

AGENDA

Committee Members

Shelia Young, **Chair**
Oro Loma Sanitary District
Jerry Pentin, **Vice Chair**
City of Pleasanton
Keith Carson, County of Alameda
Rochelle Nason, City of Albany
Susan Wengraf, City of Berkeley
Melissa Hernandez, City of Dublin
Jenny Kassan, City of Fremont
Bob Carling, City of Livermore
Mike Hannon, City of Newark
Dan Kalb, City of Oakland
Tim Rood, City of Piedmont
Emily Duncan, City of Union City
Wendy Sommer, Executive Director

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

Thursday, March 14, 2019

9:00 A.M.

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

**Teleconference
Tim Rood
San Jose City Hall
3rd Floor Tower
200 East Santa Clara St
San Jose CA 95113
408-535-8122**

**Melissa Hernandez
Office of Vice Mayor Hernandez
Dublin City Hall
100 Civic Plaza, Second Floor
Dublin, CA 94568
925-833-6663**

1. Convene Meeting

2. 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

1 3. Approval of the Draft Minutes of the February 14, 2019 meeting (Pat Cabrera)

5 4. Fiscal Year 2017-18 Audit Report (Jennifer Luong)

That the P&A Committee review and forward the FY 2017-18 audit report to the Waste Management Authority Board for acceptance and filing.

59 5 Changing from Contracted Inspectors to In-house Inspectors (Rachel Balsley)

That the P&A Committee recommend to the Waste Management Authority Board approval of a new "Site Inspector" classification and the conversion of two contracted MRO inspectors to two limited-term positions. This change will be included in the FY19-20 budget.

6. Member Comments

7. Adjournment

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

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DRAFT

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

Thursday, February 14, 2019

9:00 A.M.

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

**Teleconference
Jerry Pentin
227 Squaw Valley Ste. 27
Olympic Valley, CA 96146
925-518-3036**

Members Present:

City of Albany	Rochelle Nason
City of Dublin	Melissa Hernandez
City of Livermore	Bob Carling
City of Newark	Mike Hannon
City of Oakland	Dan Kalb
Oro Loma Sanitary District	Shelia Young
City of Pleasanton	Jerry Pentin (teleconference)
City of Union City	Emily Duncan

Absent:

County of Alameda	Keith Carson
City of Berkeley	Susan Wengraf
City of Fremont	Vinnie Bacon
City of Piedmont	Tim Rood

Staff Present:

Wendy Sommer, Executive Director
Pat Cabrera, Administrative Services Director
Jeff Becerra, Communications Manager
Arliss Dunn, Clerk of the Board

1. Convene Meeting

Chair Shelia Young called the meeting to order at 9:10 a.m.

DRAFT

2. Public Comments

There were none. Chair Young recognized the attendance of Jaime Patino, the alternate for Union City. He was attending as an observer.

3. Approval of the Draft Minutes of January 10, 2019 (Pat Cabrera)

There were no public comments on this item. Board member Hannon made the motion to approve the draft minutes of January 10, 2019. Board member Duncan seconded and the motion carried 6-0 (Ayes: Carling, Duncan, Hannon, Hernandez, Pentin, Young. Nays: None. Abstain: None. Absent: Bacon, Carson, Kalb, Nason, Rood, Wengraf).

4. Multi-Year Fiscal Forecast (Pat Cabrera)

This item is for information only.

Pat Cabrera provided an overview of the staff report and presented a PowerPoint presentation. A link to the report and the presentation is available here: [Fiscal-Forecast.pdf](#). (Board members Kalb and Nason arrived during the presentation).

Board member Duncan inquired about how the agency is addressing the National Sword issue. Ms. Sommer stated that this is a national policy and the agency has convened a local task force that Meghan Starkey, Senior Management Analyst, is leading. The task force consists of haulers and member agency staff to challenges in finding markets for recyclables. As a local agency, we have minimal influence on national markets, but in the next fiscal year, we will be more involved in local recycling market development zones. The task force is currently focusing on messaging to the public and informing them to continue to recycle and the importance of proper sorting and keeping materials clean. Ms. Starkey added, there is also an effort to assemble a statewide task force to address the National Sword issue. Chair Young inquired if the agency is following SB 1383 closely. Ms. Sommer stated yes. Kelly Schoonmaker, Program Manager, is the lead staff person on SB 1383 and is attending meetings in Sacramento as well as convening meetings with member agency staff to coordinate comments for submission to CalRecycle. Chair Young stated that the National Sword issue has and will create more instability with respect to negotiations with franchise agreements and countywide rate increases. Chair Young added the City of Hayward recently increased their garbage rates and Castro Valley has a new hauler. Chair Young added it is a difficult issue and implored staff to keep abreast of the issues. Ms. Sommer stated that the fiscal report is good news and bad news as revenues are up and our fund balance is stable but tonnages are up as well. However, an increase in tonnages is also not a good measure of our success. The agency is now focused on reducing plastics in the waste stream and plastics is not a heavy material and not a good indicator when measuring tonnages. The agency is two years ahead of the goal of matching revenues to expenditures. Board member Pentin stated that at the end of 2015 and prior to Ms. Sommer being hired as Executive Director, the previous fiscal message projected that revenues would be declining and the agency would be facing a fiscal cliff. Board member Pentin acknowledged Ms. Sommer and staff for operating within a balanced and sustainable financial manner. Ms. Sommer thanked Board member Pentin for his comments.

Chair Young thanked Ms. Cabrera for her report and presentation.

DRAFT

5. RecycleWhere? Search Tool Update (Jeff Becerra)

This item is for information only.

Jeff Becerra provided an overview of the staff report and presented a PowerPoint presentation. A link to the presentation is available here: [RecycleWhere-Presentation.pdf](#). Mr. Becerra acknowledged the team members that work on the RecycleWhere? Project: Robin Plutchok, Program Manager, and Jeanine Sidran, Senior Administrative Assistant.

Chair Young stated that there continues to be confusion regarding the “chasing arrows” recycling label as it doesn’t indicate that a product is recyclable. Mr. Becerra stated that labeling is a challenging issue that extends far beyond Alameda County and staff is working with organizations that are trying to address the issue, but it is a slow process. Justin Lehrer stated that the “chasing arrow” label on plastic containers signifies the type of resin used to make the product. The “How2Recycle” label was created to provide consistent and transparent on-package recycling information. Ms. Sommer added the challenge is working with haulers to eliminate the inconsistency and confusion regarding what is accepted and where to properly recycle materials. Board member Pentin stated that we should prioritize curbside as most people are confused about which item goes into which bin and it would be beneficial to provide instructions on which items are acceptable by jurisdiction as well as provide other methods for disposal of items. Chair Young stated that she appreciates staff for providing the link to the RecycleWhere? Search tool as she has utilized the tool and has posted the link on her individual Facebook page and on the Oro Loma page. Board member Hannon commented that the agency is going down the right path in informing the public about proper recycling, disposal, and reuse of products and added the app should be user friendly and also allow for uploading of photos of products and the app can advise on where to recycle or properly dispose of the item. Board member Pentin stated that the City of Pleasanton has an interactive mobile app that allows residents to report issues such as potholes, graffiti, illegal dumping and other requests for services by simply taking a photo and submitting it directly to the Operations Services Department. Mr. Becerra stated that staff will look into the technology. Board member Hernandez inquired about the timeline for launching the new site. Mr. Becerra stated that staff is looking at having a demo at the end of the fiscal year and hoping to roll-out the new site sometime this calendar year. Board member Duncan inquired if we should continue to push the current search tool or wait until we roll out the new site. Mr. Becerra recommended that we continue to use the current site as the information is current and useful. Chair Young stated that we should keep the RecycleWhere? tool along with the new site as well. Mr. Becerra stated that the new site will have both web based and app capabilities.

Chair Young thanked Mr. Becerra for his presentation.

6. Member Comments

Chair Young inquired about the status of the Davis Street OMRF. Ms. Sommer stated that it is scheduled for operation in 2020. Ms. Sommer displayed a copy of the new agency brochure. The brochure includes highlights of the agency’s accomplishments and projects. Ms. Sommer introduced Jennifer Luong, who was hired in early February as the new Financial Services Manager.

7. Adjournment

The meeting adjourned at 9:45 a.m.

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DATE: March 14, 2019

TO: Programs and Administration Committee

FROM: Pat Cabrera, Administrative Services Director

BY: Jennifer Luong, Financial Services Manager

SUBJECT: Fiscal Year 2017-18 Audit Report

SUMMARY

California state law requires that the Agency issue a complete set of financial statements annually and that an independent firm of certified public accountants audit the financial reports. The Agency's fiscal year (FY) closed on June 30, 2018, at which time Agency staff prepared the financials in conformity with generally accepted accounting principles (GAAP). The firm of Badawi and Associates audited the reports. At the March 14, 2019 Programs and Administration Committee meeting, staff will present the audit report for review and acceptance.

DISCUSSION

The auditor's responsibility is to express opinions on the financial statements. We are pleased the Agency received an unmodified (clean) audit opinion for FY 2017-18 from the external auditors. In addition, there were no internal control weaknesses noted.

The Annual audit report for the fiscal year ending June 30, 2018 is attached. The Management's Discussion and Analysis (MD&A) section of the report (pages 4-6) provides an overview of the Agency's financial activities for the year. The report includes a total Agency (WMA, Recycling Board and Energy Council) Statement of Net Position (page 8- 9); total Statement of Revenues, Expenses and Changes in Net Position (page 10); and total Statement of Cash Flows (page 11). On pages 42-47, the report shows the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position by Board and by fund. The two Boards and the Energy Council are distinct legal entities (but function as one Agency); therefore, these statements are of particular importance as they separately outline their respective financial activity for the year.

Revenue and Expenses

The audit report shows total revenues of \$34.0 million. This is a 13% increase in revenues compared to the FY 17-18 budget. The increase is due primarily to higher disposal tonnages partially

offset by the timing of grant funding on the multi-year BAYREN project. Total expenses were \$29.0 million, a 6% reduction compared to budgeted expenses. The decrease is primarily due to lower costs than budgeted for the Household Hazardous Waste Program.

Net Position

Total net position is \$53.5 million (Authority's portion \$39.0 million or 73.5%; Recycling Board's \$11.1 million or 20.9% and Energy Council \$154,000 or 0.2%). The total net position is comprised of \$14.1 million for the net investment in capital assets (land, buildings, furnishings and equipment), \$7.2 million is reserved and designated for specific purposes by the Board, \$13.2 million for the Household Hazardous Waste Fund while the remaining \$13.9 million may be used to meet the Agency's ongoing obligations, including outstanding contracts. The Agency's overall net position increased by approximately \$3.3 million or 6.9% compared to FY 2016-17.

RECOMMENDATION

That the P&A Committee review and forward the FY 2017-18 audit report to the Waste Management Authority Board for acceptance and filing.

Attachment: Audit Report for the Year ended June 30, 2018 and 2017.

**Alameda County Waste
Management Authority,
Alameda County Source
Reduction and Recycling Board
and Energy Council
Oakland, California**

Annual Audit Report and Financial Statements

For the year ended June 30, 2018 and 2017

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Basic Financial Statements
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For the years ended June 30, 2018 and 2017**

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ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY

Board of Directors

June 2018

Michael Hannon, City of Newark, President
Dave Sadoff, Castro Valley Sanitary District, First
Vice President
Tim Rood, City of Piedmont, Second Vice
President
Dianne Martinez, City of Emeryville
Jim Oddie, City of Alameda
Deborah Cox, City of San Leandro
Keith Carson, County of Alameda
Peter Maass, City of Albany

Kriss Worthington, City of Berkeley
Melissa Hernandez, City of Dublin
Vinnie Bacon, City of Fremont
Sara Lamnin, City of Hayward
Bob Carling, City of Livermore
Dan Kalb, City of Oakland
Shelia Young, Oro Loma Sanitary District
Jerry Pentin, City of Pleasanton
Lorrin Ellis, City of Union City

ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD

Board of Directors

June 2018

Jim Oddie, City of Alameda, President
Sarah Vared, 1st Vice President
Peter Maass, City of Albany, 2nd Vice President
Jillian Buckholz, Recycling Programs
Bernie Camara, Recycling Materials Processing
Industry

Sara Lamnin, City of Hayward
Dianne Martinez, City of Emeryville
John Moore, Environmental Organization
Tim Rood, City of Piedmont
Toni Stein, Environmental Educator
Vacant, Solid Waste Industry Representative

ENERGY COUNCIL

Board of Directors

June 2018

Dianne Martinez, City of Emeryville, President
Jim Oddie, City of Alameda, First Vice President
Deborah Cox, City of San Leandro, Second Vice
President
Michael Hannon, City of Newark
Tim Rood, City of Piedmont
Keith Carson, County of Alameda
Peter Maass, City of Albany

Kriss Worthington, City of Berkeley
Melissa Hernandez, City of Dublin
Vinnie Bacon, City of Fremont
Sara Lamnin, City of Hayward
Bob Carling, City of Livermore
Dan Kalb, City of Oakland
Jerry Pentin, City of Pleasanton
Lorrin Ellis, City of Union City

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council (Agency) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, defined benefit pension plan information, and OPEB plan information on pages 5 to 7 and pages 37 to 40 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The list of Board of Directors and the Supplementary Schedules for Waste Management, Recycling Board and Energy Council are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

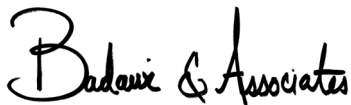
The list of Board of Directors has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Period Financial Statements

The basic financial statements of the Agency as of June 30, 2017, were audited by other auditors whose report dated January 26, 2018, expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the standard required retrospective application and a restatement of the previously reported net position as of July 1, 2016. In addition, the Net OPEB Asset is reported in the Statement of Net Position in the amount of \$515,799 as of the measurement date. The Agency retained a qualified actuary to determine the Total OPEB Liability as of the measurement date as required by GASB Statement No. 75. The Total OPEB Liability is calculated by the actuary using estimates and actuarial techniques under actuarial standards of practice in the actuarial valuation as of June 30, 2017. The actuary applied Section 3.7.7(c)4 of Actuarial Standard of Practice No. 6, as revised, and determined age-adjusted rates are not necessary and therefore, the Implicit Rate Subsidy is not applicable in calculating the total projection of benefit payments. Our opinion is not modified with respect to this matter.



Badawi & Associates
Certified Public Accountants
Oakland, California
March 4, 2019

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**ALAMEDA COUNTY WASTE MANGEMENT AUTHORITY, ALAMEDA COUNTY SOURCE REDUCTION
AND RECYLING BOARD AND ENERGY COUNCIL ("STOPWASTE")
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018**

This section presents management's analysis of the Alameda County Waste Management Authority's , the Alameda County Source Reduction and Recycling Board's and the Energy Council's (herein referred to as the Agency) financial condition and activities as of and for the year ended June 30, 2018. Management's Discussion and Analysis (MD&A) provides an overview of the Agency which is commonly known and identified as "StopWaste". To obtain a complete understanding of the Agency's financial condition, this document should be read in conjunction with the financial statements and the accompanying notes to those financial statements.

ORGANIZATION AND BUSINESS

The Agency operating as StopWaste, is comprised of three separate legal entities: The Alameda County Waste Management Authority, the Alameda County Source Reduction and Recycling Board, and the Energy Council. StopWaste helps local governments, businesses, schools and residents with projects and initiatives that increase recycling and reduce waste; develop and expand markets for recycled materials, provide technical and implementation assistance to increase recycling; motivate people to make recycling and waste reduction part of their everyday routines, increase energy efficiency and increase community resilience to climate change.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

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

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

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic Financial Statements can be found on pages 13-34 of this report.

Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council
Table 1 - Statement of Net Position

June 30, 2018

As of June 30,	2018	2017	Change (\$)	Change (%)	2016	Change (\$)	Change (%)
Assets							
Cash and Cash Equivalents	\$ 40,896,276	\$ 41,777,518	\$ (881,242)	-2.1%	\$ 38,287,604	\$ 3,489,914	9.1%
Other Current Assets	4,084,728	4,478,451	(393,723)	-8.8%	7,308,213	(2,829,762)	-38.7%
Capital Assets	14,105,354	14,240,814	(135,460)	-1.0%	14,304,952	(64,138)	-0.4%
Net OPEB Asset	515,799	364,797	151,002	41.4%	2,216,943	(1,852,146)	100.0%
Loans Receivable, non-current	70,347	112,865	(42,518)	-37.7%	369,754	(256,889)	-69.5%
Total Assets	59,672,504	60,974,445	(1,301,941)	-2.1%	62,487,466	(1,513,021)	-2.4%
Deferred Pension Outflows	6,882,232	2,618,901	4,263,331	162.8%	2,128,589	490,312	23.0%
Liabilities							
Current Liabilities	6,015,940	7,322,992	(1,307,052)	-17.8%	8,924,297	(1,601,305)	-17.9%
Net Pension Liability	6,256,106	5,260,783	995,323	18.9%	4,631,507	629,276	13.6%
Accrued Vacation, non-current	23,724	69,942	(46,218)	-66.1%	269,343	(199,401)	-74.0%
Net OPEB Liability	-	-	-	0.0%	-	-	-100.0%
Total Liabilities	12,295,770	12,653,717	(357,947)	-2.8%	13,825,147	(1,171,430)	-8.5%
Deferred Pension Inflows	662,466	722,285	(59,819)	-8.3%	654,281	68,004	10.4%
Deferred OPEB Inflows	74,281	-	74,281	100.0%	-	-	0.0%
Total Deferred Items	736,747	722,285	14,462	2.0%	654,281	68,004	10.4%
Unavailable							
Investment in Capital Assets	14,105,354	14,240,814	(135,460)	-1.0%	14,304,952	(64,138)	-0.4%
Unavailable	4,747,391	518,871	4,228,520	814.9%	546,981	(28,110)	-5.1%
Reserves	7,205,696	11,418,045	(4,212,349)	-36.9%	12,865,780	(1,447,735)	-11.3%
Encumbrances	2,184,936	3,218,700	(1,033,765)	-32.1%	3,900,956	(682,255)	0.0%
Total Unavailable	28,243,377	29,396,430	(1,153,054)	-3.9%	31,618,669	(2,222,238)	-7.0%
Unrestricted							
Net Position Available Fund Balance (Core)	11,695,343	10,552,823	1,142,520	10.8%	7,601,355	2,951,468	38.8%
Net Position Available Fund Balance (HHW)	13,244,189	10,292,306	2,951,883	28.7%	7,535,438	2,756,867	36.6%
Net position Available Fund Balance Other	339,310	(24,214)	363,525	-1501.3%	1,128,956	(1,153,170)	-102.1%
Total Unrestricted	25,278,842	20,820,914	4,457,928	21.4%	16,265,749	4,555,165	28.0%
Total Net Position	\$ 53,522,219	\$ 50,217,344	\$ 3,304,874	6.6%	\$ 47,884,418	\$ 2,332,927	4.9%

Cash and Cash Equivalents decreased \$0.9 million (-2.1%) in 2018 from 2017, this was primarily due to a \$4.1 million contribution to CalPERS in April 2018 to reduce the Authority's Unfunded Pension Liability largely offset by the increased cash balance in the Household Hazardous Waste Fund. Current assets decreased \$0.4 million (-8.8%) reflecting the grant activity performed on water conservation measures with Bay Area Water Agencies and the Agency as the administrative lead. At June 30, 2018, there is one outstanding loan in the Revolving Loan Fund.

Current liabilities decreased \$1.4 million (-17.8%) in 2018 from 2017, this was primarily attributed to the reduction on amounts due to Bay Area Water Agencies for pass through grant expenditures related to water conservation measures performed during the year funded by the State of California.

Deferred Pension Outflows, Net Pension Liability and Deferred Pension Inflows reflect the Agency's proportionate share of CalPERS' Miscellaneous Risk Pool Pension Liabilities and Assets as of the annual measurement date. These amounts are impacted largely by Investment performance, actuarial assumptions and gains or losses.

Cash and Cash Equivalents increased \$3.5 million (9.1%) in 2017 from 2016, this was primarily due to the increased cash balance in the Household Hazardous Waste Fund and increases in the Discretionary, Grants to Non-Profits and Source Reduction Fund Balances due to increased disposal tons. Other current assets decreased \$2.9 million (-38.7%) reflecting the grant activity performed on water conservation measures with Bay Area Water Agencies and the Agency as the administrative lead. Net OPEB asset of \$0.4 million was generated from the current year contributions. Loans receivable decreased \$0.3 million (-69.5%) largely as a result of repayment activity. At June 30, 2017, there is one outstanding loan in the Revolving Loan Fund.

Current liabilities decreased \$1.7 million (-17.9%) in 2017 from 2016, this was primarily attributed to the reduction on amounts due to Bay Area Water Agencies for pass through grant expenditures related to water conservation measures performed during the year funded by the State of California.

Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council
Table 2 - Statement of Revenues, Expenses and Changes in Net Position
June 30, 2018

Period Ended June 30	2018	2017	Change (\$)	Change (%)	2016	Change (\$)	Change (%)
Operating Revenues							
In County Facility Fees	\$ 5,416,761	\$ 5,056,006	\$ 360,757	7.1%	\$ 4,370,235	\$ 685,770	15.7%
Measure D Municipality Allocation	5,164,136	4,793,312	370,824	7.7%	4,142,273	651,039	15.7%
Other Tonnage Fees	5,164,136	4,793,311	370,824	7.7%	4,142,273	651,040	15.7%
San Francisco Mitigation Fees	-	-	-	0.0%	1,338,995	(1,338,995)	-100.0%
Other Counties Mitigation Fees	564,434	382,842	181,592	47.4%	302,498	80,344	26.6%
Out of County Facility Fees	378,598	476,915	(98,317)	-20.6%	204,522	272,393	133.2%
Benchmark Fees	5,506	927,963	(922,457)	-99.4%	940,163	(12,201)	-1.3%
Household Hazardous Waste Fees and Grants	7,678,014	7,716,614	(38,601)	-0.5%	7,785,913	(69,298)	-0.9%
Other Fees and Revenue	715,113	632,697	82,416	13.0%	687,901	(55,204)	-8.0%
	25,086,699	24,779,660	307,037	1.2%	23,914,772	864,888	3.6%
Non-operating Revenues							
Energy Council	7,592,965	6,653,388	939,577	14.1%	9,196,513	(2,543,125)	-27.7%
Externally Funded	1,191,923	4,253,164	(3,061,240)	-72.0%	320,098	3,933,066	1228.7%
Interest Income	443,430	264,958	178,471	67.4%	189,177	75,780	40.1%
	9,228,318	11,171,510	(1,943,192)	-17.4%	9,705,788	1,465,721	15.1%
Total Revenues	34,315,017	35,951,171	(1,636,155)	-4.6%	33,620,560	2,330,609	6.9%
Operating Expenses							
Salaries and Benefits	7,707,059	7,081,369	625,691	8.8%	6,232,177	849,191	13.6%
Program Expenses	22,945,914	26,172,889	(3,226,975)	-12.3%	23,596,811	2,576,078	10.9%
Legal and Accounting	151,697	148,330	3,366	2.3%	247,917	(99,587)	-40.2%
Board Expenses	51,450	53,850	(2,400)	-4.5%	51,735	2,115	4.1%
Depreciation Expense	154,022	161,806	(7,784)	-4.8%	159,002	2,804	1.8%
Total Expenses	31,010,141	33,618,244	(2,608,101)	-7.8%	30,287,643	3,330,601	11.0%
Change in Net Position	3,304,875	2,332,927	971,948	41.7%	3,332,917	(999,990)	-30.0%
Net Position - Beginning, as reported	50,217,344	47,884,418	2,332,927	4.9%	46,803,710	1,080,708	2.3%
Prior Period Adjustment - GASB 75 OPEB	-	-	-	0.0%	(2,252,209)	2,252,209	-100.0%
Net Position - Beginning, as adjusted	50,217,344	47,884,418	2,332,927	4.9%	44,551,501	2,332,927	5.2%
Net Position - Ending	53,522,219	50,217,344	3,304,875	6.6%	47,884,418	2,332,927	4.9%

Total revenues decreased \$1.6 million (-4.5%) in 2018 from 2017, this was primarily due to a decrease in an Externally funded project of \$2.9 million from a multiyear grant for water conservation measures with Bay Area Water Agencies and the Authority as the administrative lead which was wrapping up in the current year. Benchmark fees were eliminated in 2017. In County Landfill Fees increased \$4 million due to approximately 83,200 more tons for reporting Facilities received in 2018. Fees for disposed materials imported from other counties increased due to 23,400 more tons received in 2018; primarily at the Altamont Landfill. Out of County Facility Fees for tonnages taken out of the County of Alameda decreased \$0.01 million as 2017 included two substantial settlements with facilities and haulers which self-report and remit to the Authority. Energy Council's revenues increased \$1.0 million representing a higher number of projects. Interest income increased \$0.2 million in 2018 from 2017 due to higher market interest rates earned on short-term investments.

Total expenses decreased \$2.6 million (-7.8%) in 2018 from 2017, this was primarily due to reduction of \$2.15 million of pass through grant expenditures to Bay Area Water Agencies for water conservation measures funded by the State of California. Salaries and benefits increased due primarily to additional grant funded positions, conversion of a consultant position to a regular employee and vacation payouts to employees who retired during the fiscal year.

Total revenues increased \$2.3 million (6.9%) in 2017 from 2016, this was primarily due to a increase of approximately 158,200 tons for reporting Facilities. Out of County Facility Fees increased for tonnages taken out of the County of Alameda during calendar 2015 that were settled in fiscal year 2017 as well as higher tonnages from facilities and haulers which self-report and remit to the Authority. There were no San Francisco Mitigation fees after fiscal 2017, as in January 2016 the contractual limitation was reached in the Waste Disposal Agreement between Recology San Francisco (f/k/a Sanitary Fill Company) and Waste Management's Altamont Landfill. Based on an RFP process, the Hay Road Landfill in Solano County was the successful proposer to accept future MSW from San Francisco. Externally funded projects increased \$4.2 million from a multiyear round of funding for water conservation measures with Bay Area Water Agencies and the Agency as the administrative lead. Energy Council's revenues decreased \$2.5 million representing a normalized annual funding level of approximately \$7.0 million.

Total expenses increased \$3.3 million (11.0%) in 2017 from 2016, this was primarily due to \$3.9 million of pass through grant expenditures to Bay Area Water Agencies for water conservation measures funded by the State of California. This increase was partially offset by lower grants and professional services incurred by the Energy Council program reflecting the current funding level. Salaries and benefits increased primarily due to vacancies in the previous year that were filled in FY 16/17 and a change in how the Agency pays retiree benefits. Note: the prior sentence was revised from the prior year audit to reflect more accurate information.

Request for information

The Agency's financial statements are designed to provide a general overview of its finances and to show accountability of the resources it receives and expends. If you have questions about this report, or need additional information, contact the Administrative Services Director or Financial Services Manager at the StopWaste office, located at 1537 Webster Street, Oakland CA 94612.

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**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Statement of Net Position
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 40,896,276	\$ 41,777,518
Receivables:		
Accounts receivable	2,414,327	2,696,088
Interest receivable	125,005	82,592
Grants receivable	1,498,185	1,639,733
Prepaid expenses	4,641	18,826
Loans receivable (Note 3)	42,570	41,212
Total current assets	44,981,004	46,255,969
Noncurrent assets:		
Capital Assets - net of accumulated depreciation (Note 4)	14,105,354	14,240,814
Loans receivable (Note 3)	70,347	112,865
Net OPEB asset (Note 8)	515,799	364,797
Total noncurrent assets	14,691,500	14,718,476
Total assets	59,672,504	60,974,445
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension (Note 7)	6,882,232	2,618,901
Total deferred outflows of resources	6,882,232	2,618,901
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,318,288	\$ 5,173,762
Accrued expenses	317,309	319,385
Accrued vacation (Note 6)	297,341	276,559
Due to other governmental agencies (Note 5)	1,857,275	1,262,974
Unearned revenue	225,727	290,312
Total current liabilities	6,015,940	7,322,992
Noncurrent Liabilities:		
Net pension liability (Note 7)	6,256,106	5,260,783
Accrued vacation (Note 6)	23,724	69,942
Total noncurrent liabilities	6,279,830	5,330,725
Total liabilities	12,295,770	12,653,717
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB (Note 8)	74,281	-
Related to Pension (Note 7)	662,466	722,285
Total deferred inflows of resources	736,747	722,285
NET POSITION		
Net investment in capital assets	14,105,354	14,240,814
Unrestricted	39,416,865	35,976,530
Total net position	\$ 53,522,219	\$ 50,217,344

See accompanying notes to financial statements

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2018 and 2017**

	2018	2017
OPERATING REVENUES		
Disposal and waste import mitigation fees	\$ 16,688,066	\$ 15,543,134
Household hazardous waste fees	7,678,014	7,496,640
Benchmark fees	5,506	927,963
Other	715,113	886,743
Total operating revenues	25,086,699	24,854,480
OPERATING EXPENSES		
Salaries and benefits	7,707,059	7,081,369
Program expenses	22,945,914	26,172,889
Legal and accounting	151,697	148,330
Board expenses	51,450	53,850
Depreciation (Note 4)	154,022	161,806
Total operating expenses	31,010,142	33,618,244
Operating income (loss)	(5,923,443)	(8,763,764)
NONOPERATING REVENUES (EXPENSES)		
Grants	8,784,888	10,781,732
Interest income	443,430	264,958
Other income	-	50,000
Total nonoperating revenues (expenses), net	9,228,318	11,096,690
CHANGES IN NET POSITION	3,304,875	2,332,926
NET POSITION:		
Beginning of year	50,217,344	47,884,418
End of year	\$ 53,522,219	\$ 50,217,344

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 25,345,035	\$ 24,819,447
Cash payments to suppliers	(24,192,902)	(28,646,338)
Cash payments to employees for wages and benefits	(11,342,266)	(6,860,357)
Net cash provided (used) by operating activities	(10,190,133)	(10,687,248)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants	8,926,437	14,023,023
Net cash provided by noncapital financing activities	8,926,437	14,023,023
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(18,563)	(97,668)
Net cash provided (used) by capital and related financing activities	(18,563)	(97,668)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	401,017	251,807
Net cash provided by investing activities	401,017	251,807
Net change in cash and cash equivalents	(881,242)	3,489,914
CASH AND CASH EQUIVALENTS:		
Beginning of year	41,777,518	38,287,604
End of year	\$ 40,896,276	\$ 41,777,518
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (5,923,443)	\$ (8,763,764)
Adjustments to reconcile operating income (loss) to net cash provided by Operating activities:		
Depreciation	154,022	161,806
(Increase) decrease in assets :		
Accounts receivable	281,761	(444,225)
Loans receivable	41,160	428,018
Prepaid expenses	14,185	(18,826)
OPEB asset	(151,002)	(400,063)
Increase (decrease) in liabilities:		
Accounts payable	(1,855,474)	(2,327,584)
Accrued expenses	(2,076)	29,764
Amount due to other governments	594,301	216,286
Unearned revenue	(64,585)	210,328
Accrued vacation	(25,436)	14,044
Net pension liabilities, deferred inflows and deferred outflows	(3,253,546)	206,968
Net cash provided by operating activities	(10,190,133)	(10,687,248)

See accompanying notes to financial statements

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Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council
Notes to Basic Financial Statements
For the years ended June 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

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

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus

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

The Agency accounts for its activities as a proprietary fund. The financial statements are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method all assets, deferred outflows and inflows of resources, and liabilities associated with operations are included on the balance sheet, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. The accounting for fiduciary funds is much like that used for proprietary funds.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues include revenues generated from the primary operations of the fund; operating expenses include all expenses essential to the primary operations of the fund. Nonoperating revenue and expenses include revenue and expenses not associated with the Agency's normal business of waste management. Non-operating revenues and expenses include interest income and expense, gain and loss on disposition of property and equipment, grants, and other peripheral activities. Although capital contributions, as well as special and extraordinary items when there are any, are shown separately, technically they are subcategories of non-operating revenues and expenses.

C. Compensated Absences

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

D. Cash, Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments purchased with an original maturity to three months or less to be cash equivalents, including the Agency investment in the State of California Local Agency Investment Fund (LAIF) and the Alameda County investment pool.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Net Position

In the statements of net position, net position are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

G. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management, at the date of the financial statements, to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets, deferred inflows and outflows of resources, and liabilities as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position has been determined on the same basis as it is reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

J. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2018 to June 30, 2018

K. New Pronouncements

In 2018, the Agency adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* – The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement did not apply to the Agency for the current fiscal year.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. New Pronouncements, Continued

- GASB Statement No. 85, *Omnibus 2017* – The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* – The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement did not apply to the Agency for the current fiscal year.

2. CASH AND INVESTMENTS

The Agency maintains cash and investments as summarized below:

	2018	2017
Cash on hand and in banks	\$ 219,995	\$ 716,594
Investment Pool	40,676,281	41,060,924
Total	\$ 40,896,276	\$ 41,777,518

A. Deposits

The carrying amount of the Agency's deposits as of June 30, 2018 and 2017 was \$219,995 and \$716,594 respectively. The bank balance of deposits as of June 30, 2018 and 2017 was \$997,529 and \$1,188,411, of which \$250,000 was covered by federal depository insurance. The difference between the carrying amount and the bank balance is primarily due to checks outstanding at June 30, 2018 and 2017. The Agency has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining was collateralized with securities held by the pledging financial institutions in the Agency's name.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

2. CASH AND INVESTMENTS, CONTINUED

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a depositor will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a depositor will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governments units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

C. Investment

The Agency pools its cash and investments for investment purposes. Certain cash and investments are segregated for specific purposes.

Under the provisions of the Agency's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio
Alameda County Investment Pool	N/A	N/A	No limit
Local Agency Investment Fund (LAIF)	N/A	N/A	No limit

Investments are stated at fair value. Included in investment income (loss) on the accompanying statement of activities and changes in net position is the net change in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation (depreciation) of those investments.

Measurement of the fair value of investments is based upon quoted market prices, if available. The estimated fair value of investments that have no quoted market price is determined based on equivalent yields for such securities or on securities of comparable maturity, quality, and type as obtained from market makers.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

2. CASH AND INVESTMENTS, Continued

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity as of June 30, 2018 and 2017:

Investment Type	Remaining Maturity (in Months) at June 30, 2018		Remaining Maturity (in Months) at June 30, 2017	
	Fair Value	12 Months Or Less	Fair Value	12 Months Or Less
Local Agency Investment Fund(LAIF)	\$ 5,501,933	\$ 5,501,933	\$ -	\$ -
Alameda County Investment Pool	35,174,348	35,174,348	41,060,924	41,060,924
Total	\$ 40,676,281	\$ 40,676,281	\$ 41,060,924	\$ 41,060,924

E. Credit Risk

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

F. Concentration of Credit Risk

The California Government Code limits the amount the Agency may invest in any one issuer, with the exception of U.S. Treasury obligations, U.S. Agency securities and LAIF. The Agency has no investments in any one issuer (other than external investment pools) that represent 5% or more of total Agency' investments.

G. Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2018 and 2017, there were no investments that were subject to fair value valuation.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

3. LOANS RECEIVABLE

The Agency has loaned funds to businesses in order to improve their recycling and waste management programs. The Revolving Loan Fund was designed to encourage businesses to reduce the amount of waste going to Alameda County landfills by providing low interest loans for source reduction, recycling, composting, processing or recycled market development efforts. Loan funds were available to existing and startup businesses with projects that reduce waste disposed in Alameda County landfills. To be eligible, businesses must be located in Alameda or an adjacent county or be relocating to Alameda County. Loans were available from \$10,000 to \$300,000 with interest rates ranging from Wall Street Journal (WSJ) prime to prime plus 6%. Loan terms do not exceed 5 years. As of June 30, 2018 and 2017, outstanding loans totaled \$112,917 and \$154,077, respectively. The scheduled maturity date of the remaining outstanding loan is January 2021. This Program sunsetted at the end of FY 16/17.

4. CAPITAL ASSETS

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

<u>Asset Type</u>	<u>Asset Life</u>	<u>Capitalization Thresholds</u>
Building and improvement	25 to 50 years	\$5,000
Vehicles, furniture and equipment	5 to 10 years	\$5,000

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

4. CAPITAL ASSETS, CONTINUED

The Agency's capital assets at June 30, 2018 consist of:

	Balance June 30, 2016	2017		Balance June 30, 2017	2018		Balance June 30, 2018
		Additions	Reductions		Additions	Reductions	
Capital assets not being depreciated,							
Land	\$ 9,230,922	\$ -	\$ -	\$ 9,230,922	\$ -	\$ -	\$ 9,230,922
Total	9,230,922	-	-	9,230,922	-	-	9,230,922
Capital assets being depreciated:							
Buildings and improvements	6,278,660	-	-	6,278,660	-	-	6,278,660
Furniture and equipment	263,727	97,668	(59,702)	301,693	18,563	-	320,256
Total assets being depreciated	6,542,387	97,668	(59,702)	6,580,353	18,563	-	6,598,916
Total capital assets	15,773,309	97,668	(59,702)	15,811,275	18,563	-	15,829,838
Less accumulated depreciation for:							
Buildings and improvements	(1,234,169)	(132,059)	-	(1,366,228)	(132,060)	-	(1,498,288)
Furniture and equipment	(234,188)	(29,747)	59,702	(204,233)	(21,963)	-	(226,196)
Total accumulated depreciation	(1,468,357)	(161,806)	59,702	(1,570,461)	(154,023)	-	(1,724,484)
Total capital assets being depreciated, net	5,074,030	(64,138)	-	5,009,892	(135,460)	-	4,874,432
Total capital assets, net	\$ 17,241,666	\$ 259,474	\$ (119,404)	\$ 14,240,814	\$ (135,460)	\$ -	\$ 14,105,354

5. DUE TO OTHER GOVERNMENTAL AGENCIES

The Agency provides direct funding to member agencies through the mandated allocation of funds to municipalities. Measure D requires the Agency to disburse 50% of Measure D fees on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs. On June 30, 2018 and 2017, \$1,857,275 and \$1,262,974, respectively, represented the last quarter of Measure D fees that had not yet been remitted.

6. LONG-TERM LIABILITIES

A summary of long-term liability activities for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	2017		Balance June 30, 2017	2018		Ending June 30, 2018	Due within One year
		Additions	Reductions		Additions	Reductions		
Accrued vacation	\$ 332,457	\$ 304,493	\$ (290,449)	\$ 346,501	\$ 254,517	\$ (279,953)	\$ 321,065	\$ 297,341

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

7. EMPLOYEE RETIREMENT PLANS

A. Plan Descriptions

All qualified permanent, limited term and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a risk pool. Plan assets may be used to pay benefits for any employer rate plan of the pool. Accordingly, rate plans within the pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the risk pool. The Agency sponsors two rate plans (miscellaneous classic and miscellaneous PEPRAs). Benefit provisions under the Plan are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

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

The rate plans' provisions and benefits in effect at June 30, 2018 and 2017 are summarized as follows:

	Miscellaneous - Classic	Miscellaneous - PEPRAs
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.50%	2.00%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates (2017)	10.07%	6.56%
Required unfunded liability payment (2017)	\$ 190,048	\$ -
Required employer contribution rates (2018)	10.11%	6.53%
Required unfunded liability payment (2018)	\$ 238,186	\$ 1,430

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

7. EMPLOYEE RETIREMENT PLANS, Continued

C. Contributions

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

The Agency's contributions to the Plan for the measurement periods ended June 30, 2017 and 2016 were \$4,797,958 and \$600,645, respectively.

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

As of June 30, 2018, and 2017, the Agency reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$6,256,106 and \$5,260,783, respectively.

The Agency's net pension liability for the Plans is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan for the fiscal year 2018 is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The net pension liability of the Plan for the fiscal year 2017 is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The Agency's proportionate share of the net pension liability was based on the Agency's plan liability and asset-related information where available, and proportional allocations of plan amounts as of the valuation date where not available.

The Agency's proportionate share of the net pension liability for the plan as of measurement dates June 30, 2015, 2016, and 2017 was as follows:

Proportion - June 30, 2015	0.067476%	Proportion - June 30, 2016	0.151438%
Proportion - June 30, 2016	<u>0.151438%</u>	Proportion - June 30, 2017	<u>0.063080%</u>
Change - Increase (Decrease)	0.083962%	Change - Increase (Decrease)	-0.088358%

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

7. EMPLOYEE RETIREMENT PLANS, Continued

***D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions,
Continued***

For the year ended June 30, 2018 and 2017, the Agency recognized pension expense of \$1,470,131 and \$168,848, respectively. At June 30, 2018 and 2017, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$4,797,958	\$ -	\$ 600,645	\$ -
Changes in employer's proportion	434,204	303,777	422,939	-
Differences between the employer's contribution and the employer's proportionate share of contributions	249,570	141,132	519,632	514,816
Changes of assumptions	1,134,768	86,527	-	202,563
Differences between expected and actual experiences	9,094	131,030	21,410	4,906
Net differences between projected and actual earnings on plan investments	256,638	-	1,054,275	-
Total	<u>\$6,882,232</u>	<u>\$ 662,466</u>	<u>\$ 2,618,901</u>	<u>\$ 722,285</u>

\$4,797,958 and \$600,645 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019 and 2018, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30:	2018	2017
2018	-	301,667
2019	500,625	274,021
2020	658,144	447,213
2021	415,461	273,070
2022	(152,422)	-

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

7. EMPLOYEE RETIREMENT PLANS, Continued

E. Actuarial Assumptions

The total pension liabilities in the June 30, 2016 and 2015 actuarial valuations were determined using the following actuarial assumptions:

	2018	2017
Valuation Date	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2017	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.65%
Inflation	2.75%	2.75%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return ⁽¹⁾	7.15%	7.65%
Mortality	Derived by CalPERS membership data for all funds	Derived by CalPERS membership data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 and 2015 valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

F. Discount Rate

The discount rate used to measure the total pension liability was 7.15% and 7.65% for the Plan for the measurement period ended June 30, 2017 and 2016 respectively. The rate includes investment expenses and inflation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent and 7.65 percent discount rate are adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent and 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

7. EMPLOYEE RETIREMENT PLANS, Continued

F. Discount Rate, Continued

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

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

Asset Class	2018			2017		
	New	Real	Real	New	Real	Real
	Strategic	Return Years	Return Years	Strategic	Return Years	Return Years
	Allocatio n	1 - 10(a)	11+(b)	Allocatio n	1 - 10(a)	11+(b)
Global Equity	47.00%	4.90%	5.38%	51.00%	5.25%	5.71%
Global Fixed						
Income	19.00%	0.80%	2.27%	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.60%	1.39%	6.00%	0.45%	3.36%
Private Equity	12.00%	6.60%	6.63%	10.00%	6.83%	6.95%
Real Estate	11.00%	2.80%	5.21%	10.00%	4.50%	5.13%
Infrastructure and						
Forestland	3.00%	3.90%	5.36%	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.40%	-0.90%	1.00%	-0.55%	-1.05%
Total	100%			100%		

(a) An expected inflation of 2.5% used for this

(b) An expected inflation of 3.0% used for this

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

7. EMPLOYEE RETIREMENT PLANS, Continued

G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2018	2017
1% Decrease	6.15%	6.65%
Net Pension Liability	\$ 9,996,624	\$ 8,420,458
Current Discount Rate	7.15%	7.65%
Net Pension Liability	\$ 6,256,106	\$ 5,260,783
1% Increase	8.15%	8.65%
Net Pension Liability	\$ 3,158,141	\$ 2,649,468

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

I. Payable to the Pension Plan

At June 30, 2018 and 2017 the Agency reported a payable of \$0 for outstanding amount of required contributions to the pension plan required.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

8. OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

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

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

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

B. Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	36
Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to, but not yet receiving benefits	<u>-</u>
	52

C. Contributions

The OPEB Plan and its contribution requirements are established by and may be amended by the Agency. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018 and June 30, 2017, the Agency's contributions were \$203,221 and \$392,105.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINUED

D. Net OPEB Liability

The Agency's net OPEB liability was measured as of June 30, 2018 and 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumption	2018	2017
Discount Rate	7.00%	7.00%
General Inflation	2.75% per annum	2.75% per annum
Salary Increases	2.75% per year	2.75% per year
Investment Rate of Return	7.00%	7.00%
Mortality Rate	The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables.	The mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables.
Healthcare Trend Rate	4.00%	4.00%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Class	Target Allocation	Long-Term Expected Rate of Return
US Large Cap	43.00%	7.80%
US Small Cap	23.00%	7.80%
Long-Term Corporation bonds	12.00%	5.30%
Long-Term Government bonds	6.00%	4.50%
TIPS	5.00%	7.80%
US Real Estate	8.00%	7.80%
All Commodities	3.00%	7.80%
TOTAL	100.00%	

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, Continued

E. Discount Rate

The discount rate used to measure the total OPEB liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that Agency contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan for the year ended June 30, 2018 are as follows:

	Increase (Decrease)	
		Net OPEB
Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2017 (Measurement Date June 30, 2017)	\$ 4,347,552	\$ 4,712,349
Changes recognized for the measurement period:		
Service cost	123,264	-
Interest	301,530	-
Difference between expected and actual experience	(41,414)	(41,414)
Changes in Assumption	-	-
Contributions - employer	-	203,221
Net investment income	-	376,820
Benefit payment	(161,807)	(161,807)
Administrative expenses	-	(4,245)
Net Changes	221,573	372,575
Balance at June 30, 2018 (Measurement Date June 30, 2018)	\$ 4,569,125	\$ 5,084,924

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINUED

F. Changes in the OPEB Liability, Continued

The changes in the net OPEB liability for the OPEB Plan for the year ended June 30, 2017 are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2016 (Valuation Date)	\$ 4,073,318	\$ 4,038,052	\$ 35,266
Changes recognized for the measurement period:			
Service cost	119,965	-	119,965
Interest	284,652	-	284,652
Difference between expected and actual experience	-	-	-
Changes in Assumption	-	-	-
Contributions - employer	-	392,105	(392,105)
Net investment income	-	416,097	(416,097)
Benefit payment	(130,383)	(130,383)	-
Administrative expenses	-	(3,522)	3,522
Net Changes	274,234	674,297	(400,063)
Balance at June 30, 2017 (Measurement Date)	\$ 4,347,552	\$ 4,712,349	\$ (364,797)

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Agency if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018 and 2017 respectively:

	2018		
	1 % Decrease (6%)	Discount Rate (7%)	1 % Increase (8%)
Net OPEB Liability	\$ 72,278	\$ (515,799)	\$ (1,004,164)
	2017		
	1 % Decrease (6%)	Discount Rate (7%)	1 % Increase (8%)
Net OPEB Liability	\$ 199,462	\$ (364,797)	\$ (832,917)

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINUED

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Agency if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018 and 2017 respectively:

		2018		
		Healthcare		
		1% Decrease	Trend Rate	1% Increase
Net OPEB Liability	\$	(1,055,469)	\$ (515,799)	\$ 121,271

		2017		
		Healthcare		
		1% Decrease	Trend Rate	1% Increase
Net OPEB Liability	\$	(837,473)	\$ (364,797)	\$ 186,441

I. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and 5 Years
actual earnings on OPEB plan
investments

All other amounts Expected average remaining services
lifetime (EARS) (8.6 years at June 30,
2018)

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, Continued

J. OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2018 and June 30, 2017, the Agency recognized OPEB expense of \$85,086 and \$(7,958). For the fiscal year ended June 30, 2018 and 2017, the Agency reported deferred outflows of resources related to OPEB from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of TOL	\$ -	\$ (36,598)	\$ -	\$ -
Changes in assumptions	-	-	-	-
Net difference between projected and actual earnings of	-	(37,683)	-	-
Contributions to OPEB plan after measurement date	-	-	-	-
TOTAL	\$ -	\$ (74,281)	\$ -	\$ -

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2018	\$ (14,237)
2019	(14,237)
2020	(14,237)
2021	(14,237)
2022	(14,237)
2023	(4,816)
Thereafter	(12,517)

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council**
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2018 and 2017

9. RISK MANAGEMENT

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

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

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

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded insured coverage. There have been no significant reductions in insured liability coverage from coverage in the prior year.

10. COMMITMENTS AND CONTINGENCIES

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Required Supplementary Information
For the years ended June 30, 2018 and 2017**

1. DEFINED BENEFIT PENSION PLANS

A. Schedule of The Agency's Proportionate Share of the Net Pension Liability - Last 10 Years*

Fiscal Year	2018	2017	2016	2015
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.06308%	0.15144%	0.06748%	0.05627%
Proportionate share of the net pension liability	\$ 6,256,106	\$ 5,260,783	\$ 4,631,507	\$ 3,501,440
Covered payroll	\$ 4,652,096	\$ 4,638,785	\$ 4,477,977	\$ 4,307,146
Proportionate Share of the net pension liability as percentage of covered payroll	134.48%	113.41%	103.43%	81.29%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

*- Fiscal year 2015 was the 1st year of implementation.

*- Does not include lump sum payment of \$4,129,000 in determining unfunded liabilities - will be reflected in FY18/19 financial statements

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Required Supplementary Information
For the years ended June 30, 2018 and 2017**

1. DEFINED BENEFIT PENSION PLANS, Continued

B. Schedule of Contributions - Last 10 Years*

Fiscal Year	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 668,957	\$ 600,645	\$ 599,151	\$ 638,765
Contribution in relation to the actuarially determined contributions	(4,797,958)	(600,645)	(1,199,151)	(638,765)
Contribution deficiency (excess)	<u>\$ (4,129,001)</u>	<u>\$ -</u>	<u>\$ (600,000)</u>	<u>\$ -</u>
Covered payroll	\$ 4,672,775	\$ 4,652,096	\$ 4,638,785	\$ 4,477,977
Contributions as a percentage of covered payroll	102.68%	12.91%	25.85%	14.26%
Note to Schedule				
Valuation date:	6/30/2015	6/30/2014	6/30/2013	6/30/2012

* - Fiscal year 2015 was the 1st year of implementation.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Required Supplementary Information
For the years ended June 30, 2018 and 2017**

2. OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years*

<i>Measurement Period</i>	2018	2017
Total OPEB Liability		
Service Cost	\$ 123,264	\$ 119,965
Interest on the total OPEB liability	301,530	284,652
Differences between expected and actual experience	(41,414)	-
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(161,807)	(130,383)
Net change in total OPEB liability	221,573	274,234
Total OPEB liability - beginning	4,347,552	4,073,318
Total OPEB liability - ending (a)	\$ 4,569,125	\$ 4,347,552
Plan Fiduciary Net Position		
Contributions - employer	\$ 203,221	\$ 392,105
Net investment income	376,820	416,097
Benefit payments, including refunds of employee contributions	(203,221)	(130,383)
Administrative expense	(4,245)	(3,522)
Net change in plan fiduciary net position	372,575	674,297
Plan fiduciary net position - beginning	4,712,349	4,038,052
Plan fiduciary net position - ending (b)	\$ 5,084,924	\$ 4,712,349
Net OPEB liability/(asset) - ending (a) - (b)	\$ (515,799)	\$ (364,797)
Plan fiduciary net position as a percentage of the total OPEB liability	111%	108%
Covered-employee payroll	\$ 4,672,775	\$ 4,652,096
Net OPEB liability as a percentage of covered-employee payroll	-11.04%	-7.84%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Required Supplementary Information
For the years ended June 30, 2018 and 2017**

2. OTHER POSTEMPLOYMENT BENEFIT PLAN, Continued

B. Schedule of Contributions - Last 10 Years*

Fiscal Year Ended June 30	2018	2017
Actuarially Determined Contribution (ADC)	\$ 203,221	\$ 142,105
Contributions in relation to the ADC	(203,221)	(392,105)
Contribution deficiency (excess)	\$ -	\$ (250,000)
Covered-employee payroll	\$ 4,672,775	\$ 4,652,096
Contributions as a percentage of covered-employee payroll	4.35%	8.43%

Notes to Schedule:

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method/Period	Level Percent Amount, Open 22 year amortization period
Amortization in Years	30 years
Asset Valuation Method	Investment gains and losses spread over 5-year period
Inflation	2.75%
Payroll Growth	2.75% per year
Discount Rate	7.00%
Healthcare cost-trend rates	4.00%
Mortality	Mortality assumptions are based on the 2014 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

SUPPLEMENTARY INFORMATION

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**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Supplementary Schedule of Net Position - Waste Management
June 30, 2018 and 2017**

	Solid waste	Mitigation Fees	Benchmark Fees	Household Hazardous Waste	Total	
					2018	2017
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 6,058,947	\$ 7,109,462	\$ 129,298	\$ 14,896,683	\$ 28,194,390	\$ 29,971,626
Accounts receivable	660,493	297,677	-	500,396	1,458,566	1,888,941
Interest Receivable	16,752	16,879	-	47,728	81,359	57,408
Prepaid Expenses	4,641	-	-	-	4,641	18,826
Grants Receivable	682,062	-	-	-	682,062	1,207,712
Total Current Assets	7,422,895	7,424,018	129,298	15,444,807	30,421,018	33,144,513
NON-CURRENT ASSETS						
Capital Assets, Net of Accumulated Depreciation	301,481	13,803,873	-	-	14,105,354	14,240,814
Net OPEB Asset	515,799	-	-	-	515,799	364,797
Due from Other Funds	637,829	-	-	1,331	639,160	261,581
Total Non-current Assets	1,455,109	13,803,873	-	1,331	15,260,313	14,867,192
TOTAL ASSETS	8,878,004	21,227,891	129,298	15,446,138	45,681,331	48,011,705
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pension	3,340,245	3,541,987	-	-	6,882,232	2,618,901
Total Deferred Outflows of Resources	3,340,245	3,541,987	-	-	6,882,232	2,618,901
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	708,404	37,030	12,783	2,241,426	2,999,643	4,337,161
Accrued Expenses	317,309	-	-	-	317,309	319,385
Accrued Vacation	297,341	-	-	-	297,341	276,559
Unearned revenue	131,402	-	-	-	131,402	168,553
Due to Other Funds	150,569	37,299	-	(72,780)	115,088	452,466
Total Current Liabilities	1,605,025	74,329	12,783	2,168,646	3,860,783	5,554,124
LONG-TERM LIABILITIES						
Accrued Vacation	23,724	-	-	-	23,724	69,942
Net OPEB Liability	-	-	-	-	-	-
Net Pension Liability	6,256,106	-	-	-	6,256,106	5,260,783
Total Long-term Liability	6,279,830	-	-	-	6,279,830	5,330,725
TOTAL LIABILITIES	7,884,855	74,329	12,783	2,168,646	10,140,613	10,884,849
DEFERRED INFLOWS OF RESOURCES						
Related to OPEB	74,281	-	-	-	74,281	-
Related to Pension	662,466	-	-	-	662,466	722,285
Total Deferred Inflows of Resources	736,747	-	-	-	736,747	722,285
NET POSITION						
Net Investment in Capital Assets	301,481	13,803,873	-	-	14,105,354	14,240,814
Unrestricted	3,295,166	10,891,676	116,515	13,277,492	27,580,849	24,782,678
TOTAL NET POSITION	\$ 3,596,647	\$ 24,695,549	\$ 116,515	\$ 13,277,492	\$ 41,686,203	\$ 39,023,492

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Supplementary Schedule of Revenues, Expenses, and Changes in Net Position - Waste Management
For the Years Ended June 30, 2018 and 2017**

	Solid waste	Mitigation Fees	Benchmark Fees	Household Hazardous Waste	Total	
					2018	2017
OPERATING REVENUES						
Fees	\$ 5,795,360	\$ 564,433	\$ -	\$ -	\$ 6,359,793	\$ 5,956,511
Household Hazardous Fees	-	-	-	7,678,014	7,678,014	7,496,640
Benchmark Fees	-	-	5,506	-	5,506	927,963
Other	154,515	510,600	-	-	665,115	885,980
Total Operating Revenues	5,949,875	1,075,033	5,506	7,678,014	14,708,428	15,267,094
OPERATING EXPENSES						
Salaries and Benefits	4,196,717	97,854	-	23,906	4,318,477	4,863,531
Program Expenses	3,214,358	735,845	88,186	4,845,689	8,884,078	13,158,713
Legal and Accounting	131,331	15,942	-	1,052	148,325	133,644
Board Expenses	40,850	-	-	-	40,850	42,000
Depreciation	28,566	125,456	-	-	154,022	161,806
Total Operating Expenses	7,611,822	975,097	88,186	4,870,647	13,545,752	18,359,694
OPERATING INCOME (LOSS)	(1,661,947)	99,936	(82,680)	2,807,367	1,162,676	(3,092,600)
NONOPERATING REVENUES						
Grants	1,195,935	-	-	-	1,195,935	4,168,343
Interest Income	106,046	61,506	-	136,548	304,100	167,841
Total Nonoperating Revenues	1,301,981	61,506	-	136,548	1,500,035	4,336,184
NET INCOME (LOSS) BEFORE TRANSFERS	(359,966)	161,442	(82,680)	2,943,915	2,662,711	1,243,584
Transfer in (out)	-	-	-	-	-	-
NET INCOME (LOSS) AFTER TRANSFERS	(359,966)	161,442	(82,680)	2,943,915	2,662,711	1,243,584
NET POSITION, BEGINNING OF YEAR	3,956,613	24,534,107	199,195	10,333,577	39,023,492	37,779,908
NET POSITION, ENDING OF YEAR	\$ 3,596,647	\$ 24,695,549	\$ 116,515	\$ 13,277,492	\$ 41,686,203	\$ 39,023,492

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Supplementary Schedule of Net Position - Recycling Board
June 30, 2018 and 2017**

	Municipality Allocation	Revolving Loan Fund	Pre-March 1995	Discretionary	Grants to Non-Profits	Source Reduction	Market Development	Recycled Product Price	Total	
									2018	2017
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 881,108	\$ 10,797	\$ 694,981	\$ 3,490,183	\$ 2,478,928	\$ 1,612,784	\$ 2,912,752	\$ 195,366	\$ 12,276,899	\$ 11,803,693
Accounts receivable	445,929	-	-	133,779	89,186	89,186	89,186	44,593	891,859	807,147
Interest Receivable	2,959	334	-	38,955	-	-	-	-	42,248	24,957
Loan Receivable-current	-	42,570	-	-	-	-	-	-	42,570	41,212
Due from other funds	-	-	-	-	-	-	(9,083)	-	(9,083)	34,861
Total Current Assets	1,329,996	53,701	694,981	3,662,917	2,568,114	1,701,970	2,992,855	239,959	13,244,493	12,711,870
NON-CURRENT ASSETS										
Loan receivable-non current	-	70,347	-	-	-	-	-	-	70,347	112,865
Total Non-current Assets	-	70,347	-	-	-	-	-	-	70,347	112,865
TOTAL ASSETS	1,329,996	124,048	694,981	3,662,917	2,568,114	1,701,970	2,992,855	239,959	13,314,840	12,824,735
LIABILITIES										
CURRENT LIABILITIES										
Accounts Payable	-	238	-	44,474	5,446	17,513	15,654	145,084	228,409	308,376
Due to Other Funds	2,014	(1,237)	-	29,706	15,221	23,609	11,545	192	81,050	179,422
Due to Other Government	1,323,462	-	-	-	-	-	-	-	1,323,462	1,262,974
Total Current Liabilities	1,325,476	(999)	-	74,180	20,667	41,122	27,199	145,276	1,632,921	1,750,772
TOTAL LIABILITIES	1,325,476	(999)	-	74,180	20,667	41,122	27,199	145,276	1,632,921	1,750,772
NET POSISION										
Unrestricted	4,520	125,047	694,981	3,588,737	2,547,447	1,660,848	2,965,656	94,683	11,681,919	11,073,963
TOTAL NET POSITION	\$ 4,520	\$ 125,047	\$ 694,981	\$ 3,588,737	\$ 2,547,447	\$ 1,660,848	\$ 2,965,656	\$ 94,683	\$ 11,681,919	\$ 11,073,963

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Supplementary Schedule of Revenues, Expenses, and Changes in Net Position - Recycling Board
For the Years Ended June 30, 2018 and 2017**

	Municipality Allocation	Revolving Loan Fund	Pre-March 1995	Discretionary	Grants to Non-Profits	Source Reduction	Market Development	Recycled Product Price	Total	
									2018	2017
OPERATING REVENUES										
Fees	\$5,164,136	\$ -	\$ -	\$1,549,241	\$1,032,827	\$1,032,827	\$1,032,827	\$ 516,414	\$10,328,272	\$ 9,586,623
Other	-	-	-	-	-	-	-	-	-	763
Total Operating Revenues	5,164,136	-	-	1,549,241	1,032,827	1,032,827	1,032,827	516,414	10,328,272	9,587,386
OPERATING EXPENSES										
Salaries and Benefits	-	2,747	-	1,398,325	379,186	489,861	311,221	12,473	2,593,813	1,618,864
Program Expenses	5,169,430	300	-	779,644	378,064	251,986	201,213	469,237	7,249,874	6,944,573
Legal and Accounting	-	1,528	-	1,280	-	-	-	-	2,808	14,296
Board Expenses	-	-	-	10,600	-	-	-	-	10,600	11,850
Total Operating Expenses	5,169,430	4,575	-	2,189,849	757,250	741,847	512,434	481,710	9,857,095	8,589,583
OPERATING INCOME (LOSS)	(5,294)	(4,575)	-	(640,608)	275,577	290,980	520,393	34,704	471,177	997,803
NONOPERATING REVENUES										
Interest Income	8,254	5,310	-	123,216	-	-	-	-	136,780	94,031
Total Nonoperating Revenues	8,254	5,310	-	123,216	-	-	-	-	136,780	94,031
NET INCOME (LOSS) BEFORE TRANSFERS	2,960	735	-	(517,392)	275,577	290,980	520,393	34,704	607,957	1,091,834
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS) AFTER TRANSFERS	2,960	735	-	(517,392)	275,577	290,980	520,393	34,704	607,957	1,091,834
NET POSITION, BEGINNING OF YEAR	1,560	124,312	694,981	4,106,129	2,271,870	1,369,868	2,445,263	59,979	11,073,962	9,982,129
NET POSITION, ENDING OF YEAR	\$ 4,520	\$ 125,047	\$ 694,981	\$ 3,588,737	\$ 2,547,447	\$ 1,660,848	\$ 2,965,656	\$ 94,683	\$ 11,681,919	\$ 11,073,963

**Alameda County Waste Management Authority, Alameda County Source Reduction
and Recycling Board and Energy Council
Supplementary Schedule of Net Position - Energy Council
June 30, 2018 and 2017**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 424,988	\$ 2,199
Accounts receivable	63,904	-
Interest Receivable	1,399	227
Due from other funds	-	335,446
Grants Receivable	816,123	432,021
TOTAL ASSETS	1,306,414	769,893
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	624,050	528,225
Due to Other Funds	433,939	-
Unearned revenue	94,325	121,779
TOTAL LIABILITIES	1,152,314	650,004
NET POSISION		
Unrestricted	154,100	119,889
TOTAL NET POSITION	\$ 154,100	\$ 119,889

**Alameda County Waste Management Authority, Alameda County Source
Reduction and Recycling Board and Energy Council
Supplementary Schedule of Revenues, Expenses, and Changes in Net Position - Recycling Board
For the Years Ended June 30, 2018 and 2017**

	Total	
	2018	2017
OPERATING EXPENSES		
Salaries and Benefits	\$ 794,767	\$ 598,974
Program Expenses	6,811,961	6,069,603
Legal and Accounting	563	390
Total Operating Expenses	7,607,291	6,668,967
NONOPERATING REVENUES		
Grants	7,588,952	6,613,389
Other revenue	50,000	50,000
Interest Income	2,550	3,086
Total Nonoperating Revenues	7,641,502	6,666,475
NET INCOME (LOSS)	34,211	(2,492)
NET POSITION, BEGINNING OF YEAR	119,889	122,381
NET POSITION, ENDING OF YEAR	\$ 154,100	\$ 119,889



DATE: March 14, 2019

TO: Programs and Administration Committee

FROM: Pat Cabrera, Administrative Services Director

BY: Rachel Balsley, Senior Program Manager

SUBJECT: Changing from Contracted Inspectors to In-house Inspectors

SUMMARY

At the March 14, 2019 Programs and Administration Committee meeting, staff will recommend approving the conversion of two contracted Mandatory Recycling Ordinance (MRO) site inspectors to two limited term employee positions.

DISCUSSION

The Mandatory Recycling Ordinance (MRO) project has been using contracted inspection services since it began enforcement in 2013. The flexibility of this approach has been useful through the early development and evolution of the project. However, with contracted inspectors, we have limited control over their performance and Agency staff has spent significant time on quality control. A relatively high turnover rate has also resulted in more training time needed for new inspectors. Furthermore, there have been recent legal rulings regarding the use of independent contractors that support bringing the inspectors in-house. The MRO project supports the Agency's goal of sending less than 10% of "good stuff" to the landfill, as well as member agencies' compliance with state regulations for AB 341 (2011) and AB 1826 (2014). It is also expected to play a significant role in compliance with the generator requirements that are forthcoming in SB 1383 (2016).

Approximately three years ago, staff conducted an analysis regarding the feasibility of hiring in-house inspectors and presented it to the P&A Committee. This analysis also included a job description (which has been updated and attached) and a "top of range" salary (see - Koff & Associates report). While the decision at the time was to continue with contractors, given the reasons discussed above, staff believes that converting the contractors to limited term employees is

now the better approach. The Agency still maintains staffing flexibility by designating the positions as limited-term.

As part of the FY 2019-20 budget, staff recommends the creation of a new “Site Inspector” classification and hiring two in-house inspectors for a three-year limited term. The new proposed classification and salary range of approximately \$4,800 - \$5,900 per month is based on the recommended salary proposed in 2016, adjusted for approved general wage increases and the CPI increase that will be requested as part of the budget process. If approved, this classification will become grade one of our classification system, the lowest salary range for non- intermittent employees. The salary schedule and authorized positions table will be included in the annual budget document for Board approval.

While the majority of the inspectors’ time would be spent on MRO inspections, they would also support Reusable Bag Ordinance enforcement and the compost contamination project. It is expected that switching from contracted services to in-house employees will result in an overall cost savings to the agency of approximately \$60,000.

RECOMMENDATION

That the P&A Committee recommend to the Waste Management Authority Board approval of a new “Site Inspector” classification and the conversion of two contracted MRO inspectors to two limited-term positions. This change will be included in the FY19-20 budget.

Attachments: Site Inspector Job Description
Koff and Associates report

SITE INSPECTOR

DEFINITION

Under direct supervision, performs site inspection fieldwork of commercial and multifamily accounts to determine and report on compliance with the Alameda County Mandatory Recycling Ordinance (MRO) and Resusable Bag Ordinance (RBO); identifies non-compliance and other irregularities; and performs related work as required.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from an assigned Program Manager. Exercises no supervision of staff, although may provide some oversight of temporary workers if needed.

CLASS CHARACTERISTICS

This classification performs the full range of duties related to compliance inspection services. Responsibilities require the use of tact and frequent interaction with the public. Positions at this level operate within prescribed instruction and request assistance as new or unusual situations arise. This class is distinguished from the Program Services Specialist classification in that the latter participates in coordinating, implementing, and promoting assigned waste management programs, projects, and initiatives. In addition, there is not a direct career pathway from the Inspector classification to the Program Services Specialist series. In general, promotions occur within classification series. A promotion or reclassification into another classification is usually a result of a vacancy or a change in the operational needs of the Agency.

EXAMPLES OF TYPICAL FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Inspects commercial and multifamily accounts based on daily assignments; organizes and schedules routes to ensure timely completion of inspection schedule; gains lawful entry to site locations.
- Observes, photographs, and reports site conditions and provides relevant details related to compliance or suspected non-compliance through a handheld computer tablet; provides thorough documentation of non-compliance or unusual conditions; contacts supervisor if clarification or guidance is needed.
- Attends training activities to promote understanding of ordinance requirements and inspection techniques.
- Drives assigned vehicle and performs safety and service inspections as needed.
- Reads and interprets maps and diagrams in the performance of the work.

- Initiates contact with and represents the Authority in account interactions; provides account representative with printed reference material and information related to Ordinance compliance; answers account inquiries and refers on questions and issues as needed; refers inquiries to the appropriate resource within or outside the Authority.
- Samples and sorts materials from businesses in relation to metrics-gathering field work on an occasional basis.
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Basic operation of computer equipment and applications related to work.
- Safety equipment and practices related to the work, including safe driving rules and practices.
- English usage, spelling, vocabulary, grammar, and punctuation.
- Techniques for providing a high level of customer service by effectively dealing with account representatives, the public, and Authority staff.

Ability to:

- Deal tactfully with the account representatives, the public and others in providing information and answering questions.
- Complete assigned inspections within established guidelines.
- Report data accurately and prepare accurate records.
- Read and interpret street maps.
- Operate a motor vehicle safely.
- Identify common recyclable and compostable materials in the waste stream.
- Learn and apply applicable Federal, State, and local laws, regulatory codes, ordinances, and procedures relevant to assignment.
- Maintain accurate logs, records, and basic written records of work performed.
- Follow Authority policies and procedures related to assigned duties.
- Understand and follow oral and written instructions.
- Organize own work and meet time deadlines.
- Effectively communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence and judgment within general policy, procedural, and legal guidelines.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Equivalent to the completion of the twelfth (12th) grade and one (1) year of customer service experience.

Licenses and Certifications:

- Possession of, or ability to obtain, a valid California Driver's License by time of appointment.

PHYSICAL DEMANDS

Must possess mobility to operate a motor vehicle and to work in the field visiting multiple sites; strength, stamina, and mobility to perform light to medium physical work and to operate varied hand tools and equipment such; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. The job involves fieldwork requiring frequent walking in operational areas to identify problems or hazards. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or touch-screen tablet and to operate above-mentioned tools and equipment. Positions in this classification bend, stoop, kneel, reach, and climb to perform work and inspect work sites. Employees must possess the ability to lift, carry, push, and pull materials and objects weighing up to 20 pounds.

ENVIRONMENTAL ELEMENTS

Employees work in the field and are exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, dust, fumes, and/or allergens, chemicals, and hazardous physical substances and fumes, which require the use of protective clothing and equipment such as gloves, hard hats, and vests. Employees may interact with upset staff and/or public and private representatives and contractors in interpreting and enforcing policies and procedures.

To: Pat Cabrera, Administrative Services Director
From: Katie Kaneko, Project Manager
Date: February 23, 2016
RE: Classification Study – Recycling Site Inspectors

In December 2015, the Alameda County Waste Management Authority (Stopwaste) contracted with Koff & Associates (K&A) to conduct a classification and compensation study review of the contract positions performing recycling site inspections. Stopwaste desired a review of the positions to capture the duties and responsibilities within a classification description and to survey the market for comparable bodies of work to determine whether it was feasible to convert the contract positions to Authority employees.

Classification Study Process

K&A conducted a classification study through generally accepted human resources practices and by means of several tools and instruments. We reviewed and analyzed the Position Description Questionnaire (PDQ) submitted to our office and conducted an interview with the Authority employees responsible for oversight of the contract function.

Classification Analysis and Findings

A review of the information supplied by Authority staff enabled us to create a class description for a Recycling Site Inspector. Our assessment of the classification is that the inspection work is performed under close supervision and within clearly prescribed routine and procedures. Direction was requested when encountering unusual or unique situations thereby requiring limited judgment by incumbents in the execution of tasks.

It was our assessment that this work could be performed by an individual who had a high school education and customer service experience. The range of duties and qualifications are captured within Appendix I of this report.

Compensation Review

Stopwaste requested that we conduct a market compensation study, identifying classifications within other public agencies that perform a similar level body of work. We perused the classification system of Bay Area agencies to identify similar classifications. We found that classifications such as meter readers and parking enforcement officers were most similar in that they performed data collection and compliance inspections within prescribed procedures and had similar minimum qualifications. We reviewed classification descriptions to ensure that the descriptions did not include other duties that can be required of meter readers such as repair and maintenance of meters, shut offs, account collections, etc. thereby limiting the scope of work to data collection and reporting. The parking enforcement officers did differ slightly in that they had enforcement duties such as writing tickets, but since judgment was limited to decision such as whether parking meters had expired or that vehicles were parked within appropriate parking spaces, the responsibility level seemed comparable.

The base salary, benefits, and total compensation data can be found in Appendix II of this report. The median market base and total compensation salary findings for the class is listed below.

Classification	Median Monthly Base Salary	Median Monthly Total Compensation
Recycling Site Inspector	\$5,269	\$8,325

Market *base salary median* results show that the proposed hourly wage of the classification would need to be approximately \$30 in order to pay competitively to similar classifications found in other public agencies.

Market *total compensation* results suggest that approximate hourly pay would increase 60% to \$48 if the cost of benefits were factored in.

Recommendations

It is difficult to fully advise without out having detailed costs related to your current service contract but based on our knowledge of the labor market, the public sector pay structure for similarly skilled positions experiences higher compensation costs than the private sector. This analysis only considers compensation and not other program costs that the Authority would have to assume such as risk management, equipment, vehicles, staff management time, etc. There are alternative employment arrangements, such as part time staffing, which could help to curtail costs of benefits.

It was a pleasure conducting this classification and compensation study for Stopwaste. Please do not hesitate to contact us if we can provide any additional information or clarification regarding this summary of our analysis, findings, and recommendations.

**Alameda County Waste Management Authority
Top Monthly Salary Data
February 2016**

Inspector						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	East Bay Municipal Utility District	Meter Reader	\$5,841	07/01/15	Unknown	Unknown
2	City of San Francisco	Meter Reader	\$5,555	10/10/15	7/1/2016	2.25 - 3.25%
3	City of Hayward	Water Meter Reader	\$5,330	12/15/15	7/1/2016	2.5%
4	City of Berkeley	Parking Enforcement Officer	\$5,207	12/20/15	6/19/2016	1%
5	City of Alameda	Meter Reader	\$5,063	01/11/15	Unknown	Unknown
6	City of Oakland	Parking Control Technician	\$4,498	07/01/15	Unknown	Unknown
7	Alameda County Waste Management Authority	Inspector	Proposed			
Average of Comparators			\$ 5,249			
% Alameda County Waste Management Authority Above/Below			N/A			
Median of Comparators			\$5,269			
% Alameda County Waste Management Authority Above/Below			N/A			
Number of Matches			6			
NOTE: All calculations exclude Alameda County Waste Management Authority						

N/C - Non Comparator

1 - The City of Alameda is in the process of labor negotiations; the data pulled is their most current data prior to negotiations.

**Alameda County Waste Management Authority
Benefit Detail
February 2016**

Benefit							
Alameda County Waste Management Authority	Alameda County Waste Mgt Authority	City of Alameda	City of Berkeley	City of Hayward	City of Oakland	City of San Francisco	East Bay Municipal Utility District
Class Title		Meter Reader	Parking Enforcement Officer	Water Meter Reader	Parking Control Technician	Meter Reader	Meter Reader
Top Monthly Salary	Proposed	\$5,063	\$5,207	\$5,330	\$4,498	\$5,555	\$5,841
Employee Retirement							
PERS Formula		2.5%@55	2.7%@55	2.5%@55	2.5%@55	2.1%@61	2.6%@62
Enhanced Formula Cost		\$251	\$419	\$264	\$223	-\$169	-\$178
ER Paid Member Contribution		\$95	\$417				
EPMC Reported as Special Comp			\$33				
12 Month Highest Salary		\$68	\$70	\$72			\$79
Social Security						\$344	\$362
Other							
Insurance							
Cafeteria							
Health		\$1,860	\$1,651	\$1,941	\$1,941	\$1,692	\$2,776
Dental		\$133	\$151	\$129	\$113	\$177	\$224
Vision				\$14	\$29		\$24
EAP		\$3	\$2	\$7	\$2		\$5
Life		\$8	\$2	\$5	\$5		\$1
LTD		\$10	\$9			\$22	\$23
STD/SDI							
Other							
Leave							
Vacation		\$302	\$300	\$308	\$260	\$320	\$337
Holidays		\$263	\$320	\$297	\$225	\$342	\$337
Administrative							
Auto Allowance							
Uniform Allowance			\$1,400		\$329		
Deferred Compensation			\$181				
Other							
Longevity							
Benefit Cost		\$2,992	\$4,956	\$3,037	\$3,127	\$2,728	\$3,991
Total Monthly Comp.	Proposed	\$8,055	\$10,163	\$8,367	\$7,625	\$8,283	\$9,832

Note: Total Monthly Compensation number may vary slightly from the sum of its components due to cell formulas & rounding.

**Alameda County Waste Management Authority
Total Monthly Compensation Data
February 2016**

Inspector						
Rank	Comparator Agency	Class Title	Total Monthly Comp	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Berkeley	Parking Enforcement Officer	\$10,163	12/20/15	6/19/2016	1%
2	East Bay Municipal Utility District	Meter Reader	\$9,832	07/01/15	Unknown	Unknown
3	City of Hayward	Water Meter Reader	\$8,367	12/15/15	7/1/2016	2.5%
4	City of San Francisco	Meter Reader	\$8,283	10/10/15	7/1/2016	2.25 - 3.25%
5	City of Alameda	Meter Reader	\$8,055	01/11/15	Unknown	Unknown
6	City of Oakland	Parking Control Technician	\$7,625	07/01/15	Unknown	Unknown
7	Alameda County Waste Management Authority	Inspector	Proposed			
Average of Comparators			\$ 8,720			
% Alameda County Waste Management Authority Above/Below			N/A			
Median of Comparators			\$8,325			
% Alameda County Waste Management Authority Above/Below			N/A			
Number of Matches			6			
NOTE: All calculations exclude Alameda County Waste Management Authority						

N/C - Non Comparator