



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

Telephone: 925.906.1801

Email: [Authority@RecycleSmart.org](mailto:Authority@RecycleSmart.org)

Website: [www.RecycleSmart.org](http://www.RecycleSmart.org)

Facebook: [www.facebook.com/CCCSWA](http://www.facebook.com/CCCSWA)

## **BOARD OF DIRECTORS MEETING**

**DECEMBER 11, 2025 – 3:00 P.M.**

Walnut Creek City Hall, 3<sup>rd</sup> 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**

If you would like to address the Board, please complete a speaker's card and submit it to the Secretary of the Board. When addressing the Board, please state your name and 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 October 23, 2025\*
- b. Approve 2026 CCCSWA Board of Directors Meeting Schedule\*
- c. Receive Financial Statements and Independent Auditor's Report for the Year Ending June 30, 2025, by Maze & Associates\*
- d. Approve City of Walnut Creek Request for Authority Funds Allocated to Member Agencies\*

4. **ACTION ITEMS**

- a. FY 2024-25 Funds in Excess of the Reserve\*  
Direct staff to distribute the \$3,715,182 of FY 2024-25 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.

## 5. **PRESENTATION ITEMS**

- a. Solid Waste Collection Rates for Rate Year 12\*  
David Krueger, Executive Director, RecycleSmart
- b. Waste Characterization Study Follow-up Questions\*  
Judith Silver, Senior Program Manager

## 6. **INFORMATION ITEMS**

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

- a. Executive Directors Monthly Report\*
- b. Future Agenda Items\*
- c. Overview of recent changes to the Brown Act (Deborah Miller)

## 7. **BOARD COMMUNICATIONS AND ANNOUNCEMENTS**

## 8. **ADJOURNMENT**

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

### **ADDRESSING THE BOARD ON AN ITEM ON THE AGENDA**

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.

### **ADDRESSING THE BOARD ON AN ITEM NOT ON THE AGENDA**

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 the Secretary to the Authority 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.

### **AMERICANS WITH DISABILITIES ACT**

In accordance with the Americans With Disabilities Act and California Law, it is the policy of the Central Contra Costa Solid Waste Authority to offer its public meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require special accommodations to participate, please contact the Board Secretary of the Authority 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 OCTOBER 23, 2025**

The regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's), aka RecycleSmart, Board of Directors convened at Walnut Creek City Hall, 3<sup>rd</sup> Floor Conference Room, 1666 North Main Street, City of Walnut Creek, Contra Costa County, State of California, on October 23, 2025. Chair Candace Andersen called the meeting to order at 3:02 P.M.

PRESENT: Board Members: Candace Andersen, Chair  
Newell Arnerich  
Ken Carlson  
Darlene Gee  
John McCormick  
Renee Morgan, Vice Chair  
Cindy Silva  
Steve Woehleke  
Stella Wotherspoon

ABSENT: Board Members: Matt Francois  
Lisa Maglio  
Janet Riley

**Staff members present:** David Krueger, Executive Director; Janna McKay, Program Manager/Board Secretary; Grace Comas, Senior Accountant; Judith Silver, Senior Program Manager; Ashley Louisiana, Program Manager; Jennifer Faught, Program Manager, and Deborah L. Miller, CCCSWA Counsel.

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

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

3. **CONSENT ITEMS**

Board Member Morgan requested an amendment to the September 25, 2025, minutes to correct the year in the second sentence of the fourth paragraph on Page 7, to 2025.

- a. Approve Minutes of the Regular CCCSWA Board Meeting on September 25, 2025
- b. Approve Adjustment to the Capital Furnishing/Equipment Budget Line Item from \$20,000 to \$45,000

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

MOTION by Board Member Carlson to approve Consent Items a, as amended, and Item b, as submitted. SECOND by Board Member Morgan. MOTION PASSED unanimously by a voice vote.

#### **4. ACTION ITEMS**

##### **a. 2025 Waste Characterization and Waste Capture Study Results**

##### **1. Review the results from Phase 1 of the Study.**

Judith Silver, Senior Program Manager, the project manager for the 2025 Waste Characterization and Waste Capture Study, reported that the study had taken place in March 2025, close to 400 samples across residential, commercial and multi-family sectors had been taken, with three weeks of sorting at the Martinez Transfer Station. She thanked Republic Services for their cooperation and for the use of the Martinez facility for the study and their help with the routing.

Ms. Silver reported there were over 67,000 single-family accounts and she identified that samples had been taken across the service area. The single-family capture study had been conducted by HDR Engineering, which used a box truck and took uncompacted samples from single-family carts at the curb and emptied the samples from the carts into individual tarps in the truck. The samples were taken to the transfer station and sorted. She stated samples were taken from 12 homes each day for two weeks.

For commercial and multifamily, a waste characterization approach, pulling samples from inbound garbage trucks, was used. Selected 200-to-300-pound samples were taken out of the landfill-bound material. She provided a list of the 62 material types and six material categories (groups) that had been involved. The material types were the same as the ones the state uses for its characterization studies to match as closely as possible.

Ms. Silver explained that a capture study was different from a waste characterization study. The capture study looked at uncompacted waste in all three streams while a waste characterization study looked only at landfill material that was compacted in the truck, messier and more difficult to sort.

Ms. Silver presented a slide to show the capture rates of compostable and recyclable materials. She explained that the capture rate is the percentage of a material that was placed in the correct cart. She pointed out that 98 percent of leaves and grass were being appropriately discarded in the green organics cart while only 27 percent of food was being put in the organics cart and the rest showed up in the garbage cart (primarily) and the recycling cart. She clarified that the capture study showed both where the material was being placed and where it was not being placed. She reported that 76 percent of all recyclable materials were being captured, 80 percent of all compostable materials were being captured, 27 percent of food scraps were being captured, and 13 percent of compostable paper was being captured.

Board Member Arnerich requested that the information presented be broken down by jurisdiction to be able to identify where more outreach would be needed. Board Member Gee asked for information to be broken down based on the size of garbage cart that the customers had.



Ms. Silver provided single-family composition information as to what had been found in the organics, in recycling, and in the landfill carts, which identified areas of opportunity for improvement.

Ms. Silver responded to comments and clarified that there were eight sub-categories of food, consistent with the state's categories, which had been grouped together in a weighted average.

Ms. Silver stated there was a lot of opportunities to do better migrating materials from the landfill carts into the recycling and the organics carts. She identified the top five material types found in the single-family landfill carts as not donatable non-meat food, pet waste, hazardous waste and sharps, inedible food and compostable paper. She identified the composition of the multi-family landfill carts along with the commercial landfill carts that she stated were not too dissimilar. It was clarified that while diapers were categorized as part of hazardous waste, they were to be disposed of in the landfill container. Other than diapers, she emphasized it is not legal to dispose of any hazardous waste in any cart.

Ms. Silver identified the recoverability categories of compostable, recyclable, currently recovered through special programs, potentially recoverable and non-recoverable, and she presented pie-charts to show the percentage of each for single-family, multifamily and commercial landfill recoverability. She reported there was significant amounts of organics in the landfill stream in all three sectors and staff would continue to promote opportunities to educate about proper hazardous waste disposal across all sectors. She added that the single-family sector was successful at diverting yard trimmings into the organics cart but had not yet fully embraced food scraps diversion. She stated the 75 percent diversion goal may be achievable in that the current single-family diversion was approximately 64 percent while the potential single-family diversion when getting all the materials in the right carts, would be 88 percent.

Ms. Silver stated that staff had been working for some time to increase food scraps diversion and the study provided data to back up staff's focus on food scraps. There was a discussion that emphasized the importance of cleaning out containers before putting them in the right bin to avoid contamination.

Ms. Silver responded to comments and questions and noted that some commercial accounts, especially food establishments, did not have the required front-of-house recycling and organics options, and RecycleSmart would work with Republic to address that issue. As to the trade-off of using water to clean recyclable items prior to discarding them during periods of constrained water use, suggestions were offered to clean items, such as peanut butter containers, with paper towels or other means instead of using water, and how to educate the public on the importance of decontaminating recyclables. As to whether or not labels needed to be removed, she was not too concerned about the labels. She stated that one of the issues was when things were very wet and mixed together in a recycling truck, the water or whatever liquid was involved would contaminate everything.

- b. Amend HDR Engineering's on-call consulting contract to add \$115,000 to the not-to-exceed amount and extend the term by one year (from June 30, 2026 to June 30, 2027) in order to complete Phase 2 of the Study.

Ms. Silver stated that while the study was being done, AB 2346 had been adopted to provide alternative ways to meet the SB 1383 recycled organic waste product obligation, and that RecycleSmart, like all California jurisdictions, was obligated to create a demand for finished organic product. The amount of the obligation was by calculation. In 2027, when starting a new contract with Recology, Recology would charge \$6/ton to help meet the organic waste product procurement requirement. RecycleSmart was required to procure 0.08 X the population (233,385), or 18,671 tons X \$6.00, or \$68,283 annually to buy organic compost each year. Alameda and San Francisco counties had been able to reduce their annual obligation by a third and staff believes that CCCSWA, which is similar to Alameda and San Francisco in terms of the years of having organics programs, would also receive some reduction in its annual obligation.

Ms. Silver stated the study had been submitted to CalRecycle to ask for a reduction in the procurement requirement. CalRecycle asked for some additional data not obtained through the original study in order to determine the procurement requirement reduction. Therefore, staff wishes to conduct a Phase 2 to the study to do the remaining things CalRecycle said needed to be done that were not completed in the original study. They are: Characterization of the self-haul sector, and a characterization study of the single-family landfill stream using a waste characterization approach rather than a capture study approach. Ms. Silver requested funding from the Board to conduct a Phase 2 that could potentially cut in half the 0.08 CalRecycle requirement to 0.04 times the population for 9,335 tons times \$6.00, or \$34,132 annually. While there was no guarantee RecycleSmart would receive the reduction, she stated there was a good chance of doing so, and if the reduction could be achieved, if it was approved by CalRecycle, that could save \$170,708 over five years.

Ms. Silver responded to comments and clarified RecycleSmart did its study before CalRecycle had written the protocol for studies designed to reduce the procurement requirement. The other jurisdictions that had been able to reduce their compost obligation had started later than RecycleSmart, had not done a capture study, and had more guidance from CalRecycle and they had chosen not to go with the more nuanced approach. She clarified that RecycleSmart had been well on its way with the waste characterization study before the CalRecycle guidance had become available. She added that Alameda and San Francisco counties had also done self-haul studies at the beginning.

Ms. Silver continued to respond to comments and reported that some grant funds RecycleSmart had received were still available. The Authority was \$50,000 short of funding a Phase 2, and would fund Phase 2 by using a combination of grant funds available and budgeted SB 1383 program funds. While those funds would be used, Board Members urged staff to continue to seek more grant funding.

Executive Director David Krueger clarified that there were sufficient funds in the current SB 1383 Compliance Fund, although that would require some shuffling. He stated that staff was not asking for an increase in the overall Authority budget in order to perform Phase 2 of the study because they could relocate funds that were already budgeted, but mainly asking for authorization to amend the consulting contract.

Ms. Silver stated that the additional data gained from Phase 2 would be very helpful even if the Authority did not receive a procurement requirement reduction. The Board emphasized the importance of getting the information to the general public that would involve information in the newsletter and getting updated stickers on the garbage cans, among other things.

When asked to clarify the process for the Phase 2 characterization study, Ms. Silver explained that the single-family study had involved 110 households. CalRecycle wanted RecycleSmart to follow the state model, which was what is typically done, using landfill-bound, single-family routes, and getting 200 to 300 pounds per sample, enough samples to be statistically significant, and add that to the multifamily and commercial data from Phase I and to provide the information as a whole package. She stated that staff had been working with HDR Engineering to figure out what was statistically significant and she verified that single-family and multifamily waste would not be co-mingled because they were never mingled.

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

MOTION by Board Member Woehleke to amend HDR Engineering's on-call consulting contract to add \$115,000 to the not-to-exceed amount and extend the term by one year (from June 30, 2026 to June 30, 2027) in order to complete Phase 2 of the study. SECOND by Board Member McCormick.

MOTION PASSED unanimously by a voice vote.

c. Updating the List of Accepted Recyclables

Executive Director Krueger referred to a panel from the current Single-Family Service Guide, one of the main outreach materials mailed out every year to all three sectors, plus schools, to summarize a list of what was accepted in RecycleSmart's recycling program. The current rules were to keep materials clean and dry, accept all plastic containers from #1 to #7, accept bundled (bagged) plastic bags, accept metal containers, aluminum foil, glass bottles and jars, clean paper, shredded paper in a separate bag, and dry and broken-down cardboard, which had been the message without much change since 2015.

Mr. Krueger stated that it did not match reality. He also referred to a number of articles that indicated that plastic was not actually being recycled, and commented that while there was some truth to that there was some plastic that was always recycled: plastic containers #1 PET (soda bottles, water bottles) and plastic containers #2 HDPE (milk jugs, detergent bottles, shampoo bottles) with caps. He reported that other materials that were currently promoted for recycling were difficult for Mt. Diablo Resource Recovery (MDRR) to find a market for on a consistent basis, such as plastic bags and plastic containers #3, #4, #5, #6 and #7, along with shredded paper. He provided examples of plastics that were not easy to find a market to recycle and explained that plastic bags are problematic because when mixed with other materials it fouled machinery or contaminated other materials. He explained that bagged shredded paper often escaped from the bags and fall through screens so it could not be recovered with the other paper.

Mr. Krueger stated if there were no other state rules in which to comply, he would recommend that those difficult to recycle materials be immediately taken off the list; however, a state law had recently been passed and regulations were pending that would identify what would need to be put into the recycling programs. He referred to SB 54, which had the overarching goal to reduce single-use packaging and single-use plastic food ware that could not be sold in California after 2032, if they were not compostable or recyclable. He stated the law was focused on the producers or the manufacturers of those products with the producers or the manufacturers to be responsible for the cost. If the state decided something was to be recycled or composted, local jurisdictions would have to collect it and include it in the program, with the intent to create uniformity.

Mr. Krueger explained that the new agreement with MDRR for recyclables processing, which will start in March 2027, requires MDRR to accept all the materials that they currently have a market for, plus plastic containers #5 as required by the State. He added that the CalRecycle Covered Material Categories List was to be updated annually and the state's additional items would be added to the list on January 1, 2026, and January 1, 2027. Mr. Krueger stated that he had received notification that gable-top cartons (milk cartons) and aseptic containers (juice and soup boxes) would be added to the list in 2026. The Authority does not currently accept gable-top cartons and aseptic containers in its recycling program, and MDRR currently does not have a market for them.

Mr. Krueger stated whether there was a market or not, the state required the collection of specific materials and RecycleSmart would have to collect those materials, and they would need to be transferred to a responsible end market. As a result, a decision would have to be made as to how to amend the Single-Family Service Guide to all sectors for the fourth quarter this year and the Board would have to determine what to do with the 2026 and 2027 Service Guides. He reiterated that the state requirement would happen January 1, 2027, when RecycleSmart would have to collect all the things the state required to be collected. The new contract would start in March 2027 and the new collection contract with Republic would also start in 2027, when the new carts and existing carts would get new labels between March 2027 and June 2028.

A brief discussion developed of the benefits of changing lids (something South Lake Tahoe had done) or changing stickers, particularly since the rules could change annually. The importance of informing the public of the current and expected changes was emphasized and the potential use of QR codes was reiterated. The methods of outreach were delineated and suggestions were offered to engage the public in understanding the mandates with respect to recycling such as the use of quizzes or sorting games to win free garbage for a month. It was clarified that the outreach would have to clarify the items that could and could not be recycled and the images presented to identify those items had to be clear and correct.

Mr. Krueger noted that the concern about not being able to recycle marginal recyclables like cartons, plastic bags and plastic containers that were not #1 and #2, was not a huge concern because those items were minor in terms of weight. He referred to a graph that showed specific material and what was currently accepted in the RecycleSmart recycling program, what was currently marketed by MDRR, what was anticipated to be required by SB 54 in January 2027, and what was required by the new Recyclables Processing Agreement in March 2007, and another graph that identified the estimated tons collected per year for the landfill, recycling, and organics along with the percent of total collected single-family materials.

Mr. Krueger recommended keeping the current list of accepted recyclable materials in RecycleSmart outreach materials as is until 2027; updating the list of acceptable recyclable materials and related outreach materials in 2027; waiting to see how SB 54 settled in terms of what to collect in 2027; and entering into a Letter Agreement with MDRR to indicate that the current list contains items that are difficult to recycle and agreed to continue to collect the materials but that MDRR would no longer be required to recycle materials that were not recyclable.

Mr. Krueger responded to questions and stated in the new processing agreement with MDRR, everything on the state list had been included, along with potentially plastic containers #5, but if new materials were required to be recycled MDRR could be asked to start processing those materials. Since that would be considered a change of scope in the agreement, and if there was more cost involved, MDRR would have the right to ask for more money but if there were other funds available from other sources, MDRR would have to try to get that money.

Mr. Krueger stated the whole intent of SB 54 was that it would have to be paid for by the manufacturers of the products, and all manufacturers would be paying into a producer responsibility program (PRO). MDRR and/or RecycleSmart could apply to PRO to get the funds, so that rates might not have to be increased to accept the new materials.

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

MOTION by Board Member Arnerich, SECOND by Board Member McCormick to:

- Direct the staff to keep the current list of accepted recyclable materials in RecycleSmart outreach materials the same until 2027;
- Update the list of accepted recyclable materials and related outreach materials in 2027; and
- Enter into a Letter Agreement with Mt. Diablo Resource Recovery (MDRR) clarifying which recyclable materials they are required to accept and process until 2027, which recyclable materials they are required to market and divert until 2027, and how both parties will communicate this to the public

MOTION PASSED unanimously by a voice vote.

## **5. INFORMATION ITEMS**

- a. Executive Director's Monthly Report
- b. 2025 Final Legislation
- c. Future Agenda Items
- d. Articles of Interest

Executive Director Krueger asked Jennifer Faught to provide an update on the Repair Café and the final legislative update.

Jennifer Faught, Program Manager, highlighted the fourth Repair Café in Lafayette on September 27, 2025, which had been a lot of fun. She described it as a collaboration between Sustainable Rossmoor, the Lafayette Library Foundation, RecycleSmart and Republic Services when a number of volunteers from a number of agencies had repaired 101 items of the 144 brought to the event. She emphasized that so far, the spaces used for the event had been donated and all the work was volunteer-based. As a result, the event was a small budget item that was a great community building event. Aside from the repair and keeping things out of the landfill, it was also a good reminder to residents that things did not have to be thrown away since they could be fixed. She urged anyone interested in planning an event for their jurisdiction to contact her to make that happen.

With respect to the 2025 final legislative update, Ms. Faught stated that very little final action had been taken on any of the bills RecycleSmart had tracked. Only one bill tracked was signed into law; SB 279 that increased the footprint of feed stock that a community composting activity could have from 100 cubic yards to 200 cubic yards before being regulated by CalRecycle, and needing permits, notifications and enforcement.

SB 279 also allowed on-site composting of the agricultural materials from a large-scale biomass management event and/or allowed the sale or giveaway of up to 5,000 cubic yards of compost after one of the events.

Ms. Faught stated the only bill that was dead was SB 615 related to a specific end-of-life management program for electric vehicle batteries in that there was no support from the electric vehicle battery manufacturers. The rest of the bills considered by the Board indicated an interest in solar panel extended producer responsibility (EPR), banning single-use vaping devices, and the carpet cleanup but all the rest would have to wait to see what happened next year.

When asked, CCCSWA Counsel Deborah Miller advised that an update would be provided on the changes to the Brown Act at the next Board meeting.

## **6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS**

There were no Board communications or announcements.

## **7. ADJOURNMENT**

The Board adjourned at approximately 4:45 P.M. to the next meeting scheduled for Thursday, December 11, 2025, at 3:00 P.M. at the Walnut Creek City Hall.

Respectfully submitted by:

---

Janna McKay, Board Secretary  
Central Contra Costa Solid Waste Authority,  
County of Contra Costa, State of California



# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** JANNA MCKAY, BOARD SECRETARY  
**DATE:** DECEMBER 11, 2025

**SUBJECT: 2026 CCCSWA BOARD OF DIRECTORS MEETING SCHEDULE**

## SUMMARY

The Board has agreed to meet the **Fourth Thursday** of each scheduled month below, except for December's Board meeting which will occur the second Thursday of that month. all Board meetings will be held at Walnut Creek City Hall, 1666 North Main Street, Walnut Creek. All meetings will begin at 3:00 p.m.

## 2026 dates are:

- January 27 (Special Meeting/Board Retreat in Lafayette)
- February 26
- March 26
- April 23
- May 28
- June 25
- July 23
- August – no meeting
- September 24
- October 22
- November – no meeting
- December 10 – second Thursday







# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** DAVID KRUEGER, EXECUTIVE DIRECTOR  
GRACE COMAS, SENIOR ACCOUNTANT  
**DATE:** DECEMBER 11, 2025  
**SUBJECT:** FISCAL YEAR 2024-2025 FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

## SUMMARY

After the close of each fiscal year, Central Contra Costa Solid Waste Authority (the Authority) is audited by an independent auditor. This is the second audit utilizing Maze & Associates as the auditor.

- The Authority has received an unmodified audit opinion that the Authority's financial statements as of June 30, 2025, are presented fairly in all material respects.
- There were no audit findings related to the fiscal year 2024-25 audit.

## RECOMMENDED ACTION

1. Receive Financial Statements and Independent Auditor's Report for the Year Ending June 30, 2025, by Maze & Associates.

### Audit Opinion

The Authority has received an unmodified or "clean" audit opinion. An unmodified audit opinion indicates that Maze & Associates has concluded that the financial statements present fairly, in all material respects, the results of the Authority's operations and its financial position, as of June 30, 2025, in accordance with generally accepted accounting principles.

### Findings

There were no audit findings related to the fiscal year 2024-25 audit.

## ATTACHMENTS

- A. Maze & Associates correspondence to the Board of Directors
- B. 2024-25 Independent Auditor's Report

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED  
JUNE 30, 2025**

This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2025**

**Table of Contents**

	<b><u>Page</u></b>
<b><i>Memorandum on Internal Control</i>.....</b>	<b>1</b>
Schedule of Other Matters.....	3
<b><i>Required Communications</i> .....</b>	<b>7</b>
Significant Audit Matters .....	7
Qualitative Aspects of Accounting Practices .....	7
Difficulties Encountered in Performing the Audit .....	8
Corrected and Uncorrected Misstatements .....	8
Disagreements with Management .....	8
Management Representations.....	8
Management Consultations with Other Independent Accountants .....	9
Other Audit Findings or Issues.....	9
Other Matters.....	9

This Page Left Intentionally Blank

## MEMORANDUM ON INTERNAL CONTROL

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

In planning and performing our audit of the basic financial statements of the Central Contra Solid Waste Authority (Authority) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the Authority.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Maze + Associates".

Pleasant Hill, California  
October 14, 2025

This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2025**

**NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

**EFFECTIVE FISCAL YEAR 2025/26:**

**GASB 103 – *Financial Reporting Model Improvements***

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

**Management's Discussion and Analysis** - This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

**Unusual or Infrequent Items** - This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

**Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position** - This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2025**

**GASB 103 – Financial Reporting Model Improvements (Continued)**

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

**Major Component Unit Information** - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

**Budgetary Comparison Information** - This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

***How the Changes in This Statement Will Improve Financial Reporting***

The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.

The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.

The requirement for presentation of major component unit information will improve comparability.

The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
SCHEDULE OF OTHER MATTERS  
FOR THE YEAR ENDED JUNE 30, 2025**

**EFFECTIVE FISCAL YEAR 2026/27:**

**GASB 104 – Disclosure of Certain Capital Assets**

State and local governments are required to provide detailed information about capital assets in notes to financial statements. GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with GASB Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

*How the Changes in This Statement Will Improve Financial Reporting*

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will im-prove consistency and comparability between governments.

This Page Left Intentionally Blank

## REQUIRED COMMUNICATIONS

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

We have audited the basic financial statements of the Central Contra Costa Solid Waste Authority (Authority) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated July 24, 2025. Professional standards also require that we communicate to you the following information related to our audit

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

*Accounting Policies* – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as indicated below:

The following pronouncements became effective, but did not have a material effect on the financial statements:

#### **GASB 101 – *Compensated Absences***

*Unusual Transactions, Controversial or Emerging Areas* – We noted no transactions entered into by Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates* - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements are actuarial estimates for net pension liability and net other post-employment benefits liability.

*Estimated Net Pension Liability and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension liability and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net OPEB Liability:* Management's estimate of the net OPEB liability is disclosed in Note 9 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 11 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimate of Compensated Absences:* Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 3 to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Disclosures* – The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgement, could have a significant effect, either individually or in the aggregate, on the Authority's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

#### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated October 14, 2025.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

\*\*\*\*\*

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

*Maze + Associates*

Pleasant Hill, California  
October 14, 2025

This Page Left Intentionally Blank

**Central Contra Costa Solid Waste Authority**  
**Financial Statements**  
**June 30, 2025**



This Page Left Intentionally Blank

# CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY

## Financial Statements

June 30, 2025

### Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	7
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position.....	17
Statement of Activities .....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	21
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide	
Statement of Net Position .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds .....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities.....	24
Changes in Fiduciary Net Position.....	25
Notes to Financial Statements .....	27
<b>Required Supplementary Information</b>	
Schedule of the Authority's Proportionate Share of the Net Pension Liability .....	49
Schedule of Pension Contributions .....	50
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	51
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget to Actual – General Fund .....	52
Schedule of Revenues, Expenditures and Change in Fund Balance	
Budget to Actual – Reuse and Clean Up Days Special Revenue Fund.....	53
Notes to the Required Supplementary Information.....	54
<b>Independent Auditor's Report on Internal Control Over Financial Reporting</b>	
<b>and on Compliance and Other Matters Based on an Audit of Financial Statements</b>	
<b>Performed in Accordance with <i>Government Auditing Standards</i></b> .....	57

This Page Left Intentionally Blank

## 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), California, as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025 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.



Pleasant Hill, California  
October 14, 2025

This Page Left Intentionally Blank

## Management's Discussion and Analysis



This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

As management of the Central Contra Costa Solid Waste Authority (Authority), we offer readers of the Authority's financial statements this overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2025. This document has been prepared as required by the Statement No. 34 of Governmental Accounting Standards Board (GASB No. 34). We encourage readers to consider the information presented here in conjunction with the financial statements and the accompanying notes to those financial statements.

**I. Financial Highlights**

**Government-Wide Financial Analysis**

The Authority's net position is largely in cash and investments and the 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 assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year leaving a net position of \$4,833,503.

The Authority's net position increased by \$1,659,772 from the prior year, primarily due to revenue received from the successful proposers for the procurement of the new collection and processing agreements, an increase in investment revenue and grant revenue received from CalRecycle for the SB 1383 program.

During fiscal year ended June 30, 2025, the Authority recorded deferred outflows of resources in the amount of \$335,642 and deferred inflows of resources in the amount of \$219,302 related to OPEB and Pension.

**Financial Analysis of the Authority's Governmental Funds**

The Authority's governmental funds (General Fund and Reuse Fund) combined ending fund balance of \$5,079,655, which was an increase of \$1,792,239 from the prior year ending fund balance of \$3,287,416.

**II. Overview of the Basic Financial Statements**

The Basic Financial Statements comprise the Government-Wide Financial Statements and the Fund Financial Statements: these two sets of financial statements provide two different views of the Authority's financial activities and financial position.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Government-Wide Financial Statements**

The Government-Wide Financial Statements provide a longer-term view of the Authority's activities as a whole and comprise the Statement of Net Position and the Statement of Activities and Changes in Net Position.

The Statement of Net Position provides information about the financial position of the Authority as a whole, including all capital assets and liabilities on the full accrual basis. Over time, increases or decreases in the Authority's net position may serve as one useful indicator of the Authority's overall financial position. In the case of the Authority, total assets and deferred outflows exceeded liabilities and deferred inflows by \$4,833,503 as of the close of the fiscal year. This amount is the total net position as of June 30, 2025.

The following table presents a summary of the Authority's Statement of Net Position by category as of June 30, 2025 with comparative amounts for FY 2023-24.

**TABLE 1: NET POSITION**

	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current assets	\$23,651,933	\$20,415,337	\$3,236,596	16%
Capital and other assets	634,951	763,192	(128,241)	-17%
Deferred outflows	335,642	435,949	(100,307)	-23%
Total assets and deferred outflows of resources	<u>24,622,526</u>	<u>21,614,478</u>	<u>3,008,048</u>	<u>14%</u>
<b>Liabilities</b>				
Current Liabilities	18,825,320	17,360,259	1,465,061	8%
Noncurrent liabilities	744,401	898,402	(154,001)	-17%
Deferred inflows	219,302	182,086	37,216	20%
Total liabilities and deferred inflows of resources	<u>19,789,023</u>	<u>18,440,747</u>	<u>1,348,276</u>	<u>7%</u>
<b>Net Position</b>				
Net investment in capital assets	634,951	763,192	(128,241)	-17%
Restricted for reuse and clean-up days program	85,877	85,877	0	0%
Unrestricted	4,112,675	2,324,662	1,788,013	77%
Total net position	<u>\$4,833,503</u>	<u>\$3,173,731</u>	<u>\$1,659,772</u>	<u>52%</u>

\$634,951 - Net investment in capital assets represents software, furniture and equipment totaling \$40,138 offset by accumulated depreciation of \$24,669. Right-to-use assets, this represents leased building and equipment totaling \$1,105,750 offset by accumulated amortization \$486,268.

\$85,877 – Restricted, can only be used to pay for Reuse and Battery collection programs.

\$4,112,675 – Unrestricted Net Position. These are the funds available for operations.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

A summary of total Authority's Revenues, Expenses and Changes in Net Position is presented in the tables below.

**TABLE 2: CHANGES IN NET POSITION**

	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>\$Change</u>
Revenue			
Governmental Activities			
Program Revenue	\$7,154,030	\$6,816,276	\$337,754
Public Information	1,186,416	888,960	297,456
General Revenue			
Investment Income	970,182	687,714	282,468
Miscellaneous	1,328,472	15,844	1,312,628
<b>Total Revenue</b>	<b><u>10,639,100</u></b>	<b><u>8,408,794</u></b>	<b><u>2,230,306</u></b>
Expenses			
Governmental Activities			
Program Revenue	7,555,235	6,566,252	988,983
Public Information	1,406,192	1,247,143	159,049
Interest and Fiscal Charges	17,901	20,524	(2,623)
<b>Total Expenses</b>	<b><u>8,979,328</u></b>	<b><u>7,833,919</u></b>	<b><u>1,145,409</u></b>
Excess(Deficiency) of revenues over expenditures	1,659,772	574,875	1,084,897
Changes in net position			
Net position			
Beginning of year	<u>3,173,731</u>	<u>2,598,856</u>	<u>574,875</u>
<b>End of year</b>	<b><u>\$4,833,503</u></b>	<b><u>\$3,173,731</u></b>	<b><u>\$1,659,772</u></b>

The Authority's total revenue increased by \$2,230,306 in FY2024-25 from FY2023-24. This change is primarily due to the one-time revenue received from the successful proposer(s) for the new franchise agreements. The successful proposer(s) were required to reimburse the Authority's expenses (primarily consultant and attorney fees) for the new franchise procurement process. We received a higher interest revenue from our investment in the Local Agency Investment Fund (LAIF), and a higher grant revenue received from CalRecycle for the SB 1383 program.

The total expenses increased by \$1,145,409 in FY2024-25 from FY2023-24. These changes are primarily due to higher consultants' and attorney fees related to the procurement of the new franchise agreement and the disbursement of funds to the Member Agency.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Government-Wide Financial Statements**

Government-Wide Financial Statements are presented on an “economic resources” measurement focus and on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Fund Financial Statements**

The Fund Financial Statements provide detailed information about the Authority's major funds - not the Authority as a whole.

**Governmental Funds** – All of the Authority's services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Authority's general operations. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Capital assets and other long-lived assets are not presented in the Governmental Fund Financial Statements. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities and Changes in Net Assets) and Governmental Funds Financial Statements are explained in a reconciliation schedule following each Governmental Fund financial statement.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information including a budgetary comparison to demonstrate compliance with the approved budget.

**IV. Fund Financial Statements Analysis**

The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal and grant requirements.

**Governmental Funds** – The focus of the Authority's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. The Authority has two governmental funds. The General Fund is the primary fund used to account for all financial resources, except those allocated to other funds. This fund covers most of the Authority's day-to-day operations. The Reuse Fund is specifically designated for the Reuse and Battery collection programs. The Authority has a custodial fund known as the Franchise and Vehicle Impact Fee Fund. It receives Franchise and Vehicle Impact fees from Republic and then disburses these funds to the Member Agencies.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**V. Budgetary Highlights – General**

Total revenue for the fiscal year 2024-25 were \$8,546,538, while revenue for the fiscal year 2025-26 were \$6,844,827. This represents a decrease of \$1,701,711, primarily due to one-time revenue of \$1,324,000 from the successful proposer of the new franchise agreement.

The total expenditure for the fiscal year 2024-25 were \$6,401,333 while the expenditure for the fiscal year 2025-26 were \$5,906,834. This represents a decrease of \$494,498, primarily due to expenditures related to the procurement of the new collection and processing agreements.

The total budget for Contribution to member agencies for the fiscal year 2024-25 were \$835,685 while the total budget for the contribution to member agencies for the fiscal year 2025-26 were \$2,605,852. This represents an increase of \$1,770,167 primarily due to the 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.

**VI. Capital Asset and Long-Term Obligations**

Capital Assets – As of June 30, 2025 the Authority's capital assets, net of depreciation, were \$15,469. This represents furniture and equipment totaling \$40,138 offset by accumulated depreciation of \$24,669.

Right-to-use leased buildings and equipment – As of June 30, 2025 the Right-to-use assets, net of amortization, were \$619,482. This represents leased building and equipment totaling \$1,105,750 offset by accumulated amortization \$486,268.

Long-Term Obligations – The Authority's long-term obligations as of June 30, 2025 consist of net pension liability of \$125,678, OBEB \$53,269 and lease liability \$565,454, totaling \$744,401.

**VII. Economic Outlook**

Our new collection and processing agreements will be effective on March 1, 2027. We will rename the Reuse special revenue fund to add the new processing agreements (transfer, recycling, composting, commercial food scraps processing, anaerobic digestion, and landfill.) There will be a significant increase in revenue from the franchised collection contractor (Republic) to the restricted special revenue fund, and then equivalent expenses from the special revenue fund to the processing contractors and the Reuse and battery programs contractor.

We will be spending the rest of our SB1383 Grant by November 2, 2026 and we do not expect to receive any additional grant money from CalRecycle.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**VIII. Requests for Information**

This financial report is designed to provide a general overview for those who are interested in the Authority's financial position. If you have any questions about this report or need any additional information, contact the Authority at (925) 906-1801.

## Basic Financial Statements



This Page Left Intentionally Blank

## Government-Wide Financial Statements

This Page Left Intentionally Blank

Central Contra Costa Solid Waste Authority  
Statement of Net Position  
June 30, 2025

	Governmental Activities
Assets	
Cash and investments	\$21,421,636
Accounts receivables	1,945,831
Interest receivables	212,425
Prepaid items	72,041
Capital assets, net of accumulated depreciation/amortization	634,951
Total assets	<u>24,286,884</u>
Deferred Outflow of Resources	
Deferred outflows related to OPEB	11,960
Deferred outflows related to pensions	323,682
Total deferred outflows of resources	<u>335,642</u>
Liabilities	
Current liabilities	
Accounts payable	461,601
Accrued payroll	25,579
Unearned revenues	312,690
Due to other governments	17,772,408
Compensated absences	130,239
Lease liabilities, current	122,803
Total current liabilities	<u>18,825,320</u>
Noncurrent liabilities:	
Lease liabilities, net of current portion	565,454
Net pension liability	125,678
Total OPEB liability	53,269
Total noncurrent liabilities	<u>744,401</u>
Total liabilities	<u>19,569,721</u>
Deferred Inflows of Resources	
Deferred inflows related to OPEB	66,232
Deferred inflows related to pensions	153,070
Total deferred inflows of resources	<u>219,302</u>
Net Position	
Net investment in capital assets	634,951
Restricted for reuse and clean-up days program	85,877
Unrestricted	4,112,675
Total net position	<u><u>\$4,833,503</u></u>

See accompanying notes to financial statements

# Central Contra Costa Solid Waste Authority

Statement of Activities  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position- Governmental Activities
Governmental Activities			
General government	\$7,555,235	\$2,933,415	(\$4,621,820)
Public information	1,406,192	5,407,031	4,000,839
Interest and fiscal charges	17,901		(17,901)
Total governmental activities	<u>\$8,979,328</u>	<u>\$8,340,446</u>	<u>(\$638,882)</u>

## General Revenues:

Investment income	970,182
New franchise development	1,324,000
Miscellaneous	4,472
Total General Revenues	<u>2,298,654</u>
Change in net position	1,659,772
Net position at beginning of the year	<u>3,173,731</u>
Net position at end of year	<u>\$4,833,503</u>

See accompanying notes to financial statements

## Fund Financial Statements

This Page Left Intentionally Blank

Central Contra Costa Solid Waste Authority  
Balance Sheet - Governmental Funds  
June 30, 2025

	General Fund	Special Revenue Fund Reuse and Clean Up Days	Total Governmental Funds
Assets			
Cash and investments	\$21,335,759	\$85,877	\$21,421,636
Receivables			
Interest	212,425		212,425
Accounts	1,945,831		1,945,831
Prepaid items	72,041		72,041
Total assets	<u>\$23,566,056</u>	<u>\$85,877</u>	<u>\$23,651,933</u>
Liabilities and Fund Balances			
Resources and Fund Balance			
Liabilities			
Accounts payable and			
accrued liabilities	\$461,601		\$461,601
Accrued payroll	25,579		25,579
Unearned revenues	312,690		312,690
Due to other governments	17,772,408		17,772,408
Total liabilities	<u>18,572,278</u>		<u>18,572,278</u>
Fund balances			
Nonspendable	72,041		72,041
Restricted		\$85,877	85,877
Committed			
Assigned	1,206,555		1,206,555
Unassigned	3,715,182		3,715,182
Total fund balances	<u>4,993,778</u>	<u>85,877</u>	<u>5,079,655</u>
Total liabilities and fund balances	<u>\$23,566,056</u>	<u>\$85,877</u>	<u>\$23,651,933</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  
June 30, 2025

---

Total governmental fund balance	\$5,079,655
Amounts reported for governmental activities in the statement of net position are different because:	
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.	634,951
Long term liabilities/assets and related balances and compensated absences have not been included in the governmental fund activity	
Compensated absences	(130,239)
Total OPEB liability	(53,269)
Net pension liability	(125,678)
Lease liability	(688,257)
Deferred outflows of resources related to pensions and OPEB are deferred and recognized in future periods:	
Deferred outflows of resource related to pensions	323,682
Deferred outflows of resources related to OPEB	11,960
Deferred inflows of resources related to pensions and OPEB are deferred and recognized in future periods:	
Deferred inflows of resources related to pensions	(153,070)
Deferred inflows of resources related to OPEB	(66,232)
Net position of governmental activities	\$4,833,503

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, 2025

	General Fund	Special Revenue Fund Reuse and Clean Up Days	Total
Revenues			
Administrative fees	\$2,654,734		\$2,654,734
Source reduction and recycling education fees	4,279,520	\$1,127,511	5,407,031
Intergovernmental	278,681		278,681
Investment income	970,182		970,182
New franchise development	1,324,000		1,324,000
Miscellaneous	4,472		4,472
Total revenues	<u>9,511,589</u>	<u>1,127,511</u>	<u>10,639,100</u>
Expenditures			
Current			
General government			
Personnel services	1,264,716		1,264,716
Materials and supplies	59,793		59,793
Insurance and utilities	42,417		42,417
Professional contracts and services	4,077,321		4,077,321
Distributions to member agencies	1,862,811		1,862,811
Public information	278,681	1,127,511	1,406,192
Capital outlay			
Debt Service			
Principal	115,710		115,710
Interest	17,901		17,901
Total debt service expenditures	<u>133,611</u>		<u>133,611</u>
Total expenditures	<u>7,719,350</u>	<u>1,127,511</u>	<u>8,846,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,792,239</u>		<u>1,792,239</u>
Net Changes in Fund Balances	1,792,239		1,792,239
Fund Balances - Beginning	<u>3,201,539</u>	<u>85,877</u>	<u>3,287,416</u>
Fund Balances - Ending	<u><u>\$4,993,778</u></u>	<u><u>\$85,877</u></u>	<u><u>\$5,079,655</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, 2025

---

Net change in fund balances	\$1,792,239
Amounts reported for governmental activities in the statement of activities are different because:	
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.	
Depreciation/amortization	(128,241)
Capital outlay and improvement expenditures are added back to fund balance	-
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.	
Lease principal repayment	115,710
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Changes in compensated absences payable	(13,611)
Changes in total OPEB liability and related amounts	(3,418)
Changes in net pension liability (asset) and related amounts	(102,907)
Change in net position of governmental activities	<u><u>\$1,659,772</u></u>

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority  
Changes in Fiduciary Net Position  
Year Ended June 30, 2025

---

	Franchise Fee & Vehicle Impact Custodial Fund
Additions	
Franchise & Vehicle Impact Fees Received	<u>\$11,738,977</u>
Total additions	<u>11,738,977</u>
Deductions	
Payments to other agencies	<u>(11,738,977)</u>
Total deductions	<u>(11,738,977)</u>
Changes in Fiduciary net position	
Net position - beginning	<u>                    </u>
Net position - ending	<u><u>                    </u></u>

See accompanying notes to financial statements

This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

<b>NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
--

***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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

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 & Vehicle Impact 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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

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 generally accepted accounting principles, 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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***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 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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***L. Budgetary Information***

The Board of Directors annually adopts the budget resolution for the General Fund and Reuse and Clean Up Days Special Revenue Fund Budgetary control is legally maintained at the fund level The Authority prepares an estimate of revenues and prepares recommendations of the next year's budget. The preliminary budget may or may not be amended by the Board of Directors and is adopted by resolution by the Board of Directors on or before June 30.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budget date is prepared on the modified accrual basis consistent with the related "actual" amounts. The Authority does not use encumbrance accounting

As of June 30, 2025, expenditures in the General Fund exceeded appropriations in the amount of \$482,332.

***M. 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, 2025.

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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. The implementation of this statement did not have a material effect on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after June 15, 2024, or the fiscal year 2024-25. 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, 2025**

<b>NOTE 2 – CASH AND INVESTMENTS</b>
--------------------------------------

As of June 30, 2025, cash and investments were reported in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	<u>\$21,421,636</u>
Total cash and investments	<u><u>\$21,421,636</u></u>

As of June 30, 2025, cash and investments consisted of the following:

Deposits with financial institutions	\$1,997,993
Investment in Local Agency Investment Fund	<u>19,423,643</u>
Total cash and investments	<u><u>\$21,421,636</u></u>

**Deposits**

At June 30, 2025, the carrying amount of the Authority's deposits was \$1,997,993 and the bank balance was \$2,050,010. The \$(52,017) difference represents the net of 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.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

<b>NOTE 2 – CASH AND INVESTMENTS (Continued)</b>
--

**Fair Value Measurement and Application**

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

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

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**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, 2025, these investments matured in an average of 248 days.

As of June 30, 2025, the Authority had \$19,423,643 invested in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The LAIF financial statements are available at the State Treasurer's Office website at [www.treasurer.ca.gov](http://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, 2025 were as follows:

	Balance July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year
Compensated absences	\$116,628	\$13,610	\$130,238	\$130,238
	<u>\$116,628</u>	<u>\$13,610</u>	<u>\$130,238</u>	<u>\$130,238</u>

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for year ending June 30, 2025 consists of the following:

	Balance July 1, 2024	Additions	Balance June 30, 2025
Capital assets, being depreciated/amortized			
Software	\$11,685		\$11,685
Equipment	7,334		7,334
Leasehold improvements	11,900		11,900
Furniture & Fixtures	9,219		9,219
Less: accumulated depreciation	(20,695)	(\$3,974)	(24,669)
Right to use leased assets being amortized			
Right to use leased building	1,077,578		1,077,578
Right to use leased equipment	28,172		28,172
Less: accumulated amortization	(362,001)	(124,267)	(486,268)
Governmental activities capital assets, net	<u>\$763,192</u>	<u>(\$128,241)</u>	<u>\$634,951</u>

Depreciation and amortization expense of \$128,241 was charged to the general government function of the governmental activities.

**NOTE 5 – RISK MANAGEMENT**

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

SDRMA has purchased general and auto liability insurance of \$2,500,000 per occurrence, which is subject to \$500 per occurrence for third party general liability property damage and \$1,000 per occurrence for third party auto liability property damage. In addition, it has purchased employee and public officials' dishonesty coverage of \$1,000,000 per loss; property loss coverage up to \$1 billion per occurrence, subject to a \$2,000 deductible per occurrence; boiler and machinery coverage up to \$100 million per occurrence, subject to a \$1,000 deductible; and public officials personal liability insurance of \$500,000 per occurrence, with an annual aggregate of \$500,000 per elected/appointed official, subject to a \$500 deductible per claim. As of June 30, 2025, 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.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 6 – FUND BALANCES**

In governmental funds, the segregated portions of fund balance are presented as follows for the fiscal year ended June 30, 2025:

	Major Funds		Total Governmental Funds
	General Fund	Reuse and Up Days Revenue Fund	
Fund Balance			
Nonspendable:			
Prepaid items	\$72,041		\$72,041
Restricted for:			
Reuse and Clean Up Programs		\$85,877	85,877
Assigned for:			
Operating reserve	1,206,555		1,206,555
Unassigned	3,715,182		3,715,182
Total Fund Balance	<u>\$4,993,778</u>	<u>\$85,877</u>	<u>\$5,079,655</u>

**NOTE 7 – MEMBER AGENCY DEPOSITS PAYABLE**

The change in the member agency accounts reported in the General Fund for the year ended June 30, 2025:

	June 30, 2024 Balance	Addition/ (Reduction) to Reserves Payment (RY10)	Distribution of Funds in Excess of Reserves FY24	Direct Distributions	June 30, 2025 Amount
Contra Costa County	\$2,782,653	(\$84,734)	\$390,349		\$3,088,268
Town of Danville	3,264,396	(141,906)	375,587		3,498,077
City of Lafayette	2,482,723	(38,464)	208,792		2,653,051
Town of Moraga	1,132,893	69,644	117,196	(\$197,000)	1,122,733
City of Orinda	1,102,981	96,793	149,286		1,349,060
City of Walnut Creek	5,386,922	52,699	621,598		6,061,219
	<u>\$16,152,568</u>	<u>(\$45,968)</u>	<u>\$1,862,808</u>	<u>(\$197,000)</u>	<u>\$17,772,408</u>

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**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.

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<b>Miscellaneous Plan</b>		
	<b>Tier I</b>	<b>Tier II</b>	<b>Tier III (PEPRA)</b>
	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	7.00%	7.00%	8.25%
Required employer contribution rates	13.31%	10.93%	8.18%
Required UAL Contribution	\$8,334	\$1,932	\$797

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The Authority elected to make the lump sum contributions and the required contribution for the unfunded liability was \$10,704 in the fiscal year 2025.



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Classic and New members are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority makes pension contributions after each pay period to liquidate the net pension liability and allocates those pension benefit costs to the specific funds to which payroll charges are applied based on work completed each month.

For the year ended June 30, 2025, contributions to the Plan were \$109,215.

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2025, the Authority reported a net pension liability of \$125,678 for its proportionate share of the Plan's net pension liability.

The governmental activities net pension liability is liquidated primarily by the General Fund.

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, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. 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, 2023 and 2024 measurement dates are as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.00116%
Proportion - June 30, 2024	0.00104%
Change - Increase (Decrease)	-0.00012%

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

For the year ended June 30, 2025, the Authority recognized pension expense of \$102,907. At June 30, 2025, 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	\$109,215	
Differences between actual and expected experience	10,442	
Changes of assumptions	3,230	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		\$153,070
Net differences between projected and actual earnings on plan investments	7,235	
Change's in employer's proportion	193,560	
Total	<u>\$323,682</u>	<u>\$153,070</u>

\$109,215 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, 2026. 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
2026	\$66,029
2027	(523)
2028	(1,629)
2029	(2,480)
Total	<u>\$61,397</u>

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

**Actuarial Assumptions**

For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liabilities were based on the following actuarial methods and assumptions for all benefits tiers:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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	6.90% (1)
Mortality	Derived by CalPERS Membership Data for all funds (2)

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

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted for assumed administrative expenses of 10 basis points.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

The expected real rate of return by asset class are as follows:

Asset Class	Assumed asset Allocation	Real Return Years 1 - 10 <sup>1,2</sup>
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	100%	

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

(2) Figures are based on the 2021 Asset Liability Management study.

**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%)
\$855,097	\$125,678	(\$474,740)

**Pension Plan Fiduciary Net Position**

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

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**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, 2025, 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, 2025, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>6</u>
Total	<u><u>9</u></u>

**Total OPEB Liability**

The Authority's total OPEB liability of \$53,269 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2024 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, 2024
Measurement Date	June 30, 2024
General Inflation	2.5% annually
Discount Rate	3.93% at June 30, 2024
	Based on Bond Buyer 20-bond Index on June 30, 2024
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Healthcare participation	50%

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

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

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2024	\$66,047
Service Cost	7,826
Interest	2,697
Actual vs. expected experience	(20,831)
Assumption changes	(2,470)
Net changes	(12,778)
Balance at June 30, 2025	\$53,269

Changes of assumptions reflect a change in the discount rate from 3.65 percent in measurement year ended June 30, 2023 to 3.93 percent in measurement year ended June 30, 2024.

*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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$62,830	\$53,269	\$45,560

*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	\$42,628	\$53,269	\$67,291

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

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

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

For the year ended June 30, 2025, the Authority recognized OPEB expense of \$3,418. At June 30, 2025, 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		\$43,561
Changes in assumptions	\$11,960	22,671
Total	\$11,960	\$66,232

No contributions or payments for benefits were made during the year ended June 30, 2025.

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
2026	(\$7,105)
2027	(7,105)
2028	(6,591)
2029	(6,340)
2030	(6,643)
Thereafter	(20,488)
Total	(\$54,272)

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**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% which is the incremental borrowing rate to discount the future payments. 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 \$486,268, as of June 30, 2025, 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 \$115,710 and \$17,901, as of June 30, 2025, respectively.

The remaining obligations associated with these leases are as follows:

Lessee Activities	Balance at July 1, 2024	Deletions	Balance at June 30, 2025	Current Portion
Right to use assets - leased assets				
Office space	\$780,929	(\$110,534)	\$670,395	\$117,169
Equipment	23,038	(5,176)	17,862	5,634
Total right to use assets - leased assets	<u>\$803,967</u>	<u>(\$115,710)</u>	<u>\$688,257</u>	<u>\$122,803</u>

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

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$122,803	\$16,420
2027	130,218	12,975
2028	137,390	9,312
2029	138,805	5,749
2030	146,629	2,261
2031	12,412	25
	<u>\$688,257</u>	<u>\$46,742</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, 2025**

<b>NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS</b>
--

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The Authority is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provides users of government financial statements with essential information concerning two types of capital assets: (1) capital assets associated with leases and other intangible assets and (2) capital assets held for sale. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The Authority has not yet determined the effect of this Statement on its financial statements.

## Required Supplementary Information

This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Cost-Sharing Multiple Employer Defined Benefit Retirement Plan**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY**

Measurement Date	2024	2023	2022	2021	2020
Proportion of the net pension liability (asset)	0.001036%	0.001160%	0.000260%	0.032910%	0.003730%
Proportionate share of the net pension liability (asset)	\$125,658	\$144,098	\$30,180	(\$624,980)	\$157,469
Covered payroll	964,669	925,485	891,658	859,952	881,310
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	13.03%	15.57%	3.38%	-72.68%	17.87%
Plan Fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	90.49%	88.29%

  

Measurement Date	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.007670%	0.012400%	0.011930%	0.019790%	0.021060%
Proportionate share of the net pension liability (asset)	\$307,159	\$467,474	\$470,274	\$385,071	\$281,262
Covered payroll	803,018	668,374	708,206	687,362	577,799
Proportionate Share of the net pension liability (asset) as	38.25%	69.94%	66.40%	56.02%	48.68%
Plan Fiduciary net position as a percentage of the total pension liability	88.06%	89.12%	90.56%	89.69%	74.06%

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Cost-Sharing Multiple Employer Defined Benefit Retirement Plan**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years**  
**Schedule of Contributions**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution (actuarially determined)	\$98,511	\$93,641	\$68,122	\$83,076	\$100,607
Contribution in relation to the actuarially determined contributions	<u>(93,641)</u>	<u>(93,641)</u>	<u>(68,122)</u>	<u>(170,722)</u>	<u>(298,584)</u>
Contributions deficiency (excess)	<u>\$4,870</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$87,646)</u>	<u>(\$197,977)</u>
Covered payroll	\$964,669	\$925,485	\$744,757	\$922,802	\$859,952
Contributions as a percentage of covered payroll	10.21%	10.12%	9.15%	9.00%	11.70%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$102,986	\$71,760	\$75,967	\$74,273	\$70,318
Contribution in relation to the actuarially determined contributions	<u>(302,986)</u>	<u>(71,760)</u>	<u>(75,967)</u>	<u>(74,273)</u>	<u>(70,318)</u>
Contributions deficiency (excess)	<u>(\$200,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$881,310	\$803,018	\$668,374	\$708,206	\$687,362
Contributions as a percentage of covered payroll	11.69%	8.94%	11.37%	10.49%	10.23%

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Agent Multiple-Employer Other Post-Employment Defined Benefits Plan**  
**As of fiscal year ending June 30, 2025**  
**Schedule of Changes in the**  
**Net OPEB Liability and Related Ratios**  
**Last 10 Years\***

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service cost	\$7,266	\$6,454	\$9,197	\$10,174	\$14,120	\$14,658	\$7,778	\$7,826
Interest on total OPEB liability	1,142	1,508	1,957	2,318	1,886	2,218	2,298	2,697
Differences between expected and actual experience	-	-	-	(17,019)	-	(22,724)	-	(20,831)
Changes in assumptions	(5,558)	(2,262)	3,535	19,678	804	(25,017)	(1,181)	(2,470)
Net change in total OPEB liability	2,850	5,700	14,689	15,151	16,810	(30,865)	8,895	(12,778)
Total OPEB Liability -- beginning	32,817	35,667	41,367	56,056	71,207	88,017	57,152	66,047
Total OPEB Liability -- ending (a)	\$35,667	\$41,367	\$56,056	\$71,207	\$88,017	\$57,152	\$66,047	\$53,269
Covered payroll	\$668,374	\$803,018	\$881,310	\$859,952	\$922,802	\$877,858	\$725,569	\$913,174
Total OPEB Liability as a percentage of covered payroll	5.34%	5.15%	6.36%	8.28%	9.54%	6.50%	9.10%	5.83%
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024

\* Fiscal year 2018 was the first year of implementation.

**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%	3.65%	3.93%
Inflation Rate	2.75%			2.50%	2.50%	2.50%	2.50%	2.50%
Mortality Improvement Scale	MP-2016			MP-2020	MP-2020	MP-2021	MP-2021	MP-2021

Central Contra Costa Solid Waste Authority  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget to Actual  
- General Fund  
Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Administrative fees	\$2,654,734	\$2,654,734	\$2,654,734	\$0
Source reduction and recycling education fees	3,410,703	3,410,703	4,279,520	868,817
Intergovernmental	591,371	591,371	278,681	(312,690)
Investment income	524,230	524,230	970,182	445,952
New Franchise Development	1,355,000	1,355,000	1,324,000	(31,000)
Miscellaneous	10,500	10,500	4,472	(6,028)
Total revenues	8,546,538	8,546,538	9,511,589	965,051
Expenditures				
Current:				
General government:				
Personnel services	1,266,372	1,266,372	1,264,716	1,656
Materials and supplies	95,228	95,228	50,379	44,849
Office rent and utilities	190,953	190,953	185,442	5,511
Professional contracts and services	1,164,180	1,164,180	759,483	404,697
Recycling processing cost	2,640,607	2,640,607	2,654,434	(13,827)
Diversion programs	1,043,993	1,043,993	942,085	101,908
Distributions to member agencies	835,685	835,685	1,862,811	(1,027,126)
Total expenditures	7,237,018	7,237,018	7,719,350	(482,332)
Excess (deficiency) of revenues over (under) expenditures	1,309,520	1,309,520	1,792,239	482,719
Net change in fund balance	1,309,520	1,309,520	1,792,239	482,719
Fund Balance - Beginning	3,201,539	3,201,539	3,201,539	
Fund Balance - Ending	\$4,511,059	\$4,511,059	\$4,993,778	\$482,719

See Note to the Required Supplementary Information

Central Contra Costa Solid Waste Authority  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget to Actual  
- Reuse and Clean Up Days Special Revenue Fund  
Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Source reduction and recycling education fees	\$1,127,511	\$1,127,511	\$1,127,511	
Expenditures				
Public information	1,127,511	1,127,511	1,127,511	
Fund Balance - Beginning	85,877	85,877	85,877	
Fund Balance - Ending	<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, 2025**

**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.

## Other Report

This Page Left Intentionally Blank

**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, 2025, and have issued our report thereon dated October 14, 2025.

**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*.

We have also issued a separate Memorandum on Internal Control dated October 14, 2025, which is an integral part of our audit and should be read in conjunction with this report.

### **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.

A handwritten signature in black ink that reads "Maze + Associates". The script is cursive and somewhat stylized.

Pleasant Hill, California  
October 14, 2025





# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** DAVID KRUEGER, EXECUTIVE DIRECTOR  
**DATE:** DECEMBER 11, 2025

**SUBJECT:** CITY OF WALNUT CREEK REQUEST FOR AUTHORITY FUNDS  
ALLOCATED TO MEMBER AGENCIES

## SUMMARY

In accordance with the Use of Authority Funds Allocated to Member Agencies Policy, Staff is presenting City of Walnut Creek's request for funds from their Reserve Fund for solid waste and recycling related purposes, as described in Attachment A. With Board approval of the request, Staff will make a payment to City of Walnut Creek in the amount of \$1,250,000.

## RECOMMENDED ACTION

1. Approve payment of \$1,250,000 to City of Walnut Creek for the items listed in Attachment A, in accordance with the Use of Authority Funds Allocated to Member Agencies Policy.

## DISCUSSION

The Use of Authority Funds Allocated to Member Agencies Policy (the version approved by the Board in October 2021, provided as Attachment A) states that to ensure compliance with California Constitutional requirements, all funds allocated by the Authority to member agencies are to be used by the member agencies in a manner consistent with the purpose of RecycleSmart. Member agencies may use their discretion in determining appropriate qualifying uses and are not required to seek RecycleSmart approval for specific uses. However, the RecycleSmart Board retains discretion to determine allocation to member agencies reserves, and the flow of funds from RecycleSmart accounts. Thus, each member agency seeking funds must present a formal request to the Board of Directors. Attachment B is City of Walnut Creek's formal request for a distribution of funds, listing the planned uses of the funds, for Board approval. An indemnification Agreement has been signed between the Authority and City of Walnut Creek.

## ATTACHMENTS

- A. Use of Authority Funds Allocated to Member Agencies Policy
- B. City of Walnut Creek's Withdrawal Request

***CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY***

**POLICY TITLE: Use of Authority Funds Allocated to Member Agencies Reserves**

**A. Purpose**

To establish a policy governing the use of Authority funds that are allocated to individual Member Agencies Reserves.

**B. Background**

Joint powers agencies (“JPAs”) are statutorily authorized to allocate funds to their Member Agencies, either upon dissolution of the JPA or at the time and in the manner they deem appropriate, subject to the limitations set forth below. The Authority Board may choose to allocate all, some, or none of its funds to its Member Agencies. This authority to allocate funds to its Member Agencies is limited by the California Constitution’s prohibition on gifts of public funds. Public agencies are prohibited from making “any gift or authoriz[ing] the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever.” (Cal. Const. art. XVI, § 6.) California courts have found that a transfer of funds between two public agencies may be treated as a gift of public funds if the transfer does not “serve the public purpose of the donor agency.”

Authority is a limited purpose agency, unlike its individual Member Agencies. Whereas the Member Agencies have extremely broad purposes to further the general welfare of their citizens, Authority’s purpose is narrow. Article 1, Section B of the Authority Joint Exercise of Powers Agreement (“JPA Agreement”) provides as follows:

The purpose of the Authority shall be to exercise certain powers set forth below, in a manner which will (1) assure the citizens of the Member Agencies that certain solid waste transfer station(s), regional resource recovery facility(ies), recycling facility(ies), household hazardous waste facility(ies), and/or landfill(s) and related programs will be operated in the most cost effective manner possible consistent with the proper concern for the environment; and (2) allow for the public ownership and/or management of said facilities; and (3) allow for certain or all of the Member Agencies to participate in individual or joint efforts concerning issuing Requests for Proposals and entering into contracts for franchising of solid waste collection, handling and disposal, including green waste and recyclables; and (4) allow for such other joint efforts concerning the handling and disposal of the solid waste stream as may be beneficial to constituents of the Member Agencies.

From time to time, the Authority Board may approve allocation of certain Authority funds to Member Agencies Reserves. If a Member Agency were to use any allocated funds in its Member Agency Reserve for programs or initiatives unrelated to Authority’s purpose, then such use would be unconstitutional and could result in the necessity for the member to return the allocated funds or subject Authority to other legal liability.



### **C. Policy**

In order for Authority to properly allocate funds to individual Member Agencies Reserves, the following Policy shall apply:

1. All funds allocated by Authority Board of Directors from Authority funds to a Member Agency Reserve shall be used by the Member Agency in a manner consistent with Authority's purpose as set forth in Article 1, Section B of the JPA Agreement, more specifically for "efforts concerning the handling and disposal of the solid waste stream as may be beneficial to constituents of the Member Agencies". For purposes of this policy, the "solid waste stream" includes all rubbish or garbage, reusables, recyclables and organics. Examples of programs and initiatives that are consistent with Authority's purpose include, but are not limited to, the following:
  - a. Offsetting future rate increases or otherwise subsidizing the rates that Authority's franchised collection contractor charges to subscribers within Member Agency's jurisdiction for services provided pursuant to the then applicable Authority franchise agreement.
  - b. Implementing or subsidizing new or existing programs or initiatives, which are intended to divert solid waste from landfill disposal or foster reduction, reuse or recycling.
  - c. Implementing or subsidizing new or existing programs or initiatives that promote, encourage and/or increase composting or the beneficial reuse of all forms of solid waste, including organic materials.
  - d. Implementing or subsidizing new or existing programs or initiatives that promote the proper collection, handling or cleanup of solid waste including proper disposal of commodities that should not be landfilled such as batteries, mercury products, pharmaceuticals, sharps, universal wastes and household hazardous wastes.
  - e. Implementing or subsidizing new or existing programs or initiatives that promote use of recycled products thereby reducing landfill disposal, such as purchasing capital items that have a recycled content range of 70 percent to 75 percent post-consumer content or purchasing recovered organic waste products.
  - f. Implementing the requirements of state law related to handling and disposal of solid waste, recycling, and organics, such as Assembly Bill 939 of 1989, Assembly Bill 341 of 2011, Assembly Bill 1826 of 2014, and Senate Bill 1383 of 2016.
2. A donee Member Agency shall take steps to ensure that it uses Authority funds allocated to a Member Agency Reserve in accordance with Paragraph 1. Allocated funds should be earmarked or designated for qualifying uses and typically not deposited in a Member Agency's general fund without a form of dedication or clear allocation for uses consistent with Paragraph 1.

3. A Member Agency may use its discretion in determining appropriate qualifying uses, and shall not be required to seek Authority approval for specific uses, of Authority funds allocated to a Member Agency Reserve.
4. All allocations by Authority to Member Agencies Reserves shall be at the discretion of and approved by the Authority Board, either through the annual budgeting and rate setting process, or at any meeting by separate approval of the Board.
5. Authority shall not assume any liability for a Member Agency's decisions on uses of Authority funds allocated to a Member Agency Reserve; rather, a donee Member Agency shall assume all liability for proper use of any funds allocated to its Member Agency Reserve. A Member Agency receiving Authority funds through the Member Agency Reserve shall sign an agreement with Authority to use those funds only for purposes consistent with those of the Authority, and to indemnify and defend Authority from any third party claims arising out of or related to that Member Agency's use of such funds.
6. This policy shall control the use of any Authority funds allocated to a Member Agency Reserve, including Authority funds previously allocated and currently held in a Member Agency Reserve.



## REQUEST FOR WITHDRAWAL OF MEMBER AGENCY RESERVE FUNDS

**Date of Request:** October 23, 2025

**Member Agency:** City of Walnut Creek

### List Item Description and Amount

Item #	Item Description	Amount
1	Resilient Surfacing Replacement Project - Heather Farm Park, All Abilities Playground	\$1,000,000
2	Arts & Recreation Furniture Purchases (unrelated to the New Aquatics Community Center)	\$125,000
3	Public Works Purchases (trash receptacles, benches, etc.)	\$125,000
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
<b>Total Withdrawal Amount</b>		<b>\$1,250,000</b>

**Board Approval Date:** \_\_\_\_\_

**Executive Director** \_\_\_\_\_

**Signature:** \_\_\_\_\_





# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** DAVID KRUEGER, EXECUTIVE DIRECTOR  
GRACE COMAS, SENIOR ACCOUNTANT  
**DATE:** DECEMBER 11, 2025  
**SUBJECT:** FY 2024-25 FUNDS IN EXCESS OF THE RESERVE

## RECOMMENDED ACTION

1. Direct staff to distribute the \$3,715,182 of FY 2024-25 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 2024-25 audited financial statements, the CCCSWA General Fund has an ending fund balance of \$4,993,778. Of that amount, \$72,041 is from FY 2025-26 expenses that were pre-paid in FY 2024-25 and therefore cannot be spent. Per the Policy, \$1,206,555 has been set aside as General Fund Reserve (20% of total budgeted expenditures for FY 2024-25). Therefore, \$3,715,182 are determined to be Funds in Excess of the Reserve ( $\$4,993,778 - \$72,041 - \$1,206,555 = \$3,715,182$ ).

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:

FY 2024-25								
Member Agency	% Allocation of Solid Waste Tons in prior FY 24-25	Solid Waste Tons in FY 2024-25	Member Agency Reserves as of 6/30/2025	Distribution to Member Agencies Reserves FY2024-25	Member Agency Reserves After Distribution	Addition / (Reduction ) to Reserves Payment (RY11)	Direct Distributions	Member Agency Reserves Balance
County	21.05%	39,400	\$3,088,268	\$781,958	\$3,870,226	\$165,269		\$4,035,495
Danville	20.09%	37,615	\$3,498,079	\$746,528	\$4,244,607	-\$34,889		\$4,209,718
Lafayette	11.18%	20,930	\$2,653,053	\$415,383	\$3,068,436	\$107,455	(\$37,956)	\$3,137,935
Moraga	6.18%	11,570	\$1,122,732	\$229,625	\$1,352,356	\$46,335		\$1,398,691
Orinda	8.07%	15,099	\$1,349,058	\$299,658	\$1,648,716	\$291,234		\$1,939,950
Walnut Creek	33.43%	62,581	\$6,061,219	\$1,242,031	\$7,303,251	\$355,442		\$7,658,693
<b>Total</b>	<b>100%</b>	<b>187,194</b>	<b>\$17,772,409</b>	<b>\$3,715,182</b>	<b>\$21,487,591</b>	<b>\$930,846</b>	<b>-\$37,956</b>	<b>\$22,380,481</b>

## ATTACHMENTS

- A. General Fund Minimum Fund Balance Reserve and Application of Funds in Excess of the Reserve Policy
- B. 2024-25 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.

<b>Member Agency</b>	<b>% Allocation of Solid Waste Tons in prior FY *</b>	<b>Distribution to Member Agencies Reserves</b>
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
<b>Total</b>	<b>100%</b>	<b>\$170,000</b>

\* 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, 2025**

This Page Left Intentionally Blank

# CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY

## Financial Statements

June 30, 2025

### Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	7
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position.....	17
Statement of Activities .....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	21
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide	
Statement of Net Position .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds .....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities.....	24
Changes in Fiduciary Net Position.....	25
Notes to Financial Statements .....	27
<b>Required Supplementary Information</b>	
Schedule of the Authority's Proportionate Share of the Net Pension Liability .....	49
Schedule of Pension Contributions .....	50
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	51
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget to Actual – General Fund .....	52
Schedule of Revenues, Expenditures and Change in Fund Balance	
Budget to Actual – Reuse and Clean Up Days Special Revenue Fund.....	53
Notes to the Required Supplementary Information.....	54
<b>Independent Auditor's Report on Internal Control Over Financial Reporting</b>	
<b>and on Compliance and Other Matters Based on an Audit of Financial Statements</b>	
<b>Performed in Accordance with <i>Government Auditing Standards</i></b> .....	57

This Page Left Intentionally Blank

## 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), California, as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025 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.



Pleasant Hill, California  
October 14, 2025

This Page Left Intentionally Blank

## Management's Discussion and Analysis

This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

As management of the Central Contra Costa Solid Waste Authority (Authority), we offer readers of the Authority's financial statements this overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2025. This document has been prepared as required by the Statement No. 34 of Governmental Accounting Standards Board (GASB No. 34). We encourage readers to consider the information presented here in conjunction with the financial statements and the accompanying notes to those financial statements.

**I. Financial Highlights**

**Government-Wide Financial Analysis**

The Authority's net position is largely in cash and investments and the 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 assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year leaving a net position of \$4,833,503.

The Authority's net position increased by \$1,659,772 from the prior year, primarily due to revenue received from the successful proposers for the procurement of the new collection and processing agreements, an increase in investment revenue and grant revenue received from CalRecycle for the SB 1383 program.

During fiscal year ended June 30, 2025, the Authority recorded deferred outflows of resources in the amount of \$335,642 and deferred inflows of resources in the amount of \$219,302 related to OPEB and Pension.

**Financial Analysis of the Authority's Governmental Funds**

The Authority's governmental funds (General Fund and Reuse Fund) combined ending fund balance of \$5,079,655, which was an increase of \$1,792,239 from the prior year ending fund balance of \$3,287,416.

**II. Overview of the Basic Financial Statements**

The Basic Financial Statements comprise the Government-Wide Financial Statements and the Fund Financial Statements: these two sets of financial statements provide two different views of the Authority's financial activities and financial position.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Government-Wide Financial Statements**

The Government-Wide Financial Statements provide a longer-term view of the Authority's activities as a whole and comprise the Statement of Net Position and the Statement of Activities and Changes in Net Position.

The Statement of Net Position provides information about the financial position of the Authority as a whole, including all capital assets and liabilities on the full accrual basis. Over time, increases or decreases in the Authority's net position may serve as one useful indicator of the Authority's overall financial position. In the case of the Authority, total assets and deferred outflows exceeded liabilities and deferred inflows by \$4,833,503 as of the close of the fiscal year. This amount is the total net position as of June 30, 2025.

The following table presents a summary of the Authority's Statement of Net Position by category as of June 30, 2025 with comparative amounts for FY 2023-24.

**TABLE 1: NET POSITION**

	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current assets	\$23,651,933	\$20,415,337	\$3,236,596	16%
Capital and other assets	634,951	763,192	(128,241)	-17%
Deferred outflows	335,642	435,949	(100,307)	-23%
Total assets and deferred outflows of resources	<u>24,622,526</u>	<u>21,614,478</u>	<u>3,008,048</u>	<u>14%</u>
<b>Liabilities</b>				
Current Liabilities	18,825,320	17,360,259	1,465,061	8%
Noncurrent liabilities	744,401	898,402	(154,001)	-17%
Deferred inflows	219,302	182,086	37,216	20%
Total liabilities and deferred inflows of resources	<u>19,789,023</u>	<u>18,440,747</u>	<u>1,348,276</u>	<u>7%</u>
<b>Net Position</b>				
Net investment in capital assets	634,951	763,192	(128,241)	-17%
Restricted for reuse and clean-up days program	85,877	85,877	0	0%
Unrestricted	4,112,675	2,324,662	1,788,013	77%
Total net position	<u>\$4,833,503</u>	<u>\$3,173,731</u>	<u>\$1,659,772</u>	<u>52%</u>

\$634,951 - Net investment in capital assets represents software, furniture and equipment totaling \$40,138 offset by accumulated depreciation of \$24,669. Right-to-use assets, this represents leased building and equipment totaling \$1,105,750 offset by accumulated amortization \$486,268.

\$85,877 – Restricted, can only be used to pay for Reuse and Battery collection programs.

\$4,112,675 – Unrestricted Net Position. These are the funds available for operations.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

A summary of total Authority's Revenues, Expenses and Changes in Net Position is presented in the tables below.

**TABLE 2: CHANGES IN NET POSITION**

	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>\$Change</u>
Revenue			
Governmental Activities			
Program Revenue	\$7,154,030	\$6,816,276	\$337,754
Public Information	1,186,416	888,960	297,456
General Revenue			
Investment Income	970,182	687,714	282,468
Miscellaneous	1,328,472	15,844	1,312,628
<b>Total Revenue</b>	<b><u>10,639,100</u></b>	<b><u>8,408,794</u></b>	<b><u>2,230,306</u></b>
Expenses			
Governmental Activities			
Program Revenue	7,555,235	6,566,252	988,983
Public Information	1,406,192	1,247,143	159,049
Interest and Fiscal Charges	17,901	20,524	(2,623)
<b>Total Expenses</b>	<b><u>8,979,328</u></b>	<b><u>7,833,919</u></b>	<b><u>1,145,409</u></b>
Excess(Deficiency) of revenues over expenditures	1,659,772	574,875	1,084,897
Changes in net position			
Net position			
Beginning of year	<u>3,173,731</u>	<u>2,598,856</u>	<u>574,875</u>
<b>End of year</b>	<b><u>\$4,833,503</u></b>	<b><u>\$3,173,731</u></b>	<b><u>\$1,659,772</u></b>

The Authority's total revenue increased by \$2,230,306 in FY2024-25 from FY2023-24. This change is primarily due to the one-time revenue received from the successful proposer(s) for the new franchise agreements. The successful proposer(s) were required to reimburse the Authority's expenses (primarily consultant and attorney fees) for the new franchise procurement process. We received a higher interest revenue from our investment in the Local Agency Investment Fund (LAIF), and a higher grant revenue received from CalRecycle for the SB 1383 program.

The total expenses increased by \$1,145,409 in FY2024-25 from FY2023-24. These changes are primarily due to higher consultants' and attorney fees related to the procurement of the new franchise agreement and the disbursement of funds to the Member Agency.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Government-Wide Financial Statements**

Government-Wide Financial Statements are presented on an “economic resources” measurement focus and on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Fund Financial Statements**

The Fund Financial Statements provide detailed information about the Authority's major funds - not the Authority as a whole.

**Governmental Funds** – All of the Authority's services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Authority's general operations. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Capital assets and other long-lived assets are not presented in the Governmental Fund Financial Statements. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities and Changes in Net Assets) and Governmental Funds Financial Statements are explained in a reconciliation schedule following each Governmental Fund financial statement.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information including a budgetary comparison to demonstrate compliance with the approved budget.

**IV. Fund Financial Statements Analysis**

The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal and grant requirements.

**Governmental Funds** – The focus of the Authority's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. The Authority has two governmental funds. The General Fund is the primary fund used to account for all financial resources, except those allocated to other funds. This fund covers most of the Authority's day-to-day operations. The Reuse Fund is specifically designated for the Reuse and Battery collection programs. The Authority has a custodial fund known as the Franchise and Vehicle Impact Fee Fund. It receives Franchise and Vehicle Impact fees from Republic and then disburses these funds to the Member Agencies.



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**V. Budgetary Highlights – General**

Total revenue for the fiscal year 2024-25 were \$8,546,538, while revenue for the fiscal year 2025-26 were \$6,844,827. This represents a decrease of \$1,701,711, primarily due to one-time revenue of \$1,324,000 from the successful proposer of the new franchise agreement.

The total expenditure for the fiscal year 2024-25 were \$6,401,333 while the expenditure for the fiscal year 2025-26 were \$5,906,834. This represents a decrease of \$494,498, primarily due to expenditures related to the procurement of the new collection and processing agreements.

The total budget for Contribution to member agencies for the fiscal year 2024-25 were \$835,685 while the total budget for the contribution to member agencies for the fiscal year 2025-26 were \$2,605,852. This represents an increase of \$1,770,167 primarily due to the 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.

**VI. Capital Asset and Long-Term Obligations**

Capital Assets – As of June 30, 2025 the Authority's capital assets, net of depreciation, were \$15,469. This represents furniture and equipment totaling \$40,138 offset by accumulated depreciation of \$24,669.

Right-to-use leased buildings and equipment – As of June 30, 2025 the Right-to-use assets, net of amortization, were \$619,482. This represents leased building and equipment totaling \$1,105,750 offset by accumulated amortization \$486,268.

Long-Term Obligations – The Authority's long-term obligations as of June 30, 2025 consist of net pension liability of \$125,678, OBEB \$53,269 and lease liability \$565,454, totaling \$744,401.

**VII. Economic Outlook**

Our new collection and processing agreements will be effective on March 1, 2027. We will rename the Reuse special revenue fund to add the new processing agreements (transfer, recycling, composting, commercial food scraps processing, anaerobic digestion, and landfill.) There will be a significant increase in revenue from the franchised collection contractor (Republic) to the restricted special revenue fund, and then equivalent expenses from the special revenue fund to the processing contractors and the Reuse and battery programs contractor.

We will be spending the rest of our SB1383 Grant by November 2, 2026 and we do not expect to receive any additional grant money from CalRecycle.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

**VIII. Requests for Information**

This financial report is designed to provide a general overview for those who are interested in the Authority's financial position. If you have any questions about this report or need any additional information, contact the Authority at (925) 906-1801.

## Basic Financial Statements

This Page Left Intentionally Blank

## Government-Wide Financial Statements

This Page Left Intentionally Blank

Central Contra Costa Solid Waste Authority  
Statement of Net Position  
June 30, 2025

	Governmental Activities
Assets	
Cash and investments	\$21,421,636
Accounts receivables	1,945,831
Interest receivables	212,425
Prepaid items	72,041
Capital assets, net of accumulated depreciation/amortization	634,951
Total assets	<u>24,286,884</u>
Deferred Outflow of Resources	
Deferred outflows related to OPEB	11,960
Deferred outflows related to pensions	323,682
Total deferred outflows of resources	<u>335,642</u>
Liabilities	
Current liabilities	
Accounts payable	461,601
Accrued payroll	25,579
Unearned revenues	312,690
Due to other governments	17,772,408
Compensated absences	130,239
Lease liabilities, current	122,803
Total current liabilities	<u>18,825,320</u>
Noncurrent liabilities:	
Lease liabilities, net of current portion	565,454
Net pension liability	125,678
Total OPEB liability	53,269
Total noncurrent liabilities	<u>744,401</u>
Total liabilities	<u>19,569,721</u>
Deferred Inflows of Resources	
Deferred inflows related to OPEB	66,232
Deferred inflows related to pensions	153,070
Total deferred inflows of resources	<u>219,302</u>
Net Position	
Net investment in capital assets	634,951
Restricted for reuse and clean-up days program	85,877
Unrestricted	4,112,675
Total net position	<u><u>\$4,833,503</u></u>

See accompanying notes to financial statements

# Central Contra Costa Solid Waste Authority

Statement of Activities  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position- Governmental Activities
Governmental Activities			
General government	\$7,555,235	\$2,933,415	(\$4,621,820)
Public information	1,406,192	5,407,031	4,000,839
Interest and fiscal charges	17,901		(17,901)
Total governmental activities	<u>\$8,979,328</u>	<u>\$8,340,446</u>	<u>(\$638,882)</u>

## General Revenues:

Investment income	970,182
New franchise development	1,324,000
Miscellaneous	4,472
Total General Revenues	<u>2,298,654</u>
Change in net position	1,659,772
Net position at beginning of the year	<u>3,173,731</u>
Net position at end of year	<u>\$4,833,503</u>

See accompanying notes to financial statements



## Fund Financial Statements

This Page Left Intentionally Blank

Central Contra Costa Solid Waste Authority  
Balance Sheet - Governmental Funds  
June 30, 2025

	General Fund	Special Revenue Fund Reuse and Clean Up Days	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$21,335,759	\$85,877	\$21,421,636
Receivables			
Interest	212,425		212,425
Accounts	1,945,831		1,945,831
Prepaid items	72,041		72,041
	<u>72,041</u>	<u></u>	<u>72,041</u>
Total assets	<u>\$23,566,056</u>	<u>\$85,877</u>	<u>\$23,651,933</u>
<b>Liabilities and Fund Balances</b>			
<b>Resources and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable and			
accrued liabilities	\$461,601		\$461,601
Accrued payroll	25,579		25,579
Unearned revenues	312,690		312,690
Due to other governments	17,772,408		17,772,408
	<u>17,772,408</u>	<u></u>	<u>17,772,408</u>
Total liabilities	<u>18,572,278</u>	<u></u>	<u>18,572,278</u>
<b>Fund balances</b>			
Nonspendable	72,041		72,041
Restricted		\$85,877	85,877
Committed			
Assigned	1,206,555		1,206,555
Unassigned	3,715,182		3,715,182
	<u>3,715,182</u>	<u></u>	<u>3,715,182</u>
Total fund balances	<u>4,993,778</u>	<u>85,877</u>	<u>5,079,655</u>
Total liabilities and fund balances	<u>\$23,566,056</u>	<u>\$85,877</u>	<u>\$23,651,933</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  
June 30, 2025

---

Total governmental fund balance	\$5,079,655
Amounts reported for governmental activities in the statement of net position are different because:	
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.	634,951
Long term liabilities/assets and related balances and compensated absences have not been included in the governmental fund activity	
Compensated absences	(130,239)
Total OPEB liability	(53,269)
Net pension liability	(125,678)
Lease liability	(688,257)
Deferred outflows of resources related to pensions and OPEB are deferred and recognized in future periods:	
Deferred outflows of resource related to pensions	323,682
Deferred outflows of resources related to OPEB	11,960
Deferred inflows of resources related to pensions and OPEB are deferred and recognized in future periods:	
Deferred inflows of resources related to pensions	(153,070)
Deferred inflows of resources related to OPEB	(66,232)
Net position of governmental activities	\$4,833,503

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, 2025

	General Fund	Special Revenue Fund Reuse and Clean Up Days	Total
Revenues			
Administrative fees	\$2,654,734		\$2,654,734
Source reduction and recycling education fees	4,279,520	\$1,127,511	5,407,031
Intergovernmental	278,681		278,681
Investment income	970,182		970,182
New franchise development	1,324,000		1,324,000
Miscellaneous	4,472		4,472
Total revenues	<u>9,511,589</u>	<u>1,127,511</u>	<u>10,639,100</u>
Expenditures			
Current			
General government			
Personnel services	1,264,716		1,264,716
Materials and supplies	59,793		59,793
Insurance and utilities	42,417		42,417
Professional contracts and services	4,077,321		4,077,321
Distributions to member agencies	1,862,811		1,862,811
Public information	278,681	1,127,511	1,406,192
Capital outlay			
Debt Service			
Principal	115,710		115,710
Interest	17,901		17,901
Total debt service expenditures	<u>133,611</u>		<u>133,611</u>
Total expenditures	<u>7,719,350</u>	<u>1,127,511</u>	<u>8,846,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,792,239</u>		<u>1,792,239</u>
Net Changes in Fund Balances	1,792,239		1,792,239
Fund Balances - Beginning	<u>3,201,539</u>	<u>85,877</u>	<u>3,287,416</u>
Fund Balances - Ending	<u><u>\$4,993,778</u></u>	<u><u>\$85,877</u></u>	<u><u>\$5,079,655</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, 2025

---

Net change in fund balances	\$1,792,239
Amounts reported for governmental activities in the statement of activities are different because:	
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.	
Depreciation/amortization	(128,241)
Capital outlay and improvement expenditures are added back to fund balance	-
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.	
Lease principal repayment	115,710
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Changes in compensated absences payable	(13,611)
Changes in total OPEB liability and related amounts	(3,418)
Changes in net pension liability (asset) and related amounts	(102,907)
Change in net position of governmental activities	<u><u>\$1,659,772</u></u>

See accompanying notes to financial statements

Central Contra Costa Solid Waste Authority  
Changes in Fiduciary Net Position  
Year Ended June 30, 2025

---

	Franchise Fee & Vehicle Impact Custodial Fund
Additions	
Franchise & Vehicle Impact Fees Received	<u>\$11,738,977</u>
Total additions	<u>11,738,977</u>
Deductions	
Payments to other agencies	<u>(11,738,977)</u>
Total deductions	<u>(11,738,977)</u>
Changes in Fiduciary net position	
Net position - beginning	<u>                    </u>
Net position - ending	<u><u>                    </u></u>

See accompanying notes to financial statements

This Page Left Intentionally Blank



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

<b>NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
--

***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, 2025**

**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 & Vehicle Impact 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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

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 generally accepted accounting principles, 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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***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 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, 2025**

<b>NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***L. Budgetary Information***

The Board of Directors annually adopts the budget resolution for the General Fund and Reuse and Clean Up Days Special Revenue Fund Budgetary control is legally maintained at the fund level The Authority prepares an estimate of revenues and prepares recommendations of the next year's budget. The preliminary budget may or may not be amended by the Board of Directors and is adopted by resolution by the Board of Directors on or before June 30.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budget date is prepared on the modified accrual basis consistent with the related "actual" amounts. The Authority does not use encumbrance accounting

As of June 30, 2025, expenditures in the General Fund exceeded appropriations in the amount of \$482,332.

***M. 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, 2025.

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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. The implementation of this statement did not have a material effect on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after June 15, 2024, or the fiscal year 2024-25. 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, 2025**

**NOTE 2 – CASH AND INVESTMENTS**

As of June 30, 2025, cash and investments were reported in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	<u>\$21,421,636</u>
Total cash and investments	<u><u>\$21,421,636</u></u>

As of June 30, 2025, cash and investments consisted of the following:

Deposits with financial institutions	\$1,997,993
Investment in Local Agency Investment Fund	<u>19,423,643</u>
Total cash and investments	<u><u>\$21,421,636</u></u>

**Deposits**

At June 30, 2025, the carrying amount of the Authority's deposits was \$1,997,993 and the bank balance was \$2,050,010. The \$(52,017) difference represents the net of 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.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

<b>NOTE 2 – CASH AND INVESTMENTS (Continued)</b>
--

**Fair Value Measurement and Application**

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

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

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**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, 2025, these investments matured in an average of 248 days.

As of June 30, 2025, the Authority had \$19,423,643 invested in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The LAIF financial statements are available at the State Treasurer's Office website at [www.treasurer.ca.gov](http://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, 2025 were as follows:

	Balance July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year
Compensated absences	\$116,628	\$13,610	\$130,238	\$130,238
	<u>\$116,628</u>	<u>\$13,610</u>	<u>\$130,238</u>	<u>\$130,238</u>



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for year ending June 30, 2025 consists of the following:

	Balance July 1, 2024	Additions	Balance June 30, 2025
Capital assets, being depreciated/amortized			
Software	\$11,685		\$11,685
Equipment	7,334		7,334
Leasehold improvements	11,900		11,900
Furniture & Fixtures	9,219		9,219
Less: accumulated depreciation	(20,695)	(\$3,974)	(24,669)
Right to use leased assets being amortized			
Right to use leased building	1,077,578		1,077,578
Right to use leased equipment	28,172		28,172
Less: accumulated amortization	(362,001)	(124,267)	(486,268)
Governmental activities capital assets, net	<u>\$763,192</u>	<u>(\$128,241)</u>	<u>\$634,951</u>

Depreciation and amortization expense of \$128,241 was charged to the general government function of the governmental activities.

**NOTE 5 – RISK MANAGEMENT**

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

SDRMA has purchased general and auto liability insurance of \$2,500,000 per occurrence, which is subject to \$500 per occurrence for third party general liability property damage and \$1,000 per occurrence for third party auto liability property damage. In addition, it has purchased employee and public officials' dishonesty coverage of \$1,000,000 per loss; property loss coverage up to \$1 billion per occurrence, subject to a \$2,000 deductible per occurrence; boiler and machinery coverage up to \$100 million per occurrence, subject to a \$1,000 deductible; and public officials personal liability insurance of \$500,000 per occurrence, with an annual aggregate of \$500,000 per elected/appointed official, subject to a \$500 deductible per claim. As of June 30, 2025, 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.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 6 – FUND BALANCES**

In governmental funds, the segregated portions of fund balance are presented as follows for the fiscal year ended June 30, 2025:

	Major Funds		Total Governmental Funds
	General Fund	Reuse and Up Days Revenue Fund	
Fund Balance			
Nonspendable:			
Prepaid items	\$72,041		\$72,041
Restricted for:			
Reuse and Clean Up Programs		\$85,877	85,877
Assigned for:			
Operating reserve	1,206,555		1,206,555
Unassigned	3,715,182		3,715,182
Total Fund Balance	<u>\$4,993,778</u>	<u>\$85,877</u>	<u>\$5,079,655</u>

**NOTE 7 – MEMBER AGENCY DEPOSITS PAYABLE**

The change in the member agency accounts reported in the General Fund for the year ended June 30, 2025:

	June 30, 2024 Balance	Addition/ (Reduction) to Reserves Payment (RY10)	Distribution of Funds in Excess of Reserves FY24	Direct Distributions	June 30, 2025 Amount
Contra Costa County	\$2,782,653	(\$84,734)	\$390,349		\$3,088,268
Town of Danville	3,264,396	(141,906)	375,587		3,498,077
City of Lafayette	2,482,723	(38,464)	208,792		2,653,051
Town of Moraga	1,132,893	69,644	117,196	(\$197,000)	1,122,733
City of Orinda	1,102,981	96,793	149,286		1,349,060
City of Walnut Creek	5,386,922	52,699	621,598		6,061,219
	<u>\$16,152,568</u>	<u>(\$45,968)</u>	<u>\$1,862,808</u>	<u>(\$197,000)</u>	<u>\$17,772,408</u>

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**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.

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<b>Miscellaneous Plan</b>		
	<b>Tier I</b>	<b>Tier II</b>	<b>Tier III (PEPRA)</b>
	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	7.00%	7.00%	8.25%
Required employer contribution rates	13.31%	10.93%	8.18%
Required UAL Contribution	\$8,334	\$1,932	\$797

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The Authority elected to make the lump sum contributions and the required contribution for the unfunded liability was \$10,704 in the fiscal year 2025.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Classic and New members are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority makes pension contributions after each pay period to liquidate the net pension liability and allocates those pension benefit costs to the specific funds to which payroll charges are applied based on work completed each month.

For the year ended June 30, 2025, contributions to the Plan were \$109,215.

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2025, the Authority reported a net pension liability of \$125,678 for its proportionate share of the Plan's net pension liability.

The governmental activities net pension liability is liquidated primarily by the General Fund.

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, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. 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, 2023 and 2024 measurement dates are as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.00116%
Proportion - June 30, 2024	0.00104%
Change - Increase (Decrease)	-0.00012%

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

For the year ended June 30, 2025, the Authority recognized pension expense of \$102,907. At June 30, 2025, 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	\$109,215	
Differences between actual and expected experience	10,442	
Changes of assumptions	3,230	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		\$153,070
Net differences between projected and actual earnings on plan investments	7,235	
Change's in employer's proportion	193,560	
Total	<u>\$323,682</u>	<u>\$153,070</u>

\$109,215 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, 2026. 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
2026	\$66,029
2027	(523)
2028	(1,629)
2029	(2,480)
Total	<u>\$61,397</u>

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

**Actuarial Assumptions**

For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liabilities were based on the following actuarial methods and assumptions for all benefits tiers:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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	6.90% (1)
Mortality	Derived by CalPERS Membership Data for all funds (2)

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

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted for assumed administrative expenses of 10 basis points.

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**NOTE 8 – PENSION PLAN (Continued)**

The expected real rate of return by asset class are as follows:

Asset Class	Assumed asset Allocation	Real Return Years 1 - 10 <sup>1,2</sup>
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	100%	

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

(2) Figures are based on the 2021 Asset Liability Management study.

**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%)
\$855,097	\$125,678	(\$474,740)

**Pension Plan Fiduciary Net Position**

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

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**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, 2025, 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, 2025, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>6</u>
Total	<u><u>9</u></u>

**Total OPEB Liability**

The Authority's total OPEB liability of \$53,269 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2024 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, 2024
Measurement Date	June 30, 2024
General Inflation	2.5% annually
Discount Rate	3.93% at June 30, 2024
	Based on Bond Buyer 20-bond Index on June 30, 2024
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Healthcare participation	50%



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

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

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2024	\$66,047
Service Cost	7,826
Interest	2,697
Actual vs. expected experience	(20,831)
Assumption changes	(2,470)
Net changes	(12,778)
Balance at June 30, 2025	\$53,269

Changes of assumptions reflect a change in the discount rate from 3.65 percent in measurement year ended June 30, 2023 to 3.93 percent in measurement year ended June 30, 2024.

*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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$62,830	\$53,269	\$45,560

*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	\$42,628	\$53,269	\$67,291

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

<b>NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)</b>
--

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

For the year ended June 30, 2025, the Authority recognized OPEB expense of \$3,418. At June 30, 2025, 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		\$43,561
Changes in assumptions	\$11,960	22,671
Total	\$11,960	\$66,232

No contributions or payments for benefits were made during the year ended June 30, 2025.

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
2026	(\$7,105)
2027	(7,105)
2028	(6,591)
2029	(6,340)
2030	(6,643)
Thereafter	(20,488)
Total	(\$54,272)

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2025**

**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% which is the incremental borrowing rate to discount the future payments. 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 \$486,268, as of June 30, 2025, 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 \$115,710 and \$17,901, as of June 30, 2025, respectively.

The remaining obligations associated with these leases are as follows:

Lessee Activities	Balance at July 1, 2024	Deletions	Balance at June 30, 2025	Current Portion
Right to use assets - leased assets				
Office space	\$780,929	(\$110,534)	\$670,395	\$117,169
Equipment	23,038	(5,176)	17,862	5,634
Total right to use assets - leased assets	<u>\$803,967</u>	<u>(\$115,710)</u>	<u>\$688,257</u>	<u>\$122,803</u>

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

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$122,803	\$16,420
2027	130,218	12,975
2028	137,390	9,312
2029	138,805	5,749
2030	146,629	2,261
2031	12,412	25
	<u>\$688,257</u>	<u>\$46,742</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, 2025**

<b>NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS</b>
--

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The Authority is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provides users of government financial statements with essential information concerning two types of capital assets: (1) capital assets associated with leases and other intangible assets and (2) capital assets held for sale. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The Authority has not yet determined the effect of this Statement on its financial statements.

## Required Supplementary Information

This Page Left Intentionally Blank

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Cost-Sharing Multiple Employer Defined Benefit Retirement Plan**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY**

Measurement Date	2024	2023	2022	2021	2020
Proportion of the net pension liability (asset)	0.001036%	0.001160%	0.000260%	0.032910%	0.003730%
Proportionate share of the net pension liability (asset)	\$125,658	\$144,098	\$30,180	(\$624,980)	\$157,469
Covered payroll	964,669	925,485	891,658	859,952	881,310
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	13.03%	15.57%	3.38%	-72.68%	17.87%
Plan Fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	90.49%	88.29%

  

Measurement Date	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.007670%	0.012400%	0.011930%	0.019790%	0.021060%
Proportionate share of the net pension liability (asset)	\$307,159	\$467,474	\$470,274	\$385,071	\$281,262
Covered payroll	803,018	668,374	708,206	687,362	577,799
Proportionate Share of the net pension liability (asset) as	38.25%	69.94%	66.40%	56.02%	48.68%
Plan Fiduciary net position as a percentage of the total pension liability	88.06%	89.12%	90.56%	89.69%	74.06%

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Cost-Sharing Multiple Employer Defined Benefit Retirement Plan**  
**As of fiscal year ending June 30, 2025**  
**Last 10 Years**  
**Schedule of Contributions**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution (actuarially determined)	\$98,511	\$93,641	\$68,122	\$83,076	\$100,607
Contribution in relation to the actuarially determined contributions	<u>(93,641)</u>	<u>(93,641)</u>	<u>(68,122)</u>	<u>(170,722)</u>	<u>(298,584)</u>
Contributions deficiency (excess)	<u>\$4,870</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$87,646)</u>	<u>(\$197,977)</u>
Covered payroll	\$964,669	\$925,485	\$744,757	\$922,802	\$859,952
Contributions as a percentage of covered payroll	10.21%	10.12%	9.15%	9.00%	11.70%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$102,986	\$71,760	\$75,967	\$74,273	\$70,318
Contribution in relation to the actuarially determined contributions	<u>(302,986)</u>	<u>(71,760)</u>	<u>(75,967)</u>	<u>(74,273)</u>	<u>(70,318)</u>
Contributions deficiency (excess)	<u>(\$200,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$881,310	\$803,018	\$668,374	\$708,206	\$687,362
Contributions as a percentage of covered payroll	11.69%	8.94%	11.37%	10.49%	10.23%



**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY**  
**Agent Multiple-Employer Other Post-Employment Defined Benefits Plan**  
**As of fiscal year ending June 30, 2025**  
**Schedule of Changes in the**  
**Net OPEB Liability and Related Ratios**  
**Last 10 Years\***

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service cost	\$7,266	\$6,454	\$9,197	\$10,174	\$14,120	\$14,658	\$7,778	\$7,826
Interest on total OPEB liability	1,142	1,508	1,957	2,318	1,886	2,218	2,298	2,697
Differences between expected and actual experience	-	-	-	(17,019)	-	(22,724)	-	(20,831)
Changes in assumptions	(5,558)	(2,262)	3,535	19,678	804	(25,017)	(1,181)	(2,470)
Net change in total OPEB liability	2,850	5,700	14,689	15,151	16,810	(30,865)	8,895	(12,778)
Total OPEB Liability -- beginning	32,817	35,667	41,367	56,056	71,207	88,017	57,152	66,047
Total OPEB Liability -- ending (a)	\$35,667	\$41,367	\$56,056	\$71,207	\$88,017	\$57,152	\$66,047	\$53,269
Covered payroll	\$668,374	\$803,018	\$881,310	\$859,952	\$922,802	\$877,858	\$725,569	\$913,174
Total OPEB Liability as a percentage of covered payroll	5.34%	5.15%	6.36%	8.28%	9.54%	6.50%	9.10%	5.83%
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024

\* Fiscal year 2018 was the first year of implementation.

**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%	3.65%	3.93%
Inflation Rate	2.75%			2.50%	2.50%	2.50%	2.50%	2.50%
Mortality Improvement Scale	MP-2016			MP-2020	MP-2020	MP-2021	MP-2021	MP-2021

Central Contra Costa Solid Waste Authority  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget to Actual  
- General Fund  
Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Administrative fees	\$2,654,734	\$2,654,734	\$2,654,734	\$0
Source reduction and recycling education fees	3,410,703	3,410,703	4,279,520	868,817
Intergovernmental	591,371	591,371	278,681	(312,690)
Investment income	524,230	524,230	970,182	445,952
New Franchise Development	1,355,000	1,355,000	1,324,000	(31,000)
Miscellaneous	10,500	10,500	4,472	(6,028)
Total revenues	8,546,538	8,546,538	9,511,589	965,051
Expenditures				
Current:				
General government:				
Personnel services	1,266,372	1,266,372	1,264,716	1,656
Materials and supplies	95,228	95,228	50,379	44,849
Office rent and utilities	190,953	190,953	185,442	5,511
Professional contracts and services	1,164,180	1,164,180	759,483	404,697
Recycling processing cost	2,640,607	2,640,607	2,654,434	(13,827)
Diversion programs	1,043,993	1,043,993	942,085	101,908
Distributions to member agencies	835,685	835,685	1,862,811	(1,027,126)
Total expenditures	7,237,018	7,237,018	7,719,350	(482,332)
Excess (deficiency) of revenues over (under) expenditures	1,309,520	1,309,520	1,792,239	482,719
Net change in fund balance	1,309,520	1,309,520	1,792,239	482,719
Fund Balance - Beginning	3,201,539	3,201,539	3,201,539	
Fund Balance - Ending	\$4,511,059	\$4,511,059	\$4,993,778	\$482,719

See Note to the Required Supplementary Information

Central Contra Costa Solid Waste Authority  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget to Actual  
- Reuse and Clean Up Days Special Revenue Fund  
Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Source reduction and recycling education fees	\$1,127,511	\$1,127,511	\$1,127,511	
Expenditures				
Public information	1,127,511	1,127,511	1,127,511	
Fund Balance - Beginning	85,877	85,877	85,877	
Fund Balance - Ending	<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, 2025**

**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.

## Other Report

This Page Left Intentionally Blank

**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, 2025, and have issued our report thereon dated October 14, 2025.

**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*.

We have also issued a separate Memorandum on Internal Control dated October 14, 2025, which is an integral part of our audit and should be read in conjunction with this report.

### **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.

A handwritten signature in black ink that reads "Maze + Associates". The script is cursive and somewhat stylized.

Pleasant Hill, California  
October 14, 2025





# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** DAVID KRUEGER, EXECUTIVE DIRECTOR  
**DATE:** DECEMBER 11, 2025  
**SUBJECT:** SOLID WASTE COLLECTION RATES FOR RATE YEAR 12

## RECOMMENDED ACTION

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

## DISCUSSION

During the month of November 2025, staff met individually with each Member Agency's staff and Board representatives to propose solid waste collection rates for Rate Year 12 (March 1, 2026 through February 28, 2027). The rate components evaluated included:

- Compensation to Republic Services and Mt. Diablo Resource Recovery for collection and processing services (which were increased in accordance with the formulas in their franchise agreements)
- The Authority's cost to administer contracts, implement programs, achieve regulatory compliance, and provide public education (based upon the Board-approved budget for the current fiscal year, July 1, 2025 through June 30, 2026)
- Member Agency Fees

The impact of rates on Member Agency Reserve Funds were also considered. One of the primary purposes of the Member Agency Reserve Funds is to "smooth" rates. This means building up reserves when the base rate increases are small, and spending reserves to mitigate large rate increases. The Authority is anticipating a significant rate increase after the current franchise agreements expire on February 28, 2027. Therefore, all of the Member Agencies recommended building their reserves during Rate Year 12 in order to mitigate the anticipated rate shock in 2027. At the November meetings the Member Agencies also made preliminary plans for rates in 2027 and beyond.

The table below contains the proposed rate increase for each Member Agency expressed in **dollars per household per month** and as a percentage. The example used is the **32-gallon landfill cart** for single-family homes, which is the most common rate for each Member Agency. The proposed percentage increase would be the same for all of a Member Agency's solid waste rates.

32-Gallon \$/Month				
Member Agency	RY 11	RY 12	\$ Increase	% Increase
Orinda	\$66.68	\$70.68	\$4.00	6%
Moraga	\$49.96	\$53.46	\$3.50	7%
Lafayette	\$47.84	\$52.62	\$4.78	10%
Danville	\$41.36	\$45.08	\$3.72	9%
County	\$37.02	\$39.61	\$2.59	7%
Walnut Creek	\$31.99	\$33.91	\$1.92	6%

The table below compares the proposed RY 12 rates for each Member Agency to the most recently approved rates in other local jurisdictions. The example is the 32-gallon landfill cart for single-family homes.

Rank	Jurisdiction	32-Gallon \$/Month
1	Piedmont	\$108.60
2	<b>Orinda</b>	<b>\$70.68</b>
3	El Cerrito	\$68.21
4	Kensington	\$63.12
5	Richmond	\$58.45
6	Hercules	\$58.07
7	Pinole	\$55.37
8	Concord	\$54.31
9	<b>Moraga</b>	<b>\$53.46</b>
10	<b>Lafayette</b>	<b>\$52.62</b>
11	San Pablo	\$52.37
12	San Ramon	\$52.11
13	West CC County	\$50.96
14	Martinez	\$48.82
15	<b>Danville</b>	<b>\$45.08</b>
16	Dublin	\$42.92
17	Antioch	\$41.39
18	Livermore	\$40.73
19	<b>County</b>	<b>\$39.61</b>
20	Pleasant Hill	\$36.40
21	Brentwood	\$36.17
22	<b>Walnut Creek</b>	<b>\$33.91</b>

Staff will bring the final recommended solid waste collection rates for Rate Year 12 to the Board for approval at the January 27, 2026 Board Meeting. Member Agencies may change their recommended RY 12 rate increase at or before the January Board Meeting.



# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** JUDITH SILVER, SENIOR PROGRAM MANAGER  
**DATE:** DECEMBER 11, 2025  
**SUBJECT:** WASTE CHARACTERIZATION STUDY FOLLOW-UP QUESTIONS

## SUMMARY

At the October 23, 2025 Board Meeting, staff provided a presentation about the Waste Characterization and Waste Capture Study (Study) completed by the Authority in 2025. Board members had some follow-up questions for staff which are addressed in this report.

## RECOMMENDED ACTION

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

## DISCUSSION

At the October 23, 2025, Board meeting, staff provided a presentation about the Waste Characterization and Waste Capture Study (Study). Board members had two follow-up questions which are addressed in this report:

1. Are member agencies that have been recycling food scraps the longest doing a better job of capturing their food scraps than those that started in 2015?
2. Are residents who have smaller garbage carts doing a better job of sorting and diverting material than residents with larger garbage carts?

The analysis for both these questions comes with the caveat that the number of samples by member agency and garbage cart size is small so the margin of error may be large.

**Table One** shows the total number of single-family cart samples collected during the capture study.

**Table One**

Number of Carts Sampled				
	Landfill	Recycling	Organics	Grand Total
<b>County</b>	21	20	22	63
<b>Danville</b>	22	23	19	64
<b>Lafayette</b>	20	18	17	55
<b>Moraga</b>	12	10	8	30
<b>Orinda</b>	11	10	11	32
<b>Walnut Creek</b>	24	21	15	60
<b>Grand Total</b>	110	102	92	304

The Lamorinda communities added food scraps to their residential green carts in 2007, followed by Walnut Creek in 2010. Danville and unincorporated county added food scraps in 2015. **Table 2** shows the residential capture rate of organic materials by member agency and the year that each began including food scraps in the green cart. Lafayette and Orinda have the highest capture rate among all the members. Thus, it is arguable that the member agencies that began later are not performing quite as well. The capture rate is the percentage of the material that was found in the correct cart.

**Table Two**

Organic Materials Capture Rates by Member Agency					
	Year Food Scraps added to Organics	Food Scraps	Compostable paper	Yard Trimmings	Wood
<b>Service Area Average</b>		27%	13%	96%	33%
<b>County</b>	2015	28%	19%	98%	30%
<b>Danville</b>	2015	24%	14%	99%	14%
<b>Walnut Creek</b>	2010	22%	9%	100%	94%
<b>Orinda</b>	2007	35%	10%	100%	85%
<b>Moraga</b>	2007	10%*	1%	99%	0%**
<b>Lafayette</b>	2007	42%	12%	95%	20%

\* Only 8 green carts sampled

\*\* No wood found

**Table Three** shows the capture rate of the recycling categories by member agency. It shows that while there is still room for improvement, residents have a strong understanding of how to properly separate recyclables into their blue cart.

**Table Three**

Recyclable Materials Capture Rates by Member Agency				
	Paper	Metal	Glass	Plastic
<b>Service Area Average</b>	84%	60%	79%	54%
<b>County</b>	80%	54%	68%	55%
<b>Danville</b>	90%	50%	73%	71%
<b>Walnut Creek</b>	85%	62%	81%	67%
<b>Orinda</b>	92%	68%	87%	51%
<b>Moraga</b>	86%	64%	93%	38%
<b>Lafayette</b>	74%	65%	80%	93%

**Tables Four** and **Five** represent the residential recycling and organics capture rates by landfill cart size. **Table Four** shows the number of landfill carts sampled by cart size. Three 96-gallon landfill carts were combined into the 64-gallon cart category. **Table Five** shows that residents with 20-gallon landfill carts are doing a better job of capturing their food scraps into their organics carts than those with either 34 or 64-gallon landfill cart sizes.

**Table Four**

Cart Size	# of Landfill Carts Sampled
20-gallon	12
34-gallon	63
64 & 96-gallon	35

**Table Five**

	Organic Materials Capture Rates by Landfill Cart Size				Recyclable Materials Capture Rates by Landfill Cart Size			
	Food Scraps	Compostable Paper	Yard Trimmings	Wood	Paper	Metal	Glass	Plastic
<b>Service Area Average</b>	27%	13%	96%	33%	84%	60%	79%	54%
<b>Cart Size</b>								
<b>20-gallon</b>	41%	22%	99%	88%	95%	60%	91%	63%
<b>34-gallon</b>	27%	14%	98%	63%	81%	95%	76%	61%
<b>64 &amp; 95-gallon</b>	25%	10%	99%	100%	84%	61%	80%	60%

**Additional Question and Phase 2 Study Dates**

In addition to the questions addressed above, staff was asked to research additional funding opportunities to help pay for Phase 2 of the study. Unfortunately, staff were unable to identify additional funding sources. Phase 2 of the study will take place in Spring, 2026:

- Residential WCS: April 27 – May 1 (5 days)
- Self- Haul Visual Audits: May 6 – 8 (3 days)

**Correction to the September 2025 Waste Characterization and Waste Capture Study staff Report**

Finally, there was an error in the October Waste Characterization and Waste Capture Study staff report; the phrase below represents the correction:

**Original sentence:** Alameda County reduced their target from 0.08 per person per year to 0.27. San Francisco reduced its target from 0.08 to 0.37 per year

**Corrected sentence:** Alameda County reduced their target from 0.08 per person per year to 0.027. San Francisco reduced its target from 0.08 to 0.037 per year.



# Agenda Report

**TO:** CCCSWA BOARD OF DIRECTORS  
**FROM:** DAVID KRUEGER, EXECUTIVE DIRECTOR  
**DATE:** DECEMBER 11, 2025  
**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 interacts 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:

As described in the Third Amendment to the Republic franchise agreement, the new service quality metric is 2,700 or fewer missed container pickups from residential subscribers on incomplete routes in a four-week period. Republic is entitled to a special rate increase in RY 12 that is based on the number of four-week periods in which they met the service quality metric. Because they met the service quality metric in 11 of the 12 four-week periods, they will receive a special rate increase of \$2,138,515.02 in RY 12 (March 2026 – February 2027). The Third Amendment also provides that \$112,553.42 of the RY12 special rate increase may be “clawed back” for each four-week period that Republic does not meet the metric between September 15, 2025, and February 26, 2027. Therefore, we are continuing to track performance through the end of the franchise.

Period	Four-Week Period Beginning	Number of Missed Residential Collections	Metric Met (2,700 or fewer)
1	September 15, 2025	2268	Yes
2	October 13, 2025	1372	Yes
3	November 10, 2025	2112	Yes
4	December 8, 2025		
5	January 5, 2026		
6	February 2, 2026		
7	March 2, 2026		
8	March 30, 2026		
9	April 27, 2026		
10	May 25, 2026		
11	June 22, 2026		
12	July 20, 2026		
13	August 17, 2026		
14	September 14, 2026		
15	October 12, 2026		
16	November 9, 2026		
17	December 7, 2026		
18	January 4, 2027		
19	February 1, 2027		

### **Completed and Ongoing Activities:**

The November monthly **Member Agency liaison meeting** focused on SB 1383 recycled-paper purchasing requirements. Staff invited R3 Consulting to provide an overview of the law including recordkeeping requirements. The liaisons were encouraged to invite city/town staff responsible for purchasing to attend the meeting. The meeting was recorded and distributed to each liaison for future use and reference. In December, staff and the liaisons gather for a holiday lunch.

Member Agency Liaisons			
Name & Member Agency	Title	Email	Phone (925)
David Brockbank, County	Conservation Program Manager	<a href="mailto:David.Brockbank@dcd.cccounty.us">David.Brockbank@dcd.cccounty.us</a>	655-2911
Cat Bravo, Danville	Management Analyst	<a href="mailto:cbravo@danville.ca.gov">cbravo@danville.ca.gov</a>	314-3377
Nichole Zittel	Associate Planner	<a href="mailto:nzittel@ci.lafayette.ca.us">nzittel@ci.lafayette.ca.us</a>	299-3211
Darin Hughes, Orinda	Assistant Planner	<a href="mailto:dhughes@cityoforinda.org">dhughes@cityoforinda.org</a>	253-4269
Cassius Carandang, Moraga	Assistant Planner	<a href="mailto:ccarandang@moraga.ca.us">ccarandang@moraga.ca.us</a>	888-7042
Candice Rankin Mumby, Walnut Creek	Sustainability Manager	<a href="mailto:rankinmumby@walnut-creek.org">rankinmumby@walnut-creek.org</a>	943-5899 x2304



**Annual Route Audits.** The Authority's contractor, SCS Engineers, conducted cart and bin audits at accounts along our 69 residential and commercial/multifamily routes as required by SB 1383. Follow up outreach to help decrease contamination at commercial and multifamily accounts took place during the week of October 20, the week following the audits. Education took the form of letters, emails, phone calls and in-person communication and assistance. See **Attachment A** for an example of a letter sent to a commercial account.

**CalRecycle approval of the 2024 Electronic Annual Report**

CalRecycle communicated that it has completed its review of the Authority's 2024 Electronic Annual Report (EAR) and is satisfied with the report. No additional information specific to the submittal is requested at this time.

**Staff participated in or attended the following meetings in November & December 2025**

- HF&H Emerging Issues Summit, November 4
- BayROC (Bay Area Recycling Outreach Coalition) meeting, November 13
- Lafayette Environmental Task Force, November 13 and December 11
- Chat with CalRecycle: Organics Collections at large venues and events, November 19
- Circular Action Alliance Presentation on SB 54 and progress toward implementation hosted at StopWaste's offices, November 20

**ATTACHMENT**

- A. Follow up letter to a commercial account regarding route audit findings.

November 5, 2025

Name of Business

**Help your community by sorting properly!**

RecycleSmart was in your community recently, conducting state-required solid waste cart/bin inspections. During our inspection on October 14, 2025, we found that the following items were **incorrectly** placed in your cart/bin(s):

*Photos are provided for reference but unacceptable items found during inspection may not be fully visible in all photos.*

**Plastic Bottles and Paper Towels in your Landfill cart/bin:**



**Paper Towels in your Recycling cart/bin:**



No unacceptable items were found in your **Organics cart/bin**.

**Great job keeping this stream clean!**



#### **Reminders**

- Please discard **Plastic Bottles** in the **Recycling** cart/bin.
- Please discard **Paper Towels** in the **Organics** cart/bin.

California State Law SB 1383 and local ordinance 21-1 require commercial entities and all residents to properly sort materials into organics, recycling and landfill carts/bins and that managers annually educate tenants and employees about how to sort properly. Visit [RecycleSmart.org/1383](https://RecycleSmart.org/1383) and [recyclesmart.org/franchise](https://recyclesmart.org/franchise) to learn more.

For free training, tools, and resources, please call a Republic Services Sustainability Advisor at (925) 671-5860 or email [sustainabilityadvisors@republicservices.com](mailto:sustainabilityadvisors@republicservices.com) They can help with:

- A site visit, cart/bin audit and service analysis
- Program guides, posters and stickers
- Employee training and links to online training videos
- Referral to local food rescue organizations and services

RecycleSmart

[Authority@RecycleSmart.org](mailto:Authority@RecycleSmart.org)

925-906-1801



## Future Agenda Items

TYPE	BOARD MEETING: 1/27/2026 – Board Retreat in Lafayette
C	Approve 12/11/2025 Minutes
A	Adoption of Solid Waste Collection Rates for Rate Year 12
I	Executive Director's Monthly Report

TYPE	BOARD MEETING: 2/26/2026
C	Approve 01/27/2026 Minutes
C	Mid-Year 2026 Budget Actuals
I	Executive Director's Monthly Report

TYPE	BOARD MEETING: 03/26/2026
C	Approve 02/26/2026 Minutes
A	Elect Chair and Vice Chair for 2026-27
A	Resolution Recognizing Candace Andersen as Chair for 2025-26
A	2026 Legislation Bills and Recommendations
I	Executive Director's Monthly Report

TYPE	BOARD MEETING: 04/23/2026
C	Approve 03/26/2026 Minutes
I	Executive Director's Monthly Report

### TYPE

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