AGENDA

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

Thursday, January 9, 2020

9:00 A.M.

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

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

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 December 12, 2019 (Pat Cabrera)**
5	4.	**Fiscal Year 2018-19 Audit Report (Pat Cabrera & Jennifer Luong)** Staff recommends that the Programs and Administration Committee review and forward the FY 18-19 audit report to the Waste Management Authority Board for acceptance and filing.
61	5.	**Countywide Element Update: Follow Up Discussion (Meghan Starkey)** Discuss the issues listed in the staff report and provide input to staff.

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, December 12, 2019

9:00 A.M.

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

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

Members Present:

County of Alameda	Keith Carson
City of Albany	Rochelle Nason
City of Berkeley	Susan Wengraf
City of Fremont	Jenny Kassan
City of Newark	Mike Hannon
City of Oakland	Dan Kalb
Oro Loma Sanitary District	Shelia Young
City of Piedmont	Tim Rood (teleconference)
City of Pleasanton	Jerry Pentin
City of Union City	Emily Duncan

Absent:

City of Dublin	Melissa Hernandez
City of Emeryville	Dianne Martinez

Staff Present:
Wendy Sommer, Executive Director
Pat Cabrera, Administrative Services Director
Meghan Starkey, Senior Management Analyst
Justin Lehrer, Senior Management Analyst
Arliss Dunn, Clerk of the Board

1. Convene Meeting

Chair Jerry Pentin called the meeting to order at 9:03 a.m.

2. Public Comments

There were none.

3. Approval of the Draft Minutes of November 14, 2019 (Pat Cabrera)

There were no public comments on this item. Board member Young made the motion to approve the draft minutes of November 14, 2019. Board member Wengraf seconded and the motion carried 8-0. (Ayes: Duncan, Hannon, Kassan, Nason, Pentin, Rood, Wengraf, Young. Nays: None. Abstain: None. Absent: Carson, Hernandez, Martinez, Kalb).

4. 2020 Meeting Schedule (Arliss Dunn)
It is recommended that the Programs & Administration Committee adopt the regular meeting schedule for 2020.

Clerk Arliss Dunn introduced the item**.** There were no public comments on this item. Board member Hannon made the motion to approve the meeting schedule for 2020. Board member Wengraf seconded and the motion carried 8-0: (Ayes: Duncan, Hannon, Kassan, Nason, Pentin, Rood, Wengraf, Young. Nays: None. Abstain: None. Absent: Carson, Hernandez, Martinez, Kalb).

5. Countywide Element Update: Goals, Objectives and Policies (Wendy Sommer and Meghan Starkey)
Review the proposed goals, objectives, policies and issues listed in the staff report, provide input and give direction to staff.

Board members Carson and Kalb arrived during the presentation. Wendy Sommer introduced the item and acknowledged staff working on the project: Emily Alvarez, Jeff Becerra, Justin Lehrer, and Meghan Starkey. Ms. Sommer provided a summary of the policy questions that required Board direction and Ms. Starkey provided a summary of the proposed goals and objectives and led the Committee through an exercise where they were asked to provide input on the proposed goals and objectives and policy questions. A link to the staff report and a PowerPoint presentation is available here: CoIWMP-Presentation-12-12-19.pdf

Board member Wengraf inquired if there was consideration of any unintended consequences in making these changes. Ms. Sommer stated that staff has had extensive discussions with the Technical Advisory Committee (TAC) as well has in-house staff and legal counsel and so far we don't anticipate that we would have any unintended consequences. Ms. Sommer added with regard to the conformance finding process for all facilities within the county, that if we are not able to develop relationships with planning departments of the cities and county we would not be aware of planned developments of facilities. However, we would still be able to write a letter of comment, which would be more influential than the conformance finding process. Ms. Starkey added that another benefit of doing an update is it will make it easier to amend the CoIWMP if we discover that there is an unintended consequence or a policy that we agreed upon isn't working. Board member Hannon stated that he likes the aspirational goal of having 75% diversion and added it is important to receive a periodic update on how close we are to achieving the goal. Board member Hannon stated concern for not requiring the conformance finding process for all facilities within the county. In his experience there were many non-disposable facilities that had more than 10% residuals and should have been required to register as a solid waste facility, and inquired about the level of coordination that the agency has with the local LEA to ensure that the facilities are as stated. Ms. Sommer stated that we have a relationship with the LEA but we must remain very proactive as they are very sporadic in reaching out to us with regard to new facilities. Chair Pentin stated that he supports the staff recommendation to hold onto the agency property, but with regard to metrics and the 75% goal, the tipping fees have not dropped and we still have more volume going into the landfill and we are starting to utilize the second area of the landfill at Altamont. Chair Pentin added he supports the recommendation to focus on organics as well as the recommendation to only conduct the conformance finding process for solid waste facilities that required a Full Solid Waste Facility permit from CalRecycle. Board member Kalb stated with regard to the change in the agency's involvement with the conformance finding process, he is not concerned about the larger jurisdictions that may have the capacity but he is concerned that since StopWaste is the agency that has the expertise and he would recommend that we are involved at the time where we would have the most impact. Ms. Sommer stated that staff feels under the new proposal we would have more impact if we are involved in the beginning. We can reverse it later if we discover that it is not having the impact as we proposed. Chair Pentin inquired what would be CalRecylce's response if we requested to change the process to include the conformance finding earlier in the process. Ms. Sommer stated that this has occurred before and CalRecycle stated that they would still file it under the non-disposal facility element, instead of treating it as a CoIWMP amendment process. Chair Pentin inquired if staff would be doing double work if we were to leave the policy as is and also work with member agencies earlier in the process. Ms. Sommer stated yes. Board member Hannon commented that it is not unusual for cities to send an EIR packet to the water board and other agencies for them to weigh in on compliance and inquired how this is any different from the agency receiving an EIR packet at the onset of a project. Ms. Sommer stated that this is the intention of the proposed process and it is a matter of informing the Board, the City Managers, and planning departments that we are a responsible agency and should be notified. Board member Hannon inquired if the WMA can adopt a county ordinance that requires cities to circulate the required environmental documents to StopWaste along with the other required agencies. Ms. Sommer stated that she would need to consult with the agency counsel regarding this issue.

Ms. Sommer thanked the Committee for their input and direction. Overall, the committee is supportive of the policy recommendations, goals and objectives. Staff will continue to engage the committees in the next two months in this process and will send out materials ahead of time. Staff plans to bring the CoIWMP update to the Board for the first reading in March.

6. Member Comments

The Committee extended birthday wishes to Executive Director Wendy Sommer.

7. Adjournment

The meeting adjourned at 10:11 a.m.

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DATE:	January 9, 2020
TO:	Programs and Administration Committee Planning Committee/Recycling Board
FROM:	Pat Cabrera, Administrative Services Director
BY:	Jennifer Luong, Financial Services Manager
SUBJECT:	Fiscal Year 2018-19 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, 2019, at which time staff prepared the financials in conformity with generally accepted accounting principles (GAAP), and the firm of Badawi and Associates audited the reports. At the January 9, 2020 meetings of the Programs and Administration Committee and the Planning Committee/Recycling Board, staff will present the audit report for review and acceptance.

DISCUSSION

The auditor's responsibility is to express opinions on the financial statements. The Agency received an unmodified (clean) audit opinion for FY 18-19 from the external auditors. In addition, there were no internal control weaknesses noted. The annual audit report for the fiscal year ending June 30, 2019 is attached. The Management's Discussion and Analysis section of the report (pages 5-7) 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 11); total Statement of Revenues, Expenses and Changes in Net Position (page 12); and total Statement of Cash Flows (page 13). On pages 45-50, 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.

<u>Revenue and Expenses</u>

The audit report shows total revenues of $38.0 million. This is a 12% increase in revenues compared to the FY 17-18 budget. The increase is due primarily to higher disposal tonnages, and one-time revenue from NextEra for the conservation easement. Total expenses were $30.0 million, a 6% reduction compared to budgeted expenses. The decrease is primarily due to lower costs than budgeted for the core budget and the Household Hazardous Waste Program.

Net Position

Total net position is $61.0 million (Authority's portion $49.0 million or 80.0%; Recycling Board's $12.0 million or 20.0%; and Energy Council $167,416 or 0.3%). The total net position is comprised of $14.3 million for the net investment in capital assets (land, buildings, furnishings and equipment), $9.0 million is reserved and designated for specific purposes by the Board, $15.3 million for the Household Hazardous Waste Fund, while the remaining $13.3 million may be used to meet the Agency's ongoing obligations, including outstanding contracts. The Agency's overall net position increased by approximately $7.4 million or 13.9% compared to FY 17-18.

Additional Information

While recent Governmental Accounting Standards Board (GASB) pronouncements relating to debt and assets do not pertain to the Agency, significant accounting policies with respect to pension and other post-retirement benefits continue to be a focus for all public sector entities. We have solid financial positions in both areas. As shown on page 41 of the audit report, the Agency's funded status with respect to its post-retirement medical plan is at 107% as of the last actuarial valuation on June 30, 2019. Furthermore, as shown on page 39 of the report (see footnote), the Agency's funded status with respect to its pension plan is 89% as of the June 30, 2018 actuarial valuation. The information provided in the schedule on that page pertains to the pooled plan of which the Agency is a participant. This information shows that the Agency is in a much better financial position compared to other entities in the plan.

RECOMMENDATION

Staff recommends that the Programs and Administration Committee review and forward the FY 18-19 audit report to the Waste Management Authority Board for acceptance and filing.

Attachment: Annual Audit Report and Financial Statements for the year ended June 30, 2019 and 2018

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, 2019 and 2018

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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

Basic Financial Statements
Table of Contents
For the years ended June 30, 2019 and 2018

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY

Board of Directors

June 2019

Dave Sadoff, Castro Valley Sanitary District, President
Tim Rood, City of Piedmont, 1st Vice President
Deborah Cox, City of San Leandro, 2nd Vice President
Shelia Young, Oro Loma Sanitary District
Michael Hannon, City of Newark
Dianne Martinez, City of Emeryville
Jim Oddie, City of Alameda
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
Francisco Zermeño, City of Hayward
Bob Carling, City of Livermore
Dan Kalb, City of Oakland
Jerry Pentin, City of Pleasanton
Emily Duncan, City of Union City

ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD

Board of Directors

June 2019

Sarah Vared, President
Deborah Cox, 1st Vice President
Jillian Buckholz, Recycling Programs, 2nd Vice President
Bernie Camara, Recycling Materials Processing Industry
Francisco Zermeño, City of Hayward
Dianne Martinez, City of Emeryville

Jim Oddie, City of Alameda
Vacant, Environmental Educator
Tianna Nourot, Solid Waste Industry Representative
Dave Sadoff, Castro Vally Sanitary
Vacant, Environmental Organization District

ENERGY COUNCIL

Board of Directors

June 2019

Jim Oddie, City of Alameda, President
Deborah Cox, City of San Leandro, 1st Vice President
Melissa Hernandez, City of Dublin, 2nd Vice President
Dan Kalb, City of Oakland
Dianne Martinez, City of Emeryville
Michael Hannon, City of Newark
Tim Rood, City of Piedmont
Keith Carson, County of Alameda

Rochelle Nason, City of Albany
Susan Wengraf, City of Berkeley
Francisco Zermeño, City of Hayward
Bob Carling, City of Livermore
Jerry Pentin, City of Pleasanton
Emily Duncan, City of Union City
Jenny Kassan, City of Fremont

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Alameda County Waste Management Authority
Alameda County Source Reduction and Recycing 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 Recycing Board and Energy Council (Agency) as of and for the year ended June 30, 2019 and 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.

Address: 2855 Telegraph Avenue, Suite 312 Berkeley, CA 94705 • Phone: 510.768.8251 • Fax: 510.768.8249

To the Board of Directors
of Alameda County Waste Management Authority
Alameda County Source Reduction and Recycing Board
and Energy Council
Oakland, California
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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, 2019 and 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 39 to 42 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 are 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.

Badawi & Associates

Badawi & Associates
Certified Public Accountants
Berkeley, California
December 17, 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 YEARS ENDED JUNE 30, 2019 AND 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 years ended June 30, 2019 and 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 improve recycling and reduce waste; develop and expand markets for recycled materials, provide technical and implementation assistance to improve 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 15-36 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, 2019

As of June 30,	2019	2018	Change ($)	Change (%)	2017	Change ($)	Change (%)
Assets							
Cash and Cash Equivalents	48,756,908	40,896,276	7,860,632	19.2%	41,777,518	(881,242)	-2.1%
Other Current Assets	4,980,475	4,084,728	895,747	21.9%	4,478,451	(393,723)	-8.8%
Capital Assets	14,263,940	14,105,354	158,586	1.1%	14,240,814	(135,460)	-1.0%
Net OPEB Asset	373,968	515,799	(141,831)	-27.5%	364,797	151,002	100.0%
Loans Receivable, non-current	26,364	70,347	(43,983)	-62.5%	112,865	(42,518)	-37.7%
Total Assets	68,401,655	59,672,504	8,729,151	14.6%	60,974,445	(1,301,941)	-2.1%
Deferred OPEB Outflows	140,276	-	140,276	100.0%	-	-	-
Deferred Pension Outflows	3,774,487	6,882,232	(3,107,745)	-45.2%	2,618,901	4,263,331	162.8%
Total Deferred outflows of resources	3,914,763	6,882,232	(2,967,469)	-43.1%	2,618,901	4,263,331	162.8%
Liabilities							
Current Liabilities	7,086,149	6,015,940	1,070,209	17.8%	7,322,992	(1,307,052)	-17.8%
Net Pension Liability	1,822,849	6,256,106	(4,433,257)	-70.9%	5,260,783	995,323	18.9%
Accrued Vacation, non-current	10,518	23,724	(13,206)	-55.7%	69,942	(46,218)	-66.1%
Total Liabilities	8,919,516	12,295,770	(3,376,254)	-27.5%	12,653,717	(357,947)	-2.8%
Deferred Pension Inflows	2,435,395	662,466	1,772,929	267.6%	722,285	(59,819)	-8.3%
Deferred OPEB Inflows	-	74,281	(74,281)	100.0%	-	74,281	0.0%
Total Deferred inflows of resources	2,435,395	736,747	1,698,648	230.6%	722,285	14,462	2.0%
Net Position							
Investment in Capital Assets							
Investment in Capital Assets	14,263,940	14,105,354	158,586	-1.0%	14,240,814	(135,460)	-0.4%
Total Investment in Capital Assets	**14,263,940**	**14,105,354**	**158,586**	**1.1%**	**14,240,814**	**(135,460)**	**-1.0%**
Unrestricted							
Reserves-other	2,309,241	4,747,391	(2,438,150)	-51.4%	518,871	4,228,520	814.9%
Reserves	9,000,191	7,205,696	1,794,495	24.9%	11,418,045	(4,212,349)	-36.9%
Encumbrances	1,978,741	2,184,936	(206,195)	-9.4%	3,218,700	(1,033,765)	0.0%
Net Position Available Fund Balance (Core)	17,748,804	11,695,343	6,053,461	51.8%	10,552,823	1,142,520	10.8%
Net Position Available Fund Balance (HHW)	15,312,248	13,244,189	2,068,059	15.6%	10,292,306	2,951,883	28.7%
Net position Available Fund Balance Other	348,342	339,310	9,032	2.7%	(24,214)	363,525	-1501.3%
Total Unrestricted	**46,697,567**	**39,416,865**	**7,280,702**	**18.5%**	**35,976,530**	**3,440,334**	**9.6%**
Total Net Position	**60,961,507**	**53,522,219**	**7,439,288**	**13.9%**	**50,217,344**	**3,304,874**	**6.6%**

Cash and Cash Equivalents increased $7.9 million (19.2%) in 2019 from 2018, this was primarily due to a one time revenue from California Range trust of $1.8 million for the use of the Altamont Pass property, an increase in $4.1 million in revenues, a $1.3 million decrease payments to suppliers, and a $3.7 million decrease payment to employees wages and benefits mainly to CalPERS to reduce the Authority's Unfunded Pension Liablilty in 2018. Current assets increased $0.9 million (21.9%) reflecting the various fees, rental and grant activity. At June 30, 2019, there is one outstanding loan in the Revolving Loan Fund.

Current liabilities increased $1 million (17.8%) in 2019 from 2018, this was primarily due to timing of HHW six months reimbursement to the county of $2.5 million, Bayren first time rebate lump sump of $677k, and payment of Measure D $1.4 million to various Cities.

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 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.

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, 2019

Period Ended June 30	2019	2018	Change ($)	Change (%)	2017	Change ($)	Change (%)
Operating Revenues							
In County Facility Fees	5,878,000	5,416,761	461,239	8.5%	5,056,006	360,756	7.1%
Measure D Municipality Allocation	5,570,885	5,164,136	406,749	7.9%	4,793,312	370,824	7.7%
Other Tonnage Fees	5,570,885	5,164,136	406,749	7.9%	4,793,311	370,825	7.7%
San Francisco Mitigation Fees		-	-	0.0%	-	-	
Other Counties Mitigation Fees	1,096,353	564,434	531,919	94.2%	382,842	181,592	47.4%
Out of County Facility Fees	387,433	378,598	8,835	2.3%	476,915	(98,317)	-20.6%
Benchmark Fees	-	5,506	(5,506)	-100.0%	927,963	(922,457)	-99.4%
Household Hazardous Waste Fees and Grants	7,336,109	7,678,014	(341,905)	-4.5%	7,716,614	(38,600)	-0.5%
Other Fees and Revenue	2,707,829	715,113	1,992,716	278.7%	632,697	82,416	13.0%
	28,547,494	25,086,699	3,460,795	13.8%	24,779,660	307,038	1.2%
Non-operating Revenues							
Energy Council	8,397,907	7,592,965	804,942	10.6%	6,653,388	939,577	14.1%
Externally Funded	669,510	1,191,923	(522,413)	-43.8%	4,253,164	(3,061,240)	-72.0%
Interest Income	790,123	443,430	346,693	78.2%	264,958	178,471	67.4%
Other income	25,197	-	25,197	100.0%	-	-	
	9,882,737	9,228,318	654,419	7.1%	11,171,510	(1,943,192)	-17.4%
Total Revenues	38,430,231	34,315,017	4,115,214	12.0%	35,951,171	(1,636,154)	-4.6%
Operating Expenses							
Salaries and Benefits	7,493,587	7,707,059	(213,472)	-2.8%	7,081,369	625,690	8.8%
Program Expenses	22,957,445	22,945,914	11,531	0.1%	26,172,889	(3,226,975)	-12.3%
Legal and Accounting	306,814	151,697	155,117	102.3%	148,330	3,366	2.3%
Board Expenses	51,555	51,450	105	0.2%	53,850	(2,400)	-4.5%
Depreciation Expense	181,542	154,022	27,520	17.9%	161,806	(7,784)	-4.8%
Total Expenses	30,990,943	31,010,141	(19,198)	-0.1%	33,618,244	(2,608,102)	-7.8%
Change in Net Position	7,439,288	3,304,875	4,134,413	125.1%	2,332,926	971,949	41.7%
Net Position - Beginning, as reported	53,522,219	50,217,344	3,304,875	6.6%	47,884,418	2,332,926	4.9%
Net Position - Ending	$ 60,961,507	$ 53,522,219	$ 7,439,288	13.9%	$ 50,217,344	$ 3,304,875	6.6%

Total revenues increased $4.1 million (12%) in 2019 from 2018, this was primarily due to a one time revenue of $1.8 million from the California Rangeland Trust for the use of the Altamont Pass property. One time tonnage increase of 410,119 tons in Facilities and 162,221 tons from Altamont Landfill more than originally projected. Energy Council's revenues increased $0.8 million representing a higher number of projects. Interest income increased $0.3 million in 2019 from 2018 due to higher market interest rates earned on short-term investments.

Total expenses decreased $.02 million (-.1%) in 2019 from 2018, this was primarily due to reduction of $0.2 million salaries and benefits due to vacant positions and an increase of legal fees of $0.2 million.

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.

Request for information

The Agency's financial statements are designed to provide a general overview 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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BASIC FINANCIAL STATEMENTS

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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, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	$ 48,756,908	$ 40,896,276
Receivables:		
Accounts receivable	2,441,131	2,414,327
Interest receivable	252,944	125,005
Grants receivable	2,129,066	1,498,185
Prepaid expenses	113,338	4,641
Loans receivable (Note 3)	43,996	42,570
Total current assets	53,737,383	44,981,004
Noncurrent assets:		
Capital Assets - net of accumulated depreciation (Note 4)	14,263,940	14,105,354
Loans receivable (Note 3)	26,364	70,347
Net OPEB asset (Note 8)	373,968	515,799
Total noncurrent assets	14,664,272	14,691,500
Total assets	68,401,655	59,672,504
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB (Note 8)	140,276	-
Related to pension (Note 7)	3,774,487	6,882,232
Total deferred outflows of resources	3,914,763	6,882,232
LIABILITIES		
Current liabilities:		
Accounts payable	$ 3,795,753	$ 3,318,288
Accrued expenses	276,192	317,309
Accrued vacation (Note 6)	261,584	297,341
Due to other govermental agencies (Note 5)	1,720,386	1,857,275
Unearned revenue	1,032,234	225,727
Total current liabilities	7,086,149	6,015,940
Noncurrent Liabilities:		
Net pension liability (Note 7)	1,822,849	6,256,106
Accrued vacation (Note 6)	10,518	23,724
Total noncurrent liabilities	1,833,367	6,279,830
Total liabilities	8,919,516	12,295,770
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB (Note 8)	-	74,281
Related to Pension (Note 7)	2,435,395	662,466
Total deferred inflows of resources	2,435,395	736,747
NET POSITION		
Net investment in capital assets	14,263,940	14,105,354
Unrestricted	46,697,567	39,416,865
Total net position	$ 60,961,507	$ 53,522,219

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, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Disposal and waste import mitigation fees	$ 20,375,604	$ 16,688,066
Household hazardous waste fees	7,336,109	7,678,014
Benchmark fees	-	5,506
Other	835,781	715,113
Total operating revenues	28,547,494	25,086,699
OPERATING EXPENSES		
Salaries and benefits	7,493,587	7,725,622
Program expenses	22,957,445	22,927,351
Legal and accounting	306,814	151,697
Board expenses	51,555	51,450
Depreciation (Note 4)	181,542	154,022
Total operating expenses	30,990,943	31,010,142
Operating income (loss)	(2,443,449)	(5,923,443)
NONOPERATING REVENUES (EXPENSES)		
Grants	9,067,417	8,784,888
Interest income	790,123	443,430
Other income	25,197	-
Total nonoperating revenues (expenses), net	9,882,737	9,228,318
CHANGES IN NET POSITION	7,439,288	3,304,875
NET POSITION:		
Beginning of year	53,522,219	50,217,344
End of year	$ 60,961,507	$ 53,522,219

See accompanying notes to financial statements

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, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	$ 29,369,754	$ 25,345,035
Cash payments to suppliers	(22,725,566)	(24,192,902)
Cash payments to employees for wages and benefits	(7,567,345)	(11,342,266)
Net cash provided (used) by operating activities	(923,157)	(10,190,133)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants	8,436,535	8,926,437
Net cash provided by noncapital financing activities	8,436,535	8,926,437
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(340,127)	(18,563)
Net cash provided (used) by capital and related financing activities	(340,127)	(18,563)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	687,381	401,017
Net cash provided by investing activities	687,381	401,017
Net change in cash and cash equivalents	7,860,632	(881,242)
CASH AND CASH EQUIVALENTS:		
Beginning of year	40,896,276	41,777,518
End of year	$ 48,756,908	$ 40,896,276
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (2,443,449)	$ (5,923,443)
Adjustments to reconcile operating income (loss) to net cash provided by Operating activities:		
Depreciation	181,542	154,022
(Increase) decrease in assets :		
Accounts receivable	(26,804)	281,761
Loans receivable	42,557	41,160
Prepaid expenses	(108,697)	14,185
OPEB asset	141,831	(151,002)
Increase (decrease) in liabilities:		
Accounts payable	477,465	(1,855,474)
Accrued expenses	(41,117)	(2,076)
Amount due to other governments	(136,889)	594,301
Unearned revenue	806,507	(64,585)
Accrued vacation	(48,963)	(25,436)
Net pension liabilities, deferred inflows and deferred outflows	232,860	(3,253,546)
Net cash provided by operating activities	(923,157)	(10,190,133)

See accompanying notes to financial statements

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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.

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 and 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.

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.

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, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

K. New Pronouncements

In 2019, the Agency adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 83, *Certain Asset Retirement Obligations* - The objective of this Statement is to provide financial statement users with information about asset retirement obligations1 (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this statement did not apply to the Agency for the current fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. New Pronouncements, Continued

- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*– The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. 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:

	2019	2018
Cash on hand and in banks	$ 1,285,785	$ 219,995
Investment Pool	47,471,123	40,676,281
Total	$ 48,756,908	$ 40,896,276

A. Deposits

The carrying amount of the Agency's deposits as of June 30, 2019 and 2018 was 1,285,785 and $219,995 respectively. The bank balance of deposits as of June 30, 2019 and 2018 was $2,542,399 and $997,529, 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, 2019 and 2018. 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.

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.

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, 2019 and 2018:

	Remaining Maturity (in Months) at June 30, 2019		Remaining Maturity (in Months) at June 30, 2018	
Investment Type	Fair Value	12 Months Or Less	Fair Value	12 Months Or Less
Local Agency Investment Fund(LAIF)	$ 14,745,087	$ 14,745,087	$ 5,501,933	$ 5,501,933
Alameda County Investment Pool	32,726,036	32,726,036	35,174,348	35,174,348
Total	$ 47,471,123	$ 47,471,123	$ 40,676,281	$ 40,676,281

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, 2019 and 2018, there were no investments that were subject to fair value valuation.

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, 2019 and 2018, outstanding loans totaled $70,360 and $112,917, 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:

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

4. CAPITAL ASSETS, CONTINUED

The Agency's capital assets at June 30, 2019 consist of:

	Balance	2018		Balance	2019		Balance
	June 30, 2017	Additions	Reductions	June 30, 2018	Additions	Reductions	June 30, 2019
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	157,776	-	6,436,436
Furniture and equipment	301,693	18,563	-	320,256	182,351	(143,060)	359,546
Total assets being depreciated	6,580,353	18,563	-	6,598,916	340,127	(143,060)	6,795,982
Total capital assets	15,811,275	18,563	-	15,829,838	340,127	(143,060)	16,026,904
Less accumulated depreciation for:							
Buildings and improvements	(1,366,228)	(132,060)	-	(1,498,288)	(137,233)	-	(1,635,521)
Furniture and equipment	(204,233)	(21,963)	-	(226,196)	(44,308)	143,060	(127,444)
Total accumulated depreciation	(1,570,461)	(154,023)	-	(1,724,484)	(181,541)	143,060	(1,762,965)
Total capital assets being depreciated, net	5,009,892	(135,460)	-	4,874,432	158,586	-	5,033,018
Total capital assets, net	$ 14,240,814	$ (135,460)	$ -	$ 14,105,354	$ 158,586	$ -	$ 14,263,940

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, 2019 and 2018, $1,720,386 and $1,857,275, 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, 2019 is as follows:

	Balance	2018		Balance	2019		Ending	Due within
	June 30, 2017	Additions	Reductions	June 30, 2018	Additions	Reductions	June 30, 2019	One year
Accrued vacation	$ 346,501	$ 254,517	$ (279,953)	$ 321,065	$ 398,449	$ (447,412)	$ 272,102	$ 261,584

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 PEPRA). 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, 2019 and 2018 are summarized as follows:

	Miscellaneous - Classic	Miscellaneous - PEPRA
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 (2018)	10.11%	6.53%
Required unfunded liability payment (2018)	$ 238,186	$ 1,430
Required employer contribution rates (2019)	10.61%	6.84%
Required unfunded liability payment (2019)	$ 323,887	$ 1,399

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, 2018 and 2017 were $493,620 and $4,797,958, respectively.

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

As of June 30, 2019, and 2018, the Agency reported a net pension liability for its proportionate share of the net pension liability of the Plan of $1,822,849 and $6,256,106, 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 2019 is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. 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 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, 2016, 2017, and 2018 was as follows:

Proportion - June 30, 2016	0.151438%	Proportion - June 30, 2017	0.063080%
Proportion - June 30, 2017	0.063080%	Proportion - June 30, 2018	0.018920%
Change - Increase (Decrease)	-0.088358%	Change - Increase (Decrease)	-0.044160%

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, 2019 and 2018, the Agency recognized pension expense of $941,037 and $1,470,131, respectively. At June 30, 2019 and 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 493,620	$ -	$ 4,797,958	$ -
Changes in employer's proportion	130,613	2,269,937	434,204	303,777
Differences between the employer's contribution and the employer's proportionate share of contributions	2,863,493	90,728	249,570	141,132
Changes of assumptions	207,810	50,930	1,134,768	86,527
Differences between expected and actual experiences	69,939	23,800	9,094	131,030
Net differences between projected and actual earnings on plan investments	9,012	-	256,638	-
Total	$ 3,774,487	$ 2,435,395	$ 6,882,232	$ 662,466

$493,620 and $4,797,958 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, 2020 and 2019, 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:	2019	2018
2019	-	500,625
2020	396,243	658,144
2021	342,887	415,461
2022	122,789	(152,422)
2022	(16,447)	

7. EMPLOYEE RETIREMENT PLANS, CONTINUED

E. *Actuarial Assumptions*

The total pension liabilities in the June 30, 2017 and 2016 actuarial valuations were determined using the following actuarial assumptions:

	2019	2018
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.75%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return (1)	7.15%	7.15%
Mortality	Derived by CalPERS membership data for all funds	Derived by CalPERS membership data for all funds

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 and 2016 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 7.15% for the Plan for the measurement period ended June 30, 2018 and 2017 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 7.15 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 7.15 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.

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.

	2019			2018		
Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%	47.00%	4.90%	5.38%
Global Fixed Income	28.00%	1.00%	2.62%	19.00%	0.80%	2.27%
Inflation Sensitive	0.00%	0.77%	1.81%	6.00%	0.60%	1.39%
Private Equity	8.00%	6.30%	7.23%	12.00%	6.60%	6.63%
Real Estate	13.00%	3.75%	4.93%	11.00%	2.80%	5.21%
Infrastructure and Forestland	0.00%	0.00%	0.00%	3.00%	3.90%	5.36%
Liquidity	1.00%	0.00%	-0.92%	2.00%	-0.40%	-0.90%
Total	100%			100%		

(a) An expected inflation of 2.0% used for 2019 and 2.5% used for 2018
(b) An expected inflation of 2.92% used for 2019 and 3.0% used for 2018

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:

	2019	2018
1% Decrease	6.15%	6.15%
Net Pension Liability	$ 5,782,556	$ 9,996,624
Current Discount Rate	7.15%	7.15%
Net Pension Liability	$ 1,822,849	$ 6,256,106
1% Increase	8.15%	8.15%
Net Pension Liability	$ (1,445,825)	$ 3,158,141

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, 2019 and 2018 the Agency reported a payable of $0 for outstanding amount of required contributions to the pension plan required.

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, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	39
Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to, but not yet receiving benefits	-
	60

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, 2019 and June 30, 2018, the Agency's contributions were $238,948 and $203,221.

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINED

D. *Net OPEB Liability*

The Agency's net OPEB liability was measured as of June 30, 2019 and 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 to determine the June 30, 2019 total OPEB liability, and 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	2019	2018
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%	

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINED

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, 2019 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, 2018 (Measurement Date June 30, 2018)	$ 4,569,125	$ 5,084,924	$ (515,799)
Changes recognized for the measurement period:			
Service cost	126,654		126,654
Interest	318,028		318,028
Difference between expected and actual experience	187,291	(60,567)	247,858
Changes in Assumption	-		-
Contributions - employer	-	238,948	(238,948)
Net investment income		316,094	(316,094)
Benefit payment	(178,381)	(178,381)	-
Administrative expenses		(4,333)	4,333
Net Changes	453,592	311,761	141,831
Balance at June 30, 2019 (Measurement Date June 30, 2019)	$ 5,022,717	$ 5,396,685	$ (373,968)

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINED

F. *Changes in the OPEB Liability, Continued*

The changes in the net OPEB liability for the OPEB Plan for the year ended June 30, 2018 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, 2017 (Measurement Date June 30, 2017)	$ 4,347,552	$ 4,712,349	$ (364,797)
Changes recognized for the measurement period:			
Service cost	123,264	-	123,264
Interest	301,530	-	301,530
Difference between expected and actual experience	(41,414)	(41,414)	-
Changes in Assumption	-	-	-
Contributions - employer	-	203,221	(203,221)
Net investment income	-	376,820	(376,820)
Benefit payment	(161,807)	(161,807)	-
Administrative expenses	-	(4,245)	4,245
Net Changes	221,573	372,575	(151,002)
Balance at June 30, 2018 (Measurement Date June 30, 2018)	$ 4,569,125	$ 5,084,924	$ (515,799)

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, 2019 and 2018 respectively:

	2019		
	1% Decrease	Discount Rate	1% Increase
Net OPEB Liability	$ 199,021	$ (373,968)	$ (855,036)

	2018		
	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net OPEB Liability	$ 72,278	$ (515,799)	$ (1,004,164)

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINED

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, 2019 and 2018 respectively:

	2019		
	1% Decrease	Healthcare Trend Rate	1% Increase
Net OPEB Liability	$ (858,914)	$ (373,968)	$ 184,690

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

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 actual earnings on OPEB plan investments	5 Years
All other amounts	Expected average remaining services lifetime (EARSL) (10 years at June 30, 2019 and 8.6 years at June 30, 2018)

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, CONTINED

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

For the fiscal year ended June 30, 2019 and June 30, 2018, the Agency recognized OPEB expense of $105,655 and $85,086. For the fiscal year ended June 30, 2019 and 2018, the Agency reported deferred outflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows of Rresources	Deferred Inflows of Resources	Deferred Outflows of Rresources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of TOL	$ 136,779	$ -	$ -	$ (36,598)
Net difference between projected and actual earnings of	3,497	-	-	(37,683)
TOTAL	$ 140,276	$ -	$ -	$ (74,281)

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

2019		2018	
Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources	Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	12,433	2019	(14,237)
2021	12,433	2020	(14,237)
2022	12,433	2021	(14,237)
2023	21,853	2022	(14,237)
2024	6,212	2023	(4,816)
Thereafter	74,912	Thereafter	(12,517)

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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1. DEFINED BENEFIT PENSION PLANS

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

Fiscal Year	2019	2018	2017	2016	2015
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.01892%	0.06308%	0.15144%	0.06748%	0.05627%
Proportionate share of the net pension liability	$ 1,822,849	$ 6,256,106	$ 5,260,783	$ 4,631,507	$ 3,501,440
Covered payroll	$ 4,672,775	$ 4,652,096	$ 4,638,785	$ 4,477,977	$ 4,307,146
Proportionate Share of the net pension liability as percentage of covered payroll	39.01%	134.48%	113.41%	103.43%	81.29%
Plan fiduciary net position as a percentage of the total pension liability (1)	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

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

(1) - This represents the Plan's (PERF C) information not the Agency's funded status. As of June 30, 2018 measurement date, the funded ratio of the Agency was 89.0% per CALPERS actuarial valuation dated June 30, 2018.

1. DEFINED BENEFIT PENSION PLANS, Continued

*B. Schedule of Contributions – Last 10 Years**

Fiscal Year	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 493,620	$ 668,957	$ 600,645	$ 599,151	$ 638,765
Contribution in relation to the actuarially determined contributions	(493,620)	(4,797,958)	(600,645)	(1,199,151)	(638,765)
Contribution deficiency (excess)	$ -	$ (4,129,001)	$ -	$ (600,000)	$ -
Covered payroll	$ 4,820,484	$ 4,672,775	$ 4,652,096	$ 4,638,785	$ 4,477,977
Contributions as a percentage of covered payroll	10.24%	102.68%	12.91%	25.85%	14.26%
Note to Schedule					
Valuation date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

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

2. OTHER POSTEMPLOYMENT BENEFIT PLAN

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

Measurement Period	2019	2018	2017
Total OPEB Liability			
Service Cost	$ 126,654	$ 123,264	$ 119,965
Interest on the total OPEB liability	318,028	301,530	284,652
Differences between expected and actual experience	187,291	(41,414)	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(178,381)	(161,807)	(130,383)
Net change in total OPEB liability	453,592	221,573	274,234
Total OPEB liability - beginning	4,569,125	4,347,552	4,073,318
Total OPEB liability - ending (a)	$ 5,022,717	$ 4,569,125	$ 4,347,552
Plan Fiduciary Net Position			
Contributions - employer	$ 238,948	$ 203,221	$ 392,105
Net investment income	316,094	376,820	416,097
Differences between expected and actual experience	(60,567)	-	-
Benefit payments, including refunds of employee contributions	(178,381)	(203,221)	(130,383)
Administrative expense	(4,333)	(4,245)	(3,522)
Net change in plan fiduciary net position	311,761	372,575	674,297
Plan fiduciary net position - beginning	5,084,924	4,712,349	4,038,052
Plan fiduciary net position - ending (b)	$ 5,396,685	$ 5,084,924	$ 4,712,349
Net OPEB liability/(asset) - ending (a) - (b)	$ (373,968)	$ (515,799)	$ (364,797)
Plan fiduciary net position as a percentage of the total OPEB liability	107%	111%	108%
Covered-employee payroll	$ 4,820,484	$ 4,672,775	$ 4,652,096
Net OPEB liability as a percentage of covered-employee payroll	-7.76%	-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.

2. OTHER POSTEMPLOYMENT BENEFIT PLAN, Continued

*B. Schedule of Contributions - Last 10 Years**

Fiscal Year Ended June 30	2019	2018	2017
Actuarially Determined Contribution (ADC)	$ 238,948	$ 203,221	$ 142,105
Contributions in relation to the ADC	(238,948)	(203,221)	(392,105)
Contribution deficiency (excess)	$ -	$ -	$ (250,000)
Covered-employee payroll	$ 4,820,484	$ 4,672,775	$ 4,652,096
Contributions as a percentage of covered-employee payroll	4.96%	4.35%	8.43%

Notes to Schedule:

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2019
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

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, 2019 and 2018

	Solid waste	Mitigation Fees	Benchmark Fees	Household Hazardous Waste	Total 2019	Total 2018
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 6,283,312	$ 10,356,699	$ 116,325	$ 17,280,156	$ 34,036,492	$ 28,194,390
Accounts receivable	684,586	323,891	-	518,821	1,527,299	1,458,566
Interest Receivable	36,379	48,341	-	91,465	176,185	81,359
Prepaid Expenses	113,338	-	-	-	113,338	4,641
Grants Receivable	700,533	-	-	-	700,533	682,062
Total Current Assets	**7,818,148**	**10,728,931**	**116,325**	**17,890,442**	**36,553,847**	**30,421,018**
NON-CURRENT ASSETS						
Capital Assets, Net of Accumelated Depreciation	584,331	13,679,609	-	-	14,263,940	14,105,354
Net OPEB Asset	373,968	-	-	-	373,968	515,799
Due from Other Funds	2,166,218	2,414	-	-	2,168,632	639,160
Total Non-current Assets	**3,124,517**	**13,682,023**	**-**	**-**	**16,806,540**	**15,260,313**
TOTAL ASSETS	**10,942,665**	**24,410,954**	**116,325**	**17,890,442**	**53,360,387**	**45,681,331**
DEFERRED OUTFLOWS OF RESOURCES						
Related to OPEB	140,276	-	-	-	140,276	-
Related to Pension	3,774,487	-	-	-	3,774,487	6,882,232
Total Deferred Outflows of Resources	**3,914,763**	**-**	**-**	**-**	**3,914,763**	**6,882,232**
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	597,385	7,711	-	2,527,511	3,132,607	2,999,643
Accrued Expenses	276,192	-	-	-	276,192	317,309
Accrued Vacation	261,584	-	-	-	261,584	297,341
Unearned revenue	124,151	-	-	-	124,151	131,402
Due to Other Funds	236,569	85,002	-	37,204	358,775	115,088
Total Current Liabilities	**1,495,881**	**92,713**	**-**	**2,564,715**	**4,153,309**	**3,860,783**
LONG-TERM LIABILITIES						
Accrued Vacation	10,518	-	-	-	10,518	23,724
Net OPEB Liability	-	-	-	-	-	-
Net Pension Liability	1,822,849	-	-	-	1,822,849	6,256,106
Total Long-term Liability	**1,833,367**	**-**	**-**	**-**	**1,833,367**	**6,279,830**
TOTAL LIABILITIES	**3,329,248**	**92,713**	**-**	**2,564,715**	**5,986,676**	**10,140,613**
DEFERRED INFLOWS OF RESOURCES						
Related to OPEB	-	-	-	-	-	74,281
Related to Pension	2,435,395	-	-	-	2,435,395	662,466
Total Deferred Inflows of Resources	**2,435,395**	**-**	**-**	**-**	**2,435,395**	**736,747**
NET POSITION						
Net Investment in Capital Assets	584,331	13,679,609	-	-	14,263,940	14,105,354
Unrestricted	8,508,454	10,638,632	116,325	15,325,727	34,589,139	27,580,849
TOTAL NET POSITION	**$ 9,092,785**	**$ 24,318,241**	**$ 116,325**	**$ 15,325,727**	**$ 48,853,079**	**$ 41,686,203**

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, 2019 and 2018

				Household	Total	
	Solid waste	Mitigation Fees	Benchmark Fees	Hazardous Waste	2019	2018
OPERATING REVENUES						
Fees	$ 6,265,434	$ 1,177,928	$ -	$ -	$ 7,443,362	$ 6,359,793
Easement Fee	-	1,790,470	-	-	1,790,470	-
Household Hazardous Fees	-	-	-	7,336,109	7,336,109	7,678,014
Benchmark Fees	-	-	-	-	-	5,506
Other	190,798	594,998	-	-	785,796	665,115
Total Operating Revenues	**6,456,232**	**3,563,396**	**-**	**7,336,109**	**17,355,737**	**14,708,428**
OPERATING EXPENSES						
Salaries and Benefits	2,693,328	195,905	-	50,671	2,939,904	4,318,477
Program Expenses	2,271,278	211,396	190	5,505,965	7,988,829	8,884,078
Legal and Accounting	253,827	15,712	-	6,378	275,917	148,325
Board Expenses	41,755	-	-	-	41,755	40,850
Depreciation	57,277	124,264	-	-	181,541	154,022
Total Operating Expenses	**5,317,465**	**547,277**	**190**	**5,563,014**	**11,427,945**	**13,545,752**
OPERATING INCOME (LOSS)	**1,138,767**	**3,016,119**	**(190)**	**1,773,095**	**5,927,792**	**1,162,676**
NONOPERATING REVENUES						
Grants	669,511	-	-	-	669,511	1,195,935
Interest Income	120,676	148,560	-	275,140	544,376	304,100
Other Income	25,197	-	-	-	25,197	-
Total Nonoperating Revenues	**815,384**	**148,560**	**-**	**275,140**	**1,239,084**	**1,500,035**
NET INCOME (LOSS) BEFORE TRANSFERS	**1,954,151**	**3,164,679**	**(190)**	**2,048,235**	**7,166,876**	**2,662,711**
Transfer in (out)	-	-	-	-	-	-
NET INCOME (LOSS) AFTER TRANSFERS	**1,954,151**	**3,164,679**	**(190)**	**2,048,235**	**7,166,876**	**2,662,711**
NET POSITION, BEGINNING OF YEAR, as restated	**7,138,634**	**21,153,562**	**116,515**	**13,277,492**	**41,686,203**	**39,023,492**
NET POSITION, ENDING OF YEAR	**$ 9,092,785**	**$ 24,318,241**	**$ 116,325**	**$ 15,325,727**	**$ 48,853,079**	**$ 41,686,203**

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

Supplementary Schedule of Net Position - Recycling Board

June 30, 2019 and 2018

	Municipality Allocation	Revolving Loan Fund	Pre-March 1995	Discretionary	Grants to Non-Profits	Source Reduction	Market Development	Recycled Product Price	Total 2019	Total 2018
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	$ 947,441	$ 57,635	$ 694,981	$ 2,933,529	$ 3,017,611	$ 1,976,346	$ 3,387,774	$ 361,766	$ 13,377,083	$ 12,276,899
Accounts receivable	448,951	-	-	134,703	89,785	89,785	89,785	44,892	897,902	891,859
Interest Receivable	5,211	263	-	65,876	-	-	-	-	71,350	42,248
Loan Receivable-current	-	43,996		-	-	-	-	-	43,996	42,570
Due from other funds	-	-	-	333	-	-	-	-	333	(9,083)
Total Current Assets	**1,401,603**	**101,894**	**694,981**	**3,134,441**	**3,107,396**	**2,066,131**	**3,477,559**	**406,658**	**14,390,664**	**13,244,493**
NON-CURRENT ASSETS										
Loan receivable-non current	-	26,364	-	-	-	-	-	-	26,364	70,347
Total Non-current Assets	**-**	**26,364**	**-**	**-**	**-**	**-**	**-**	**-**	**26,364**	**70,347**
TOTAL ASSETS	**1,401,603**	**128,258**	**694,981**	**3,134,441**	**3,107,396**	**2,066,131**	**3,477,559**	**406,658**	**14,417,028**	**13,314,840**
LIABILITIES										
CURRENT LIABILITIES										
Accounts Payable	-	464	-	94,327	15,316	25,138	9,852	159,741	304,838	288,409
Due to Other Funds	-	-	-	296,336	111,647	116,143	134,174	110,291	768,591	81,050
Due to Other Government	1,402,586	-	-	-	-	-	-	-	1,402,586	1,323,462
Total Current Liabilities	**1,402,586**	**464**	**-**	**390,663**	**126,963**	**141,281**	**144,026**	**270,032**	**2,476,015**	**1,692,921**
TOTAL LIABILITIES	**1,402,586**	**464**	**-**	**390,663**	**126,963**	**141,281**	**144,026**	**270,032**	**2,476,015**	**1,692,921**
NET POSITION										
Unrestricted	(983)	127,794	694,981	2,743,778	2,980,433	1,924,850	3,333,533	136,626	11,941,013	11,681,919
TOTAL NET POSITION	**$ (983)**	**$ 127,794**	**$ 694,981**	**$ 2,743,778**	**$ 2,980,433**	**$ 1,924,850**	**$ 3,333,533**	**$ 136,626**	**$ 11,941,013**	**$ 11,681,919**

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, 2019 and 2018

	Municipality Allocation	Revolving Loan Fund	Pre-March 1995	Discretionary	Grants to Non-Profits	Source Reduction	Market Development	Recycled Product Price	Total 2019	Total 2018
OPERATING REVENUES										
Fees	$5,570,885	$ -	$ -	$1,671,265	$1,114,177	$1,114,177	$1,114,177	$ 557,089	$11,141,770	$10,328,272
Other	-	(15)	-	-	-	-	-	-	(15)	-
Total Operating Revenues	**5,570,885**	**(15)**	**-**	**1,671,265**	**1,114,177**	**1,114,177**	**1,114,177**	**557,089**	**11,141,755**	**10,328,272**
OPERATING EXPENSES										
Salaries and Benefits	-	-	-	1,886,738	329,746	616,605	585,842	14,504	3,433,434	2,593,813
Program Expenses	5,591,674	165	-	812,877	351,445	233,570	160,458	500,642	7,650,831	7,249,874
Legal and Accounting	-	753	-	20,271	-	-	-	-	21,024	2,808
Board Expenses	-	-	-	9,800	-	-	-	-	9,800	10,600
Total Operating Expenses	**5,591,674**	**918**	**-**	**2,729,686**	**681,191**	**850,175**	**746,300**	**515,146**	**11,115,089**	**9,857,095**
OPERATING INCOME (LOSS)	**(20,789)**	**(933)**	**-**	**(1,058,421)**	**432,986**	**264,002**	**367,877**	**41,943**	**26,666**	**471,177**
NONOPERATING REVENUES										
Interest Income	15,286	3,680	-	213,462	-	-	-	-	232,428	136,780
Total Nonoperating Revenues	**15,286**	**3,680**	**-**	**213,462**	**-**	**-**	**-**	**-**	**232,428**	**136,780**
NET INCOME (LOSS) BEFORE TRANSFERS	**(5,503)**	**2,747**	**-**	**(844,959)**	**432,986**	**264,002**	**367,877**	**41,943**	**259,094**	**607,957**
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS) AFTER TRANSFERS	**(5,503)**	**2,747**	**-**	**(844,959)**	**432,986**	**264,002**	**367,877**	**41,943**	**259,094**	**607,957**
NET POSITION, BEGINNING OF YEAR	**4,520**	**125,047**	**694,981**	**3,588,737**	**2,547,447**	**1,660,848**	**2,965,656**	**94,683**	**11,681,919**	**11,073,962**
NET POSITION, ENDING OF YEAR	**$ (983)**	**$ 127,794**	**$ 694,981**	**$2,743,778**	**$2,980,433**	**$1,924,850**	**$3,333,533**	**$ 136,626**	**$11,941,013**	**$11,681,919**

Alameda County Waste Management Authority, Alameda County Source Reduction and Recycling Board and Energy Council
Supplementary Schedule of Net Position - Energy Council
June 30, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,343,333	$ 424,988
Accounts receivable	15,930	63,904
Interest Receivable	5,409	1,399
Due from other funds	12,349	-
Grants Receivable	1,428,533	816,123
TOTAL ASSETS	**2,805,554**	**1,306,414**
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	676,108	624,050
Due to Other Funds	1,053,947	433,939
Unearned revenue	908,083	94,325
TOTAL LIABILITIES	**2,638,138**	**1,152,314**
NET POSITION		
Unrestricted	167,416	154,100
TOTAL NET POSITION	**$ 167,416**	**$ 154,100**

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, 2019 and 2018

	Total 2019	Total 2018
OPERATING EXPENSES		
Salaries and Benefits	$ 1,120,253	$ 794,767
Program Expenses	7,317,784	6,811,961
Legal and Accounting	9,872	563
Total Operating Expenses	**8,447,909**	**7,607,291**
NONOPERATING REVENUES		
Grants	8,397,906	7,588,952
Other revenue	50,000	50,000
Interest Income	13,319	2,550
Total Nonoperating Revenues	**8,461,225**	**7,641,502**
NET INCOME (LOSS)	**13,316**	**34,211**
NET POSITION, BEGINNING OF YEAR	**154,100**	**119,889**
NET POSITION, ENDING OF YEAR	**$ 167,416**	**$ 154,100**

STOPWASTE
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DATE: January 9, 2020

TO: Programs & Administration Committee
Planning Committee/Recycling Board

FROM: Meghan Starkey, Senior Management Analyst

SUBJECT: Countywide Element Update: Follow Up Discussion

SUMMARY

At the December 12 meetings of the WMA Committees and the Recycling Board, staff presented a draft of the goals, objectives, and policies to be included in the comprehensive update of the Countywide Element of the Countywide Integrated Waste Management Plan (CoIWMP). At the January 9 meetings, staff will lead a discussion of several policies, as identified by Board members at the December meetings, and request additional input on this chapter.

DISCUSSION

The CoIWMP chapter containing the goals, objectives, and policies is the keystone of the Countywide Element in terms of guiding WMA actions and spending. Any action the WMA takes – whether approving a facility as consistent with the CoIWMP or deciding to spend money on one type of program as opposed to another – needs to support the goals, objectives, and policies in the Countywide Element. This chapter describes the desired state of waste and materials management (goals), more specific details on what it will look like once these goals are realized (objectives), and the policies that direct what the WMA will do to achieve each objective.

Board members from both committees used colored dots to indicate their general reaction to the draft. The rating scale used green to express agreement, yellow to flag items for further discussion or more information, and red to record serious objections. The combined dot ratings, reflecting review from both committees, are included in Attachment A[1] as an overlay on the full language of the objectives and policies.

Overall, there was a strong preponderance of green dots, indicating that staff is generally on the right track, especially as there were no red dots placed. The items with multiple yellow dots are

[1] One change from the draft presented in December is to express the goals as action items rather than just titles.

discussed below, for review and input at the meeting. Written comments made by Board members were used to identify the issues for discussion.

1. Fifteen Mile Rule

   Under the 15 mile rule (Attachment A, Policy 1.2.2), solid waste that is collected by municipalities or franchised collectors, and hauled more than 15 miles from the collection point to a landfill, must be transported either in a high volume transfer trailer or clean air/clean fuel vehicles. The purpose of the 15 mile rule is to improve air quality as well as lessen traffic impacts on congested Alameda County freeways.

   Given that garbage transfer stations are located in Berkeley, San Leandro, Fremont, and Pleasanton, and that the landfills are located within 15 miles of Livermore, most cities are easily able to comply with the rule. However, to comply with the 15 mile rule, solid waste from Castro Valley, as well as portions of Hayward, is currently being hauled west to a transfer station in San Leandro, before being consolidated and hauled back east to the Altamont Landfill. By restricting the ability to direct haul to landfills, the 15 mile rule limits the options available to member agencies when contracting for waste hauling services.

   Staff recommends that we discuss the 15 mile rule and get input from Committee members regarding the rule now. Before adopting any changes to the rule, staff would need to determine if such changes would affect traffic, air quality, or other environmental factors. Depending on results of this analysis, additional environmental review may be required. The current CoIWMP revision is intended to primarily update, clarify, and consolidate rather than to propose substantive policy changes that could have environmental impacts.

2. Goal Setting

   Both committees discussed issues in setting numeric goals, and how to evaluate progress towards the proposed goal of landfill obsolescence. The proposed policy drops the "Less than 10% 'good stuff' in garbage" goal altogether, and frames the two 75% goals in Policy 1.3.2 as benchmarks rather than firm numbers driving programs and evaluation.

   While discussing this topic, both committees expressed their desire to have useful, numeric, and measurable goals in order to inform priority setting and evaluate progress. Staff has established and used more practical numeric interim targets and narrower goals to guide specific policy and programmatic choices, as included in the adopted FY 19-20 Annual Budget (Figure 1).

Figure 1: Agency Goals Through 2021

		Organics	Packaging	Built Environment	
UPSTREAM	**REDESIGN** Increase in materials optimization	Increasing state and local policies addressing reduction of wasted food	Increasing adoption of the How2Recycle label by major brands and greater recognition by consumers	Increase in presence of environmentally certified building materials	INDICATORS
	RETHINK Increase in awareness	10% increase of families likely to reduce food waste at home ✓	TBD	TBD	
	REDUCE / REUSE Less waste generated	10% of food service and grocers participate in food donation	50% reduction in all single-use bags distributed by newly affected stores ✓	<45% waste generated by construction and demolition projects in landfill ✓	SPECIFIC GOALS
DOWNSTREAM	**RECYCLE / ROT** Increase in proper sorting	<20% organics in landfill **At 25% currently**	< 5% recyclables in landfill **At 11% currently**		

In addition to this approach, staff will report annually:

- Total landfill tonnages over time
- Per capita disposal rates over time
- Per business disposal rates over time
- Tonnages handled through municipally controlled recycling and composting streams (2017 and later)

3. <u>Climate Impacts & Food Waste Reduction</u>

Objective 3.1 (climate change) and related policies codify a principle that was established during the last Board priority setting process: Prioritize waste reduction and prevention projects that have beneficial climate impacts. This guiding principle directly acknowledges the connection between material consumption and climate impacts. According to the Ellen MacArthur Foundation, material consumption makes up 45% of global emissions impact on climate, presenting a large opportunity to make a difference. Food waste in particular is an area that has a lot of potential for reduction. Board members flagged the policies under this objective for discussion, especially Policy 3.1.2 regarding emphasizing reduction of food waste and elimination of organics from landfill.

These objectives and policies are intended as a complement to those under Goal 2. Goal 2 focuses on end-of-life efforts such as recycling and composting. Connecting our other efforts with climate change reinforces two compelling considerations; first, the importance of source reduction, since preventing waste is always better than managing it after it is produced, and has the biggest impacts overall; and second, alignment with member agencies' implementation of SB 1383 (Short Lived Climate Pollutant legislation) which will fundamentally reorient member agencies organics collection and processing programs.

4. Outreach Campaigns

   Board members indicated interest in understanding the content of outreach campaigns and how to make them more effective. The agency relies heavily on outreach to residents, schools and businesses to achieve its goals. Specific campaigns are developed or continued each year as part of the budget adoption process, consistent with the guiding principles that the Board adopts during priority setting. Staff can provide additional insight into the campaign development process at a future Board meeting.

5. Building Recycling or Composting Facilities on WMA's Property

   There were several comments about using the property to develop recycling or composting facilities, as a local response to international markets and contamination challenges.

   One issue is whether development would be consistent with the Save Agricultural and Open Space Lands initiative, or the County's urban growth boundary policy. County counsel is researching this, and will report to the Board. Even if facility development was found to be consistent, there are a number of environmental challenges (such as lack of water and traffic impacts) that would need to be investigated.

RECOMMENDATION

Discuss the issues listed above and provide input to staff.

Countywide Element: Goals, Objectives and Policies

DRAFT

(rev. 12/30/19)

GOAL 1: DISPOSAL CAPACITY: Manage Discards and Minimize Landfill Impacts Consistent with Waste Reduction Objectives.

Objective 1.1: Alameda County jurisdictions have a minimum of 15 years of disposal capacity available.

Policies:

1.1.1 Monitor disposal facilities and material flows, both in county and out of county.

1.1.2 Evaluate needs for landfill capacity before reaching 15 year minimum.

1.1.3 Maintain the property owned by the WMA in the Altamont for contingency landfill space in the event of lack of availability of cost effective disposal capacity. Consider acquiring additional land in the vicinity of the WMA property from willing sellers in order to advance the objectives of this plan.

1.1.4 Plan for contingency landfill capacity in the event of emergencies that generate large quantities of debris.

Objective 1.2: Negative environmental impacts of landfills are mitigated.

Policies:

1.2.1 Plan for the mitigation of environmental impacts due to wasteshed changes and/or new landfills.

1.2.2 Except under emergency conditions as determined by the WMA, solid waste that is collected by municipal or franchised collectors and hauled more than 15 miles from the point of collection to the landfill, must be transported in vehicles carrying a minimum payload of 14 tons. Notwithstanding the foregoing, this policy shall not apply where in the reasonable discretion of the Authority where waste is transported in clean air/clean fuels vehicles or transported in equivalent capacity transfer vehicles.

1.2.3 Oversee Household Hazardous Waste programs.

1.2.4 Model and pilot property management practices in support of broader sustainability goals.

1.2.5 Ensure all WMA actions related to the WMA-owned property in the Altamont Hills are consistent with applicable laws and permitting processes, including the Save Agriculture and Open Space Lands Initiative.

Objective 1.3: Landfills become obsolete as a means of managing materials, replaced by continuous material flows that rely upon minimal inputs of non-renewable resources, elimination of waste through redesign of products and systems, and effective recovery of materials.

Policies:

1.3.1 WMA will develop programs that take into account the multiple factors that affect achieving this objective, such as infrastructure, economics, technology, public awareness, cost, partners, diversity of program approaches, and current issues.

1.3.2 Benchmarks to assess progress towards landfill obsolescence are: 75% less total materials deposited in landfills compared to 1990 and 75% reduction of organics in landfills compared to 2014.

Objective 1.4: Goals and targets are rooted in a systems perspective, using measurement that ensures effective program implementation and use of funds, while advancing systemic changes which are difficult to measure.

Policies:

1.4.1 Recognizing that, at the system scale, many external variables influence progress towards overarching goals, the WMA will focus its measurements and studies primarily on evaluating program effectiveness. This evaluation will be based on specific, measureable, and actionable outcomes.

1.4.2 Environmental "scans" of progress towards the landfill obsolescence will be used to identify key issues to investigate and set priorities.

1.4.3 The WMA will set more specific and narrower targets within its planning, priority setting and budgeting processes, which are responsive to emergent issues and current data, and which reflect a diversity of programmatic approaches.

1.4.4 Units of measurement for evaluation shall be appropriate to both the activity type (e.g., disposal v. consumption), material type (e.g., organic v. construction materials) and desired impacts (e.g., simple material tonnage to landfill v. overall environmental impact).

GOAL 2: RESPONSIBLE INFRASTRUCTURE: Maximize Environmental Benefits by Balancing High Volume of Recovery with Related Considerations: Quality of Commodities, Operating Impacts of Facilities, and Other Environmental Impacts of Programs.

Objective 2.1: Member Agencies have efficient, adequate, and environmentally sound infrastructure for managing recycling, organics, and other discards.

Policies:

2.1.1 Monitor recycling and composting facilities and Alameda County discarded materials flows, both in county and out of county.

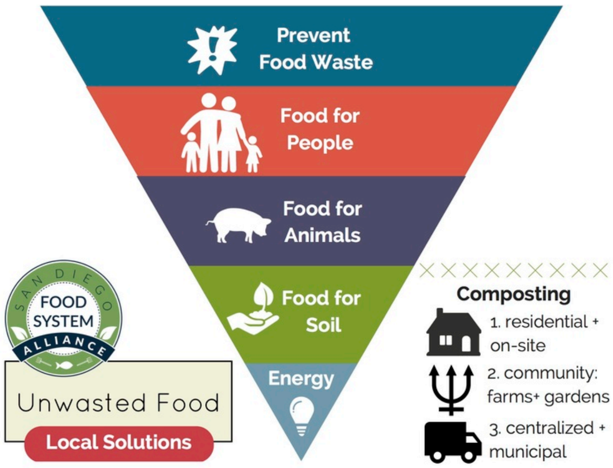
2.1.2 Conduct periodic studies of type, quantity, quality, and other attributes of materials handled through three streams (disposal, recycling, composting) or through other means such as source reduction and reuse.

2.1.3 Periodically survey infrastructure and identify gaps.

2.1.4 Use information developed through studies to develop plans and projects supplementing the CoIWMP.

2.1.5 Support member agency efforts to secure comprehensive materials handling and processing operations at landfills and transfer stations by:

- Providing a list of issues for consideration by member agencies during franchise procurement and negotiation.
- Maintaining a reference library of all current contracts between member agencies and service providers.
- Considering grant requests to support development of new infrastructure.
- Prioritize reduction of organic waste sent to landfills to support 75 percent diversion and in support of climate goals. Programs should consider highest and best use using the food hierarchy.



Objective 2.2: Direct and indirect environmental impacts of infrastructure, facilities, and related transportation are kept to a minimum.

Policies:

2.2.1 Provide input through the local land use approval, CEQA, and WMA conformance finding processes to reduce or avoid adverse human health and safety and environmental impacts.

2.2.2 Consider climate and other environmental impacts, including equity, when analyzing or designing recovery systems and programs, rather than focusing solely on quantity.

2.2.3 Except under emergency conditions as determined by the WMA, solid waste that is collected by municipal or franchised collectors and hauled more than 15 miles from the point of collection to the landfill, must be transported in vehicles carrying a minimum payload of 14 tons. Notwithstanding the foregoing, this policy shall not apply where in the reasonable discretion of the Authority where waste is transported in clean air/clean fuels vehicles or transported in equivalent capacity transfer vehicles.

Objective 2.3: Member Agencies and processing facilities have reliable markets for commodities produced, including new markets or other beneficial uses.

Policies:

2.3.1 Support development of healthy markets and/or other beneficial uses for materials recovered from the waste stream through WMA programs.

2.3.2 Convene stakeholder groups, including participants such as service providers, member agencies, and reuse/repair industry, to share information on market issues.

Objective 2.4: Materials processed at facilities have minimal contamination, both from the source and post processing, and end products are suitable for their intended use.

Policies:

2.4.1 Work with haulers and member agencies to identify sources, types, and impacts of contamination, and share information with all stakeholders.

2.4.2 Coordinate with member agencies on outreach and education materials to promote proper sorting.

Objective 2.5: Facilities are managed and periodically upgraded, and/or new facilities developed, to maximize both the recovery of materials and the value of end products.

Policies:

2.5.1 Consider grant requests to support upgraded or new facilities with available funds.

GOAL 3: MATERIALS MANAGEMENT: Shift from Managing Discards to Reducing Consumption, Managing Materials at Their Highest and Best Use, and Addressing Environmental Impacts Across the Full Life Cycle of Materials and Products.

Objective 3.1: Prioritize waste reduction and prevention projects that have beneficial climate impacts.

Policies:

3.1.1 Develop Agency programs and policies that reduce GHG emissions and consider the full life-cycle impacts of materials.

3.1.2 Emphasize reduction of food waste and elimination of organics from landfill.

3.1.3 Offer grants and financial incentives in support of waste reduction and prevention projects.

Objective 3.2: Influence production and consumer demand by incentivizing and promoting the use of materials that are beneficial to human health and the environment.

Policies:

3.2.1 Support the development of new markets and/or other beneficial uses for materials recovered from the waste stream (e.g. building deconstruction, reuse, and recycled market development).

3.2.2 Foster local demand and a robust infrastructure for reuse, repair, and redistribution solutions to reduce waste that is accessible to all residents of Alameda County.

3.2.3 Engage with industry and other stakeholders to support efforts that further the goals sustainable production and consumption.

GOAL 4: PUBLIC ENGAGEMENT: Inform and Engage the Public in Waste Reduction Activities.

Objective 4.1: Member agencies and the public are informed of WMA activities and notable waste reduction topics.

Policies:

4.1.1 Prepare an annual budget that clearly conveys WMA priorities, revenue sources and amounts, and expenditures at the project level.

4.1.2 Respond in a thorough and timely manner to inquiries from the public and news media. Keep state legislators (East Bay Delegation) and policy makers properly informed of waste-related issues to make sound decisions and policy.

4.1.3 Prepare and distribute electronic newsletters and website content to keep member agency staff, the public and other stakeholders up to date on WMA activities.

4.1.4 Host regular meeting of the Technical Advisory Committee, staffed by member agency representatives, to share current waste reduction best practices.

Objective 4.2: Alameda County residents, schools and businesses have easy access to information on how to reuse, repair, recycle, and when needed-dispose of an item.

Policies:

4.2.1 Maintain and keep up to date content that provides "how-to" information on waste reduction topics. Engage directly with the public in an easily accessible manner.

4.2.2 Maintain and keep up to date information that easily identifies how to reuse, repair, recycle, and when needed-dispose of an item.

4.2.3 Media and information are developed and distributed in a manner that is inclusive of Alameda County's diverse communities.

Objective 4.3: The public in Alameda County is educated and motivated to take action and adopt positive waste reduction habits aligned with WMA priorities.

Policies:

4.3.1 Engage students and their communities on topics aligned with Agency priorities, throughout the county including in underserved districts.

4.3.2 Conduct community outreach to engage directly with the public on topics aligned with Agency priorities.

4.3.3 Conduct broader public outreach campaigns, on topics tied to Agency priorities.

GOAL 5: REGIONAL COLLABORATION: Address Regional State and Federal Issues and Develop Programs in Partnership with Member Agencies, the Private Sector, and Other Key Stakeholders.

Objective 5.1: As a Joint Powers Authority of Alameda County, facilitate inter-jurisdictional cooperation.

Policies:

5.1.1 Prepare and maintain the CoIWMP, including conformance findings and Plan amendments.

5.1.2 Undertake countywide planning efforts, such as initiating and acting as the lead agency on countywide CEQA analyses and consideration of model ordinances.

5.1.3 Support and coordinate with the WMA Board and the Alameda County Recycling Board to fulfill the joint aims of the two bodies.

5.1.4 Coordinate member agency and countywide programs in order to maximize economies of scale, reduce environmental impacts, strengthen marketing, and avoid unnecessary duplication.

Objective 5.2: Develop shared positions and policy, demonstrating leadership related to local, regional, State and federal legislation and regulation.

Policies:

5.2.1 Monitor legislation and proactively promote the interests of the WMA and its member agencies.

5.2.2 Support member agency compliance with and implementation of State and federal laws, including developing model ordinances with an emphasis on scalability and replicability.

5.2.3 Act a leader by piloting innovative approaches to waste management and diversion in response to member agency priorities.

5.2.4 Build and convene a network of partners to elevate issues and find solutions.

Objective 5.3: Provide opportunities for the exchange of information and ideas among member agencies and other organizations working, affecting or serving Alameda County.

Policies:

5.3.1 Convene member agencies through the Technical Advisory Committee (TAC).

5.3.2 Provide technical and program assistance to member agencies and other organizations working in Alameda County and directly support pilot and demonstration projects including WMA-sponsored programs.

5.3.3 Facilitate the formation of working groups and stakeholder meetings for shared ideas, information and policy development.

5.3.4 Partner with local nonprofits, schools, businesses, and other potential stakeholders, to create a network and promote opportunities for sharing of knowledge and resources.

GOAL 6: FUNDING. Manage Revenues and Expenditures to Implement Countywide Priority Programs and Facilities to Achieve the Goals Outlined in the CoIWMP.

Objective 6.1: Maintain consistent funding for WMA programs and facilities.

Policies:

6.1.1 Collect AB 939 per-ton landfill facility fees, household hazardous fees and import mitigation fees on out-of-county waste pursuant to adopted resolutions and ordinances, to support WMA programs.

6.1.2 Pursue funding from sources other than tonnage fees, including but not limited to grants and fee-for-service contracts.

6.1.3 Consider revenue-generating opportunities at the agency's property at the Altamont Hills area that do not interfere with current operations and conservation efforts.

6.1.4 Consider increases or changes to per-ton fees if the WMA determines that such changes or increases are necessary to attain this objective.

6.1.5 Conduct annual short and medium term fiscal projections to assess revenue collections, reserves and fund balances, and adjust expenditures accordingly.

6.1.6 Maintain administrative overhead at the most efficient level necessary.

6.1.7 Review financial information, provide fiscal oversight of costs, and implement controls as necessary of programs and facilities that are owned or operated by the WMA, or other entities supported with WMA funds.

6.1.8 Explore options with both public and private funds to implement countywide capital-intensive programs or facilities.

Objective 6.2: Distribute costs and benefits equitably.

Policies:

6.2.1 Ensure that costs and benefits of implementing countywide programs and facilities are equitably distributed among jurisdictions, based on criteria such as WMA's priorities, program usage, tonnage of waste generated, and population.

6.2.2 Adopt and update, as necessary, the formulas for distributing program benefits and costs among member agencies as part of program development and approval process.