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BOARD OF DIRECTORS REGULAR MEETING

AGENDA

MAY 23, 2024 - 3:00 P.M.

Walnut Creek City Hall, 3rd Floor Conference Room
(Use elevator by City Council Chambers)
1666 North Main Street, Walnut Creek

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
2. **PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA**

Please submit a speaker card to the Board Secretary. When Board Chair calls on you, 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 April 25, 2024*

4. **PRESENTATIONS**

- a. 2024 Waste Reduction Student Scholarship*
Board of Director's Recognition and Presentation of 2024 Scholarship Award to the Waste Reduction Student Scholarship Recipient.

5. **ACTION ITEMS**

- a. Operations and Reuse Fund Budgets for Fiscal Year 2024-2025*
Adopt Operations Fund and Reuse Fund Budgets for Fiscal Year 2024-25, as set forth in Attachments A and B.

- b. Fiscal Year 2022-23 Funds in Excess of Reserve*
Direct staff to distribute the \$1,065,185 of FY 2022-23 funds in excess of the reserve to the individual Member Agency Reserve Funds in accordance with the General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve Policy.
- c. Interagency Agreement with Contra Costa Health Services for SB 1383 Commercial Edible Food Generator Inspections and Program Update*
 - 1. Authorize the Executive Director to execute an Interagency Agreement with Contra Costa Health Service for SB 1383 Tier One and Tier Two Commercial Edible Food Generator Inspections. The term of the agreement will be from June 1, 2024 through December 31, 2025, with a total not-to-exceed amount of \$50,546.
 - 2. Accept this update on the SB 1383 Edible Food Recovery Program.
- d. First Amendment to HF&H Consultants, LLC Agreement for Franchise Procurement Services*
Approve First Amendment to Provider Services Agreement with HF&H Consultants, LLC for Franchise Procurement Services.
- e. Authorize Position on Initiative 21-0042A1, the “Taxpayer Protection and Government Accountability Act”*
Adopt the attached Resolution, opposing position to Initiative #21-0042A1, the Taxpayer Protection and Government Accountability Act, as recommended by the Legislative Committee.

6. INFORMATION ITEMS

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

- a. Executive Director’s Monthly Report*
- b. Future Agenda Items*

7. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

8. ADJOURNMENT

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

<u>ADDRESSING THE BOARD ON AN ITEM ON THE AGENDA</u>
Persons wishing to speak on PUBLIC HEARINGS and OTHER MATTERS listed on the agenda will be heard when the Chair calls for comments from the audience, except on public hearing items previously heard and closed to public comment. The Chair may specify the number of minutes each person will be permitted to speak based on the number of persons wishing to speak and the time available. After the public has commented, the item is closed to further public comment and brought to the Board for discussion and action. There is no further comment permitted from the audience unless invited by the Board.
<u>ADDRESSING THE BOARD ON AN ITEM NOT ON THE AGENDA</u>
In accordance with State law, the Board is prohibited from discussing items not calendared on the agenda. For that reason, members of the public wishing to discuss or present a matter to the Board other than a matter which is on the Agenda are requested to present the matter in writing to RecycleSmart Board Secretary at least one week prior to a regularly scheduled Board meeting date. If you are unable to do this, you may make an announcement to the Board of your concern under PUBLIC COMMENTS. Matters brought up which are not on the agenda may be referred to staff for action or calendared on a future agenda.
<u>AMERICANS WITH DISABILITIES ACT</u>
In accordance with the Americans With Disabilities Act and California Law, it is the policy of the Central Contra Costa Solid Waste Authority dba RecycleSmart to offer its public meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require special accommodations to participate, please contact RecycleSmart Board Secretary at least 48 hours in advance of the meeting at (925) 906-1801.

**REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON APRIL 25, 2024**

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened at Walnut Creek City Hall, 3rd Floor Conference Room, 1666 North Main Street, Walnut Creek, Contra Costa County, State of California, on April 25, 2024. Vice Chair Candace Andersen called the meeting to order at 3:05 P.M.

PRESENT: Board Members: Candace Andersen, Vice Chair
Newell Arnerich
Ken Carlson
Matt Francois
John McCormick
Inga Miller *
Renee Morgan**
Janet Riley
Renata Sos
*Arrived After Roll Call
** Participated by Telephone from Twain Harte

ABSENT: Board Members: Gina Dawson, Chair
Kerry Hillis
Cindy Silva

Staff members present: David Krueger, Executive Director; Grace Comas, Senior Accountant; Janna McKay, Executive Assistant/Secretary to the Board; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; and Deborah L. Miller, CCCSWA Counsel.

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

Vice Chair Andersen led the 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 March 28, 2024
- b. Authorize Positions on 2024 Recommended Legislation Bills
- c. Authorize the CCCSWA Board Chair to Sign the First Amendment to the Executive Director's Employment Agreement

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

MOTION by Board Member Arnerich to approve Consent Items a, b and c, as submitted. SECOND by Board Member Francois.

MOTION PASSED unanimously by a Roll Call vote.

4. ACTION ITEMS

- a. Proclamation for James (Jim) Nejedly
Adopt Proclamation Recognizing Jim Nejedly for his years of service.

Vice Chair Andersen explained that Jim Nejedly had not only worked for many years for Mt. Diablo Resource Recovery, providing Reuse Day and recyclables processing services to the Authority, but he had also been integral in the formation of Authority when he had been a member of the Central Contra Costa Sanitary District (Central San) Board of Directors. She read the proclamation into the record in honor of Mr. Nejedly's thirty years of service and leadership in the waste industry, (most recently as General Operations Manager of Mt. Diablo Resource Recovery) for his prior service on the Central San Board of Directors, and for his volunteer service to his community.

Board Members who had an opportunity to work with Mr. Nejedly spoke to his ethics, integrity, kindness, thoughtfulness, leadership, dedication to excellent customer service, the tours he gave, his work with the Reuse program, and the fun he brought to everything he did.

KENT ALM, original Legal Counsel to the Authority, spoke to Mr. Nejedly's service as a Board Member for Central San and one of the first Board Members of the Authority during the first solicitation for contractors. He concurred with the accolades to Mr. Nejedly and wished him well on all his future endeavors.

Executive Director David Krueger also expressed staff's appreciation to Mr. Nejedly for his service.

JIM NEJEDLY verified that he had been a member of the Authority Board at its inception. He expressed appreciation for the accolades and stated he had the best crew and the best people to work with, including working with everyone on the CCCSWA Board over the years.

MOTION by Board Member Carlson to adopt the Proclamation Recognizing James (Jim) Nejedly for his Years of Service. SECOND by Board Member McCormick.

MOTION PASSED unanimously by a Roll Call vote.

5. INFORMATION ITEMS

Reports provided for information only and no Board action required.

- a. Introduction of Republic Services New General Manager, Vic Cabrera

VIC CABRERA, recently hired as General Manager for Republic Services Pacheco, introduced himself, and cited his 18 years of operation management experience, five years of it in the waste management industry. He acknowledged the challenge of building an environment with sustainable improvements with people management and process improvement and stated he had

been able to connect well with those he worked with. He looked forward to working with the members of the Board and to making improvements quickly. He added that he would be available when needed.

b. Post-Collection Facility Tours

Executive Director Krueger reported that after the last Board meeting the Post-Collection Request for Proposals (RFP) had been released. A pre-proposal meeting with interested parties had been held and some of those parties expressed a desire to show their facilities to the Board. He stated that Janna McKay would facilitate those tours that would be organized with no more than six members of the Board at one time consistent with the Brown Act.

c. Executive Director's Monthly Report

Mr. Krueger mentioned the first-ever Repair Café at Rossmoor on April 19, 2024.

Jennifer Faught, Contract Compliance Specialist, stated the Repair Café had primarily been put together by a motivated Rossmoor resident and 80 items had been brought for repair, with a good group of volunteers with Sustainable Contra Costa and Republic Services involved. The event had been a total success and a great community building event. The intent is to replicate that event at the Walnut Creek Library next to get repair into the community beyond Rossmoor as well.

Mr. Krueger referred to the customer input program for the RFP for the next Franchise Agreement which involved an online survey being promoted in the newsletter and through the member agencies, a copy of which had been included in the Board packets. He reported so far there had been about 1,500 responses.

Mr. Krueger also noted upcoming compost give-away events: For Walnut Creek, Danville and Contra Costa County on April 27, and for Lamorinda on May 4, by appointment only. He stated the program had already been booked up given the demand. In the future there might be a program to allow compost to be available on a more continuous basis. He identified the many events RecycleSmart had attended this month, particularly to celebrate Earth Day.

Mr. Krueger added that there were a couple of pilot programs to help local businesses Choose Reusable. He identified The Rising Loafer Café & Bakery in Lafayette, an award-winning business, as a participant in that program.

d. Future Agenda Items

Mr. Krueger reported that the budget would be discussed at the next Board meeting.

e. Articles and Communications to Authority

6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

Board Member Francois thanked staff for attending the Earth Day events on the weekend.

Mr. Krueger clarified that for all of those events RecycleSmart was assisted by Republic Services.

Board Member Sos commented on the communications to the Authority and the email from a ratepayer complimenting the newsletter that went to ratepayers. She commended Janna McKay for her continued work in that regard that was always entertaining, always informative and always a pleasure to look at.

Board Member Miller referred to a recent trip to Sweden and stated she had attended a public art show when among the artists an individual had been invited to look at what was not being recycled. She identified some of the things that people were throwing away in the trash but could be valuable for reuse.

Board Member Arnerich referred to a public meeting with a user group when a discussion had developed on commercial food recycle. Given that much of the information had been new to him he wanted to know the actual details of what was required. He sought a cheat sheet of information and potentially a brief presentation in the future.

Mr. Krueger stated that a cheat sheet would be provided to the Board and an update would be provided on the East Bay Municipal Utility District (EBMUD) contract that was due for renewal.

The Board adjourned into Closed Session at approximately 3:40 P.M.

7. CLOSED SESSION

- a. Public Employee Performance Evaluation
Pursuant to Government Code Section 54957 Title: Executive Director

The Board reconvened from Closed Session at 3:55 P.M.

There was no reportable action at that time.

8. ADJOURNMENT

The Board adjourned at 4:00 P.M. for the regular meeting scheduled for Thursday, May 23, 2024 at 3:00 P.M. in the Walnut Creek Offices at Walnut Creek City Hall.

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



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: RECYCLESMAST STAFF AND SCHOOLS TEAM
DATE: MAY 23, 2024
SUBJECT: 2024 WASTE REDUCTION STUDENT SCHOLARSHIPS

SUMMARY

RecycleSmart is pleased to award the following student leaders with Waste Reduction Student Scholarships:

- **Marcus Han** – Campolindo High School
- **Madeleine Park** – Monte Vista High School

RECOMMENDED ACTION

1. Board of Director’s Recognition and Presentation of 2024 Scholarship Awards to the Waste Reduction Student Scholarship Recipients.

DISCUSSION

RecycleSmart initiated the student scholarship program in 2015 to inspire and reward student leaders who have made significant contributions to reducing waste at their high schools. Since that time, student leaders from Acalanes High School, Campolindo High School, Miramonte High School, Las Lomas High School, Northgate High School, Monte Vista High School and San Ramon Valley High School have received RecycleSmart scholarships.

The 2024 scholarship application was prominently posted on the RecycleSmart website and distributed to all high schools in the RecycleSmart service area through environmental clubs, leadership classes, science teachers, administration communications and college counselors. Applicants are required to describe how they are contributing to waste prevention and sorting at their schools and/or in the greater central Contra Costa community.

For the 2023-2024 school year, two students stand out as environmental stewards and community educator leaders. RecycleSmart is pleased to acknowledge the achievements of these students with the award of the Waste Reduction Student Scholarship.

RecycleSmart Scholarship Application Summaries

Marcus Han – Campolindo High School - \$1,000

As the Associated Student Body Sustainability Commissioner for the 2023-2024 school year, Marcus led a team of six leadership students on a quest to find creative solutions for waste reduction at Campolindo High School. Their main objective was to create excitement about something that can be mundane, like waste management, and motivate action with social cues from peers.

Marcus believes the best environmental stewards involve the community around them to evoke change. During the school year, he supported and/or led three projects to encourage his school community to participate in activities to reduce, reuse and recycle.

As one of the leaders of Campolindo’s Green Club, “Team CAMPOst”, Marcus assisted in the efforts to motivate students to sort properly. His contributions included: producing videos to post on the Campolindo student Instagram account @camporedc to teach sorting and encourage students to get involved as bin monitors, plus creating 3-D signs to educate students on proper sorting with real items from the cafeteria. Most importantly, he directed his leadership team to make announcements to their classes and spread excitement for sorting.

To continue to improve the diversion rate at Campolindo, Marcus thinks his 2024-25 replacement should focus on competition between the other AUHSD schools. Acalanes and Campolindo currently have a 1% point difference (62% and 63%); this could be the extra motivation to push these high schools to the RecycleSmart Wastebuster level!



In addition to creating awareness of the importance of post-meal sorting, Marcus directed two events to recycle and reuse everyday items. The first project was developed with an understanding of the complicated combination of pressure to purchase new swag every year to show school spirit, and the expense of Campolindo branded clothing, which is sold every year and typically only worn once by students. The solution has become an annual campus thrift shop featuring Campo swag.

It took seven weeks of persistence, plus multiple Facebook and Nextdoor posts to encourage Campo

Alumni and their parents to drop off second-hand school gear. Fortunately, the pile of clothes collected were plentiful, and Marcus remarked that “some items were decades old, printed with funky designs that offered a glimpse into what Campo was like when Myspace ruled the internet.”

The profits from the fall 2023 “Campo Swap” were used by the leadership committee to fund Earth Week activities, such as free smoothies. Everyone loves free food in high school. For Marcus, the lasting message from the clothing resale is Reuse. He notes that too often the topic of waste

management automatically addresses how to break down waste and properly dispose of it, while actually there is still life in whatever is being thrown away.

During the spring semester, Marcus and his leadership Sustainability team found a solution to the problem of electronic waste at Campolindo High School. He was inspired to carry out this project after observing the heaps of old wires piling up in faculty offices, and understood that an e-waste drive would help busy Campolindo staff. To educate students and motivate involvement, the team developed multiple promotional videos, plus a competition with awards (food-focused of course).

The result was 1000 pounds (1/2 ton) of various broken or vastly outdated items. Marcus selected the Berkeley E-waste Collective after careful research of facilities, and determining this nonprofit would process the waste for free and not ship the parts to third-world countries. The nonprofit trains volunteers to break down the electronics and use the parts to assemble new electronics, like computers for underserved schools. With much to celebrate, Marcus, a future toxicology major, notes the additional importance of diverting toxic chemicals from the landfill.

Marcus is a resident of Lafayette. He will attend UC Davis as an Environmental Toxicology major this fall.

Videos

[Team CAMPOst](#)

[E-Waste Promotion](#)

[E-Waste Competition](#)

[E-Waste Drive Winners](#)

[Campo Swap Promo](#)

[Campo Swap Promotion](#)

Madeleine (Maddy) Park– Monte Vista High School - \$2,000

As a sophomore, Maddy emerged as an environmental leader by founding the Climate Action Now (CAN) club at Monte Vista High School. [@mvclimateactionnow](#) The club's initial goal was generally to find ways to reduce emissions. Over the past three years, the club has taught the Monte Vista community and elementary school students about climate change and the importance of sorting. They have organized monthly cleanups on campus and community trails, collaborating with other schools and clubs to maximize participation. These educational and social efforts in addition to improving the physical infrastructure on campus has resulted in a path to better diversion. CAN has grown to over 160 active members with the benefit of consistent and comprehensive leadership from Maddy. This experience has encouraged her to persevere and understand that community change is possible with a passionate, active team that believes in their influence and ability to positively change their environment.



During her senior year, Maddy increased her leadership role by becoming the 2023-24 Associate Student Body president. The combination of her ASB and CAN leadership roles put Maddy in a unique position to influence people from all different areas of her campus and inspire change. She also delegated tasks efficiently, smoothly ran meetings and organized her CAN club to achieve more by creating important positions, such as Recycling Officer and Social Media Officer.

A lack of sorting and overabundance of litter were the main issues raised by many of the CAN members in the fall of 2023. Maddy took on the goal to address these issues and increase Monte Vista's diversion rate by effectively encouraging sorting and raising awareness of the importance of sorting to decrease methane emissions.

In 2022, Monte Vista's diversion rate was recorded as only 11%. Since SRVUSD self-hauls landfill and recycling, this rate may not have been completely accurate. However, Maddy and her team used this diversion rate as motivation to improve. Additionally, the RecycleSmart schools team was

able to leverage their student interest to get a better estimate from the district facilities manager of the volume hauled from Monte Vista and other schools in the district.

As of spring 2024, Monte Vista has an approximate 23% diversion rate due to organics and recycling efforts. CAN and Maddy can also celebrate the addition of food share carts, plus classroom recycle bins and new dollies for the custodians to service each classroom. Before CAN's observation, 67 out of 94 rooms did not have recycle bins. Now, every classroom has a recycle bin and sort signs posted. That is a 70% improvement in infrastructure.

In the fall of 2023, Maddy leaned into her club's partnership with RecycleSmart immediately after noticing the recycle hauling containers were not being serviced. CAN became the on-the-ground eyes for RecycleSmart and Republic Services, determined to report when service levels needed attention. This spring the CAN Recycling Officer conducted a visual waste audit to help confirm the volume reported by the district hauler for landfill and recycling. This exercise also gave CAN more data on common sorting mistakes among the student body.

The CAN team began their 2023-24 waste reduction efforts by observing student mealtime habits, and documenting the location of bins around campus. Unfortunately, students were not bothering to sort, even with multiple sort stations and signs all over campus. For the past few years, the custodians have only been able to divert paper towels from bathrooms and kitchen food scraps. Mealtime bins are consistently contaminated and have to be landfilled.

Maddy and her CAN officers put together a plan to trim the physical infrastructure, to make sort monitoring easier and reduce bins serviced by custodians. They mapped out the ideal locations for stations based on student mealtime routines, collaborated with the head custodian and principal, and dropped down to 11 three-bin stations. After the new stations were in place, CAN volunteered to put up new sort signs. They posted larger banners near the bins, and began to work on additional methods to educate their community.

A meeting with the principal, RecycleSmart, Maddy and her CAN officers resulted in a comprehensive plan to deliver the message of the importance of sorting to the whole Monte Vista community in multiple ways. The principal encouraged the team to create the text for announcements and emails he would send – wanting the message to appeal to students and seeking their advice. They were also given permission and direction on how to share a sorting video with the entire student body. In March, Maddy and her officers presented their promotional plans and asked for support from all staff members.

Maddy notes CAN's efforts and initiatives took loads of persistence and teamwork, but ultimately allowed them to drive campus change and facilitate collective action. By meeting regularly with the principal and staff, and respecting janitors, they brought sorting and climate education to the forefront. Maddy has passed the torch to her Recycling Officer who will serve as co-president of CAN in the fall of 2024, thus making her contributions more sustainable.

Maddy is a resident of Danville and will be studying Business at the Haas School of Business Spieker Class at UC Berkeley in the fall.



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
 GRACE COMAS, SENIOR ACCOUNTANT
DATE: MAY 23, 2024
SUBJECT: OPERATIONS AND REUSE FUND BUDGETS FOR FISCAL YEAR 2024-2025

SUMMARY

Fiscal Year 2024-25 draft budgets are being presented for Board review and approval. The FY24-25 Operations Fund (Ops) Budget (Attachment A) provides for the core operational and administrative functions of RecycleSmart. The proposed FY24-25 Ops Fund Budget is summarized below and compared to the adopted FY23-24 Ops Budget.

Table 1 – FY 2024-25 Budget Summary

Operations Fund	FY 2023-24 Adopted	FY 2023-24 Projected EOY Actuals	FY 2024-25 Proposed	FY 2023-24 Adopted vs. FY 2024-25 Proposed	
				\$ Change	% Change
Beginning Fund Balance ¹	2,324,190	2,324,190	2,053,952	(270,238)	-12%
Revenues					
JPA Revenue	2,376,271	2,408,567	2,644,734	268,463	11%
Recycling Processing Revenue	2,652,056	2,630,563	2,678,911	26,856	1%
Diversion Programs Revenue	856,238	649,634	731,792	(124,446)	-15%
Home Composting Revenue	3,100	800	-	(3,100)	-100%
Recycling Revenue Share	-	-	-	-	0%
Grants	-	13,191	591,371	591,371	100%
New Franchise Development Reimbursement Revenue	-	-	1,345,000	1,345,000	100%
Interest Earned & Other Revenue	234,986	498,137	534,730	299,745	128%
Total Revenues	6,122,650	6,200,893	8,526,538	2,403,888	39%
Expenses					
JPA Expenses					
Personnel Services	1,283,711	1,158,590	1,266,372	(17,338)	-1%
Material and Supplies	104,800	87,874	95,228	(9,572)	-9%
Professional Services	268,230	189,544	254,000	(14,230)	-5%
New Franchise Development	530,000	506,820	838,180	308,180	58%
Rent & Utilities	189,530	186,354	190,953	1,423	1%
Total JPA Expenses	2,376,271	2,129,182	2,644,734	268,463	11%
Recycling Processing Cost	2,666,231	2,625,587	2,640,607	(25,623)	-1%
Diversion Programs	859,338	651,178	731,792	(127,546)	-15%
SB 1383 Organics Compliance Program Expense	-	-	312,200	312,200	100%
Total Expenses	5,901,839	5,405,946	6,329,333	427,494	7%
Excess Revenue Over (Under) Expenditures	220,811	794,947	2,197,206	1,976,395	895%
Contributions to Member Agencies	-	1,065,185	788,085	788,085	100%
Ending Fund Balance	2,545,000	2,053,952	3,463,072	918,072	36%

¹ Corrected the FY2023-24 Adopted Budget Beginning Fund Balance from \$5,232,094 to \$2,324,190

Staff is proposing to increase Operations Fund expenses by 7%. The majority of the proposed increase is for the additional professional services (consulting, legal, stakeholder input) required related to drafting and procuring the new franchise agreement(s.)

The proposed Budgets were recommended for Board approval by the Finance and Administration Committee at its meeting on May 13, 2024.

The revenue and expenses of the FY 2024-25 Reuse Fund Budget (Attachment B) were approved at the January 25, 2024 Board meeting as part of the rate setting process.

The tables below show total fund balances and bank/investment account balances:

All Fund Balances - As of June 30, 2023	
Operations Fund (General Fund)	2,324,190
Reuse Fund	85,877
Member Agency Reserve Funds	16,099,846
Contra Costa County	2,953,428
Town of Danville	3,427,905
City of Lafayette	2,566,770
Town of Moraga	1,078,089
City of Orinda	1,030,616
City of Walnut Creek	5,043,038
Grand Total - All Funds	18,509,913

Bank and Investment Account Balances - As of June 30, 2023	
Wells Fargo	7,628,578
Local Agency Investment Fund (LAIF)	10,935,758
Total	18,564,336

The total fund balance does not match the total bank/investment account balance exactly due to accounts receivables/payable, prepaid expenses, and accruals. Since June 30, 2023 staff has transferred \$7,000,000 from the Wells Fargo bank account to the LAIF account in order to earn higher interest.

RECOMMENDED ACTION

1. Adopt Operations Fund and Reuse Fund Budgets for Fiscal Year 2024-25, as set forth in Attachments A and B.

DISCUSSION

Background

The Operations Budget provides the funds used for the day-to-day operations of RecycleSmart. A majority of the revenues in this fund are generated from the residential and commercial solid waste rates approved by the Board of Directors each year and collected by Republic Services (Republic). Each month, Republic remits funds to the Authority in the form of an Administrative Fee to fund JPA administrative expenses, a Source Reduction and Recycling Fee (AB 939 Fee) to fund Diversion

Programs, a Recyclable Materials Processing Fee to fund recyclables processing by Mt. Diablo Resource Recovery (MDRR), and a Reuse Program Fee to fund the Reuse Program performed by MDRR. The approved FY 2024-25 (July 2024-June 2025) Operations Budget will be incorporated into the solid waste rates for Rate Year 11 (March 2025-February 2026).

Operations Fund Budget

A. Revenue

JPA Revenue: This is revenue to fund the JPA's administrative expenses. JPA Revenue is budgeted to match budgeted JPA Expenses each fiscal year. JPA Revenue is remitted to the Authority by Republic in the form of an Administrative Fee. The amount of the fee is set each year by the Authority during the budget process and incorporated into customer rates during the next rate setting process. By approving the proposed budget, the Board is authorizing an Administrative Fee of \$2,644,734 to be incorporated into the solid waste rates for Rate Year 11 (March 2025-February 2026). The JPA Revenue is pro-rated when incorporated into the solid waste rates, because the rate year is March-February while the fiscal year is July – June. The JPA expenses are explained in greater detail in a separate section below.

Recycling Processing Revenue: This is revenue used to compensate MDRR for processing the Authority's recyclables. It is remitted to the Authority by Republic in the form of a Recyclable Materials Processing Fee. The Authority then uses this revenue to pay MDRR. The amount of the fee is set each year by the Authority during the budget process and incorporated into customer rates during the next rate setting process. By approving the proposed budget, the Board is authorizing a Recyclable Materials Processing Fee \$2,678,911 to be incorporated into the solid waste rates for Rate Year 11 (March 2025-February 2026). The amount of this fee is estimated by multiplying the current per-ton recyclable materials processing compensation rate by the estimated recyclables tons for FY 2024-25. A reconciliation of estimated to actual recyclables processing costs is performed each year. "Recyclables Processing Revenue" is different than the "Recycling Revenue Share" described below.

Diversion Programs Revenue: This is revenue to fund the Authority's waste diversion (reduce, reuse, recycle, compost) programs that are not performed by Republic or MDRR. Diversion Programs Revenue is budgeted to match budgeted Diversion Program Expenses each fiscal year. Diversion Programs Revenue is remitted to the Authority by Republic in the form of a Source Reduction and Recycling Fee (AB 939 Fee). The amount of the fee is set each year by the Authority during the budget process and incorporated into customer rates during the next rate setting process. By approving the proposed budget, the Board is authorizing an AB 939 Fee of \$731,792 to be incorporated into the solid waste rates for Rate Year 10 (March 2024-February 2025). Note that in FY 2023-24 the Authority budgeted \$3,100 in revenue from the sale of home composting bins. We are no longer selling bins directly (residents purchase bins from a private vendor and use a code to get the Authority discount) so we are not proposing any Home Composting Revenue for FY 2024-25.

Grants: The Authority was granted \$531,371 in SB 1383 local assistance grant funding from CalRecycle in spring 2024. The Authority expects to receive an additional \$60,000 from the county's SB 1383 grant award. Therefore, the Authority expects \$591,371 in total grant revenue. This grant funding is for SB 1383 implementation. Funds must be spent by May 2026. The grant award will be used to fund SB 1383 related Diversion Program expenses in FY 2024-25 and FY 2025-26. Given the state budget, staff does not expect additional local assistance grant funds after 2026.

Recycling Revenue Share: This is revenue received by the Authority from MDRR which represents the Authority's share of revenues that MDRR generated through the sale of the Authority's processed recyclables. Per the amended agreement with MDRR, if the average annual recycling revenue per ton exceeds \$60, then MDRR will remit 75% of the excess revenue to the Authority in an annual payment. (Note that recycling revenues do not include CalRecycle payments to MDRR for processing beverage containers with California Redemption Value). Because recyclables markets are not predictable, Recycling Revenue Share revenue is budgeted at zero each year. In FY 2023-23, the Authority received \$60,192 in Recycling Revenue Share. However, staff does not predict significant Recycling Revenue Share revenue for FY 2024-25, based on current markets. Note that the Recycling Revenue Share revenue accrues to the General Fund and is not automatically distributed to individual Member Agency Reserves. Adopted Board policy (The General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve Policy) allows the Board to distribute any unassigned General Fund balance (which may have multiple sources including Recycling Revenue Share) to the individual Member Agency Reserve Funds based upon total tons of material collected in each jurisdiction. Only unassigned General Fund balance that is in excess of the 20% minimum General Fund reserve is available for the Board to distribute to the individual Member Agency Reserve Funds.

New Franchise Development Reimbursement Revenue: This one-time revenue will be received from the successful proposer(s) for the new franchise agreements. The successful proposer(s) will be required to reimburse the Authority's expenses (primarily consultant and attorney fees) for the new franchise procurement process. The estimated reimbursement will be \$1,345,000 to recover procurement-related expenses from FY 2023-24 and FY 2024-25. Those expenses are discussed in further detail below.

Interest Earned and Other Revenue: The majority of "Interest Earned and Other Revenue" is interest earned on the \$11.9 million in reserve funds (including both General Fund and Member Agency reserves) placed in a Local Agency Investment Fund (LAIF), interest from the Authority's bank account. It also includes liquidated damages assessed on contractors and permit application fees from construction and demolition haulers. Note that in FY 2023-24 the Authority budgeted for \$224,486 in interest revenue, and we are proposing \$524,230 in interest revenue for FY 2024-25. There are three reasons for this: 1) Interest rates are higher; 2) Staff moved a larger percentage of the Authority's reserves into the LAIF account to achieve higher interest; 3) Staff moved the remainder of the Authority's funds from a no-interest bank account to an account which pays interest.

B. Expenses

JPA Expenses:

1. **Personnel Services:** expenses include staff salaries and benefits, worker's compensation, unemployment payments, Board Member remuneration, and temporary staffing on special projects. Expenses for this category total \$1,266,372. Included in the Personnel Services line item is the step increase for Senior Accountant, if eligible. On March 4, 2024, Staff met with the Personnel Committee and the Committee voted to recommend a 3.5% COLA increase be included in the FY 2024-25 draft budget for Finance Committee review. The \$1,266,372 in Personnel Services includes the 3.5% COLA increase for all Authority staff, including the Executive Director. On May 13, 2024 the Finance Committee voted to recommend the proposed FY 2024-25 budget to the Board for approval, including the 3.5% COLA increase in staff salaries.

2. **Materials and Supplies:** expenses include memberships and subscriptions, bank fees, office supplies, postage, reprographics, travel, staff development, and capital purchases. Expenses for this category total \$95,228.
3. **Professional Services:** expenses include legal services, computer troubleshooting and maintenance, auditing services, financial fees and services plus other consulting expenses generally not associated with a specific program. Professional Services expenses total \$254,000. Note that the FY 2024-25 Professional Services budget includes a one-time expenditure of \$12,000 to conduct a salary survey of all staff positions except for Executive Director and Senior Accountant, as recommended by the Personnel Committee.
4. **New Franchise Development:** The proposed FY 2024-25 Operating Budget includes \$838,180 related to the drafting and procurement of the new franchise agreements that will take effect when the current agreements expire on February 28, 2027. During the FY 2023-24 budget process, the Board adopted a budget of \$530,000 for the entire procurement process, which will span two fiscal years (FY 2023-24 and FY 2024-25). This amount was based on the value of the franchise agreements: The value of the current franchises is roughly \$53 million per year, and franchise agreements are typically around 10 years long, so the Finance Committee recommended a procurement budget equal to 0.1% of that value. During the Authority’s last franchise development and procurement process in 2012-2014 the Authority spent \$957,493.70 on the procurement process, all of which was reimbursed to the Authority by Republic Services.

During the 2012-2014 procurement process, the Authority spent \$579,831 on consultant assistance (HF&H). On August 1, 2023, the Authority entered into a new agreement with HF&H consultants to assist with the current procurement process for an amount not to exceed \$330,000. This amount was derived through a competitive RFP process for consultant services. However, the \$330,000 has proved to be insufficient to complete the procurement process. HF&H has requested an additional \$530,000 to complete the procurement, for a grand total of \$860,000. Staff and HF&H met to review and revise HF&H’s request for additional funds before submitting it to the Finance and Administration Committee, and were able decrease the original estimate by \$65,000, largely by having staff take on tasks previously assigned to HF&H.

In addition to consulting funds for HF&H, the approved procurement budget includes funds for Shute, Mihaly, & Weinberger (General Counsel) and stakeholder engagement and feedback. Since the original budget was approved, staff has determined a need to budget for a potential CEQA review, and is requesting \$50,000 in additional funding to retain a consultant and a commercial realtor to identify potential sites for a truck yard and transfer station. The complete procurement budget, both adopted and proposed, by fiscal year, is summarized in the table below.

New Franchise Development Procurement Services Budget	FY 2023-24	FY 2023-24	FY 2024-25	Total Procurement Budget		
	Adopted	Projected	Proposed	Adopted	Proposed	Change
Shute, Mihaly & Weinberger (General Counsel)	\$150,000	\$30,000	\$120,000	\$150,000	\$150,000	\$0
HF&H (Consultant)	\$330,000	\$450,000	\$410,000	\$330,000	\$860,000	\$530,000
Consulting Contingency (Other Consultants)	\$20,000	\$5,000	\$0	\$20,000	\$5,000	-\$15,000
Franchise Stakeholder Engagement and Feedback	\$30,000	\$3,820	\$26,180	\$30,000	\$30,000	\$0
CEQA Review	\$0	\$0	\$250,000	\$0	\$250,000	\$250,000
Site Search	\$0	\$18,000	\$32,000		\$50,000	\$50,000
Total Expenses:	\$530,000	\$506,820	\$838,180	\$530,000	\$1,345,000	\$815,000
Revenue from Successful Proposers	\$0	\$0	\$1,345,000	\$530,000	\$1,345,000	\$815,000

5. **Rent and Utilities:** expenses include insurance, office rent, and telephone charges. The new office lease commenced on August 1, 2020. Expenses for this category total \$190,953.

Recycling Processing Cost:

Beginning April 2021 and in accordance with a settlement agreement with MDRR, RecycleSmart began paying MDRR a recycling processing cost of **\$64.80** per ton for all accepted recyclable materials received by MDRR from the RecycleSmart service area. It is adjusted annually based on CPI and it is now **\$72.75** per ton. Budgeted Recycling Processing Revenues discussed in the “Revenues” section above will fund this expense. Expenses for this category total \$2,640,607.

Diversion Programs:

Diversion Program expenses are used to cover solid waste diversion related activities as approved by the Board. Budgeted Diversion Program Revenue discussed in the “Revenues” section above will fund a majority of these program expenses. Expenses for Diversion Programs total \$731,792. A detailed description of each diversion program, included accomplishments and goals, is provided in Attachment C. Staff is not proposing any new diversion programs this year.

CalRecycle SB 1383 Program:

Grant expenses are used to cover programs specifically required by SB 1383 including annual route reviews, annual monitoring of Tier One and Tier Two edible food generators, technical assistance to Tier One and Tier Two generators to improve food recovery and compliance. The grant funds will also be used to fund a one-time waste characterization / capture study which is estimated to cost approximately \$160,000 based on cost estimates provided by Cascadia Consulting Group and HDR Consulting, two of the Authority’s on- call consultants with experience conducting waste characterization studies.

The study will be conducted in fall 2024. Expenses for CalRecycle SB 1383 program total in FY 2024 are expected to be \$312,200. Additional information including accomplishments and goals, is provided in Attachment C.

C. Fund Balance

Based on the above estimated revenue and expenditures, the Operations Fund balance at the end of FY 2024-25 is estimated to be \$3,463,072. Of that amount, \$1,265,867 has been set aside as General Fund Reserve (20% of total budgeted expenditures for FY 2024-25). Recommendations for the actual unassigned fund balance from FY 2022-23 are discussed in Agenda Item 5c, “FY 2022-23 Funds in Excess of Reserve.” Adopted policy allows the Board to distribute any unassigned General Fund balance to the individual Member Agency Reserve Funds based upon total tons of material collected in each jurisdiction. Current and projected Member Agency Reserve Fund Balances are shown in Attachment D.

Refuse Vehicle Impact Vehicle Fee Studies:

Individual Member Agencies have requested that staff hire a consultant to update the refuse vehicle impact fee nexus studies. Staff received a quote to perform the studies for \$22,000 for the first Member Agency and \$10,000 for each additional Member Agency. This would be \$62,000 total for the five Member Agencies (excluding the County) that have refuse vehicle impact fees. Divided evenly, the cost would be \$12,400 for each Member Agency excluding the County. Following past practice, the studies would be funded from individual Member Agency Reserve Funds. For this reason, the cost of the studies is not included in the proposed operating budget. It is included as a potential Member Agency expense in Attachment D, Member Agency Reserve Fund Balances.

Reuse Fund Budget

The Reuse Fund budget is set up exclusively for the purposes of payments toward the Reuse and Battery collection programs. Republic Services collects these funds from rate payers and provides them to RecycleSmart for payment to MDRR for their services. The funds for this service were approved at the January 25, 2024 Board meeting during the rate setting process. The revenue and expense for the Reuse Fund budget is budgeted at \$1,127,511 (Attachment B). Per the terms of the agreement with MDRR, the cost of the Reuse and Battery collection programs remains the same (\$1,127,511) each year.

ATTACHMENTS

- A. Operations Fund Budget for FY 2024-25
- B. Reuse Fund Budget for FY 2024-25
- C. Diversion and Recycling Programs Matrix
- D. Member Agency Reserve Fund Balances

**General Operations Fund
Fiscal Year 2024-25 Operations Fund Budget**

	<u>FY 2022-23 Actuals</u>	<u>FY 2023-24 Adopted Budget</u>	<u>Projected FY 2023-24 EOY Actuals</u>	<u>Proposed FY 2024-25 Budget</u>
Beginning Fund Balance ¹	\$ 4,297,600	\$ 2,324,190	\$ 2,324,190	\$ 2,053,952
Revenues				
JPA Revenue*	1,870,756	2,376,271	2,408,567	2,644,734
Recycling Processing Revenue*	2,568,530	2,652,056	2,630,563	2,678,911
Diversion Program Revenue*	1,043,098	856,238	649,634	731,792
Home Composting Revenue**	1,125	3,100	800	
SB 1383 Local Assistance Grant Program Revenue	267,823	-	13,191	591,371
Recycling Revenue Share***	60,192	-	-	-
Interest Earned	228,110	224,486	476,401	524,230
New Franchise Development Reimbursement Revenue	-	-		1,345,000
Other Revenue	40,027	10,000	21,730	10,000
Miscellaneous Revenue	135	500	5	500
Total Revenues	6,079,796	6,122,650	6,200,893	8,526,538
Total Funds Made Available	10,377,396	8,446,840	8,525,083	10,580,490
Expenses				
Full Time Staff Salaries	747,227	922,254	900,682	951,896
Benefits Expense	196,747	350,457	251,522	303,477
Temporary Staff	305	5,000	386	5,000
Board Member Remuneration	5,200	6,000	6,000	6,000
Total Personnel Services	949,479	1,283,711	1,158,590	1,266,372
Copier Lease	11,447	8,620	8,513	9,000
Fees Bank and Other	16,304	16,821	17,913	18,982
Memberships Dues Subscriptions	11,598	14,089	11,869	11,976
Miscellaneous	-	300	200	300
Office Supplies	5,258	11,320	9,227	11,320
Postage	1,349	3,000	1,062	3,000
Reprographics	770	2,000	1,373	2,000
Non-Capital Equipment/Furnishings	5,872	13,000	12,573	2,500
Staff Development/Travel/Conf/Meeting	17,985	23,650	15,924	24,150
Capital Furnishings/Equip	7,334	12,000	9,219	12,000
Total Materials and Supplies	80,914	104,800	87,874	95,228
Professional Srvcs Contracts & Contractors	271,959	129,500	114,099	124,000
Financial Services and Fees	78,865	57,730	26,520	55,000
Legal	69,373	81,000	48,925	75,000
Recruitment	29,422	-	-	-
Total Professional Services	449,619	268,230	189,544	254,000
New Franchise Development		530,000	506,820	838,180
Total New Franchise Development	-	530,000	506,820	838,180
Insurance	34,571	37,936	36,316	35,875
Rent	132,516	142,654	141,710	146,394
Telephone	7,453	8,940	8,328	8,684
Total Rent and Utilities	174,540	189,530	186,354	190,953
Recycling Processing Cost ²	2,600,261	2,666,231	2,625,587	2,640,607
Total Recycling Processing Costs	2,600,261	2,666,231	2,625,587	2,640,607

**General Operations Fund
Fiscal Year 2024-25 Operations Fund Budget**

	<u>FY 2022-23 Actuals</u>	<u>FY 2023-24 Adopted Budget</u>	<u>Projected FY 2023-24 EOY Actuals</u>	<u>Proposed FY 2024-25 Budget</u>
C&D Program Expense	16,560	24,374	16,560	25,060
Home Composting Expense	19,858	37,000	28,783	37,000
Outreach & Education	342,288	485,964	296,347	504,232
SB 1383 Organics Compliance Program Expense	121,854	147,000	159,568	-
School Recycling Expense	123,471	150,000	140,100	150,000
Special Events Expense	7,541	15,000	9,820	15,500
Total Diversion Programs	631,572	859,338	651,178	731,792
SB 1383 Organics Compliance Program Expense				312,200
Total Expenses	\$ 4,886,385	\$ 5,901,839	\$ 5,405,946	\$ 6,329,333
Excess Revenue Over (Under) Expenditures	\$ 1,193,411	\$ 220,811	\$ 794,947	\$ 2,197,206
Contributions to Member Agencies ³	3,166,821	-	1,065,185	788,085
Nonspendable (Prepaid)	\$ 78,637.00	\$ -	\$ -	\$ -
Unassigned Fund Balance	\$ 1,065,185	\$ 1,364,633	\$ 788,085	\$ 2,197,206
General Fund Reserve Fund Balance (must equal 20% of Current Year's Budgeted Expenses)	\$ 1,180,368	\$ 1,180,368	\$ 1,265,867	\$ 1,265,867
Ending Fund Balance	\$ 2,324,190	\$ 2,545,000	\$ 2,053,952	\$ 3,463,072
¹ Corrected the Adopted FY2023-24 Budget Beginning Fund Balance from \$5,232,094 to \$2,324,190				
² The difference between recycling processing cost and recycling processing revenue is reconciled at the end of the fiscal year and is applied to the next rate year.				
³ Per the approval of the Board Members on May 25, 2023 unassigned fund balance for the amount of \$3,166,821 were distributed to member agencies. Recommendations for the actual unassigned fund balance \$1,065,185 from FY2022-23 are discussed in Agenda Item 5c, "FY 2022-23 Funds in Excess of Reserve."				
* Revenue from Republic (Customer Rates)				
**Revenue from the sale of compost bins				
***Revenue from MDRR (Sale of Recyclables.) Accrues to General Fund and is not automatically distributed to individual Member Agency Reserve Funds.				

Reuse Fund Budget Fiscal Year 2024-25			
	<u>FY 2023-24 Adopted Budget</u>	<u>Projected FY 2023-24 EOY Actuals</u>	<u>Proposed FY 2024-25 Budget</u>
<u>Revenues</u>			
Reuse Program Income	\$1,127,511	\$1,127,511	\$1,127,511
Total Revenues	\$1,127,511	\$1,127,511	\$1,127,511
<u>Expenses</u>			
Reuse and Cleanup Program Expense	\$1,127,511	\$1,127,511	\$1,127,511
Total Expenses	\$1,127,511	\$1,127,511	\$1,127,511
Excess Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -

Diversion and Recycling Programs

Program	Description	Accomplishments/Goals
<p>Construction and Demolition Program</p> <p>Cost: \$25,060</p> <p>Regulatory Requirement: Yes, CalGreen & SB 1383</p>	<p>To continue to improve RecycleSmart’s ability to track C&D diversion. The cost will cover (1) Member Agency use of the Green Halo “City Tracker” system. This is fundamental to monitor compliance with the Authority’s C&D Ordinance CalGreen diversion requirements, and annual SB 1383 reporting to CalRecycle (2) expand the functionality of the Green Halo system by linking weight tickets issued at the Martinez Transfer Station scale house.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Diverted through reuse and recycling 15,399 tons of C&D debris and successfully tracked diversion and member agency covered projects using Green Halo ▪ Completed approval of only mixed C&D processing facilities with 3rd party verification. ▪ Expanded the functionality of the Green Halo system by adding the ability to link weight tickets issued at the Mt. Diablo Resource Recovery scale house directly to Green Halo projects. ▪ Coordinated an update to the Republic Service’s Enclosure Guidelines to highlight the importance of SB 1383, adequate space for all three material streams, and early collection noise considerations. ▪ Permitted fourteen (14) 2023-24 Registered C&D Transporters <p>Goals:</p> <ul style="list-style-type: none"> ▪ Fund Contra Costa County’s use of Green Halo within the Authority service area ▪ Implement Republic Services Martinez Transfer Station electronic scale ticket integration with Green Halo system ▪ Initiate illegal hauling activity monitoring with Green Halo ▪ Provide outreach to contractors and property owners about deconstruction
<p>Home Composting for Busy People Program</p>	<p>US Composting Council award-winning program supports SB 1383 organic waste reduction and outreach</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ 1,800 Republic Services bill discount ‘certifications’ and 1,400 tons of potential organics diversion by home composting ▪ Provided 42 Compost in the Classroom workshops

Program	Description	Accomplishments/Goals
<p>Cost: \$37,000</p> <p>Regulatory Requirement: Supports SB 1383</p>	<p>requirements. The program consists of in-person and virtual community workshops, annual compost giveaway events, Compost in the Classroom, discount compost bins, and the single-family home composter certification and bill discount through Republic Services.</p>	<ul style="list-style-type: none"> ▪ Re-launched compost bin sales program (paused since 2021) ▪ Provided 2 annual compost giveaway events (compost counts toward SB 1383 procurement requirement) ▪ Provided 4 community workshops <p>Goals:</p> <ul style="list-style-type: none"> ▪ Orinda youth “sustainability week” summer camp pilot with a focus on organics and soils ▪ Increase single-family home composter certification and bill discount; increase organics diversion
<p>Outreach & Education</p> <p>Cost: \$504,232</p> <p>Regulatory Requirement: Yes</p>	<p>Supports waste reduction mandates, programs, and services for our communities by developing, designing, and implementing outreach and special projects.</p> <p>This program includes RecycleSmart’s residential newsletter, community sponsorships for waste reduction activities, and outreach and education activities.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Quarterly direct mail residential newsletter to single-family homes and multifamily tenants ▪ Implemented “Hello Recycling Bin” texting outreach tool to provide on-demand sorting information ▪ Paid Google ad campaigns on organic waste reduction, proper sorting, and household hazardous waste ▪ 2023-24 truck sign on Republic Services trucks ▪ Designed a new community event guide ▪ Initiated contracts with ReThink Disposable and FoodWare to provide technical assistance to businesses to transition to reusable food ware packaging and takeout containers ▪ Provided funding to Sustainable Contra Costa, The Crayon Initiative, Walnut Creek Sustainability Week ▪ Initiated survey for residents and businesses to solicit feedback on programs and services to help guide the 2027 Franchise RFP process <p>Goals:</p> <ul style="list-style-type: none"> ▪ Pilot Hello Recycling Bin at a high school or Saint Mary’s College ▪ Design 2024-25 truck sign on Republic Services trucks

Program	Description	Accomplishments/Goals
		<ul style="list-style-type: none"> ▪ Continue paid Google ad campaigns to build upon engagement data and design outreach materials in response
<p>SB 1383 Implementation (Funded through CalRecycle grant)</p> <p>Cost: \$312,200</p> <p>Regulatory Requirement: Yes, SB1383</p>	<p>Continue programs in support of organics disposal reduction requirements as prescribed by SB 1383. Program elements include edible food recovery monitoring, compliance, and technical assistance to Tier One and Tier Two covered edible food generators, annual route reviews, annual reporting, and outreach and education. Funding for FY 24/ and FY 25 will come from a second allotment of CalRecycle 1383 local assistance grant funds. This second allotment is substantial enough for the Authority to undertake a Waste Characterization/ Capture Study.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Refined route contamination monitoring protocol ▪ Conducted required route review of all 69 routes ▪ Completed assessment of commercial and multifamily organics service waivers ▪ Provided required outreach and education to all generators ▪ Contracted with Contra Costa Health Services for required T1 Commercial Edible Food Generator inspections ▪ Contracted with Food Shift and Envirolutions to provide technical assistance to T1 and T2 Commercial Edible Food generators to improve and expand compliance with edible food recovery requirement ▪ Initiated contract with ESA to complete required capacity planning study for organics diversion and edible food recovery <p>Goals:</p> <ul style="list-style-type: none"> ▪ Contract for and complete a waste characterization/capture study ▪ Issue an RFP for 2024 route review services ▪ Complete T2 Commercial Edible Food Generator inspections with Contra Costa Health Services ▪ Contract for continued technical assistance to improve T1 and T2 Commercial Edible Food Generator compliance with food donation requirement ▪ Create video outreach to support Food Recovery Organizations, educate commercial generators, and encourage residents to volunteer ▪ Create food donation educational signage for grocery stores ▪ Explore the concept of a countywide edible food recovery symposium in partnership with neighboring jurisdictions to support local Food Recovery Organizations

Program	Description	Accomplishments/Goals
<p>School Recycling & Organics Program</p> <p>Cost: \$150,000</p> <p>Regulatory Requirement: Supports SB 1383</p>	<p>RecycleSmart provides support through education and technical assistance to schools to increase awareness and diversion. Includes special activities, presentations, education of green teams, bins, outreach materials, trainings, consultations, and more.</p> <p>The program provides certifications to schools for their participation in recycling programs and provides cash scholarships for selected applicants and awards for schools that reach a 75% or better diversion rate.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ 45 out of 66 schools at 50% or greater diversion ▪ 18 Wastebusters awards in 2023 for schools reaching 75% diversion ▪ Continued supporting six schools in the transition to reusables (beginning with baskets and utensils) ▪ Intern program continued, with 2 student scholarships awarded in 2023 <p>Goals:</p> <ul style="list-style-type: none"> ▪ Increase number of food share tables, as possible ▪ Continue engaging with schools to recover excess edible food as required by SB 1383 starting January 1, 2024 ▪ Continue to support and broaden internship program ▪ Encourage the use of reusables wherever possible ▪ Continue to increase diversion and help new schools reach 75% ▪ Continue awarding Wastebusters awards and student scholarships
<p>Special Events</p> <p>Cost: \$15,500</p> <p>Regulatory Requirement: Yes</p>	<p>For staff to support local community events, such as community fairs, festivals, and Earth Day events, and to purchase displays, visuals, and outreach tools for the RecycleSmart booth. Includes insurance and booth registration fees.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Developed engaging, family-oriented community event outreach booth (photo booth) with a focus on organics/green cart and very little paper use ▪ Participated in 12 community events and Farmers Markets in partnership with Republic Services ▪ Partnered with the “Taste of Lafayette” Chamber event to provide reusable sporks and coordinate with participating businesses to improve waste reduction and sorting ▪ Partnered with the “Womens Conference” Walnut Creek Chamber event to improve waste reduction and sorting ▪ Partnered with the “Moraga Pear Festival” Town sponsored event to provide reusable and recyclable cups to improve waste reduction

Program	Description	Accomplishments/Goals
		<ul style="list-style-type: none"> ▪ Staff attended Member Agency, Chamber, Industry, and other local and regional events <p>Goals:</p> <ul style="list-style-type: none"> ▪ Engage with residents and businesses at events about programs and services in response to the Franchise RFP process/survey ▪ Partner with community organizations to improve and expand waste prevention, reduction and proper sorting at events ▪ Update member agency event permit applications, if applicable.

Central Contra Costa Solid Waste Authority
Member Agency Reserve Balances

	6/30/2023 Balance	Distribution of Funds in Excess of the Reserves FY23	Addition / (Reduction) to Reserves Payment (RY9) Due	Addition / (Reduction) to Reserves Payment (RY10)	Proposed Refuse Vehicle Impact Fee Studies	Member Agency Reserve Balances
Contra Costa County	2,953,428	220,904	(391,679)	(84,734)		2,697,919
Town of Danville	3,427,906	215,979	(367,088)	(141,906)	(12,400)	3,122,491
City of Lafayette	2,566,771	120,050	(191,696)	(38,464)	(12,400)	2,444,261
Town of Moraga	1,078,088	67,204	-	69,644	(12,400)	1,202,536
City of Orinda	1,030,614	84,765	-	96,793	(12,400)	1,199,772
City of Walnut Creek	5,043,038	356,284	-	52,699	(12,400)	5,439,620
Total Due to Other Governments	16,099,845	1,065,185	(950,463)	(45,968)	(62,000)	16,106,599



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
GRACE COMAS, SENIOR ACCOUNTANT
DATE: MAY 23, 2024
SUBJECT: FY 2022-23 FUNDS IN EXCESS OF RESERVE

RECOMMENDED ACTION

1. Direct staff to distribute the \$1,065,185 of FY 2022-23 funds in excess of the reserve to the individual Member Agency Reserve Funds in accordance with the General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve Policy.

DISCUSSION

On October 28, 2021, the Board adopted a new General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve Policy (Policy). This Policy will set forth (1) the appropriate level of unrestricted fund balance (“Reserve”) that the Authority plans to maintain in the General Fund to mitigate current and future financial risks, and the procedures by which Reserve funds may be used, and (2) the procedures the Authority will follow when considering how to apply any funds in excess of the Reserve.

Per our FY 2022-23 audited financial statements, CCCSWA has an ending fund balance of \$2,324,190. Of that amount, \$78,637 is from FY 2023-24 expenses that were pre-paid in FY 2022-23 and therefore cannot be spent. Per the Policy, an additional \$1,180,368 has been set aside as General Fund Reserve (20% of total budgeted expenditures for FY 2023-24). Therefore, \$1,065,185 are determined to be Funds in excess of the Reserve ($\$2,324,190 - \$78,637 - \$1,180,368 = \$1,065,185$).

Per the Policy, the Board retains discretion regarding the application of any Excess Funds. Among other things, the Board may (a) distribute all (or a portion) of these funds to the Member Agencies reserves for uses consistent with law and Board Policy, or (b) apply all (or a portion) of these funds to one-time/nonrecurring or special expenditures or capital projects. Any decision to apply these funds must be approved by a Board action. In absence of Board direction, the Authority will maintain the Excess Funds in unassigned fund balance to be utilized for future expenditures as the Authority deems necessary.

To the extent the Board elects to distribute all (or a portion) of the Excess Funds to the Member Agencies reserves, it shall be allocated based on the proportion that the total tonnage of solid waste (garbage, recycling, and organics) collected within the jurisdiction of each Member Agency bears to the total tonnage of solid waste collected within the jurisdiction of all members of the Authority for the fiscal year immediately preceding the date of the Board decision to allocate such funds.

Solid waste collected from areas of a Member Agency located outside of the jurisdictional boundaries of the Authority are not included in these calculations. The allocation shall be based on the solid waste (garbage + recycling + organics) tonnages for the fiscal year immediately preceding the distribution, regardless of whether the Excess Funds were received over a period in excess of one (1) fiscal year.

Distribute all of the Excess Funds to the Member agencies reserves. Per the distribution method in the Policy, the distribution would be as follows:

Member Agency	Solid Waste Tons in FY 2022-23	% Allocation of Solid Waste Tons in FY 2023-23	Member Agency Reserves as of 6/30/2023	Distribution to Member Agencies Reserves FY2022-23	Member Agency Reserves After Distribution	Addition / (Reduction) to Reserves Payment (RY9)	Addition / (Reduction) to Reserves Payment (RY10)	Proposed Refuse Vehicle Impact Fee Studies	Member Agency Reserves Balance
County	40,000	20.74%	\$2,953,428	\$220,904	\$3,174,332	-\$391,679	-\$84,734		\$2,697,919
Danville	39,109	20.28%	\$3,427,906	\$215,979	\$3,643,885	-\$367,088	-\$141,906	-\$12,400	\$3,122,491
Lafayette	21,738	11.27%	\$2,566,771	\$120,050	\$2,686,821	-\$191,696	-\$38,464	-\$12,400	\$2,444,261
Moraga	12,169	6.31%	\$1,078,088	\$67,204	\$1,145,292	\$0	\$69,644	-\$12,400	\$1,202,536
Orinda	15,349	7.96%	\$1,030,614	\$84,765	\$1,115,379	\$0	\$96,793	-\$12,400	\$1,199,772
Walnut Creek	64,514	33.45%	\$5,043,038	\$356,284	\$5,399,321	\$0	\$52,699	-\$12,400	\$5,439,620
Total	192,879	100%	\$16,099,845	\$1,065,185	\$17,165,030	-\$950,463	-\$45,968	-\$62,000	\$16,106,599

ATTACHMENTS

- A. General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve Policy
- B. 2022-23 Independent Auditor’s Report

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY

POLICY TITLE: General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve

A. Purpose

The purpose of this Policy is to set forth (1) the appropriate level of unrestricted fund balance (“Reserve”) that the Authority plans to maintain in the General Fund (“General Fund”) to mitigate current and future financial risks, and the procedures by which Reserve funds may be used, and (2) the procedures the Authority will follow when considering how to apply any funds in excess of the Reserve.

B. Background

The General Fund provides the funds for the day-to-day operations of the Authority. The General Fund expenditures typically primarily include administration of the Authority; processing recyclables generated within the jurisdiction; and diversion programs provided in the jurisdiction. The General Fund revenues are primarily derived from a portion of the solid waste rates, and also include revenues from the sale of recyclables, settlement proceeds, liquidated damages, and other miscellaneous sources. Occasionally there may be a one-time/nonrecurring or special revenue or expenditures item in the General Fund.

The Board of Directors annually adopts the General Fund budget for the ensuing fiscal year. Typically the Board Finance Committee reviews and recommends a draft budget in early April, and the full Board adopts the budget by Board Resolution in April or May (but no later than July 1).

Historically, the Authority’s revenues have been predictable and expenditures have been stable. Revenues and expenditures typically have been smooth over the course of a fiscal year. The Authority does not anticipate significant risk of exposure to significant one-time outlays because, among other things, it does not own any capital improvements. Likewise, the Authority does not perceive significant risk of dramatic reduction in revenue because, among other things, its franchise agreements put the burden of market fluctuations on the franchisee, the base of ratepayers is not highly concentrated, and the Authority does not rely on discretionary federal, state, or local grants as a significant revenue stream. It is possible, however, that revenues and expenditures could be subject to significant fluctuation as a result of other unanticipated events.

Consistent with recommendation from the Government Finance Officers Association (GFOA) and best practices of local public agencies, direction was given by the Board to establish this minimum fund balance reserve policy. The primary objective is to ensure that should any unanticipated event occur, the Authority would have sufficient resources to continue operations for a period time of time subsequent to the event. The GFOA has identified this as a best practice for maintaining

financial stewardship over governmental resources and promoting long-term financial stability by establishing clear and consistent reserve guidelines.

Additionally, after the close of each fiscal year, the Authority is audited by an independent auditor. The auditor typically completes the audited financial statements in January and presents the statements to the Board in February. Based on the historic predictability and stability of the Authority's revenues and expenditures, the Authority does not expect that actual fiscal year operating revenues will regularly be materially greater than actual fiscal year operating expenditures. Occasionally, however, the Authority may experience revenues in excess of budgeted expenditures as a result of, among other things, cost-savings opportunities realized throughout the fiscal year or unanticipated sources or amounts of revenue. This could potentially create a residual fund balance that is in excess of the Reserve. The Board has determined that it is prudent to establish this Policy regarding application of such funds in excess of the Reserve.

Upon adoption of this Policy, the Board's Recycling Revenue Financial Policy (adopted January 2016) shall be rescinded.

C. Policy

1. General Fund Minimum Fund Balance Reserve

- **Establishment:** The Authority will establish a Reserve in the General Fund.
- **Purpose:** The purpose of the Reserve is to ensure that sufficient operating funds are available in the event of an unanticipated circumstance (e.g., natural disasters; unforeseen liabilities caused by federal, state, or local legislative action; unanticipated revenue shortfalls; unanticipated and unavoidable expenditure needs). The Board, however, may elect to use the funds in the Reserve for other purposes in its discretion.
- **Target Level:** It is the goal of the Authority to maintain a balance in the Reserve that is equal to twenty percent (20%) of the Authority's annual General Fund budgeted expenditures, excluding any one-time/nonrecurring or special budgeted expenditures. This amount will approximate 2-1/2 months of working capital.
- **Source of Funds:** The Reserve may be funded from any revenue sources, including, but not limited to, solid waste rates, revenues from the sale of recyclables, interest and investment earnings, settlement proceeds, liquidated damages, and other miscellaneous eligible funds.
- **Draws:** Any draw on Reserve funds that would reduce the balance in the Reserve below the target established by this Policy (and/or any adoption of an annual General Fund budget that would set a target balance for the Reserve at less than the target established by this Policy) must be approved by a Board Resolution.
- **Replenishment:** In the event the Board approves a draw on Reserve funds that would reduce the amount of Reserve funds below the target established by this Policy (and/or adopts an annual General Fund budget that sets a target balance for

the Reserve at less than the target established by this Policy), the Board intends to seek to replenish the Reserve fund balance in no more than three (3) years after such event.

- **Reporting:** The financial records of the Authority will segregate the Reserve by recording activity in a separate account within the General Fund. The Authority shall incorporate the budgeted and actual Reserve amounts into the financial reports submitted to the Board.

2. **Application of Funds in Excess of the Reserve**

- **Definition:** For purposes of this Policy, “Funds in Excess of the Reserve” or “Excess Funds” is any excess fund balance held by the Authority at the conclusion of a fiscal year after accounting for the Authority’s debts and liabilities and assuming full funding of the General Fund Reserve at the target level established by this Policy (or otherwise approved by the Board).
- **Report:** The Authority will determine whether it has retained Excess Funds based on the audited financial statements for the prior fiscal year. At the Board meeting where the auditor presents the audited financial statements, the auditor shall report to the Board whether the audited financial statements indicate the Authority has retained Excess Funds.
- **Application:** The Board retains discretion regarding the application of any Excess Funds. Among other things, the Board may (a) distribute all (or a portion) of these funds to the Member Agencies reserves for uses consistent with law and Board Policy, or (b) apply all (or a portion) of these funds to one-time/nonrecurring or special expenditures or capital projects. Any decision to apply these funds must be approved by a Board action. In absence of Board direction, the Authority will maintain the Excess Funds in unassigned fund balance to be utilized for future expenditures as the Authority deems necessary.
- **Allocation to Member Agencies Reserves** To the extent the Board elects to distribute all (or a portion) of the Excess Funds to the Member Agencies reserves, it shall be allocated based on the proportion that the total tonnage of solid waste (garbage, recycling, and organics) collected within the jurisdiction of each Member Agency bears to the total tonnage of solid waste collected within the jurisdiction of all members of the Authority for the fiscal year immediately preceding the date of the Board decision to allocate such funds. Solid waste collected from areas of a Member Agency located outside of the jurisdictional boundaries of the Authority are not included in these calculations. The allocation shall be based on the solid waste tonnages for the fiscal year immediately preceding the distribution, regardless of whether the Excess Funds were received over a period in excess of one (1) fiscal year. Table 1 below provides an example of how these funds will be split based on the tonnage allocations.

Table 1 – Funds in Excess of the Reserve Allocation Example

- Funds in Excess of the Reserve based on audited financial statements = \$200,000
- Board action approving allocation of \$170,000 to Member Agencies reserves and allocation of \$30,000 to a special non-recurring expense.

Member Agency	% Allocation of Solid Waste Tons in prior FY *	Distribution to Member Agencies Reserves
County	21%	\$35,700
Danville	20%	\$34,000
Lafayette	12%	\$20,400
Moraga	6%	\$10,200
Orinda	8%	\$13,600
Walnut Creek	33%	\$56,100
Total	100%	\$170,000

* The example % allocations noted in Table 1 are based on actual solid waste (garbage, recycling, and organics) tonnages in FY20-21.

D. Policy Adoption and Amendment

This Policy must be adopted by Board Resolution. Any modifications to this Policy must be approved by Board Resolution.

Central Contra Costa Solid Waste Authority
Financial Statements
June 30, 2023

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CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY

Financial Statements

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 of America 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2024 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.

Mazze + Associates

Pleasant Hill, California
January 26, 2024

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Basic Financial Statements

Government-Wide Financial Statements

Central Contra Costa Solid Waste Authority

Statement of Net Position

Year Ended June 30, 2023

	Governmental Activities
Assets	
Cash and investments	\$18,564,336
Accounts receivables	128,638
Interest receivables	87,184
Prepaid items	78,637
Capital assets, net of accumulated depreciation/amortization	882,214
Total assets	19,741,009
Deferred Outflow of Resources	
Deferred outflows related to OPEB	16,674
Deferred outflows related to pensions	514,696
Total deferred outflows of resources	531,370
Liabilities	
Current liabilities	
Accounts payable	332,059
Accrued payroll	16,823
Due to other governments	16,099,846
Compensated absences	80,076
Lease liabilities, current	108,926
Total current liabilities	16,637,730
Noncurrent liabilities:	
Lease liabilities, net of current portion	803,967
Net pension liability	30,180
Total OPEB liability	57,152
Total noncurrent liabilities	891,299
Total liabilities	17,529,029
Deferred Inflows of Resources	
Deferred inflows related to OPEB	58,455
Deferred inflows related to pensions	86,039
Total deferred inflows of resources	144,494
Net Position	
Net investment in capital assets	882,214
Restricted for reuse and clean-up days program	85,877
Unrestricted	1,630,765
Total net position	\$2,598,856

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position- Governmental Activities
Governmental Activities			
General government	\$8,805,418	\$2,138,579	(\$6,666,839)
Public information	1,248,957	4,800,456	3,551,499
Interest and fiscal charges	22,995		(22,995)
Total governmental activities	\$10,077,370	\$6,939,035	(\$3,138,335)
		General Revenues:	
		Investment income	\$228,110
		Miscellaneous	40,162
		Total General Revenues	268,272
		Change in net position	(2,870,063)
		Net position at beginning of the year	5,468,919
		Net position at end of year	\$2,598,856

See accompanying notes to financial statements

Fund Financial Statements

Central Contra Costa Solid Waste Authority
Balance Sheet - Governmental Funds
Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund Reuse and Clean Up Days</u>	<u>Total Governmental Funds</u>
Assets			
Cash and investments	\$18,478,459	\$85,877	\$18,564,336
Receivables			
Interest	87,184		87,184
Accounts	128,638		128,638
Prepaid items	78,637		78,637
	<u>18,772,918</u>	<u>85,877</u>	<u>18,858,795</u>
Total assets			
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$332,059		\$332,059
Accrued payroll	16,823		16,823
Due to other governments	16,099,846		16,099,846
	<u>16,448,728</u>		<u>16,448,728</u>
Total liabilities			
Fund balances			
Nonspendable	78,637		78,637
Restricted		\$85,877	85,877
Assigned	1,180,368		1,180,368
Unassigned	1,065,185		1,065,185
	<u>2,324,190</u>	<u>85,877</u>	<u>2,410,067</u>
Total fund balances			
Total liabilities and fund balances	<u>\$18,772,918</u>	<u>\$85,877</u>	<u>\$18,858,795</u>

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority
 Reconciliation of the Governmental Fund Balance Sheet to the
 Government-Wide Statement of Net Position
 Year Ended June 30, 2023

Total governmental fund balance	\$2,410,067
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets, including right to use leased asset, used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet.</p>	882,214
<p>Long term liabilities/assets and related balances and compensated absences have not been included in the governmental fund activity</p>	
Compensated absences	(80,076)
Total OPEB liability	(57,152)
Net pension liability	(30,180)
Lease liability	(912,893)
<p>Deferred outflows of resources related to pensions and OPEB are deferred and recognized in future periods:</p>	
Deferred outflows of resource related to pensions	514,696
Deferred outflows of resources related to OPEB	16,674
<p>Deferred inflows of resources related to pensions and OPEB are deferred and recognized in future periods:</p>	
Deferred inflows of resources related to pensions	(86,039)
Deferred inflows of resources related to OPEB	(58,455)
Net position of governmental activities	\$2,598,856

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General Fund	Special Revenue Fund Reuse and Clean Up Days	Total
Revenues			
Administrative fees	\$1,870,756		\$1,870,756
Source reduction and recycling education fees	3,672,945	\$1,127,511	4,800,456
Intergovernmental	267,823		267,823
Investment income	228,110		228,110
Miscellaneous	40,162		40,162
Total revenues	<u>6,079,796</u>	<u>1,127,511</u>	<u>7,207,307</u>
Expenditures			
Current			
General government			
Personnel services	967,464		967,464
Materials and supplies	127,041		127,041
Professional contracts and services	3,530,584		3,530,584
Distributions to member agencies	3,166,821		3,166,821
Public information	121,446	1,127,511	1,248,957
Capital outlay	7,334		7,334
Debt Service			
Principal	109,521		109,521
Interest	22,995		22,995
Total debt service expenditures	<u>132,516</u>		<u>132,516</u>
Total expenditures	<u>8,053,206</u>	<u>1,127,511</u>	<u>9,180,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,973,410)</u>		<u>(1,973,410)</u>
Net Changes in Fund Balances	(1,973,410)		(1,973,410)
Fund Balances - Beginning	<u>4,297,600</u>	<u>85,877</u>	<u>4,383,477</u>
Fund Balances - Ending	<u><u>\$2,324,190</u></u>	<u><u>\$85,877</u></u>	<u><u>\$2,410,067</u></u>

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2023

Net change in fund balances	(\$1,973,410)
Amounts reported for governmental activities in the statement of activities are different because:	
<p style="margin-left: 40px;">Governmental funds report purchases of capital assets or the financing of leased 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 depreciation or amortization expense.</p>	
Depreciation/amortization	(97,184)
<p style="margin-left: 40px;">Repayment of lease liability principal is an expenditure in the governmental funds, but is a reduction to the lease liability on the Statement of Net Position.</p>	
Lease principal repayment	81,349
<p style="margin-left: 40px;">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.</p>	
Changes in compensated absences payable	43,697
Changes in total OPEB liability and related amounts	(12,106)
Changes in net pension liability (asset) and related amounts	<u>(912,409)</u>
Change in net position of governmental activities	<u><u>(\$2,870,063)</u></u>

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority
Changes in Fiduciary Net Position
Year Ended June 30, 2023

	<u>Custodial Fund</u>
Additions	
Franchise Fees Received	<u>\$10,545,523</u>
Total additions	<u>10,545,523</u>
Deductions	
Payments to other agencies	<u>(10,545,523)</u>
Total deductions	<u>(10,545,523)</u>
Changes in Fiduciary net position	
Net position - beginning	<u> </u>
Net position - ending	<u><u> </u></u>

See accompanying notes to financial statements

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

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 two 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.

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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 changes in 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:

Net 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Pensions

For purposes of measuring the net pension/(asset) 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 capitalized at historical cost, or estimated historical cost, for assets where actual historic cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The Authority maintains a threshold level of \$5,000 or more for capitalizing capital assets. Federally funded assets maintain a threshold of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the Authority, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 50 years. Land is not depreciated.

Right to use leased assets are recognized at the lease commencement date and represent the Authority's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

J. Long-Term Obligations

Lease Liabilities represent the Authority's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the Authority.

K. 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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, 2023.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with such arrangements. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021, or fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements for a variety of topics. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 2 – CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	\$18,564,336
Total cash and investments	\$18,564,336

As of June 30, 2023, cash and investments consisted of the following:

Deposits with financial institutions	\$7,628,578
Investment in Local Agency Investment Fund	10,935,758
Total cash and investments	\$18,564,336

Deposits

At June 30, 2023, the carrying amount of the Authority’s deposits was \$7,628,578 and the bank balance was \$7,771,790. The \$143,211 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued)

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, 2023, these investments matured in an average of 260 days.

As of June 30, 2023, the Authority had \$10,935,758 invested in LAIF.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued)

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, 2023 were as follows:

	Balance July 1, 2022	Additions	Decreases	Balance June 30, 2023	Due Within One Year
Compensated absences	\$123,773	\$69,283	(\$112,980)	\$80,076	\$80,076
	<u>\$123,773</u>	<u>\$69,283</u>	<u>(\$112,980)</u>	<u>\$80,076</u>	<u>\$80,076</u>

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, 2023 consists of the following:

	Balance July 1, 2022	Additions	Decreases	Balance June 30, 2023
Capital assets, being depreciated/amortized				
Software	\$11,685			\$11,685
Equipment		\$7,334		7,334
Leasehold improvements	11,900			11,900
Less: accumulated depreciation	(14,064)	(2,657)		(16,721)
Right to use leased assets being amortized				
Right to use leased building	1,077,578			1,077,578
Right to use leased equipment	24,048	28,172	(\$24,048)	28,172
Less: accumulated amortization	(131,749)	(130,033)	24,048	(237,734)
Governmental activities capital assets, net	<u>\$979,398</u>	<u>(\$97,184)</u>		<u>\$882,214</u>

Depreciation and amortization expense of \$132,690 was charged to the general government function of the governmental activities.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

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 – FUND BALANCES

In governmental funds, the segregated portions of fund balance are presented as follows for the fiscal year ended June 30, 2023:

	Major Funds		
	General Fund	Reuse and Up Days Revenue Fund	Total Governmental Funds
Fund Balance			
Nonspendable:			
Prepaid items	\$78,637		\$78,637
Restricted for:			
Reuse and Clean Up Programs		\$85,877	85,877
Assigned for:			
Operating reserve	1,180,368		1,180,368
Unassigned	1,065,185		1,065,185
Total Fund Balance	\$2,324,190	\$85,877	\$2,410,067

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 7 – DIVERSION INCENTIVE FUND AND MEMBER AGENCY DEPOSITS PAYABLE

The change in the member agency accounts reported in the General Fund for the year ended June 30, 2023:

	June 30, 2022 Balance	Addition/ (Reduction) to Reserves Payment (RY7)	Addition/ (Reduction) to Reserves Payment (RY8)	Direct	Distribution of Funds in Excess of Reserves of Reserves FY22	June 30, 2023 Amount
Contra Costa County	\$2,646,641	(\$170,005)	(\$191,059)		\$667,851	\$2,953,428
Town of Danville	3,750,423	(410,858)	(553,631)		641,971	3,427,905
City of Lafayette	2,354,772	459	(146,228)		357,767	2,566,770
Town of Moraga	942,406	4,122	(65,386)		196,947	1,078,089
City of Orinda	1,236,040			(\$460,083)	254,659	1,030,616
City of Walnut Creek	3,957,856	37,556			1,047,626	5,043,038
	<u>\$14,888,138</u>	<u>(\$538,726)</u>	<u>(\$956,304)</u>	<u>(\$460,083)</u>	<u>\$3,166,821</u>	<u>\$16,099,846</u>

NOTE 8 – 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 8 – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Plan		
	Tier I	Tier II	Tier III (PEPRA)
	Prior To June 22, 2012	Between June 22, 2012 and January 1, 2013	On or After January 1, 2013
Hire date			
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 62	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.000%	7.000%	8.250%
Required employer contribution rates	13.26%	10.87%	8.00%

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, 2023, contributions to the Plan were \$68,122.

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

As of June 30, 2023, the Authority reported a net pension liability of \$30,180 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, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021. 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, 2021 and 2022 measurement dates are as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021	-0.03291%
Proportion - June 30, 2022	0.00026%
Change - Increase (Decrease)	0.03317%

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 8 – PENSION PLAN (Continued)

For the year ended June 30, 2023, the Authority recognized a negative pension expense of \$397,911. At June 30, 2023, 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	\$68,122	
Differences between actual and expected experience	606	\$406
Changes of assumptions	3,093	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	87,757	45,672
Net differences between projected and actual earnings on plan investments	5,528	
Change's in employer's proportion	349,590	39,961
Total	<u>\$514,696</u>	<u>\$86,039</u>

\$68,122 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows (Inflows) of Resources
2024	\$144,137
2025	133,101
2026	79,916
2027	3,381
Total	<u>\$360,535</u>

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.0% (1)
Mortality	Derived by CalPERS Membership Data for all funds (2)

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

(2) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 8 – PENSION PLAN (Continued)

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	Assumed asset Allocation	Real Return Years 1 - 10 ¹
Global Equity-Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

(1) An expected inflation of 2.30% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 8 – PENSION PLAN (Continued)

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:

1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
\$647,438	\$30,180	(\$477,671)

Pension Plan Fiduciary Net Position

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

NOTE 9 – 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, 2023, 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, 2023, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefits	2
Active employees	5
Total	7

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The Authority's total OPEB liability of \$57,152 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 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, 2022
Measurement Date	June 30, 2022
General Inflation	2.5% annually
Discount Rate	3.54% at June 30, 2022
Mortality, Retirement, Disability, Termination	Based on Bond Buyer 20-bond Index on June 30, 2022
Mortality Improvement	CalPERS 2000-2019 Experience Study
	Mortality projected fully generational
	with Scale MP-2021
Salary Increases	Aggregate 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Non-Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Healthcare participation	50%

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	<u>\$88,017</u>
Service Cost	14,658
Interest	2,218
Actual vs expected experience	(22,724)
Assumption changes	<u>(25,017)</u>
Net changes	<u>(30,865)</u>
Balance at June 30, 2023	<u><u>\$57,152</u></u>

Changes of assumptions reflect a change in the discount rate from 2.16 percent in measurement year ended June 30, 2021 to 3.54 percent in measurement year ended June 30, 2022.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$67,955	\$57,152	\$48,493

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	\$45,454	\$57,152	\$72,746

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

For the year ended June 30, 2023, the Authority recognized OPEB expense of \$15,917. At June 30, 2023, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		\$32,508
Changes in assumptions	\$16,674	25,947
Total	\$16,674	\$58,455

No contributions or payments for benefits were made during the year ended June 30, 2023.

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
2024	(\$4,770)
2025	(4,770)
2026	(4,770)
2027	(4,770)
2028	(4,256)
Thereafter	(18,445)
Total	(\$41,781)

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 10 – LEASES

The Authority has entered into two lease agreements for office space and copier machines. The Authority is required to make principal and interest payments through July 2030. The lease agreements have interest rates of 2.45%. The total amount of right to use leased assets, and the related accumulated amortization on right to use leased assets was \$1,105,750 and \$237,734, as of June 30, 2023, respectively.

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 total amount of principal and interest amount paid were \$98,067 and \$11,454, as of June 30, 2023, respectively.

The remaining obligations associated with these leases are as follows:

Lessee Activities	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Current Portion
Right to use assets - leased assets					
Office space	\$983,166		(\$98,067)	\$885,099	\$104,170
Equipment	11,076	\$28,172	(11,454)	27,794	4,756
Total right to use assets - leased assets	<u>\$994,242</u>	<u>\$28,172</u>	<u>(\$109,521)</u>	<u>\$912,893</u>	<u>\$108,926</u>

The payments for principal and interest for the remaining lease terms are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2024	\$108,926	\$22,704
2025	115,710	19,661
2026	122,803	16,420
2027	130,218	12,975
2028	137,390	9,312
2029 - 2030	297,846	8,035
	<u>\$912,893</u>	<u>\$89,107</u>

NOTE 11 – 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.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to Financial Statements
June 30, 2023

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for reporting periods beginning after June 15, 2023. The Authority has not determined the effect on the financial statements.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement is effective for reporting periods beginning after December 15, 2023. The Authority has not determined the effect on the financial statements.

Required Supplementary Information

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Cost-Sharing Multiple Employer Defined Benefit Retirement Plan
As of fiscal year ending June 30, 2023
Last 10 Years*

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY**

Measurement Date	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability (asset)	0.000260%	0.032910%	0.003730%	0.007670%
Proportionate share of the net pension liability (asset)	\$30,180	(\$624,980)	\$157,469	\$307,159
Covered payroll	891,658	859,952	881,310	803,018
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	3.38%	-72.68%	17.87%	38.25%
Plan Fiduciary net position as a percentage of the total pension liability	76.68%	90.49%	88.29%	88.06%

Measurement Date	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.012400%	0.011930%	0.019790%	0.021060%	0.022700%
Proportionate share of the net pension liability (asset)	\$467,474	\$470,274	\$385,071	\$281,262	\$27,336
Covered payroll	668,374	708,206	687,362	577,799	560,970
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	69.94%	66.40%	56.02%	48.68%	4.87%
Plan Fiduciary net position as a percentage of the total pension liability	89.12%	90.56%	89.69%	74.06%	78.40%

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Cost-Sharing Multiple Employer Defined Benefit Retirement Plan
As of fiscal year ending June 30, 2023
Last 10 Years*
Schedule of Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	
Contractually required contribution (actuarially determined)	\$68,122	\$83,076	\$100,607	\$102,986	
Contribution in relation to the actuarially determined contributions	(68,122)	(170,722)	(298,584)	(302,986)	
Contributions deficiency (excess)	<u>\$0</u>	<u>(\$87,646)</u>	<u>(\$197,977)</u>	<u>(\$200,000)</u>	
Covered payroll	\$744,757	\$922,802	\$859,952	\$881,310	
Contributions as a percentage of covered payroll	9.15%	9.00%	11.70%	11.69%	
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$71,760	\$75,967	\$74,273	\$70,318	\$67,514
Contribution in relation to the actuarially determined contributions	(71,760)	(75,967)	(74,273)	(70,318)	(67,514)
Contributions deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$803,018	\$668,374	\$708,206	\$687,362	\$577,799
Contributions as a percentage of covered payroll	8.94%	11.37%	10.49%	10.23%	11.68%

* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Agent Multiple-Employer Other Post-Employment Defined Benefits Plan
As of fiscal year ending June 30, 2023
Schedule of Changes in the
Net OPEB Liability and Related Ratios
Last 10 Years*

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 7,266	\$ 6,454	\$ 9,197	\$ 10,174	\$ 14,120	\$ 14,658
Interest on total OPEB liability	1,142	1,508	1,957	2,318	1,886	2,218
Differences between expected and actual experience	-	-	-	(17,019)	-	(22,724)
Changes in assumptions	(5,558)	(2,262)	3,535	19,678	804	(25,017)
Net change in total OPEB liability	2,850	5,700	14,689	15,151	16,810	(30,865)
Total OPEB Liability -- beginning	32,817	35,667	41,367	56,056	71,207	88,017
Total OPEB Liability -- ending (a)	\$ 35,667	\$ 41,367	\$ 56,056	\$ 71,207	\$ 88,017	\$ 57,152
Covered payroll	\$ 668,374	\$ 803,018	\$ 881,310	\$ 859,952	\$ 922,802	\$ 877,858
Total OPEB Liability as a percentage of covered payroll	5.34%	5.15%	6.36%	8.28%	9.54%	6.50%
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022

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

Notes to the schedule:

No assets are accumulated in a trust to pay related benefits.

Changes of assumptions. Changes of assumptions 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%	2.16%	3.54%
Inflation Rate	2.75%			2.50%	2.50%	2.50%
Mortality Improvement Scale	MP-2016			MP-2020	MP-2020	MP-2021

Central Contra Costa Solid Waste Authority
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
- General Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Administrative fees	\$1,903,051	\$1,903,051	\$1,870,756	(\$32,295)
Source reduction and recycling education fees	3,422,251	3,422,251	3,672,945	250,694
Intergovernmental	266,363	266,363	267,823	1,460
Investment income	27,326	27,326	228,110	200,784
Miscellaneous	10,500	10,500	40,162	29,662
Total revenues	<u>5,629,491</u>	<u>5,629,491</u>	<u>6,079,796</u>	<u>450,305</u>
Expenditures				
Current:				
General government:				
Personnel services	1,326,372	1,326,372	967,464	358,908
Materials and supplies	85,456	85,456	127,041	(41,585)
Office rent and utilities	178,133	178,133		178,133
Professional contracts and services	313,090	313,090	420,197	(107,107)
Recycling Processing Costs	2,609,886	2,609,886	2,600,261	9,625
Diversion Programs	836,494	836,494	771,422	65,072
Distributions to member agencies			3,166,821	(3,166,821)
Total expenditures	<u>5,349,431</u>	<u>5,349,431</u>	<u>8,053,206</u>	<u>(2,703,775)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>280,060</u>	<u>280,060</u>	<u>(1,973,410)</u>	<u>(2,253,470)</u>
Net change in fund balance	280,060	280,060	(1,973,410)	(2,253,470)
Fund Balance - Beginning	<u>4,297,600</u>	<u>4,297,600</u>	<u>4,297,600</u>	
Fund Balance - Ending	<u>\$4,577,660</u>	<u>\$4,577,660</u>	<u>\$2,324,190</u>	<u>(\$2,253,470)</u>

See Note to the Required Supplementary Information

Central Contra Costa Solid Waste Authority
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
- Reuse and Clean Up Days Special Revenue Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
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	<u>\$85,877</u>	<u>\$85,877</u>	<u>\$85,877</u>	

See Note to the Required Supplementary Information

CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
Notes to the Required Supplementary Information
June 30, 2023

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.

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. 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 \$2,703,775 during the current year due to distributions to member agencies, which are not budgeted.

**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 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, the basic financial statements of Central Contra Costa Solid Waste Authority (Authority) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 26, 2024.

Report on 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 Authority’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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 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.

Maze + Associates

Pleasant Hill, California
January 26, 2024



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: ASHLEY LOUISIANA, PROGRAM MANAGER
JUDITH SILVER, SENIOR PROGRAM MANAGER

DATE: MAY 23, 2024

SUBJECT: INTERAGENCY AGREEMENT WITH CONTRA COSTA HEALTH SERVICES FOR SB 1383 COMMERCIAL EDIBLE FOOD GENERATOR INSPECTIONS AND PROGRAM UPDATE

SUMMARY

To reduce food waste and help address food insecurity, SB 1383 requires that by 2025 California will recover 20 percent of edible food that would otherwise be sent to landfills, to feed people in need. This is a statewide goal that requires jurisdictions to provide outreach, programs and enforcement to expand and strengthen food recovery networks, increase donations of edible food and maintain records.

The law requires jurisdictions to monitor progress by performing capacity planning studies and inspecting covered Commercial Edible Food Generators (CEFG) including grocery stores, wholesalers and food distributors, large restaurants, hotels, health providers, schools, and events and venues. To meet the requirements of the law, the Authority developed an Interagency Agreement with Contra Costa Health Services in 2022 to perform required inspections of covered generators.

RECOMMENDED ACTION

1. Authorize the Executive Director to execute an Interagency Agreement with Contra Costa Health Services for SB 1383 Tier One and Tier Two Commercial Edible Food Generator inspections. The term of the Agreement will be from June 1, 2024 through December 31, 2025, with a total not-to-exceed of \$50,546 (**Attachment A**).
2. Accept this update on the SB 1383 Edible Food Recovery Program.

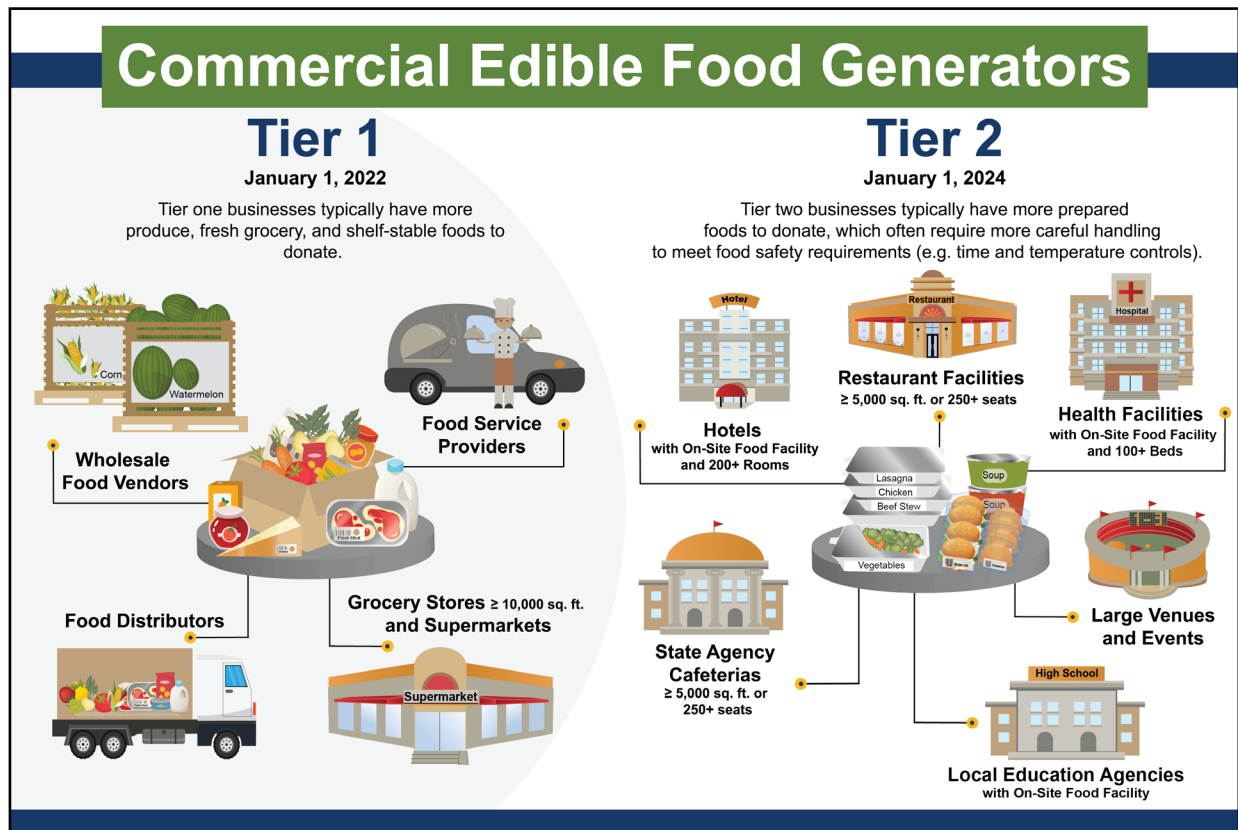
DISCUSSION

SB 1383 requires mandated food donors, Tier One and Tier Two CEFG, to:

- Donate the maximum amount of excess edible food to feed people
- Enter into a contract or written agreement with a food recovery organization
- Maintain records
- Not intentionally spoil (or compost) edible food

Tier One and Tier Two CEFG types are provided in Graphic 1 below.

Graphic 1 – Covered Tier One and Tier Two Commercial Edible Food Generators



The Authority developed the SB 1383 required list of Tier One and Tier Two CEFG by using Contra Costa Health Services permits, the California Department of Public Health Processed Food Registration list, and on-site verification.

Authority Tier One and Tier Two Commercial Edible Food Generators (Attachment B):

- Tier One: 30 – Requirements began January 1, 2022.
- Tier Two: 34 – Requirements began January 1, 2024.

In 2022, the Authority partnered with Contra Costa Health Services (CCHS) to perform required edible food recovery inspections, and to develop the inspection process, field inspection form and a food donation brochure with the Health Services logo (**Attachment C – Food Donation Brochure**). The law does not require inspections of all generators each year, but the Authority is required to perform some number of inspections that provides an indication of compliance throughout the service area. Since edible food recovery requirements are new, the Authority is planning to perform one initial inspection, if possible, of all covered generators to create a baseline and determine outreach and technical assistance needs.

The first Interagency Agreement with CCHS for Tier One inspections concluded March 31, 2024. Most Tier One grocery stores (24 grocery stores out of the total 30 Tier One generators) are confirmed to now have a contract in place with a Food Recovery Organization. Many grocery stores

have been donating some amount of edible food for decades. SB 1383 formalizes this process and requires record keeping.

It is more challenging to determine if generators are maximizing donations. Tier One inspection results identified an opportunity to provide additional technical assistance to some covered generators that needed to improve food donation operations. In January 2024, the Authority entered into a contract with Food Shift, a Food Recovery Organization based in Alameda to provide training, supplies and educational materials to Tier One generators that may have otherwise required a Notice of Violation now that SB 1383 enforcement began January 1, 2024.

The field inspection process and form does include information gathering on pounds of food donated, but this is not a requirement for jurisdictions to request or track. Generators must only maintain these records on site. Staff is refining the inspection process with CCHS to obtain this information (pounds of food donated) in a usable format.

In addition to the 24 grocery stores, the remaining 6 Tier One CEFG are wholesalers and food service providers such as Del Monte Foods and Genova Delicatessen Ravioli Factory. The Authority paused inspections of these types of businesses since they do not generate a large amount of excess edible food. Other small wholesalers were removed from the Authority Tier One list based on recommendations from CCHS and the definition of the law.

The Authority will continue Tier One and Tier Two inspections annually through a new Interagency Agreement with CCHS. The number of inspections should decrease each year as covered generators come into compliance.

2024-2025 Interagency Agreement with Contra Costa Health Service for SB 1383 Tier One and Tier Two Commercial Edible Food Generator Inspections:

- June 1, 2024 – December 31, 2025
- Total not to exceed of \$50,546
- Rate of \$199 per hour (rate subject to change based on fee schedule set by County Board of Supervisors)
- 10 Tier One inspections and 30 Tier Two inspections
- Follow up inspections, inspector training and reporting

All of the Authority’s SB 1383 programs are currently funded through CalRecycle SB 1383 local assistance grant funding provided to jurisdictions in California through Fiscal Year 2025-2026.

Tier Two Commercial Edible Food Generator requirements began January 1, 2024. To prepare for Tier Two inspections, the Authority entered into a contract with a consulting firm, Envirolutions, to provide additional Tier Two outreach and some technical assistance. Envirolutions was tasked with visiting and communicating with all Tier Two generators to ensure generators are aware of their SB 1383 food donation requirements. Some new donor contracts with local food recovery organizations were initiated from this work.

Tier Two CEFG include school districts. The Authority’s schools program consultant, Ruth Abbe and Associates, is managing outreach and compliance since the team has a longstanding relationship with Authority schools. Schools will not be inspected by CCHS.

Inspections are among other SB 1383 jurisdiction requirements, including outreach, capacity planning and reporting to CalRecycle.

SB 1383 Edible Food Recovery Outreach and Education

The Authority maximizes outreach and education to reduce any potential enforcement.

- Since 2021, the Authority has mailed an SB 1383 notification letter annually to Tier One and Tier Two CEFG, schools, and commercial and multifamily accounts.
- The food donation brochure is mailed to Tier One and Tier Two CEFG and County Health Inspectors hand out the brochure at food inspections to encourage voluntary food donation.
- The Authority website is maintained with SB 1383 information, updates and requirements: www.recyclesmart.org/foodgenerators
- The RecycleSmart quarterly newsletter to single-family homes and tenants at multifamily properties is utilized to support local food recovery organizations, encourage residents to volunteer, and provide tips on food waste prevention.
- In 2021, staff worked with Republic Services to update annual customer guides that are mailed to all accounts, businesses, and tenants, to include SB 1383 information. These are updated annually.
- Technical assistance is provided to Tier One and Tier Two CEFG through contracts with Food Shift and Envirolutions. Similar services will continue into the 2024-25 Fiscal Year.
- The Tier One and Tier Two inspections conducted by CCHS provide a valuable opportunity to see on-site operations and provide education and/or referral to Authority staff or technical assistance contractors.
- Authority staff is a resource for local Food Recovery Organizations by providing information and updates on SB 1383, and facilitating regional consistency with inspections and capacity planning. In addition, Authority staff have conducted the following special activities related to edible food recovery:
 - Submitted a Sustainable Contra Costa award nomination for The Muffin People who was selected as a winner.
 - Provided funding to Contra Costa Fruit Rescue to increase the donation of fresh produce as a startup Food Recovery Organization.
 - Partnered on a CalRecycle edible food recovery grant with White Pony Express to expand food donation in Contra Costa County. The grant helped WPE implement their Food Rescue Hero app that is still used in Contra Costa.
- Social media is utilized as an efficient, lower cost platform to share information and encourage volunteering.

In the coming Fiscal Year, staff is planning to expand outreach and education through short videos with a focus on edible food recovery, new food donation posters for grocery stores, and additional technical assistance. Staff is also considering a countywide Edible Food Recovery Forum to provide a space for local Food Recovery Organizations, jurisdictions and other stakeholders to share resources with each other and the community, and explore paths to growth.

Countywide Capacity Planning

The County, and each city, regional agency and special district within the county, must plan for adequate capacity for edible food recovery.

The County is required to lead this effort and report to CalRecycle. The initial capacity planning study was submitted by the County to CalRecycle on August 1, 2022 for the period of 2022 - 2024.

The current capacity planning requirement is due to CalRecycle August 1, 2024 for the period of January 1, 2025 – December 31, 2034.

Jurisdictions are required to:

- Estimate the amount of edible food that Tier One and Tier Two Commercial Edible Food Generators in the county would send to landfills.
The Authority uses the capacity planning calculator provided by CalRecycle.
- Identify available existing capacity at food recovery organizations and services.
The Authority entered into a contract with Environmental Science Associates to conduct a capacity planning survey with Food Recovery Organizations physically located in the Authority service area.
- Identify whether new or expanded capacity is needed to recover edible food disposed by Commercial Edible Food Generators.
The County provided Table 1 below which shows sufficient edible food recovery capacity in Contra Costa County based on the 2022 study. Staff will provide an update to the Board once the 2024 study is complete (due to CalRecycle August 1, 2024). Jurisdictions in Contra Costa were not required to take additional steps to increase capacity in 2022, however, these results do not mean local Food Recovery Organizations do not need more resources.

Table 1 – 2022 Countywide Edible Food Recovery Capacity

Edible Food Recovery Capacity		
Estimated edible food for landfill disposal (tons)	Edible food recovery capacity verifiably available (tons)	Needed edible food recovery capacity (tons)
3,809,421	11,328,864	0

CalRecycle SB 1383 Reporting

The Authority is required to report to CalRecycle in August each year on program implementation and compliance. SB 1383 edible food recovery reporting obligations include:

- ✓ A list of Tier One and Tier Two Commercial Edible Food Generators
- ✓ Number of inspections conducted
- ✓ Total annual pounds of edible food recovered from Food Recovery Organizations physically located in the Authority service area
- ✓ Outreach and education

CONCLUSION

Through outreach, surveys, technical assistance and inspections, the Authority has identified almost 20 Food Recovery Organizations providing services within the Authority service area. Most smaller organizations are affiliated with religious establishments. The following Food Recovery

Organizations are physically located in the Authority service area:

Moraga – 448,500 pounds of edible food recovered in 2023:

1. The Muffin People

Walnut Creek – 102,977 pounds of edible food recovered in 2023:

Partners of the Contra Costa and Solano Food Bank.

2. North Creek Church
3. St. Mary’s Catholic Church
4. Support Life Foundation
5. Walnut Creek Church of Christ
6. Walnut Creek Presbyterian
7. St. Paul’s Trinity Center
8. Walnut Creek United Methodist Church
9. Hillside Covenant Church
10. Leah’s Pantry

There are many other well-known organizations that are not physically located in the Authority service area but provide services to Authority covered generators, such as White Pony Express, Loaves & Fishes, Bread of Life, Contra Costa Fruit Rescue, Plate to People, Copia, Replate, Chefs to End Hunger, etc.

It has taken several years of staff time to build relationships with and support many of these organizations and understand their individual needs to grow and increase their ability to collect more edible food. Most of their work is conducted on a volunteer basis and funded through grants and fundraising. Over time, three necessities trend for most of these organizations:

1. Funding for staff, physical space and infrastructure
2. More volunteers
3. Outreach and education

The Authority has taken steps to meet these needs, including partnerships on grants, developing outreach to encourage community volunteers and support Food Recovery Organizations, and providing outreach and technical assistance to Commercial Edible Food Generators, as well as inspections. Partnering with covered generators, technical assistance experts, Food Recovery Organizations, other county jurisdictions and CCHS will enable edible food recovery infrastructure to strengthen and continue to grow in the Authority service area.

ATTACHMENTS

- A. Interagency Agreement with Contra Costa Health Services for SB 1383 Tier One and Tier Two Commercial Edible Food Generator Inspections
- B. List of Authority Tier One and Tier Two Commercial Edible Food Generators
- C. Countywide Food Donation Brochure

INTERAGENCY AGREEMENT
(County Provides Services)

Number 28-996
Fund/Org # As Coded
Account # As Coded
Other # _____

1. **Contract Identification.**

Department: Health Services – Environmental Health Division
Subject: Inspections of SB1883 Tier One and Tier Two Commercial Edible Food Waste Generators

2. **Parties.** The County of Contra Costa, California (County), for its Department named above, and the following named Agency mutually agree and promise as follows:

Agency: **CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY** (Hereinafter “Agency”)
Capacity: Government Agency
Legal Address: 1850 Mt. Diablo Blvd, Suite 320, Walnut Creek, California 94598

3. **Term.** The effective date of this Agreement is April 1, 2024, and it terminates on December 31, 2025 unless sooner terminated as provided herein.

4. **Payment Limit.** Agency’s total payments to County under this Agreement shall not exceed \$ 50,546.

5. **County’s Obligations.** County shall provide those services and carry out that work described in the Service Plan attached hereto which is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

6. **Agency’s Obligations.** Agency shall pay County for its provision of the services as set forth in the attached Service Plan, subject to all the terms and conditions contained or incorporated herein.

7. **General and Special Conditions.** This Agreement is subject to the General Conditions and Special Conditions (if any) attached hereto, which are incorporated herein by reference.

8. **Project.** This Agreement implements in whole or in part the following described Project, the application and approval documents of which are incorporated herein by reference: Not Applicable

9. **Legal Authority.** This Agreement is entered into under and subject to the following legal authorities: 14 CCR 18981.2(b)(2) and Agency Ordinance 21-1 (Mandatory Organic Waste Disposal Reduction Ordinance)

10. **Signatures.** These signatures attest the parties’ agreement hereto:

COUNTY OF CONTRA COSTA, CALIFORNIA

<p>BOARD OF SUPERVISORS</p> <p>By _____ Designee</p>	<p>ATTEST: Clerk of the Board of Supervisors</p> <p>By _____</p>
--	--

AGENCY

<p>By _____ (Signature of authorized Agency Representative)</p> <p>_____ (David Krueger, Executive Director)</p>	<p>By _____</p> <p>_____</p>
--	------------------------------

SERVICE PLAN

Number 28-995

- I. **Purpose.** The purpose of this Agreement is to set forth the responsibilities of the County and Central Contra Costa Solid Waste Authority (the “Agency”) with regard to the County’s inspections of SB 1383 Tier One and Tier Two Commercial Edible Food Generator Facilities pursuant to California Code of Regulations (CCR) Title 14, § 18981.2(b)(2)(the “Facility” or “Facilities”) in the jurisdiction of the Agency, on behalf of the Agency.
- II. **County’s Obligations.**
- A. Provide routine inspections of Tier One and Tier Two Facilities as requested by the Agency. These inspections will include, but not be limited to, the following:
1. Observe areas of Facilities where food is disposed of including, but not limited to, inspecting containers used for waste disposal inside and outside the Facilities;
 2. Review documents including, but not limited to, food recovery service contracts, educational materials, and monthly edible food recovery records;
 3. Work with Agency to develop and distribute outreach materials and educate Facility owners and operators on how to maintain compliance with the relevant ordinance;
 4. Provide written documentation to Facility owners and/or operators of any violations observed in the time, form and manner agreed upon by the Agency and County.
 5. Provide a written inspection report to the Facility Operator that includes at a minimum the following information:
 - a) Facility name;
 - b) Facility address;
 - c) Owner name;
 - d) Primary contact name;
 - e) Primary contact phone number;
 - f) Primary contact email address;
 - g) What food recovery services collect or receive food from the facility;
 - h) How much food (in pounds) is being donated per month; and
 - i) Violations observed during the inspection and corrective actions required.
- B. Investigate complaints received by either the County or Agency regarding violations of the relevant edible food waste generator ordinance and document the inspection findings;
- C. Provide follow-up inspections of Facilities for any violations issued. Follow-up inspections will only be conducted on Facilities with outstanding violations. For violations where the corrective action requires Facility to provide documentation only, an on-site inspection is not required;

Initials: _____
District County Dept.

SERVICE PLAN

Number 28-995

- A. County will bill the Agency semi-annually at the Board of Supervisors approved rate of **\$199** per hour for services set forth in Paragraph I, above. If the County Board of Supervisors approves a change to that hourly rate during the life of this contract, time for services rendered under this contract from that point on will be charged at the newly approved hourly rate.
- B. County will not charge Agency for work not performed, for work outside of Agency's jurisdiction, or for overtime costs.
- C. County will submit written invoices, as well as supporting documentation and reports, in a format approved by Agency no later than March 31 and September 30 of each year with costs broken down according to the budget year categories shown below.
- D. Agency will not pay County more than \$33,730.50 for the period April 1, 2024 through December 31, 2024; and no more than \$16,815.50 for the period January 1, 2025 through December 31, 2025.
- E. April 1, 2024 through December 31, 2024 Budget:

- Routine inspections at Tier One Generators \$4,477.50
 - 10 Tier One routine inspections x 2.25 hours x \$199/hour
- Routine inspections at Tier Two Generators \$13,432.50
 - 30 Tier Two routine inspections x 2.25 hours x \$199/hour
- Follow-up inspections \$11,940.00
 - 30 follow-up inspections x 2 hours x \$199/hour
- Conduct complaint investigations at Tier One Generators \$895.50
 - 3 complaint inspections x 1.5 hours x \$199/hour
- Training \$995.00
 - 5 hours x \$199/hour
- Reporting, Meetings and Coordination \$1,990.00
 - 10 hours x \$199/hour

April 1, 2024 through December 31, 2024 Maximum Reimbursement \$33,730.50

January 1, 2025 through December 31, 2025 Budget:

- Routine inspections at Tier One Generators \$4,477.50
 - 10 Tier One routine inspections x 2.25 hours x \$199/hour
- Routine inspections at Tier Two Generators \$4,477.50
 - 10 Tier Two routine inspections x 2.25 hours x \$199/hour
- Follow-up inspections \$3,980.00
 - 10 follow-up inspections x 2 hours x \$199/hour
- Conduct complaint investigations at Tier One Generators \$895.50
 - 3 complaint inspections x 1.5 hours x \$199/hour
- Training \$995.00
 - 5 hours x \$199/hour

Initials: _____
District County Dept.

SERVICE PLAN

Number 28-995

- Reporting, Meetings and Coordination \$1,990.00
 - 10 hours x \$199/hour

January 1, 2025 through December 31, 2025 Maximum Reimbursement \$16,815.50

Maximum Total Reimbursement \$50,546.00

V. Miscellaneous Provisions.

- a. Termination. This Agreement may be terminated by either party, at its sole discretion, upon thirty (30) day advance written notice thereof to the other, and may be cancelled immediately by written mutual consent.
- b. Entire Agreement. This Agreement contains all the terms and conditions agreed upon by the parties. Except as expressly provided herein, no other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.
- c. Amendments. This Agreement may be modified or amended by a written document executed by County and Commission, subject to any required state or federal approval.
- d. Choice of Law and Personal Jurisdiction. This Agreement is made in Contra Costa County and shall be governed and construed in accordance with the laws of the State of California. Any action relating to this Agreement shall be instituted and prosecuted in the courts of Contra Costa County, State of California.

Initials: _____
District County Dept.

Authority SB 1383 Tier One and Tier Two
Commercial Edible Food Generators

Tier One
January 1, 2022

1	SAFEGWAY STORE	ALAMO
2	DRAEGERS SUPERMARKET	BLACKHAWK
3	TRADER JOES MARKET	DANVILLE
4	COSTCO WHOLESAL	DANVILLE
5	LUNARDIS MARKET	DANVILLE
6	LUCKY STORE	DANVILLE
7	SAFEGWAY STORE	DANVILLE
8	SMART & FINAL	DANVILLE
9	REPUBLIC OF CAKE	DANVILLE
10	TRADER JOES MARKET	LAFAYETTE
11	DIABLO FOODS	LAFAYETTE
12	SAFEGWAY STORE	LAFAYETTE
13	WHOLE FOODS MARKET	LAFAYETTE
14	ANNE'S TOUM LLC	LAFAYETTE
15	JAMALULA INC.	LAFAYETTE
16	SPARKLE & JOY LLC	LAFAYETTE
17	CARBERRY HOLDINGS, LLC	LAFAYETTE
18	SAFEGWAY STORE	MORAGA
19	SAFEGWAY STORE	ORINDA
20	WHOLE FOODS MARKET	WALNUT CREEK
21	SAFEGWAY STORE	WALNUT CREEK
22	TRADER JOES MARKET	WALNUT CREEK
23	LUNARDIS MARKET	WALNUT CREEK
24	SAFEGWAY STORE	WALNUT CREEK
25	SAFEGWAY STORE	WALNUT CREEK
26	SAFEGWAY STORE	WALNUT CREEK
27	WHOLE FOODS MARKET	WALNUT CREEK
28	SPROUTS	WALNUT CREEK
29	JOHNS GENOVA, INC.	WALNUT CREEK
30	TARGET	WALNUT CREEK

Tier Two
January 1, 2024

1	ROUND HILL GOLF & COUNTRY CLUB	ALAMO
2	BLACK HAWK FALLS SNACK SHACK	BLACKHAWK
3	BLACKHAWK COUNTRY CLUB	DANVILLE
4	CROW CANYON COUNTRY CLUB	DANVILLE
5	DIABLO COUNTRY CLUB	DIABLO
6	ACALANES UNION HIGH SCHOOL DISTRICT	LAFAYETTE
7	LAFAYETTE SCHOOL DISTRICT	LAFAYETTE
8	MORAGA COUNTRY CLUB	MORAGA
9	ST MARYS COLLEGE	MORAGA
10	MORAGA SCHOOL DISTRICT	MORAGA
11	ORINDA COUNTRY CLUB	ORINDA
12	ORINDA UNION SCHOOL DISTRICT	ORINDA
13	THE CHEESECAKE FACTORY	WALNUT CREEK
14	CHICKEN PIE SHOP WALNUT CREEK	WALNUT CREEK
15	IL FORNAIO	WALNUT CREEK
16	MARRIOTT	WALNUT CREEK
17	BYRON PARK	WALNUT CREEK
18	SAUCED BBQ & SPIRITS	WALNUT CREEK
19	EMBASSY SUITES HOTEL	WALNUT CREEK
20	BOUNDARY OAK GOLF COURSE	WALNUT CREEK
21	THE HERITAGE DOWNTOWN	WALNUT CREEK
22	RUTHS CHRIS STEAK HOUSE	WALNUT CREEK
23	GALPAO GAUCHO	WALNUT CREEK
24	FLEMINGS PRIME STEAKHOUSE 1551	WALNUT CREEK
25	SUFISM REORIENTED	WALNUT CREEK
26	PACIFIC CATCH WALNUT CREEK	WALNUT CREEK
27	TAMPICO TERRACE CARE CENTER	WALNUT CREEK
28	MANORCARE HEALTH TICE VALLEY	WALNUT CREEK
29	PROMEDICA	WALNUT CREEK
30	WC SKILLED NURSING & REHAB CENTER	WALNUT CREEK
31	KAISER PERMANENTE WALNUT CREEK	WALNUT CREEK
32	JOHN MUIR MEDICAL CTR WALNUT CREEK	WALNUT CREEK
33	WALNUT CREEK SCHOOL DISTRICT	WALNUT CREEK
34	SAN RAMON VALLEY U.S.D.	WALNUT CREEK

Food Donation

For Contra Costa County Businesses



Help Your Business Help the Hungry

Donating Your Food is Easy!

Every year, Contra Costa grocery stores, restaurants, and other food generating businesses discard tons of edible food. Businesses can now redirect that food to the plates of hungry families.

Food donation is a safe, simple practice with meaningful benefits for local businesses and our community—helping reduce food waste while helping feed our county's food insecure residents.

Working with Food Recovery Organizations, businesses can easily donate food to local non-profit organizations.



Why Donate food?

- Support your community
- Reduce waste
- Save money

It's the Law!



California state law Senate Bill (SB) 1383 and RecycleSmart Ordinance 21-I mandates that by 2025 at least 20% of the edible food that is currently disposed must be recovered and donated for human consumption.

Who has to comply:

- **January 1, 2022:** Tier One Generators (supermarkets, grocery stores, etc.)
- **January 1, 2024:** Tier Two Generators (large restaurants, hotels, Local Education Agencies, etc.)

Starting January 1, 2024, penalties can be issued for non-compliance.



[RecycleSmart.org](https://www.RecycleSmart.org)



Food donation doesn't have to occur daily, but having a food recovery partner lined up will make food donation convenient and easy when a food donation opportunity comes along.

Legal Protections

California's Good Samaritan Donation Act (AB 1219) helps protect food donors from liability. Businesses are legally protected from criminal and civil liability when food is donated to non-profit or charitable organizations in good faith, using standard safe food handling procedures.

Enhanced Tax Savings

The federal tax code allows businesses to claim enhanced deductions on donated food. Consult a tax professional for more information.



Start Donating Food Today!

It's safe, simple and easy.

- 1** Contact a local Food Recovery Organization. Visit RecycleSmart.org/FoodGenerators or use the QR code to download a list of local Food Recovery Organizations.
- 2** Enter into a food donation agreement with a Food Recovery Organization.
- 3** Work with the Food Recovery Organization to create a donation schedule that suits your needs.
- 4** The Food Recovery Organization will safely deliver your food to people who need it most.



Spotlight On: White Pony Express

White Pony Express provides free, as-needed food rescue services for Contra Costa County. White Pony Express can dependably pick up and safely distribute surplus fresh and prepared food within 24 hours, supporting our highest-need neighbors: isolated seniors, students and their families, veterans and the unhoused.



SB 1383 Requirements

What are SB 1383 Tier 1 & 2 Commercial Food Generators responsible for? Some of the requirements include:

- Enter into a contract with a Food Recovery Organization to support the collection of edible food.
- Recover the maximum amount of edible food possible.
- Keep records on the following: all contracts and written agreements; contact information for all Food Recovery Organizations that collect edible food; the types of food donated, frequency of collection, and quantity (measured in pounds per month).
- Do not intentionally spoil edible food that can be recovered.
- Allow RecycleSmart and Contra Costa Health Services to access the premises and review records.

For a full description of the requirements, visit RecycleSmart.org/FoodGenerators.

Acceptable Food Donation



Shelf-stable items (canned goods, etc.)



Produce (fruits and vegetables)



Meat, poultry, and fish/deli goods*



Dairy goods*



Prepared food*



Baked goods



Frozen food



Beverages

*Ensure food is maintained at 41°F or below.



Statewide Food Donation Mandates Began January 1, 2022

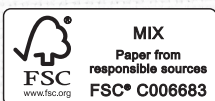
Is your business ready?



For more information, contact RecycleSmart
RecycleSmart.org/FoodGenerators
authority@recyclesmart.org



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



Printed on paper made from post consumer waste (PCW).





Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
DATE: MAY 23, 2024
SUBJECT: FIRST AMENDMENT TO HF&H CONSULTANTS, LLC AGREEMENT FOR FRANCHISE PROCUREMENT SERVICES

SUMMARY

Staff has determined that the \$330,000 previously budgeted for franchise procurement consultant services will be insufficient to complete the procurement process. A proposed amendment to the existing agreement with HF&H Consultants (HF&H) would increase the total not-to-exceed amount by \$530,000 to \$860,000. The Finance and Administration Committee discussed the required increase to the budget at its May 13 meeting, and approved inclusion of the additional funds in the proposed budget.

RECOMMENDED ACTION

1. Approve First Amendment to Provider Services Agreement with HF&H Consultants, LLC for Franchise Procurement Services.

DISCUSSION

During the 2012-2014 procurement process, the Authority spent \$579,831 on consultant assistance from HF&H. On August 1, 2023, the Authority entered into a new agreement with HF&H to assist with the current procurement process for an amount not to exceed \$330,000. This amount was derived through a competitive RFP process for consultant services. However, the \$330,000 has proved to be insufficient to complete the procurement process. HF&H has requested an additional \$530,000 to complete the procurement, for a grand total of \$860,000. A detailed budget estimate was provided by HF&H and is attached to the First Amendment.

Staff and HF&H met to review and revise HF&H's request for additional funds before submitting it to the Finance and Administration Committee, and were able decrease the original estimate by \$65,000, largely by having staff take on tasks previously assigned to HF&H.

The Finance and Administration Committee discussed the proposed revision at its May 13 meeting, and included it as part of the budget recommended for Board approval.

ATTACHMENT

- A. First Amendment to Provider Services Agreement with HF&H Consultants, LLC for Franchise Procurement Services

**FIRST AMENDMENT TO CENTRAL CONTRA COSTA SOLID WASTE
AUTHORITY PROVIDER SERVICES AGREEMENT WITH HF&H
CONSULTANTS, LLC FOR FRANCHISE PROCUREMENT SERVICES**

THIS FIRST AMENDMENT (“First Amendment”) to the Provider Services Agreement for Franchise Procurement Services, effective August 1, 2023 (“Agreement”) between the Central Contra Costa Solid Waste Authority (“CCCSWA”) and HF&H Consultants, LLC (“Provider”) is effective as of May 23, 2024.

RECITALS

- A. The CCCSWA and the Provider entered the Agreement to provide franchise procurement services; and
- B. The CCCSWA has determined that the franchise procurement process will require more consultant time than previously anticipated; and
- C. The parties desire to increase the not-to-exceed amount from \$330,000 to \$860,000, and to add a new Attachment C to the Agreement (Revised Scope of Services) without modifying any other provision of the Agreement.

NOW THEREFORE, for good and valuable consideration, the amount and sufficiency of which are hereby acknowledged, and consistent with Section 4 and 23 of the Agreement, the parties agree as follows:

- 1. Section 3, “Payment,” of the Agreement is amended in its entirety to read as follows:

3. Payment. In exchange for satisfactorily providing the Services, CCCSWA will pay to Provider a fee not to exceed eight hundred sixty thousand dollars exactly (\$860,000). Provider shall submit invoices based on the cost for work performed in accordance with Attachment B (Cost & Fee Schedule). The making of any payment by the CCCSWA shall in no way lessen the liability of Provider to correct or revise unsatisfactory work, even though the unsatisfactory character of such work may have been apparent or detected at the time such payment was made. CCCSWA may withhold payment to Provider in any instance in which Provider has failed or refused to satisfy any material obligation provided for in this Agreement. In no event shall the CCCSWA be liable for interest or late charges for any late payments. Notwithstanding the foregoing, no payments will be made to Provider under this Agreement beyond those amounts appropriated and budgeted by the CCCSWA to fund payments under this Agreement.

- 2. Attachment C, “Revised Scope of Services,” is added to the Agreement.

All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed effective as of the date referenced above by officials who the respective parties covenant have full authority to execute this First Amendment.

CENTRAL CONTRA COSTA SOLID
WASTE AUTHORITY

By: _____
David Krueger
Executive Director

Approval as to Form:

Deborah Miller, General Counsel

PROVIDER:
HF&H CONSULTANTS, LLC

By: _____
Rob Hilton
President

Attachment C: Revised Scope of Services

Attachment C to the HF&H Agreement

	Rob 320	Emily 295	Cost Lead 230	Tech Lead 230	Assoc 185	Assist 160	Admin 145	Labor Hours	Labor \$	Notes/Assumptions
GENERAL - SCOPE/STRATEGY/SUPPORT										
Ongoing Support to RecycleSmart Staff	84	94	0	28	6	0	0	212	\$ 62,160.00	
Design Intake Support	12	12	0	12	0	0	0	36		With RS (1 @ 3 hr mtg/prop) and RS/MDRR (1 @ 4 hr mtg/prop) Reuse, with RS for Collection (2 @ 4 hr mtgs/Prep)
Program Design/Scoping Support	2	4	0	8	2	0	0	16		Reviewing and providing feedback on scope and alternatives, prioritizing programs and options
Ongoing Misc. Support	62	62	0	0	0	0	0	124		1.0 hour per week each for Rob/Emily (May 2024 - June 2025)
Reviewing Ad Hoc Packets, as requested	4	8	0	4	0	0	0	16		Up to 8 meetings, 1.5 hr review between Rob/Emily, 0.5 hours of QC
Reviewing Board Packets, as requested	4	8	0	4	4	0	0	20		Up to 4 meetings, 3 hours split between Rob/Emily, 2.0 hour of QC
Ad Hoc Committee Meetings	0	0	0	0	0	0	0	0	\$ -	Up to 8 meetings split between Design & Selection @ 1 hour each + 1 hour of prep per meeting (Rob/Emily alternate attendance) - No Charge
Board of Directors Meetings	0	0	0	0	0	0	0	0	\$ -	Up to 4 meetings, 1 for Reuse, 1 for PC, 2 for Collection @ 2 hours each + 1 hour of prep per meeting (Rob/Emily alternate not charging, 2 at same price as 1) - No Charge
POST-COLLECTION PROCUREMENT										
Sole Source - REUSE	22	48	20	36	0	8	28	162	\$ 39,420.00	
Prepare Agreement and Mini-RFP	12	24	8	16	0	8	16	84	\$ 20,040.00	1 draft agreement w/ exhibits, 2 rounds of edits from consolidated/non-conflicting RS docs, 1 final draft for Mini-RFP
Support Agreement Development	8	16	0	16	0	0	16	56		
Review and Comment on Mini-RFP	0	0	0	0	0	0	0	0		
Develop Cost Forms	2	4	4	0	0	4	0	14		
Review Cost Forms	2	4	4	0	0	4	0	14		
Negotiate and Execute	10	24	12	20	0	0	12	78	\$ 19,380.00	
Contract and Cost-Related Support During Negotiations	8	16	12	12	0	0	0	48		
Finalize and Assemble Contract	2	8	0	8	0	0	12	30		
Competitive - TNSF/DISP/REC/COM/MXW	174	266	48	204	12	8	32	744	\$ 200,250.00	
Proposal Evaluation & Proposer Interviews	114	152	48	90	12	8	0	424	\$ 116,560.00	
Cost Form Review/Comparison/Pairing	0	4	8	0	8	0	0	20		Up to 6 combined proposals - RS to review cost forms for completeness, HF&H to tic-and-tie 1 and RS the remainder, RS to prepare pairing/comparisons, HF&H to review/advise
Analyze/Benchmark Cost Proposals	0	2	8	0	4	4	0	18		Assumes 5 types of pricing proposals - mileage comparison using HF&H standard approach
Technical Review/Comparison	2	4	0	12	0	4	0	22		HF&H to prepare matrix for each of the 5 agreements, RS to perform initial technical review and prepare proposal summaries.
Proposal Review	24	24	0	24	0	0	0	72		Up to 6 combined proposals - HF&H to read and be available to answer RS staff questions.
Review Contract Exceptions/Annotate	18	36	0	24	0	0	0	78		Up to 6 combined proposals - annotated and color coded as 1) material exception, 2) non-material exception, 3) clarification (no additional comments to be provided)
Track/Analyze Costs through Clarifications	12	18	24	18	0	0	0	72		Up to 6 combined proposals - @ 12 combined HF&H hours each
Review/Comment on RS-led Tasks	24	24	0	8	0	0	0	56		HF&H to coordinate review and responses
Manage Clarification/Interview Questions	2	8	8	4	0	0	0	22		RS to manage follow-up clarification questions and responses, HF&H to review. HF&H to provide cost clarifications
Shortlisting Proposers for Interviews	8	8	0	0	0	0	0	16		2 @ 3 hr meetings w/ RS to support shortlisting for interviews, plus 1 hr of prep for each
Participate in Interviews	24	24	0	0	0	0	0	48		4 interviews, 2 hrs/proposer + 2 hrs prep + 2 hrs pre-meet/de-brief. RS to draft questions, organize, take notes, and summarize clarifications. No charge for Rob/Emily facility tours.
Negotiate and Execute	60	114	0	114	0	0	32	320	\$ 83,690.00	
Contract Negotiations	52	82	0	50	0	0	0	184		2 proposers, 4 meetings @ 4.0 hours each (pre meet + debrief) + 12 combined hours of prep and follow-up between each session (+ before first, after last)
Finalize and Assemble Contracts	8	32	0	64	0	0	32	136		4 final agreements; Assumes RS staff/legal to be responsible for final printing, signing, and securing collateral docs (e.g. insurance)
COLLECTION PROCUREMENT										
Draft RFP and Franchise Agreement	30	77	24	32	24	8	33	228	\$ 55,700.00	
Lead Agreement Development	24	60	0	32	24	0	24	164		1 draft agreement w/ exhibits, 2 rounds of edits from consolidated/non-conflicting RS docs, 1 final draft for RFP
Review and Comment on RFP	4	8	0	0	0	0	8	20		
Develop Cost Forms	2	8	24	0	0	8	0	42		
Distribute RFP Notice	0	1	0	0	0	0	1	2		
Preproposal Conference & Responses to Proposer Questions	8	12	16	8	0	0	0	44	\$ 11,620.00	
Participate in Preproposal Conference	2	0	0	0	0	0	0	2		
Respond to Pre-Proposal Questions	4	8	8	0	0	0	0	20		HF&H responsible to lead up to 25 questions
Track Necessary Changes to Agreement/Exhibits	2	4	8	8	0	0	0	22		
Proposal Evaluation & Proposer Interviews	70	106	52	61	24	40	0	353	\$ 90,500.00	
Review Costs for completeness/compliance/math/logic	0	4	8	0	8	8	0	28		3 proposals - RS to perform initial review of cost forms for completeness, HF&H to tic-and-tie, RS to prepare cost proposal comparisons, HF&H to review and advise
Analyze/Benchmark Cost Proposals	4	12	24	0	16	16	0	72		Regional comparison of base and extra services using HF&H standard approach
Technical Review/Comparison	2	4	0	12	0	4	0	22		HF&H to prepare matrix for base and extra services, RS to perform initial technical review and prepare proposal summaries.
Proposal Review	18	18	0	18	0	0	0	54		3 Proposals - HF&H to read each proposal and be available to answer RS staff questions.
Review Contract Exceptions/Annotate	6	24	0	9	0	0	0	39		3 proposals - annotated and color coded as 1) material exception, 2) non-material exception, 3) clarification (no additional comments to be provided)
Track/Analyze Costs through Clarifications	6	6	12	6	0	8	0	38		3 proposals @ 5 combined HF&H hours each
Review/Comment on RS-led Tasks	18	18	4	8	0	4	0	52		HF&H to coordinate review and responses
Manage Clarification/Interview Questions	4	8	4	8	0	0	0	24		RS to manage follow-up clarification questions and responses, HF&H to review. HF&H to provide cost clarifications
Participate in Interviews	12	12	0	0	0	0	0	24		3 interviews, 2 hrs/proposer + 2 hr prep. RS to draft questions, organize, take notes, and summarize clarifications. No charge for Rob/Emily facility tours.
Negotiate and Execute	56	108	0	76	0	0	36	276	\$ 72,480.00	
Contract Negotiations	52	92	0	60	0	0	0	204		2 proposers, 4 meetings @ 6.0 hours each (pre meet + debrief) + 14 combined hours of prep and follow-up between each session (+ before first, after last)
Prepare Contract for Execution	4	16	0	16	0	0	36	72		Up to two (2) final agreements; Assumes RS staff/legal to be responsible for final printing, signing, and securing collateral docs (e.g. insurance)
TOTAL HOURS	444	711	160	445	66	64	129	2019	\$ 532,130.00	
% Hours of Total Budget	22%	35%	8%	22%	3%	3%	6%	100%		

Approved Budget	\$ 325,080.00
Proposed Additional Budget	\$ 532,130.00
	\$ 857,210.00



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: LEGISLATIVE COMMITTEE AND RECYCLESMAST STAFF
DATE: MAY 23, 2024

SUBJECT: AUTHORIZE POSITION ON INITIATIVE #21-0042A1, THE TAXPAYER PROTECTION AND GOVERNMENT ACCOUNTABILITY ACT

SUMMARY

The Legislative Committee met on May 17 to continue its discussion of certain pending bills related to waste reduction and recycling. After discussion, the Committee directed staff to bring to the Board for discussion a recommended oppose position to Initiative #21-0042A1, the Taxpayer Protection and Government Accountability Act.

RECOMMENDED ACTION

1. Adopt the attached Resolution, opposing position to Initiative #21-0042A1, the Taxpayer Protection and Government Accountability Act, as recommended by the Legislative Committee.

DISCUSSION

On January 4, 2022, the California Business Roundtable filed Initiative #21-0042A1, the Taxpayer Protection and Government Accountability Act (“Initiative”). On February 2, 2023, the Secretary of State reported that proponents of the Initiative submitted sufficient valid signatures to qualify for the November 5, 2024 ballot.

Under current law, local revenue authority is limited by both statute and a number of voter-approved constitutional provisions, including those added by Proposition 13 (1978), Proposition 218 (1996), and Proposition 26 (2010).

The Initiative would change the California Constitution to add and expand restrictions on state government, local government, and the electorate to approve taxes, fees, and other revenues. The Initiative would create new and expanded barriers for local government to provide services to communities, including services protecting the environment. The Initiative would create new grounds to legally challenge governmental funding sources. The Initiative would also retroactively void all state and local taxes or fees adopted after January 1, 2022, if not in compliance with the restrictions of the Initiative. As a result, the Initiative would create significant barriers to local funding for vital

programs and services, subject local governments to potentially myriad litigation, and result in significant uncertainty about the availability of past and future funding streams.

The Governor and State Legislature filed a pre-election litigation in the California Supreme Court, challenging the placement of the measure on the November ballot. The Court is expected to issue its decision in June. The State Legislature also placed a competing measure on the November ballot which, if approved, would require the Initiative to achieve a 2/3 vote to pass.

Each of the Authority's member agency Cities and Towns have adopted unanimous positions opposing the Initiative. The League of California Cities, California Special District Association, and a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses, strongly oppose the Initiative.

On April 12, the Legislative Committee met to discuss a number of bills pending before the California State Legislature related to waste reduction and recycling. At that meeting, the Committee also discussed the Initiative. On April 25, 2024, based on the Legislative Committee's recommendation, the Board authorized the Authority to take positions on the bills brought forward.

On May 17, 2024, the Legislative Committee received an update on the priority bills and resumed its discussion of the Initiative. At the meeting, the Committee unanimously voted to recommend that the Board take a position opposing the Initiative.

ATTACHMENT

- A. Resolution of the Central Contra Costa Solid Waste Authority Opposing the "Taxpayer Protection and Government Accountability Act," Initiative 21-0042A1

RESOLUTION NO. 2024-03

**A RESOLUTION OF THE CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
OPPOSING THE “TAXPAYER PROTECTION AND GOVERNMENT
ACCOUNTABILITY ACT,” INITIATIVE 21-0042A1**

WHEREAS, the California Business Roundtable is spending tens of millions of dollars to promote a deceptive ballot measure currently eligible for the November 2024 statewide ballot; and

WHEREAS, the measure contains provisions that would make it more difficult for local voters to pass measures to fund services, provisions that retroactively cancel measures recently passed by voters, and provisions that prevent voters from passing advisory measures that provide direction on how they want their local tax dollars spent; and

WHEREAS, the measure contains intentionally restrictive language that will encourage hundreds of frivolous lawsuits against cities and local governments, costing taxpayers many millions of dollars and stopping investments in vital local services; and

WHEREAS, the measure would make it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods; and

WHEREAS, the measure is opposed by hundreds of local governments, teachers, firefighters, working families, and local elected officials;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Solid Waste Authority hereby opposes the “Taxpayer Protection and Government Accountability Act” (Initiative No. 21-0042A1) sponsored by the California Business Roundtable on the grounds that this measure would significantly impact the ability of local communities to adequately fund services;

BE IT FURTHER RESOLVED that the Central Contra Costa Solid Waste Authority will join the “No on Initiative 21-0042A1” coalition, a growing coalition of public safety, education, labor, local government, and infrastructure groups throughout the state.

PASSED AND ADOPTED by the Central Contra Costa Solid Waste Authority Board of Directors on the 23rd day of May, 2024, by the following vote:

AYES: Members: _____

NOES: Members: _____

ABSTAIN: Members: _____

ABSENT: Members: _____

Gina Dawson, 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



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: DAVID KRUEGER, EXECUTIVE DIRECTOR
DATE: MAY 23, 2024
SUBJECT: EXECUTIVE DIRECTOR'S MONTHLY REPORT

SUMMARY

Central Contra Costa Solid Waste Authority (Authority) 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 monthly reporting by our service providers. Staff also actively engages with Member Agency staff, 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

Notable Events:

- Republic met the new service quality metric of 2,700 or fewer containers missed from residential subscribers on incomplete routes for the first four-week period subject to the new metric: For April 1st – 26th, 2024, Republic missed 1,355 containers on incomplete routes. Meeting the metric for this four-week period means that Republic will receive a special rate increase of \$283,833 in Rate Year 11 (March 1, 2025 – February 28, 2026). The maximum special rate increase available to Republic for Rate Year 11 is \$1,986,829, which can be earned in seven increments of \$283,833 for meeting the service quality metric for seven four-week periods.
- On March 1, the Authority released a survey to obtain input from customers about services. The customer feedback will be used throughout the RFP evaluation process and to help develop the 2027 Franchise. This online survey is the first step in a stakeholder engagement process that will utilize a variety of methods to obtain input from residential and commercial customers. Staff provided promotional information with a QR code to Member Agency staff. The survey was featured in the Spring RecycleSmart newsletter which was delivered to residents the first

week of April, local newspapers, social media, and was sent to local community organizations. Staff is developing a plan to engage with HOAs, property owners/managers and commercial businesses for direct feedback. The survey will be live from March 1 – July 31. As of 5/10/24 there are 1,543 responses. **The promotional graphic and QR code are provided below.**



- As reported last month, the Authority partnered with Sustainable Contra Costa, Republic Services and other regional organizations to host a Repair Café in Rossmoor on April 19. **A Sustainable Contra Costa newsletter article recaps this successful waste reduction event. (Attachment B).**
- The Authority partnered with the Town of Moraga, Saint Mary’s College (SMC), Mt. Diablo Resource Recovery (MDRR) and Republic Services to provide Reuse & Cleanup services at Saint Mary’s campus and on Ascot Drive May 20-24. Ascot Drive is majority multifamily properties with many student renters. This is the second year of this pilot program to help reduce illegal dumping on Ascot Drive during SMC move-out. MDRR and Republic Services are donating their services for the second year. A postcard was mailed to all tenants and accounts on Ascot Drive and Republic Services coordinates an automated call.
- The Authority sponsored the Lafayette Chamber Taste of Lafayette event on May 21 by providing reusable stainless-steel sporks to reduce single-use waste and provide outreach and education to participating businesses on proper sorting and best practices for purchasing. For example, the outreach suggests using paper napkins, uncoated paper plates and other recyclable and compostable food service ware when serving to event attendees.
- The monthly Member Agency liaison meeting was held on May 9. This meeting served as one of the Authority’s two CalRecycle annual evaluations of our jurisdictions. Two CalRecycle representatives and Kimberly Lam from Republic Services participated in the meeting, as well as the Member Agency Liaisons. The CalRecycle-provided agenda included the following discussion items: SB 1383 program implementation and outreach, capacity planning for edible

food recovery and organic waste as defined in Article 11 of the SB 1383 regulations, and review of the Authority’s Implementation Record as defined in Section 18995.2 of the SB 1383 regulations.

Member Agency Liaisons				
Member Agency	Name	Title	Email	Phone
County	David Brockbank	Conservation Programs Manager	David.Brockbank@dcd.cccounty.us	(925) 655-2911
Danville	Cat Bravo	Management Analyst	cbravo@danville.ca.gov	(925) 314-3377
Lafayette	Anna Tolle	Planning Technician	ATolle@ci.lafayette.ca.us	(925) 299-3205
Orinda	Darin Hughes	Assistant Planner	dhughes@cityoforinda.org	(925)253-4269
Moraga	Brian Horn	Senior Planner	bhorn@moraga.ca.us	(925) 888-7044
Walnut Creek	Candice Rankin Mumby	Sustainability Manager	rankinmumby@walnut-creek.org	(925) 943-5899 x2304

- Zoe Heller has been appointed the new Director of the California Department of Resources, Recycling, and Recovery (CalRecycle). Heller has been Deputy Director of the Division of Circular Economy at the California Department of Resources, Recycling, and Recovery since 2023 and served in several roles there from 2017 to 2022, including Deputy Director of the Materials Management and Local Assistance Division and Deputy Director of Policy Development. Heller held multiple roles at the U.S. Environmental Protection Agency from 2006 to 2017. This position requires State Senate confirmation.
- The City of Walnut Creek is piloting a quarterly Sustainable Business Highlight Program, shining a spotlight on eco-friendly businesses in Walnut Creek that have a 3-stream waste system, are compliant with AB 1276 (single-use foodware accessories upon request only), and follow the polystyrene and single-use bag restrictions, among other commitments to reduce their environmental footprint through practices such as energy efficiency, waste reduction and resource conservation. To learn more about the Pilot Program and submit a nomination visit: www.walnutcreekca.gov/government/departments/e-c-o-sustainability/walnut-creek-s-sustainable-business-spotlight
- The City of Lafayette, by recommendation from the Lafayette Environmental Task Force, awarded eight Environmental Excellence awards to Lafayette residents, students, businesses, schools and organizations. **The April 22 Lafayette staff report provides details on the award winners (Attachment A).**

The Authority is highlighting one of the award winners, Pat Schultz with Contra Costa Fruit Rescue, a local food recovery organization. CCFR harvests fruit from residents that would otherwise go to waste and donates it to feed those who need it. CCFR harvested 7,335 lbs. of

fruit to distribute through the nonprofit White Pony Express in 2023. Resident can register their fruit tree for free: www.forestr.org/fruit-rescue.

Staff participated in or attended the following meetings in May

- AB 939 quarterly Manager’s meeting, May 7
- Lafayette Environmental Task Force meeting, May 9
- Northern California Recycling Association (NCRA) Zero Food Waste forum on Edible Food Recovery best practices at events and venues, May 10
- Orinda monthly Mayor’s meeting, May 14
- BayROC Working Group meeting, May 14
- SB 1383 “Chat” with CalRecycle, May 15
- California Product Stewardship Council Associates meeting, May 15
- Moraga Community Liaison meeting, May 17
- AB 2346 (SB 1383 Procurement modifications) stakeholder meeting, May 20
- Lafayette schools sustainability town hall, May 22
- Orinda Wildfire Prevention and Safety Fair, June 1

Program Spotlight – Commercial Food Service Ware Waste Prevention and Reuse Pilots

The Authority initiated contracts with ReThink Disposable and FoodWare to pilot prevention and reuse programs to stop trash before it starts at restaurants, businesses and other food service providers in the Authority service area.

- For information about ReThink Disposable, visit: <https://cleanwater.org/campaign/rethink-disposable-california>
- For information about FoodWare, visit: www.foodwaretogo.com

Through these technical assistance contracts, businesses can order supplies to transition from single-use foodware to washable, reusable foodware for dine-in (ReThink Disposable), and returnable, reusable to-go containers (FoodWare). Case studies from both organizations show that reusable foodware can save resources, reduce waste, and save food service businesses money.

Authority staff meets with the contractors bi-weekly to discuss outreach efforts and potential funding to businesses. Both contracts conclude in December 2024.

The Authority has provided assistance to the following businesses:

- Casa Orinda: reusable sauce cups.
- Blue Sakana, Danville: reusable stainless-steel chopsticks and silicone kids cups.
- Nilo Restaurant, Danville: reusable stainless steel straws and sauce squeeze bottles.
- High Tech Burrito, Alamo: reusable bowls, sauce cups, knives, forks, water tumblers, straws.
- La Chamba Taquería, Moraga: reusable sheet pans, sauce cups.
- Lou’s Chicken Shop, Moraga: sauce cups.
- Moraga Valley Presbyterian Church: forks, knives, spoons, serving utensils, tubs.

- Rising Loafer Café and Bakery, Lafayette: piloting reusable to-go containers.

Staff is also considering contracting for services with a vendor who provides reusable cup services at events and venues.





City of Lafayette Staff Report

City Council

For: City Council
By: Anna Tolle, Assistant Planner
Meeting Date: April 22, 2024
Subject: 2024 Lafayette Awards for Environmental Excellence

BACKGROUND

The annual Lafayette Awards for Environmental Excellence, more commonly known as the Lafayette Green Awards, recognize outstanding efforts that contribute to a more sustainable community and help the City achieve its environmental goals. This year, eight residents, businesses, organizations, students, or schools will receive this award. 2024 marks the fifteenth year of the Green Awards.

Winners were selected by Lafayette’s Environmental Task Force using the following criteria:

- How successfully do the candidate’s activities reduce their footprint (current and future)?
- How much has the candidate’s activities helped achieve the city’s environmental goals?
- How much has the candidate’s activities inspired others in the community? Can it be replicated?

2024 RECIPIENTS

White Pony Meher School. *For incorporating sustainability into the classroom through gardening, composting, cooking with seasonal food, and a green waste system.* The Meher School also hosts an annual e-waste recycling collection and used clothing, toy, and book swap events. Families participate in these programs in addition to the students.

Chuck Silva, Resident. *For designing and installing a graywater system to reuse water for irrigating his landscaping.* Chuck installed this system to capture all wastewater from the clothes washer, sinks, and showers and is working to develop a cost-effective design for others to implement as well.

Assistance League Thrift Shop, Community Organization. *For reusing and repurposing clothing, books, housewares, and other items to keep them out of the waste stream.* Assistance league also reuses packaging materials and offers an annual “Reuse, Repurpose Décor” where they demonstrate how slightly damaged items can be upcycled rather than thrown out.

Mighty Market, Business. *For providing reusable and refillable containers for everyday items, encouraging residents to reduce waste from disposable packaging.* Mighty Market offers sustainable products, many of which come from local ingredients or makers, and help people convert to a low-waste lifestyle by offering their goods in reusable or compostable containers.

Elizabeth Dietsch/Springhill Valley HOA, Community Organization. *For her advocacy with Springhill Valley residents and beyond during the organization’s annual picnic day, setting up recycling and*

compost containers and getting residents to bring their own reusable foodware to the event. Elizabeth's actions show how sustainability can be incorporated into special events and at home.

Mary Laska, Student. *For her environmental stewardship in high school and now at UC Berkeley. Mary organized community environmental seminars and spearheaded a program to ensure recyclables are sorted correctly, leading to an increase in recycling efficiency. She studies Environmental Economics and one of her recent projects to convert food waste into fish food has created a tangible impact as her business model attracted investors.*

Christina Goddard/Buy Nothing Group, Community Organization. *For being an administrator of the local Buy Nothing Group, which encourages residents to share or swap items with neighbors and reduce unnecessary purchases. Neighbors who participate in the Buy Nothing project help build strong community bonds and make sure less waste is sent to landfills.*

Pat Schultz/Contra Costa Fruit Rescue, Community Organization. *For harvesting or collecting fruit that would otherwise go to waste and donating it to feed those who need it. Fruit is harvested from local homeowners that own fruit trees and in 2023, they harvested 7,335 lbs. of fruit to distribute through the nonprofit White Pony Express.*

RECOMMENDATION

Present awards to the recipients listed above.

Successful Earth Day Repair Events

Posted by **Sarah Nep** on May 1, 2024 at 9:15am in **SCOCO Insights Newsletter**

Repair and reuse are key concepts at the heart of sustainability. Pushed towards consumerism, Americans have gotten into the habit of buying new things instead of fixing broken ones. This practice is not only wasteful and expensive, it is not sustainable. SCOCO was delighted to partner with Republic Services and 511 Contra Costa to hold two very successful repair events to help reduce this trend.

Free Repair Café, April 19



The brilliant idea of a Repair Café originated with Pam Giarrizzo from Sustainable Rossmoor last year. Through our great sponsorship from Republic Services & RecycleSmart, SCOCO made Pam's dream happen at the Rossmoor retirement community. The results were joyful reconnections with treasured items.

Our talented volunteer repair coaches successfully repaired 80% of the 87 items, including small appliances, jewelry, and clothes. Of the 20% of items that were not repairable, most were given to Rapid Recycle, who picked up e-waste items at the end of the event.

Event Success

- Our repair coach Stanley repaired a blue and white antique lamp for customer Jamie. The lamp, bought by Jamie's mom in China, hadn't worked in over 50 years!
- Another repair coach not only fixed Amy's broken espresso machine but also shared a cup of espresso with her once it had been repaired.
- Thanks to repair coach Andra, who repaired a beautiful necklace in 5 minutes that had sat broken in a lady's drawer for over 3 years.
- Repair coach Fran repaired a hole in a customers' favorite sweatpants.

Kudos to all our repair coaches. Special thanks to **Noah's Bagels** and **Rooted Coffee** for keeping our customers fed and caffeinated while they waited for their turn with the repair coach. **See the full photo album [HERE](#).**

Free Bike Repair, April 21



We are so thankful to our sponsor 511 Contra Costa who helped us host a free bike repair event at the Lafayette Earth Day event. Bike repairs were provided by **Tasty Cycle**, a sustainably focused mobile bike repair company that offers convenient home bike service, reducing the need for multiple trips to the bike shop. Together, we promoted efficient eco-transportation -- bicycles!

Event Success

Tasty Cycle owner, Willem Bosboom, had this to say: "The Lafayette Earth Day event was an overwhelming success, with nearly 30 bikes fixed in the span of 4 hours. Repairs ranged from routine dust-off and bolt checks, to in-depth tuning and troubleshooting. For our part, my "win" for the day was helping a lovely woman and her daughter who were new citizens to this country and on a budget. They had been gifted two bikes but they needed several hundred dollars of repairs and parts. Thanks to the 511CC organization, all of the parts and repairs were covered. They were so gracious and thankful, and I was happy to help someone in need. Thanks for the opportunity to contribute to the event."

You can find all kinds of **great bike rebates and programs on 511 Contra Costa's website**, which works to promote biking and public transportation to reduce car emissions. For more information on recycling, check out **Republic Services** and **RecycleSmart**.

Browse **Culture of Repair's resource page** for a huge number of repair tutorials and much more!



Future Agenda Items

TYPE	BOARD MEETING: 06/27/2024
C	Approve 05/23/2024 Minutes
I	Executive Director's Monthly Report
I	Republic's Collection Service Quality Metrics

TYPE	BOARD MEETING: 07/25/2024
C	Approve 6/27/2024 Minutes
I	Executive Director's Monthly Report
I	Republic's Collection Service Quality Metrics
P	2023-24 Annual Schools Program Report

TYPE	BOARD MEETING: 09/26/2024
C	Approve 07/25/2024 Minutes
I	Executive Director's Monthly Report
I	Republic's Collection Service Quality Metrics
P	Solid Waste Collection Rates for RY11

TYPE

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