

**Planning & Organization Committee/  
Recycling Board Members**

Dianne Martinez, **President**  
ACWMA

Steve Sherman, **1<sup>st</sup> Vice President**  
Source Reduction Specialist

Jerry Pentin, **2<sup>nd</sup> Vice President**  
ACWMA

Adan Alonzo, Recycling Programs

Bernie Camara, Recycling Materials Processing Industry

Peter Maass, ACWMA

John Moore, Environmental Organization

Jim Oddie, ACWMA

Michael Peltz, Solid Waste Industry Representative

Tim Rood, ACWMA

Toni Stein, Environmental Educator

Wendy Sommer, Executive Director

**AGENDA**  
**MEETING OF THE**  
**PLANNING AND ORGANIZATION**  
**COMMITTEE**  
**AND**  
**ALAMEDA COUNTY RECYCLING BOARD**

**Thursday, September 14, 2017**

**7:00 P.M.**  
**StopWaste Offices**  
**1537 Webster Street**  
**Oakland, CA 94612**  
**510-891-6500**

**Teleconference**  
**Jerry Pentin**  
**Hyatt Regency Sacramento**  
**1209 L Street**  
**Sacramento, CA 95814**  
**916-443-1234**

Meeting is wheelchair accessible. Sign language interpreter may be available upon five (5) days' notice to 510-891-6500.

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. ANNOUNCEMENTS BY THE PRESIDENT**

Page **IV. CONSENT CALENDAR**

- 1 **1. Approval of the Draft Minutes of August 10, 2017 (Tom Padia)**
- 5 **2. Board Attendance Record (Tom Padia)**
- 7 **3. Written Report of Ex Parte Communications (Tom Padia)**

**V. OPEN PUBLIC DISCUSSION**

An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Board, but not listed on the agenda. Each speaker is limited to three minutes.

**VI. REGULAR CALENDAR**

- 9 **1. Recycling Board "Five Year Audit" - Recommendation to Accept Five Year Financial & Compliance Audit Report – FY 2011/12 – 2015/16 (Tom Padia)**  
It is recommended that the Recycling Board accept the Five Year Financial and Compliance Audit by Crowe Horwath LLP and approve the recommendations therein, subject to the qualifications enumerated in the staff report.

21      **2. Grantee Presentation: Dublin Partners in Education (Meri Soll)**

This item is for information only.

23      **3. Replacement Election of Officer for 2017 (Tom Padia)**

Choose to elect a new First Vice President for the remainder of 2017, or leave the position vacant until election of a new slate of officers in December.

**VII. OTHER PUBLIC INPUT**

**VIII. COMMUNICATIONS/MEMBER COMMENTS**

**IX. ADJOURNMENT**

DRAFT

**MINUTES OF THE REGULAR MEETING OF THE  
PLANNING AND ORGANIZATION COMMITTEE  
AND  
ALAMEDA COUNTY RECYCLING BOARD**

**Thursday, August 10, 2017**

**4:00 P.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**

**I. CALL TO ORDER**

Steve Sherman, First Vice President, called the meeting to order at 4:00 p.m.

**II. ROLL CALL**

Adan Alonzo, Recycling Programs  
Don Biddle, ACWMA for Jerry Pentin, ACWMA  
Peter Maass, ACWMA  
John Moore, Environmental Organization  
Jim Oddie, ACWMA  
Michael Peltz, Solid Waste Industry Representative  
Tim Rood, ACWMA (via teleconference)  
Steve Sherman, Source Reduction Specialist  
Toni Stein, Environmental Educator  
Shelia Young for Dianne Martinez, ACWMA

**Absent:**

Bernie Camara, Recycling Materials Processing Industry

**Staff Present:**

Wendy Sommer, Executive Director  
Tom Padia, Deputy Executive Director  
Meri Soll, Senior Program Manager  
Justin Lehrer, Senior Program Manager  
Farand Kan, Deputy County Counsel  
Arliss Dunn, Clerk of the Board

**Others Present:**

Ian Coats MacColl, Green Toys, Inc.  
Peter Mui, Fix It Clinic  
Arthur Boone

### **III. ANNOUNCEMENTS BY THE PRESIDENT**

There were none.

### **IV. CONSENT CALENDAR**

- 1. Approval of the Draft Minutes of July 13, 2017 (Tom Padia)**
- 2. Board Attendance Record (Tom Padia)**
- 3. Written Report of Ex Parte Communications (Tom Padia)**

Board member Biddle made the motion to approve the Consent Calendar. Board member Maass seconded and the motion carried 8-0-1. The Clerk called the roll:

(Ayes: Biddle, Maass, Moore, Oddie, Peltz, Rood, Sherman, Stein. Nays: None. Abstain: Young. Absent: Alonzo, Camara).

### **V. OPEN PUBLIC DISCUSSION**

There was none

### **VI. REGULAR CALENDAR**

#### **1. Recycled Content Manufacturing – Green Toys**

Tom Padia provided a brief overview of the staff report and introduced Ian Coats MacColl of Green Toys, Inc. Mr. MacColl presented an overview of the design process, product development, marketing, and benefits of producing toys from recycled content. A link to the video “The Green Toys Story” is available here: [Green-Toys-Story](#)

Board member Young inquired if the playdoh remains pliable while using natural products. Mr. MacColl stated he is not sure of all of the ingredients in the product but the consistency is extremely similar to the playdoh currently on the market. Board member Young stated that she is excited to hear about the company. Board member Biddle inquired about the size of the company and how the company is able to compete in large toy manufacturing market. Mr. MacColl stated that the company has 17 employees with annual sales between \$15-\$20 million and low overhead. The company has a different story that resonates with certain consumers. Board member Moore inquired about how the product is brought to market and how the story is communicated to consumers. Mr. MacColl stated that the product is mostly in mom and pop stores, specialty stores, and mid-tier stores such as Whole Foods that cater to consumers that appreciate the message of sustainable products. Board member Stein inquired if the company is seeking FDA approval or certifications and if so what are the difficulties. Mr. MacColl stated that FDA approval is not necessary and all of the materials are tested in a safe lab and are “A” rated according to guidelines for children. Mr. MacColl added that they are looking into becoming a benefit corporation that includes a positive impact on society, workers, the community and the environment in addition to profit as its legally defined goals. Board member Peltz stated that a lot of toys are not recovered for recycling as they are in a stream called rigid plastics and the end users are looking for high density polyethylene as it is the most widely recycled form of plastic. Board member Peltz added that because this product is made of polyethylene it can be recovered on the domestic market if it is optically sorted. Board member Alonzo stated that he concurred with Board member Peltz’ comments. Mr. Padia stated that many residential single stream curbside recycling programs collect what are called “small mixed rigid” plastics such as tubs, cups, trays and other non-bottle food packaging. A different grade, called “bulky mixed rigid plastics” includes crates, buckets, carts, toys, totes, lawn furniture, etc. This bulky grade is normally not generated from curbside collection but from drop-off recycling centers and commercial/industrial/C&D sort lines

Vice President Sherman opened the floor for public comment. Arthur Boone inquired if the drool from the molding machine is reused and stated that he is aware of a company in Fremont that buys drool for reuse. Mr. MacColl stated yes the drool is reused. Mr. Boone added he had attended a seminar at the Ecology Center in Berkeley and Dr. Arlene Blum, biophysical chemist, author, and mountaineer was speaking about her interest in the way a variety of colorants and additives are migrating out of plastics and her group is trying to elevate the discussion.

Justin Lehrer stated that as a consumer of this product he can attest to the durability of Green Toys. Mr. Lehrer asked if they do any product take-back to recycle their own products. Mr. MacColl responded yes but it is a challenge to collect the products at end-of-life. Mr. Lehrer commented about how their packaging reduces waste by having large windows cut out of the paperboard so that the customers can see and even feel the toy due to no cellophane barrier. Mr. MacColl responded that unfortunately their biggest customer, Amazon, has required that the product be completely enclosed, as their distribution centers get dusty. Their current packaging is completely enclosed in a corrugated package, which does offer the benefit of more space to show product play suggestions. They are also looking at company take back from consumers and analyzing how to do that and forwarding on to next family.

Vice President Sherman inquired about the key considerations for establishing the company in Marin and establishing the distribution center in Hayward, and going forward, as the company expands, what are the key considerations for moving operations fully to Alameda County. Mr. MacColl stated that the company manufacturing is located in San Leandro and the distribution center is located in Hayward which is due to a large emphasis on their carbon footprint. Mr. MacColl added in order to diversify their manufacturing resources they work with a factory in Chicago but they are looking to work with companies that are closer in California and Oregon.

Vice President Sherman thanked Mr. MacColl for his presentation.

## **2. Grantee Presentation: Fix It Clinic (Meri Soll)**

Meri Soll provided a brief overview of the staff report and introduced Peter Mui from Fix It Clinic. Mr. Mui provided an overview of the organization's programs and provided a presentation on their grant funded activities to date. A link to the presentation is available here: [Fixit-Clinic-Presentation-08-10-17.pdf](#)

Fixit Clinic was featured on PBS television. A link to the video is available here: [PBS-Fixit-Clinic](#)

Board member Oddie stated that he enjoyed the presentation and inquired about a one page summary of the program to share as Council communication. Staff stated that they would provide a one page summary to share with Council.

Board member Peltz inquired about why Mr. Mui established Fix It Clinic and what are some of the notoriously unfixable items. Mr. Mui stated that his interest in repairing items piqued as a teenager. The most common unfixable items are electrical items such as toasters, hair dryers, curling irons, etc. with a one-time thermal fuse as opposed to a resettable fuse. Mr. Mui added that he is currently working as a tech consultant and trying to encourage companies to make available service manuals or provide schematics so that consumers can purchase the materials and repair these items, and he is interacting with the EPA and CalEPA around how to incorporate repair and reuse as an integral element of recycling and policy going forward. Vice Chair Sherman encouraged Mr. Mui to provide any policy recommendations that he may have and if appropriate that staff would look at any model resolutions on repair and reuse that could be useful at the State and Federal level with respect to the EPA or CalEPA. Board member Young stated that she is very impressed with the program and offered her assistance in helping them to connect to Chabot Library and other libraries around the San Leandro area.

Vice President Sherman thanked Mr. Mui for his presentation.

**VII. OTHER PUBLIC INPUT**

Arthur Boone provided public comments. Mr. Boone stated that the East Bay Depot's monthly rent will increase from \$6,500 to \$10,000 effective 9-1-17. Mr. Boone encouraged the Board to provide any assistance should the Depot come before the Board.

Mr. Boone commented on CEQA. He stated that "It is the policy of the state to require governmental agencies at all levels to consider qualitative factors as well as economic and technical factors and long-term benefits and costs, in addition to short-term benefits and costs and to consider alternatives to proposed actions affecting the environment," and at no point was this done in the consideration of the proposal now being challenged in the court.

Mr. Boone commented regarding the Local Task Force. Mr. Boone stated that there was a challenge to the formation of the Local task force in his and Dr. Stein's original complaint which has since been deleted and revised. Mr. Boone stated that he has been researching the State law (section 40950 (b) with respect to how they define the purpose and need for a Local Task Force. Mr. Boone added Measure D permits the combining of the Local Task Force with the Recycle Board, however in reviewing a copy of the 1989 report from the State Senate Task Force on Waste Management known as "CALIFORNIA'S WASTE MANAGEMENT CRISIS," this state task force among its 35 members had only 3 elected officials: two from the state level, one each from the Assembly and the Senate and one from a county. All other member were from the disposal and recycling field, and he feels that the Recycling Board needs better representation in the recycling industry.

**VIII. COMMUNICATIONS/MEMBER COMMENTS**

There were none.

**IX. ADJOURNMENT**

The meeting adjourned at 5:15 p.m.

## 2017 - ALAMEDA COUNTY RECYCLING BOARD ATTENDANCE

	J	F	M	A	M	J	J	A	S	O	N	D
REGULAR MEMBERS												
A. Alonzo	X	X	X	X	X	X	X	X				
B. Camara	X	X	X	X	X	X	X	A				
P. Maass	X	X	X	X	X	X	I	X				
D. Martinez	X	X	X	X	X	X	X	I				
J. Moore	X	X	X	A	X	X	X	X				
J. Oddie	X	X	X	X	X	X	X	X				
M. Peltz	X	X	X	A	X	X	X	X				
J. Pentin	X	I	X	A	X	I	X	I				
T. Rood	X	X	X	X	X	X	X	X				
S. Sherman	X	X	I	X	X	X	X	X				
T. Stein	X	X	A	X	X	X	X	X				
INTERIM APPOINTEES												
D. Biddle		X				X	X	X				
M. Southworth			X									
Shelia Young								X				

Measure D: Subsection 64.130, F: Recycling Board members shall attend at least three fourths (3/4) of the regular meetings within a given calendar year. At such time, as a member has been absent from more than one fourth (1/4) of the regular meetings in a calendar year, or from two (2) consecutive such meetings, her or his seat on the Recycling Board shall be considered vacant.

X=Attended

A=Absent

I=Absent - Interim Appointed

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**DATE:** September 14, 2017  
**TO:** Recycling Board  
**FROM:** Tom Padia, Deputy Executive Director  
**SUBJECT:** Written Reports of Ex Parte Communications

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**BACKGROUND**

Section 64.130 (Q)(1)(b) of the Alameda County Charter requires that full written disclosure of ex parte communications be entered in the Recycling Board's official record. At the June 19, 1991 meeting of the Recycling Board, the Board approved the recommendation of Legal Counsel that such reports be placed on the consent calendar as a way of entering them into the Board's official record. The Board at that time also requested that staff develop a standard form for the reporting of such communications. A standard form for the reporting of ex parte communications has since been developed and distributed to Board members.

At the December 9, 1999 meeting of the Recycling Board, the Board adopted the following language:

*Ex parte communication report forms should be submitted only for ex parte communications that are made after the matter has been put on the Recycling Board's agenda, giving as much public notice as possible.*

Per the previously adopted policy, all such reports received will be placed on the consent calendar of the next regularly scheduled Recycling Board meeting.

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**DATE:** September 14, 2017

**TO:** Alameda County Source Reduction and Recycling Board

**FROM:** Tom Padia, Deputy Executive Director

**SUBJECT:** Recycling Board "Five Year Audit" - Recommendation to Accept Five Year Financial & Compliance Audit Report – FY 2011/12 – 2015/16

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#### **SUMMARY**

Subsection 64.040 (C) of Measure D requires a comprehensive financial, statistical and programmatic audit and analysis to be performed within four years of the effective date of the Act and every five years thereafter. At the September 14 Recycling Board meeting, staff will present the FY 2011/12 – 2015/16 report for Board acceptance.

#### **BACKGROUND**

The last "Five Year Audit" covered Fiscal Years 2006/07 through 2010/11 and, based upon recommendations from prior audits, the Financial & Compliance Audit was separated from the Programmatic Evaluation and was split into two phases covering a three year phase and a two year phase so as to make the reviews of financial records more timely and less onerous for the member agencies.

The current Five Year Financial and Compliance Audit covers Fiscal Years 2011/12 through FY 2015/16 and is broken into Phase I (FY 11/12, 12/13 and 13/14) and Phase II (FY 14/15 and 15/16). A competitive RFP process in the summer of 2014 resulted in award of the contract to the firm of Crowe Horwath LLP in November 2014 for a total not-to-exceed amount of \$179,800, per their proposal to the Board. Phase I work was completed and presented to the Board at the August 2015 meeting. Phase II review is now complete and the findings and recommendations of both phases have been combined in the final report.

Compared to the Programmatic Overview and Evaluation, the Financial and Compliance Reviews have tended to be quite succinct and straightforward. There have been no serious "red flags" in any reports regarding misallocation or misuse of any Recycling Fund monies, nor of noncompliance with any County Charter mandates. Past Financial & Compliance Reports have contained recommendations regarding development of Board fiscal policies, procedures and requirements aimed at easier and smoother audit reviews in the future.

The Five Year Financial and Compliance Audit for the Alameda County Source Reduction and Recycling Board may be viewed and downloaded at: [Five-Year-Financial-Audit-Final-Report-09-05-17.pdf](#)

Hard copies of the report will be available to Board members at the September 14 meeting. Mendi Julien and Erik Nylund of Crowe Horwath LLP will attend the meeting to present the findings and recommendations to the Board.

As noted in the Executive Summary, the auditors "...found no significant Measure D compliance issues after examining the finances of the Recycling Board, member agencies, and grant recipients." In terms of the recommendations summarized in Exhibit ES-2, staff is supportive of the recommendations with the following qualifications:

**Recommendation RB-2a:** Require consistent sign offs verifying quality control checks of Measure D tonnage reports submitted by landfill companies.

Staff Response: Finance will ensure that a secondary review of the data to be uploaded to the CalRecycle's electronic Disposal Reporting System (eDRS) will be documented each quarter.

**Recommendation RB-2b:** Tie Measure D tonnage captured in disposal reporting system to Measure D revenues in MUNIS system.

Staff Response: The Disposal Reporting System (DRS) must capture type of material, jurisdiction of origin, use within the landfill (e.g. disposal, Alternative Daily Cover, erosion control, temporary road building, etc.) and route of delivery (i.e. through a transfer station or direct haul). A primary function of the DRS is to supply member agencies with accurate disposal data that are used to determine compliance with CalRecycle diversion requirements. These data needs are separate and apart from the criteria used in calculating fee applicability (with some overlap).

The Agency has been using an internally developed Disposal Tracking System using Quick Base since 2016 to report quarterly tonnages to the Member Agencies. During calendar 2018, we will investigate adding monthly revenue tracking and reporting functionality that will supplement the primary revenue tracking processed through MUNIS.

**Recommendation RB-2c:** Audit Measure D tonnage reports and test validity of transactions to company weight tickets.

Staff Response: Finance and Facility Fee Enforcement compared the detail ticket data from Vasco Road for FY15/16 disposal tons and found a very insignificant difference of 0.34 tons on a base of 245,523.90 total tons (36,402 transactions).

**Recommendation RB-4:** Develop list of allowable Measure D categories and expenses that provides interpretations of Measure D expense applicability.

Staff Response: Will implement. Due to the immense range of potentially eligible expenses that may be funded with Measure D revenues (i.e. anything related to the continuation and expansion of municipal recycling programs, broadly defined) and the very specific nature of many questions, in the past staff has resisted enumerating specific guidelines out of concern that it could quickly become a phone book-sized document and still be inadequate to answer the next question. Agency staff have often relied on the “reasonable person” criteria – i.e. Would you (member agency staff person) be comfortable standing before the Recycling Board and defending this proposed expenditure as reasonably related to waste reduction/recycling/market development? That said, there have been common themes and policies that have emerged through the years and staff turnover at the member agencies often results in going over the same ground time and again with new employees. StopWaste staff had intended to implement this process by now, but shifting staff roles and workloads have postponed the initiation of this task. After an iterative process working with the member agency Technical Advisory Committee (TAC), staff will return to the Board within the next year with proposed policies, guidelines and specific examples of expenditures that are allowable and not allowable for use of Recycling Funds, and with a proposed process for making future determinations.

**Recommendation RB-5a:** Develop method for member agencies to electronically submit Measure D Expense reports online.

Staff Response: Will implement. An online reporting system has been recently developed in-house and was presented to the member agency Technical Advisory Committee (TAC) at their September, 2017 meeting. Annual financial and solid waste/recycling service reports for FY 16/17 will be submitted online and refinements to the system will be made as needed.

**Recommendation RB-5b:** Provide supporting documentation for Measure D expenditures upon submission of Measure D reports using electronic reporting.

Staff Response: Will implement (see recommendation RB-5a response). The new online reporting system has the ability for member agency staff to upload and attach supporting documentation.

**Recommendation RB-5c:** Reduce field visits of member agencies during the Five Year Audit.

Staff Response: Will implement. This will be the result of implementing recommendations 5a and 5b. Impact will be seen in the next Five Year Audit for FY 16/17 – 20/21 and beyond. Review of electronic submittals will allow future auditors to schedule site visits only where there are questions or where the data indicates.

**Recommendation MA-1:** (For Member Agencies) Track labor costs based on actual time reporting where possible, or provide current data supporting labor allocations to Measure D activities.

Staff Response: This is the third Five Year Audit in a row where the consultant has recommended or stated a preference for member agency staff to track on time cards the hours

spent on Measure D-related tasks and billed to Recycling Fund revenues. Some agencies already do this, but some do not. StopWaste staff has wanted to avoid adopting a requirement that involves changes to the payroll systems of member agencies, and have tried to find “middle ground” alternatives to tracking every hour. With this recommendation, the consultant again states a preference for actual time tracking, but as a backup position proposes that alternative methods of labor cost allocation be supported by current (i.e. within the last year, at a minimum) real data. Will implement the alternative recommendation.

**Recommendation GR-1:** Develop capability to electronically prompt grant managers when contracts are nearing end dates.

Staff Response: In the process of implementing. The MUNIS accounting software has this capability, but some programming is required to auto generate emails to contract managers at specified intervals.

## **RECOMMENDATION**

It is recommended that the Recycling Board accept the Five Year Financial and Compliance Audit by Crowe Horwath LLP and approve the recommendations therein, subject to the qualifications enumerated above.

Attachment A: Executive Summary, Five Year Financial & Compliance Audit, Crowe Horwath LLP



# Five Year Financial & Compliance Audit

Fiscal Years 2011/12 – 2015/16



September 5, 2017

**Submitted to:**

Alameda County Waste Management Authority  
Alameda County Source Reduction and Recycling Board  
1537 Webster Street  
Oakland, CA 94612

**Submitted by:**

Lisa Voeller, Principal  
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## Executive Summary

## Executive Summary

Crowe Horwath LLP (Crowe) conducted this Five Year Financial and Compliance Audit of funds raised through the Alameda County Waste Reduction and Recycling Initiative Charter Amendment (“Measure D”). This Five Year Audit was conducted in two (2) phases. The Phase I audit covered the three (3) fiscal years of 2011/12, 2012/13, 2013/14. The Phase II audit covered the two (2) fiscal years of 2014/15 and 2015/16.

For Phases I and II, we found no significant Measure D compliance issues after examining the finances of the Recycling Board, member agencies, and grant recipients. Our work included on-site reviews of the Recycling Board, each of the sixteen (16) member agencies, and a total of twenty-seven (27) grant recipients. We conducted our Phase I field work between November, 2014, and May, 2015; and the Phase II field work between January, 2017, and June, 2017.

In Section 1 of this report, we provide an introduction and background of the audit. In Section 2 of this report, we identify the flow of Measure D monies, from collection by the Recycling Board from landfill operators, to distribution of Measure D monies for programs managed by the Recycling Board, and to the member agencies.

In Section 3 of this report, we provide our financial and compliance assessment results. For each financial and compliance provision of Measure D, we identify whether the applicable entity met the requirement and, if so, how the entity met the requirement (in Exhibit 3-1 and 3-2). We found Alameda County and the Recycling Board in compliance with nine (9) Measure D compliance areas.

We found the member agencies in compliance with seven (7) Measure D compliance areas, with some minor exceptions. We found some minor variations between expenditure amounts reported by member agencies on their Annual Measure D Programs report and expenditure amounts we identified through our audit. These differences were not considered material. **Exhibit ES-1** summarizes our financial and compliance findings. We provided some recommendations for the Recycling Board to consider regarding member agency guidance and reporting tools related to expense reporting.

In Section 4 of this report, we provide our review of Recycling Board waste diversion results for the audit period. We observed that the Recycling Board is using a range of methods to track changes in waste diversion levels, and the Recycling Board’s use of the percentage of divertable materials within the refuse container continues to represent a progressive and focused approach for measuring and targeting reductions in curbside disposal volumes.

We found that during the Phase I period it was likely that reductions in per capita disposal rates were related to economic factors (not program enhancements or increasing curbside recycling or organics participation levels). In Phase II, we found that Measure D per capital disposal rates leveled. We found the Recycling Board in compliance with AB 939 goals, and at 73 percent diversion Countywide in 2015 (on a weighted average basis across the sixteen member agencies), about two (2) percent short of the aggressive 75 percent diversion goal set for 2010. We provided some recommendations for the Recycling Board to consider with disposal and diversion related reporting to member agencies.

In Section 5 of this report, we provide our recommendations from the audit. **Exhibit ES-2** provides a summary of our recommendations. We provide these recommendations in the spirit of simplifying the Measure D reporting and auditing process and clarifying Measure D expense applicability. To note, the Board implemented, or is in the process of implementing, a number of these recommendations, originally provided in 2015 Phase I results.

There are seven (7) appendices to this report. These appendices provide such information as the Measure D text; related Recycling Board resolutions and memoranda; member agency background; supporting details for our compliance testing; and a summary of grant recipients reviewed.

**Exhibit ES-1**  
**Five Year Financial and Compliance Audit**  
**Summary of Findings**

Entity	Findings
Recycling Board	<ul style="list-style-type: none"><li>• RB-1 – Alameda County and the Recycling Board Met Measure D Compliance Requirements</li><li>• RB-2 – The Recycling Board Collected Measure D Monies From Landfill Operators in Accordance with Measure D Requirements, and Could Add Benefit from Three Additional Internal Control Procedures</li><li>• RB-3 – The Recycling Board Allocated Measure D Monies to Member Agencies, and Required Programs, Consistent with Measure D Requirements</li><li>• RB 4 – The Recycling Board Does Not Have Written Guidance on Measure D Applicability</li><li>• RB 5 – Annual Measure D Programs Reporting and Associated Five-Year Audit Processes Should Be Streamlined</li></ul>
Member Agencies	<ul style="list-style-type: none"><li>• MA-1 – Member Agencies Met the Compliance Requirements of Measure D</li><li>• MA-2 – Member Agencies Spent Measure D Funds on Legitimate Measure D Expenses</li><li>• MA-3 – Member Agencies Correctly Reported Interest on Measure D Fund Balances</li></ul>
Grant Recipients	<ul style="list-style-type: none"><li>• G-1 – Grant Recipients Complied with Terms and Conditions of the Grants and With Measure D Requirements</li></ul>

**Exhibit ES-2**  
**Five Year Financial and Compliance Audit**  
**Summary of Recommendations**

Page 1 of 2

Entity	Recommendation	Summary of Recommendation
Recycling Board	<ul style="list-style-type: none"> <li>Recommendation RB-2a – Require Consistent Sign Offs Verifying Quality Control Checks of Measure D Tonnage Reports Submitted by Landfill Companies</li> </ul>	<ul style="list-style-type: none"> <li>Develop a separate sign off page on each Measure D tonnage report to allow Board staff to sign off once tonnage data is entered into the Disposal Reporting System.</li> <li>At least one staff member that performs the quality control review of data entered into the Disposal Reporting System should sign and date the sign off page to confirm this quality assurance/quality control (QA/QC) function.</li> </ul>
	<ul style="list-style-type: none"> <li>Recommendation RB-2b – Tie Measure D Tonnage Captured in Disposal Reporting System to Measure D Revenues in MUNIS System</li> </ul>	<ul style="list-style-type: none"> <li>Add the capability within the Disposal Reporting System (potentially as a separate module) to tie Measure D tonnage data from the Disposal Reporting System to the revenues that the Board receives from landfill companies.</li> <li>Provide the Board with a link from the Measure D landfill tonnage identified in the Disposal Reporting System to the Measure D revenues received by the Board and reported in MUNIS.</li> </ul>
	<ul style="list-style-type: none"> <li>Recommendation RB-2c – Audit Measure D Tonnage Reports and Test Validity of Transactions to Company Weight Tickets</li> </ul>	<ul style="list-style-type: none"> <li>Select a sample of tonnage data provided in the Measure D monthly reports and request landfill operators to furnish weight tickets in support of the tonnage data.</li> <li>Weight tickets would provide the Recycling Board real-time confirmation that landfill operators are capturing and reporting correct Measure D tonnage data.</li> </ul>
	<ul style="list-style-type: none"> <li>Recommendation RB-4 – Develop List of Allowable Measure D Categories and Expenses that Provides Interpretations of Measure D Expense Applicability</li> </ul>	<ul style="list-style-type: none"> <li>With the wide variety of potential Measure D related expenses, and the constantly evolving nature of recycling programs and other related conservation programs (e.g., water recycling and management), the Board should develop and maintain a detailed list of “allowable” expenses for reference.</li> <li>Identify those expenses that are considered “not allowable.”</li> <li>Augment this list as new expenditures are evaluated. The Board staff can evaluate each new expense on a case by case basis, prior to updating the list.</li> </ul>
	<ul style="list-style-type: none"> <li>Recommendation RB-5a – Develop Method for Member Agencies to Electronically Submit Measure D Expense Reports Online</li> </ul>	<ul style="list-style-type: none"> <li>Develop a method for member agencies to submit Measure D reports electronically to StopWaste through a web-based interface.</li> <li>Enhance the ability for StopWaste to perform expenditure and balance checks and for auditors to audit member agency Measure D reporting.</li> <li>Provide easy checks for mathematical accuracy, and error checks, built into the Measure D online reporting form.</li> </ul>
	<ul style="list-style-type: none"> <li>Recommendation RB-5b – Provide Supporting Documentation for Measure D Expenditures upon Submission of Measure D Reports using Electronic Reporting</li> </ul>	<ul style="list-style-type: none"> <li>Require member agencies to furnish supporting documentation for expenditures in excess of a certain threshold (e.g., \$1,000) at the time the member agency submits its Measure D report.<sup>1</sup></li> <li>Assist Board staff and auditors’ in reviewing Measure D reports, assessing transaction applicability, and prioritizing transactions as part of Five-Year audit planning. Perform Five-Year audit work more efficiently in the future.</li> <li>Minimize member agencies having to locate several year-old documentation as part of the Five-Year audit process.</li> </ul>

<sup>1</sup> With the exception of support for labor costs.

**Exhibit ES-2**  
**Five Year Financial and Compliance Audit**  
**Summary of Recommendations** *(continued)*

Page 2 of 2

Entity	Recommendation	Summary of Recommendation
Recycling Board <i>(continued)</i>	<ul style="list-style-type: none"> <li>Recommendation RB-5c – Reduce Field Visits of Member Agencies During the Five-Year Audit</li> </ul>	<ul style="list-style-type: none"> <li>Allow some mixture of “desk audits” (conducted from the auditor’s offices) and “field audits” (conducted at the member agencies location).</li> <li>For example, the Board might scope the audit to include desk audits for half (8) of the member agencies during each phase, reducing the number of onsite visits in half from the current protocol and reducing overall audit costs.</li> <li>Use field visits for just the riskiest or largest member agencies.</li> <li>Recognize the majority of review activities can be performed offsite (through desk audit).</li> </ul>
Member Agencies	<ul style="list-style-type: none"> <li>MA-1 – Track Labor Costs Based on Actual Time Reporting Where Possible, or Provide Current Data Supporting Labor Allocations to Measure D Activities</li> </ul>	<ul style="list-style-type: none"> <li>Request that where possible, for Measure D labor costs, member agencies capture the actual time that employees spend on Measure D related activities in time reporting systems.</li> <li>Discourage member agencies from budgeting a percentage of each staff member’s time and then “plugging” that budgeted percentage amount into the staff member’s timesheet.</li> <li>If a member agency does not have the capability to record employee time by project/task, that member agency should provide evidence supporting current Measure D labor costs and/or cost allocations. Types of documentation supporting labor allocations could include: <ul style="list-style-type: none"> <li>(1) formal agency-wide cost allocation studies,</li> <li>(2) supporting documentation for cost allocation methods used to allocate shared labor costs to the Measure D program for a recent representative period,</li> <li>(3) records of time worked on Measure D activities captured by employees, outside of time reporting systems, for a recent representative period.</li> </ul> </li> <li>Require cost allocation methods to be reviewed and verified by the member agency, at a minimum, on an annual basis.</li> </ul>
Grant Recipients	<ul style="list-style-type: none"> <li>Recommendation GR-1 – Develop Capability to Electronically Prompt Grant Managers when Contracts are Nearing End Dates</li> </ul>	<ul style="list-style-type: none"> <li>Set up a “tickler” system to remind staff in advance of contract end dates.</li> <li>Set up system within the MUNIS system at the point the contract is signed, with targeted reminders at pre-set points in time (3 months, 1 month remaining).</li> </ul>



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**DATE:** September 14, 2017

**TO:** Planning & Organization Committee/Recycling Board

**FROM:** Tom Padia, Deputy Executive Director

**BY:** Meri Soll, Senior Program Manager

**SUBJECT:** Grantee Presentation: Dublin Partners in Education

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## **SUMMARY**

The Recycling Board has requested periodic status reports on recipients of the Grants program, which has been in place for more than 21 years. Staff has selected Dublin Partners in Education to provide an update and brief presentation on the grant activities they have been engaged in at the September 14 Planning & Organization/Recycling Board meeting.

## **DISCUSSION**

Dublin Partners in Education (DPIE) delivers highly desired educational enhancement programs that are left unfunded by other means. DPIE is dedicated to fostering mutually beneficial business, community, and education partnerships for the benefit of approximately 9,000 Dublin Unified School District students. The Dublin Unified student body is a diverse group; many come from low income, disadvantaged, and non-English speaking households. Since its inception in 1992, DPIE has engaged with the community to raise much needed funds and deliver student experiences that help Dublin schools maintain excellence. DPIE supports the entire school system with programs geared towards creativity, technical skills, career preparedness and exploration, as well as a Summer Academy offering STEM/AP courses for college preparation.

DPIE has received a \$5,000 community outreach grant as well as a \$5,000 partner outreach grant (with the Dublin Rotary Club) to promote food scrap recycling to the Dublin school community as well as to local charitable organizations. Christine Bennett, DPIE Board Member, will provide an overview of DPIE and an update on recently completed grant activities.

## **RECOMMENDATION**

This item is for information only.

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**DATE:** September 14, 2017

**TO:** Alameda County Source Reduction and Recycling Board

**FROM:** Tom Padia, Deputy Executive Director

**SUBJECT:** Replacement Election of Officer for 2017

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#### **SUMMARY**

Steve Sherman's second and final term on the Recycling Board was up at the end of July and Board of Supervisors staff have advised they intend to appoint his replacement this month (members may continue to serve until a replacement is appointed). Once the new Source Reduction Specialist has assumed office, the slot of First Vice President will be vacant.

#### **DISCUSSION**

The Rules of Procedure call for election of officers in December for the next calendar year, "...or such other time as the Board may decide when an officer departs the Board." The Board's past practice has also been to alternate WMA and Board of Supervisors appointees for each position; that is, if the President is a WMA appointee then the First Vice President would be a Board of Supervisors appointee and the Second Vice President would be a WMA appointee.

Currently, Dianne Martinez is President, Steve Sherman is First Vice President and Jerry Pentin is Second Vice President. The Board may wish to elect a new First Vice President, or simply wait until December to elect a new slate of officers. Board member Pentin will complete his second and final term on the Recycling Board in January 2018. The Board is not obligated to follow past practice.

Officers of the Recycling Board also serve as the chair of the Planning and Organization Committee.

#### **RECOMMENDATION**

Choose to elect a new First Vice President for the remainder of 2017, or leave the position vacant until election of a new slate of officers in December.

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## Major U.S. fiber consumer says China's ban could increase quality (<https://resource-recycling.com/recycling/2017/08/15/major-u-s-fiber-consumer-says-chinas-ban-increase-quality/>)

Posted on August 15, 2017

by [Colin Staub](https://resource-recycling.com/recycling/author/colinstaub/) (<https://resource-recycling.com/recycling/author/colinstaub/>)

The top recycling executive at Pratt Industries views China's planned imports prohibition as a chance for the U.S. industry to clean up its stream.

Recovered fiber players who don't take that opportunity within their own operations will bear the brunt of the imports ban, said Myles Cohen, president of the recycling division at Pratt Industries.

"It's those [MRFs] who have not invested in upgrading their technology, without the newest and greatest sorting equipment, those are probably the people and companies that are going to have the toughest time with this," Cohen said. "They're going to have to decide. What are they going to do: invest in technology and upgrade their business, or not."

Of the 3.7 million short tons of mixed paper consumed by U.S. mills in 2016, Pratt Industries was "by far the biggest piece," recovered fiber consultant Bill Moore of Moore & Associates said in a [recent interview](https://resource-recycling.com/recycling/2017/07/25/wm-exporters-reacting-chinas-ban/) (<https://resource-recycling.com/recycling/2017/07/25/wm-exporters-reacting-chinas-ban/>). That gives the company a unique position in the domestic recovered fiber industry. Asked in an interview how Waste Management would fare if all mixed paper were banned from import into China, the country's largest hauler pointed to Pratt and its recent domestic capacity expansions as factors that would soften the blow.

Pratt uses entirely recycled content to produce corrugated boxes and point-of-purchase displays. Residential mixed paper makes up the largest stream of feedstock, Cohen said, although the company has technology that allows for a blended feedstock that also includes old newspapers and corrugated boxes mixed together.

### Contamination has "wreaked some havoc"

Cohen said China's announced ban was not a total surprise to the company. He pointed to the rise of single-stream recycling in recent years, noting how it's increased contamination within the recovered fiber stream. Pratt has mostly moved off buying from producers of low-quality fiber bales that don't meet its desired specifications.

China's crackdown will likely lead to closer attention paid to contaminants in paper bales, Cohen said.

"It's an opportunity for the MRFs that pack mixed paper to have more scrutiny on quality, which they should have, because the contamination has really wreaked some havoc within the recovered paper industry," Cohen said.

As to whether the ban presents an opportunity for Pratt, Cohen said it's too early to tell. Several months before the ban announcement, Pratt Industries Executive Chairman Anthony Pratt recently announced the company would invest \$2 billion in additional U.S. processing capacity.

But Cohen noted there's still a lot of ambiguity about what exactly is meant by some of the ban language – for instance, the "unsorted waste paper" identified in the World Trade Organization filing announcing the ban is not a material grade as defined by the Institute of Scrap Recycling Industries. There are rumors that bales containing more than a specified percentage of contamination would be considered "unsorted."

"There's been a lot of paper exported that has way more out-throws and prohibitives," Cohen said. "And now what they're saying is, 'We don't want to take garbage anymore.'"

### Impacting other streams?

The ban could also have a ripple impact beyond cleaning up quality and injecting more recovered fiber into the domestic U.S. stream.

If China's manufacturing sector is suddenly cut off from some grades of mixed paper, Chinese mills may decide to use more OCC in its place, as OCC is not named in the ban. That, in turn, would put more pressure on the U.S. supply of OCC if more of it gets exported out of the country, Cohen said.



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**Roundup of the latest developments on China's ban** (<https://resource-recycling.com/recycling/2017/09/06/roundup-latest-developments-chinas-ban/>)

Chinese importers enter their fourth month without renewed import quotas, and ISRI says meeting a 0.3 percent contamination limit is impossible.

**Ellison: Recycling tied to larger societal shift** (<https://resource-recycling.com/recycling/2017/09/06/elli-recycling-tied-larger-societal-shift/>)

In a rousing speech to recycling leaders, U.S. Rep. Keith Ellison explained how pushing forward on materials diversion will lead to a higher quality of life for everyone.

**Images from Resource Recycling Conference 2017** (<https://resource-recycling.com/recycling/2017/09/06/images-resource-recycling-conference-2017/>)

More than 500 industry professionals converged on Minneapolis last week for the 2017 Resource Recycling Conference. Staff photographer Jared Paben captured

OCC is already selling at record prices, with the current national average sitting at \$180 per ton as of early August (<https://resource-recycling.com/recycling/2017/08/08/post-consumer-paper-pricing-remains-strong/>). If demand from China increases markedly, those prices could be pushed even higher.

Cohen also noted most MRF operators have learned not to have China as their only downstream outlet for paper during the past few years, particularly after Green Fence. Many have learned to develop domestic outlets for their fiber material. On the international front, although no single market has as much capacity as China, some companies have spread their exports to other markets, including Southeast Asia, the Middle East, Latin America and more.

"And I'm sure some of those markets are looking at this as an opportunity, that they won't have to compete with China as much for supply," Cohen said.

### More stories about fiber

- [Carton-sorting robot heads to Minnesota MRF](https://resource-recycling.com/recycling/2017/08/29/carton-sorting-robot-heads-minnesota-mrf/) (<https://resource-recycling.com/recycling/2017/08/29/carton-sorting-robot-heads-minnesota-mrf/>)
- [China offers clues on what will \(and won't\) be allowed in](https://resource-recycling.com/recycling/2017/08/22/china-offers-clues-will-wont-allowed/) (<https://resource-recycling.com/recycling/2017/08/22/china-offers-clues-will-wont-allowed/>)
- [MRF project yields best practices on fiber sorting](https://resource-recycling.com/recycling/2017/08/15/mrf-project-yields-best-practices-fiber-sorting/) (<https://resource-recycling.com/recycling/2017/08/15/mrf-project-yields-best-practices-fiber-sorting/>)



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- [Value of recovered packaging inches higher](https://resource-recycling.com/recycling/2017/09/06/value-recovered-packaging-inches-higher/) (<https://resource-recycling.com/recycling/2017/09/06/value-recovered-packaging-inches-higher/>)

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**Industry group sees shifts in leadership** (<https://resource-recycling.com/recycling/2017/09/06/industry-group-sees-shifts-leadership/>)

The National Recycling Coalition made a handful of important announcements during the Resource Recycling Conference in Minneapolis last week.

**Value of recovered packaging inches higher** (<https://resource-recycling.com/recycling/2017/09/06/value-recovered-packaging-inches-higher/>)

Recycling processors report that early September pricing for recovered plastic and aluminum packaging rose slightly over August levels.

**Q&A: How ideologies color our recycling conversations** (<https://resource-recycling.com/recycling/2017/09/06/q-a-ideologies-color-recycling-conversations/>)

Recycling decisions tend to be made on the local level by nonpartisan leaders, but national politics – and fundamental ideological differences – still shape the dialogue. A recent study of local government agendas showed stark differences between left-leaning and right-leaning ...

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**Our top stories from August 2017** (<https://resource-recycling.com/recycling/2017/09/06/top-stories-august-2017/>)

Details and predictions about China's import restrictions drew our readers' attention last month.

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## In My Opinion: PepsiCo shortchanges container deposits (<https://resource-recycling.com/recycling/2017/08/29/opinion-pepsico-shortchanges-container-deposits/>)

Posted on August 29, 2017

by [Susan Collins](#) ()

The Container Recycling Institute (CRI) commends PepsiCo for [recent statements](#) (<https://resource-recycling.com/plastics/2017/08/16/qa-pepsico-addresses-packaging-meet-ghg-goals/>) from Vice President Roberta Barbieri supporting the value of bottle bills for producing clean materials for bottle-to-bottle recycling. However, it is important to point out inaccuracies in Ms. Barbieri's statements, particularly about the cost-effectiveness of bottle bills (container deposit laws).

Ms. Barbieri references California, where the beverage container deposit law is responsible for 1 out of every 5 beverage containers recycled in the U.S. The California program is self-funded through the use of unredeemed deposits, with no taxpayer money used and no additional fees charged to consumers. No other program in the world is able to maintain and pay for an 80 percent recycling rate while also providing \$140 million per year to curbside programs. Beverage manufacturers and distributors pay \$18 million in "processing fees," but distributors also receive \$19 million in "administrative fees," so these two items cancel each other out – meaning there is zero net cost to the beverage industry in the state.

Extensive financial studies show that recycling PET through California's container deposit system costs only about a quarter of what it does in single-stream curbside programs. But it's misleading to compare these recycling methods side-by-side, because, as Ms. Barbieri herself notes, container deposit systems provide much higher-quality PET with greater volumes recovered than single-stream curbside programs. Deposit systems also very effectively reduce beverage container litter and marine debris.

Ms. Barbieri's statement that California's 30-year-old program is "imploding" deserves some pushback as well. There's nothing wrong with the design and intent of the California program, but in this time of historically low commodity prices, redemption centers are being underpaid and are losing money. It's a problem that requires nothing more to fix it than a change to a state payment formula. The program's reserve fund currently stands at \$244 million, so there are sufficient funds to pay the centers properly.

The program's current deficit (\$20 million this year) is small with respect to the reserve fund, and the deficit is shrinking each year to the point where the program should realize surpluses in a year or two. That is clearly not the definition of a costly and inefficient program, particularly one that produces a recycling rate more than double that of the national average. This is more in keeping with PepsiCo's goal, announced in 2014, to "help grow the U.S. beverage container recycling rate to 50 percent by 2018."

Independent data and analyses show that bottle bills work. We welcome dialogue and collaboration with PepsiCo to grow the national recycling rate and work together on solutions that maximize the financial, environmental and social benefits of our most effective recycling systems.

*Susan Collins is executive director of the Culver City, Calif.-based Container Recycling Institute.*

*The views and opinions expressed are those of the author and do not imply endorsement by Resource Recycling, Inc. If you have a subject you wish to cover in an op-ed, please send a short proposal to [news@resource-recycling.com](mailto:news@resource-recycling.com) (<mailto:news@resource-recycling.com>) for consideration.*

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