic Cycle	-2.0%	-5.9%	-16.6%		
D. Organics	-4.0% (-40,498 tons/year thru FY 24/25)	-11.0%	-14.7%		
E. Organics and Recyclables	-4.0% (-40,498 tons/year thru FY 24/25) -1.5% (-14,399 tons/year thru FY 29/30)	-11.0%	-21.2%		
F. Recession ¹⁷	-4.0%	-11.5%	-30.7%	FY 21/22 and 22/23 expenditures match budget, then 7% per year	43.4 Core FTEs through FY 22/23, then increases to 50 FTEs by FY 27/28
G. Recycling Plan	-6.0%	-16.9%	-42.7%		

¹⁶ Senate Bill 1383 Short-lived climate pollutants. Section 39730.6. Requires local government to reach a 75% reduction in organics landfilled by January 1, 2025. StopWaste is using a FY 20/21 baseline for the purposes of the projection.

¹⁷ Although inflation is typically low during a recession, the Agency used the high expenditure escalation in this scenario to show a higher bound expectation for expenditures over the time period.

Scenario A – Status Quo with Growth

- Scenario A assumes a continuation of the recent tonnage increases, which is expected to be a best-case scenario for revenue generation. There was a relatively small total 3% increase in tonnage between FY 16/17 (1,164,838 tons) and FY 20/21 (1,199,933 tons). This 3% increase occurred over 5 years, representing an average annual increase of +0.6% per year (i.e., dividing 3% by 5 years). The +0.6% per year increase is rounded to +0.5% for this scenario.

Scenario B – Status Quo

- Scenario B assumes that FY 20/21 tonnage of 1,199,933 tons remain flat (0% change).

Scenario C – Economic Cycle

- Scenario C assumes a repeat tonnage pattern from the past 15 years, between FY 06/07 through FY 20/21. Tonnage declined -27% over 15 years between FY 06/07 (1,642,903 tons) and FY 20/21 (1,199,933 tons), which averages -1.8% per year (i.e., dividing -27% by 15 years). The -1.8% per year decrease is rounded to -2% for this scenario.

Scenario D – Organics

- Scenario D assumes reaching the Senate Bill (SB) 1383 goal of a 75% reduction in landfilled organics by January 1, 2025 (FY 24/25), using as tonnage in FY 20/21 as a baseline. According to Alameda County's 2017-18 Waste Characterization Study (WCS), at that time the waste stream consisted of 18.2% of landfilled organics (1.8% plant debris, 9.3% food scraps, 7.1% food soiled paper).¹⁸ Using these WCS results, a 75% reduction of the 18.2% of organics represents a reduction target of -13.65% by FY 24/25. The -13.65% reduction is rounded to -13.5% for this scenario. The -13.5% reduction equates to a decrease of -161,991 landfilled tons by FY 24/25 (i.e., multiplying 1,199,933 tons in FY 20/21 by -13.5%). The four-year reduction of -161,991 tons divided by 4 years equates to a reduction of -40,498 per year through FY 24/25, or about -4% per year.

Scenario E – Organics and Recyclables

- Scenario E expands on Scenario D by using the same approach through FY 24/25, then tonnage declines an additional 6% (from FY 20/21 levels) through FY 29/30. The additional 6% decrease is based on reducing 75% of the 7.9% of landfilled recyclables measured as part of the WCS. A 6% reduction from 1,199,933 tons in FY 20/21 equates to a reduction of -71,996 tons between FY 25/26 and FY 29/30. The five-year reduction of -71,996 tons is divided by five and equates to -14,399 tons per year, or about -1.5% per year between FY 25/26 and FY 29/30. This is in addition to the roughly -4% per year through FY 24/25 as described in Scenario D.

Scenario F – Recession

- Scenario F assumes similar declines in tonnage to those observed during the 2008 Recession. There was a -39% decline in tonnage between FY 06/07 (1,642,903 tons) and FY 15/16 (999,483 tons). The -39% decrease over 10 years averages -3.9% per year (i.e., dividing -39% by 10 years). The -3.9% per year decrease is rounded to +4% for this scenario.

Scenario G – Recycling Plan

- Scenario G assumes reaching the Agency's December 2020 Recycling Plan goal of landfill obsolescence (100% diversion) by 2045, which is expected to be a worst-case scenario for revenues. By assuming that 50% of the obsolescence goal is reached by FY 29/30, there would be a reduction of 50% of the 1,199,933 tons (FY 20/21), or a reduction of -599,966 tons. The -599,966 ton decrease over 9 years (FY 20/21 to FY 29/30) equates to -66,663 tons per year or -5.6%. The -5.6% per year decrease is rounded to -6% for this scenario.

¹⁸ 2017-18 Alameda County Waste Characterization Study. September 5, 2018. Table 36.

Exhibit 3
Scenario Inputs and Assumptions– Base Year (Actuals)

Input	Value	Assumption / Description / Basis
1. Base Year	Fiscal year 2020/21	The latest fiscal year actual revenues and expenditures
2. Starting Fund Balance with Reserves	\$25,563,526	Available fund balance including reserves at the beginning of FY 2020/21, excludes encumbrances
3. Landfill Tonnage	1,199,933 tons <ul style="list-style-type: none"> In-county = 1,116,918 tons Out-of-county = 83,015 tons 	Annual landfill tonnage in FY 20/21
4. Revenues	\$11,336,474 <ul style="list-style-type: none"> Landfill = \$10,035,627 Enforcement = \$397,797 Property = \$538,265 Interest and Other Rev = \$364,785 	Annual revenue in FY 20/21
5. Expenditures	\$10,000,000 <ul style="list-style-type: none"> Salaries = \$4,923,351 Benefits = \$1,820,404 Hard Costs¹⁹ Overhead = \$987,350 Hard Costs = \$2,268,895 	Annual expenditures in FY 20/21
6. Reserves	\$9,200,191 <ul style="list-style-type: none"> Organics Processing Development = \$5,589,709 Pension = \$1,210,482 Building Maintenance = \$150,000 Five-Year Audit = \$150,000 Fiscal Reserve = \$2,100,000 	Reserves in FY 20/21
7. Salary per FTE	\$129,606	Average salary per FTE in FY 20/21 (calculated by dividing the total sum of salaries by the total number of FTEs)

¹⁹ Hard costs are all non-salary and benefits expenditures such as facility costs (property tax, utilities, janitorial, maintenance), service contracts, equipment costs, etc. Hard costs overhead is an allocation of hard costs to the core budget.

Exhibit 4**Scenario Inputs and Assumptions – Projection Years (Applies to All Scenarios)**

Input	Value	Assumption / Description / Basis
Revenues		
1. Fee Rates (per landfill ton)	<ul style="list-style-type: none"> • AB 939 Facility Fee = \$4.34 per ton • Mitigation Fee = \$4.53 per ton • Measure D = \$8.23 per ton (45%) 	No change in current fee rates
2. 939 Enforcement Revenue	<ul style="list-style-type: none"> • FY 21/22 = \$550,000 • FY 22/23 = \$1,047,575 • FY 23/24 = \$753,525 • FY 24/25 to FY 29/30 = \$750,000 	Projections and assumptions compiled by Agency staff
3. 939 Interest Revenue	\$50,736 per year	Based on FY 20/21 actual interest (represents low-end estimate due to current low-interest environment); assumes no change to balances and interest rates
4. 939 Other Revenue	\$50,000 per year	Miscellaneous revenue not directly from tonnage such as refunds from litigations, reimbursements, based on average between FY 16/17 to FY 20/21; assumes no change
5. Mitigation Property Revenue	\$550,000 per year	Revenue generated from property leases such as for wind power; based on average between FY 16/17 to FY 20/21
6. Mitigation Enforcement	\$66,000 per year	Revenue generated from ordinance citations; based on average between FY 16/17 to FY 20/21, and assumes no change
7. Mitigation Interest	\$74,201 per year	Based on FY 20/21 actual interest (represents low-end estimate due to current low-interest environment); assumes no change to balances and interest rates
8. Measure D Interest	\$127,374 per year	Based on FY 20/21 actual interest (represents low-end estimate due to current low-interest environment); assumes no change to balances and interest rates
Expenditures		
9. Benefits Rate	<ul style="list-style-type: none"> • FY 21/22 = 40% • FY 22/23 and on = 36.8% 	FY 21/22 based on average between FY 16/17 and FY 20/21; FY 22/23 was adjusted to match preliminary budget then assume no changes
10. Percent of Hard Costs of Total Costs	20%	Based on FY 21/22 budget; over the years, the percentage of hard costs of total core expenditures decreased from 36% in FY 16/17 to 21% in FY 21/22, assume no changes
11. Percent of Hard Costs Overhead of Total Costs	<ul style="list-style-type: none"> • FY 21/22 = 14% • FY 22/23 and on = 19.3% 	FY 21/22 based on average between FY 16/17 and FY 20/21; FY 22/23 was adjusted to match preliminary budget then assume no changes
12. Five-Year Audit	<ul style="list-style-type: none"> • FY 21/22 = \$85,000 • FY 25/26 = \$125,000 • FY 27/28 = \$125,000 	Financial and programmatic audits performed in two phases
13. Waste Characterization Study	<ul style="list-style-type: none"> • FY 22/23 = \$700,000 • FY 27/28 = \$700,000 	\$700,000 every 5 years starting in FY 22/23 (last study conducted in FY 17/18)
14. CalPERS and Other Costs	FY 21/22 = \$1,000,000	Unfunded liability payment
Reserves		
15. Organics Processing Development Reserve	\$5,500,000 per year	Maintain current organics processing reserve
16. Pension Reserve	<ul style="list-style-type: none"> • \$200,000 (remaining) in FY 21/22²⁰ • \$1,200,000 million per year thereafter 	Maintain pension reserve
17. Building Maintenance Reserve	<ul style="list-style-type: none"> • \$200,000 in FY 21/22 • \$250,000 million per year thereafter 	Build and maintain building maintenance reserve
18. Fiscal Reserve	\$2,100,000 million per year	Maintain current fiscal reserve

²⁰ Although the \$1,000,000 was paid using available fund balance, this demonstrates a drawdown of the reserve

B. Incremental Fund Balance with Reserves

As part of this project, the Agency developed a tool to calculate an incremental fund balance and an incremental fund balance with reserves under each scenario. Using the Agency's assumptions described in the prior section, the Agency calculated the incremental fund balance under each scenario using these tools. Benefits of determining an incremental fund balance/reserve level include:

- Provides guidance to either draw down, build, or maintain fund balance/reserves by comparing current fund balance/reserve levels against the incremental fund balance/reserves level
- Informs whether future budgeted expenditures should potentially decrease, increase, or remain constant
- Informs whether fee adjustments are potentially necessary.

The Agency defined the incremental fund balance as follows: the incremental ending fund balance during the base year (FY 20/21 in this case) in order to support projected revenues and expenditures over the next three fiscal years (through FY 23/24 in this case) to maintain at least a \$0 balance by the end of Year 3 (FY 23/24 in this case). In other words, the incremental fund balance represents the Agency's operating deficit over the next three fiscal years. The Agency determined that a three-year out view would allow the Agency the opportunity to evaluate whether to initiate the required two to three year process for a fee increase if expenditure reductions are not possible or insufficient. The Agency believes that the combination of fund balance and reserves will allow the Agency to operate during periods of operating deficits.

Under each scenario, the Agency determined the incremental fund balance by integrating the following elements: (1) a four-year time period that includes the base year plus three future years, (2) revenues and expenditures for the base year, which is FY 20/21, the last year with actual balances, (3) revenue and expenditure projections for FY 21/22, FY 22/23, and FY 23/24 under each scenario. Based on a \$0 ending balance in Year 3 (FY 23/24), the calculator reverse calculates the starting fund balance needed for Years 3, 2, 1 and then, lastly, the ending balance of the base year (which is the starting balance of Year 1). The starting balance equation is as follows:

$$\text{Starting Balance} = \text{Ending Balance} + \text{Expenditures} - \text{Revenues}$$

By inputting a \$0 ending balance in Year 3, the ending balance for the Base Year is calculated. The incremental months of fund balance/reserves is calculated by dividing the calculated ending balance in the Base Year with Year 1's monthly expenditures. For each scenario's incremental fund balance calculation, annual revenues and expenditures for Years 1, 2, and 3 are linked to each scenario's projection within the Projection Model. Projected revenues vary from slight growth to aggressive declines among scenarios, while projected expenditures are the same with the exception of higher expenditures for Scenarios F and G. The more tonnage declines, the less revenue, and the higher incremental fund balance. Scenarios with more significant tonnage declines have more significant losses in revenue, which results in a higher incremental fund balance for those scenarios. To put it simply, an individual who makes less money, and spends more will need a larger emergency fund, or cash in the bank, than an individual who makes more money and spends less.

Exhibit 5 provides the incremental fund balance and the fund balance with reserves for the various scenarios. **Exhibit 6** provides a summary with a months of fund balance/reserves perspective. **Exhibit 7** and **8** provide the incremental fund balance/reserve levels visually. The Agency determined both an incremental fund balance as well as an incremental fund balance with reserves. The incremental fund balance is the lowest balance necessary to maintain three years of operations. The incremental fund balance with reserves is the incremental fund balance plus historical reserves deemed necessary by the Agency. The surplus fund balance is the ending fund balance with reserves in the base year (FY 20/21 in this case) minus the incremental fund balance with reserves.

Exhibit 5 shows that the incremental fund balance ranges from \$1.9 million (2 months) to \$6.6 million (6.7 months) depending on the scenario, and average \$4 million (4 months). The incremental fund balance with reserves ranges from \$11.1 million (11.2 months) to \$15.8 million (16 months) and average \$13.2 million (13.3 months). These ranges provide insight into the agency's potential fund balance/reserves amounts through FY 23/24, as of the end of FY 20/21.

For all scenarios, the calculated surplus fund balance at the end of the base year (FY 20/21) ranges from \$11.1 million (11.2 months, worst case) to \$15.8 million (15.9 months, best case), and based on this data the Agency does not believe it will require a fee adjustment at this time²¹. Based on the Agency's current ending fund balance with reserves of \$26.9 million at the end of FY 20/21, Exhibit 5 shows that the Agency would have sufficient surplus fund balance to operate under an annual operating deficit represented by any of the seven scenarios for at least the next three years through FY 23/24.

Given the range in projected surpluses, if the Agency decided to spend an additional \$1.5 million (about 10 to 12 percent more depending on scenario) during fiscal years 22/23 and 23/24, projected surplus fund balances in FY 20/21 would range from \$8.1 million (worst case) to \$12.8 million (best case) and projected ending fund balances with reserves at the end of fiscal year 23/24 would range from \$17.3 million (worst case) to \$22 million (best case). **Exhibit 9** provides the comparison of the calculated surplus fund balances in FY 20/21 between the original projection (this analysis) and an additional \$1.5 million annually for two years for each scenario. **Exhibit 10** provides the comparison of projected fund balances at the end of FY 23/24 with the additional expenditures. In any scenario, the Agency believes it has the flexibility to increase expenditures by at least \$1.5 million for the next two fiscal years and still have a surplus fund balance.

The Agency can use the tools developed as part of this project on an on-going basis to inform its budgetary and policy decision-making going forward. With active monitoring of the Agency's fund balance, the Agency can more proactively assess and manage potential surpluses or deficits. In the event of a potential deficit three years out, the Agency can, ahead of time, limit or reduce expenditures, or if adjusting expenditures is not sufficient, initiate the two to three year process for approval of a fee increase.

²¹ Where the surplus fund balance represents additional fund balance beyond what is needed to meet current reserves

Exhibit 5
Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

Scenario	Reserve (Base Year)	Incremental Fund Balance in Base Year	Incremental Fund Balance with Reserves in Base Year	Ending Fund Balance with Reserves (Base Year) ²²	Surplus Fund Balance (Base Year)
A. Status Quo with Growth	\$9,200,191	\$1,936,307	\$11,136,498	\$26,900,000	\$15,763,501
B. Status Quo	9,200,191	2,238,143	11,438,334	26,900,000	15,461,666
C. Economic Cycle	9,200,191	3,425,504	12,625,695	26,900,000	14,274,304
D. Organics	9,200,191	4,457,495	13,657,686	26,900,000	13,242,314
E. Organics and Recyclables	9,200,191	4,457,495	13,657,686	26,900,000	13,242,314
F. Recession	9,200,191	4,581,258	13,781,449	26,900,000	13,118,550
G. Recycling Plan	\$9,200,191	\$6,627,017	\$15,827,208	\$26,900,000	\$11,072,792
Average		\$3,960,460	\$13,160,651		\$13,739,349

Exhibit 6
Months in Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

Scenario	Months in Reserve (Base Year)	Months in Incremental Fund Balance in Base Year	Months in Incremental Fund Balance with Reserves in Base Year	Months in Ending Fund Balance with Reserves (Base Year)	Months in Surplus Fund Balance (Base Year)
A. Status Quo with Growth	9.3	2.0	11.2	27.2	15.9
B. Status Quo	9.3	2.3	11.5	27.2	15.6
C. Economic Cycle	9.3	3.5	12.7	27.2	14.4
D. Organics	9.3	4.5	13.8	27.2	13.4
E. Organics and Recyclables	9.3	4.5	13.8	27.2	13.4
F. Recession	9.3	4.6	13.9	27.2	13.2
G. Recycling Plan	9.3	6.7	16.0	27.2	11.2
Average		4.0	13.3		13.9

Note: Based on projected monthly expenditures of \$990,610 in FY 21/22

²² Ending fund balance represents Unrestricted Reserves and Net Position Available Fund Balance (Core) per Agency accounting records.

Exhibit 7
Incremental Fund Balance with Reserves (FY 20/21)

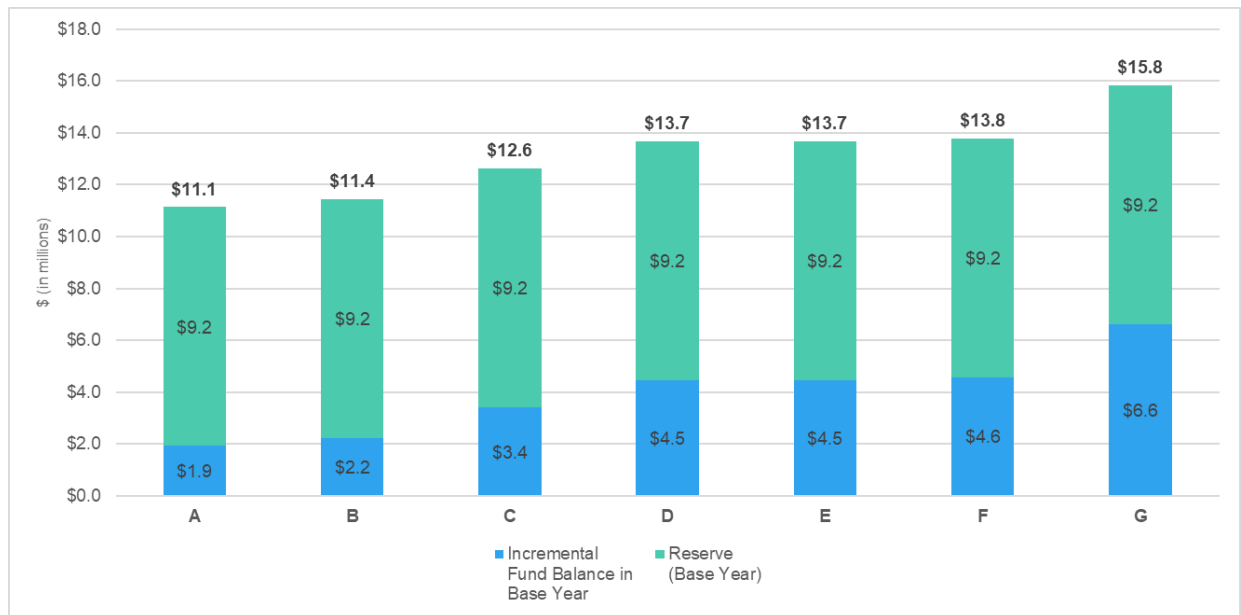


Exhibit 8
Incremental Fund Balance with Reserves in Months (FY 20/21)

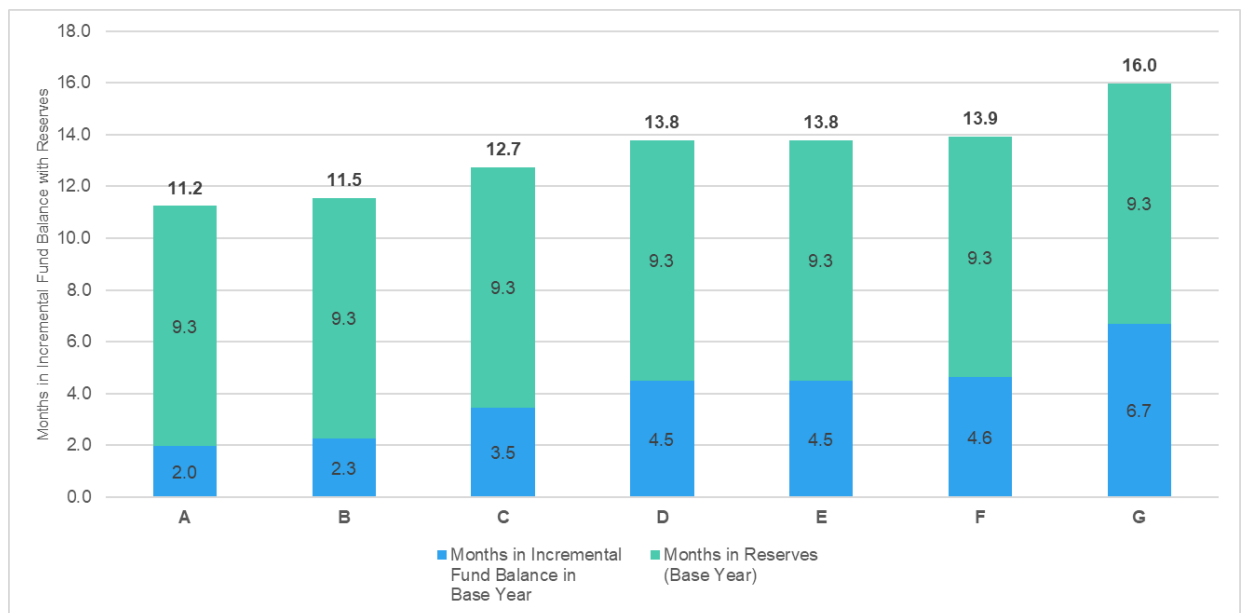


Exhibit 9**Calculated Surplus Fund Balances with Hypothetical Expenditure Increases (FY 20/21)**

Scenario	Projected Surplus Fund Balance (FY 20/21)	
	Original Projection	+\$1.5 million in FY 22/23 +\$1.5 million in FY 23/24
A. Status Quo with Growth	\$15.8 million	\$12.8 million
B. Status Quo	15.5 million	\$12.5 million
C. Economic Cycle	14.3 million	\$11.3 million
D. Organics	13.2 million	\$10.2 million
E. Organics and Recyclables	13.2 million	\$10.2 million
F. Recession	13.1 million	\$10.1 million
G. Recycling Plan	\$11.1 million	\$8.1 million

Exhibit 10**Projected Fund Balances with Hypothetical Expenditure Increases (FY 23/24)**

Scenario	Projected Ending Balance (FY 23/24)	
	Original Projection	+\$1.5 million in FY 22/23 +\$1.5 million in FY 23/24
A. Status Quo with Growth	\$25.0 million	\$22.0 million
B. Status Quo	24.7 million	21.7 million
C. Economic Cycle	23.5 million	20.5 million
D. Organics	22.4 million	19.4 million
E. Organics and Recyclables	22.4 million	19.4 million
F. Recession	22.3 million	19.3 million
G. Recycling Plan	\$20.3 million	\$17.3 million

C. Scenario Projections

As part of determining a range of incremental fund balance/reserve levels, long-range projections were performed across the seven scenarios. Specifically, 9-year projections were performed from FY 20/21, as the base year, through FY 29/30. **Exhibit 11** provides the ending fund balances as of Year 3 (FY 23/24), Year 6 (FY 26/27) and Year 9 (FY 29/30). **Exhibit 12** provides the projected fund balance with reserves, by year, through FY 29/30, while **Exhibit 13** provides the months in fund balance with reserves. **Exhibit 14** provides a comparison of three-year changes in tonnage (FY 20/21 to FY 23/24), while **Exhibit 15** provides a comparison of nine-year changes in tonnage (FY 20/21 to FY 29/30). **Appendix A** provides projected fund conditions, projected revenues, and various charts for individual scenarios. Below are several key highlights:

- Fund balance with reserve levels decline every year under all scenarios, even under the best-case Scenario A (Status Quo with Growth). Annual declines (in percentage change) accelerate over the years as the gap between decreasing revenues and increasing expenditures accumulates each year
- Scenarios A and B maintain a positive fund balance with reserves through FY 29/30 while Scenario F (Recession) goes negative by the end of FY 27/28, Scenario G (Recycling Plan) goes negative by the end of FY 26/27, and Scenarios C to E go negative by the end of FY 29/30. Of the scenarios projected to maintain a positive balance, they averaged an ending balance of \$9.5 million and an average total decline of -65% by the end of FY 29/30
- Besides Scenario G (Recycling Plan), the goal-based scenarios, Scenario D (Organics) and Scenario E (Organics and Recyclables) are projected to have a -\$2.8 million (a decline of -110%) and -\$4.7 million (a decline of -118%) ending fund balance with reserves by the end of FY 29/30, respectively
- As expected, Scenario A (Status Quo with Growth) is projected to have the highest ending balance with reserves with \$10.6 million while Scenario G (Recycling Plan) is projected to have the lowest ending balance with reserves at -\$57.5 million by the end of FY 29/30
- The differences among fund balances with reserves between scenarios widens each year. While there was a \$5 million difference in fund balance with reserves between Scenarios A and G by the end of FY 23/24, the difference grows to \$68 million by the end of FY 29/30.

These scenarios together provide a sense of the lower (worst-case) and upper (best-case) bounds of what fund balances could look like in several years should fees remain unchanged and operations stay consistent. The Agency can update these projections over time, for long-term planning purposes.

Exhibit 11

Projected Ending Fund Balance with Reserves – Years 3, 6, and 9

Scenario	Base Year 2020/21	Year 3 2023/24	Year 6 2026/27	Year 9 2029/30
A. Status Quo with Growth	\$26.9 million	\$25.0 million	\$19.8 million	\$10.6 million
B. Status Quo	\$26.9 million	\$24.7 million	\$18.7 million	\$8.3 million
C. Economic Cycle	\$26.9 million	\$23.5 million	\$14.7 million	-\$0.2 million
D. Organics	\$26.9 million	\$22.4 million	\$12.1 million	-\$2.8 million
E. Organics and Recyclables	\$26.9 million	\$22.4 million	\$11.7 million	-\$4.7 million
F. Recession	\$26.9 million	\$22.3 million	\$7.6 million	-\$20.6 million
G. Recycling Plan	\$26.9 million	\$20.3 million	-\$6.6 million	-\$57.5 million

Exhibit 12
Projected Fund Balance with Reserves (FY 20/21 through FY 29/30)

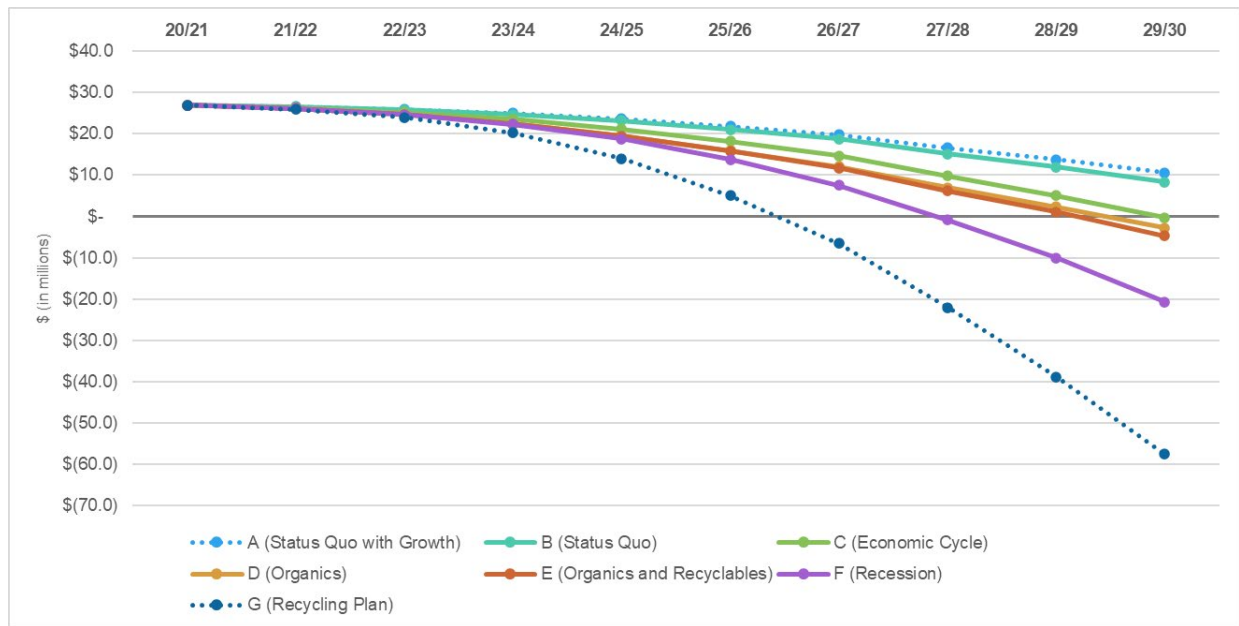


Exhibit 13
Projected Months in Fund Balance/Reserves (FY 20/21 through FY 29/30)

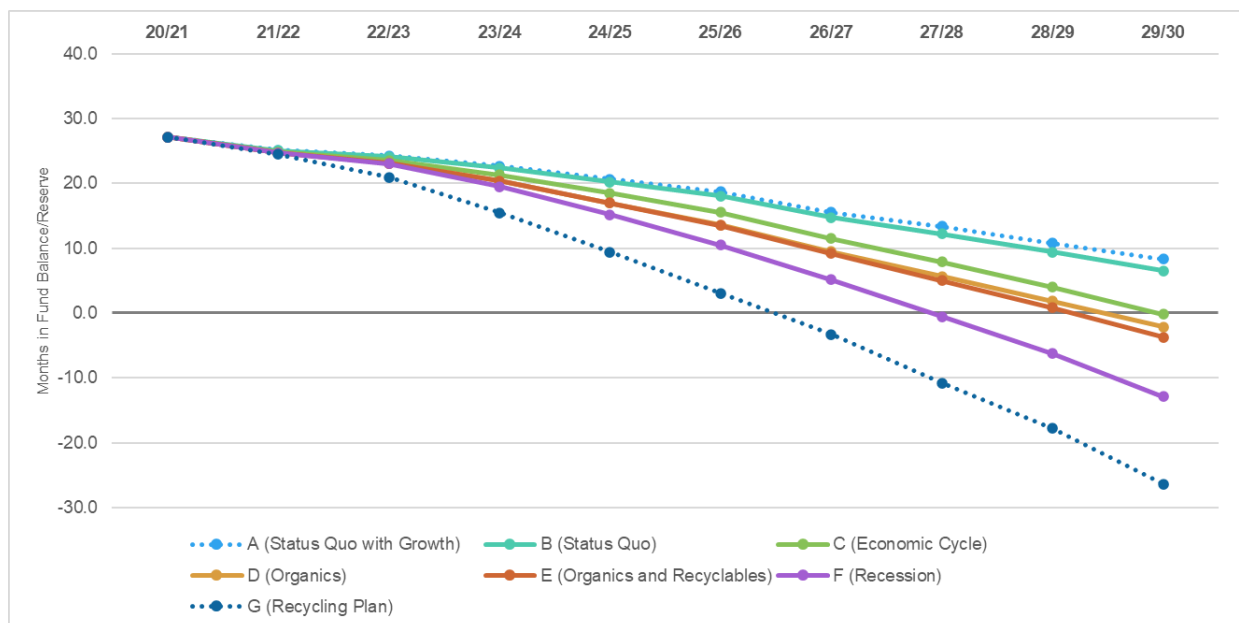


Exhibit 14
Projected 3-Year Change in Tonnage (by FY 23/24)

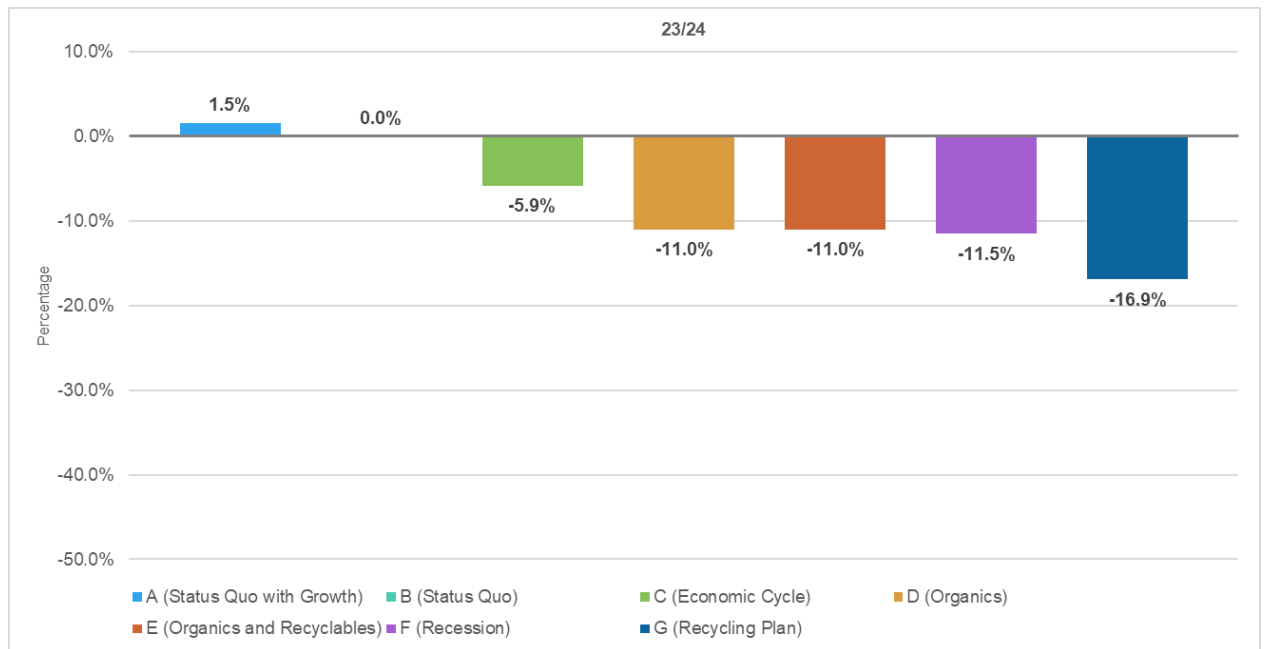
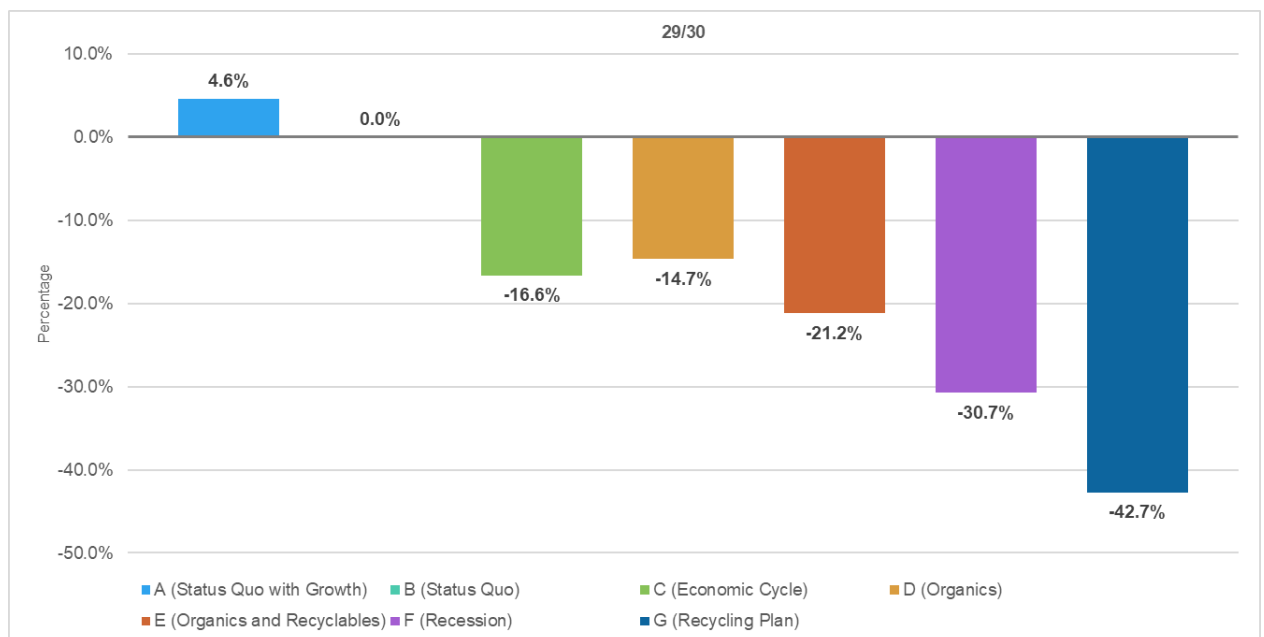


Exhibit 15
Projected 9-Year Change in Tonnage (by FY 29/30)



2. Benchmarking Results

The Agency directed us to conduct benchmarking of neighboring waste management authorities to assess the comparability of fund balance/reserve (fund balance) levels. We obtained the following data points: (1) months in fund balance with reserves, (2) revenue source and generation, and (3) implementation timeline of fee or rate increases. To determine an appropriate fund balance level, it is important to consider how revenue is generated and how quickly a fee or rate increase can be implemented to maintain or rebuild an appropriate fund balance/reserve level. Revenue is generally more stable and predictable when revenue is generated through rates on solid waste accounts. In contrast, revenues are more unpredictable, less controllable, and potentially less stable when revenues are generated through landfill tipping fees. The Agency determined that we should conduct this industry benchmarking on the following six (6) neighboring Bay Area waste management authorities:

1. Central Contra Costa Solid Waste Authority – Contra Costa County (central), RecycleSmart
2. South Bayside Waste Management Authority – San Mateo County, ReThinkWaste
3. Marin County Hazardous and Solid Waste Authority – Marin County, Zero Waste Marin
4. Sonoma County Waste Management Agency – Sonoma County, Zero Waste Sonoma
5. West Valley Solid Waste Management Authority – Santa Clara County (parts of)
6. West Contra Costa Waste Authority – Contra Costa County (west), RecycleMore.

Exhibit 16 provides the related county, populations, jurisdictions/member agencies of each authority. The selected authorities for this comparison are located within 60 miles of Alameda County, with the exception of a couple jurisdictions in Sonoma County that are up to 90 miles away. Alameda County covers, by far, the largest population of all comparable authorities with a population of 1.66 million compared to 490,000 for Sonoma County and down to 100,000 for West Valley (parts of Santa Clara County). Alameda County also has the most jurisdictions with 17 compared to 11 for South Bayside (San Mateo County) and Marin County, down to 4 for West Valley.

Exhibit 17 provides a summary of the six (6) comparative waste management authorities used for the benchmarking analysis, including the primary revenue source (tipping fees or rates), a description of the revenue source, and the implementation timeline to increase rates/fees when an increase is warranted. While it takes Alameda County up to two to three years to implement a tipping fee increase, all neighboring authorities can increase fees or rates as often as annually. Below provides a summary of two primary revenue generation categories, collection of tipping fees through a landfill/transfer station or rates through a hauler:

- Four of the six neighboring authorities generate revenue through rates from residential and commercial solid waste accounts collected by franchised haulers. Rates are subject to periodic reviews and increases to rates can occur as often as annually, if warranted, typically as part of the annual budgeting process. Although subject to public comments, rate adjustments are largely at the board's discretion, which are based on cost of living increases and/or on results of rate reviews
- Two of the six neighboring authorities generate revenue through collecting tipping fees at landfills or a transfer station owned by the authority or county. Of these two authorities, South Bayside owns a transfer station that services their entire county (San Mateo County) and is able to increase fees on an annual basis through broad approval. Similarly, Sonoma County owns the county's landfill (as well as multiple transfer stations) and can also increase fees on an annual basis through board approval. Due to cost of living increases and/or results of fee analyses, South Bayside implements fee increases through an agreement with the transfer station operator and Sonoma County implements fee increases through an agreement with the landfill operator.

Exhibit 18 provides the fiscal year 2021/22 budgets, which are the latest available, that includes the months in fund balance/reserves. The comparable authorities average six months in fund balance/reserves based on fiscal year 2021/22 projected ending fund balance and expenditures. All other authorities are carrying a lower fund balance/reserves than Alameda County. The authorities ranged as high as 12 months to as low as one month in fund balance/reserves.

Alameda County is completely unique in the way that fee increases must undergo a process requiring a vote from the public, which can take up to two to three years from initiation to implementation and may not actually pass. Among all comparable authorities, Alameda County is the only authority relying on tonnage revenue they do not have direct control over. Additionally, Alameda County is subject to declining revenues as landfill tonnage are expected to decline over time due to evolving and advancing programmatic efforts. The longer it takes to implement a fee increase, generally the larger the fund balance/reserve is necessary. The more revenues are expected to decline, the larger the fund balance/reserve is necessary should costs stay constant. The longer it takes to implement a fee increase, the more that risk related to fluctuations (declines) in tonnage should be factored into determining a fund balance/reserve level. In the end, the Agency believes that these factors provide support for a higher fund balance/reserve level for Alameda County compared to neighboring waste management authorities.

Exhibit 16
Benchmarking – Comparable Authorities
County, Populations, and Jurisdictions

Organization	Abbreviated Name	Related County	Population Served (in millions)	Jurisdictions / Member Agencies		
1. Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board, and the Energy Council	StopWaste	Alameda	1.66m	1. Alameda (City) 2. Albany 3. Berkeley 4. Dublin 5. Emeryville 6. Fremont	7. Livermore 8. Hayward 9. Newark 10. Oakland 11. Piedmont 12. Pleasanton	13. San Leandro 14. Union City 15. Oro Loma Sanitary District 16. Castro Valley Sanitary District 17. Unincorporated County
2. Central Contra Costa Waste Authority	RecycleSmart	Contra Costa	0.23m	1. Danville 2. Lafayette	3. Moraga 4. Orinda	5. Walnut Creek 6. Unincorporated County
3. South Bayside Waste Management Authority	ReThinkWaste	San Mateo	0.42m	1. Atherton 2. Belmont 3. Burlingame 4. East Palo Alto	5. Foster City 6. Hillsborough 7. Menlo Park 8. Redwood City	9. San Carlos 10. San Mateo (City) 11. West Bay Sanitary District
4. Marin County Hazardous and Solid Waste	Zero Waste Marin	Marin	0.25m	1. Belvedere 2. Corte Madera 3. Fairfax 4. Larkspur	5. Mill Valley 6. Novato 7. San Anselmo 8. Ran Rafael	9. Ross 10. Sausalito 11. Tiburon
5. Sonoma County Waste Management Agency	Zero Waste Sonoma	Sonoma	0.49m	1. Cloverdale 2. Cotati 3. Healdsburg	4. Petaluma 5. Rohnert Park 6. Santa Rosa	7. Sebastopol 8. Sonoma 9. Windsor
6. West Valley Solid Waste Management Authority	NA	Santa Clara	0.10m	1. Campbell 2. Los Gatos	3. Monte Sereno 4. Saratoga	
7. West Contra Costa Waste Authority	RecycleMore	Contra Costa	0.25m	1. El Cerrito 2. Hercules	3. Pinole 4. Richmond	5. San Pablo 6. Unincorporated County

Exhibit 17
Benchmarking – Comparable Authorities
Primary Revenue Sources and Fee Increase Timeline

Organization	Primary Revenue Source		Description of Primary Revenue Source	Typical Fee Increase Implementation Timeline (if needed)
	Tipping Fees via Landfill/TS	Rates via Hauler		
1. Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board, and the Energy Council	●		Tipping fees generated at Alameda County landfills	2 to 3 years ²³
2. Central Contra Costa Waste Authority		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers	Annually
3. South Bayside Waste Management Authority	●		Tipping fees generated from a South Bayside-owned transfer station that services the entire JPA region	Annually
4. Marin County Hazardous and Solid Waste		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers	Annually
5. Sonoma County Waste Management Agency	●		Tipping fees generated at Sonoma County-owned landfills and transfer stations.	Annually
6. West Valley Solid Waste Management Authority		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers	Annually
7. West Contra Costa Waste Authority		●	Rates generated from residential and commercial solid waste accounts collected by franchised haulers	Annually

²³ Implementation depends on a majority vote from the public, and without enough votes, the process can be delayed beyond three years.

Exhibit 18
Benchmarking – Comparable Authorities FY 2022 Budgets

Organization	Budget Fiscal Year End	Starting Balance with Reserves	Projected Revenues	Budgeted Expenditures	Adjustments, Transfers	Projected Fund Balance with Reserves	Months in Fund Balance/Reserves
1. Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board, and the Energy Council ²⁴ (Core)	Jun 2022	\$26,866,275	\$10,818,537	\$10,802,314	\$(1,295,000)	\$25,587,498	28.4
2. Central Contra Costa Waste Authority	Jun 2022	3,099,415	5,710,530	5,349,996	0	3,459,949	7.8
3. South Bayside Waste Management Authority	Dec 2022	16,278,354	54,628,800	53,606,505	0	17,300,649	3.9
4. Marin County Hazardous and Solid Waste	Jun 2022	692,951	4,653,992	4,860,857	0	486,086	1.2
5. Sonoma County Waste Management Agency	Jun 2022	7,936,099	10,499,100	10,917,029	0	7,518,170	8.3
6. West Valley Solid Waste Management Authority	Jun 2022	237,341	888,084	925,425	0	200,000	2.6
7. West Contra Costa Waste Authority	Jun 2022	3,160,919	1,266,477	2,190,217	0	2,237,179	12.3
Average							9.2
Average w/o Alameda County							6.0

²⁴ The Energy Council is not core-funded.

3. Disclosure

As part of performing this forecast and fund balance/reserve analysis work for StopWaste, Crowe assumed the following:

- StopWaste agreed to be responsible to make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee our services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.
- Our analyses and work product are intended for the benefit and use of StopWaste. This engagement was not be planned or conducted in contemplation of reliance by any other party and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.
- StopWaste reviewed and approved the Excel forecasting model resulting from this work; and StopWaste (not Crowe) determined whether the model contains all factors that StopWaste deemed relevant and met StopWaste's needs.
- The information was developed based on historical client data only.
- Crowe may have relied on the information provided to the firm in connection with the project as accurate and complete without independently verifying the information provided.
- Other factors may influence the actual results of the Fiscal Forecasts and Fund Balance/Reserve Analysis. Crowe cannot control for these factors and Crowe relied on StopWaste provided data and information to identify these factors.

As a CPA firm the following statement is required: Crowe LLP is licensed by the California Board of Accountancy. Note also that Crowe and certain of its owners are licensed by the California State Board of Accountancy, but we are required by law to inform you that Crowe has owners not licensed by the California State Board of Accountancy who may provide services in connection with this engagement. If you have any questions regarding the personnel who will provide the services, please do not hesitate to contact Lisa Voeller.

The services were provided under AICPA Consulting Services only. These services and deliverables did not constitute an audit, review, compilation, agreed-upon procedures or an examination in accordance with standards established by the American Institute of Certified Public Accountants, accordingly Crowe is unable to express an opinion, conclusion, nor provide any assurance on the Deliverables provided for this project. StopWaste agreed that Crowe would not express an opinion, conclusion nor provide any assurance on the Deliverables. Crowe had no obligation to perform any services beyond those listed in the Scope of Work. If Crowe performed additional services beyond those listed, other matters might come to Crowe's attention that would be reported to the Agency. Crowe makes no representations as to the adequacy of the services or any Deliverables for Agency's purposes. It was understood that Crowe prepared the deliverables listed in the Scope of Work (the "Deliverables") reflecting findings of the services outlined in the Scope of Work for use by Agency.

Appendix A: Individual Scenario Incremental Fund Balance Calculations

This appendix provides supplemental information for each scenario. The following series of exhibits provide snapshots of the Fund Balance Calculator outputs, and graphical comparisons of the calculated incremental fund balance with reserves and projected fund balances with reserves:

- **Exhibits A-1 and A-2** – Scenario A (Status Quo with Growth)
- **Exhibits A-3 and A-4** – Scenario B (Status Quo)
- **Exhibits A-5 and A-6** – Scenario C (Economic Cycle)
- **Exhibits A-7 and A-8** – Scenario D (Organics)
- **Exhibits A-9 and A-10** – Scenario E (Organics and Recyclables)
- **Exhibits A-11 and A-12** – Scenario F (Recession)
- **Exhibits A-13 and A-14** – Scenario G (Recycling Plan).

Exhibit A-1**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario A (Status Quo with Growth)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance	
Base	2020/21	\$ 599,834	1,199,933	\$	11,336,474	\$ 10,000,000	\$ 833,333	\$ 1,336,474	\$ 1,936,307	
Year 1	2021/22	1,936,307	1,205,932	0.5%	11,546,162	11,887,314	18.9%	990,610	(341,152)	1,595,156
Year 2	2022/23	1,595,156	1,211,962	1.0%	12,094,127	12,700,000	27.0%	1,058,333	(605,873)	989,282
Year 3	2023/24	989,282	1,218,022	1.5%	11,850,718	12,840,000	28.4%	1,070,000	(989,282)	-
3-Year Expenditure Increase			28.4%	Inc Fund Balance		\$1,936,307	Fund Balance with Reserves =		\$11,136,498	
Three-Year Tonnage Change (%)			1.5%	Months =		2.0	Months =		11.2	
Three-Year Tonnage Change (tons)			(18,089)							

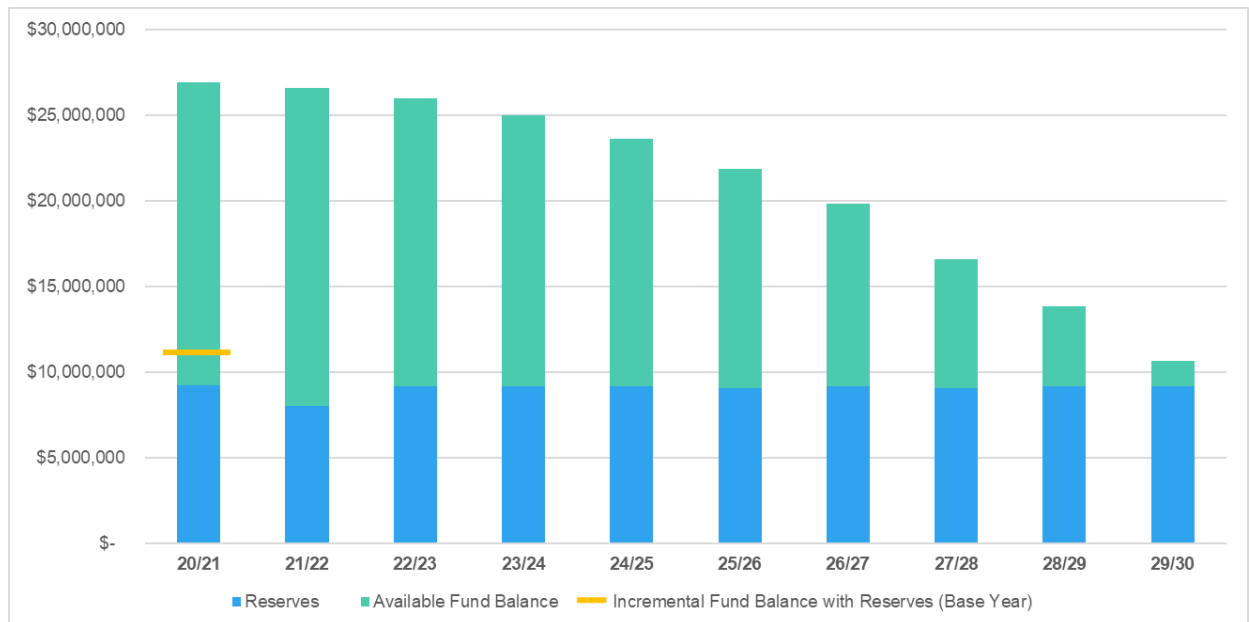
Exhibit A-2**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario A (Status Quo with Growth)**

Exhibit A-3**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario B (Status Quo)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance
Base 2020/21	\$ 901,669	1,199,933		\$ 11,336,474	\$ 10,000,000		\$ 833,333	\$ 1,336,474	\$ 2,238,143
Year 1 2021/22	2,238,143	1,199,933	0.0%	11,496,024	11,887,314	18.9%	990,610	(391,290)	1,846,852
Year 2 2022/23	1,846,852	1,199,933	0.0%	11,993,599	12,700,000	27.0%	1,058,333	(706,401)	1,140,451
Year 3 2023/24	1,140,451	1,199,933	0.0%	11,699,549	12,840,000	28.4%	1,070,000	(1,140,451)	-
3-Year Expenditure Increase			28.4%	Inc Fund Balance \$2,238,143		Fund Balance with Reserves = \$11,438,334			
Three-Year Tonnage Change (%)			0.0%	Months = 2.3		Months = 11.5			
Three-Year Tonnage Change (tons)			-						

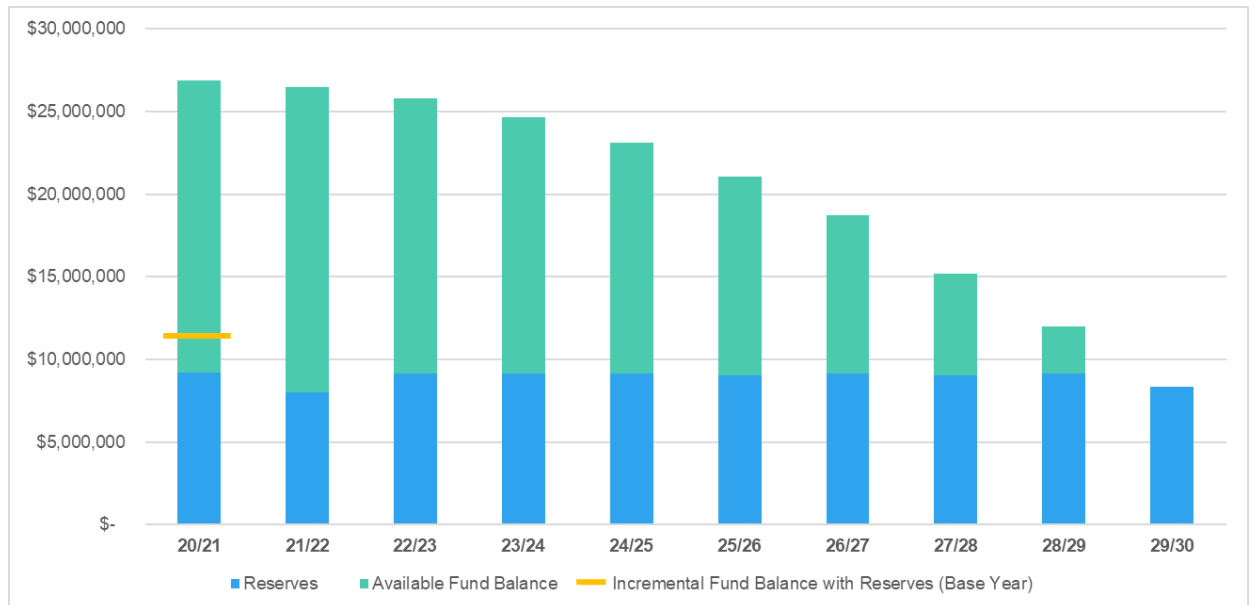
Exhibit A-4**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario B (Status Quo)**

Exhibit A-5**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario C (Economic Cycle)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance	
Base	2020/21	\$ 2,089,031	1,199,933		\$ 11,336,474	\$ 10,000,000		\$ 833,333	\$ 1,336,474	\$ 3,425,504
Year 1	2021/22	3,425,504	1,175,934	-2.0%	11,295,470	11,887,314	18.9%	990,610	(591,845)	2,833,660
Year 2	2022/23	2,833,660	1,152,415	-4.0%	11,596,501	12,700,000	27.0%	1,058,333	(1,103,499)	1,730,161
Year 3	2023/24	1,730,161	1,129,367	-5.9%	11,109,839	12,840,000	28.4%	1,070,000	(1,730,161)	-
3-Year Expenditure Increase			28.4%	Inc Fund Balance		\$3,425,504	Fund Balance with Reserves =		\$12,625,695	
Three-Year Tonnage Change (%)			-5.9%	Months =		3.5	Months =		12.7	
Three-Year Tonnage Change (tons)			70,566							

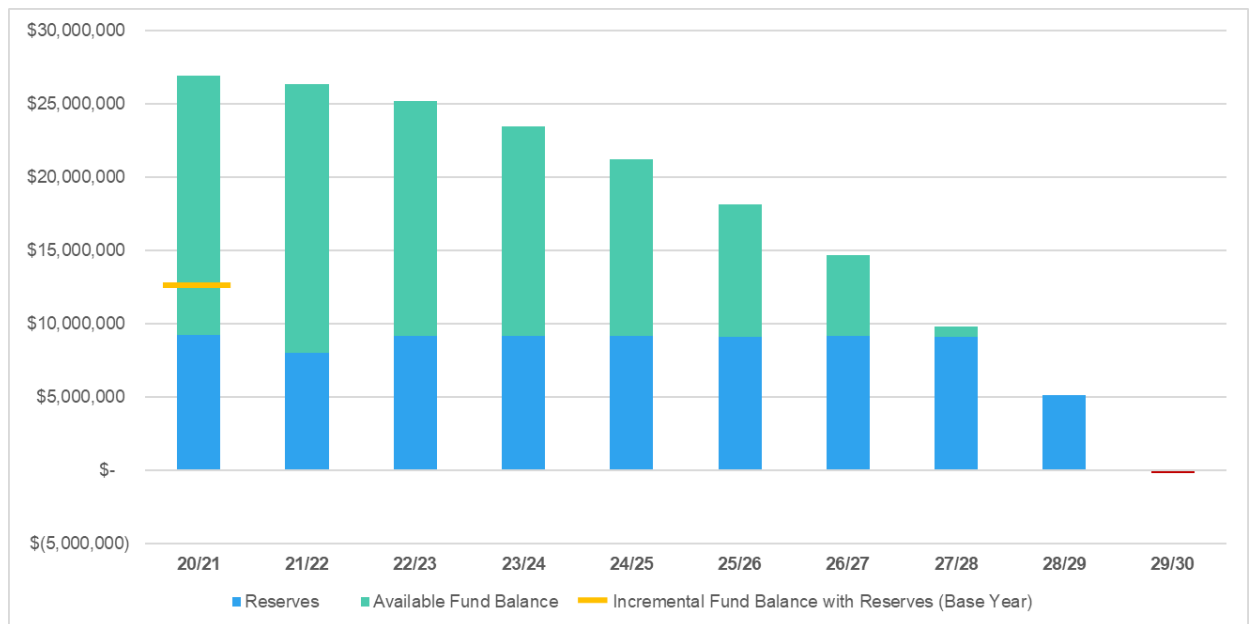
Exhibit A-6**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario C (Economic Cycle)**

Exhibit A-7**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario D (Organics)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance	
Base	2020/21	\$ 3,121,021	1,199,933		\$ 11,336,474	\$ 10,000,000		\$ 833,333	\$ 1,336,474	\$ 4,457,495
Year 1	2021/22	4,457,495	1,155,924	-3.7%	11,126,132	11,887,314	18.9%	990,610	(761,182)	3,696,313
Year 2	2022/23	3,696,313	1,111,915	-7.3%	11,253,815	12,700,000	27.0%	1,058,333	(1,446,185)	2,250,127
Year 3	2023/24	2,250,127	1,067,906	-11.0%	10,589,873	12,840,000	28.4%	1,070,000	(2,250,127)	-
3-Year Expenditure Increase			28.4%	Inc Fund Balance		\$4,457,495	Fund Balance with Reserves =		\$13,657,686	
Three-Year Tonnage Change (%)			-11.0%	Months =		4.5	Months =		13.8	
Three-Year Tonnage Change (tons)			132,027							

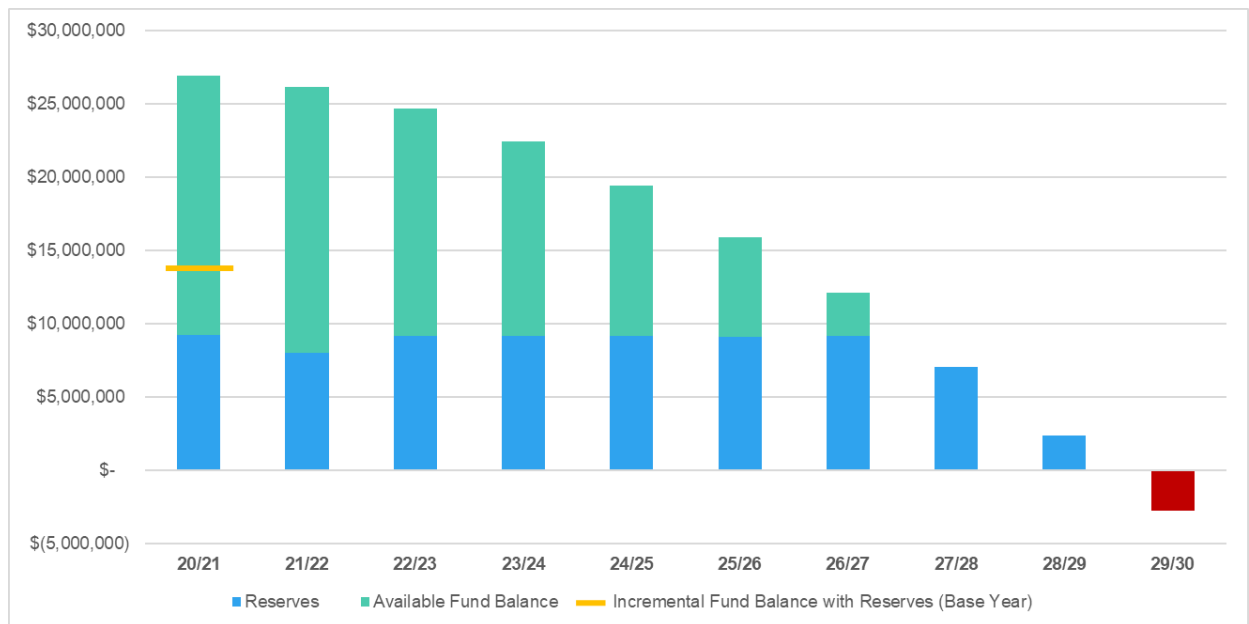
Exhibit A-8**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario D (Organics)**

Exhibit A-9**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario E (Organics and Recyclables)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance	
Base	2020/21	\$ 3,121,021	1,199,933		\$ 11,336,474	\$ 10,000,000		\$ 833,333	\$ 1,336,474	\$ 4,457,495
Year 1	2021/22	4,457,495	1,155,924	-3.7%	11,126,132	11,887,314	18.9%	990,610	(761,182)	3,696,313
Year 2	2022/23	3,696,313	1,111,915	-7.3%	11,253,815	12,700,000	27.0%	1,058,333	(1,446,185)	2,250,127
Year 3	2023/24	2,250,127	1,067,906	-11.0%	10,589,873	12,840,000	28.4%	1,070,000	(2,250,127)	-
3-Year Expenditure Increase			28.4%	Inc Fund Balance		\$4,457,495	Fund Balance with Reserves =		\$13,657,686	
Three-Year Tonnage Change (%)			-11.0%	Months =		4.5	Months =		13.8	
Three-Year Tonnage Change (tons)			132,027							

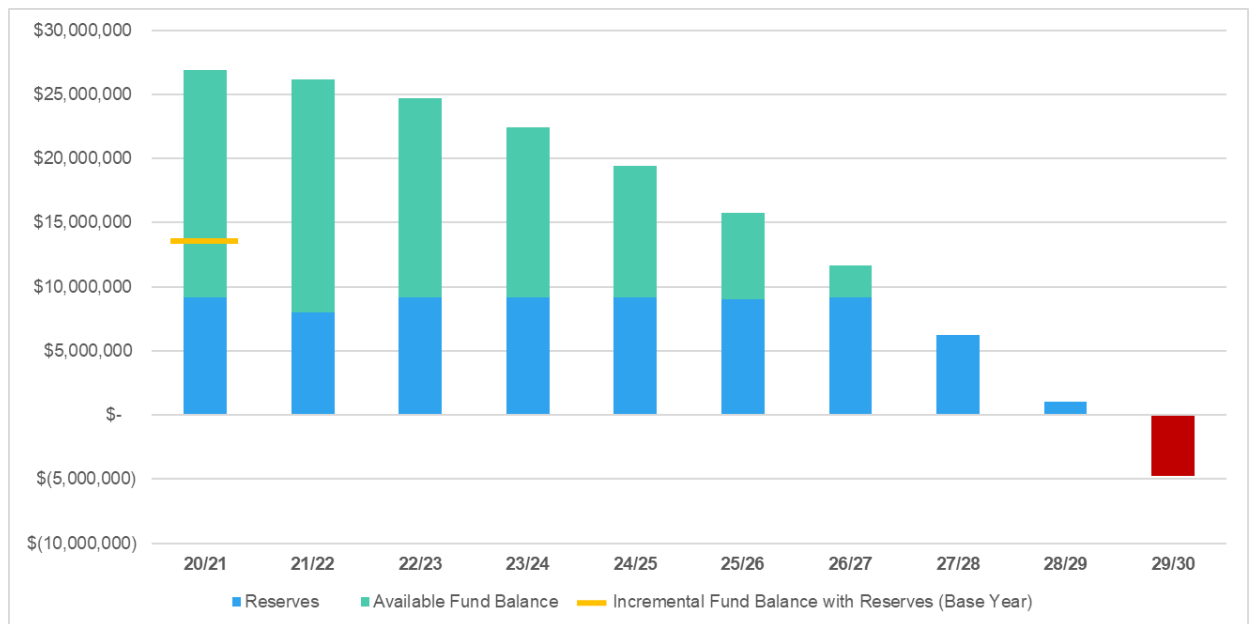
Exhibit A-10**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario E (Organics and Recyclables)**

Exhibit A-11**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario F (Recession)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance	
Base	2020/21	\$ 3,244,785	1,199,933		\$ 11,336,474	\$ 10,000,000		\$ 833,333	\$ 1,336,474	\$ 4,581,258
Year 1	2021/22	4,581,258	1,151,935	-4.0%	11,094,915	11,887,314	18.9%	990,610	(792,399)	3,788,860
Year 2	2022/23	3,788,860	1,105,858	-7.8%	11,207,426	12,700,000	27.0%	1,058,333	(1,492,574)	2,296,286
Year 3	2023/24	2,296,286	1,061,624	-11.5%	10,543,714	12,840,000	28.4%	1,070,000	(2,296,286)	-
3-Year Expenditure Increase			28.4%	Inc Fund Balance		\$4,581,258	Fund Balance with Reserves =		\$13,781,449	
Three-Year Tonnage Change (%)			-11.5%	Months =		4.6	Months =		13.9	
Three-Year Tonnage Change (tons)			138,309							

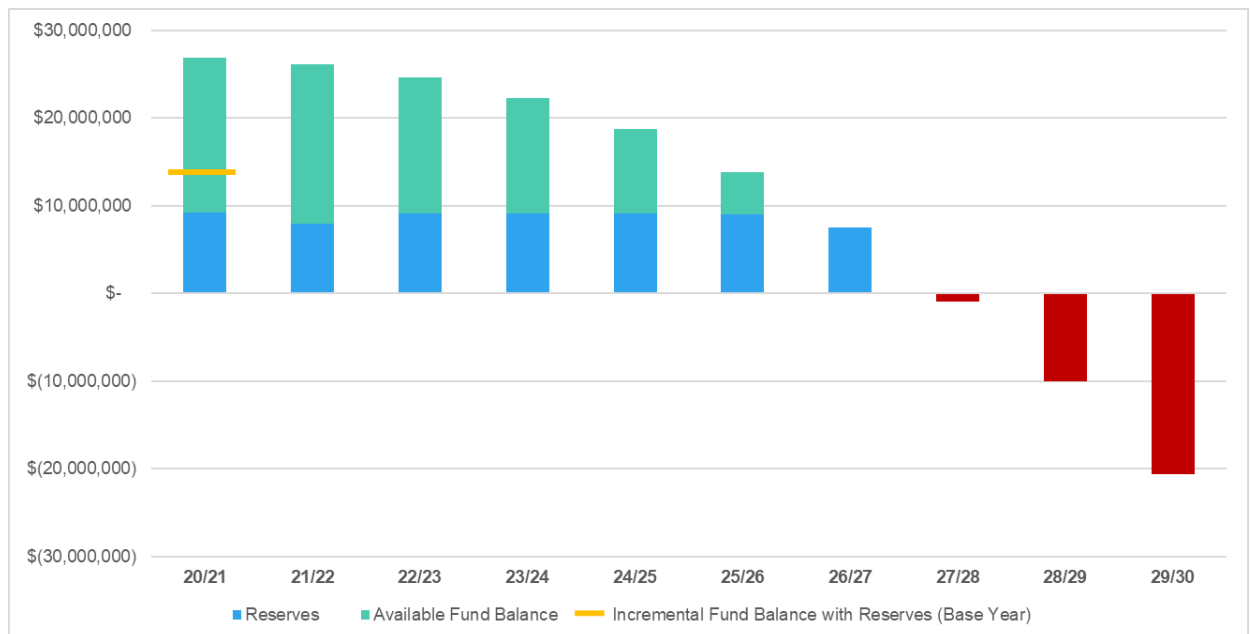
Exhibit A-12**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario F (Recession)**

Exhibit A-13**Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario G (Recycling Plan)**

Fiscal Year	Starting Balance	Tonnage	Change vs Base	Revenue	Expenditures	Change vs Base	Exp/Mo	Annual Activity	Ending Balance	
Base	2020/21	\$ 5,290,543	1,199,933		\$ 11,336,474	\$ 10,000,000		\$ 833,333	\$ 1,336,474	\$ 6,627,017
Year 1	2021/22	6,627,017	1,127,937	-6.0%	10,894,361	11,887,314	18.9%	990,610	(992,953)	5,634,064
Year 2	2022/23	5,634,064	1,060,260	-11.6%	10,826,373	12,700,000	27.0%	1,058,333	(1,873,627)	3,760,437
Year 3	2023/24	3,760,437	996,645	-16.9%	10,000,694	13,761,130	37.6%	1,146,761	(3,760,437)	-
3-Year Expenditure Increase			37.6%	Inc Fund Balance		\$6,627,017	Fund Balance with Reserves =		\$15,827,208	
Three-Year Tonnage Change (%)			-16.9%	Months =		6.7	Months =		16.0	
Three-Year Tonnage Change (tons)			203,288							

Exhibit A-14**Projected Fund Balance/Reserves with Incremental Fund Balance with Reserves
Scenario G (Recycling Plan)**