Recycle Smart
Central Contra Costa Solid Waste Authority

1850 Mt. Diablo Blvd., Ste. 320
Walnut Creek, CA 94596

Telephone: 925.906.1801 *Fax:* 925.906.1805
Email: authority@wastediversion.org
Website: www.wastediversion.org
Facebook: www.facebook.com/CCCSWA

BOARD OF DIRECTORS REGULAR MEETING

AGENDA

FEBRUARY 24, 2022 – 3:00 P.M.

Teleconference/Public Participation Information

This meeting will be held ***exclusively*** via teleconference participation of a quorum of Board members in locations not open to the public in compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. The purpose of the orders is to provide the safest environment for staff and the public consistent with Contra Costa County Health Services' current public health recommendations, while allowing the public to observe and address the Board.

For this meeting, there will be no physical location from which members of the public may observe the meeting. Instead:

- Members of the public are welcome to submit written comments via email to the Board Secretary at Authority@RecycleSmart.org prior or during the time for public comment at the meeting. The Board Secretary will share all comments with the Board at the meeting and make them part of the public record.

- Members of the public are also welcome to observe and address the Board telephonically, at the appropriate time for public comment during the meeting, following these instructions:

  Link to join Webinar: **https://us02web.zoom.us/j/85332589396**

  Or iPhone one-tap: **1-669-900-6833 or 1-408-638-0968**

  Webinar ID: **853 3258 9396**

  During the meeting, the Chair will call for public comment. If you wish to address the Board, please so indicate at that time and the Chair will add you to the speaker list and call your name when it is your turn.

Note: To improve everyone's opportunity to participate, please mute your computer or phone until you are called to speak.

In accordance with the Americans with Disabilities Act, California Law, and the Governor's Executive Orders, it is the policy of the Central Contra Costa Solid Waste Authority to offer its public meetings in a manner that is readily accessible to everyone, including those with disabilities. Any individual with a disability may request reasonable modifications or accommodations so that they may observe and address the Board at this teleconference meeting. If you are disabled and require special accommodations to participate, please contact the Board Secretary at least 48 hours in advance of the meeting at Authority@RecycleSmart.org with the following information: name, phone number, email, and type of assistance requested.

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

When addressing the Board, please state your name, company and/or address for the record. There is a three-minute limit to present your information. (The Board Chair may direct questions to any member of the audience as appropriate at any time during the meeting.)

3. CONSENT ITEMS

All items listed in the Consent Calendar may be acted upon in one motion. However, any item may be removed from the Consent Calendar by request by a member of the Board, public, or staff, and considered separately.

a. Approve Minutes of the Regular Board Meeting on January 27, 2022*
b. Adopt Resolution 2022-03, Approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361*
c. Receive Fiscal Year 2020-2021 Financial Statements and Independent Auditors' Report*
d. Receive Fiscal Year 2021-2022 Mid-Year Budget Report*

4. PRESENTATIONS

a. Mt. Diablo Resource Recovery Annual Recycling Update
Kish Rajan, Chief Administrative Officer, MDRR

5. INFORMATION ITEMS

These reports are provided for information only. No Board action is required.

a. Report on Assembly Bill 1276*
b. Executive Director's Report*
c. Future Agenda Items*
d. News Articles of Interest*

6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

7. ADJOURNMENT

**Corresponding Agenda Report or Attachment is included in this Board packet.*

REVISED DRAFT REGULAR BOARD MEETING OF THE CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY HELD ON JANUARY 27, 2022

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened exclusively via teleconference participation of a quorum of Board Members in locations not open to the public in compliance with Assembly Bill (AB) 361 and its amendments to California Public Resources Code Section 54953(e), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. This meeting had been held during a proclaimed state of emergency, and state and local officials had imposed or recommended measures to promote social distancing, while allowing the public to observe and address the Board after submitting written comments via email to the Board Secretary at Authority@RecycleSmart.org prior to or during the time for public comment at the meeting.

Chair Matt Francois called the meeting to order at 3:00 P.M. on January 27, 2022.

PRESENT:	Board Members:	Candace Andersen
		Newell Arnerich
		Gina Dawson*
		Matt Francois, Chair
		Teresa Gerringer
		Inga Miller
		Karen Mitchoff
		Renee Morgan*
		Teresa Onoda
		Cindy Silva
		Renata Sos, Vice Chair
		Amy Worth
		*Arrived after Roll Call
ABSENT:		None

Staff members present via teleconference: Ken Etherington, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Wendy Nelson, Finance/Controller Manager; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; Ashley Louisiana, Program Manager; and Deborah L. Miller, CCCSWA Counsel.

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

No written comments were submitted, or oral comments made, by any member of the public.

3. CONSENT ITEMS

a. Approve Minutes of the Regular Board Meeting on December 9, 2021

b. Adopt Resolution 2022-01, Approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361

c. Adopt a CCCSWA Employee Compensation Policy

MOTION by Board Member Andersen to approve Consent Items a., b. and c. SECOND by Board Member Miller.

MOTION PASSED unanimously by a Roll Call vote.

4. PRESENTATIONS

a. Transparency Certificate of Excellence from the Special District Leadership Foundation
Colleen Haley, California Special Districts Association (CSDA)
Jen Fraught, Contract Compliance Specialist, RecycleSmart

Jen Faught, Contract Compliance Specialist, reported that RecycleSmart had pursued and had been awarded a Transparency Certificate of Excellence from the CSDA's Special District Leadership Foundation.

COLLEEN HALEY, CSDA, reported that the Central Contra Costa Solid Waste Authority had been a member of the CSDA since 1996. She highlighted the CSDA that had been created as a way for Special Districts and other members to showcase their efforts at transparency to the general public, and noted it required a great deal of staff work to put the information together when applying for a Transparency Certificate of Excellence. She stated the Special District Leadership Foundation was an arm of CSDA, a 501 C3 not-for-profit dedicated to promoting excellence in Special Districts through recognition programs that highlighted and focused on implementation and governance best practices, which was open to all California JPAs as well as cities, counties and other associated members. She described the four programs available for recognition, identified the subjects and criteria involved, emphasized the importance of transparency, and presented the Transparency Certificate of Excellence to the CCCSWA Board of Directors.

Board Members thanked staff for the effort and receipt of the award, verified that presentations to the Board and contracts were routinely placed on the RecycleSmart website after each meeting, and to further transparency requested that all attachments as part of each month's Board packet be posted at the time of distribution of each Board packet.

b. 2020-2021 Annual Schools Program Report
Ruth Abbe, Schools Program Coordinator, Abbe & Associates

Ms. Faught introduced Ruth Abbe, Amanda Halte and Nancy Deming from Abbe & Associates to present the 2020-2021 Annual Schools Program Report.

RUTH ABBE presented the Annual Report and the progress being made towards the 75 percent waste diversion goal. She recapped the 2020-2021 activities, described how that had been done over Zoom, and highlighted the presentations and assemblies that had been produced along with the training that had occurred.

Ms. Abbe reported that 50 out of 68 schools were at a 50 percent or greater diversion, 20 schools were at 75 percent or greater diversion, and 63 percent measured the diversion rate area-wide, noting that the diversion percentage had decreased somewhat from the prior year given a number of factors related to COVID-19. She expected the percentage to grow this year. She also presented the diversion rates by School District and highlighted the student engagement.

AMANDA HALTE identified the scholarships offered to high school students and stated the application would be on the website soon for the 2022 program. A Student Internship program had doubled this year with 15 students working on projects that could be done with a specific school or joint projects that could benefit multiple schools. She described the multiple ways the Abbe team had been working with passionate students and the results from all those efforts. She reported that Devin Jack, a Foothill Middle school teacher, and Devon Bradley from Miramonte High School had received Leadership in Sustainability Awards at the 13th Annual Leadership in Sustainability with Sustainable Contra Costa. She also commented that despite the pandemic students in Orinda had successfully pursued a polystyrene ban through the Orinda City Council.

Board Member Worth asked if it would be possible that the high school groups, such as the environmental clubs, could work with homeowners to help with awareness and education to address organics recycling.

In response, Ms. Halte explained that students' green teams were brainstorming park cleanups, education on alternative diets that might be better for the environment, group summits to educate on food waste reduction and proper sorting and screenings. She noted that educating the students at school about recycling and diversion would help to educate parents. She also noted that the Schools Team frequently remained in touch with some of the students who were passionate about waste and recycling issues.

5. <u>ACTION ITEMS</u>

a. <u>Solid Waste Collection Maximum Rates for Rate Year 8</u>
Adopt Resolution 2022-02, Adopting Maximum Rates for Solid Waste Services for Rate Year 8 (March 1, 2022 through February 28, 2023).

Executive Director Ken Etherington noted that the process for Rate Year 8 had started in July, with meetings with each member agency in October and November. Draft rates had been presented to the Board in December and this action item would approve those rates, which would become effective March 1, 2022.

ERIK NYLUND, Crowe LLP, highlighted the process that had culminated in December. There had been no changes to the rate adjustment results since then. He recapped the Franchise fee levels and vehicle fee levels, noted the minor adjustments that had previously occurred to vehicle fee amounts for some of the jurisdictions, and summarized the proposed RY8 rate adjustments ranging from 1.5 percent to 3.88 percent and their impact on the residential 32-gallon carts and 2 cubic yard bins. He also presented the results of the comparative rate survey of neighboring jurisdictions.

In response to Board Member Miller as to how the schools were handled in the contract, the cost of those collections, how and who paid for those costs, and where that information would be located, Mr. Etherington stated he would have to research that information and report back.
Chair Francois referred to a reference in the staff report for a projected revenue shortfall of $2.5 million before the RY8 rate adjustment, and verified with Mr. Nylund that the RY8 adjustment should cover that shortfall, which was the purpose of the revenue requirement.

It was also clarified that each jurisdiction had a dollar amount it had to meet and could either use reserves or raise rates, which could also include schools.

No written comments were submitted, or oral comments made, by any member of the public.

Board Member Worth suggested it would be helpful that the methodology for the base rate be explained to any member agency that needed it.

MOTION by Board Member Arnerich to Adopt Resolution 2022-02, Adopting Maximum Rates for Solid Waste Services for Rate Year 8 (March 1, 2022 through February 28, 2023). SECOND by Board Member Silva.

MOTION PASSED unanimously by a Roll Call vote.
(Board Member Morgan later advised that she was having technical difficulties and could not access the meeting to vote on this item.)

b. CCCSWA Franchise Contracts
Consider offers from Mt. Diablo Recycling and Allied Waste Systems (Republic Services) relative to recyclables processing, and give direction to staff regarding those offers and/or another procurement approach for future Franchise Agreement(s).

Mr. Etherington explained that the item had been considered by the Board at a workshop in July 2021 and at a Board meeting in September 2021, given that the Republic Services contract would expire in 2027, which included a two-year extension. The Mt. Diablo Recycling (MDR) contract would expire in February 2025, with no extension. He explained that while Republic Services offered garbage collection, recycling, green waste, food waste, and the processing of organics, MDR offered only the processing of recyclables and the Reuse Program. Also, while MDR used to have extensions in its contract, with the settlement and contract amendment in 2019, MDR had removed the extension in that contract. As a result, the contracts no longer coincided. He added that the agency used to get $55/ton from MDR but we now pay $64.80 for the recyclables to be processed. He explained that if the Board wanted to pursue a Request for Proposal (RFP) for the recycling processing services and Reuse Program that would have to be ready to pursue by October 2022. If an RFP was pursued, it was unlikely there would be many bidders given that the current providers were local operators and operators from out-of-the-area would likely not be able to offer competitive bids.

Mr. Etherington provided the background and update to the Board's discussion since July when the Board recommended to staff a two-year Franchise Agreement with Mt. Diablo Recycling for recyclables processing including the Reuse Program. The extended term for two years would be the same terms, conditions and price, as the current contract. At the September meeting the Board had sought additional information from Republic Services.

Mr. Etherington presented a comparison of other operators of similar adjacent jurisdictions where MDR's rate was significantly lower than what other agencies were paying. He reported that staff had met with Republic Services to receive cost estimates to perform services and had received a verbal cost of $145/ton for recycling processing plus $50/ton for transportation, for a total of $195/ton. For reuse services, Republic had estimated a $2 million annual cost where the current cost with MDR was $1.1 million annually. He highlighted the available options to accept the MDR contract from the September meeting, take no action, or provide direction for a possible RFP, and sought direction from the Board.

Mr. Etherington verified, when asked, that the agency currently paid $64.80/ton and a 3 percent increase would become effective March 1, 2022 for a $66 plus per ton rate. Both companies offered a 75 percent benefit if the recycling market went over $60/ton where the agency would get 75 percent of that value. Republic Services had offered $145/ton plus $50/ton for transportation compared to MDR's current $64.80. He explained that the agency processed 43,000 tons a year which would mean a difference of $5.6 million above what was currently being paid with the Republic offer. The current Reuse Program was at $1.1 million and the Republic proposal involved $2 million but Republic would need additional real estate and that total could require adjustment.

Vice Chair Sos verified that the comparable with other agencies had shown a range of $106 to $157/ton without knowing the details of the contracts, for just the recycling processing.

Board Member Arnerich stated he could not support a contract extension with a company that had threatened the agency with a termination of services or with a default and he would rather go back to Republic Services for a seven- or ten-year extension and see what that would cost given his understanding that there would be a competitive market. He did not support the contract with MDR, suggested there was time, and wanted to pursue a contract with Republic and get a fully capitalized proposal to take the agency into the future. If that did not work, the Board could go out to bid for a new contract.

Board Member Miller noted that the contract had been negotiated in 2014, and with the current impacts of SB 1383 and other legislation she wanted to know if there were any new requirements and new services that would have to be negotiated. She sought a chart in that regard. Noting that the contracts were designed to work together, she wanted to make sure that Republic Services and MDR had no conflicts with respect to the status of the contracts and how that would work moving forward. She also wanted to know what would happen if the contracts were extended with respect to notice, conditions, and liquidated damages.

Mr. Etherington clarified that what was being presented at this time as a follow-up to the September 2021 Board meeting had nothing to do with the Republic Services contract extension which would be exercised as late as 2024. The item under consideration was strictly the recycling processing with MDR or Republic and would be an amendment with MDR and a new contract with Republic. The depreciation schedule applied to the Republic side only and on the MDR side on processing only with no depreciation issue.

Legal Counsel Miller clarified that the item presented in September was limited to considering building back into the MDR contract a term through 2027. If the Board was inclined to take up that recommended action at this time it would be limited to the Second Amendment to the MDR contract. While she understood that could presuppose an extension of the Republic Services contract in the future, it did not lock the Board into taking any action relative to the Republic contract. She characterized the recommendation from September to build back what had been negotiated away in 2019, an opportunity to continue the relationship with MDR and Republic through 2027. Specific to the MDR contract, it did not include specifics as to depreciation or anything else. The September recommendation was to take advantage of the extension through 2027 given the favorable economics.

Board Member Morgan asked what control would the agency have if entering into another contract with MDR where it might want to end the contract prematurely again.

Legal Counsel Miller stated that the agency could take the position that a contracting partner did not have a unilateral right to change the terms or exit the contract. While there were a handful of provisions in both contracts about limited circumstances when a contracting partner could come back to the agency, partners had to adhere to the terms of the contract, and if that was not done the agency reserved all rights and remedies under the agreement as described by law.

TIM ARGENTI, former General Manager of Republic Services, now working with Government and Community Relations, explained that he had been involved with the negotiations on the original Franchise Agreement, and explained that when entering the contract in 2015 for ten years, the existing equipment had been depreciated to 2025. With respect to the extension of the recycling contract, the depreciation expense had been put in at two years given the length of time under discussion. If the contract had gone out further than two years the depreciation expense would come way down. He also clarified that given the current value for recyclable material under current market conditions, the rebate that would be able to be given back to the agency would be $77/ton, which would bring down the $195/ton rate in the proposal. He added that Republic would have no influence over the proposed MDR contract.

SAL EVOLA, Mt. Diablo Recycling, appreciated the consideration of the item and the relationship with RecycleSmart but at this time he wants to come back to staff to talk about next steps.

Board Member Silva recommended that staff be directed to bring back precise details, in writing to the Board, at a subsequent meeting to address all questions.

Vice Chair Sos recommended consideration of an ad hoc committee given that it felt like more than a two-year decision.

Board Member Andersen agreed with the need for a comprehensive report and direct comparison along with pros and cons to better understand the rebate, supported an ad hoc committee, and recommended that Vice Chair Sos lead that committee.

Board Member Worth concurred but with the item to be brought back to the full Board, to include a ratepayer discussion and a discussion of the issue of a short extension versus a longer term, after which a potential ad hoc committee would make sense.

Board Member Silva stated that having been involved in the ad hoc process for the initial development of the contract process for the Franchise Agreement that it had been very detailed in a multi-month process. She emphasized the need to consider what the agency wanted to ask for after which the operator needed a multi-month process to respond. As a result, she explained that process would have to start as soon as possible.

Legal Counsel Miller concurred and reiterated the staff recommendation that the Board target October 2022 for a start date in 2025 to build in an 18-month time period for putting together a proposal, receiving responses, negotiating a contract, and allowing a contractor 12 months to be able to provide timely services.

Board Member Arnerich supported the formation of an ad hoc committee to review the criteria, the contract proposals, and to potentially consider longer terms given the capital costs. He recommended that the committee also move into setting up for a contract for a new proposal. He did not want to wait.

Mr. Etherington stated he would get Republic's proposal in writing and address the apparent additional questions from MDR to provide direct comparisons for both proposals.

Board Member Miller commented that the ideas proposed to be considered went beyond consideration of the two-year extension.

Mr. Etherington clarified the costs of extending the Republic contract would be a completely separate analysis that would require the assistance of a consultant, which could potentially return to the Board in June.

> MOTION by Board Member Silva (as amended) to continue the consideration of offers from Mt. Diablo Recycling and Allied Waste Systems (Republic Services) relative to recyclables processing, and directed staff to bring back precise details in an apples-to-apples comparison, in writing, to address all the Board questions and to encompass the fiscal analysis of the impact of extending the Republic Services contract so that the Board would have a full understanding of all relevant and related costs. SECOND by Board Member Arnerich.
>
> MOTION PASSED unanimously by a Roll Call vote.

6. INFORMATION ITEMS

Reports were provided for information only and no Board action was required.

- **a.** Executive Director's Monthly Report
- **b.** Future Agenda Items
- **c.** News Articles of Interest

Board Member Silva noted with respect to the Executive Director's Monthly Report that all member agencies must apply directly for the SB 1383 grant funds available from CalRecycle.

Judith Silver, Senior Program Manager, explained that after making a presentation to the Walnut Creek City Council she had verified a question from that meeting with CalRecycle, which had confirmed that RecycleSmart could not apply as a single agency because of the County in that there was no methodology for parceling out. All the member agencies had agreed to apply on the agency's behalf which would end up with more or less the same amount of money at $250,000.

Ms. Silver explained that the agency would serve as a consultant to the member agencies and would invoice them, and then use those funds to do the work needed to be done on behalf of the entire agency.

7. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

There were no Board communications or announcements.

8. ADJOURNMENT

The Board adjourned at 5:10 P.M. to the meeting scheduled for February 24, 2022 at 3:00 P.M.

Respectfully submitted by:

____
Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California

Recycle Smart
Central Contra Costa Solid Waste Authority

Agenda Item No. 3b

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: KEN ETHERINGTON, EXECUTIVE DIRECTOR
DEBORAH MILLER, LEGAL COUNSEL

DATE: FEBRUARY 24, 2022

SUBJECT: **CONSIDER CONTINUED USE OF TELECONFERENCING FOR THE MEETINGS OF ALL CCCSWA LEGISLATIVE BODIES UNDER ASSEMBLY BILL 361**

SUMMARY

Based on proclaimed state of emergency, and guidance from the Contra Costa County Health office, consider and adopt resolution approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361.

RECOMMENDED ACTION

1. Adopt Resolution 2022-03, approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361.

DISCUSSION

On March 4, 2020, Governor Newsom proclaimed a state of emergency in California in connection with the Coronavirus Disease 2019 ("COVID-19") pandemic.

State and local officials have imposed or recommended measures to promote social distancing. For example, the Health Officer for Contra Costa County published "Recommendations for Safely Holding Public Meetings" on September 20, 2021. Those recommendations "strongly recommend" on-line meetings, that local agencies should provide options for the public to participate without having to attend meetings in person, and that social distancing should be used, including six feet of spacing between all in attendance.

On September 16, 2021, the Governor signed Assembly Bill ("AB") 361, a bill that amends the Brown Act to allow local public agencies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in the Brown Act that would otherwise apply.

AB 361 contains several requirements in order to continue the use of remote meetings. The key provisions include:

- There must be a state of emergency declared under the California Emergency Services Act. This effectively means the Governor must have declared the emergency.
- During that state of emergency, either (i) state or local officials must have imposed or recommended measures to promote social distancing; or (ii) the local legislative body must determine that meeting in person would present an imminent risk to the health or safety of attendees.
- The local legislative body must reconsider the factors above at least every 30 days, and adopt specified findings that the facts relied upon still exist.

Attached for the Board's consideration is a resolution making the necessary findings under AB 361. The resolution is drafted to make the action taken by the CCCSWA Board applicable to all of the CCCSWA's legislative bodies as defined by the Brown Act, which includes the Board's standing committees. If the CCCSWA Board adopts the recommended resolution, the standing committees will not be required to make their own findings.

The CCCSWA Board last considered and adopted a resolution under AB 361 on December 9, 2021. AB 361 requires the CCCSWA Board to regularly reconsider the findings in the proposed resolution. Staff plan to include an item on the consent calendar of each Board meeting to allow the Board to consider and adopt (and/or update) the findings in the resolution for as long as the Governor's proclaimed state of emergency related to the COVID-19 pandemic remains in effect and state and local officials continue to recommend or require measures to promote social distancing.

ATTACHMENT

A. Resolution 2022-03, Continued Use of Teleconference for the Meetings of all CCCSWA Legislative Bodies under AB 361

RESOLUTION NO. 2022-03

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY CONTINUED USE OF TELECONFERENCING FOR THE MEETINGS OF ALL CCCSWA LEGISLATIVE BODIES UNDER ASSEMBLY BILL 361

WHEREAS, The Central Contra Costa Solid Waste Authority ("CCCSWA") is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, On March 4, 2020, the Governor of the State of California proclaimed a state of emergency under the State Emergency Services Act in connection with the Coronavirus Disease 2019 ("COVID-19") pandemic, and that state of emergency remains in effect; and

WHEREAS, State and local officials have imposed or recommended measures to promote social distancing. For example, on September 20, 2021, the Health Officer for Contra Costa County published "Recommendations for Safely Holding Public Meetings." Those recommendations "strongly recommend" on-line meetings, that local agencies should provide options for the public to participate without having to attend meetings in person, and that social distancing should be used, including six feet of spacing between all in attendance; and

WHEREAS, On September 16, 2021, the Governor signed Assembly Bill ("AB") 361 (Rivas, Chapter 165, Statutes of 2021), a bill that amends the Brown Act to allow local public agencies to continue to meet by teleconferencing technology during a state of emergency without complying with restrictions in the Brown Act that would otherwise apply, subject to certain conditions, which must be reconsidered every 30 days; and

WHEREAS, The CCCSWA Board of Directors and its legislative bodies have met remotely during the COVID-19 pandemic and, so long as the state of emergency continues, can continue to do so in a manner that allows public participation and transparency while minimizing health risks to members, staff, and the public that would be present with in-person meetings; now, therefore, be it

RESOLVED, On behalf of all legislative bodies of the CCCSWA, the CCCSWA Board of Directors finds as follows:

1. As described above, as of the date of this meeting, the Governor's proclaimed state of emergency remains in effect; and

2. As described above, as of the date of this meeting, State and local officials recommend measures to promote physical distancing and other social distancing measures; and, be it

FURTHER RESOLVED, For the reasons described above, the CCCSWA Board of Directors finds that for at least the next 30 days it is necessary for all legislative bodies of the CCCSWA to continue meeting exclusively by teleconferencing technology to promote public health and safety; and, be it

FURTHER RESOLVED, That the CCCSWA Board of Directors will review and reconsider the findings made herein at a meeting of the Board within the next 30 days, or if the Board does not meet within the next 30 days, at the next earliest meeting of the Board; and, be it

FURTHER RESOLVED, That the CCCSWA Board of Directors' findings contained herein are made on behalf of and shall apply to all legislative bodies of the CCCSWA.

PASSED AND ADOPTED by the CCCSWA Board of Directors this ____ day of ____________, 2022, by the following vote:

AYES: Members: ______________________________

NOES: Members: ______________________________

ABSTAIN: Members: ______________________________

ABSENT: Members: ______________________________

____
Matthew Francois, Chair
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California

COUNTER-SIGNED:

____
Janna E. McKay, Secretary of the Board
for the Central Contra Costa Solid Waste
Authority, County of Contra Costa, State
of California

APPROVED AS TO FORM:

____
Deborah L. Miller, Counsel for the
Central Contra Costa Solid Waste Authority
County of Contra Costa, State of California

Recycle Smart
Central Contra Costa Solid Waste Authority

Agenda Item No. 3c

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: WENDY NELSON, FINANCE MANAGER/CONTROLLER

DATE: FEBRUARY 24, 2022

SUBJECT: **FISCAL YEAR 2020-2021 FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

SUMMARY

After the close of each fiscal year, CCCSWA is audited by an independent auditor. This is the eighth audit utilizing Eide Bailly since CCCSWA separated from the City of Walnut Creek in fiscal year 2012-13 for purposes of payroll, benefits and all human resources functions.

- The Authority has received an unqualified audit opinion validating the fair and accurate presentation of the financial statements as of June 30, 2021.
- There were no audit findings related to the fiscal year 2020-21 audit.

RECOMMENDED ACTION

1. Receive Financial Statements and Independent Auditor's Report for the Year Ending June 30, 2021 by Eide Bailly.

DISCUSSION

Audit Opinion

The Authority has received an unqualified or "clean" audit opinion. An unqualified audit opinion indicates that Eide Bailly has concluded that the financial statements present fairly, in all material respects, the results of the Authority's operations and its financial position, as of June 30, 2021, in accordance with generally accepted accounting principles.

Findings

There were no audit findings related to the fiscal year 2020-21 audit.

ATTACHMENTS

A. Eide Bailly correspondences to Board of Directors
B. 2020-21 Independent Auditor's Report

EideBailly

CPAs & BUSINESS ADVISORS

February 1, 2022

To the Board of Directors
Central Contra Costa Solid Waste Authority
Walnut Creek, California

We have audited the financial statements of Central Contra Costa Solid Waste Authority (the Authority) as of and for the year ended June 30, 2021, and have issued our report thereon dated February 1, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under *Government Auditing Standards*

As communicated in our letter dated August 30, 2021, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of The Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated February 1, 2022

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were management's estimates of amounts related to the net pension liability, deferred inflows of resources, and deferred outflows of resources.

These estimates were based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

The disclosure of the Authority's defined benefit pension plan, net pension liability, and related deferred inflows of resources and deferred outflows of resources in Note 9 to the financial statements. The valuation of the net pension liability and related deferred inflows and deferred outflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the discount rate. As disclosed in Note 9, a 1% increase or decrease in the discount rate has a material effect on the Authority' net pension liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected or corrected missstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated February 1, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Sacramento, California

Agenda Item No. 3c
Attachment B

Financial Statements
June 30, 2021

Central Contra Costa Solid Waste Authority

EideBailly

eidebailly.com

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Central Contra Costa Solid Waste Authority
Walnut Creek, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Contra Costa Solid Waste Authority (Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the schedule of the Authority's proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the Authority's total OPEB liability and related ratios, and budgetary comparison information and note, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our report on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Sacramento, California
February 1, 2022

Basic Financial Statements

Government-Wide Financial Statements

Central Contra Costa Solid Waste Authority
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and investments	$ 17,950,783
Accounts receivables	25,400
Interest receivables	8,887
Prepaid items	52,407
Capital assets, net of accumulated deprecation / amortization	13,048
Total assets	18,050,525
Deferred Outflow of Resources	
Deferred outflows related to OPEB	20,584
Deferred outflows related to pensions	436,063
Total deferred outflows of resources	456,647
Liabilities	
Accounts payable	387,068
Accrued payroll	44,553
Unearned revenues	47,222
Due to other governments	12,373,152
Compensated absences	120,778
Noncurrent liabilities:	
Total OPEB liability	71,207
Net pension liability	157,469
Total liabilities	13,201,449
Deferred Inflows of Resources	
Deferred inflows related to OPEB	20,287
Deferred inflows related to pensions	194,184
Total deferred inflows of resources	214,471
Net Position	
Investment in capital assets	13,048
Restricted for reuse and clean-up days program	85,877
Unrestricted	4,992,327
Total net position	$ 5,091,252

See Notes to Financial Statements

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position-Governmental Activities
Governmental Activities			
General government	$ 4,155,336	$ 1,885,005	$ (2,270,331)
Public information	1,127,511	3,421,939	2,294,428
Total governmental activities	$ 5,282,847	$ 5,306,944	24,097
General Revenues			
Investment income			8,811
Miscellaneous			44,526
Total General Revenues			53,337
Change in net position			77,434
Net position at beginning of the year			5,013,818
Net position at end of year			$ 5,091,252

Fund Financial Statements

	General Fund	Special Revenue Funds: Diversion Incentive	Special Revenue Funds: Reuse and Clean Up Days	Total Governmental Funds
Assets				
Cash and investments	$ 15,970,632	$ 1,894,274	$ 85,877	$ 17,950,783
Receivables				
Interest	8,887	-	-	8,887
Accounts	25,400	-	-	25,400
Prepaid items	52,407	-	-	52,407
Total assets	$ 16,057,326	$ 1,894,274	$ 85,877	$ 18,037,477
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	$ 387,068	$ -	$ -	$ 387,068
Accrued payroll	44,553	-	-	44,553
Unearned revenues	47,222	-	-	47,222
Due to other governments	12,373,152	-	-	12,373,152
Total liabilities	12,851,995	-	-	12,851,995
Fund balances				
Nonspendable	52,407	-	-	52,407
Restricted	-	-	85,877	85,877
Committed	-	1,500,000	-	1,500,000
Assigned	-	394,274	-	394,274
Unassigned	3,152,924	-	-	3,152,924
Total fund balances	3,205,331	1,894,274	85,877	5,185,482
Total liabilities and fund balances	$ 16,057,326	$ 1,894,274	$ 85,877	$ 18,037,477

Total governmental fund balance	$ 5,185,482
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet.	13,048
Deferred outflows of resources related to pensions and OPEB are deferred and recognized in future periods:	
Deferred outflows of resource related to pensions	436,063
Deferred outflows of resources related to OPEB	20,584
Deferred inflows of resources related to pensions and OPEB are deferred and recognized in future periods:	
Deferred inflows of resources related to pensions	(194,184)
Deferred inflows of resources related to OPEB	(20,287)
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated absences	(120,778)
Total OPEB liability	(71,207)
Net pension liability	(157,469)
Net position of governmental activities	$ 5,091,252

	General Fund	Special Revenue Funds: Diversion Special Revenue Fund	Special Revenue Funds: Reuse and Clean Up Days Special Revenue Fund	Total
Revenues				
Administrative fees	$ 1,885,005	$ -	$ -	$ 1,885,005
Source reduction and recycling education fees	2,294,428	-	1,127,511	3,421,939
Interest income	8,811	-	-	8,811
Miscellaneous	44,526	-	-	44,526
Total revenues	4,232,770	-	1,127,511	5,360,281
Expenditures				
Current				
General government				
Personnel services	1,383,088	-	-	1,383,088
Materials and supplies	88,773	-	-	88,773
Office rent and utilities	112,594	-	-	112,594
Professional contracts and services	1,671,986	-	-	1,671,986
Distributions to member agencies	1,043,771	-	-	1,043,771
Public information	-	-	1,127,511	1,127,511
Total expenditures	4,300,212	-	1,127,511	5,427,723
Excess (deficiency) of revenues over (under) expenditures	(67,442)	-	-	(67,442)
Other Financing Sources/(Uses)				
Transfers in	1,043,771	-	-	1,043,771
Transfers out	-	(1,043,771)	-	(1,043,771)
Total other financing sources/(uses)	1,043,771	(1,043,771)	-	-
Net Changes in Fund Balances	976,329	(1,043,771)	-	(67,442)
Fund Balances - Beginning	2,229,002	2,938,045	85,877	5,252,924
Fund Balances - Ending	$ 3,205,331	$ 1,894,274	$ 85,877	$ 5,185,482

Net change in fund balances	$	(67,442)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report purchases of capital assets as expenditures; however, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and recorded as amortization expense.		
Capital asset additions		11,900
Depreciation/amortization		(3,526)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Changes in compensated absences payable		(18,678)
Changes in total OPEB liability and related amounts		(9,140)
Changes in net pension liability and related amounts		164,320
Change in net position of governmental activities	$	77,434

	Custodial Fund
Additions	
Franchise Fees Received	$ 9,604,272
Total additions	9,604,272
Deductions	
Payments to other agencies	9,604,272
Total deductions	9,604,272
Changes in net position	-
Net position - beginning	-
Net position - ending	$ -

See Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

A. Description of the Entity

The Central Contra Costa Solid Waste Authority (Authority) was formed on September 11, 1990, to assure the citizens of its member agencies that certain solid waste facilities and related programs will be operated in the most effective manner possible. The Authority is the only entity included in these financial statements.

The Authority franchises the collection of solid waste and recyclables in Central Contra Costa County. The Authority is governed by a Board of Directors appointed by its member agencies, and functions independently of its member agencies. Actions of the Board of Directors may be undertaken by a majority vote of the Board members present, provided a quorum exists, except as required in the Authority's agreement. The Authority's member agencies presently include Contra Costa County, as well as the Cities and Towns of Walnut Creek, Danville, Lafayette, Moraga, and Orinda.

B. Basis of Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are segregated into funds for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The Authority has three governmental funds and one custodial fund. Descriptions of the nature of each fund are as follows:

General Fund – The fund is the general operating fund of the Authority. It is used to account for all financial resources not required to be accounted for in another fund.

Diversion Incentive Special Revenue Fund – Accounts for fees generated from haulers performing diversion of recyclable waste. Certain revenues were committed by the Board to maintain a Diversion Incentive Fund (DIF) reserve for operations of the fund up to $1.5 million. The fund can utilize up to $1 million based on policy for the operations of the fund and the excess amounts of the reserve are distributed to member agencies. The Authority has begun taking steps to eliminate this fund.

Reuse and Clean Up Days Special Revenue Fund – Accounts for specific fees obtained from the waste haulers for the Reuse & Clean Up Days program.

The government-wide financial statements are reported using *the economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues are presented as general revenues.

With respect to the Authority's priority regarding the use of resources when both restricted and unrestricted resources are available, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The Authority generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred, as under accrual accounting.

Fiduciary fund financial statements include a statement of fiduciary net position. The Authority's fiduciary funds represent custodial funds. The custodial fund is accounted for using the accrual basis of accounting. The Authority has one custodial fund: The Franchise Fee Fund.

C. Cash and Investments

Investments are reported at fair value. Changes in fair value that occur during the fiscal year are recognized as investment income. Investment income includes interest earnings, changes in fair value, and any gains/losses realized upon the liquidation, maturity, or sale of an investments.

D. Net Position

Net Position is the excess of a fund's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. Net Position is divided into three components described below:

Investment in capital assets describes the portion of net position which is represented by the current net book value of the capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restriction which the Authority cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted as to use.

E. Fund Balances

The Authority follows guidance provided by Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As the Authority's highest level of decision-making authority, the Board of Directors must pass a resolution in order to commit fund balance. Once fund balance is committed, the Board of Directors must pass another resolution in order to modify or rescind the commitment. The Board of Directors has delegated the authority to assign fund balance to the Executive Director.

The components of fund balance are:

Nonspendable Fund Balance – items that cannot be spent because they are not in spendable form, long-term portions of receivables, inventories, prepaid items, and also items that are legally or contractually required to be maintained intact.

Restricted Fund Balance – encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – the portion of fund balance that includes amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation is a resolution and needs to occur no later than the close of the reporting period. Currently, the committed fund balance is limited to constraints imposed by Diversion Incentive Fund Reserve Policy adopted by the Board in fiscal year 2008.

Assigned Fund Balance – assigned fund balances are amounts constrained by the Board's intent to be used for a specific purpose but not restricted nor committed. This category includes residual fund balances for special revenue funds which have not been restricted or committed.

Unassigned Fund Balance – represents residual amounts that have not been restricted, committed, or assigned in the General Fund. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

With respect to the Authority's priority regarding use of fund balance, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are available, it is the Authority's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts.

F. Compensated Absences

In accordance with GASB Statement No. 16, an employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances. The employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s), and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows related to pensions and other post-employment benefits (OPEB).

In addition to liabilities, the statement of net position/balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category on the government-wide statement of net position relating to deferred inflows associated with pensions and OPEB.

H. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's pension plan with California Public Employees' Retirement System (CalPERS) and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of CalPERS. Investments are reported at fair value.

I. Capital Assets

Capital assets are recorded at historical cost. The Authority capitalizes capital assets that are greater than $5,000 and will have an estimated useful life in excess of one year. Software is amortized using the straight-line method over a five (5) year period.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Implementation of Governmental Accounting Standards Board Statements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Authority's financial reporting process. The following pronouncements were implemented for the year ended June 30, 2021.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

GASB Statement No. 90 – In September 2018 issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 98 – In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The objective of this Statement is to establish the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The Agency has added a Statement of Changes in Fiduciary Net Position as part of the basic financial statements.

Note 2 - Cash and Investments

As of June 30, 2021, cash and investments were reported in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	$ 17,950,783
Total cash and investments	$ 17,950,783

As of June 30, 2021, cash and investments consisted of the following:

Deposits with financial institutions	$ 7,065,349
Investment in Local Agency Investment Fund	10,885,434
Total cash and investments	$ 17,950,783

Deposits

At June 30, 2021, the carrying amount of the Authority's deposits was $7,065,349 and the bank balance was $7,075,888. The $10,539 difference represents outstanding checks and deposits in transit.

The California Government Code requires California banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities with a value of 110 percent of the deposits. California law also allows financial institutions to secure the deposits by pledging first trust deed mortgage notes having a value of 150 percent of the total deposits. The Authority may waive the collateral requirement for deposits that are fully insured up to $250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loans association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held from, and in the name of, the local governmental agency.

Fair Value Measurement and Application

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Authority's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Authority's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the Authority's management. Authority management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to the Authority management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments in LAIF are uncategorized as deposits and withdrawals are made on the basis of $1 and not fair value. Amounts are recorded on an amortized cost basis which approximates fair value.

Local Agency Investment Fund

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each entity may invest up to $75,000,000 without limitation in special bond proceeds amounts. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2021, these investments matured in an average of 291 days.

As of June 30, 2021, the Authority had $10,885,434 invested in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The LAIF financial statements are available at the State Treasurer's Office website at www.treasurer.ca.gov. LAIF is not registered with the Securities and Exchange Commission and is not rated by the credit rating agencies.

Note 3 - Compensated Absences

Compensated absences at June 30, 2021 were as follows:

	Balance June 30, 2020	Additions	Decreases	Balance June 30, 2021	Due Within One Year
Compensated absences	$ 102,100	$ 78,294	$ (59,616)	$ 120,778	$ 120,778
	$ 102,100	$ 78,294	$ (59,616)	$ 120,778	$ 120,778

The Authority's general fund has been and will continue to be the primary funding source for the liquidation of this obligation.

Note 4 - Capital Assets

Capital asset activity for year ending June 30, 2021 consists of the following:

	Balance June 30, 2020	Additions	Decreases	Balance June 30, 2021
Capital assets, being depreciated/amortized				
Software	$ 11,685	$ -	$ -	$ 11,685
Leasehold improvements	-	11,900	-	11,900
Less: accumulated depreciation / amortization	(7,011)	(3,526)	-	(10,537)
Governmental activities capital assets, net	$ 4,674	$ 8,374	$ -	$ 13,048

Amortization expense of $3,526 was charged to the general government function of the governmental activities.

Note 5 - Risk Management

The Authority is a member of the Special District Risk Management Authority (SDRMA), which provides insurance coverage for general liability under the terms of a joint powers agreement with the Authority and several other public entities. - SDRMA is governed by a board of directors consisting of representatives from member agencies. The board of directors controls operations of SDRMA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board of directors.

SDRMA has purchased general and auto liability insurance of $2,500,000 per occurrence, which is subject to $500 per occurrence for third party general liability property damage and $1,000 per occurrence for third party auto liability property damage. In addition, it has purchased employee and public officials dishonesty coverage of $1,000,000 per loss; property loss coverage up to $1 billion per occurrence, subject to a $2,000 deductible per occurrence; boiler and machinery coverage up to $100 million per occurrence, subject to a $1,000 deductible; and public officials personal liability insurance of $500,000 per occurrence, with an annual aggregate of $500,000 per elected/appointed official, subject to a $500 deductible per claim. As of June 30, 2020, no claims had been filed against the Authority. The financial statements of SDRMA may be obtained by writing to SDRMA, 1112 I Street, #300, Sacramento, California 95814.

There have been no significant changes in the Authority's insurance coverage as compared to prior years.

Claims have not exceeded any of the Authority’s coverage amounts in any of the last three fiscal years.

Note 6 - Interfund Transactions

Transfers for the period ended June 30, 2021, were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
General Fund	Diversion Incentive Special Revenue Fund	$ 1,043,771

The Authority's Recycling Revenue Policy for the Diversion Incentive Special Revenue fund allows for the revenues from the sale of recyclables to be distributed between the Diversion Incentive Fund (DIF) Reserve, the DIF, and the Member Agencies Reserves. The DIF Reserve maintains $1.5 million at all times, up to $1 million available for the DIF programs and expenditures, and each September, the previous fiscal years DIF's ending net income will be distributed into the Member Agencies' Reserves which is retained in the General Fund, respectively.

Note 7 - Fund Balances

In governmental funds, the segregated portions of fund balance are presented as follows for the fiscal year ended June 30, 2021:

	Major Funds			
	General Fund	Diversion Incentive Special Revenue Fund	Reuse and Clean Up Days Special Revenue Fund	Total Governmental Funds
Fund Balance				
Nonspendable:				
Prepaid items	$ 52,407	$ -	$ -	$ 52,407
Restricted for:				
Reuse and Clean Up Programs	-	-	85,877	85,877
Committed for:				
Diversion Incentive Reserve	-	1,500,000	-	1,500,000
Assigned for:				
Diversion Incentive Programs	-	394,274	-	394,274
Unassigned	3,152,924	-	-	3,152,924
Total Fund Balance	$ 3,205,331	$ 1,894,274	$ 85,877	$ 5,185,482

Diversion Incentive Fund Reserve Requirements

The establishment of the Diversion Incentive Reserve was approved by resolution of the Board of Directors in FY2008. The Board approved policy set aside $1.5 million in Diversion Incentive Reserve Funding and established policy regarding the usage and distribution of the Diversion Incentive Fund Balance in excess of $1.5 million. The Authority had committed fund balance for the Diversion Incentive Fund of $1,500,000 at June 30, 2021.

Note 8 - Diversion Incentive Fund and Member Agency Deposits Payable

The Diversion Incentive Fund collects Recycling Fees in accordance with the Franchise Fee Agreement on a monthly basis. The Board of Directors of the Authority is authorized to budget up to $1 million per year of the Diversion Incentive Fund for public information programs. The remaining amounts of the revenue collections within the fund are available to be distributed to the member agency accounts subsequent to the fiscal year end. The Board distributed to the member payments of $1,043,771 which are then transferred to member agency accounts during fiscal year 2021. These distributions are then transferred to the General Fund and held in the Deposits Payable accounts for each member agency. Distributions come in two forms: 1) direct distributions to member agencies based on requests made by those agencies for certain programs; and 2) distributions made to vendors that are requested by the agency and directly benefit only that agency.

The change in the member agency accounts reported in the General Fund for the year ended June 30, 2021:

	July 1, 2020 Amount	FY 2020 Diversion Incentive Fund Distribution	Rate Year 6 Addition / (Reduction) to Reserves Payment	Direct	June 30, 2021 Amount
Contra Costa County	$ 1,997,141	$ 208,169	$ (88,872)	$ (53,700)	$ 2,062,738
Town of Danville	2,920,392	212,854	47,021	-	3,180,267
City of Lafayette	2,103,035	119,098	129,702	-	2,351,835
Town of Moraga	675,959	70,290	(5,910)	-	740,339
City of Orinda	862,119	87,217	53,722	-	1,003,058
City of Walnut Creek	3,129,259	346,143	206,513	(647,000)	3,034,915
Total Due to Other Governments	$ 11,687,905	$ 1,043,771	$ 342,176	$ (700,700)	$ 12,373,152

Note 9 - Pension Plan

Plan Description

The authority joined the California Public Employee Retirement System (CalPERS) as of July 1, 2012. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. All qualified permanent and probationary employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS.

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statute and city contracts with employee bargaining groups. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous Plan		
	Tier I	Tier II	Tier II (PEPRA)
Hire Date	Prior to March 2, 2012	On or after March 2, 2012	On or after January 1, 2013
Formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Minimum retirement age	50	50	52
Benefits, as a % of annual salary	2.0%	2.0%	2.0%
Required employee contribution rates	6.908%	6.918%	7.25%
Required employer contribution rates	11.746% + $24,690	9.442% + $1,720	7.874% + $472

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. All employees are participants in the Tier I plan and are required to contribute 7 percent of their annual covered salary. For the year ended June 30, 2021, contributions to the Plan were $298,584.

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

As of June 30, 2021, the Authority reported a net pension liability of $157,469 for its proportionate share of the Plan's net pension liability.

The Authority's net pension liability is measured as the proportionate share of net pension liability. The net pension liability is measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2020 was 0.00373 percent, a decrease of 0.00394 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Authority recognized pension expense of $131,078. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 298,584	$ -
Change of Assumptions	-	1,123
Differences Between Expected and Actual Experience	8,115	-
Differences Between Projected and Actual Investment Earnings	4,678	-
Differences between Employer's Contributions and Proportionate Share of Contributions	117,686	15,863
Changes in Employer's Proportionate	7,000	177,198
Total	$ 436,063	$ 194,184

$298,584 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	
2022	$ (35,421)
2023	(29,723)
2024	6,196
2025	2,243
Total	$ (56,705)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth (1)	3.3% - 14.2%
Mortality	Based on CalPERS Experience Study

(1) Depending on age, service, and type of employment

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Target	Real Return	Real Return
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

(1) An expected inflation of 2.00% used for this period
(2) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report call "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

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

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

Discount Rate	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability / (Asset)	$ 605,142	$ 157,469	$ (212,430)

Pension Plan Fiduciary Net Position

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

Note 10 - Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan description. The Authority's defined benefit OPEB plan, RecycleSmart Retiree Healthcare Plan (Plan), provides OPEB for all permanent full-time general employees of the Authority. The Plan is a single-employer defined benefit OPEB plan administered by the Authority. The Authority is responsible for establishing and amending the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The Plan provides healthcare benefits for retirees and their dependents who retire directly from the Authority under CalPERS. The benefit terms provide for payment of the Public Employee Medical & Hospital Care Act (PEMHCA) minimum payments until the age of 65. As of June 30, 2021, the Authority would be required to pay $42.90 per month per employee for any health care benefits provided.

Employees Covered by benefit terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	1
Active employees	6
Total	7

Total OPEB Liability

The Authority's total OPEB liability of $71,207 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
General Inflation	2.5% per annum
Discount Rate	2.21% at June 30, 2020 Based on Bond Buyer 20-bond Index on June 30, 2020
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-17 for post-
Salary Increases	Aggregate 2.75% Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Healthcare participation	50%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	$ 56,056
Service Cost	10,174
Interest	2,318
Actual vs expected experience	(17,019)
Assumption changes	19,678
Net changes	15,151
Balance at June 30, 2021	$ 71,207

Changes of assumptions reflect a change in the discount rate from 3.50 percent in measurement year ended June 30, 2019 to 2.21 percent in measurement year ended June 30, 2020. Additional changes of assumptions include an adjustment of claims costs, an update of the mortality improvement scale to MP-2020, and a decrease of inflation from 2.75% to 2.50%

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (1.21%)	Current Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	$ 86,651	$ 71,207	$ 59,156

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	$ 55,525	$ 71,207	$ 92,656

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Authority recognized OPEB expense of $12,325. At June 30, 2021, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ -	$ 15,350
Changes in assumptions	20,584	4,937
Total	$ 20,584	$ 20,287

No contributions or payments for benefits were made during the year ended June 30, 2021.

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

Fiscal year ending June 30,	Deferred outflows/ (inflows) of resources
2022	$ (167)
2023	(167)
2024	(167)
2025	(167)
2026	(167)
Thereafter	1,132
Total	$ 297

Note 11 - Operating Leases

The Authority leases its office space under an agreement with an original term of 10 years starting July 30, 2010. The lease contains a provision for a renewal of 5 years. The lease was renewed in January 2020 for an additional 10 years beginning in August 2020 through July 2030. The Authority also has a copier lease with an original term of 5 years.

The future minimum rental payments required under the operating lease are as follows:

Fiscal year ending June 30,	Amount
2022	$ 129,056
2023	123,942
2024	124,691
2025	129,028
2026	132,341
2027-2031	582,482
Total	$ 1,221,540

Total rent expense for the year ended June 30, 2021, was $104,176 and was recognized in the General Fund. Of that, rental expense for the office building operating lease was $92,656. Rental expense for the copier lease was $11,520.

Note 12 - Contingencies

The Authority may be subject to claims or legal proceedings arising in the ordinary course of business. Management is not aware of any claims or pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

Note 13 - Subsequent Events

On October 28, 2021, the Board of Directors approved a new general fund minimum fund balance reserve and application of funds in excess of the reserve fund balance policy. The policy establishes a minimum reserve of 20% of annual general fund budgeted expenditures, excluding any one0time/nonrecurring or special budgeted expenditures. Any draw on the reserve would have to be approved by a Board Resolution. If the reserve drops below the minimum of 20%, the Authority would have three (3) years to replenish the reserve.

Note 14 - New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Authority's financial reporting process. Future new standards which may impact the Authority include the following:

GASB Statement No. 87 – In July 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method for reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021.

Required Supplementary Information
June 30, 2021

Central Contra Costa Solid Waste Authority

Central Contra Costa Solid Waste Authority
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last Ten Years*

	2015	2016	2017	2018	2019	2020	2021
Proportion of the net pension liability	0.02270%	0.02106%	0.01979%	0.01193%	0.01240%	0.00767%	0.00373%
Proportionate share of the net pension liability	$ 27,336	$ 281,262	$ 385,071	$ 470,274	$ 467,474	$ 307,159	$ 157,469
Covered payroll	560,970	577,799	687,362	708,206	668,374	803,018	881,310
Proportionate share of net pension liability as a percentage of covered payroll	4.87%	48.68%	56.02%	66.40%	69.94%	38.25%	17.87%
Plan fiduciary net position a a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	71.74%	77.73%	77.70%
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

*Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown.

	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contributions	$ 67,514	$ 70,318	$ 74,273	$ 75,967	$ 71,760	$ 102,986	$ 100,607
Contributions in relation to the actuarially determined contribution	(67,514)	(70,318)	(74,273)	(75,967)	(71,760)	(302,986)	(298,584)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ (200,000)	$ (197,977)
Covered payroll	$ 577,799	$ 687,362	$ 708,206	$ 668,374	$ 803,018	$ 881,310	$ 859,952
Contributions as a percentage of covered payroll	11.68%	10.23%	10.49%	11.37%	8.94%	11.69%	11.70%

*Fiscal year 2015 was the first year of implementation, therefore, only seven years are shown.

Central Contra Costa Solid Waste Authority

Schedule of Change in the Authority's
Total OPEB Liability and Related Ratios
Last Ten Years*

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	$ 7,266	$ 6,454	$ 9,197	$ 10,174
Interest on total OPEB liability	1,142	1,508	1,957	2,318
Differences between expected and actual experience	-	-	-	(17,019)
Changes in assumptions	(5,558)	(2,262)	3,535	19,678
Net change in total OPEB liability	2,850	5,700	14,689	15,151
Total OPEB Liability -- beginning	32,817	35,667	41,367	56,056
Total OPEB Liability -- ending (a)	$ 35,667	$ 41,367	$ 56,056	$ 71,207
Covered payroll	$ 668,374	$ 803,018	$ 881,310	$ 859,952
Total OPEB Liability as a percentage of covered payroll	5.34%	5.15%	6.36%	8.28%
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020

* Fiscal year 2018 was the first year of implementation, therefore, only four years are shown.

Notes to the schedule:
No assets are accumulated in a trust to pay related benefits.

Changes of assumptions. Changes of assusmptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in the period:

Discount Rate	3.58%	3.87%	3.50%	2.21%

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Administrative fees	$ 1,885,005	$ 1,885,005	$ 1,885,005	$ -
Source reduction and recyling education fees	2,400,121	2,400,121	2,294,428	(105,693)
Interest income	109,032	109,032	8,811	(100,221)
Miscellaneous	16,300	16,300	44,526	28,226
Total revenues	4,410,458	4,410,458	4,232,770	(177,688)
Expenditures				
Current:				
General government:				
Personnel services	1,463,938	1,463,938	1,383,088	80,850
Materials and supplies	102,508	102,508	88,773	13,735
Office rent and utilities	142,092	142,092	112,594	29,498
Professional contracts and services	296,000	296,000	206,978	89,022
Recycling Processing Costs	972,000	972,000	862,161	109,839
Diversion Programs	861,454	861,454	602,847	258,607
Distributions to member agencies	-	-	1,043,771	(1,043,771)
Total expenditures	3,837,992	3,837,992	4,300,212	(462,220)
Excess (deficiency) of revenues over (under) expenditures	572,466	572,466	(67,442)	(639,908)
Other Financing Sources/(Uses)				
Transfers in	-	-	1,043,771	1,043,771
Total Other Financing Sources/(Uses)	-	-	1,043,771	1,043,771
Net change in fund balance	572,466	572,466	976,329	403,863
Fund Balance - Beginning	2,229,002	2,229,002	2,229,002	-
Fund Balance - Ending	$ 2,801,468	$ 2,801,468	$ 3,205,331	$ 403,863

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Source reduction and recycling education fees	$ 1,127,511	$ 1,127,511	$ 1,127,511	$ -
Expenditures				
Public information	1,127,511	1,127,511	1,127,511	-
Fund Balance - Beginning	85,877	85,877	85,877	-
Fund Balance - Ending	$ 85,877	$ 85,877	$ 85,877	$ -

Note 1 - Budgetary Information

The Authority adopts a budget annually to be effective July 1 for the ensuing fiscal year. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the Authority's Board of Directors. As the Authority is taking steps to eliminate the fund, they did not adopt a budget for the Diversion Incentive Fund for the year ending June 30, 2021.

The Authority follows the Diversion Incentive Fund Policy adopted by the Board of Directors and distributes the total amount of Fund Balance (excluding the Diversion Incentive Reserve) in the subsequent year to member agency accounts. This amount is not budgeted as the amount of Fund Balance is distributed based on the actual amount available following the Board Policy.

Expenditures are controlled at the fund level for all budgeted departments within the Authority. This is the level at which expenditures may not legally exceed appropriations. Budgeted amounts for the statement of revenues, expenditures and changes in fund balance – budget and actual include budget amendments approved by the Authority's Board of Directors.

The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

Any amendments or transfers of appropriations between object group levels within the same department must be authorized by the Authority's Executive Director. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the Authority's Board of Directors with the exception of transfers to the general fund for distributions to member accounts out of the Division Incentive Special Revenue Fund. Supplemental appropriations financed by unanticipated revenues during the year must be approved by the Authority's Board of Directors.

The General Fund had excess expenditures over appropriations in the amount of $1,340,608 during the current year due to distributions to member agencies are not budgeted.

Supplementary Information

Other Report

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Central Contra Costa Solid Waste Authority
Walnut Creek, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Contra Costa Solid Waste Authority (Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 1, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

2151 River Plaza Dr., Ste. 308 | Sacramento, CA 95833-4133 | T 916.570.1880 | F 916.570.1875 | EOE

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Sacramento, California
February 1, 2022

Agenda Item No. 3d

Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: WENDY NELSON, FINANCE MANAGER/CONTROLLER

DATE: FEBRUARY 24, 2022

SUBJECT: FISCAL YEAR 2021-2022 MID-YEAR BUDGET REPORT

SUMMARY

This mid-year budget report for Fiscal Year (FY) 2021-22 (July 1, 2021 through December 31, 2021) summarizes the first six months of actuals received or expensed versus budgeted at the half-year point. As of December 31, 2021, each budget line item should generally show expenditures of not more than 50%.

The total expenses for the General Operations Fund (Ops) Budget are 44%, which is 6% less than budgeted. The Reuse and Cleanup Fund (Reuse) total expenses are 50%.

RECOMMENDED ACTION

1. This report is provided for information only. No Board action is required.

DISCUSSION

Operations Fund

A. Funds Available

1. **Unappropriated Beginning Fund Balance:** the actual balance is $3,205,331, which is an increase over the budgeted $3,099,415. The variance is due to FY 2020-21 expenditures being lower than budgeted, leaving a higher FY 2021-22 beginning fund balance.

2. **Revenue:** CCCSWA's major sources of revenue include JPA-related revenue, recycling processing revenue, diversion incentive program revenue and recycling contribution revenue. In addition, revenue sources also include interest earned on the LAIF investment account and other revenue such as C&D permit fees and liquidated damages revenue.

As of December 31, 2021, Recycling Contribution Revenue, which is revenue received from Republic Services (Republic) in accordance with a settlement agreement, is at 75% of budget and CCCSWA will have received the last of these $47,222 monthly payments from Republic in February 2022. Other Income is well over budget due to $117,850 in unbudgeted liquidated damages collected from Republic through December 31, 2021.

Total funds made available are $6,129,571, which is 70% of the $8,809,945 budgeted for FY 21-22.

B. Expenses

1. **Personnel Services:** expenses include staff salaries and benefits, worker's compensation, unemployment payments, Board Member remuneration, temporary staffing and scheduled merit step increases for eligible employees. The expenses were $587,839, which is 46% of the budgeted $1,284,340.

2. **Materials and Supplies:** expenses include copier lease, bank fees, memberships and subscriptions, office supplies, postage, reprographics, staff development and training, capital purchases and computer software. The expenses were $31,455, which is 37% of the budgeted $84,736.

3. **Professional Services**: expenses include legal services, computer troubleshooting and maintenance, auditing services and other consulting expenses generally not associated with a specific program. The expenses were $135,794, which is 54% of the budgeted $250,500.

4. **Office Occupancy:** expenses include telephone, insurance and rent. The expenses were $78,092, which is 47% of the budgeted $167,223.

5. **Recycling Processing Cost:** expense is the recycling processing payment that is paid to MDR for processing the recyclables delivered from the service area. The expenses were $1,293,242, which is 49% of the budgeted $2,638,468.

6. **Diversion Programs:** expenses include the C&D, Commercial Recycling, Home Composting, SB1383, RecycleSmart Advertising and Schools programs will start to or continue to incur program expenses. Very few expenses are expected to be incurred in the Special Events program due to the continued pandemic. In the second half of the fiscal year, Recycling Outreach program expense will increase due to the new outreach contract with SGA Marketing and Wastebuster program expenses will increase with the awarding of Wastebuster awards and student scholarships in the second half of the fiscal year. The expenses were $219,754, which is 28% of the approved budgeted of $774,728.

7. **Pension Liability Expense**: expense is a budgeted lump sum payment to CalPERS to pay down the Authority's unfunded accrued pension liability. Staff is currently working with CalPERS actuaries to make the annual lump sum payment and the amount of the payment is expected to be the budgeted $150,000.

Overall, the actual expense activity has resulted in mid-year total expenses of $2,346,176, which is 44% of the budgeted $5,349,995.

C. <u>Ending Fund Balance</u>

The ending fund balance includes a Board-approved allocation of Recycling Contribution Revenue to member agencies, which totals $850,001 as of December 31, 2021. There will be an additional $94,444, which represents the January and February 2022 portion of Recycling Contribution Revenue, allocated to member agencies, bringing the total allocated to member agencies to $944,445 for fiscal year 2021-22.

<u>Reuse and Cleanup Fund</u>

The Reuse and Cleanup Fund budget is exclusively for the purposes of payments toward the Reuse and Battery collection program. Republic Services collects these funds from service rates and provides them to the CCCSWA for payment to MDR for contracted services. The mid-year actual revenue and expenses are 50% of the annual Reuse budget, as provided in Attachment B of this report.

During the budgeting process for FY 22-23, Staff will present the FY 21-22 end-of-year projections for all funds.

ATTACHMENTS

A. FY 21-22 Operations Fund – Mid Year Actuals
B. FY 21-22 Reuse and Cleanup Fund – Mid Year Actuals

General Operations Fund
July 1, 2021 through December 31, 2021

	Actual Jul - Dec 2021	Approved FY 2021-22 Budget	% of Budget
Unappropriated Beginning Fund Balance	$ 3,205,331.00	$ 3,099,415.00	103%
Revenues			
JPA Revenue	919,511.46	1,844,218.00	50%
Interest Earned	12,908.39	82,081.00	16%
Recycling Contribution Revenue	283,333.32	377,778.00	75%
Home Composting Revenue	828.00	3,100.00	27%
Recycling Processing Revenue	1,293,241.98	2,621,225.00	49%
Diversion Program Revenue	292,121.04	771,628.00	38%
Other Income	122,290.00	10,000.00	1223%
Miscellaneous Income	5.60	500.00	1%
Total Revenues	**2,924,239.79**	**5,710,530.00**	**51%**
Total Funds Made Available	**6,129,570.79**	**8,809,945.00**	**70%**
Expenses			
Full Time Staff Salaries	444,999.69	922,231.00	48%
Benefits Expense	140,789.47	351,109.00	40%
Temporary Staff	0.00	5,000.00	0%
Board Member Remuneration	2,050.00	6,000.00	34%
Total Personnel Services	587,839.16	1,284,340.00	46%
Copier Lease	7,116.74	14,121.00	50%
Fees Bank and Other	8,133.42	16,694.00	49%
Memberships Dues Subscriptions	4,693.05	8,471.00	55%
Miscellaneous	0.00	300.00	0%
Office Supplies	1,914.91	7,000.00	27%
Postage	463.81	3,000.00	15%
Reprographics	0.00	2,000.00	0%
Staff Dev/Travel/Conf/Mtgs	4,853.35	18,150.00	27%
Conference/Meeting	1,391.21	3,000.00	46%
Capital Furnishings/Equip	2,888.55	12,000.00	24%
Total Materials & Supplies	31,455.04	84,736.00	37%
Professional Srvcs Contracts & Contractors	62,879.80	124,500.00	51%
Financial Services and Fees	28,371.00	51,000.00	56%
Legal	44,543.59	75,000.00	59%
Total Professional Services	135,794.39	250,500.00	54%
Insurance	11,779.13	22,857.00	52%
Rent	62,485.72	135,426.00	46%
Telephone	3,826.95	8,940.00	43%
Total Office Occupancy	78,091.80	167,223.00	47%

General Operations Fund
July 1, 2021 through December 31, 2021

	Actual Jul - Dec 2021	Approved FY 2021-22 Budget	% of Budget
Recycling Processing Expense	1,293,241.86	2,638,468.00	49%
Total Recycling Processing Costs	1,293,241.86	2,638,468.00	49%
C&D Program Expense	4,046.00	21,188.00	19%
Commercial Recycling Program Expense	0.00	3,420.00	0%
Community Funding Program Expense	3,500.00	5,000.00	70%
Home Composting Program Expense	4,957.56	39,000.00	13%
SB1383 Program Expense	18,878.87	73,000.00	26%
Recycling Outreach Program Expense	1,387.00	162,000.00	1%
RecycleSmart Advertisement Program Expense	2,648.50	29,500.00	9%
School Recycling Program Expense	47,818.06	120,000.00	40%
Special Events Program Expense	793.51	8,500.00	9%
Wastebusters Program Expense	3,000.00	30,000.00	10%
Residential Newsletter Program Expense	132,724.36	283,120.00	47%
Total Diversion Programs	219,753.86	774,728.00	28%
Pension Liability Expense	0.00	150,000.00	0%
Total Pension Liability Expense	0.00	150,000.00	0%
Total Expenses	**2,346,176.11**	**5,349,995.00**	**44%**
Ending Fund Balance Before Allocations	**3,783,394.68**	**3,459,950.00**	
Less: Recycling Contribution Revenue Allocation to MAs	(850,001.40)		
Ending Fund Balance	**$ 2,933,393.28**	**$ 3,459,950.00**	

Agenda Item No. 3d
Attachment B

Reuse and Cleanup Fund
July 1, 2021 through December 31, 2021

	Actual Jul - Dec 2021	Approved FY 2021-22 Budget	% of Budget
Revenues			
Reuse Program Income	563,755.62	1,127,511.00	50%
Total Revenues	563,755.62	1,127,511.00	**50%**
Expenses			
Reuse Program Expense	563,755.62	1,127,511.00	50%
Total Expenses	563,755.62	1,127,511.00	**50%**
Excess Revenue Over (Under) Expenditures	0.00	0.00	

Recycle Smart
Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: JUDITH SILVER, SENIOR PROGRAM MANAGER

DATE: FEBRUARY 24, 2022

SUBJECT: ASSEMBLY BILL 1276

SUMMARY

Governor Gavin Newsom approved AB 1276 on October 5, 2021. It prohibits a food facility or a third-party food delivery platform from providing single-use food accessories, such as cutlery, straws and condiment packets, to a customer unless requested by the customer. This new law requires a city, county, or city and county, on or before June 1, 2022, to authorize an enforcement agency to enforce these requirements.

RECOMMENDED ACTION

1. This report is provided for information only. No Board action is required.

DISCUSSION

AB 1276 is designed to reduce excess packaging and undesired condiments and implements from being given to a customer when eating on premises or taking food to go; such items may only be provided on request by the customer. It prohibits single-use foodware accessories from being bundled or packaged in a way that prohibits the customer from taking only the item desired. It authorizes a food facility to ask a drive-through customer, if the customer wants a single-use foodware accessory in specified circumstances. The law requires a food facility using a third-party food delivery platform to list on its menu the availability of single-use foodware accessories and standard condiments and only provide those items when requested. The law excludes from these requirements correctional institutions, health care facilities, residential care facilities, and public and private school cafeterias.

The new law requires a city, county, or city and county, on or before June 1, 2022, to authorize an enforcement agency to enforce these requirements. The law specifies that the first and second violations of these provisions result in a notice of violation, and any subsequent violation is an infraction punishable by a fine of $25 for each day in violation, but not to exceed an annual total of $300.

Prior to adoption of AB 1276, state law (AB 1884 (adopted 2018)) prohibited a full-service restaurant from providing single-use plastic straws to customers unless requested by the customer. The state law required the plastic straw regulation to be enforced by the local health and environmental health officers and their agents.

AB 1276 revised the state law in the following key ways:

- Expanded the scope from full-service restaurants to food facilities, which generally includes all retail food operations.
- Expanded the scope from single-use plastic straws to single-use foodware accessories, which includes utensils, condiments, and straws (but does not include napkins).
- Revised the enforcement obligation from the local health and environmental health officers (typically, the County) to whichever entity cities and counties deem appropriate.

In March 2021, the CCCSWA Board Legislative Committee considered AB 1276 as part of its annual review of proposed legislation. The Legislative Committee recommended a "watch" position, which the Board adopted. In October 2021, Californians Against Waste provided the Board a 2021 Final Legislation Update, which included an update on the passage of AB 1276.

As described above, the state law requires cities and counties to authorize an enforcement agency to enforce these requirements within their jurisdiction by June 1, 2022. The state law no longer mandates that the local health and environmental health officers fulfill that obligation; cities and counties have flexibility in how they assign that obligation. Pursuant to an inquiry from Board Member Miller, staff has been investigating how enforcement within our service area can be achieved.

Example approaches include:

- San Mateo County amended its Disposable Food Service Ware Ordinance, to incorporate AB 1276's requirements. The County will be enforcing the ordinance in unincorporated areas and in the cities that have adopted the ordinance by reference. To date, 13 cities in that county have adopted the County ordinance.
- Marin County is proposing to adopt a County Reusable Foodware Ordinance, including AB 1276's requirements; the County would enforce the ordinance in unincorporated areas and in the cities that opt in to the ordinance.
- Some cities, like Palo Alto, adopted ordinances prior to AB 1276 that already prohibit food service establishments from providing certain single-use items except on customer request.
- Other cities plan to incorporate AB 1276's requirements into already-adopted or planned ordinances regulating disposable foodware, polystyrene/foam foodware, and similar.

CCCSWA staff has had communication with Contra Costa County Environmental Health to ascertain its willingness to enforce the law on behalf of the cities in the county. Contra Costa Environmental Health has informed CCCSWA staff that it does not currently anticipate that it will be in a position to assume enforcement responsibilities for AB 1276 on behalf of cites in the county. However, it is willing to assist with educational outreach when conducting inspections at restaurants.

Some member agencies already have ordinances in place that regulate food containers and related items within their jurisdiction, such as bans on polystyrene or plastic bags or both; those member agencies assume enforcement responsibilities for their local ordinances. For example:

- The County adopted a polystyrene ordinance.
- The City of Lafayette adopted a polystyrene ordinance and a plastic bag ordinance.
- The City of Orinda adopted a polystyrene ordinance, including a provision that polystyrene utensils be provided only upon customer request.
- The City of Walnut Creek adopted a polystyrene ordinance and a plastic bag ordinance.

The same enforcement mechanism can be used to enforce AB 1276 within member agency jurisdictions.

Recycle Smart

Central Contra Costa Solid Waste Authority

Agenda Item No. 5b

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: KEN ETHERINGTON, EXECUTIVE DIRECTOR

DATE: FEBRUARY 24, 2022

SUBJECT: EXECUTIVE DIRECTOR'S MONTHLY REPORT

SUMMARY

RecycleSmart Staff performs high level programmatic and administrative tasks each month to provide outreach and education to residents, businesses and schools to increase diversion and instill waste prevention practices. Staff manages the franchise agreements and customer service in addition to monitoring facility and monthly reporting by our service providers. Staff actively engages with community groups and regional partners on a variety of topics including SB 1383, legislation and industry best practices.

RECOMMENDED ACTION

1. This report is provided for information only. No Board action is required.

DISCUSSION

Provided below is information on completed and ongoing activities in February 2022.

- In partnership with Republic Services and Saint Mary's Sustainability, staff hosted a "Go Green" basketball game night on February 10. Staff coordinated three-stream event waste stations, an information booth and a recycling sorting game with students. Tony Mancini and John Taylor (Moraga Recycling Coordinator) with Republic Services and RecycleSmart staff received the game ball on the court.
- Staff continues to meet with SGA Marketing to develop an organics recycling outreach campaign. Four outreach messages are currently being Google tested. Based on the results, staff will have data to show what messages and graphics motivate residents to seek additional organics recycling information, which long term can help develop outreach to create behavior change.
- Held monthly meeting with school's program contractor Ruth Abbe & Associates. The February meeting included Gardens at Heather Farm (GHF) Compost in the Classroom contract staff.

- Winter 2022 RecycleSmart single-family and multi-family newsletter was mailed out.
- RecycleSmart's 'Green Cart Guide' customized to Rossmoor residents and distributed with Rossmoor News on February 2. Staff of RecycleSmart, Republic Services, and Rossmoor News are working with Rossmoor Trash Committees to publicize and reinforce a composting campaign.
- SB 1383 related:
  - RecycleSmart is partnering with Contra Costa Health Services to implement additional Edible Food Generator outreach, and annual inspections, required by SB 1383. Working with Health Services, staff updated the commercial Food Donation brochure to provide for regional distribution by Health Services Inspectors (in English, Spanish and Chinese). Health Services Inspectors will distribute outreach to all facilities they visit to encourage food donation. Staff received a cost estimate from Health Services for annual inspections ($199 per hour), and will work with Health Services to finalize a contract for inspection services beginning July 1, 2022. Outreach (to Tier 1 and Tier 2 generators) and inspections (to Tier 1 generators in 2022) is required. Enforcement requirements begin January 1, 2024 (RecycleSmart will conduct any necessary enforcement in the future). Partnering with Health Services will ensure inspections are cost effective and efficient.
  - SB 1383 information and graphics provided to all Member Agencies to include in their e-newsletters.
  - SB 1383 article in Walnut Creek Magazine (e-version) running for four weeks.
  - Staff is developing Edible Food Generator outreach for Chamber of Commerce distribution.
  - Staff confirmed all Member Agencies will participate in Recovered Organic Waste Product Procurement 'Direct Service Provider' plan with Republic Services/Forward Compost facility.
  - Bi-weekly CalRecycle food rescue grant implementation meeting with White Pony Express.
  - Staff met with Jack Dice of the Muffin People, a Food Recovery Organization providing services to some Tier 1 Commercial Edible Food Generators (grocery stores) in Lamorinda to provide an update on SB 1383 and review generator requirements.
  - Scheduled SB 1383 presentation dates at City/Town Councils:
    - Orinda – February 1, 2022 (completed)
    - Lafayette – February 14, 2022 (completed)
    - Moraga – March 9, 2022
  - One-time CalRecycle SB 1383 local assistance grant funding. All member agencies have submitted an application to CalRecycle.
  - Conducted SB 1383 required route monitoring protocol pilot testing during the week of February 7. The pilot included both residential and commercial routes. Member Agency Liaisons and Police Departments were informed.
  - Staff presented on SB 1383 to the County-wide City Engineering/Public Works group, February 17.
  - CalRecycle webinar on managing SB 1383 annual reporting, February 17.

- Staff participated in the following additional meetings and events:
  - Bay Area Recycling Outreach Coalition (BayROC) meeting, February 8
  - St. Mary's College "Go Green" Basketball Game, February 10
  - Walnut Creek State of the City, February 15
  - California Organics Recycling Technical Council, February 11
  - Town of Moraga monthly Liaison meeting, February 11
  - NCRA Zero Food Waste Committee Meeting, February 11
  - Monthly Bay Area regional SB 1383 Food Recovery meeting, February 15
  - US Conference of Mayors Municipal Waste Management Executive Committee Meeting, February 17
  - NCRA Zero Food Waste webinar (Creating a Fair and Equitable Food Recovery EcoSystem), February 25
  - Bi-Weekly Progress Meetings with Republic Services

Recycle Smart
Central Contra Costa Solid Waste Authority

Agenda Item No. 5c

Future Agenda Items

TYPE	BOARD MEETING: 03/24/2022
C	Approve 02/24/2022 Minutes
C	Adopt Resolution 2022-04, Continued use of Teleconferencing for all CCCSWA meetings under AB 361
A	Elect Chair and Vice Chair for 2022-23
A	Adopt Resolution 2022-05 Recognizing Matthew Francois as CCCSWA Chair for 2021-22
A	2022 Legislation Bills and Recommendations
I	Executive Director's Monthly Report

TYPE	BOARD MEETING: 04/28/2022
C	Adopt Resolution 2022-06, Continued use of Teleconferencing for all CCCSWA meetings under AB 361
C	Approve 03/24/2022 Minutes
A	2022 Operations and Reuse Budgets
I	Executive Director's Monthly Report

TYPE	BOARD MEETING: 5/26/2022
C	Approve 04/28/2022 Minutes
A	2021-22 Schools Program Scholarships
I	Executive Director's Monthly Report

TYPE

C – Consent Item
A – Action Item
I – Information Item
P – Presentation

Agenda Item No. 5d

POLITICS

California bottle deposit program sitting on at least $100 million more than it told lawmakers

Dustin Gardiner

Updated: Jan. 30, 2022 6:47 p.m.

1 of 2

California's bottle recycling program is sitting on a surplus of more than $529 million.
Michael Short/Special to The Chronicle 2018

SACRAMENTO — California's bottle recycling program has a surplus that's at least $100 million larger than the department previously reported to state legislators and the public — adding to an unprecedented windfall that has ballooned as recycling centers across the state close in droves.

The program is now sitting on a surplus of more than $529 million, money that comes from the nickel and dime deposits consumers pay every time they buy a can of soda or bottle of beer in the state.

CalRecycle, the state department that runs the deposit program, said the amount of the surplus jumped because of an accounting backlog that delayed actual totals during the pandemic. But some recycling advocates say the department has in the past downplayed the scope of its flush coffers to distract from its plummeting bottle recycling rate.

State Sen. Bob Wieckowski, who chairs the budget subcommittee on environmental protection, told The Chronicle he plans to call an oversight hearing this spring to delve into CalRecycle's accounting issues. He said it's "outrageous" that the department understated the amount of unclaimed deposits by $100 million.

"People should be red hot mad about this," said Wieckowski, D-Fremont. "All I can do is pull my hair out and say, 'Holy Toledo.' It just underscores how broken the system is."

The bottle deposit program has been in a downward spiral for about five years as recycling centers closed en masse because of factors such as global tumult in the recycling market and soaring real estate prices. Only about 68% of bottles and cans bought in California are recycled today, down from about 85% at the program's peak in 2013.

Californians who don't want to take their containers to redemption centers can toss them in blue curbside recycling bins. But many of those bottles and cans are contaminated by other waste and not recycled. Plus, consumers can't get their deposits back.

Meanwhile, CalRecycle has seen its surplus for the program steadily grow because many Californians now live in "recycling deserts" without convenient access to redemption centers to return their empties.

But the size of its reported account balance has fluctuated widely: About a year ago, the department projected it would begin the current fiscal year, which started July 1, with a $369 million surplus. Then, CalRecycle estimated the surplus was about $428 million in a report to the Legislature last fall. CalRecycle later filed a memo with the state Department of Finance stating the surplus was actually over $529 million.

CalRecycle Director Rachel Machi Wagoner, who took the department's helm in December 2020, said the sudden jump was in part the result of a "massive hiccup" that occurred when its accounting staff was suddenly forced to work remotely during the pandemic. Several employees quit around the same time, she said, and the department got far behind in tracking the money coming into its account.

"It was just a confluence of things during the pandemic," Machi Wagoner said. "We got months and months behind, and that should never happen. But it did. We've since remedied it."

She said the department is transparent about both its surplus and the recycling rate. "This administration is committed to working with the Legislature to restore faith in this program for consumers," she said.

Two other factors also caused the surplus to grow faster during the pandemic: Beverage sales skyrocketed as people spent more time at home. Meanwhile, more recycling centers continued to close.

California consumers who buy beverages must pay a five-cent deposit for containers less than 24 ounces and 10 cents for containers 24 ounces or larger. Theoretically, the money is a deposit if they return the containers to a recycling center or a grocery store. The program includes soda, beer, juice and water sold in aluminum, glass and plastic containers.

Machi Wagoner said it's also not unusual for the program's surplus to fluctuate by large amounts because the department can't predict exactly how many containers will be returned. She said, however, that the department doesn't plan to go back and revise any of the prior estimates because the fund balance it reported in the governor's proposed budget released this month is correct.

But some recycling advocates say they are troubled by the situation. They contend CalRecycle has a long history of providing low estimates about its surplus to legislators. Susan Collins, president of the Container Recycling Institute advocacy group, said she's baffled that CalRecycle won't go back and fix its flawed projections.

"It's ridiculous that people in government can't just manage this the way that it's supposed to be managed and produce an accurate and timely report," she said. "We can't improve the recycling program when there's misinformation."

Jamie Court, president of Consumer Watchdog, an advocacy group pushing to overhaul the bottle program, said consumers should be outraged because the surplus represents billions of bottles and cans that nobody was able to redeem for a deposit.

For many years, Court said CalRecycle has led legislators to think it faces the threat of structural deficits when its surplus actually continues to grow. For example, the proposed budget Gov. Gavin Newsom released this month suggests the surplus in the bottle program will shrink by $141 million this fiscal year.

"Hundreds of millions of dollars is not a rounding error," Court said. "That's an intentional strategy by this agency, over the course of time, to make it look like this program is working."

Machi Wagoner said CalRecycle has traditionally been conservative with its estimates because if it runs out of money in the fund, it would be forced to cut the subsidies it pays to help recycling centers cover their costs.

But she acknowledged that the program has more money than it needs to cover its operations — cash that could be used to try to improve recycling rates.

"I'm not going to deny that there is a huge surplus in this fund right now," Machi

Wagoner said.

About Our Newsroom

Our politics team covers **California government** from Sacramento and **national politics** from the Bay Area and Washington, D.C. The guiding principle in choosing which stories to cover is: **How does political and government news affect the Bay Area and California?**

Read more about how The Chronicle covers politics and what we do to ensure fairness in our reporting →

The scope of the surplus adds fuel to a fiery debate already under way in the Legislature about how to fix the bottle program.

Wieckowski, the senator planning to hold an oversight hearing, has proposed SB38, a measure that would dramatically overhaul the system by requiring beverage distributors to form a stewardship organization and create a system of easily accessible redemption centers.

"The status quo is broken, it has been broken," he said.

Wieckowski said a chunk of the surplus should be used to help rebuild the recycling infrastructure until beverage companies can start a new system. He wants the state to use the money to buy reverse vending machines that redeem bottles and provide assistance to open community recycling centers.

His bill must compete with AB1454 by Assembly Member Richard Bloom, D-Santa Monica, which would make it easier to keep recycling centers open by increasing the payments CalRecycle makes to help subsidize the cost of processing some materials. It would also provide grants to help open new centers in underserved areas.

Mark Murray, director of Californians Against Waste, a recycling advocacy group, said CalRecycle's budget forecasts have always lagged actual trends because of state budgeting rules. He said he sees little "conspiracy" there, though he said the reporting of outdated figures hamstrings legislators.

"They eventually get it right," he said. "The problem is they don't get it right in a time that policymakers can actually make use of it."

Murray said he backs Bloom's bill because it would use the money to fix the existing program without revamping the entire system.

Lawmakers have passed a series of bills in recent years to try to save the bottle deposit system and explore new ways to recycle. San Francisco began its own mobile bottle redemption program called BottleBank this month.

But so far, the state has set aside a small slice of the bottle program's surplus, $10 million in this year's budget, for such programs. Murray said the department clearly has the money to do more.

"We invest in the recycling infrastructure to fix the problem," Murray said. "It's not that complicated."

Dustin Gardiner is a San Francisco Chronicle staff writer. Email: dustin.gardiner@sfchronicle.com Twitter: @dustingardiner

Written By

Dustin Gardiner

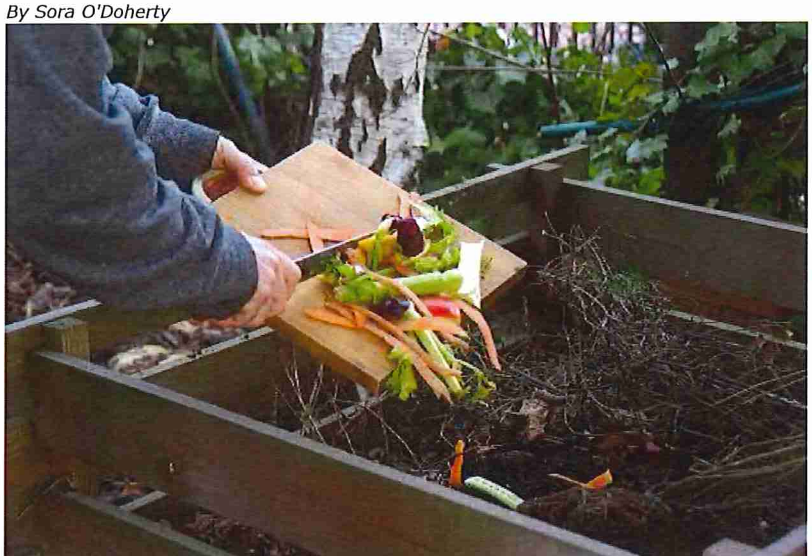
LAMORINDA WEEKLY

Independent, locally owned and operated!
www.lamorindaweekly.com 925-377-0977

Published February 16th, 2022

Lamorinda in great shape to meet new recycling law

By Sora O'Doherty



Food waste disposal is the focus of new waste reduction law, SB 1383. Photo Bigstock

As Senate Bill 1383, the most significant waste reduction law in the past 30 years, comes into effect, Orinda, like the rest of Lamorinda, is well positioned to be in compliance. In a Feb. 1 presentation to the Orinda City Council, Senior Program Manager Judith Silver of Recycle Smart explained that Orinda is already ahead of the game, because residents have already been separating green waste from trash and recycling. One of the most significant elements of the bill, finding ways to get edible food to people who need it instead of to the landfill, is already being practiced to a significant degree in Lamorinda.

SB 1383 is intended to reduce short-lived climate pollutants in California, and sets goals to be reached by 2025. Food is 18% of what is discarded. Silver said that she is confident that Lamorinda is largely in compliance with this law, although there will be some changes. Up until now, multifamily buildings could opt out of food waste recycling and recycle only yard waste, but the requirement now applies to everyone. New Administrative Services Director Doug Allessio helped with a grant application that will provide one-time funding for educational outreach to explain the new provisions.

Recycle Smart will begin conducting random "lid flips," checking for non-compliant materials in bins, along their 68 routes. This will include residential bins, but citations and fines for non-compliance will be limited to commercial bins. Businesses are divided into two tiers. In Orinda, there are only two Tier One businesses, Republic of Cake (because they sell product wholesale) and Safeway, which is already largely doing what is required. Tier Two includes the country club and schools, and they will be required to participate in food recovery. This work is already underway with White Pony Express, The Muffin People and the Recycle Smart Food Recovery Program. Through White Pony Express and The Muffin People, edible food is being collected in Lamorinda and elsewhere and distributed to different nonprofits in Oakland via a safe and consistent delivery system, according to Silver.

Additional requirements of the new law for businesses, including the city government, include assuring that paper purchases have recycled content. Orinda is participating, and will save about $55,000, Silver said. She also said that there will not be fines for residents, only for businesses.

Council Member Inga Miller, who also serves on the Central Contra Costa Solid Waste Authority along with Council Member Amy Worth, asked Silver where the money will come from for the new initiatives. Silver responded that through their rates they already have the infrastructure in

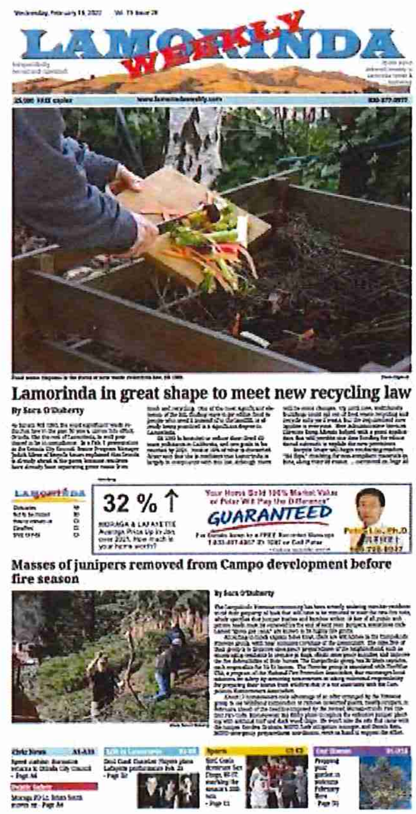
print story

Before you print this article, please remember that it will remain in our archive for you to visit anytime.
download pdf
(use the pdf document for best printing results!)

Comments

Send your comment to:
info@lamorindaweekly.com
Reach the reporter at: sora@lamorindaweekly.com

This article was published on Page A1 / A6:


LAMORINDA WEEKLY

Lamorinda in great shape to meet new recycling law

By Sora O'Doherty

32 %

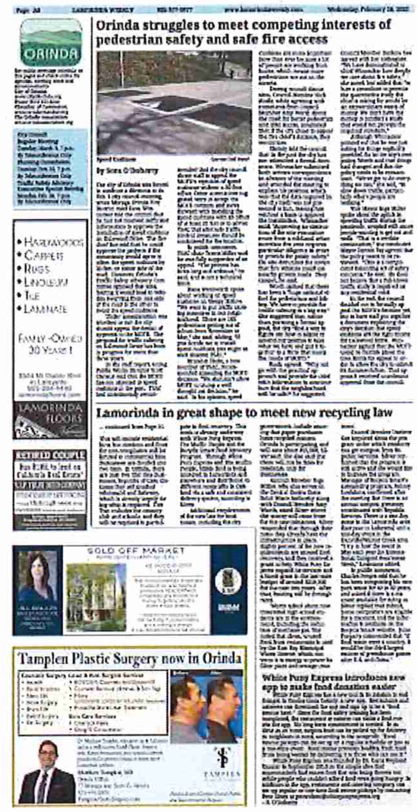
GUARANTEED

Masses of junipers removed from Campo development before fire season place. Eighty percent of the new requirements are around food recovery, and they received a grant to help White Pony Express expand its services and a block grant in the last state budget of around $250,000 for the next two years. After that, funding will be through rates.

Worth talked about how interested high school students are in the environment, including the reduction of methane gas. She noted that clean, unused food from restaurants is used by the East Bay Municipal Water District, which converts it to energy to power its filter plant and sewage treatment.

Council Member Darlene Gee inquired about the program under which residents can get compost from Republic Services. Silver confirmed that the program is still active and she would like to increase the program. Manager of Recycle Smart's composting program, Ashley Louisiana, confirmed after the meeting that there is an annual compost giveaway coordinated with Republic Services. There is a one-day event in the Lamorinda area (last year in Lafayette) and a one-day event in the Danville/Walnut Creek area. "I try to host the event in May each year for International Compost Awareness Week," Louisiana added.

In public comments, Charles Porges said that he has been composting his own yard waste for 40 to 50 years, and asked if there is a discount available for doing so. Silver replied that indeed, home composters are eligible for a discount, and the information is available on the Recycle Smart website. Jules Forgarty commented that "if food waste were a country, it would be the third largest emitter of greenhouse gasses after U.S. and China."



Orinda struggles to meet competing interests of pedestrian safety and safe fire access

Lamorinda in great shape to meet new recycling law

Tamplen Plastic Surgery now in Orinda

White Pony Express introduces new app to make food donation easier

White Pony Express introduces new app to make food donation easier

White Pony Express has a new tool in its mission to end hunger in Contra Costa County: a new app. Restaurants and caterers can download the app and sign up to be a "food rescue hero." Once the food safety training has been completed, the restaurant or caterer can claim a food run via the app. No long-term commitment is needed. In as little as an hour, surplus food can be picked up for delivery to neighbors in need, according to the nonprofit: "Food rescue pickups can be set up on a regular schedule or just as a one-time event. Food rescue prevents healthy, fresh food from being wasted by delivering it to those who can use it."

White Pony Express was founded by Dr. Carol Weyland Conner in September 2013 on the simple idea that supermarkets had excess food that was being thrown out while people who couldn't afford food were going hungry. In addition to the app, restaurants and catering company can set up regular or one-time food rescue pickups by contacting Pete Olsen at peterolsen@whiteponyexpress.org.

- S. O'Doherty