

WMA Board & Energy Council

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City of Alameda, WMA, EC

Dave Sadoff, **WMA 1st Vice President**
Castro Valley Sanitary District, WMA

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Ben Barrientos, City of Livermore, WMA, EC

Matthew Jorgens, City of Newark, WMA, EC

Ken Houston, City of Oakland, WMA, EC

Rita Duncan, Oro Loma Sanitary District, WMA

Lorrel Plimier, City of Piedmont, WMA, EC

Matt Gaidos, City of Pleasanton, WMA, EC

Jeff Wang, City of Union City, WMA, EC

Timothy Burroughs, Executive Director

AGENDA

**MEETING OF THE
ALAMEDA COUNTY WASTE MANAGEMENT
AUTHORITY BOARD (WMA)
AND
THE ENERGY COUNCIL (EC)**

WEDNESDAY, SEPTEMBER 24, 2025

3:00 P.M.

***IN PERSON MEETING LOCATION:*
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA**

This meeting will be conducted in a hybrid model with both in-person attendance and Teleconference participation:

- Teleconference location #1 118 Glashauss Loop, Emeryville, CA
- Teleconference location #2 Fremont City Hall, 3300 Capitol Ave. Building A, Fremont, CA
- Teleconference location #3 Dublin City Hall, 100 Civic Plaza, Dublin, CA
- Teleconference location #4 806 Pierce Street, Albany, CA
- Teleconference location #5 2928 Linden Avenue, Berkeley, CA
- Teleconference location #6 123 Main Street, Pleasanton, CA
- Teleconference location #7 22493 Bayview Ave Hayward, CA
- Teleconference location #8 David W. Smith City Hall, 37101 Newark Blvd., Conf. Rm 5, Newark, CA
- Teleconference location #9 Heritage House, 4501 Pleasanton Ave, Pleasanton, CA
- Teleconference location #10 34009 Alvarado-Niles Road, Union City, CA
- Teleconference location #11 SpringHill Suites by Marriott, 111 East 24th Street, New York City, NY
- Teleconference location #12 Sheraton San Diego Resort, 1380 Harbor Island Dr., San Diego, CA

Members of the public may attend in person at the Board Room, or the addresses listed above or by:

1. Calling US+1 669 900 6833 and using the Webinar ID 893 8270 4390
2. Using the [Zoom](#) website or App and entering meeting code 893 8270 4390

During the meeting the chair will explain the process for members of the public to be recognized to offer public comment. The process will be described on the StopWaste website at <http://www.stopwaste.org/virtual-meetings> no later than noon, Wednesday, September 24, 2025.

The public may also comment by sending an e-mail to publiccomment@stopwaste.org. Written public comment will be accepted until 3:00 p.m. on the day prior to the scheduled meeting. Copies of all written comments submitted by the deadline above will be provided to each Board Member and will be added to the official record. Comments will not be read into the record.

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

AGENDA

I. CALL TO ORDER

II. ROLL CALL OF ATTENDANCE

III. ANNOUNCEMENTS BY PRESIDENTS - *(Members are asked to please advise the Board or the Council if you might need to leave before action items are completed.)*

IV. OPEN PUBLIC DISCUSSION FROM THE FLOOR

An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Boards or Council but not listed on the agenda.

V. CONSENT CALENDAR - The Consent Calendar contains routine items of business. Items in this section will be acted on in one motion for both the WMA and EC, unless removed by a member of either Board. Members of the WMA who are not members of the EC will vote as part of the Consent Calendar vote, but their votes will not be considered in connection with any EC items.

Page

1 1. **Approval of the Draft WMA & EC Minutes of July 23, 2025**

VI. REGULAR CALENDAR

5 1. **Cost Recovery Options for Regulatory Expenditures (Timothy Burroughs & Justin Lehrer)**
Direct staff to develop a regulatory fee ordinance for Board consideration.

2. **Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (Timothy Burroughs)**
(Planning Committee & Recycling Board meetings will be held on Thursday, October 9, 2025 at 6:00 p.m., at Castro Valley Sanitary District, 21195 Center Street, Castro Valley, CA)

VII. MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

VIII. ADJOURNMENT – TO WMA & EC MEETING OCTOBER 22, 2025 AT 3:00 P.M.

DRAFT

**MINUTES OF THE MEETING OF THE
ALAMEDA COUNTY WASTE MANAGEMENT
AUTHORITY BOARD (WMA)
AND
THE ENERGY COUNCIL (EC)**

**Wednesday, July 23, 2025
3:00 P.M.**

***IN PERSON MEETING LOCATION:
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA***

I. CALL TO ORDER

President Jensen called the meeting to order at 3:00 p.m. Timothy Burroughs explained the process that would be utilized during the meeting. A link to the process is available here: [Virtual-Meetings- Instructions.](#)

II. ROLL CALL OF ATTENDANCE

WMA & EC

County of Alameda	David Haubert, WMA, EC
City of Alameda	Tracy Jensen, WMA, EC (President)
City of Albany	Jennifer Hansen-Romero, WMA, EC
City of Berkeley	Mark Humbert, WMA, EC
Castro Valley Sanitary District	Dave Sadoff, WMA
City of Dublin	Jean Josey, WMA, EC
City of Emeryville	David Mourra, WMA, EC (EC President)
City of Fremont	Yang Shao, WMA, EC
City of Hayward	Francisco Zermeño, WMA, EC
City of Livermore	Ben Barrientos, WMA, EC
City of Newark	Matthew Jorgens, WMA, EC
City of Oakland	Ken Houston, WMA, EC
Oro Loma Sanitary District	Rita Duncan, WMA
City of Piedmont	Lorrel Plimier, WMA, EC
City of Pleasanton	Matt Gaidos, WMA, EC
City of Union City	Jeff Wang, WMA, EC

ABSENT

City of San Leandro	Xouhoa Bowen, WMA, EC
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Staff Participating

Timothy Burroughs, Executive Director
Pat Cabrera, Administrative Services Director
Alma Freeman, Communications Manager
Kelly Schoonmaker, Senior Program Manager
Emily Alvarez, Management Analyst
Arliss Dunn, Clerk of the Board
Richard Taylor, WMA Legal Counsel

III. ANNOUNCEMENTS BY PRESIDENTS

There were none.

IV. OPEN PUBLIC DISCUSSION FROM THE FLOOR

There were no public comments.

V. CONSENT CALENDAR

1. Approval of the Draft WMA & EC Minutes of June 25, 2025

There were no public comments for the Consent Calendar. Board member Zermeño moved approval of the Consent Calendar, and Board member Sadoff seconded.

The Clerk called the roll: WMA Vote: 16-0 EC Vote: 16-0

(Ayes: Duncan, Gaidos, Haubert, Houston, Humbert, Jensen, Jorgens, Josey, Mourra, Plimier, Sadoff, Shao, Zermeño. Nays: None. Abstained: None. Absent: Barrientos, Bowen, Hansen-Romero, Wang)

VI. REGULAR CALENDAR

1. Altamont Property History and Revenue Summary (Kelly Schoonmaker)

This item is for information only.

Timothy Burroughs introduced the item. Kelly Schoonmaker provided a historical overview of the Agency's property and highlighted how the property currently provides an opportunity to engage in activities that align with Agency goals and provide benefits to member agencies, while providing a stable source of revenue. A link to the staff report and the presentation is available here: [Altamont-Property-Presentation](#)

Additional time was provided to the Board for discussion and for clarifying questions. A link to the discussion is available here: [Altamont-Property-Discussion](#). Board members expressed interest in visiting the Property. There were no public comments on this item. President Jensen thanked staff for a very informative presentation.

2. Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (Timothy Burroughs) (WMA only)

(Planning Committee & Recycling Board meetings will be held on Thursday, August 14, 2025 at 6:00 p.m., and Thursday, September 11, 2025 at 4:00 p.m. at StopWaste, 1537 Webster Street, Oakland, CA)

There were no requests for an interim appointment.

EC President Mourra chaired the item.

3. BayREN Statewide Home Energy Score Contract (Emily Alvarez) (EC only)

That the Board adopt the attached Resolution authorizing the Executive Director to enter into a contract with ABAG for an amount not to exceed \$9,361,500, starting August 1, 2025, for the statewide Home Energy Score California program.

Timothy Burroughs introduced the item. Emily Alvarez A link to the staff report and presentation is available here: [Statewide-HES-Contract-memo.pdf](#). Additional time was provided to the Board for discussion and for clarifying questions. A link to the discussion is available here: [Statewide-HES-Contract-Discussion](#). There were no public comments for this item. President Mourra thanked staff for the report and the presentation.

Board member Zermeño moved approval of the staff recommendation, and Board member Barrientos seconded. The motion carried 17-0. The Clerk called the roll:

(Ayes: Barrientos, Gaidos, Hansen-Romero, Haubert, Houston, Humbert, Jensen, Jorgens, Josey, Mourra, Plimier, Wang, Zermeño. Nays: None. Abstained: None. Absent: Shao, Bowen)

VII. MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

Mr. Burroughs announced the monthly topic brief for July highlights the role the Agency plays in energy efficiency and electrification. Staff will send the topic brief after the meeting. Mr. Burroughs

DRAFT

reminded the Board that the P&A Committee and the WMA/EC Board will recess for summer break for the month of August.

Board member Houston thanked Board member Haubert for managing a very successful Board of Supervisor's meeting on Measure W as well as the Board of Supervisor's work related to the sale of the Coliseum.

VIII. ADJOURNMENT – TO WMA & EC MEETING ON SEPTEMBER 24, 2025 AT 3:00 P.M.

The meeting was adjourned at 4:05 p.m.

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DATE: September 24, 2025

TO: Waste Management Authority (WMA) Board

FROM: Timothy Burroughs, Executive Director
Justin Lehrer, Operations Manager

SUBJECT: Cost recovery options for regulatory expenditures

SUMMARY

On October 23, 2024, the WMA Board directed staff to conduct a regulatory fee study to assess Agency expenditures eligible for cost recovery through implementation of a regulatory fee. The Board also directed staff to conduct opinion research to gather input on Agency programs and services and to inform next steps related to Agency cost recovery efforts.

Based on Board direction, staff engaged the consulting services of R3 Consulting Group, Inc. (R3) to prepare a regulatory fee study (attached) designed to identify options to recover Agency costs associated with its regulatory programs, including programs advancing compliance with unfunded state mandates that were not in place when StopWaste’s original landfill fees were adopted. R3 conducted an evaluation of the Agency’s regulatory expenses that could potentially be recovered through a new regulatory fee, identified options for how such a fee could be collected, and provided preliminary estimates for fee amounts. At the September 24 meeting, staff will review these options and recommend that the Board direct staff to develop and present a regulatory fee ordinance for Board consideration at a future meeting.

In parallel to conducting the regulatory fee study, staff also engaged the opinion research firm FM3 to conduct an opinion survey of Alameda County voters. FM3 conducted a survey from July 10-17, 2025. Survey results demonstrate strong support for the work that StopWaste does, however the opinion research does not support pursuing a countywide tax measure at this time.

DISCUSSION

StopWaste assists member agencies to comply with state laws

Central to StopWaste’s mission is working at scale across the county on behalf of our 17 member agencies, helping jurisdictions comply with state solid waste laws and advance their waste reduction goals. In coordination with our member agencies, StopWaste takes on regulatory compliance work that would be difficult, expensive, and inefficient for each

jurisdiction to do individually. One significant example of this is implementation of SB 1383, which became state law in 2016 and began implementation in 2022. SB 1383 requires local jurisdictions to adopt and enforce regulations on residents, businesses, and institutions to reduce the amount of food and other compostable materials sent to landfills. The state does not fund SB 1383 implementation and instead directed that local government agencies may collect fees to recover the costs incurred to comply with the regulations.

Alameda County jurisdictions designated StopWaste as the lead agency conducting SB 1383 compliance monitoring for all multifamily buildings and commercial businesses within the county. StopWaste also takes the lead on enforcement of SB 1383 edible food donation requirements that the state placed on food generating businesses. This work is in addition to the SB 1383-related compliance activities that the Agency conducts for all sectors, including support for waste prevention and proper sorting in homes, schools and businesses, capacity building for food recovery organizations to collect the surplus edible food that food generating businesses are required to donate, and compiling and reporting data to track implementation progress and document compliance to the state.

Another significant example of StopWaste working at the county scale on behalf of our member agencies is implementation of the countywide Reusable Bag Ordinance, which aligns with state law SB 1053 and bans plastic bags at point of sale at grocery, convenience, drug, and liquor stores and promotes the use of reusable bags. StopWaste conducts countywide compliance monitoring, enforcement, outreach and education on behalf of all member agencies. There is no state funding for these efforts.

These regulatory programs were adopted long after StopWaste's main discretionary funding sources, which are fees placed on tonnage disposed at landfills, were put into place. For many years, StopWaste has worked to support these new programs with existing fees and funds. However, given the significant scale and cost of implementing these requirements (described more below), it is essential that StopWaste recover its regulatory costs moving forward. Otherwise, the Agency's long-term financial stability, including the Agency's ability to invest in non-regulatory programs, is at risk.

Preliminary outcomes of R3 analysis of StopWaste regulatory expenses

R3 estimates that StopWaste's FY 26 (current fiscal year) regulatory expenses are approximately \$3.8 million and are projected to be approximately \$4.1 million in FY 27 (including cost-of-living adjustments, inflation, and anticipated costs for implementing and administering a new regulatory fee). Under state law (Proposition 26), the costs incurred by StopWaste to administer, enforce, and advance compliance with its regulations can be recovered through a regulatory fee. Such a fee can be adopted by the WMA Board and implemented by StopWaste staff.

Staff considered multiple options for collecting a regulatory fee, including a new per-ton fee placed on in-county landfill tonnage, a fee collected on property tax bills, and a fee collected on solid waste bills. In addition to relying on the R3 analysis and their extensive experience assisting public agencies with fee-setting throughout the state, staff gathered input from

member agency city and general managers and solid waste management staff, solid waste collection service providers active in Alameda County, and other waste management authorities in the state. Based on the analysis and input, staff recommends the latter option – placing a regulatory fee on solid waste bills. This option has several benefits:

- It is commonly used by other solid waste management authorities in the state, including Central Contra Costa Solid Waste Authority (RecycleSmart), West Contra Costa Integrated Waste Management Authority (RecycleMore), and the San Luis Obispo Integrated Waste Management Authority
- It leverages a billing infrastructure that already exists, such that solid waste service providers would collect the fee and submit the revenue to StopWaste
- It would be assessed separate from jurisdictions’ rate setting processes as a fee assessed in addition to solid waste rates, and would therefore not complicate member agency rate-setting
- It would create a stable source of funding for the Agency’s regulatory activities
- It enables equitable and proportionate allocation of expenses to the appropriate regulated entities, which are single family homes, multifamily buildings, and commercial businesses
- Multiple solid waste collection companies in the County implement such fees on behalf of similar public agencies elsewhere in California

Preliminary FY 27 estimates from R3 are that single family accounts would pay approximately \$0.34 per month. Multifamily and commercial fees would be based on the weekly number of cubic yards of landfill (black container) solid waste service and would be approximately \$1.20 per cubic yard. At this fee amount, multifamily accounts would pay an average of approximately \$6.13 per month (approximately \$0.26 per multifamily unit on average), and commercial accounts would pay an average of approximately \$8.13 per month. However, approximately 60% of multifamily and commercial accounts subscribe to two cubic yards of landfill solid waste service (or less) and would therefore only pay \$2.40 per month (or less). Approximately 42% of multifamily and commercial accounts subscribe to only one cubic yard of landfill solid waste and would therefore pay \$1.20 per month.

Table 1, below, shows approximate fee amounts for single family, multifamily, and commercial accounts.

Account Type	Approx. FY 27 Fee Amount	Approx. Average \$ Change in Monthly Bills	Approx. Average % Change in Monthly Bills
Single Family	\$0.34 per account per month	\$0.34	0.7%
Multifamily	\$1.20 per weekly cubic yard per month	\$6.13 per account / \$0.26 per unit	0.7%
Commercial	\$1.20 per weekly cubic yard per month	\$8.13 per account	0.7%

The single-family fee would be the same for all single-family accounts and the multifamily and commercial fee would be applied based on garbage bin service levels. These fees would initially generate approximately \$4.1 million in FY 27, the same amount as the projected FY 27 regulatory expenses in R3's preliminary estimates. The average increase in cost is projected to be an approximate average of 0.7% (0.2% to 2.5% for single family and 0.4% to 1.3% for commercial and multifamily). The fee would enable StopWaste to recover its regulatory costs in a stable, sustained way.

In the coming months, staff propose to refine these estimates and prepare an ordinance for Board consideration by early 2026 that would go into effect in fiscal year 2027. The ordinance would include a fee escalator, such as based on CPI, to ensure that inflationary growth in regulatory costs do not outpace regulatory fee revenue. The ordinance would also include a periodic review and associated process to adjust the fee up or down over time, based on ongoing evaluation of StopWaste's regulatory costs.

Opinion survey of Alameda County registered voters

In addition to evaluating regulatory fee options, the Board also directed staff to conduct opinion research to assess the viability of a countywide tax that could fund the Agency's work. Such a tax could be used to fund a range of Agency programs and would require two-thirds voter approval. StopWaste staff collaborated with FM3 Research to design an online, multi-lingual opinion survey of 770 Alameda County registered voters to provide a snapshot of community attitudes on issues related to our mission, gauge awareness of StopWaste's services, and assess voters' willingness to pay for Agency's work helping Alameda County residents, businesses, schools, and local governments reduce waste and protect the health of our environment and communities. Here are key takeaways from the survey:

- While cost of living and homelessness are top issues in the county, litter, illegal dumping, and climate change are also perceived as highly concerning.
- Voters are largely unfamiliar with StopWaste, but when they learn about our services, favorability of our work is high.
- Safe disposal of hazardous waste, protecting the environment, and supporting edible food recovery and distribution are seen as the most important services StopWaste provides.
- Most view phasing out plastic bags and reducing food waste as generally important, but not intensely. However, a majority view supporting food banks and providing food to those who need it as very important.
- Respondents reacted positively to phrases that involve "caring for" and "protecting" the environment, over phrases like "zero waste" and "reduce waste."
- Half of respondents say it is "extremely" important for local governments to work to reduce waste and fight climate change.
- Visiting an HHW facility and using the RE:Source Guide are the most common ways respondents engage with StopWaste.
- While voters broadly see a need for funding StopWaste's mission, they are divided on whether to support a small annual tax to fund efforts.

Based on these polling results, and the significant uncertainty and cost associated with advancing a countywide tax measure, staff does not recommend pursuing this option further at this time. However, results of the survey will help benefit and inform our Agency's outreach and communications moving forward. See survey results summary attached.

RECOMMENDATION

Direct staff to develop a regulatory fee ordinance for Board consideration. The regulatory fee would be collected on solid waste bills and remitted to the Agency by solid waste service providers operating within Alameda County.

ATTACHMENTS

- Attachment A: R3 Regulatory Fee Study
- Attachment B: FM3 opinion research summary of results
- Attachment C: October 23, 2024, staff memo – “Agency Revenue Stabilization Analysis”

Regulatory Fee Study

Submitted electronically: September 16, 2025



September 16, 2025

Mr. Timothy Burroughs
Executive Director
StopWaste
submitted via email: tburroughs@stopwaste.org

SUBJECT: Regulatory Fee Study

Dear Mr. Burroughs,

R3 Consulting Group, Inc. (R3) was engaged by the Alameda County Waste Management Authority (StopWaste) to prepare a study of StopWaste's costs for implementation and enforcement of its Reusable Bag Ordinance and the Organics Reduction and Recycling Ordinance regulations and to identify how StopWaste could recover regulatory costs via a regulatory fee.

StopWaste's regulations – and the unfunded California State laws and regulations they comply with – were not yet in place and therefore not considered when StopWaste's existing funding sources were enacted. Given the limitations of existing sources of funds, which are not sufficient to sustainably fund implementation and enforcement of StopWaste's regulations, StopWaste could consider a new Regulatory Fee that would provide stable and sustainable regulatory funding. The following report summarizes R3's evaluation, analysis and preliminary findings of regulatory fee study (Study) for StopWaste, which included:

- › Identification, analysis, and quantification of StopWaste's costs for implementing and enforcing its regulations, which could be funded via a Regulatory Fee.
- › Identification and evaluation of potential fee collection mechanisms and recommendation of a specific mechanism for collection of the Regulatory Fee.
- › Calculation of proportionate and equitable preliminary Fiscal Year 2027 Regulatory Fees that would not be more than necessary to fund StopWaste's costs for implementation and enforcement of its regulations.

R3 appreciates the opportunity to be of service to StopWaste and we enjoyed working with you and the StopWaste team on this important engagement. We look forward to the next steps as StopWaste considers a potential Regulatory Fee, and we are eager to be of further service. If you have questions regarding this report, please reach out to us via the information below.

Sincerely,



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Attachments

1. List of Source Information

2. List of Staff Interviews

3. Preliminary FY 27 Regulatory Costs, Allocations and Fee Calculations

1. INTRODUCTION

Purpose

R3 prepared this Regulatory Fee Study (Study) to support StopWaste in addressing a critical fiscal challenge: unfunded State laws and regulations and increased regulatory costs. As a regional leader in waste diversion and solid waste management and planning, StopWaste has succeeded in helping reduce landfill dependency; however, California regulatory requirements have continued to increase, as have the costs for local regulatory implementation and enforcement.

The purpose of this Study was to identify StopWaste's costs for implementation and enforcement of its regulations, to calculate the proportionate and equitable amounts that StopWaste could charge to residents and businesses in Alameda County as a Regulatory Fee to fund regulatory costs, and to identify appropriate means for collection of the Regulatory Fee.

Background

StopWaste is responsible for regulating recycling, organic waste reduction, edible food recovery and organic waste product procurement requirements for its member agencies in accordance with California laws and regulations per Assembly Bill (AB) 341, AB 1826, and Senate Bill (SB) 1383. These regulations require that StopWaste and its member agencies regulate Alameda County residents and businesses as generators of solid waste, including recyclable and organic wastes. StopWaste (and the member agencies) meets the requirements of these laws and their associated regulations via implementation and enforcement of the Organics Reduction and Recycling Ordinance (ORRO). StopWaste is also responsible for implementing and enforcing the Alameda County Reusable Bag Ordinance (RBO), which locally enacts and builds on California's statewide single-use carryout bag ban per SB 270 and SB 1053.

StopWaste's existing funding mechanisms existed prior to the existence of these regulatory requirements, and the revenues derived from current funding mechanisms are not adequate to sustainably fund StopWaste's implementation and enforcement of the regulations. Regulatory fees are governed primarily by the California Constitution, which states that fees imposed by local governments must fall into specific tax-exempt categories. Under California law, regulatory fees are charged to fund government oversight, implementation, and enforcement of regulations. Unlike general taxes, regulatory fees:

- › Are imposed to cover the reasonable costs of implementing and enforcing a regulation, including administration, monitoring, enforcement, education, inspections, compliance assistance, and planning.
- › Must be reasonably related to the burdens imposed by the regulated party or to the cost of services provided.

The ORRO and RBO meet these criteria because:

- › The ordinances impose specific requirements on specific classes of regulated entities (e.g., commercial businesses, residential waste generators, food generators, haulers, self-haulers).
- › The costs associated with administering the regulations (e.g., monitoring, inspections, reporting requirements, outreach, waiver processing, recordkeeping, enforcement) are a direct result of the need to regulate all applicable waste generating entities in Alameda

County, as well as the conduct of the regulated entities. These costs fall within the specific regulatory activities listed in the California Constitution.

- › The ordinances do not serve a revenue-generating purpose but rather seek to ensure compliance with laws designed to mitigate landfill impacts and environmental harm, especially from methane emissions due to organic waste and contamination of local waterways.

A StopWaste Regulatory Fee is justified under California law because it would recover the reasonable costs incurred by StopWaste to administer, enforce, and ensure compliance with the ordinances. It would target specific regulated actors and beneficiaries and the funds would be used solely for implementation and enforcement of the regulations.

Preliminary FY 27 Regulatory Fee Calculations

Via this Study, R3 identified StopWaste's regulatory costs and estimated \$4,141,687 in Fiscal Year (FY) 27 costs for regulatory implementation and enforcement, including the administration and collection of the Regulatory Fee.

R3 evaluated three potential Regulatory Fee collection mechanisms and recommends that StopWaste collect the fee via solid waste collection bills charged to residents and businesses by solid waste collection service providers operating in Alameda County. R3 calculated preliminary FY 27 Regulatory Fee amounts that could be charged via solid waste collection bills, with the results being \$0.34 per month for single family waste generators and \$1.20 per weekly cubic yard per month for multifamily and commercial waste generators. These preliminary amounts are subject to revision and refinement prior to finalization and potential approval by StopWaste's governing Board.

The Regulatory Fee could be structured such that it is automatically adjusted to keep up with inflation and/or can be reset according to changes in StopWaste's costs of implementing the RBO and ORRO regulations. R3 recommends that StopWaste plan to re-evaluate the Regulatory Fee at least every five years in order to ensure that the Regulatory Fee is both sufficient and not more than necessary to fund StopWaste's regulatory costs.

Limitations

This Study does not constitute a legal opinion and R3 makes no claims as to the legal applicability of analytical results, findings, conclusions, and recommendations contained herein. In completing the Study, R3 relied on financial figures and facts provided by StopWaste, which were understood to be the true and correct representation of StopWaste's finances. R3 was not engaged to – nor did we complete – a forensic audit of StopWaste's financial information, nor do we believe that one is necessary given the quality and thoroughness of financial information provided by StopWaste.

2. REGULATORY CONTEXT

This section describes the State requirements affecting StopWaste and its member agencies and StopWaste's regulations which implement and enforce them.

State Regulations

StopWaste has historically assisted its member agencies with implementation of AB 939, the landmark 1989 law that regulated waste reduction and recycling. Today, StopWaste's regulatory obligations and responsibilities extend further to more recent regulations required by AB 341, AB 1826, SB 270, SB 1053, and SB 1383. These bills require implementation and enforcement to meet the goals set by the legislation. Implementation and enforcement activities include but are not limited to education and outreach, inspections, technical assistance to generators, site visits, administration, and reporting. More information on these regulations as well as the ORRO and RBO is provided below.

AB 341 – Commercial Recycling Requirements (2011)

AB 341, passed in 2011, established California's Mandatory Commercial Recycling law to reduce greenhouse gas emissions by diverting recyclable materials from landfill. The law set a statewide goal to divert 75% of solid waste from landfill by 2020 and requires businesses, public agencies, and multifamily complexes with five or more units to arrange for recycling services. The intent is to increase the recovery of recyclable materials such as paper, cardboard, metals, plastics, and glass, and to integrate recycling into the daily operations of commercial and multifamily properties.

AB 341 requires jurisdictions to implement education, outreach, and monitoring programs to ensure compliance. Businesses may comply by subscribing to a recycling service, self-hauling recyclables to a recycling facility, or otherwise arranging for recycling through a third party. CalRecycle enforces jurisdictional compliance, while local governments are responsible for monitoring and reporting on business participation. StopWaste, on behalf of its member agencies, has supported AB 341 implementation by conducting outreach to businesses and multifamily properties, providing technical assistance, and monitoring compliance. AB 341 allows jurisdictions to adopt fees to recover costs for implementing and enforcing the regulations.

AB 1826 – Mandatory Commercial Organics Recycling (2014)

AB 1826 requires businesses and multifamily properties in California to arrange for the recycling of organic waste, including food scraps, food-soiled paper, and green waste. The law was enacted to help the State meet its greenhouse gas reduction and waste diversion goals by decreasing the amount of organic waste sent to landfill. AB 1826 established a phased compliance schedule beginning in 2016, with thresholds for participation based on the amount of organic waste generated per week. By January 1, 2019, most commercial generators producing two cubic yards or more of solid waste per week were required to arrange for organics recycling service.

Local jurisdictions are responsible for implementing education, outreach, and monitoring programs to ensure businesses comply, and for reporting compliance data to CalRecycle. Businesses may meet the requirements by subscribing to organics collection service, self-hauling to a permitted facility, or otherwise arranging for processing through a third party. StopWaste has supported AB 1826 compliance by providing targeted outreach, technical assistance, and monitoring for commercial and multifamily waste generators across

Alameda County. AB 1826 authorizes jurisdictions to charge fees to recover the costs of implementing and enforcing the regulations, including outreach, monitoring, and reporting.

SB 270 – Single-Use Carryout Bag Ban (2014)

SB 270 established California’s statewide ban on single-use carryout bags at most grocery stores, large retail stores with pharmacies, convenience stores, food marts, and liquor stores. Following voter approval of Proposition 67 in November 2016, the law took full effect, prohibiting single-use plastic carryout bags and requiring a minimum \$0.10 charge for each compliant bag provided at checkout, either a recycled paper bag or a certified reusable grocery bag that meets strict durability, labeling, and (for plastic-film reusables) recycled-content and thickness standards. Local governments and the Attorney General are responsible for enforcement; violations can carry escalating civil penalties. CalRecycle administers the reusable-bag certification program (including a posted list of certified bags and biennial producer recertification) but does not enforce the ban; that is the responsibility of local governments and the Attorney General. Stores retain the \$0.10 charge and must use it for bag provision, compliance, and education.

SB 1383 – Short-Lived Climate Pollutant Reduction Act (2016)

SB 1383, passed in 2016, is an unfunded State mandate which passes responsibility for achieving the targets and regulating waste generators on to cities and counties. This State law has the immediate goal of reducing organic waste sent to landfill and the ultimate objective of reaching statewide methane emissions reduction targets. Specifically, it sets a statewide goal for the reduction in organic waste sent to landfills: 50% by 2020 and 75% by 2025, in addition to a goal to recover 20% of edible food waste and redirect it for human consumption.

The SB 1383 implementing regulations require all residential and commercial generators to subscribe to organic waste collection services. It also has specific mandates for container systems, education and outreach programs, monitoring and contamination reporting, and enforcement of regulations by local governments against waste generators. CalRecycle has the authority to bring enforcement actions against municipalities and other entities for lack of compliance with SB 1383. Civil penalties may begin accruing as of January 1, 2023. StopWaste, on behalf of its member agencies, has been responsible for implementing many components of SB 1383, including serving as the lead agency responsible for SB 1383 compliance monitoring for all multifamily and commercial waste generators on behalf of its member agencies, among several other responsibilities.

SB 1383 provides that agencies responsible for meeting the requirements of SB 1383 may charge and collect fees to recover the costs incurred in comply with the regulations, including costs for planning, collection, education and outreach, enforcement, edible food recovery programs, procurement requirements, and reporting.

SB 1053 – Carryout Bag Update / Plastic Film Loophole Closure (2024)

SB 1053 updated and recast the bag law beginning January 1, 2026, closing the “thick plastic reusable” loophole by prohibiting any plastic film carryout bags at the point of sale. Covered stores may provide only recycled paper carryout bags at a minimum \$0.10 charge, and the rule explicitly applies at staffed checkout, self-checkout, in-store pickup, curbside

delivery, and home delivery. On January 1, 2028, recycled paper carryout bags must contain at least 50% postconsumer recycled content. SB 1053 also repealed the reusable-bag certification scheme created by SB 270 as of 2026 and maintains exceptions for pre-checkout/contamination-prevention bags and prescription bags. Enforcement remains with local governments and the Attorney General.

StopWaste Regulations

Alameda County Reusable Bag Ordinance (2012)

In 2012, StopWaste adopted a countywide Ordinance Regulating the Use of Carryout Bags and Promoting the Use of Reusable Bags. Known as the “Reusable Bag Ordinance” (RBO), it banned flimsy plastic bags and required a \$0.10 charge at point of sale for both paper bags and compliant reusable plastic bags. This ordinance covered around 1,500 grocery, drug, pharmacy, convenience, and liquor stores across Alameda County. In 2016, StopWaste adopted Ordinance 2016-02 amending the RBO to apply to about 14,000 retail stores and restaurants in Alameda County with the same rules (apart from restaurants, who may provide recycled-content paper bags at no charge). StopWaste amended Ordinance 2016-2 again in 2025 to align with new State law on bags (SB 1053), which removes the option for covered stores to have any plastic film bags at checkout and only permits covered stores to offer paper bags with recycled content for 10 cents. The purpose of the RBO is to reduce the use of single-use carryout bags and promote the use of reusable bags in Alameda County. StopWaste staff conducts compliance monitoring, enforcement, and outreach on behalf of its member agencies. StopWaste Staff also ensures alignment with State bag laws and conducts outreach to businesses.

Alameda County Organics Reduction and Recycling Ordinance (2021)

The Organics Reduction and Recycling Ordinance (ORRO) 2021-02 establishes a comprehensive regulatory framework for reducing landfilled organic and recyclable materials across Alameda County. The ordinance is designed to comply with several State mandates, including AB 341 (2011), AB 1826 (2014), and SB 1383 (2016) by requiring both residential and commercial waste generators to participate in source-separated recycling and organics collection programs. The ordinance repealed and replaced Ordinance 2012-01 and emphasizes climate action, landfill capacity preservation, and increased food recovery. The ordinance reinforces regional and State goals to reduce greenhouse gas emissions by diverting organic waste from landfills and fostering member agency cooperation and public engagement. Key provisions include:

- › Mandatory recycling and organics separation for single family, multifamily, and commercial generators.
- › Specific requirements for edible food generators (Tier 1 and Tier 2) to recover and donate food.
- › Regulations for food recovery organizations, haulers, self-haulers, and facility operators.
- › Waivers for generators with de minimis waste generation or physical space limitations.
- › Inspection and enforcement mechanisms, including penalties for non-compliance.

3. METHODOLOGY

Approach

This section describes the methodology R3 used to identify StopWaste’s costs associated with implementation of the RBO and the ORRO. In completing this Study, R3 reviewed and analyzed StopWaste’s financial information including budgeted and actual costs. R3’s analysis was completed in collaboration with StopWaste staff, with adjustments being made over multiple revisions to ensure that estimated costs were accurate.

FY 26 Regulatory Costs

Through in-depth review and analysis of financial records provided by StopWaste (see Attachment 1) as well as detailed interviews with StopWaste staff (see Attachment 2), R3 identified FY 26 costs for StopWaste’s implementation and enforcement of the ORRO and the RBO (see Attachment 3), which are summarized below:

- › Hard costs of \$673,842 and labor and overhead costs of \$2,941,659, totaling \$3,615,501 in FY 26 costs for implementation and enforcement of the ORRO regulations.
- › Hard costs of \$108,542 and labor and overhead costs of \$105,532, totaling \$214,074 in FY 26 costs for implementation and enforcement of the RBO regulations.

Taken altogether, R3 identified \$3,829,575 in FY 26 regulatory costs as shown in Table 1, below.

Table 1: FY 26 Regulatory Costs

Regulatory Costs	FY 26
ORRO Regulatory Costs	\$3,615,501
RBO Regulatory Costs	\$214,074
Total FY 26 Regulatory Costs	\$3,829,575

FY 27 Regulatory Costs

StopWaste’s regulatory costs are expected to increase over time due to cost-of-living adjustments and inflation, as is normal for any organization. Consequently, R3 conservatively estimates that StopWaste’s regulatory costs in FY 27 will be 3% higher than FY 26 costs. Table 2, on the following page, shows estimated FY 27 regulatory costs inclusive of this 3% escalator.

While actual cost-of-living adjustments and inflationary impacts may result in changes in costs that are above or below 3%, R3’s review of StopWaste’s financial information – combined with our work with hundreds of other public agencies in California – indicates that growth for these types of regulatory costs below 3% is unlikely.

Table 2: Estimated FY 27 Regulatory Costs

Regulatory Costs	FY 27
ORRO Regulatory Costs	\$3,723,967
RBO Regulatory Costs	\$220,497
Total FY 27 Regulatory Costs	\$3,944,464

FY 27 Regulatory Fee Administration Costs

If StopWaste proceeds to enact a Regulatory Fee it should expect to incur new costs associated with the administration of the fee. These costs could include solid waste service provider costs for billing and collections as well as StopWaste staff time and overhead for communications, accounting, record-keeping, public reporting, and other associated functions.

For the purposes of this Study, R3 estimates that administrative costs will be 5% on top of estimated FY 27 regulatory costs, though this estimate may require adjustment prior to finalization and may be higher than estimated. The estimate is based on R3 experience working with other local government entities that administer solid waste rate and fee billing and collection functions. Table 3, below, shows the estimated cost of administering a Regulatory Fee as well as the total annual regulatory funding requirement inclusive of the regulatory cost amounts shown in Table 2 and the estimated 5% for Regulatory Fee implementation costs.

Table 3: Estimated FY 27 Regulatory Costs with Regulatory Fee Administration Costs

Regulatory Costs	FY 27 Regulatory Costs	FY 27 Estimated Fee Admin (5%)	Total FY 27 Regulatory Fee Costs
ORRO Regulatory Costs	\$3,723,967	\$186,198	\$3,910,165
RBO Regulatory Costs	\$220,497	\$11,025	\$231,522
Total	\$3,944,464	\$197,223	\$4,141,687

As shown in Table 3, R3 estimates that StopWaste's total FY 27 Regulatory Fee costs will be \$4,141,687.

4. PRELIMINARY FY 27 REGULATORY FEES

Overview

Table 3 on the prior page shows R3's estimates of StopWaste's FY 27 regulatory and fee administration costs in the amount of \$4,141,687. This section presents the calculated Regulatory Fee amounts necessary to generate revenues to fund those costs. Calculating Regulatory Fee amounts to fund regulatory costs is a function of:

- › Allocating regulatory costs to the appropriate fee-paying population (i.e., single family residential, multifamily residential, or commercial waste generators).
- › Dividing the allocated regulatory costs for each fee-paying population by the number of units (i.e., the number of solid waste accounts).
- › Establishing the time frequency of fee payment (i.e., monthly).
- › Calculating fee revenue given preliminary FY 27 Regulatory Fee amounts and the estimated number of solid waste generator accounts by type.

The results are calculations of preliminary FY 27 Regulatory Fee amounts that StopWaste may consider charging to solid waste generators. The following subsections describe R3's analysis of cost allocation approaches and resultant preliminary FY 27 Regulatory Fee amounts to meet the estimated \$4,141,687 in FY 27 regulatory costs.

Preliminary FY 27 Regulatory Cost Allocations

To calculate the preliminary FY 27 Regulatory Fee amounts that could be charged to solid waste collection accounts it is first necessary to determine how much of the costs are attributable to single family residential waste generators, multifamily residential waste generators, and commercial waste generators. To arrive at equitable, proportionate, and reasonable allocations of regulatory costs between waste generator types, R3 allocated StopWaste's regulatory costs by:

- › **Applying direct regulatory costs (68.8% of total regulatory costs) to each waste generator type.**

Food waste reduction regulatory costs per the ORRO are applied 100% to commercial waste generators because multifamily and single family are not subject to food waste reduction requirements. Reusable bag regulatory costs for the RBO are also applied 100% to commercial waste generators because multifamily and single family are not subject to reusable bag requirements. SB 1383 implementation and enforcement costs are applied 20.00% to single family, 21.37% to multifamily, and 58.63% to commercial because SB 1383 requirements affect all waste generator types, with primary emphasis on commercial and multifamily.

- › **Proportionately allocating program costs to ensure understanding of regulatory obligations (26% of total regulatory costs) based on the number of solid waste accounts.**

Regulatory awareness costs are applied 93.20% to single family, 1.81% to multifamily, and 4.99% to commercial because it is necessary to ensure that all solid waste generators are aware of regulatory requirements and obligations – allocating these costs by the number of solid waste accounts ensures proportionate cost recovery from waste generators.

› **Proportionately allocating indirect costs (5% of total regulatory costs) based on landfill disposal tonnages.**

Indirect costs are applied 35.16% to single family, 11.28% to multifamily, and 53.56% to commercial because these costs are for periodic waste characterization studies which analyze landfill disposal tonnages from each of the three waste generator types.

Table 4, below, shows the direct, regulatory understanding, and indirect cost allocations and the resultant overall allocation by waste generator type. The overall allocation by waste generator type is based on the cost allocations for direct costs, regulatory understanding costs, and indirect costs in proportion to the total allocated FY 27 regulatory costs. Note that percentages have been rounded to the nearest tenth of a percent for the purposes of summarization in Table 4 while calculation of the allocated FY 27 Regulatory Costs are not subject to rounding.

Table 4: Preliminary Regulatory Cost Allocation Factors

Waste Generator Type	A - Direct Costs	B - Regulatory Understanding	C - Indirect Costs	Overall Allocation = A + B + C	Allocated FY 27 Regulatory Costs
Single Family	11.6%	24.4%	1.8%	37.8%	\$1,563,339
Multifamily	12.4%	0.5%	0.6%	13.4%	\$555,608
Commercial	44.8%	1.3%	2.7%	48.8%	\$2,022,740
Total	68.8%	26.2%	5.0%	100.00%	\$4,141,687

Preliminary FY 27 Regulatory Fees

Integrating the new Regulatory Fee into existing solid waste collection billing systems used by solid waste collection service providers presents an efficient and stable option. It leverages a billing infrastructure that is already widely understood and accepted, allowing for straightforward implementation and periodic adjustments, and can be outside of existing solid waste rate adjustment mechanisms.

This approach offers predictable revenue generation and meets cost-of-service requirements. The biggest advantage may be administrative simplicity and scalability, which allow fee revenues to be scaled with changes in the number of waste generators and/or service levels without the need for revision. This approach is in common use by other solid waste management authorities, including but not limited to Central Contra Costa Solid Waste Authority (RecycleSmart), San Luis Obispo Integrated Waste Management Authority, and West Contra Costa Integrated Waste Management Authority (RecycleMore).¹

Importantly, this Regulatory Fee collection approach can be accomplished without affecting or changing the relationship between StopWaste’s member agencies and their solid waste

¹ The Study considered three collection mechanisms: the recommend fee collected on solid waste collection bills; a per living unit / parcel fee collected via property tax rolls; and a per ton fee collected on in-county landfilled tonnages. The per account fee collected on solid waste collection bills is recommended because it can be structured to be proportionate to waste generation and would be the most equitable for residents and businesses.

collection service provider. Rather, a pass-through Regulatory Fee collected on solid waste collection bills would be outside of the solid waste rates that are regulated by the member agencies (as is the case in San Luis Obispo and RecycleMore).

Using the allocated regulatory costs from the prior subsection R3 calculated annual and monthly Regulatory Fee amounts that would be necessary to fund \$4,141,687 in FY 27 regulatory costs, shown in Table 5, below. It should be noted that the number of accounts shown in Table 5 are based on StopWaste’s Measure D reports from its member agencies and may vary slightly from actual current solid waste accounts. Differences between these figures and the actual numbers of solid waste accounts will result in differences in the resultant annual and monthly Regulatory Fee amounts. However, any such differences are expected to be minor and are not expected to materially affect the results of this Study.

Table 5: Preliminary FY 27 Regulatory Fees

Waste Generator Type	Allocated FY 27 Regulatory Costs	# of Accounts	Annual Amount Per Account	Monthly Regulatory Fee Per Account
Single Family	\$1,563,339	387,499	\$4.03	\$0.34
Multifamily	\$555,608	7,559	\$73.50	\$6.13 (average)
Commercial	\$2,022,740	20,733	\$97.56	\$8.13 (average)

As shown in Table 5, the preliminary FY 27 Regulatory Fee for single family waste generators based on the results of this Study is \$0.34 per month. Given current monthly solid waste charges for single family black container service in Alameda County, \$0.34 per month is a one-time change in single family bills of 0.21% to 2.48%, depending on the member agency’s solid waste collection rates and the size of the black container. Across all member agencies and black container service sizes, the FY 27 average one-time change in single family bills is estimated at 0.69%.

For multifamily and commercial waste generators, the amounts shown in Table 5 are average amounts that do not account for the wide range of options in black container service levels and collection frequencies. Based on information provided by StopWaste, it is estimated that 40% of multifamily and commercial customers subscribe to one cubic yard per week (or less) and thus would be charged Regulatory Fees of \$1.20 per month (or less). Similarly, it is estimated that 60% of multifamily and commercial generators subscribe to two cubic yards per week (or less) and thus would be charged Regulatory Fees of \$2.40 per month (or less). Larger multifamily and commercial waste generators that subscribe to larger black container sizes and/or more frequent collection will see larger monthly Regulatory Fee amounts.

R3 recommends that Regulatory Fee amounts for multifamily and commercial waste generators be based on the service volume of black containers, which is measured in the number of cubic yards (or gallons) of service. The number of cubic yards is a function of the number and sizes of containers (e.g., 64 gallons, 96, gallons, one cubic yard, two cubic yards, three cubic yards, etc.) and the frequency of collection (e.g., once weekly, twice weekly, etc.). Using the number of cubic yards of black container service in StopWaste’s Measure D reports from its member agencies, R3 calculated monthly per cubic yard Regulatory Fee amounts for multifamily and commercial waste generators, shown in Table 6, on the following page.

Table 6: Preliminary FY 27 Regulatory Fees Per Cubic Yard

Waste Generator Type	Allocated FY 27 Regulatory Costs	Annual Black Container Cubic Yards	Monthly Regulatory Fee Per Cubic Yard
Multifamily	\$555,608	462,132	\$1.20
Commercial	\$2,022,740	1,686,540	\$1.20

As shown in Table 6, the monthly preliminary FY 27 Regulatory Fee per cubic yard applicable to multifamily waste generators would be \$1.20 per weekly cubic yard. Given current monthly solid waste charges for multifamily and commercial black container service in Alameda County, these amounts correspond to a one-time change in bills of 0.40% to 1.29%, again depending on member agency solid waste collection rates and the size of black container. Across all member agencies and black container service sizes, the FY 27 average one-time change in multifamily and commercial bills is estimated at 0.73%. For multifamily waste generators, R3 estimates the FY 27 Regulatory Fee to be the equivalent of \$0.26 per multifamily living unit per month.

Note that this analysis of multifamily and commercial Regulatory Fees does not include larger roll-off container / debris box / compactor black container service, though R3 does recommend charging the Regulatory Fee on such service. Available information on such services from StopWaste’s Measure D reports from its member agencies indicates that including black container roll-off / debris box / compactor cubic yardage may reduce the monthly per cubic yard Regulatory Fee amount by \$0.20, to \$1.00 per cubic yard. Additional information is necessary to calculate the effects of including roll-off / debris box / compactor cubic black container service.

R3 does not recommend calculating or charging the Regulatory Fee based on recycling (blue container) or organics (green container) service levels as those are not commonly established as a billing unit of record for most account types. To do so would introduce additional levels of complexity in Regulatory Fee calculations, billings and collections. It is contemplated that collection of past-due Regulatory Fee amounts would be subject to the normal processes and procedures for bad debt collection between the solid waste collection contractor and the contracting member agency, as those processes will ultimately also effectuate payment of the Regulatory Fee, by virtue of being paid as part of the same billing infrastructure.

Attachment 1

The following documents and analyses were provided StopWaste and reviewed and analyzed in detail by R3 during the course of completing the Regulatory Fee Study.

1. Various Budget documents, workbooks, and models including:
 - a. FY 24 Budget to Actual workbook
 - b. FY 25 Budget including a comprehensive list of all programs, projects, and services provided by StopWaste to its members.
 - c. FY 25 Salary ranges
 - d. FY 25 Labor Hours by Project including time spent by staff position on each program, project, and/or service
 - e. FY 25 Detailed Revenue including a breakout of all revenue
 - f. FY 25 Budget Detail Hard Cost and Labor Staff hours by Project
 - g. FY 26 Reserves policy and targets
 - h. FY 26 Draft Budget
 - i. FY 26-28 Budget Workplan (2-Year Workplan)
2. Revenue Stabilization Analysis documents including a Board Memorandum, the Crowe Fund Balance and Reserve Analysis, SCI Funding Options Memo, and Board presentation
3. The Alameda County Integrated Waste Management Plan (CoIWMP)
4. Fiscal Forecast Memorandum for background information
5. Fiscal Forecast Presentation for detail on revenue projection scenarios
6. Projection model including source data and detail for Scenario C – Economic Cycle
7. HHW 2024 Fee Analysis Model with population data
8. HHW Fee Analysis Final Report to accompany the model
9. Internal Waste History and Projection Model with historical tonnage data
10. Combined Tonnage Trend workbook with revenue from in-county waste, out-of-county waste (landfilled in-county), and waste exported out of the county
11. Detailed Expenditures for Projects 3580, 3510, 3600, 2140, 1260, and 1220

Attachment 2

Detailed interviews were conducted with StopWaste program staff. The interviews were held to assess more accurately the allocations of specific regulatory costs. Interviews were held with the following staff regarding the programs listed below:

1. SB 1383 implementation and enforcement:
 - a. Rachel Balsley, Senior Program Manager:
Project number 2140 - SB 1383 Implementation
 - b. Kelly Schoonmaker, Senior Program Manager:
Project number 1260 – Compost & Mulch
 - c. Cassie Bartholomew, Senior Program Manager:
Project number 1220 – Food Waste Reduction
2. Edible food recovery implementation and enforcement:
 - a. Cassie Bartholomew, Senior Program Manager:
Project number 1220 – Food Waste Reduction
3. Community and school regulatory understanding:
 - a. Angelina Vergara, Program Manager:
Project number 3580 – Schools Engagement
 - b. Trevor Probert, Program Manager, and Jeannie Pham, Program Manager:
 - c. Project number 3600 – Community Engagement¹
4. Agency communications regulatory understanding:
 - a. Alma Freeman, Communications Manager:
Project number 3510 – Agency Communications

¹ Project 3600 was absorbed by project 1260 (Compost & Mulch) starting FY 2025-2026.

ATTACHMENT 3A - StopWaste FY 26 Budgeted Regulatory Expenses

Program Category	FY 26 BUDGET			FY 26 Regulatory Costs				
	HARD COSTS	LABOR AND OH COSTS	TOTAL	Hard Cost Allocation %	Labor and OH Allocation %	Hard Cost \$	Labor and OH \$	Total Regulatory Costs
1160 - Circular Economy in Building Materials	\$88,100	\$595,063	\$683,163	0.0%	0.0%	\$ -	\$ -	\$ -
1220 - Food Waste Reduction	\$285,000	\$1,221,225	\$1,506,225	19.5%	20.0%	\$ 55,500	\$ 244,245	\$ 299,745
1229 - Food Waste Reduction (GNP)	\$100,500	\$162,324	\$262,824	0.0%	0.0%	\$ -	\$ -	\$ -
1260 - Compost & Mulch	\$159,100	\$1,073,236	\$1,232,336	61.3%	20.0%	\$ 97,500	\$ 214,647	\$ 312,147
2140 - SB 1383 Implementation	\$380,300	\$1,524,323	\$1,904,623	100.0%	100.0%	\$ 380,300	\$ 1,524,323	\$ 1,904,623
2310 - HHW Initiative - Upstream Grants	\$50,000	\$21,482	\$71,482	0.0%	0.0%	\$ -	\$ -	\$ -
3210 - Property Management	\$68,500	\$139,888	\$208,388	0.0%	0.0%	\$ -	\$ -	\$ -
3230 - Member Agency Advisory Groups	\$17,500	\$341,944	\$359,444	0.0%	0.0%	\$ -	\$ -	\$ -
3240 - Fee Enforcement	\$15,100	\$163,315	\$178,415	0.0%	0.0%	\$ -	\$ -	\$ -
3280 - Reusable Bags	\$12,000	\$105,532	\$117,532	100.0%	100.0%	\$ 12,000	\$ 105,532	\$ 117,532
3410 - General Planning	\$34,500	\$265,944	\$300,444	0.0%	0.0%	\$ -	\$ -	\$ -
3510 - Agency Communications	\$241,800	\$1,492,909	\$1,734,709	13.6%	27.5%	\$ 33,000	\$ 410,550	\$ 443,550
3519 - Agency Communication (GNP)	\$58,000	\$0	\$58,000	0.0%	0.0%	\$ -	\$ -	\$ -
3530 - Legislation	\$59,800	\$164,872	\$224,672	0.0%	0.0%	\$ -	\$ -	\$ -
3539 - Legislation (GNP)	\$50,000	\$0	\$50,000	0.0%	0.0%	\$ -	\$ -	\$ -
3580 - Schools Engagement	\$260,850	\$1,461,051	\$1,721,901	4.2%	37.5%	\$ 11,000	\$ 547,894	\$ 558,894
3590 - Packaging and Foodware	\$597,500	\$974,202	\$1,571,702	0.0%	0.0%	\$ -	\$ -	\$ -
3700 - Project Development & Evaluation Resources	\$97,000	\$445,764	\$542,764	0.0%	0.0%	\$ -	\$ -	\$ -
Subtotal	\$2,575,550	\$10,153,074	\$ 12,728,624	22.9%	30.0%	\$ 589,300	\$ 3,047,191	\$ 3,636,491
Waste Characterization Study - Annualized Funding			\$ 193,084		100.00%	\$ 193,084		\$ 193,084
Total			\$ 12,921,708					\$ 3,829,575

StopWaste conducts periodic waste characterization studies to analyze the types and quantities of materials landfilled, recycled, or composted within Alameda County. These studies involve the collection and sorting of waste samples from residential, commercial, and self-haul sectors to determine the composition of the waste stream and identify trends over time. The data is necessary to guide program design, measure the effectiveness of the ORRO and the RBO, and inform enforcement priorities and other policy decisions. The Study allocates these costs 35.16% to single family, 11.28% to multifamily, and 53.56% to commercial based on disposal tonnages because waste characterization studies focus on disposal tonnages from each of these three waste generating sectors. StopWaste does not incur annual costs for waste characterization studies but does need to accrue revenues to fund these periodic studies for when costs do occur, approximately every five years.

	Study Costs
Recent WCS	23-24 \$ 910,000
	24-25 \$ 937,300
	25-26 \$ 965,419
	26-27 \$ 994,382
	27-28 \$ 1,024,213
Next WCS	28-29 \$ 1,054,939

ORRO FY 26	\$ 673,842	\$ 2,941,659	\$ 3,615,501
RBO FY 26	\$ 108,542	\$ 105,532	\$ 214,074
Total FY 26	\$ 782,384	\$ 3,047,191	\$ 3,829,575

ORRO FY 27	\$ 3,723,967	103%
RBO FY 27	\$ 220,497	103%
Total FY 27	\$ 3,944,464	103%

ORRO FY Admin	\$ 186,198	5%
RBO FY 27 Admin	\$ 11,025	5%
Total Admin	\$ 197,223	5%

ORRO FY with Admin	\$ 3,910,165
RBO FY 27 with Admin	\$ 231,522
Total FY 27 with Admin	\$ 4,141,687

ATTACHMENT 3B - Preliminary Regulatory Cost Allocations and Allocation Factors

Allocation Factors

Regulatory Program	Single Family	Multifamily	Commercial
1220 - Food Waste Reduction	0.00%	0.00%	100.00%
1260 - Compost & Mulch	20.00%	21.37%	58.63%
2140 - SB 1383 Implementation	20.00%	21.37%	58.63%
3280 - Reusable Bags	0.00%	0.00%	100.00%
3510 - Agency Communications	93.20%	1.81%	4.99%
3580 - Schools Engagement	93.20%	1.81%	4.99%
Waste Characterization Study - Annualized Funding	35.16%	11.28%	53.56%

Notes

All costs are commercial.
 Estimated % single family, remainder allocated by % of accounts for Multifamily and commercial only.
 Estimated % single family, remainder allocated by % of accounts for Multifamily and commercial only.
 All costs are commercial.
 Allocated by % of accounts because these program costs are to ensure understanding of regulatory obligation by all accounts.
 Allocated by % of accounts because these program costs are to ensure understanding of regulatory obligation by all accounts.
 Allocated by % of disposal tons because waste characterization studies analyze disposal tonnages from all three waste generation types.

FY 26 Cost Allocations

Regulatory Program	Total Costs	Single Family	Multifamily	Commercial
1220 - Food Waste Reduction	\$ 299,745	\$ -	\$ -	\$ 299,745
1260 - Compost & Mulch	\$ 312,147	\$ 62,429	\$ 66,719	\$ 182,999
2140 - SB 1383 Implementation	\$ 1,904,623	\$ 380,925	\$ 407,099	\$ 1,116,600
3280 - Reusable Bags	\$ 117,532	\$ -	\$ -	\$ 117,532
3510 - Agency Communications	\$ 443,550	\$ 413,389	\$ 8,028	\$ 22,133
3580 - Schools Engagement	\$ 558,894	\$ 520,889	\$ 10,116	\$ 27,889
Waste Characterization Study - Annualized Funding	\$ 193,084	\$ 67,896	\$ 21,776	\$ 103,412
Total	\$ 3,829,575	\$ 1,445,528	\$ 513,738	\$ 1,870,310

37.75% 13.42% 48.84%

	Total Costs	Single Family	Multifamily	Commercial	
Direct	\$ 2,634,047	\$ 443,354	\$ 473,818	\$ 1,716,876	68.8%
Regulatory Understanding	\$ 1,002,444	\$ 934,278	\$ 18,144	\$ 50,022	26.2%
Indirect	\$ 193,084	\$ 67,896	\$ 21,776	\$ 103,412	5.0%
Total	\$ 3,829,575	\$ 1,445,528	\$ 513,738	\$ 1,870,310	

Single Family	Multifamily	Commercial
11.6%	12.4%	44.8%
24.4%	0.5%	1.3%
1.8%	0.6%	2.7%
37.8%	13.4%	48.8%

FY 27 Cost Allocations

Regulatory Program	Total Costs	Single Family	Multifamily	Commercial
1220 - Food Waste Reduction	\$ 308,737	\$ -	\$ -	\$ 308,737
1260 - Compost & Mulch	\$ 321,511	\$ 64,302	\$ 68,721	\$ 188,488
2140 - SB 1383 Implementation	\$ 1,961,762	\$ 392,352	\$ 419,312	\$ 1,150,098
3280 - Reusable Bags	\$ 121,058	\$ -	\$ -	\$ 121,058
3510 - Agency Communications	\$ 456,857	\$ 425,791	\$ 8,269	\$ 22,797
3580 - Schools Engagement	\$ 575,661	\$ 536,516	\$ 10,419	\$ 28,725
Waste Characterization Study - Annualized Funding	\$ 198,877	\$ 69,933	\$ 22,429	\$ 106,514
Total	\$ 3,944,463	\$ 1,488,894	\$ 529,150	\$ 1,926,417

37.75% 13.42% 48.84%

	Total Costs	Single Family	Multifamily	Commercial	
Direct	\$ 2,713,068	\$ 456,654	\$ 488,033	\$ 1,768,381	70.8%
Regulatory Understanding	\$ 1,032,518	\$ 962,307	\$ 18,688	\$ 51,522	27.0%
Indirect	\$ 198,877	\$ 69,933	\$ 22,429	\$ 106,514	5.2%
Total	\$ 3,944,463	\$ 1,488,894	\$ 529,150	\$ 1,926,417	

Single Family	Multifamily	Commercial
11.6%	12.4%	44.8%
24.4%	0.5%	1.3%
1.8%	0.6%	2.7%
37.8%	13.4%	48.8%

FY 27 Cost Allocations w/ Regulatory Fee Administration Costs

Regulatory Program	Total Costs	Single Family	Multifamily	Commercial
1220 - Food Waste Reduction	\$ 324,174	\$ -	\$ -	\$ 324,174
1260 - Compost & Mulch	\$ 337,587	\$ 67,517	\$ 72,157	\$ 197,913
2140 - SB 1383 Implementation	\$ 2,059,850	\$ 411,970	\$ 440,277	\$ 1,207,603
3280 - Reusable Bags	\$ 127,111	\$ -	\$ -	\$ 127,111
3510 - Agency Communications	\$ 479,700	\$ 447,080	\$ 8,683	\$ 23,937
3580 - Schools Engagement	\$ 604,444	\$ 563,342	\$ 10,940	\$ 30,162
Waste Characterization Study - Annualized Funding	\$ 208,821	\$ 73,430	\$ 23,551	\$ 111,840
Total	\$ 4,141,687	\$ 1,563,339	\$ 555,608	\$ 2,022,740

5.0% 37.75% 13.41% 48.84%

	Total Costs	Single Family	Multifamily	Commercial	
Direct	\$ 2,848,722	\$ 479,487	\$ 512,434	\$ 1,856,801	74.4%
Regulatory Understanding	\$ 1,084,144	\$ 1,010,422	\$ 19,623	\$ 54,099	28.3%
Indirect	\$ 208,821	\$ 73,430	\$ 23,551	\$ 111,840	5.5%
Total	\$ 4,141,687	\$ 1,563,339	\$ 555,608	\$ 2,022,740	

Single Family	Multifamily	Commercial
11.6%	12.4%	44.8%
24.4%	0.5%	1.3%
1.8%	0.6%	2.7%
37.8%	13.4%	48.8%

\$ 197,224 Estimated costs for fee implementation and administration

Number of Solid Waste Accounts for Allocations

Category Types	% of Accounts	# of Accounts
Single-Family	93.20%	387,499
multifamily	1.81%	7,559
Commercial	4.99%	20,733
Total	100.00%	415,791

Disposal Tonnages for Allocatins

Category Types	Landfilled Tons	
	WCS 2023-24	
Single-Family	239,064	35.16%
multifamily	76,673	11.28%
Commercial	364,114	53.56%
Franchised Subtotal	679,851	
Self-Haul	450,232	
Grand Total	1,130,083	

0

ATTACHMENT 3C - Preliminary FY 27 Regulatory Fee Calculations

	FY 27 Regulatory Costs	Estimated # of Accounts	Annual Dollars per Account	FY 27 Monthly Fee per Account						FY 27 Fee Revenue Estimates		
Single Family	\$ 1,563,339	387,499	\$ 4.03	\$ 0.34						\$ 1,580,996	\$ 17,657	1.13%
	FY 27 Regulatory Costs	Estimated # of Accounts	Annual Dollars per Account	Monthly Dollars per Account	Monthly Dollars per Unit	Garbage CY per Week	Garbage CY per Year	FY 27 Monthly Fee per CY				
Multifamily	\$ 555,608	7,559	\$ 73.50	\$ 6.13	\$ 0.26	38,511	462,132	\$ 1.20	\$ 554,558	\$ (1,050)	-0.19%	
	FY 27 Regulatory Costs	Estimated # of Accounts	Annual Dollars per Account	Monthly Dollars per Account			Garbage CY per Week	Garbage CY per Year	FY 27 Monthly Fee per CY			
Commercial	\$ 2,022,740	20,733	\$ 97.56	\$ 8.13			140,545	1,686,540	\$ 1.20	\$ 2,023,848	\$ 1,108 0.05%	
TOTAL	\$ 4,141,687										\$ 4,159,402	

\$ 96
0.57

ATTACHMENT 3D - Preliminary FY 27 Single Family Monthly Bill Impacts

Member Agency	Current FY 26 Monthly Rates			
	20 Gallons	30-35 Gallons	60-64 Gallons	90-96 Gallons
City of Alameda	\$ 39.87	\$ 50.36	\$ 82.97	\$ 115.55
City of Albany	\$ 59.17	\$ 66.25	\$ 114.50	\$ 162.73
City of Berkeley	\$ 39.30	\$ 55.66	\$ 81.60	\$ 100.47
City of Dublin	NA	\$ 42.92	\$ 78.84	\$ 114.77
City of Emeryville	\$ 15.80	\$ 26.17	\$ 52.32	\$ 78.46
City of Fremont	\$ 45.93	\$ 46.84	\$ 51.02	\$ 73.42
City of Hayward	\$ 31.20	\$ 45.49	\$ 81.31	\$ 116.99
City of Livermore	\$ 33.97	\$ 44.60	\$ 66.26	\$ 103.47
City of Newark	\$ 40.65	\$ 45.16	\$ 79.99	\$ 114.80
City of Oakland	\$ 55.41	\$ 62.83	\$ 110.31	\$ 165.42
City of Piedmont	\$ 98.55	\$ 104.42	\$ 143.86	\$ 161.10
City of Pleasanton	NA	\$ 32.78	NA	\$ 57.19
City of San Leandro	\$ 34.79	\$ 43.34	\$ 72.15	\$ 100.92
City of Union City	\$ 51.84	\$ 60.86	\$ 105.99	\$ 151.03
Castro Valley Sanitary District	\$ 35.80	\$ 55.49	\$ 96.38	\$ 137.24
Oro Loma Sanitary District - (L1) & (L2) Unincorporated area and part of Hayward	\$ 13.73	\$ 27.40	\$ 54.85	\$ 82.24
Oro Loma Sanitary District (L3) 40% of San Leandro	\$ 15.84	\$ 31.79	\$ 63.46	\$ 95.22

Per Account
Preliminary FY 27 Regulatory Fee \$ 0.34

% Change in Customer Solid Waste Bills w/ Preliminary FY 27 Regulatory Fee

20 Gallons	30-35 Gallons	60-64 Gallons	90-96 Gallons
0.85%	0.68%	0.41%	0.29%
0.57%	0.51%	0.30%	0.21%
0.87%	0.61%	0.42%	0.34%
NA	0.79%	0.43%	0.30%
2.15%	1.30%	0.65%	0.43%
0.74%	0.73%	0.67%	0.46%
1.09%	0.75%	0.42%	0.29%
1.00%	0.76%	0.51%	0.33%
0.84%	0.75%	0.43%	0.30%
0.61%	0.54%	0.31%	0.21%
0.35%	0.33%	0.24%	0.21%
NA	1.04%	NA	0.59%
0.98%	0.78%	0.47%	0.34%
0.66%	0.56%	0.32%	0.23%
0.95%	0.61%	0.35%	0.25%
2.48%	1.24%	0.62%	0.41%
2.15%	1.07%	0.54%	0.36%

0.35%	0.33%	0.24%	0.21%	Minimum
0.87%	0.75%	0.42%	0.30%	Median
1.09%	0.77%	0.44%	0.33%	Average
2.48%	1.30%	0.67%	0.59%	Maximum

0.21%	Minimum
0.52%	Median
0.69%	Average
2.48%	Maximum

ATTACHMENT 3E - Preliminary Multifamily and Commercial Monthly Bill Impacts

	1 CY 1x Wk	1 CY 3x Wk	3 CY 1x Wk	3 CY 3x Wk
Preliminary FY 27 Regulatory Fee	\$ 1.20	\$ 3.60	\$ 3.60	\$ 10.80

Member Agency	Current FY 26 Monthly Rates			
	1 CY 1x Wk	1 CY 3x Wk	3 CY 1x Wk	3 CY 3x Wk
City of Alameda	\$ 191.80	\$ 586.90	\$ 575.40	\$ 1,760.68
City of Albany	\$ 263.94	\$ 791.82	\$ 791.82	\$ 2,375.46
City of Berkeley	\$ 190.17	\$ 535.71	\$ 526.31	\$ 1,563.27
City of Dublin	\$ 208.26	\$ 728.42	\$ 624.78	\$ 1,977.98
City of Emeryville	\$ 155.80	\$ 467.40	\$ 467.40	\$ 1,402.20
City of Fremont	\$ 126.17	\$ 362.92	\$ 283.62	\$ 835.22
City of Hayward	\$ 193.95	\$ 525.80	\$ 499.68	\$ 1,379.07
City of Livermore	\$ 130.71	\$ 407.79	\$ 392.12	\$ 1,249.30
City of Newark	\$ 183.02	\$ 571.02	\$ 484.20	\$ 1,320.44
City of Oakland	\$ 303.63	\$ 910.79	\$ 723.06	\$ 2,169.12
City of Piedmont	\$ 266.85	\$ 800.56	\$ 533.78	\$ 1,601.34
City of Pleasanton	\$ 146.74	\$ 465.82	\$ 440.20	\$ 1,371.80
City of San Leandro	\$ 190.05	\$ 574.61	\$ 574.61	\$ 1,723.84
City of Union City	\$ 168.57	\$ 465.58	\$ 441.73	\$ 1,203.84
Castro Valley Sanitary District	\$ 293.27	\$ 879.77	\$ 779.70	\$ 2,181.98
Oro Loma Sanitary District - (L1) & (L2) Unincorporated area and part of Hayward	\$ 179.18	\$ 465.74	\$ 477.28	\$ 1,336.96
Oro Loma Sanitary District (L3) 40% of San Leandro	\$ 207.38	\$ 539.06	\$ 552.40	\$ 1,547.43

% Change in Customer Solid Waste Bills w/ Preliminary FY 27 Regulatory Fee

1 CY 1x Wk	1 CY 3x Wk	3 CY 1x Wk	3 CY 3x Wk
0.63%	0.61%	0.63%	0.61%
0.45%	0.45%	0.45%	0.45%
0.63%	0.67%	0.68%	0.69%
0.58%	0.49%	0.58%	0.55%
0.77%	0.77%	0.77%	0.77%
0.95%	0.99%	1.27%	1.29%
0.62%	0.68%	0.72%	0.78%
0.92%	0.88%	0.92%	0.86%
0.66%	0.63%	0.74%	0.82%
0.40%	0.40%	0.50%	0.50%
0.45%	0.45%	0.67%	0.67%
0.82%	0.77%	0.82%	0.79%
0.63%	0.63%	0.63%	0.63%
0.71%	0.77%	0.81%	0.90%
0.41%	0.41%	0.46%	0.49%
0.67%	0.77%	0.75%	0.81%
0.58%	0.67%	0.65%	0.70%

0.40%	0.40%	0.45%	0.45%	Minimum
0.63%	0.67%	0.68%	0.70%	Median
0.64%	0.65%	0.71%	0.72%	Average
0.95%	0.99%	1.27%	1.29%	Maximum

0.40%	Minimum
0.68%	Median
0.73%	Average
1.29%	Maximum

ATTACHMENT B



TO Timothy Burroughs, Executive Director, StopWaste
FROM Curtis Below, Lucia Del Puppo, and Denny Han
FM3 Research
RE: StopWaste Community Survey Summary Memo
DATE September 9, 2025

Fairbank, Maslin, Maullin, Metz & Associates (FM3) recently completed a survey of 770 Alameda County voters to assess perceptions of StopWaste.¹ The results show that voters are broadly supportive of the organization and its mission to reduce waste and fight climate change. However, they are also divided when it comes to backing a potential ballot measure to help fund such efforts.

More detailed findings are as follows:

- **Cost of living and homelessness are seen as the top issues facing the County.** Approximately nine in ten rank cost of living and homelessness as extremely or very serious problems. Voters also rate litter, illegal dumping, and climate change as highly concerning. Seven in ten voters say that litter (70%) and illegal dumping (69%) are “extremely” or “very serious” issues facing Alameda County, and nearly two-thirds say the same for climate change (64%) (**Figure 1**).

Figure 1: Most Serious Problems Facing Alameda County

Please consider the following issues that some people suggest are problems facing Alameda County. Please indicate whether you think it is an extremely serious problem, a very serious problem, a somewhat serious problem, or not too serious of a problem.

Problem	Extremely/Very Serious
The cost of living and housing	91%
Homelessness	88%
Crime	70%
Litter that ends up in our waterways and streets	70%
Illegal dumping	69%
Climate change	64%
Traffic congestion	64%
Threats to our environment	63%
Microplastics	58%
Excessive waste and trash	58%
Too much plastic packaging waste	56%

Problem	Extremely/Very Serious
Water pollution	55%
Air pollution	47%
Unsafe disposal of household hazardous waste, e.g., paint, toxic cleaners	43%
Food waste	38%
Excess energy use	34%
Confusing recycling system	33%

- **A majority is unfamiliar with StopWaste initially, but as they learn more, voters view the organization favorably.** As shown in **Figure 2**, nearly two-thirds are initially unable to offer an opinion of StopWaste (64%). However, StopWaste’s favorability increases to more than two-thirds (67%) once they learn about what the organization does.

Figure 2: StopWaste Favorability

Additional Information Provided after Initial Rating: StopWaste is a public agency whose official name is the Alameda County Waste Management Authority. StopWaste helps Alameda County residents, businesses, schools, and local governments reduce waste and protect the health of our environment and communities. StopWaste supports everyday actions like recycling and composting, using less energy and fewer resources, and making smarter, healthier choices about what we buy and throw away. StopWaste also works to help communities prepare for and respond to climate change. The less we waste, the better off we all are.

Favorability	Initial Rating	After Description	Difference
Total Favorable	25%	67%	+42%
Total Unfavorable	11%	14%	+3%
Can't Rate/Never Heard Of	64%	19%	-45%

- Voters place the highest priority on safe disposal of hazardous waste and protecting the environment. When asked to rate a series of services provided by StopWaste in terms of importance, approximately four in five ranked household toxics disposal and protecting our environment as extremely or very important (**Figure 3** on the next page). Donating edible extra food and supporting food banks and pantries were in a similar tier of importance, with three-quarters saying these are very important priorities.

Figure 3: Perceived Importance of StopWaste’s Services

Please consider some specific services provided to Alameda County residents by StopWaste. Please indicate how important you feel each service is to making Alameda County a good place to live: either extremely important, very important, somewhat important, or not too important.
(Top 10 Services Ranked by Extremely/Very Important)

Service	Extremely/Very Important
Providing safe, convenient disposal methods for household toxics	85%
Protecting our environment	79%
Protecting people and the environment through safe hazardous waste disposal	79%
Donating edible extra food to people who need it	78%
Supporting food banks and pantries	76%
Reducing plastic pollution in our communities	75%
Making recycling easier and less confusing	75%
Teaching kids how to reduce waste	75%
Helping communities prevent waste	74%
Supporting local farms in our neighborhoods	71%

- **Words and phrases describing StopWaste that focus on the environment resonate most positively.** When asked to rate a series of phrases on a scale of one to five, where a five was “very positive;” respondents assigned the most positive rating to items that related to protecting and caring for the environment (**Figure 4**). Phrases like “helping people waste less” and “zero waste,” tended to rank lower in relative terms.

Figure 4: Phrases to Describe StopWaste

Here are some words and phrases often used to describe the kind of work StopWaste does. Please indicate whether you have a positive or negative reaction. Use a scale of one to five, where “one” means very negative and “five” means very positive. You may choose any number from one to five.

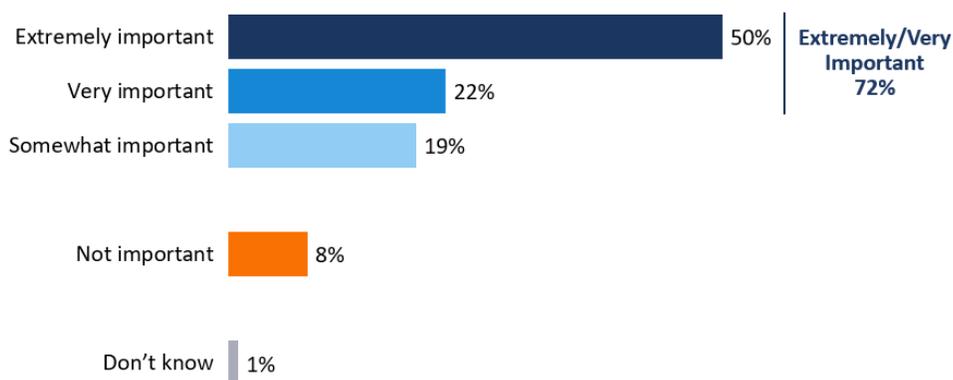
Phrase	Average Rating
Protecting the Environment and Our Health	4.2
Caring for Our Environment	4.1
Helping People Reduce, Reuse, Repair, and Recycle	4.1
Building a Sustainable Future	4.0
Helping People Save Money and Reduce Waste	4.0
Helping Communities Thrive in a Changing Climate	3.8
Sustainable Future	3.9
Reduce Waste	3.9
Stopping Waste Before it Starts	3.9
Resilient Communities. Sustainable Future	3.9
Building Strong and Prepared Communities	3.9
Prevent Waste	3.8
A Future Where Nothing Goes to Waste	3.8
Advancing Environmental Sustainability	3.8
Helping Communities Waste Less	3.8

Phrase	Average Rating
Making the Most of What We Have	3.8
StopWaste — Helping People Waste Less	3.8
Getting to Zero Waste	3.5

- **Voters place a high degree of importance on the role of local government agencies in reducing waste and fighting climate change.** Notably, half say it is “extremely important” for local government agencies to work on reducing waste and fighting climate change; and nearly three quarters say it is at least “very important.”

Figure 5: Importance of Local Government Involvement

Taking a step back, how important do you think it is for local government agencies to work on environmental issues like reducing waste, recycling and composting, saving energy, fighting climate change, and preventing food from being wasted?



- **Nearly one in five report visiting a Household Hazardous Waste Facility or using the RE:Source tool.** A majority (58%) do not recall engaging with StopWaste. However among those who have, the most common methods of engagement were visiting a Household Hazardous Waste Facility and using the RE:Source online tool; additionally, one in ten have visited the agency’s website, StopWaste.org (**Figure 6** on the next page).

Figure 6: Ways People Engage With StopWaste

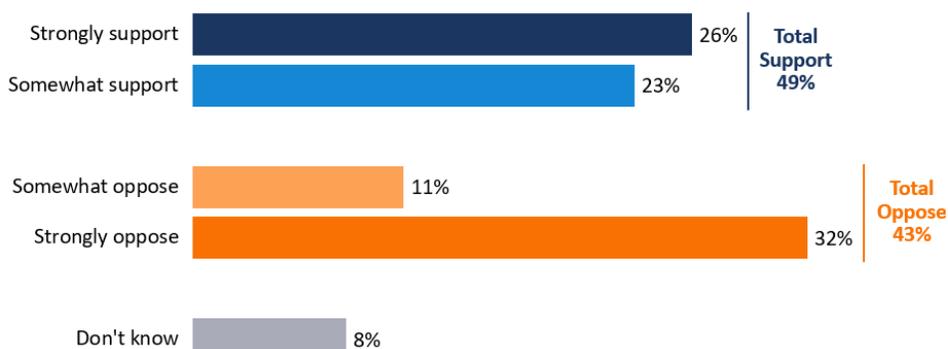
Here are some ways you may have engaged with StopWaste. Please select all that apply.



- Two-thirds see a need for funding StopWaste’s mission, but voters are closely divided in their support for a small annual tax to fund the agency’s work.** Sixty-seven percent of voters see a need for additional funding to support waste reduction and climate action in Alameda County. However, when asked whether they would support or oppose a modest annual tax to fund StopWaste’s work, only half of voters support the proposal and two in five oppose it.

Figure 7: Support for a StopWaste Funding Proposal

Some people have suggested establishing an annual tax of \$10 for residential properties and \$20 for commercial properties in Alameda County to support the work StopWaste does on waste reduction, recycling and composting, saving food from going to waste, energy efficiency, and climate action. Would you support or oppose this proposal?



In conclusion, Alameda County voters rank litter, illegal dumping, and climate change among the County’s top problems and strongly value government action to address them. While they broadly recognize the importance of StopWaste’s mission and see a need for funding for these services, they are more divided when it comes to supporting a new funding proposal.

ⁱ Methodology: From July 10-17, 2025, FM3 completed 770 online interviews with Alameda County voters in English, Spanish and Chinese. The margin of sampling error for the study is +/-3.7% at the 95% confidence level; margins of error for population subgroups within the sample will be higher. Due to rounding, not all totals will sum to 100%.

ATTACHMENT C



DATE: October 23, 2024

TO: Waste Management Authority (WMA) Board

FROM: Timothy Burroughs, Executive Director
Pat Cabrera, Administrative Services Director

SUBJECT: Agency Revenue Stabilization Analysis

SUMMARY

Central to StopWaste's mission is partnering with Alameda County jurisdictions to accelerate progress toward an equitable, circular economy, including advancing innovations in upstream waste prevention, material reuse and repair, and recycling. As a result of our Agency's and our partners' work as well as other broader economic factors, solid waste disposal in Alameda County has declined over time, even as the county population has grown.

As the Board knows, approximately 90 percent of the Agency's discretionary revenue is derived from landfill tonnage fees. Therefore, as landfill tonnage declines, in order for the Agency to continually improve and evolve our programs and maintain our leadership role in the coming years, we will need to continue to prudently manage the Agency's fund balance and expenditures as well as diversify and stabilize discretionary (i.e., general fund) revenue sources.

The purpose of this memo is to update the Board on potential additional revenue options. Staff recommends that the Board direct staff to continue to analyze multiple options for Board consideration. These include (i) a potential regulatory fee designed to recover reasonable costs associated with helping our member agencies and regulated entities meet state requirements related to SB 1383 and other laws, and (ii) a special tax that would support the Agency's efforts to reduce waste and continue tangible progress toward a more climate-resilient Alameda County. Recommended next steps include conducting public opinion research to help continually refine and improve Agency programs.

DISCUSSION

In March 2024, staff provided an update to the Board on the Agency's fiscal forecast and fund balance and reserves. Staff noted that we would return to the Board with further analysis of a

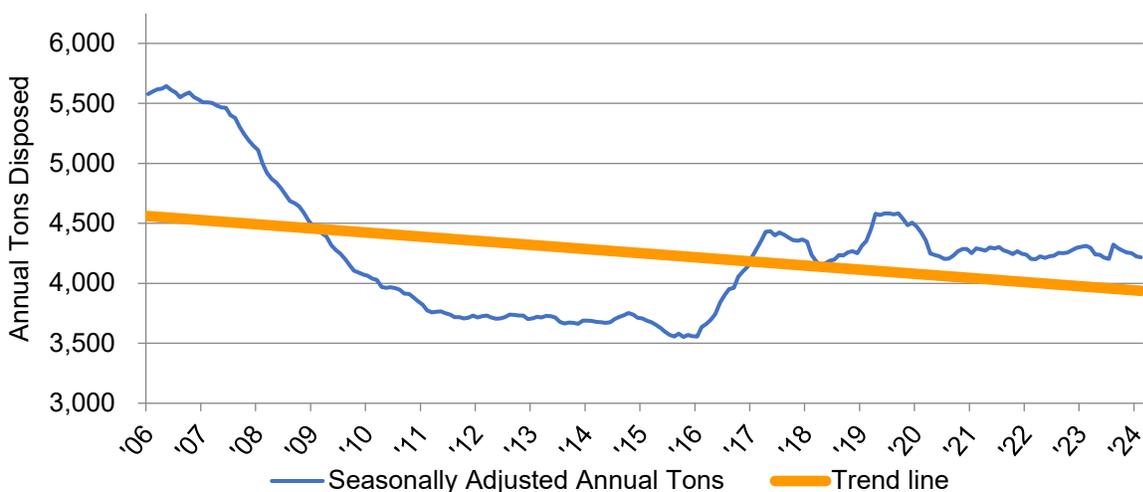
range of options designed to diversify and stabilize discretionary revenues, while also continuing to carefully manage expenditures, Agency investments, and unfunded liabilities.

Staff analysis of potential revenue options is built on earlier analysis of the Agency’s forecasted revenue and expenditure trends. In FY 2022, the Agency engaged the consulting services of Crowe LLP to develop several fiscal forecast scenarios to help the Agency manage its fund balance and reserves to advance the StopWaste mission today, while also providing the means to prepare for the future. See Attachment 1 for the February 2022 report.

The scenario that Agency revenues have aligned with reflects continued tonnage and associated revenue declines, consistent with the 15+ years leading up to the time the analysis was conducted. There have been fluctuations up and down, but overall tonnage and associated revenues have declined approximately two percent per year since 2006. See Exhibits 1 (Disposal Trend) and 2 (Fund Balance Forecast) associated with this scenario below.

Exhibit 1

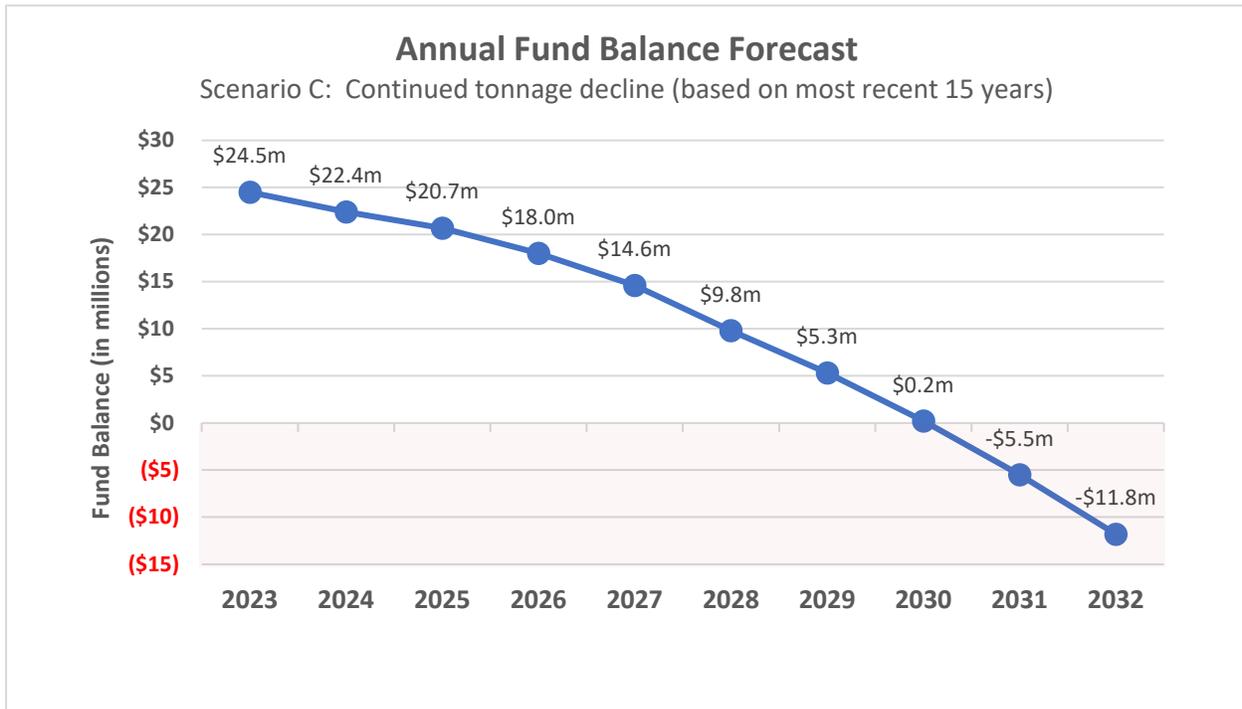
Annual Solid Waste Disposal Trend for Alameda County



Understanding that Agency revenues will decline over time, the Agency built and has maintained a funding contingency, in the form of a fund balance and reserves, to help fund our work and provide an adequate cushion while the Agency identifies options to diversify its revenue. However, Agency contingency funds are finite, and absent additional revenue or significant reduction in the programs we provide, all of the forecast scenarios included in the fund balance analysis show a risk of exhausting the funding contingency by approximately FY 2031.¹ The Agency’s current fund balance with reserves is estimated at \$22.4M.

¹ See Attachment 1, p.2 for a list of all fund balance scenarios. Updated forecasts since the original Crowe report was published indicate that the Agency’s funding contingency would be exhausted by 2031 for most funding scenarios.

Exhibit 2



Potential Revenue Options

Given the need to diversify and stabilize Agency revenues, staff first determined the approximate amount of revenue needed to maintain Agency services and programs for the long term. Staff estimates that approximately \$3 million to \$5 million in additional annual revenues would adequately offset declining tonnage-based revenues moving forward from 2030. In March 2024, staff retained SCI Consulting Group, which specializes in developing financing strategies and plans for public agencies, to identify a range of potential funding options for the Agency that would help meet this revenue target. See Attachment 2 for SCI’s detailed report.

Each of the options identified by SCI has its own advantages and drawbacks, as is described below and in more detail in Attachment 2. The SCI report discusses (i) regulatory and service fees (which can be adopted by a majority vote of the Board), (ii) property-related fees (which require protest proceedings and in some cases a property owner vote), and (iii) special taxes (which require voter approval).

Regulatory and Service Fees

Regulatory fees are charges that recover the actual cost of specific regulatory activities. As stated in the SCI report, common examples of eligible activities include “issuing licenses and permits, performing investigations, inspections and audits, and the administrative enforcement and adjudication thereof.” The projects and services in the current FY 2025 budget that are the most likely candidates for such funding pertain to the Agency’s central role

in the implementation of SB 1383, which requires staff to monitor compliance and conduct inspections and enforcement related to a number of state requirements. For a sense of scale, the SCI report includes a preliminary estimate of \$2.7M for the costs that could be recovered if a regulatory fee were applied to the Agency’s SB 1383 implementation programs.

Additional areas of work that impact this estimate may be identified in FY 2025 or future years. Exhibit 3 lists the regulatory activities the Agency undertakes to support SB 1383 and related laws.

Exhibit 3

- | |
|--|
| <p>1383 Regulatory Activities Conducted by the Waste Management Authority</p> <ul style="list-style-type: none">• Compliance monitoring• Enforcement efforts• Compost procurement support• Compost capacity planning• Food recovery compliance support• Development and dissemination of educational resources• Grants to food recovery organizations to increase capacity and infrastructure• Administration of food recovery network (capacity building) |
|--|

A rough preliminary analysis suggests that a regulatory fee for SB 1383 implementation of \$2.7 million applied to eligible property types (multifamily and commercial) would result in a flat fee of approximately \$13 per residential unit or commercial parcel per year.

As a next step, staff proposes to secure a consultant to conduct a fee study, which includes a precise calculation of potential regulatory fee rates and associated revenue, based on the costs of regulatory programs the fee would support.

Property-Related Fees

The Agency’s existing \$7.80 annual fee on all households for the disposal of household hazardous waste (HHW) is an example of a property-related fee. Property-related fees are governed by Proposition 218, which states that, “Except for fees or charges for sewer, water, and refuse collection services, no property-related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners of the property subject to the fee or charge.” In other words, Proposition 218 exempts fees for water, sewer and refuse collection from a balloting requirement. As noted in the SCI report, property-related fees that are not refuse collection fees can be approved by a majority vote of the landowners paying the fee. As part of the regulatory fee study, staff will consider

whether there are Agency programs other than its HHW services that could be funded by a property-related fee.

Special Taxes

As outlined in the SCI report (Attachment 2, pp. 13-16), a special tax is decided by the voters and requires a two-thirds majority for approval. Special taxes are commonly used to fund numerous local government services and projects, such as police and fire service, road improvements, libraries, parks, and other services. A special tax could be considered to fund StopWaste non-regulatory programs, including services dedicated to waste prevention and increasing recycling and composting, such as technical assistance for businesses, schools and food recovery organizations; outreach and education for residents, businesses, and in schools; and small grants to nonprofits and businesses. In some jurisdictions special taxes have been placed on the ballot through a voter initiative; in that case the voter approval threshold is 50 percent.

The joint powers agreement that created the Agency would need to be amended by the member agency jurisdictions for the Agency to be authorized to place a special tax on the ballot.

The SCI report illustrated potential rates per residential unit and commercial parcel required to generate approximately \$5.3M per year. Staff also added other scenarios in Exhibit 4 below.

Exhibit 4 – Special Tax: Estimated Revenue Potential and Rates Per Unit/Parcel

Property Type	Quantity ¹	Rate A	Revenue A	Rate B	Revenue B	Rate C	Revenue C
Residential (1-4)	446,900	\$6	\$2,681,400	\$8	\$3,575,200	\$10	\$4,469,000
Multi Family (5+)	147,106	\$2	\$294,212	\$2	\$294,212	\$3	\$441,318
Commercial	21,000	\$18	\$378,000	\$20	\$420,000	\$20	\$420,000
Total²			\$3,353,61		\$4,289,412		\$5,330,318

¹ Estimated units/parcels are based on Alameda County Assessor’s data.

² Units/Parcels that are completely tax-exempt and publicly owned were not counted, since they are usually exempt from special taxes.

The amount of revenue to be sought via a special tax would depend on whether the Agency were also to pursue a regulatory fee, in which case the rates for the special tax would be lower because less revenue would be needed.

As a next step, staff proposes to secure a consultant to conduct public opinion research on Agency programs and services and to continue to research the feasibility of a special tax, including appropriate rates for each property type.

Next Steps and Timelines

Staff proposes the following next steps:

- **Conduct a regulatory fee study:** Secure a consultant to conduct a regulatory fee study, which includes a precise calculation of potential regulatory fee rates and associated revenue, based on the costs the fee would support, such as SB 1383 implementation. Staff would initiate this step in November 2024.
- **Conduct opinion research to gather input on Agency programs and services:** Secure a polling consultant to gather public input. Staff would also initiate this step in November 2024.

The Agency has funds encumbered from FY 24 and budgeted in the current fiscal year to conduct the regulatory fee study and opinion research. Additional funds would need to be budgeted in subsequent fiscal years if the Agency were to pursue a regulatory fee and/or special tax.

STAFF RECOMMENDATION

Staff recommends that the WMA Board approve the next phase of revenue stabilization research, which includes conducting a regulatory fee study to assess projects eligible for a regulatory fee and to calculate potential rates and revenue, and conducting opinion research to gather input on Agency programs and services and to inform next steps.

ATTACHMENTS

Attachment 1: Crowe Fund Balance and Reserve Analysis

Attachment 2: SCI Consulting Group Funding Options Technical Memorandum



Smart decisions. Lasting value.™

Fiscal Forecasts and Fund Balance/Reserve Analysis

February 24, 2022



Submitted to:

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

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Executive Summary

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

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

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

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

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

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

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

² Agency defined as total fund balance minus reserves.

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

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

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

**Exhibit ES-1
Scenario Descriptions**

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

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

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

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

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

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

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

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

Exhibit ES-3
Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

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

Exhibit ES-4
Months in Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

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

⁸ Defined in Section 1B.

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

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

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

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

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

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

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

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

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

Key Takeaways of Fiscal Forecasts and Fund Balance/Reserve Analysis

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

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

1. Incremental Fund Balance with Reserves

This section is organized as follows:

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

A. Scenarios and Assumptions

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

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

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

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

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

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

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

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

**Exhibit 1
Scenario Descriptions**

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

**Exhibit 2
Scenario Revenue, Expenditure, and Staffing Assumptions**

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

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

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

Scenario A – Status Quo with Growth

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

Scenario B – Status Quo

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

Scenario C – Economic Cycle

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

Scenario D – Organics

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

Scenario E – Organics and Recyclables

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

Scenario F – Recession

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

Scenario G – Recycling Plan

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

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

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

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

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

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

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

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

B. Incremental Fund Balance with Reserves

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

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

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

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

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

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

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

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

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

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

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

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

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

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

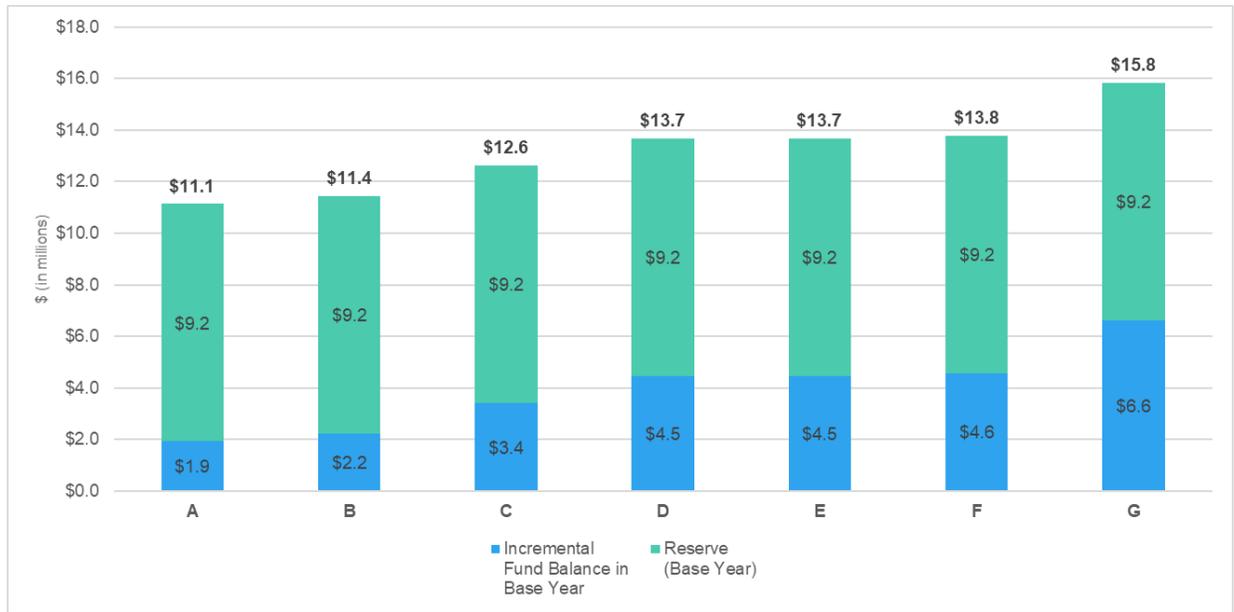
Exhibit 6
Months in Incremental Fund Balance/Reserves, Surplus Fund Balance (FY 20/21)

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

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

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

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



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

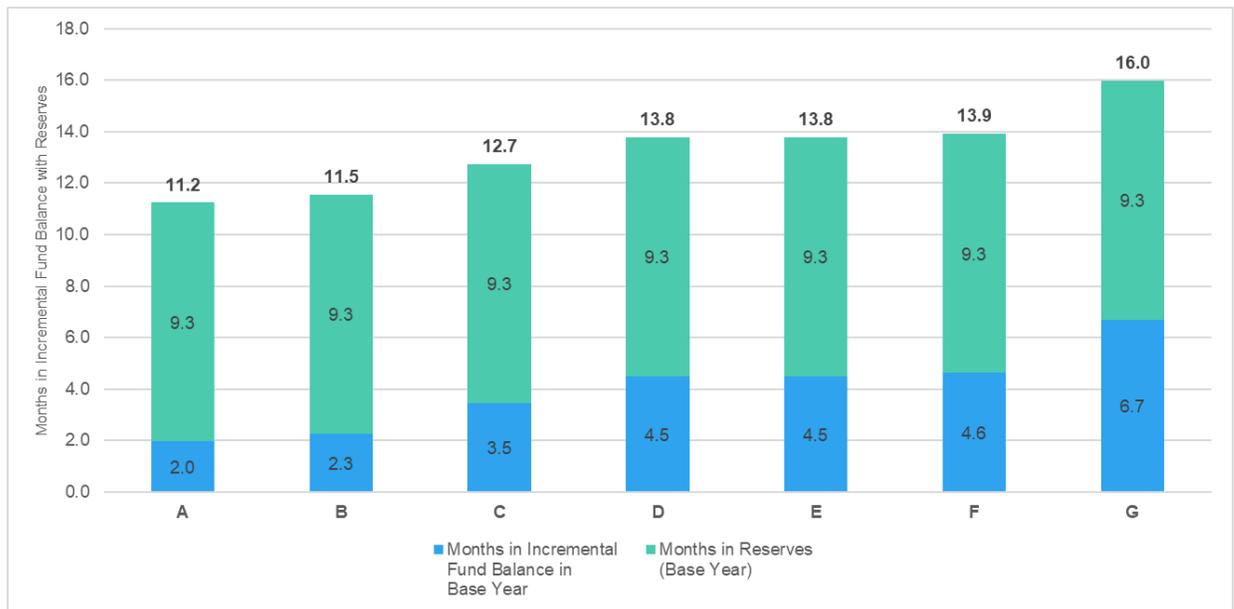


Exhibit 9
Calculated Surplus Fund Balances with Hypothetical Expenditure Increases (FY 20/21)

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

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

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

C. Scenario Projections

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

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

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

Exhibit 11
Projected Ending Fund Balance with Reserves – Years 3, 6, and 9

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

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

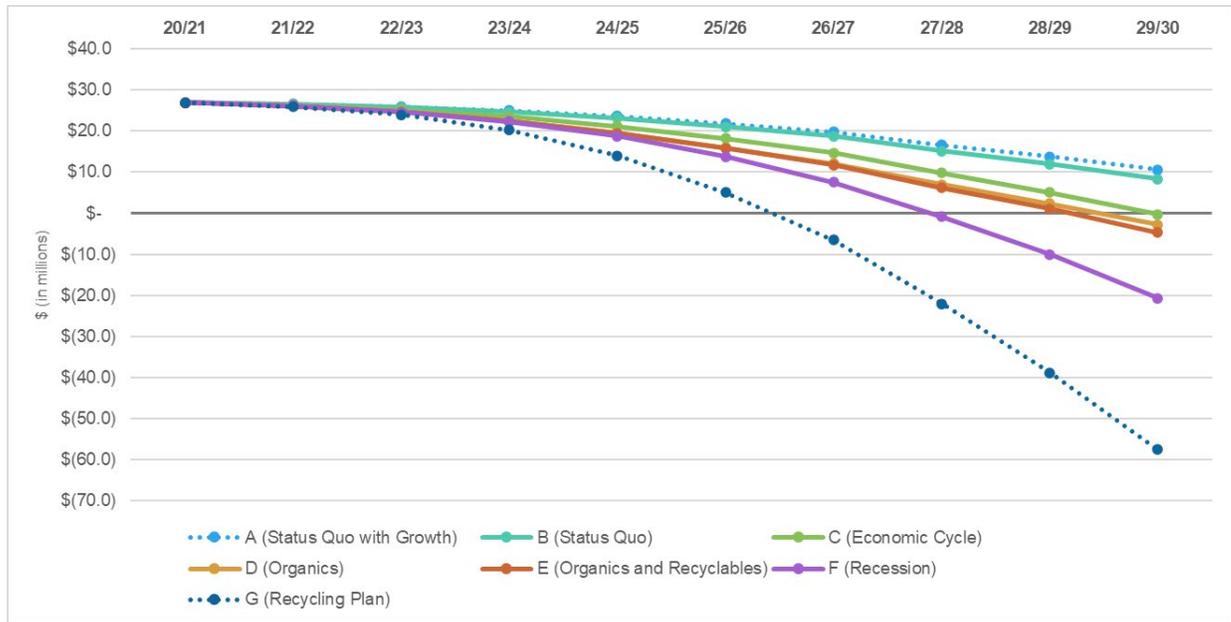


Exhibit 13
Projected Months in Fund Balance/Reserves (FY 20/21 through FY 29/30)

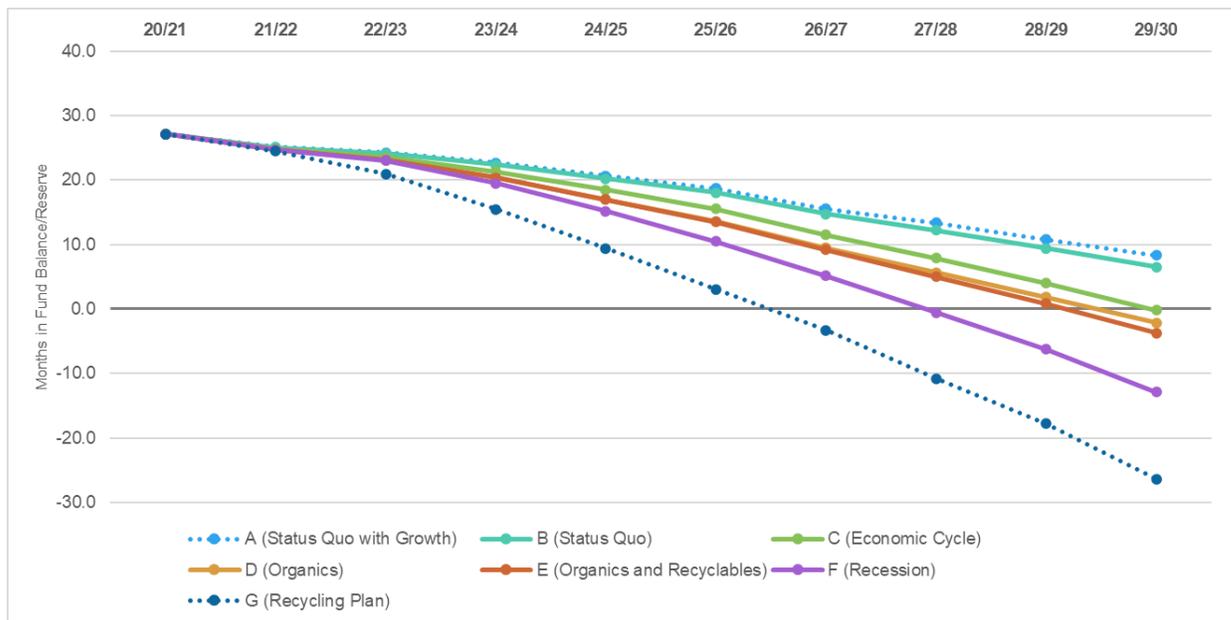


Exhibit 14
Projected 3-Year Change in Tonnage (by FY 23/24)

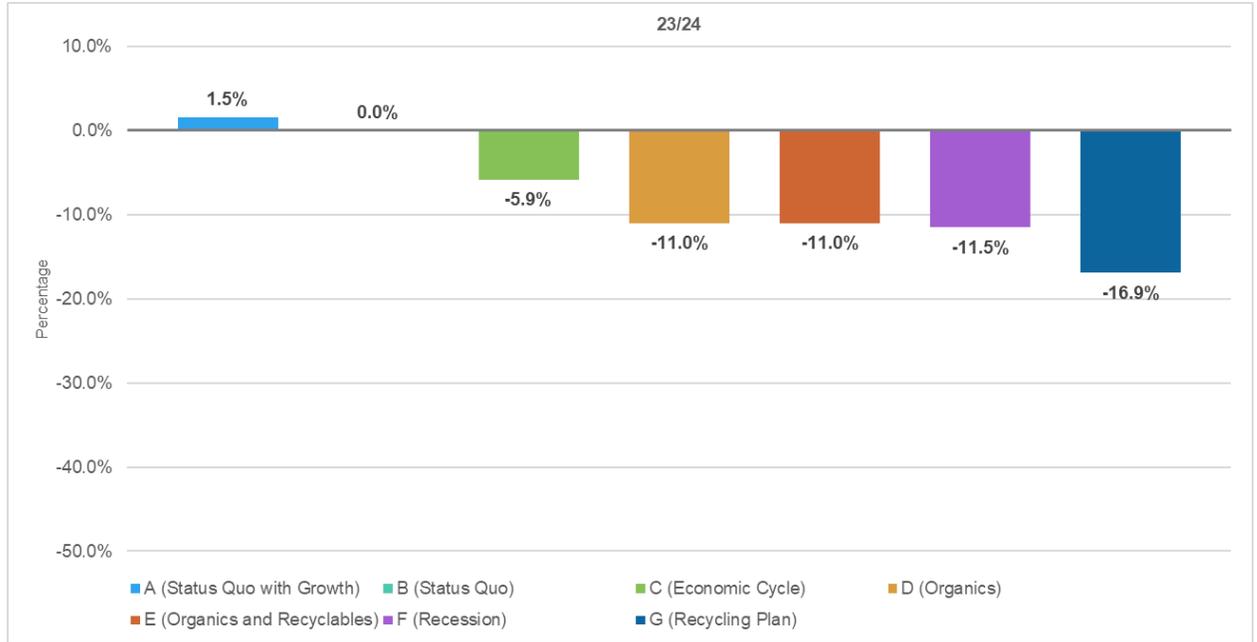
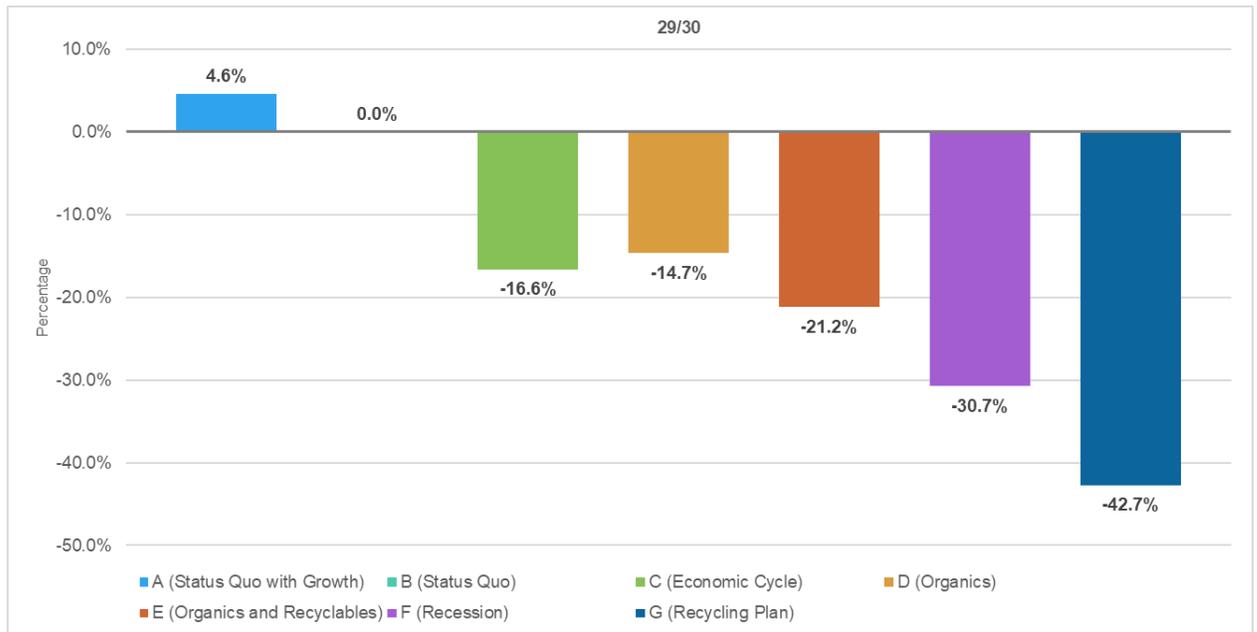


Exhibit 15
Projected 9-Year Change in Tonnage (by FY 29/30)



2. Benchmarking Results

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

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

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

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

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

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

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

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

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

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

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

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

**Exhibit 18
Benchmarking – Comparable Authorities FY 2022 Budgets**

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

²⁴ The Energy Council is not core-funded.

3. Disclosure

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

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

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

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

Appendix A: Individual Scenario Incremental Fund Balance Calculations

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

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

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

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

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

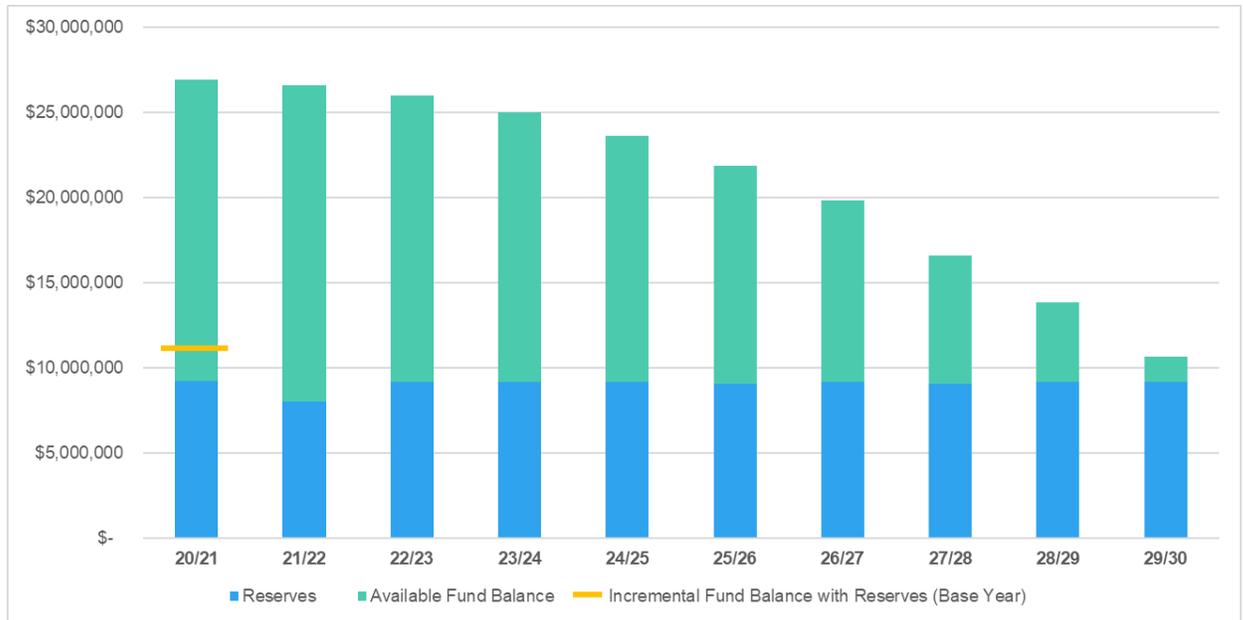
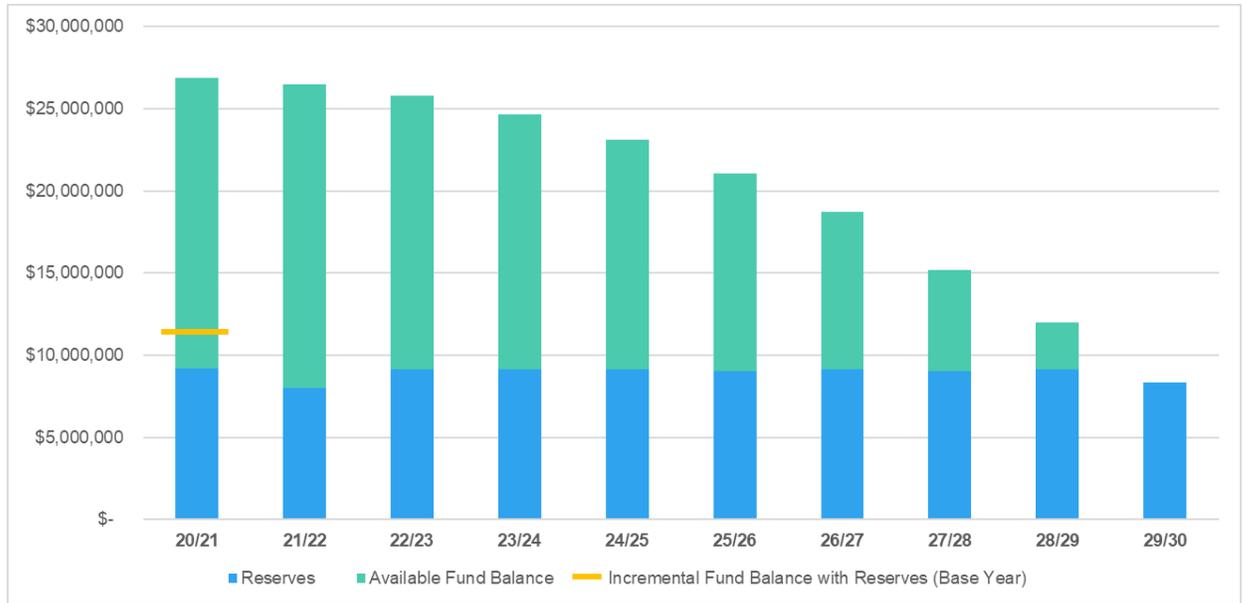


Exhibit A-3
Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario B (Status Quo)

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

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



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

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

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

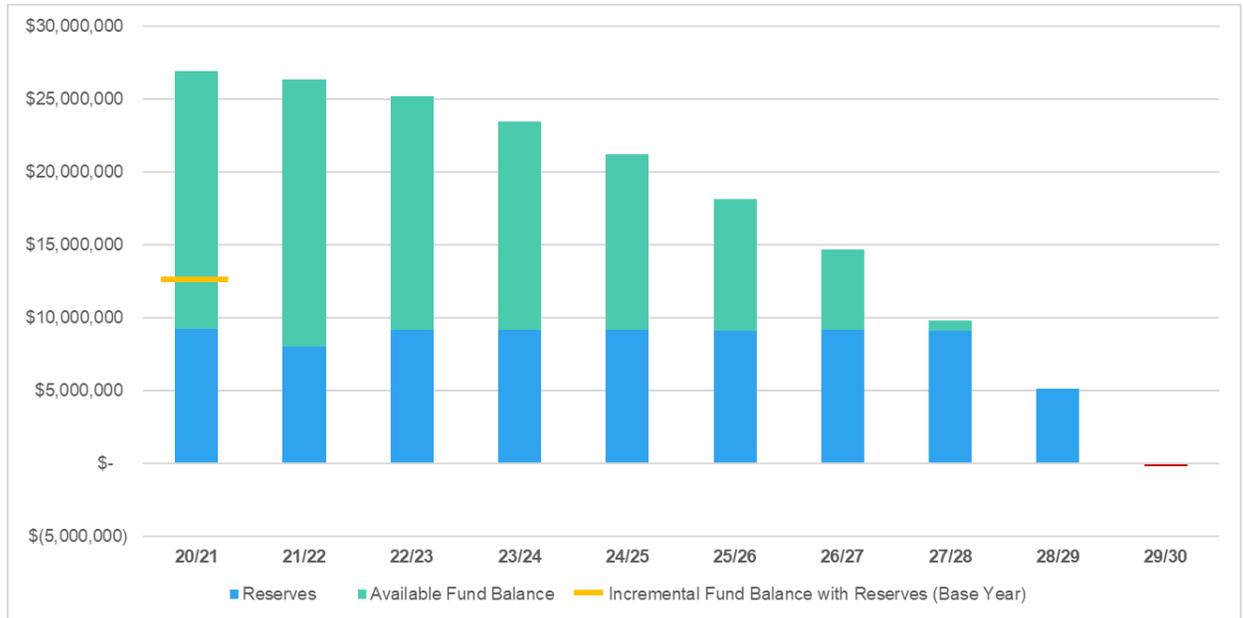


Exhibit A-7
Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario D (Organics)

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

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

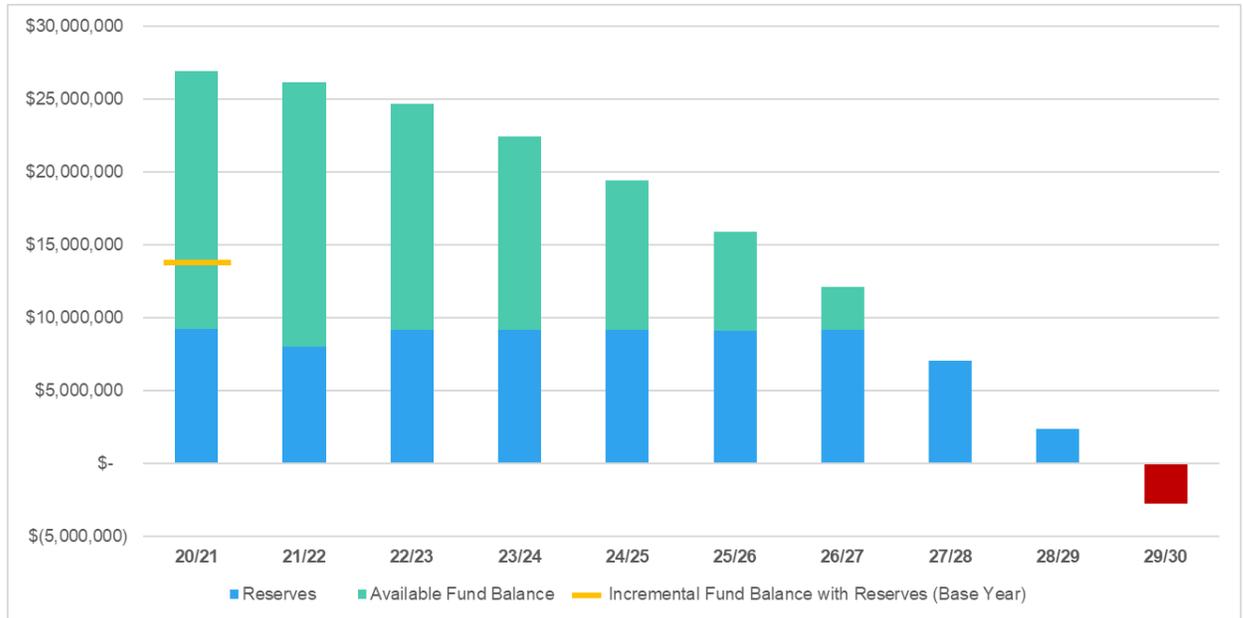


Exhibit A-9
Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario E (Organics and Recyclables)

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

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

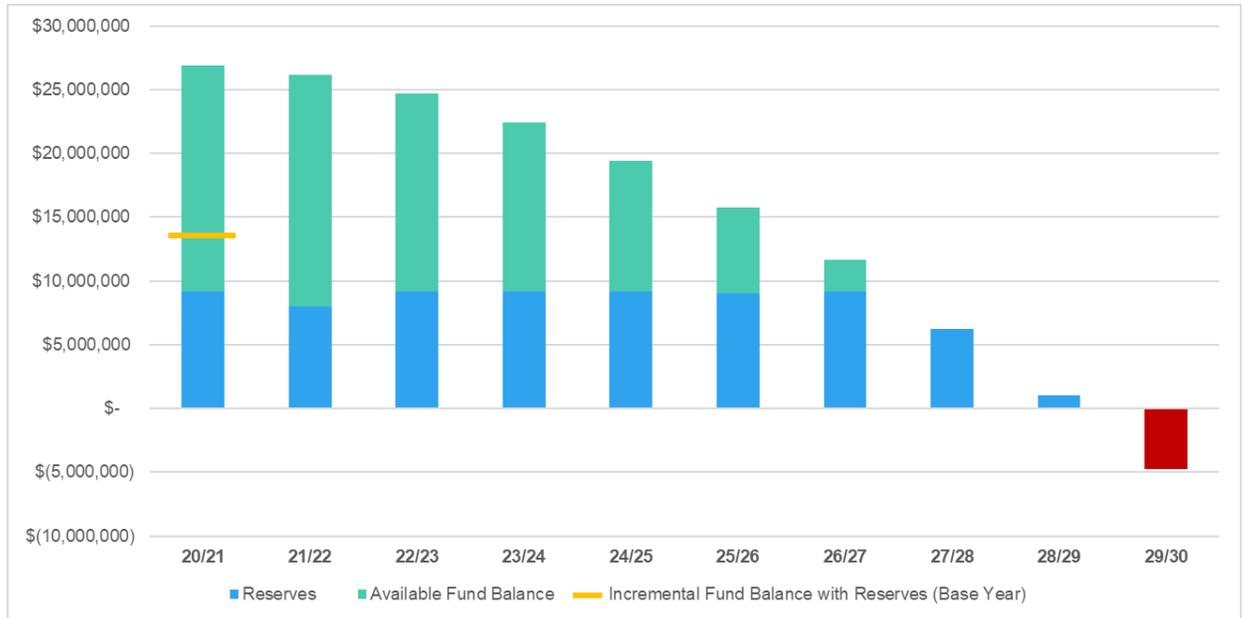


Exhibit A-11
Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario F (Recession)

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

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

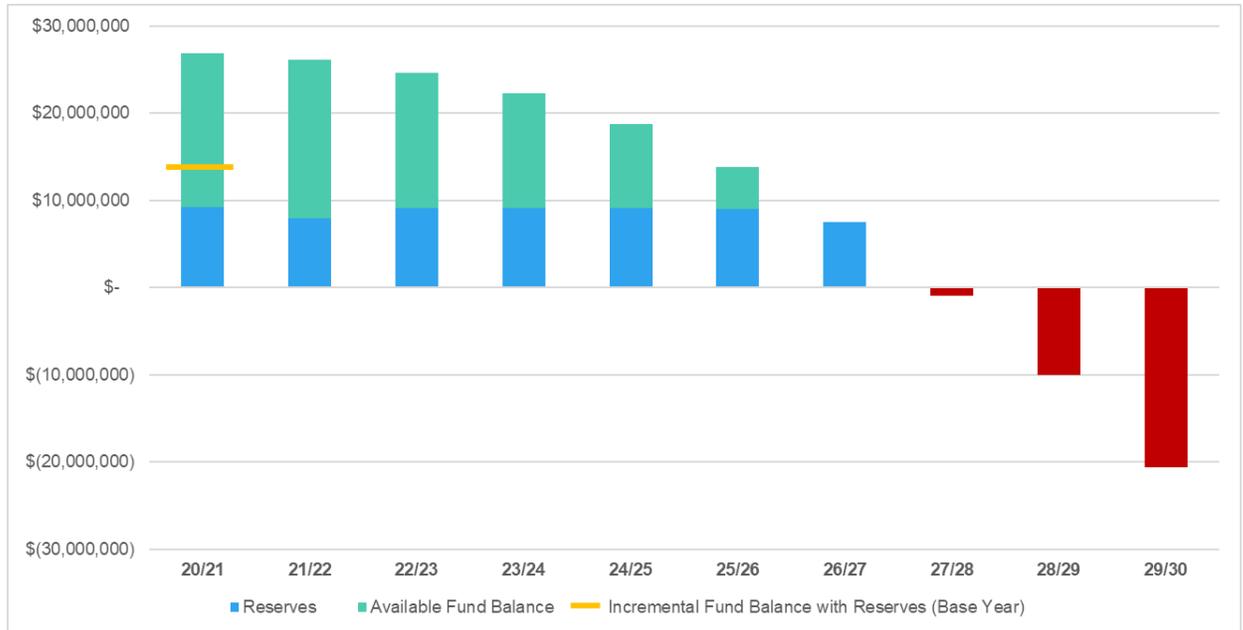
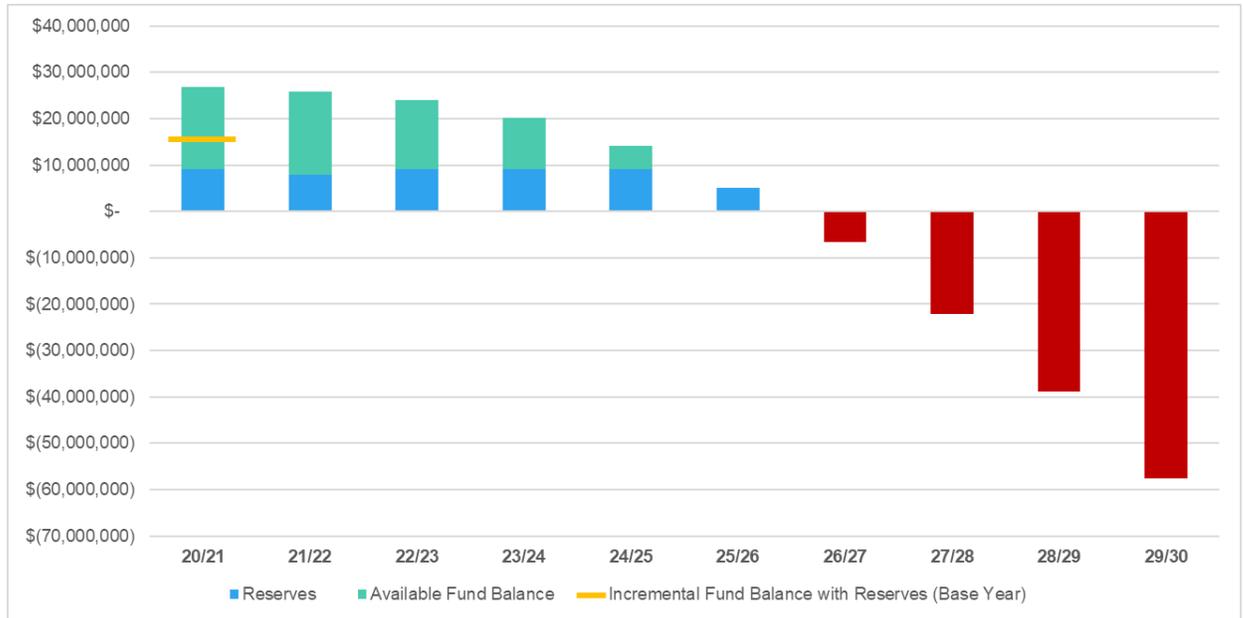


Exhibit A-13
Calculated Incremental Fund Balance, Incremental Fund Balance with Reserves
Scenario G (Recycling Plan)

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

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



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Funding Options Technical Memorandum

Date: October 14, 2024

To: Pat Cabrera, Administrative Services Director
Alameda County Waste Management Authority

From: John Bliss, President,
Melanie Lee, Senior Consultant

Subject: **Evaluation of Potential Funding Options for Long-Term Financial Sustainability**

Executive Summary

The Alameda County Waste Management Authority (“The Agency”) is exploring revenue generation strategies to counter significant declining operational discretionary¹ revenues. The quantity of waste into local landfills is declining, and accordingly, the Agency’s associated fees collected per ton of waste into landfills - its’ primary funding source - is also declining. Projections forecast a \$3 million to \$5 million annual operational deficit by 2030, when its current fund balance would be exhausted unless actions are taken to diversify Agency revenues. *(To generate \$3 million to \$5 million through a special tax, the annual cost would range from \$3.20 to \$8.00 per unit for single-family homes and smaller multi-family buildings (1 to 4 units), \$2.40 to \$6.00 per unit for larger apartment complexes (5 or more units), and \$9.60 to \$24.00 per commercial property in Alameda County.)*

This report reviews California’s limited, and somewhat onerous to implement, revenue mechanisms available to local public agencies in the context of the Agency’s financial goals for achieving long-term financial sustainability. These mechanisms have been evaluated and ranked based upon factors such as cost and time required to implement, revenue potential, political and legal limitations and administrative burden.

In order to address its declining revenue and ensure financial sustainability into the future, the Agency should strategically consider and pursue the following five initiatives, in order.

¹ Operational revenues for this report refer to discretionary (general fund) revenues which come primarily from fees on solid waste disposed in landfills, and fund projects over which the Boards have significant discretion.

1. Conduct a comprehensive evaluation of initiatives 2, 3, 4 and 5, including legal, political and administrative considerations. This process should involve stakeholder engagement, outreach to elected officials, and community outreach, including a community-wide survey. Based on this analysis, a tactical plan should be developed to guide implementation.

This evaluation should begin with a focused evaluation of Regulatory and Service Fees (Initiative #2, below). Concurrently, a rigorous, scientific community survey should be conducted in order to assess the potential political viability of the balloted approaches (Initiatives 4, and 5, below), at specific rates and associated service levels.

2. Maximize the use of Proposition 26-compliant Regulatory and Service Fees, which may have some limitations, but are quick and relatively inexpensive to implement. *(Please note that the Agency is well positioned to implement a regulatory fee which best satisfies the Agency's goals. The Agency's projects and services are based upon clear regulations, and the Agency routinely performs work commonly funded through such fees.)*
3. If additional revenue is required or if the Agency does not pursue option #2 above, implement a Proposition 218-compliant, Non-Balloted Property-Related Fee, utilizing the "refuse collection" exemption from the balloting requirement for eligible Agency services. This approach is similar to the Agency's current household hazardous waste fee, which requires a mailed notification and protest opportunity but does not require a balloting process.
4. If further revenue is needed or if the above options are not pursued, pursue a Proposition 218-compliant Balloted Property-Related Fee, for eligible Agency services. This involves an extensive and costly property owner balloting process, but arguably adds political and legal rigor.
5. Finally, if the tools above do not generate sufficient revenue or are not pursued, pursue a Proposition 13 and 218-compliant Special Tax. While this requires an expensive voter balloting process, it is the most flexible mechanism, capable of funding a broader range of activities. (In some jurisdictions such taxes have been proposed by voter initiative.)

Each of these initiatives will require considerable planning, thorough legal review, a well-designed levy structure, and robust community outreach.

Introduction

The Alameda County Waste Management Authority, operating as StopWaste, is a public agency dedicated to implementing integrated waste management solutions across Alameda County, focusing on waste prevention, recycling, and environmentally responsible disposal.

The Agency's work is integral to meeting state mandates such as Senate Bill 1383 ("SB 1383"), Assembly Bill 341 ("AB 341"), and Assembly Bill 1826 ("AB 1826"), which target significant reductions

in organic waste disposal and mandate proper sorting of disposed waste at residential, commercial and multi-family properties. Moreover, the Agency oversees the preparation of the Alameda County Integrated Waste Management Plan (“CoIWMP”) and the Alameda County Hazardous Waste Management Plan, both of which are pivotal in coordinating waste management across the County’s jurisdictions to optimize resource recovery and preserve landfill capacity.

Due to a structural deficit from declining landfill revenues and rising compliance costs, the Agency has engaged SCI Consulting Group to perform a comprehensive evaluation of local funding mechanisms and to make recommendations for a path forward. This analysis aims to address the Agency’s forecasted budgetary shortfalls by identifying sustainable funding options that will stabilize and augment finances to ensure the operational viability and financial sustainability of its services. This effort is crucial as the Agency strives to effectively meet its waste reduction and recycling mandates amidst evolving legislative landscapes and financial constraints.

Background and Financial Challenge

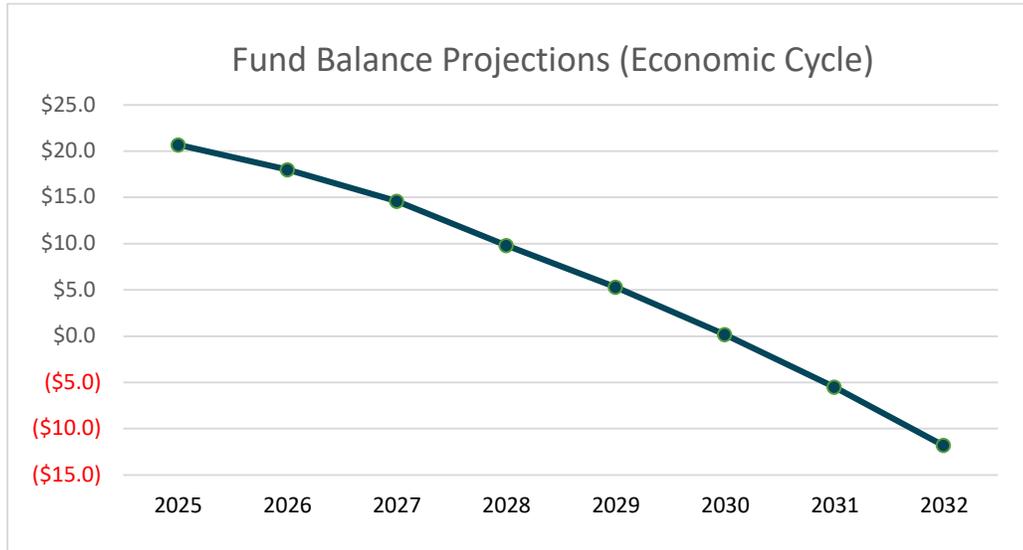
The Agency currently operates an annual operational budget of \$12.6 million, primarily funded by fees paid by waste haulers at the disposal sites, commonly known as ‘tipping fees.’ These fees include the following:

Fee Type	Fee Per Ton
AB 939 Facility Fee	\$4.34
Measure D Fee * 45% of \$8.23 due to pass-through to cities	\$3.70
Mitigation Fee	\$4.53

Although the Agency is likely to continue collecting these tipping fees in the future, this revenue source is declining, largely due to the Agency’s and its member agencies’ success in waste prevention and diversion programs. The Agency’s recent budget report suggests that, without intervention, fund balances could be depleted by FY 2030 or 2031, resulting in a negative fund balance by FY 2031. Without additional revenue, the Agency may be forced to reduce or eliminate some services, potentially compromising its ability to fully implement the state’s mandated waste reduction goals.

Figure 1, on the following page, illustrates the Agency’s long term structural deficit, which is estimated to be \$13 million by year in 2032.

Figure 1 - Fund Balance Projects through 2032



The Agency plans to continue collecting tipping fees into the foreseeable future. These fees are estimated to generate approximately \$8 million in 2032. Therefore, this analysis uses a target up to \$5 million per year (\$13 million minus \$8 million) as the funding goal.

Introduction to New Revenue Mechanisms

The introduction of a new revenue mechanism, or a portfolio of revenue mechanisms, is a tool to diversify the Agency’s revenue sources and therefore increase financial sustainability by reducing reliance on variable and declining waste tonnage revenues. The new revenue mechanisms could be linked to more static property use and size attributes, rather than fluctuating waste streams. This strategic shift necessitates a comprehensive analysis to develop a funding structure that not only supports ongoing compliance with state mandates but also advances the ambitious recycling and waste reduction targets set forth by the State.

The primary revenue mechanisms that the Agency should consider are:

- Regulatory and service fees *(primarily regulated by Prop 26)*
- Property-related fees – balloted or non-balloted *(primarily regulated by Prop 218)*
- Special taxes *(primarily regulated by Props 13 & 218)*

California’s Current Revenue-Mechanism-Related Legal Landscape

In California, new sources of revenues for local public agencies typically take the form of fees, taxes, and/or assessments, which are primarily regulated by three voter-approved initiatives: Propositions 13, 218 and 26 (with Propositions 26 and 218 clarifying and expanding on Proposition 13.) The primary approaches, calculated based upon property attributes, that should be considered include:

Funding Approach	Approval Requirement
Regulatory and service fees	Majority of governing board (No Balloting)
Property-related fees - Non-Balloted	Mailed notices (No Balloting)
Property-related fees - Balloted	Property owner balloting (50% Approval Req’d)
Special taxes	Registered voter balloting (66.6%+ Approval Req’d) (or voter initiative with 50% Approval Req’d)

Each of these mechanisms has its own advantages and drawbacks, and each could contribute to the Agency’s financial sustainability goals. Generally, balloted approaches (e.g. balloted property-related fees and special taxes) are less desirable due to the additional cost of the balloting and community outreach, the inherent risk of voter rejection, and the limitations on revenue associated with setting a politically viable rate. Therefore, non-balloted (e.g. regulatory and service fees and non-balloted property-related fees) should be prioritized, researched, and implemented first, provided they meet legal, administrative and political requirements.

The following sections provide descriptions of regulatory fees, property-related fees and special taxes.

Regulatory and Service Fees to Fund Agency Operations

Regulatory and service fees are charges that recover the actual cost of specific “regulatory” activities and of specific services or benefits provided to the fee payor, respectively. While not all of the Agency’s activities are likely to qualify for funding through regulatory fees, it is strongly recommended that the Agency actively pursue this revenue mechanism to the greatest extent possible due to its relatively straightforward implementation.

BACKGROUND ON REGULATORY AND SERVICE FEES

Proposition 26, approved by California voters in 2010, set a clearer definition of the implementation and use of fees. Simply put, fees require justification (typically in the form of a Fee Report prepared by an experienced fee consultant and rigorously reviewed by legal counsel) and majority approval by the Agency's governing board – no balloting is required. Proposition 26 broadly defines every funding mechanism as a tax but provides seven exceptions that allow properly structured fees as well as property-related fees (discussed later in this report), and benefit assessments (not relevant to this report).

Several types of fees are defined through the cited exceptions to the measure's general assertion that all levies are taxes. Among the seven exceptions, several align closely with the Agency's operations:

(e) As used in this article, "tax" means any levy, charge, or exaction of any kind imposed by a local government, except the following:

(1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

(2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

(3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

(4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.

(5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.

(6) A charge imposed as a condition of property development.

(7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Exceptions 1, 2, and 3, offer the most promise (and Exception 7 is important in justifying the use of property-related fees, as discussed in the next section). Most of the Agency's operations are driven by regulation and directly support the regulation of or providing services or other benefits to proposed fee payors. For example, the fact that the legislature has required local governments to plan for 15 years of landfill capacity necessitates a regulatory solution - either to develop more landfill capacity or reduce waste.

Exceptions 1 and 2 indicate that if a direct benefit to the payor is established, then a fee is not a tax requiring voter approval. This report refers to such fees as service fees. Exception 3 describes regulatory fees. Common examples of eligible activities under Exception 3 include "issuing licenses and permits, performing investigations, inspections and audits, and the administrative enforcement and adjudication thereof."

Use of Regulatory and Service Fees by the Agency

The implementation and use of regulatory and service fees by the Agency can be divided into three categories:

1. Currently Eligible
 - a. Examples: Development and enforcement of waste reduction regulations, inspection and compliance operations, and the administration of waste management programs.
2. Potentially Eligible with Additional Supporting Analysis
 - a. Example 1: Activities essential for achieving the goals set by California's environmental legislation, including SB 1383, AB 341, and AB 1826, which mandate significant reductions in organic waste and enhancements in recycling efforts.
 - b. Example 2: Preparation, adoption, and amendment of the Countywide Integrated Waste Management Plan (CoIWMP) pursuant to AB 939. The waste management goals of AB 939 are similar to those for groundwater planning as set forth in *California Water Code § 10730, which justifies the use of regulatory fees broadly for groundwater sustainability. The parallels between preserving landfill capacity and groundwater capacity merit further inquiry.*)
3. Likely Ineligible
 - a. General community outreach provided through the Agency's Schools Engagement and Community Engagement projects and services is likely not eligible for funding by service or regulatory fees.

Revenue Estimates for Regulatory and Service Fees

Regulatory and service fee rates are precisely calculated based upon the costs of the services they support. As such, until a rigorous fee study is conducted, regulatory and service fee rates cannot be modeled.

To assist with the challenging task of preliminarily estimating the revenue that could be generated from regulatory and service fees, the Agency's FY 2025 budget was analyzed to identify projects and services that are the most likely candidates for such funding. The most directly relevant work is the Agency's implementation support for SB 1383, including the specific activities listed in Figure 2. The current estimate for the potential revenue needed to fund these efforts is approximately \$2.7 million. Additional areas of work may be identified in FY 2025 or future years that impact this estimate, such as compliance monitoring and support for other regulations such as SB 1053, the Single-Use Carryout Bag Ban, which takes effect in January 2026. Considerable caution is advised with this estimate of \$2.7 million revenue; however, it is evident that significant revenue could be generated from regulatory and service fees.

Figure 2 - 1383 Regulatory Activities Conducted by the Agency

Compliance monitoring
Enforcement efforts
Compost procurement support
Compost Capacity planning
Food recovery compliance support
Development and dissemination of educational resources
Grants to food recovery organizations to increase capacity and infrastructure
Administration of food recovery network (capacity building)

Pros and Cons to Regulatory and Service Fees

Pros

- **Quick Implementation:** Fees can be implemented relatively quickly once the cost-of-service analysis is complete, and the fee structure is developed. This allows the Agency to rapidly address funding needs without lengthy delays.
- **Cost-Effective Adoption:** Adopting the fees is generally less costly than other funding mechanisms that require voter approval. The primary expenses are associated with the cost-of-service analysis and public process, rather than with election-related costs.
- **Flexible Fee Adjustments:** Periodic fee increases would follow the same process as the initial adoption, requiring only a brief update of the cost-of-service analysis.

- **No Balloting Required:** Fees do not require voter approval, reducing administrative hurdles.
- **Collect on Property Taxes:** Regulatory and service Fees can be collected on annual property taxes which provide significant administrative convenience and revenue reliability.

Cons

- **Legal Limitations:** Fees are strictly constrained by legal requirements. Conventional wisdom suggests these fees can only cover specific costs and must correlate to the costs of the services provided. This limitation restricts the ability to flexibly apply fees to emerging needs or services not originally covered by the fee structure.

Next Steps to Implement a Fee Program

The success of a fee program will rely heavily on a sophisticated, conservative, and creative team of fee consultants and attorneys to design the fee or fees. This team must be tasked with rigorously evaluating each of the Agency’s projects and services, identifying which elements qualify for funding through a fee, and drafting a supporting fee study.

Figure 3 below summarizes the estimated budget and durations for key tasks required to implement a regulatory fee. Engaging dedicated consultants for each step is strongly recommended.

Figure 3 - Regulatory Fee Implementation

Task	Approximate Budget	Approximate Duration* (months)
Planning	\$25,000	3
Survey and Polling	\$40,000	3
Revenue Study	\$150,000	6
Balloting	\$0	0
Outreach	\$50,000	3
Total	\$265,000	12 to 15

**Certain tasks may be conducted concurrently with others.*

Property-Related Fees to Fund Agency Operations

The implementation of property-related fees to support eligible Agency activities is more expensive but more flexible than regulatory or service fees, and still less costly than a special tax. Therefore, property-related fees should be considered in both balloted and non-balloted forms, as explained below.

The Agency's existing \$7.80 annual charge on all households for the disposal of household hazardous waste, enacted by its ordinance entitled "An Ordinance Establishing a Household Hazardous Waste Collection and Disposal Fee," is a property-related fee exempt from the balloting requirement. In fact, this mechanism has proven legally sound and has withstood significant legal challenges as in *Crawley v. Alameda County Waste Management* (2015).

Property-related fees were first defined by Proposition 218 in 1996 with the intent to fund essential services like water, sewer, and refuse collection (solid waste). Over time, they have been more broadly applied to stormwater management, weed control and hazardous waste disposal.

Property-related fees must meet the following criteria:

- Revenues derived from the fee shall not exceed the funds required to provide the property-related service.
- Revenues derived from the fee shall not be used for any purpose other than that for which the property-related fee was imposed.
- The amount of a property-related fee imposed on any parcel or person as an incident of property ownership shall not exceed the proportional costs of the service attributable to the parcel.
- No property-related fee may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees based on potential or future use of service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and require compliance with the assessment section of the code.
- No property-related fee may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services where the service is available to the public at large in substantially the same manner as it is to the property owners.

Proposition 218 imposes specific procedural requirements for imposing or increasing property-related fees. There are two distinct steps:

1. Protest Period: This begins with a notice of the fee mailed to each property owner and a 45-day period during which property owners may file written protests, culminating in a public hearing. If the owners of a majority of the parcels affected by the rates file a written protest, the agency cannot impose the fee. If a majority protest is not formed, the agency may move to the second step.
2. Ballot Proceeding: The agency submits the fees to the electorate, consisting of the affected property owners. Each parcel counts as a vote, and the fee is approved if more votes are cast in favor than against it.

Most significantly, “Except for fees or charges for sewer, water, and refuse collection services, no property-related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners of the property subject to the fee or charge.” In other words, Proposition 218 exempts fees for water, sewer and refuse collection from the balloting requirement.

To Ballot or Not To Ballot

Proposition 218 clearly exempts the balloting requirement for the implementation of property-related fees used to support refuse collection. However, since many of the Agency’s services are supportive of, but may not be narrowly considered specifically “refuse collection,” an evaluation should be conducted to determine applicability of this exemption.

If it is determined that some or all of the Agency’s property-related services do not qualify for the refuse collection exemption, a balloting process could be conducted at the reasonable threshold of 50%, with one vote per parcel.

Revenue Estimates for Property-Related Fees

Although a nexus is required between costs of service and the fee rate, property-related fees are often set at rates that are lower than the actual costs, particularly for fees that are balloted.

Figure 4 below shows the estimated potential revenue generated for all property types. (These approximate rates are based on previous rates for similar efforts in the San Francisco Bay Area and would be further refined through polling.)

Figure 4 - Property-Related Fee Revenue Potential - All Property Types

Property Type	Quantity ¹	Rate	Revenue
Residential (1 - 4)	448,200	\$10.00	\$4,482,000
Multi-Family (5+)	176,300	\$2.50	\$440,750
Commercial ²	21,000	\$20.00	\$420,000
Total			\$5,342,750

¹ Estimated units/parcels are based on Alameda County Assessor’s data.

² Commercial parcels include commercial, school, and institutional properties.

Note: Publicly owned parcels, such as those housing office buildings like City Hall, courthouses, and fire departments, were not included in the parcel count. Additional research is required to accurately identify these properties. Furthermore, fees for public parcels must be invoiced directly to the public agency, as they cannot be included on the property tax bill.

Pros and Cons to a Property-Related Fee

Pros

- **Moderately Quick Adoption:** Property-related fees can be adopted relatively quickly compared to other funding mechanisms, such as special taxes, which require a ballot measure on a regularly scheduled election. Once the cost-of-service study and public hearings are completed, the fee can be imposed directly on property tax bills or as a separate bill. Even if balloting is required, the process is still quicker than implementing a special tax.
- **Moderately Cost-Effective Implementation:** The implementation of property-related fees is generally less costly than other funding mechanisms that require voter approval. The primary costs involve the cost-of-service study and the printing and mailing of the notices. While balloting, if required, will increase costs, it is still less expensive than a special tax.
- **Easy to Explain and Administer:** Property-related fees are simple to explain because they follow a clear cost-of-service model, where the fee is based solely on the cost of providing services to the property. They are also relatively easy to administer because they require well-defined calculations for proportional costs, making them easier to justify and defend legally.
- **Collect on Property Taxes:** Property-related fees can be collected on annual property taxes which provide significant administrative convenience and revenue reliability.

Cons

- **New or Increased Fees:** Property owners might resist increases or the introduction of new fees or increases for waste management services, particularly if they are unfamiliar with the Agency's role or existence.
- **Legal Limitations:** The revenue generated from property-related fees must be directly connected to the property and proportionate to the cost of the service provided. The strict proportionality requirements of Proposition 218 can pose significant constraints. This legal framework ensures fees are fair but also limits flexibility in funding broader waste management services.

Next Steps to Implement a Property Related Fee

Figures 5 and 6, on the following page, summarize the approximate budgets and time required for the primary tasks required to implement non-balloted and balloted property-related fees, respectively. It is strongly recommended to engage dedicated consultants for each step.

Figure 5 - Property Related Fee - Non-Balloted Implementation

Task	Approximate Budget	Approximate Duration* (months)
Planning	\$25,000	3
Survey and Polling	\$60,000	6
Fee Study	\$150,000	6
Noticing	\$450,000	6
Balloting	\$0	0
Outreach	\$250,000	3
Total	\$935,000	21 to 24

**Certain tasks may be conducted concurrently with others.*

Figure 6 - Property Related Fee - Balloted Implementation

Task	Approximate Budget	Approximate Duration* (months)
Planning	\$25,000	3
Survey and Polling	\$60,000	3
Fee Study	\$150,000	9
Noticing	\$450,000	6
Balloting	\$550,000	6
Outreach	\$500,000	6
Total	\$1,735,000	24 to 33

**Certain tasks may be conducted concurrently with others.*

Special Tax to Fund Agency Operations

A special tax, if approved by Alameda County voters, would be the easiest to administer, most flexible, and most legally and politically stout of the viable revenue mechanisms under consideration. However, it is also the most time-consuming, costly and politically challenging to implement. Hence, the Agency should consider it only after options for regulatory/service fees and property-related fees have been fully explored.

Special taxes are decided by registered voters and require a two-thirds majority for approval. They are familiar to Californians and are commonly used to fund various services, projects, and programs. They are generally legally robust, offer broad flexibility, and can often support debt issuance, such as loans or bonds. The joint powers agreement that established the Alameda County Waste Management Authority would need to be amended by the member agencies for the Agency to be authorized to place a special tax on the ballot.

Special taxes can also be proposed through the voter initiative process. The voter approval threshold for a voter initiative is 50% instead of 66.7%. As a result, voter initiatives have a significantly higher likelihood of passing. However, this process requires the voter group sponsoring the measure to collect a significant number of signatures (10% of the number of votes cast within the County for all candidates for Governor in the last gubernatorial election) to place the measure on the ballot. Public agencies may not pay the costs for qualifying a voter initiative.

Revenue Estimates for Special Taxes

Figure 7 below illustrates the approximate potential rates per residential unit and commercial parcel required to generate approximately \$5.3 million annually to cover the operational deficit. The advantages of this option include long-term sustainability and reduced legal risk, but it will require continued reliance on existing fees to cover the remaining operational expenses.

Figure 7 - Special Tax - Balloted Revenue Potential

Property Type	Quantity ¹	Rate	Revenue
Residential (1 - 4)	446,900	\$10.00	\$4,469,000
Multi-Family (5+)	147,106	\$3.00	\$441,318
Commercial	21,000	\$20.00	\$420,000
Total ²			\$5,330,318

¹ Estimated units/parcels are based on Alameda County Assessor's data.

² Parcels that are entirely tax-exempt and publicly owned are not included in the count, as they are typically exempt from special taxes.

Pros and Cons to Special Tax

Pros

- Dedicated Revenue Stream: Special taxes provide a dedicated funding source for specific projects or services. This ensures predictable budgeting and prevents funds from being diverted to other uses.
- Financial Sustainability: These taxes support long-term financial sustainability of utility services by allowing adjustments based on service delivery costs, inflation, and other economic factors. However, future increases to keep pace with inflation must be stated in the ballot measure, such as indexing to the Consumer Price Index or setting a fixed annual percentage increase.
- No Proportionality Requirement: With no proportionality requirement, the financial analysis is simpler, and the tax structure offers more flexibility. Additionally, popular exemptions such as for low-income residents and seniors can be incorporated.

- Easy to Administer: Special taxes are straightforward to administer due to their simple structure and clear guidelines; they are typically collected through the annual property tax bill. The reduced complexity minimizes the administrative burden.
- Easy to Explain: Special taxes are easy to explain because their specific purpose is clear, which helps in gaining public support. The funds typically go toward projects or services that directly benefit the community, making it easier to show taxpayers the value and positive impact of the special tax.
- Greatest Flexibility to Use: Special taxes offer significant flexibility as they are not tied to specific formulas or proportionality requirements and can cover a broad range of services. This allows the Agency to design a methodology that meets their needs, including adding an annual inflation factor, or exemptions, enabling them to adapt to changing circumstances or projects effectively.
- Collect on Property Taxes: Special Taxes can be collected on annual property taxes which provide significant administrative convenience and revenue reliability.
- Possible Expiration Date: Over the last 20 years, most special taxes have been proposed to voters with expiration dates (also known as “Sunset provisions”), and this has become very popular with voters as it arguably provides a sense of oversight, control and non-permanence. Sunset provisions typically require that a tax is retired anywhere from 5 years to 19 years with 9 or 10 years being the most common.

Cons

- High Voter Approval Requirement: The two-thirds majority requirement is a significant hurdle, necessitating a strong and well-organized campaign to achieve voter approval. This is a major challenge. The agency may provide objective information about the measure but is not allowed to campaign in support; the same is true of the member agencies. The campaign would need to be carried out by supporters in the community.
- Expensive Implementation: The implementation of a special tax is significantly more costly than other funding mechanisms. The primary expenses are associated with administrative oversight for placing the measure on a ballot and election services.

Next Steps to Implement a Special Tax

Figure 8 below summarizes the approximate budgets and time requirements for the primary tasks required to implement a special tax. Engaging dedicated consultants for each step is strongly recommended.

Figure 8 - Special Tax Implementation

Task	Approximate Budget	Approximate Duration* (months)
Planning	\$25,000	3
Survey and Polling	\$60,000	3
Tax and Ballot Documents	\$75,000	6
Balloting	\$2,500,000	24
Outreach	\$1,000,000	12
Total	\$3,660,000	24 to 48

**Certain tasks may be conducted concurrently with others.*

Summary of Recommendations and Next Steps

A summary of the budgets and time requirements for the four recommended funding mechanism approaches is included in Figure 9 below.

Figure 9 - Approach Summary

Approach	Approximate Budget	Approximate Duration (months)
Regulatory Fee	\$265,000	12 to 15
Property Related Fee - Non Balloted	\$935,000	21 to 24
Property Related Fee - Balloted	\$1,735,000	24 to 33
Special Tax	\$3,660,000	24 to 48

Following is a summary of the recommended steps:

- Planning and Input: Perform an overall evaluation of recommended funding mechanisms considering legal, political and administrative factors.
 - Legal and Regulatory Analysis: Begin by reviewing relevant state and local laws to assess the Agency's ability to impose regulatory/service fees, property-related fees, or special taxes. This includes evaluating compliance with mandates from legislation such as SB 1383, AB 341, and AB 1826, and ensuring all legal standards and

restrictions are met. Identify any required approvals or voter consent. For property-related fees, ensure compliance with Proposition 218 and majority protest procedures.

- Stakeholder and Elected Official Input: Engage key community stakeholders, including environmental groups, the business community, and homeowners' associations, to gather input and build support.
- Community Input and Polling: Conduct a comprehensive community poll or survey to gauge public priorities, acceptable rates, and preferences for funding waste management and reduction initiatives. This data will provide valuable insights into resident attitudes towards potential funding mechanisms. Understanding public sentiment will enable the Agency to craft a plan that garners broader acceptance, thereby enhancing program sustainability and maximizing community buy-in.
- Develop Implementation Plan: Develop and execute a detailed implementation plan, addressing timelines, billing systems updates, customer notification processes, and administrative setups for fee or tax collection. Ensure the plan accounts for all logistical and operational challenges during implementation.
- Start with Regulatory/Service Fees: The Agency should first implement Proposition 26-compliant fees, which offer a quick and cost-effective way to generate significant revenue within legal parameters.
- Consider Non-Balloted Property Related Fee (if needed): If additional revenue is required, consider introducing a Proposition 218-compliant, non-ballot property fee via mailed notices, similar to the existing household hazardous waste fee. This approach leverages the "refuse collection" exemption and bypasses a lengthy voting process.
- Consider Balloted Property Related Fee (if needed): A Proposition 218-compliant, property-related fee requiring a property owner vote should be pursued only if additional funding for property-related services is essential. Although this option secures funds for specific activities, it involves a more complex and costly process.
- Special Tax for Comprehensive Solution: For the most comprehensive funding approach, the Agency could pursue a Proposition 13 and 218-compliant special tax. This option requires registered voter approval and offers the most flexibility but comes with the highest implementation costs.
- Monitoring and Evaluation: Once implemented, continuously monitor the performance of the fee or tax. Ensure it adequately covers the costs of regulatory activities and adjust as needed based on evolving costs, regulatory requirements, or effectiveness.

- Reporting and Transparency: Regularly report on the use of fee or tax revenues and the outcomes of funded activities. Maintaining transparency is critical for sustaining stakeholder trust and compliance.

There are several other elements of a funding mechanism the Agency should consider that apply to all of the recommended approaches:

- Consumer Price Index Adjustment: It is highly recommended, and common practice, to include an annual rate escalator mechanism approved by the board and linked to a Consumer Price index.
- Sunset Clause: While some funding mechanisms include an expiration date or “sunset” provision to appeal to voters, it is not recommended here, given the fact that the Agency’s operational costs are perpetual.
- Senior Exemptions: Exemptions or discounts for property owners aged 65 years and older are sometimes included with funding mechanisms, especially for school district bond measures, as they tend to increase senior voter support.
- Low-Income Exemptions: Exemptions for low-income property owners are common and highly recommended. Most voters support such exemptions and the overall impact on revenue is minimal.
- Ratepayer equity: Efforts should be made to ensure rates for different property uses are fair and equitable.

**October 2025
Meetings Schedule**

**Alameda County Waste Management Authority, the Energy Council, Source Reduction &
Recycling Board, and Programs and Administration Committee**

(Hybrid meetings are held at StopWaste Offices unless otherwise noted)

SUN	MON	TUES	WED	THURS	FRI	SAT
			1	2	3	4
5	6	7	8	9 9:00 A.M. Programs & Administration Committee Key Items: 1. Grants update 2. Compost application on sports fields <hr/> 6:00 P.M. Planning Committee & Recycling Board (Location: CVSan, Castro Valley) Key Items: 1. Grants update 2. Compost application on sports fields	10	11
12	13 AGENCY HOLIDAY	14	15	16	17	18
19	20	21	22 3:00 P.M. Waste Management Authority & Energy Council Key Items: 1. Fall legislation update 2. Leases at Altamont property	23	24	25
26	27	28	29	30	31	

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Energy Council
TECHNICAL ADVISORY GROUP (TAG)
Tuesday, August 19, 2025 – 1:00 pm to 1:30 pm

Attendance (all virtual):

Alameda County: Naomi Shroeder (Fellow)

City of Alameda: Danielle Mieler, Jenna MacKouse (Fellow)

City of Albany: Michelle Plouse

City of Berkeley: Sarah Moore

City of Emeryville: Violet Rice (Fellow)

City of Fremont: Kranti Kapur

City of Hayward: Erik Pearson, Mireille Vargas, Stephanie Dumont

City of Oakland: Shayna Hirshfield-Gold, Nick Kordesch, Adam Barr

City of San Leandro: Kimberly Anderson, Kerry Parker

City of Union City: Mayank Patel

StopWaste: Emily Alvarez, Miya Kitahara, Natalia Guerrero, Maria Hart, Robin Plutchok

Introductions

Ask TAG!

- Hayward: Which jurisdictions are working on a reach code this fall? Is it scheduled for a committee or council meeting?
 - Hayward is considering an electric ready ordinance that will go to its Sustainability Committee on 9/8. Going to use the General Plan exemption in AB 130.
 - City of Alameda is taking an electric-ready and A/C to heat pump code that will go straight to council in October and is also using the General Plan exemption.
 - Berkeley is looking into it.
- Berkeley asked when the TECH Clean California heat pump rebates will be available again? We have gotten word they are coming back, but are unsure when.

Alameda's Climate Action and Resilience Plan (CARP) – Danielle Mieler, City of Alameda

- City of Alameda adopted a clean up and refresh of their CARP in April 2025 (before AB 130), and will do a more comprehensive update in 2030
 - The big change from the original adoption in 2019 is that the plan has become an umbrella for many different plans in the city adopted since then: including the Local Hazard Mitigation Plan, the Equitable Building Decarbonization Plan, the Urban Forest Plan, the Zero Waste Plan, the Active Transportation Plan, and more.
- The City set a new vision to be carbon neutral and build community resilience in ways that enhance the quality of life and reduce the burden on vulnerable communities
- This Plan contains four goals: carbon neutrality, resilience, education and activation, and city leadership
- Alameda conducted a GHG inventory for 2022 (which was the first since 2015), on emissions primarily from transportation and buildings
 - The Goal is a 50% reduction in emissions by 2030, having achieved a 29% reduction so far
 - Per capita and per service population emissions are down 31% and 40% respectively

- The big driver of these reductions was clean power from AMP (100% renewable since 2020) and natural gas emissions being reduced since 2005, but in recent years have been increasing a little.
- Similarly, VMT is down 6% overall but increasing a little bit since Covid.
- To meet the reduction goal, and assuming an additional 10% reduction from state/regional policies, they would need an 11% reduction from local policies over the next 5 years.
- Alameda staff are building out a metrics dashboard in PowerBI, with cleaned up metrics aligned with data that can be collected.
- Implementation highlights include:
 - Public EV charging:
 - Agreements and selected providers are in place to install more curbside chargers with both level 2 & fast charging at city parking lots
 - The first 10 curbside chargers were provided at no-cost to the city, funded by [It's Electric](#)
 - Building electrification:
 - Rebates provided to customers through AMP
 - AMP's lower rates than PG&E make electrification more viable
 - Hosted home electrification fair in May 2025
 - Review of permit fees, lower fees for electrification and seismic upgrades
 - Working on a reach code for 2025
 - Sea level rise adaptation:
 - Working with consultants for shoreline adaptation plan to meet BCDC requirements
- Hayward asked if the Alameda reach code considered the Berkeley court ruling or AB 130?
 - General Plan specifically mentions reach codes so feels there is good coverage
 - They did consider the court rulings, and they are exploring policy options for encouraging electrification

BayREN Single Family Program Update – Natalia Guerrero, StopWaste

- Since the program launched, we have scheduled 55 site visits, completed 25 visits, and 19 projects are moving forward with scheduling upgrades.
 - This is a 60% conversion rate, likely due to strong community partner leads which have been our priority so far. Conversion may drop off as we start more general outreach.
- As of August 5, the program is open to all of Alameda County and we encourage all jurisdictions to promote it!
 - TAG members received an email request to include information on EASE in your next city newsletters.
 - Reminder: EASE collateral, social media posts, website language, and more are on the BayREN website that you are free to use.
- A mailer will be going out next week and we will be joining more in-person events.
 - Our County Goal is to complete 126 projects by March 2026.
- This program is being consolidated into cohorts so that site visits and installs can be grouped in geographically close locations for efficiency. Alameda County is in an outreach push through September, when the outreach focus will shift to other counties even though this program will still be open for everyone.
 - We will continue to provide updates to TAG on the pipeline.

Announcements

- Energy Council Board update - no Board meeting in August - next one is Sept 24, 2025.
- BayREN announcements:
 - Public Program provides Energy Concierge Office Hours - 8/27/25 11:00 am - noon. Info on Clean Energy Tax Credit info updates this time! [More info here.](#)
 - Next BayREN Codes & Standards forum is **in person only** on September 17- topic will be municipal building upgrades! Please come and invite your facilities staff.
- On August 27, Greenbelt Alliance is honoring some “Hidden Heroes” from our community. [Watch this video highlighting Danielle Mieler of Alameda!](#)
- USGBC NorCal Women in Green Celebrate Reuse event in San Leandro 9/25/25 at 5:00 pm: <https://www.eventbrite.com/e/celebrate-reuse-tickets-1317785765699>

Energy Council
TECHNICAL ADVISORY GROUP (TAG)
Tuesday, September 16, 2025 – 1:00 pm to 2:00 pm

Attendance (all virtual):

Alameda County: Emily Sadigh, Naomi Shroeder (Fellow)
City of Alameda: Danielle Mieler
City of Albany: Michelle Plouse
City of Berkeley: Sarah Moore
City of Emeryville: Violet Rice (Fellow)
City of Fremont: Kranti Kapur, Allyn McAuley
City of Hayward: Erik Pearson, Mireille Vargas
City of Oakland: Shayna Hirshfield-Gold, Nick Kordesch, Adam Barr
City of Piedmont: Deniz Ergun
City of Pleasanton: Megan Campbell
City of San Leandro: Kimberly Anderson
City of Union City: Mayank Patel
Guests: Cait Cady, Ava Community Energy and Cara Bautista-Rao, SFE
StopWaste: Jennifer West, Emily Alvarez, Maria Hart, Ben Cooper, Robin Plutchok

Introductions

- Launched a poll to gather information about jurisdictions that will host Fellows next year and on the October in-person TAG meeting

Ask TAG!

- Hayward noted that they received a template resolution from RMI and the Building Decarb Coalition supporting the Air District's Zero NOx appliance rules.
 - Potential topic for October TAG meeting
- Hayward - Last week staff received several calls from residents who received letters from [The California Energy Initiative](#).
 - City of Piedmont had a similar call from a resident but the program was offered only by PG&E. Gave homeowner some things to think about and potential flags to look out for.
 - Deceitful programs harm and confuse residents.

BayREN Commercial Programs Update – Cara Bautista-Rao, SFE

BayREN Business – Ben Cooper is the Alameda County representative for this program

- BayREN Business is an outcome-based upgrade program for small businesses in the Bay Area which installs upgrades, often covering the cost, and monitors energy use post-upgrade
- Several examples of businesses were shared that have gone through the program
- The Program prioritizes equity and only serves hard to reach (HTR), small businesses
 - HTR defined by the CPUC includes: in disadvantaged communities (DACs) or tribal lands, rural areas, 25 or fewer employees, lease or rent space, and/or non-English speaking communities
 - May need to fit more than one category to qualify

- The Program uses data and technology to pay incentives for actual energy savings, not estimated
 - The incentives allow monitoring so contractors can troubleshoot underperforming projects
- It pays higher incentives to encourage Aggregators/Contractors to participate
 - Businesses are not solicited directly as they are reached through the Aggregator/Contractor which makes it easier for businesses to participate
 - The rebates are paid directly to the Aggregator/Contractor, many of which are small businesses themselves
 - Right now, lighting and refrigeration upgrades are offered, and the program plans to expand by recruiting more diverse contractors
- Last year about 20% of total applications were from Alameda County in the region
 - In 2024, the projected savings were 254,000 kWh and 171 avoided MTCO_{2e}
 - The average incentive is \$15k/project
 - Top sectors served are food service, bars, and restaurants
- Currently open for additional project applications
 - Go to the website (BayRENBusiness.org), and access a 1-page info sheet in English, Chinese, and Spanish, case studies, and county outreach toolkit
 - Alameda County contact is Ben Cooper at StopWaste
 - Current participation is driven primarily by Aggregators/Contractors, though in some counties positive results have come from active county outreach

BayREN Refrigerant Replacement (BRRR)

- BRRR Program focuses on replacing refrigerants in small restaurants and food serving businesses and floral sector
- Refrigerants can be 1000s times more potent in harmful emissions than CO₂
 - Currently policies are phasing down HFC refrigerants which are common in the commercial sector. Federal policies aim to reduce HFCs 80% by 2036
- Refrigeration systems use a lot of energy, around 50-60% of consumption in convenience and grocery stores
- This program serves the same HTR businesses as defined in the Business program
- BRRR offers rebates, maintenance training, and contractor referrals for ongoing maintenance
 - Rebates are offered to swap out high GWP (Global Warming Potential) refrigerants for lower ones, repair leaks, and install new equipment
- The business must have a remote condenser unit to qualify for program
 - If there is a remote condenser unit, BRRR may also cover walk in coolers and freezers, reach-in coolers and freezers, and evaporator coils
 - Standalone units that have built in condenser units are not eligible
 - Other common components include insulation, door closures, and refrigerant lines
- A soft launch in the North Bay (Marin, Napa, and Sonoma counties) has tested program design
 - The goal is to complete 20 projects under the current design, with a \$30k rebate cap per project
 - Learning from the first round of projects shows that many exceed the rebate cap, so the team will refine the scope and potentially offer non-profits a higher amount
 - Contractors are often scoping full replacement vs. repair of equipment to reduce liability, but this makes the costs higher

- We will adjust the program and roll it out to the region in 2026. Some changes include: Capping the customer copay at 20%, eliminating the \$30k cap, and requiring equipment to be replaced to be older than 5 years

City of Albany Heat Pump Program Update – Michelle Plouse, City of Albany

- This program has offered rebates for ducted and ductless heat pump HVAC and panel upgrades (with heat pump) for the past three years
 - Standard rebate for everyone (\$1k), with larger amounts for moderate (\$3k) and low-income households (\$6k). This meant an increase in low-income households served.
 - All buildings are eligible, including multifamily, with a cap of one rebate per housing unit
 - Can use any contractor
 - Must apply within 4 months of receiving a permit
- So far, 112 rebates have been reserved or paid totaling over \$170k
 - 11 low-income, 9 moderate-income and the rest “standard”
- Popularity is growing in Albany for installing Heat Pumps with 75% of HVAC permits last year as heat pumps
 - Not all people installing heat pumps are applying for the rebate
 - HPWHs are lagging (42% of water heater permits), and they seem more sensitive to rebates which come and go
 - It is unknown how many heat pump installations are not pulling permits, but certainly some based on assumptions
- With this data, Albany initiated a shift in their program to prioritize water heaters
 - They introduced a new HPWH rebate of \$500 for standard, \$1500 for moderate, and \$3000 for low-income households
 - The amount is based on permit data averages for incremental cost of HPWH over gas water heater installations
- To balance the overall budget of the city program, they ended standard HVAC rebates
 - Increased the low-income ductless HVAC rebate to cover multiple HVAC units (like mini-splits)
- The program does not require the replacement of gas equipment
 - They wanted ADUs to be eligible and reduced the need for city staff to verify the removal of gas
- About 20% of heat pump installs are also receiving the electric upgrade rebate, and the city is encouraging encourage panel optimization
 - The program does not cover wiring
- The funding source for the program is the City’s General Fund with a utility users tax passed in 2020 with the intent of using 1/3 of that increase in revenue for climate action

Announcements

- CPUC Workshop 9/22/25 on Priority Zones for Neighborhood Decarbonization
- Next BayREN Codes & Standards forum will be on municipal building upgrades on 9/17/25
- USGBC NorCal Women in Green Celebrate Reuse event in San Leandro 9/25/25 at 5:00 pm: <https://www.eventbrite.com/e/celebrate-reuse-tickets-1317785765699>