DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
CITY OF CRESCENT CITY
COUNTY OF DEL NORTE
STATE OF CALIFORNIA

Board of Supervisors Chambers
Flynn Center 981 H Street
Crescent City, CA

Regular Session **Tuesday February 20, 2018** **3:30 PM**

++

The Solid Waste Management Authority of the City of Crescent City and the County of Del Norte, State of California, is now meeting in Regular Session. Only those items that indicate a specific time will be heard at the assigned time. All items may be taken out of sequence to accommodate public and staff availability.

++

All documents referred to in this agenda are available at the Office of the Del Norte Solid Waste Management Authority at 1700 State Street in Crescent City, between the hours of 8 A.M. and 5 P.M. Monday through Friday OR online at www.recycledelnorte.ca.gov
For more information call 465-1100 or email dnswma@recycledelnorte.ca.gov

3:30 PM **CALL MEETING TO ORDER / ROLL CALL**
PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS:

3:30 PM ANY MEMBER OF THE PUBLIC MAY ADDRESS THE SOLID WASTE MANAGEMENT AUTHORITY ON ANY MATTER ON OR OFF THE AGENDA. After receiving recognition from the Chair, please give your name and address for the record. Comments will be limited to three minutes.

OPEN SESSION ITEMS:

1. CONSENT AGENDA

1.1 Approve minutes, Regular Session, Tuesday January 16, 2018. **
1.2 Approve payment of Claim 8117 to CalPERS in the amount of $163,456.00 **
1.3 Approve budget transfer for FY 17/18 in the amount of $87,132.00 **

END CONSENT AGENDA

2. TREASURER'S REPORTS

Agenda items 2.1 through 2.5 are provided for information only

2.1 Director's Report for February 2018. **
2.2 Treasurer/Controller Reports for December 2017 **
2.3 Claims approved by Director & Treasurer for January 2017 **
2.4 Monthly Cash and Charge Reports for January 2017**
2.5 Earned Revenue Comparisons between FY16/17 and FY17/18 **

DISCUSSION/ACTION ITEMS

3. LANDFILL POSTCLOSURE

3.1 Discussion and possible action regarding application submitted to the California Office of Emergency Services for reimbursement of $87,132.00 for repair of storm-related damage at the Crescent City Landfill. **

3.2 Discussion and possible action regarding adoption of a Pledge of Revenue to use funds raised at the Del Norte County Transfer Station as needed to address emergency response and repairs at the Crescent City Landfill. **

3.3 Discussion and possible action regarding Resolution 2018-02 **AUTHORIZING A PLEDGE OF REVENUE AGREEMENT WITH CALRECYCLE TO PROVIDE FINANCIAL ASSURANCE FOR POSTCLOSURE MAINTENANCE AND CORRECTIVE ACTION OF THE CRESCENT CITY LANDFILL. ****

3.4 Status report regarding submittal of the Semi-annual monitoring report for the Crescent City Landfill for July- December 2017. **

4. COLLECTIONS FRANCHISE - No Items

5. TRANSFER STATION - No Items

6. OTHER GENERAL SOLID WASTE AUTHORITY MATTERS

6.1 Discussion and possible action regarding the election of Authority Officers for 2018, including Chair, Vice-Chair and Secretary. **

6.2 Discussion and possible action regarding the Independent Auditor's Report from Patel & Associates and the Annual Financial Statements for the Del Norte Solid Waste Management Authority for the year ended June 30, 2017, and associated responses. **

6.3 Discussion and possible adoption of Resolution 2018-01, increasing the amount of Imprest Cash for the Del Norte Solid Waste Management Authority from $3,500 to $3,800. **

6.4 Discussion and possible action regarding two requests for Authority-allocated bins pulls: one request from Del Norte Surfrider for three bins, one each to support beach cleanups on February 17th, April 22nd, and July 5th; and one from US. Fish & Wildlife Service to support a broom bash at Pacific Shores on March 24, March 31, or April 7. **

6.5 Discussion and possible action regarding advocacy supporting SB 168 (Wieckowski) as amended to establish minimum recycled content for beverage containers. **

7. ADJOURNMENT

Adjourn to the next Regular Meeting of the Del Norte Solid Waste Management Authority scheduled for 3:30 P.M. Tuesday March 20, 2018 at the Del Norte County Board of Supervisors' Chambers, 981 H Street, Suite 100 in Crescent City.

**** Asterisks next to Agenda Item indicates an associated attachment**

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
CITY OF CRESCENT CITY
COUNTY OF DEL NORTE
STATE OF CALIFORNIA

Board of Supervisors Chambers
Flynn Center 981 H Street
Crescent City, CA

MINUTES

Regular Session **Tuesday January 16, 2018** **3:30 P.M.**

PRESENT:
Commissioner Chris Howard, Vice Chair
Commissioner Blake Inscore, Chair
Commissioner Jason Greenough
Commissioner Lori Cowan
Director Tedd Ward
Legal Counsel Autumn Luna
Authority Clerk Kyra Seymour
Authority Treasurer/Controller Rich Taylor

ABSENT:
Jeremy Herber - General Manager, Recology Del Norte
Commissioner Eli Naffah

ALSO PRESENT:
Joel Wallen - Operations Manager Hambro/WSG
David Slagle - Interim CEO Hambro/ WSG
Dominic Mello, Del Norte County Code Enforcement Officer and Manager of the Del Norte Abandoned Vehicle Abatement Service Authority

3:30 P.M. CALL MEETING TO ORDER / ROLL CALL
PLEDGE OF ALLEGIANCE

Commissioner Cowan led the Pledge of allegiance.

PUBLIC COMMENTS:
3:30 P.M.

At 3:32 P.M. Chair Inscore called for public comments.

Jake Smith (County) suggested that the Authority website more clearly indicate the date and location of each Authority meeting. Mr. Smith also expressed concern about illegal dumping at the "Pink Hotel" in Smith River, and suggested that all multi-family complexes have disposal bins.

1.1

Dominic Mello, Code Enforcement and AVA, responded regarding concerns of illegal dumping at the "Pink Hotel." He reported that this area is undergoing asbestos and lead testing as a necessary step in the abatement and cleanup of this property.

The Chair asked for any other public comments. Seeing none, the Chair closed public comments at 3:36 P.M.

At 3:37 P.M. Chair Inscore temporarily adjourned the meeting of the Del Norte Solid Waste Management Authority and reconvened as the Abandoned Vehicle Abatement Authority, to address agenda item 7.

7 ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY

7.1 Discussion regarding a status report of activities of the Abandoned Vehicle Abatement Service Authority since August 2017.

Dominic Mello presented a Quarterly Report Showing a revenue of $ 5429.22, explaining that towing recreational vehicles used a majority of the funding during this period.

At 3:40 P.M. Chair Inscore adjourned the meeting of the Abandoned Vehicle Abatement Authority and reconvenes as the Del Norte Solid Waste Management Authority

OPEN SESSION ITEMS:

1. CONSENT AGENDA

1.1 Approve minutes, Special Session, Monday December 11, 2017.
1.2 Approve transfer to Del Norte County in the amount of $39,853.52 for sub-lease rental payments. **022101**
1.3 Approve budget transfer for FY 17/18 in the amount of $11,601.00. **022101**
1.4 Approve payment of claim 8087 in the amount of $6,300.00 for invoice #9599 from Patel & Associates' audit of the Authority's financial statements for FY 16/17.

On a motion by Commissioner Howard, seconded by Commissioner Cowan and unanimously carried on a polled vote, the Del Norte Solid Waste Management Authority approved and adopted the consent agenda.

END CONSENT AGENDA

2. TREASURER'S REPORTS

Agenda items 2.1 through 2.5 are provided for information only

2.1 Director's Report for January 2018. **231501**
2.2 Treasurer/Controller Reports for November 2017
2.3 Claims approved by Director & Treasurer for December 2017 **031202**
2.4 Monthly Cash and Charge Reports for December 2017
2.5 Earned Revenue Comparisons between FY16/17 and FY17/18

The Board asked for some clarification regarding recyclability of bottlecaps.

Joel Wallen, replied for Hambro Forest Products that bottle caps are not being accepted as CRV at their Buy-back operation. Director Ward explained that in Recology Del Norte's recycling programs, bottle caps should be removed, but the caps are recyclable.

Items 2.1 through 2.5 were presented by Director Ward and accepted.

DISCUSSION/ACTION ITEMS

3. LANDFILL POSTCLOSURE

3.1 Discussion and possible action regarding completion of landfill repairs and payment of claim #8086 to Hemmingsen Contracting Company, Inc. for invoice 008331in the amount of $42,400.00 for completion of landfill repairs. **192001**

Director Ward presented a slide show showing before and after pictures of the areas repaired. On a motion by Commissioner Howard, seconded by Commissioner Greenough and unanimously carried on a pulled vote, the Del Norte Solid Waste Management Authority approved payment of claim #8086 to Hemmingsen Contracting Company, Inc. for invoice 008331in the amount of $42,400.00 for completion of landfill repairs.

4. COLLECTIONS FRANCHISE - No Items

5. TRANSFER STATION

5.1 Discussion and possible action regarding plans for Del Norte County Transfer Station floor and ramp repair by American Restore February 2-4, 2018. **200601**

Director Ward explained that the Del Norte County Transfer Station will temporarily close on Friday February 2nd at noon so these repairs can be made. This facility will re-open at 8 AM on Monday February 5th. The Gasquet Transfer Station will be open on February 4th from 10 A.M. until 4 P.M., and the Klamath Transfer Station will be open on February 5th from 10

A.M. until 4 P.M. Staff are handing out flyers to customers and will submit public service announcements to local radio stations and newspapers to announce these temporary closures.

6. OTHER GENERAL SOLID WASTE AUTHORITY MATTERS

6.1 Discussion and possible adoption of Ordinance 2018-01 **REPEALING ORDINANCE 97-04 AND ADOPTING NEW INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM CONSTRUCTION COST ACCOUNTING ACT. 091410**

On a motion by Commissioner Howard, seconded by Commissioner Cowan and unanimously carried on a polled vote, the Del Norte Solid Waste Management Authority adopted Ordinance 2018-01 **REPEALING ORDINANCE 97-04 AND ADOPTING NEW INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM CONSTRUCTION COST ACCOUNTING ACT.**

6.2 Discussion and possible adoption of a Professional Service Agreement with Richard D. Taylor for services as Authority Treasurer/Controller. **201802**

On a motion by Commissioner Cowan, seconded by Commissioner Howard and unanimously carried on a polled vote, the Del Norte Solid Waste Management Authority approved the Professional Service Agreement with Richard D. Taylor for services as Authority Treasurer/Controller.

6.3 Discussion and possible action regarding the Injury Illness Prevention Program Code of Safe Practices, revised January 2018. **091411**

Director Ward presented the IIPP and Code of Safe Practices, explaining these are living documents summarizing the Authority's safety training and programs.

7. ADJOURNMENT

Chair Inscore adjourned the meeting at 4:11 P.M. to the next Regular Meeting of the Del Norte Solid Waste Management Authority scheduled for 3:30 P.M. Tuesday February 20, 2018 at the Del Norte County Board of Supervisors' Chambers, 981 H Street, Suite 100 in Crescent City.

____________________________ Date / /

Blake Inscore, Chair
Del Norte Solid Waste Management Authority

ATTEST:

____________________________ Date / /

Eli Naffah, Secretary
Del Norte Solid Waste Management Authority

Submitted:

____________________________ Date / /

Kyra Seymour, Clerk
Del Norte Solid Waste Management Authority

Del Norte Solid Waste Management Authority
1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300
www.recycledelnorte.ca.gov
The Authority's mission is the management of Del Norte County solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

Staff Report

Date:	**13 February 2018**
To:	**Commissioners of the Del Norte Solid Waste Management Authority**
From:	**Tedd Ward, M.S. –Director** Tedd **Del Norte Solid Waste Management Authority**
Attachments:	Excerpts from Bickmore's Actuarial Valuation of Other Post-Employment Benefit Programs as of July 1, 2015 OPEB Liability – Does it Matter? (ktp advisors)
File Numbers:	**180520**
Topic:	**Payment to CalPERS Pre-funding Other Post-Employment Benefits**

Summary / Recommendation: That the Board approve payment of the budgeted Annual Required Contribution in the amount of $163,456 to Cal PERS to pre-fund the Authority's Other Post-Employment Benefits.

Background: The attached documents provide background on how liabilities associated with Other Post-employment Benefits (OPEB) are assessed and how those liabilities can be approached by agencies such as the Authority.

The Authority initially deposited $44,500 in California's Employer's Retiree Benefit Trust (CERBT) program in June 2010. This balance has increased as this investment has grown, and the Authority has made additional annual contributions of $11,125 for each fiscal year until this point. This annual payment is far less than the annual increase in the net OPEB Obligation, which Bickmore has projected to increase by $102,175 between the end of FY 16/17 and FY 17/18.

Analysis: The financial statements for FY 16/17 from Patel & Associates (agenda item 6.2) on page 23 indicate that the Authority's Net OPEB obligation has increased by

$98,791 in the past fiscal year. Under General Accounting Standards Board (GASB) Statement number 45, this amount was recorded as an adjustment to the amount of Salaries and Benefits for FY 16/17, increasing that amount by nearly one hundred thousand dollars above the amount actually expended.

In conversation with the Authority Director, Catherine McLeod of Bickmore explained that under GASB 75, the financial statements for the Authority for FY 17/18 will need to report the full Unfunded Actuarial Accrued Liability (UAAL), which totaled $1,293,482 on 01 July 2015.

Ms. McLeod agreed that by making a single large payment of the Annual Required Contribution, the Authority will significantly reduce the UAAL for FY 17/18, and thereby improve the Authority's financial standing reported in subsequent annual audits. She also suggested that the next Actuarial OPEB Valuation should be used as a guide to determine the appropriate amount of OPEB contributions in future years.

Alternatives: The Authority could direct staff to make a payment of a different amount to Cal PERS for OPEB. Payment of $11,125 to this fund, as has been done in years past, can be expected to result in an increased amount of the UAAL, and a degradation of the Authority's financial position as assessed in the annual audit. Payment of a larger amount would exceed the amount budgeted and would first require a budget transfer.

Fiscal Impact: Increasing payment to Cal PERS for OPEB obligations will reduce the Authority's outstanding and increasing liabilities associated with retirement expenses. The actual changes to the Authority's net position will be summarized in the next Actuarial Valuation of these OPEB obligations.

ktp advisors

OPEB Liability – Does it Matter?

There is a lot of discussion about OPEB liability and how municipalities can control it. OPEB (Other Post-Employment Benefits) refers to a municipality's financial obligation to provide retiree healthcare. Most municipalities fund the cost of healthcare benefits for current retirees from the current operating budget. However, many municipalities fail to set aside funds to pay for the benefits promised retirees in the past or future obligations for healthcare benefits promised to current employees when they retire. As a result, unfunded OPEB liabilities grow over time. That funding shortfall is estimated to be in the trillions of dollars when aggregated over the entire country.

GASB 45, the standard issued by the Government Accounting Standards Board on financial reporting of OPEB liability by employers, has done a service to taxpayers by bringing this discussion to the forefront and forcing municipalities to put a number on their balance sheets for this long-term obligation. However, like many well intentioned efforts, this has had some negative, unintended consequences.

Given the focus on unfunded OPEB liabilities from taxpayer groups, the media, rating agencies, and, to a lesser extent, the public, it is not surprising that municipal managers worry about this problem. Unfortunately, because of how the dollar value of a municipality's liability is typically calculated, focusing only on bringing down OPEB by manipulating accounting assumptions will have no meaningful impact on the underlying cost of retiree healthcare benefits.

To reverse this trend, it is essential to understand how an OPEB valuation is calculated, its shortcomings, and why focusing on the assumptions that drive the magnitude of OPEB liability and not the underlying costs is misguided.

What are the assumptions that generate the OPEB liability and how can they be manipulated?

The OPEB liability on a municipal balance sheet is an attempt by the accounting/actuarial profession to turn the continuing liability for retiree healthcare into a reliable present value. While there clearly is a liability for future healthcare costs, the amount calculated by the actuarial analysis appears divorced from reality in many ways. That is not to say that the number is not valuable. However, if municipal officials don't understand how the value of the

OPEB liability is generated and what its limitations are, the number can be misleading and misused.

In calculating the OPEB liability, an actuary looks at how many people work for the municipality, how many have retired and the benefits promised. Other critical inputs include the age of workers, when they are likely to retire, and how long benefits will continue after retirement.

Lastly, the actuary reviews the various health plans that the municipality offers retirees, the costs of those plans, and the retiree cost share. At this point, the actuary must make some big assumptions in order to calculate the present value of the OPEB liability.

Big Assumption Number 1: Medical Cost Trends

The actuary needs to estimate how much the cost of retiree healthcare coverage will rise or fall in the future. To do so they typically start with a growth rate, say eight or nine percent, and then reduce it by 0.5 percent each year until it reaches a final growth rate of five percent some number of years later.

As a simplifying assumption for ease of calculation, this method seems reasonable on the surface. But what are municipalities actually paying for healthcare in the marketplace? What, if anything, are they doing to achieve this yearly reduction in the cost trend (i.e., growth rate) of providing retiree health benefits? Unless the municipality is taking specific actions to lower the cost trend, the amount of the OPEB obligation will be significantly underestimated. Furthermore, the actuarial analysis assumes that OPEB costs are compounding annually at lower and lower rates, which, unless mirroring real cost trends, further understates the actual size of the liability.

What does an actuary do when they return two years later to do the bi-annual OPEB valuation and the municipality has not seen the rate of growth drop by one percent? More often than not, the actuary just resets the schedule at eight to nine percent and pushes back the terminal date.

Big Assumption Number 2: Cash Flow Valuations

The calculation of current cost, cost trends, the number of people receiving benefits and the timing of those benefits is designed to generate a set of future cash flows required to pay for retiree health benefits.

The next set of assumptions is used to turn those cash flows into a present dollar value, i.e. the OPEB liability. The unfunded OPEB obligation can be thought of as similar to a homeowner's mortgage. The amount of an existing mortgage is analogous to the level of unfunded benefits promised to retirees in past years. Like a mortgage, payments to an

unfunded OPEB liability consist of both principal and interest. The interest rate is equal to the assumed inflation rate for the cost of retiree health benefits in the future. Similar to a mortgage, an OPEB liability can be amortized over a number of years – typically 30 years, the maximum allowed by GASB – to make funding the liability more affordable for the municipality. But when a municipality continues to provide retiree health benefits but does not fund them, it is effectively increasing the outstanding balance on a mortgage.

If a municipality does not fully fund benefits earned by retirees in the past, currently, and in the future, the liability will continue to rise. Moreover, even if the municipality does fund the past, present, and future obligations to retirees, but health care costs outstrip the actuary's estimates or the fund's investment returns are below projections, the unfunded liability will only continue growing.

Big Assumption Number 3: Interest Rates

Another critical element is the interest rate assumptions made by the actuary.

The corollary to a mortgage payment in the OPEB world is the ARC or Annual Required Contribution. This is the amount calculated by the actuary to fully fund the OPEB liability. If the municipality were making the full ARC payment, it would generate a sizeable fund to pay for retiree healthcare costs in later years. The rate of return on funds set aside determines the size of the ARC. The greater return you get on the money you put aside, the less you actually have to save. However, the higher *assumed* rate of return leaves you to mistakenly believe that you need to set aside less money, and also, the lower the present value of the OPEB liability because the cash flows are discounted at the same rate as the return on assets.

OK, that may be a bit hard to follow but it is very important to understand some of the potential manipulation of OPEB liability. There are two interest rates that the actuary can choose from in order to calculate its present value, the funded rate and the non-funded rate. The funded rate is the interest a municipality earns from the value of its retiree benefits fund assets (e.g., cash, stocks, bonds, etc.) if it has put aside money to cover the OPEB liability. Typically, that rate of return is around eight percent. If the municipality has not formed an OPEB trust or started to fund it, the actuary is forced to use a much lower rate of return, say around four percent. For this reason, forming an OPEB trust and depositing a minimal amount of assets into it can significantly lower the OPEB liability.

While funding an OPEB trust is a step in the right direction, it has inherent limitations as well. The most obvious limitation is the likelihood that in the current economic climate an OPEB trust fund will achieve a return of eight percent over the next 30 years. Currently, yields on 10-year government bonds are under two percent and the earnings yield on U.S. stocks is under six percent. Assuming a 70/30 stock/bond mix, this would suggest prospective OPEB trust returns of around 4.8 percent. So the likelihood of achieving an eight percent return from those assets is currently pretty slim.

Another significant flaw in the GASB 45 regulation is the triggers under which a municipality can change from a non-funded to a funded rate assumption. All that is required to form an OPEB trust is to put in place a funding "plan" and deposit some money in the trust. The amount can be significantly less than the total OPEB obligation. However, a municipality does not have to fund the trust every year in order to apply the higher assumed rate of return. Going from a four percent to eight percent return/discount rate assumption can drop the OPEB liability as much as 50 percent.

Think about that. The OPEB liability is supposed to accurately reflect the cost of retiree health benefits. Creating a trust with nominal dollar balance does nothing to affect the cost of providing the benefits, but it can reduce the OPEB liability *on paper* by tens of millions to hundreds of millions of dollars for larger cities.

What lessons can be learned from this process for generating the OPEB valuation?

The OPEB valuation itself is generated through a complex process with a number of critical assumptions, which can have a significant impact on the size of the liability. None of these assumptions deals directly with the actual cost of providing healthcare benefits to retirees. If municipal managers are focusing only on the accounting value of the OPEB liability, they are not tackling the real problem—why the costs are rising and how best to contain them. Addressing ktp advisors

those issues rather than manipulating interest rates or healthcare cost growth assumptions will help reduce the real drivers of municipal and retiree healthcare costs.

So how can you legitimately lower your OPEB liability?

One solution overlooked by many municipalities is to structure Medicare prescription drug benefits to take advantage of the Employer Group Waiver Plan subsidy (EGWP, pronounced "egg whip") instead of the more commonly used Retiree Drug Subsidy (RDS). These are federal subsidy programs available to plan sponsors (i.e., municipalities, in this case). This one shift can save an average of $480-$840 per Medicare retiree per year and also dramatically lower the OPEB liability.

Retiree health insurance is generally funded by municipalities as the benefit payments come due (i.e., a "pay-as-you-go"), in which current costs are funded annually from the operating budget. Because the EGWP subsidy pushes more of the cost of providing benefits onto the federal government, it can significantly lower a municipality's annual pay-as-you-go costs, leaving more money in the operating budget to fund the OPEB trust, without cutting retiree benefits or shifting a greater share of the costs onto retirees.

Municipalities that structure their Medicare retiree prescription drug benefits to take advantage of the EGWP subsidy receive a higher base subsidy than in the aggregate from RDS subsidies. They also receive free catastrophic reinsurance. With reinsurance, the federal government pays 80 percent of the cost any time a Medicare retiree's prescription drug expenses exceed the catastrophic threshold, which in 2013 is set at $6,734. In light of the high cost of specialty pharmaceuticals, the savings from a single Medicare retiree could be tens or even hundreds of thousands of dollars. In contrast, the most a municipality would receive per retiree from a RDS subsidy in 2013 is $1,757.

Other EGWP Benefits

Beyond simply reducing costs, the EGWP provides other key benefits. The Government Accounting Standards Board (GASB) has determined that because RDS receipts are considered general revenues to the municipality they do not count as a cost reduction when calculating OPEB liability. In contrast, because the EGWP subsidy and reinsurance directly lower the cost of retiree healthcare benefits, this cost reduction can be factored into calculating the OPEB liability.

This benefit helped the state of Connecticut reduce its OPEB obligation by $4.5 billion when it shifted from the RDS to an EGWP.

Lastly, as explained earlier, reducing the pay-as-you-go costs through an EGWP can leave money in the budget to fund the OPEB trust. As illogical as it sounds, putting some money into the trust can flip the discount rate used to calculate future OPEB liability from two to four percent to as much as six to eight percent. Moreover, by reducing the liability, partly from an
EGWP and partly by funding the OPEB trust, the ARC (Annual Required Contribution) declines as well.

###

Contact: Barry Eyre, at beyre@ktpadvisors.com or 401 490 9365

Other thought pieces and news commentary can also be found on the KTP Blog section of our Web site.

Vendor Cal PERS
Fiscal Services Division
PO Box 942703
Sacramento CA 94229-2703

COPY

Claim ID: 8117

AUDITOR COPY

Vendor ID: 18592

☐ *PBSP Expense*
☐ *Change of Address*

Special Warrant Routing

Fund	Dept	Line	Proj	Amount	Description
422	421	70800		$163,456.00	CERBT ACCT # C1000139725
		Total Claim:		$163,456.00	

I HEREBY CERTIFY THE ARTICLES OR SERVICES DESCRIBED ON THE ATTACHED INVOICES WERE NECESSARY FOR USE BY THE DEPARTMENT AND HAVE BEEN RECEIVED, AND THAT NO PRIOR CLAIM FOR SAME HAS BEEN

X
Signature of Department Head/Authorized Deputy

2/13/2018
Claim Date

CalPERS

Employer Contribution By Check Under Agreement and Election to Prefund Other Post-Employment Benefits

C1000139725 CERBT Account Number	Del Norte Solid Waste Management Authority Employer Name

1700 State Street, Crescent City, CA 95531
Employer Address

Tedd Ward Authorized Employer Representative Name	Director Title	707-465-1100 Telephone Number

Signature

COPY

Effective date of Agreement and Election to Prefund Other Post-Employment Benefits: 06 / 11 / 2010

$163,456.00 Amount of Contribution	 Check Number

Notes: Payment of Annual Required Contribution per Bickmore July 2015 Valuation.

Contributions to the Prefunding Plan are governed by the terms of the Agreement and Election to Prefund Other Post-Employment Benefits (Agreement).

To ask questions concerning contributions to the Prefunding Plan, email CERBT4U@calpers.ca.gov, or call 1-888-225-7377.

For proper crediting to your prefunding account, please complete this form and mail with your check payable to CalPERS at the following address:

CalPERS
FRAS – Cash Payment & Processing Unit
PO Box 942703
Sacramento, CA 94229-2703

In addition, please email an electronic copy of this form to FCSD_Cash_Management@calpers.ca.gov to ensure timely processing of your contribution.

For CalPERS use only

Bank Deposit Code: PEB

Deposit Date_____/_____/_______
(mm/dd/yyyy)

PERS01F0030 DMC (02-2007)

Bickmore

Del Norte Solid Waste Management Authority

Actuarial Valuation of the Other Post-Employment Benefit Programs As of July 1, 2015

Submitted June 2016

A. Executive Summary

This report presents the results of the July 1, 2015 actuarial valuation of the Del Norte Solid Waste Management Authority (the Authority) other post-employment benefit (OPEB) programs. Briefly, benefits include subsidized medical and dental coverage for eligible retirees. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45).

Under the Authority's OPEB program, benefits for eligible members include subsidized medical and/or dental coverage for the retiree and any eligible dependents. The Authority's OPEB liability is developed as the discounted value (present value) of the difference between (1) projected retiree healthcare claims and (2) the projected portion of this cost expected to be paid by the retirees. Future excise taxes expected to be paid under the Affordable Care Act for "high cost" retiree coverage are also part of the OPEB liability reflected in this valuation.

How much the Authority contributes each year affects the calculation of liabilities. When all future benefits are expected to be financed out of Authority assets or revenues (not from a trust), it is referred to as "pay-as-you-go" financing. Prefunding the plan requires the agency to contribute 100% or more of the Annual Required Contribution (ARC) each year. Prefunding generally supports use of a higher interest rate and typically produces substantially lower liabilities than a pay-as-you-go funding policy. When assets are set aside in a trust but at a level not sufficient to meet GASB 45 requirements for prefunding, it is referred to as "partial prefunding". In that type of approach, a "blended" discount rate is developed by the actuary reflecting the relative portions of future benefits expected to be financed out of the trust and out of Authority assets.

Because the Authority has contributed previously to the OEPB trust account established with the California Employers' Retiree Benefit Trust (CERBT), but does not plan to contribute the full ARC in the next few years, it is partially prefunding its OPEB obligations. Accordingly, we developed and used a blended discount rate of 4.79% for this valuation. Additional discussion of funding policy, including discount rates, is on page 8 and development of the blended discount rate is provided in Appendix 1. Rates used are not guarantees of future investment performance, but rather assumptions about the expected long term returns for assets used to pay future retiree benefits.

Exhibits presented in this report are based on our understanding that the results of this July 1, 2015 valuation will be applied in determining the annual required contribution (ARC) for the Authority's fiscal years ending June 30, 2017 and 2018[1]. The Actuarial Accrued Liability and Assets as of July 1, 2015 are shown below:

Discount Rate	4.79%
Actuarial Accrued Liability	$ 1,419,422
Actuarial Value of Assets	125,940
Unfunded Actuarial Accrued Liability	1,293,482
Funded Ratio	8.9%

The liabilities and calculations shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to continue coverage

[1] The annual OPEB expense for the fiscal year ending June 30, 2018 will later need to be revised under GASB 75.

Executive Summary (concluded)

for themselves and their dependents. Note that this valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

The following summarizes results for the fiscal year ending June 30, 2017:

Subsidy	Total
Annual Required Contribution (ARC) for FYE 2017	$ 152,902
Expected employer paid benefits for retirees	40,118
Expected contribution to OPEB trust	11,125
Expected net OPEB obligation at June 30, 2017	423,573

Detailed results are shown for fiscal years ending 2017 and 2018 in tables beginning on page 12. Additional information to assist in financial statement reporting is provided in Appendix 2.

An exhibit comparing current valuation results to those from the prior valuation is provided on page 6, followed by a description of changes. An actuarial valuation is a projection and to the extent that actual experience is not what we assumed, future results will be different. Differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates or in the subsidy provided by the Authority toward retiree medical premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or trust contributions other than were assumed; and
- Implementation of GASB 75, the new OPEB accounting standard, not later than the Authority's fiscal year ending June 30, 2018. One key change moves reporting of the unfunded OPEB liability from a footnote to the balance sheet.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages. The date of the next actuarial valuation should not be later than July 1, 2017. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the Authority's financial statements and to provide annual contribution information with respect to the Authority's current OPEB funding policy. Use of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. Various issues in this report may involve legal analysis of applicable law or regulations. The Authority should consult counsel on these matters; Bickmore does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the Authority consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

B. Requirements of GASB 45

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The underlying intent of GASB 45 is to systematically recognize the projected cost of OPEB during the years employees are working, rather than over the years when the benefits would be paid.

We understand that the Authority implemented GASB 45 for the fiscal year ended June 30, 2009. For agencies with 200 or more members covered by or eligible for plan benefits, GASB 45 requires that a valuation be prepared no less frequently than every two years. GASB 45 disclosures include the determination of an annual OPEB cost. For the first year, the annual OPEB cost is equal to the annual required contribution (ARC) as determined by the actuary.

- If the Authority's OPEB contributions had been equal to the ARC each year, the net OPEB obligation would equal $0.
- If the Authority's actual contribution is less than (greater than) the ARC, then a net OPEB obligation (asset) amount is established. In subsequent years, the annual OPEB expense will reflect adjustments made to the net OPEB obligation, in addition to the ARC (see Tables 1B and 1D).

GASB 45 provides for recognition of payments as contributions if they are made (a) directly to retirees or beneficiaries, (b) to an insurer, e.g., for the payment of premiums, or (c) to an OPEB fund set aside toward the cost of future benefits. Funds set aside for future benefits should be considered contributions to an OPEB plan only if the vehicle established is one that is capable of building assets that are separate from and independent of the control of the employer and legally protected from its creditors. Furthermore, the sole purpose of the assets should be to provide benefits under the plan. These conditions generally require the establishment of a legal trust, such as the Authority's OPEB trust account with CERBT. Earmarked assets or reserves may be an important step in financing future benefits, but they may not be recognized as an asset for purposes of reporting under GASB 45.

We reiterate that GASB 45 applies only to the expense to be charged to an agency's income statements and to providing other related liability disclosures. While the Annual Required Contribution typically comprises the majority of the annual OPEB expense, it is a theoretical, not a required contribution amount. The decision whether or not to prefund, and at what level, is at the discretion of the Authority, as are the manner and term for paying down the unfunded actuarial accrued liability. Once a funding policy has been established, however, the Authority's auditor may have an opinion as to the timing and manner of any change to such policy in future years. The level of prefunding also affects the selection of the discount rate used for valuing the liabilities.

New GASB Statement 75, issued in June 2015, will impact the liabilities and/or expenses developed in future valuations and require changes beginning with the Authority's fiscal year end 2018 reporting. These new requirements are beyond the scope of this valuation engagement.

C. Sources of OPEB Liabilities

General Types of OPEB

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave[2] or other direct retiree payments which fall under other GASB accounting statements.

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy." In many group insurance arrangements, the claims experience of employees and retirees are pooled when determining premiums and retiree premiums are the same as those charged for active employee coverage. In an arrangement such as this, the retirees pay a premium based on a pool of members that, on average, are younger and healthier; this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. Paragraph 13.a. of GASB 45 generally requires an implicit subsidy of retiree premium rates be valued as an OPEB liability.

If active and retiree claims experience is co-mingled (pooled) but separate premium rates are charged for active and retiree coverage, the actuary should consider the projected value of future retiree claims and how those claims relate to projected future retiree premiums.

OPEB Obligations of the Authority

The Authority provides continuation of medical and dental coverage to its retiring employees. For retirees and their dependent(s) who have chosen to retain this coverage:

- The Authority contributes directly to the cost of retiree medical coverage by picking up the portion of retiree premiums charged by the provider which are in excess of amounts retirees are required to pay, based on the particular circumstances of their employment date, years of service and bargaining group. These benefits are described in Table 3 and liabilities have been included in this valuation.
- We believe no implicit liability exists with respect to the dental benefits provided to retirees, or that it is insignificant.
- Employees are covered by a large, self-insured healthcare pool through CSAC-EIA. The provider has confirmed that the claims experience of all plan members, including actives, pre-Medicare retirees and Medicare retirees, is co-mingled together in developing premium rates. This report, therefore, does develop age-related premium adjustments and computes an implicit rate subsidy for retirees covered, or expected to be covered, under this program. It appears that, in the aggregate, the premiums projected to be collected for retirees' coverage appears to exceed the projected future retiree claims, resulting in a negative implicit subsidy.

[2] Unless unused sick leave credits are converted to provide or enhance a defined benefit OPEB.

D. Valuation Process

The valuation has been based on employee census data and benefits initially submitted to us by the Authority from January through April 2016 and clarified in various related communications. A summary of the employee data is provided in Table 2 and a summary of the benefits provided under the Plan is provided in Table 3. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the Authority as to its accuracy. The valuation described below has been performed in accordance with the actuarial methods and assumptions described in Table 4.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee's future retirement. Benefits may include direct employer payments (explicit subsidies) and/or an implicit subsidy (or credit), arising when retiree premiums are expected to be less than (or greater than) premiums developed based on the actual and expected claims experience of retirees only. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service with the Authority to receive benefits.
- To the extent assumed to retire from the Authority, the probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. Final payments for currently active employees may not be made for 70 years or more.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "actuarial accrued liability" (AAL). The OPEB cost allocated for active employees in the current year is referred to as the "normal cost". The remaining active cost to be assigned to future years is called the "present value of future normal costs". In summary:

Actuarial Accrued Liability	Past Years' Cost Allocations	Actives and Retirees
plus Normal Cost	Current Year's Cost Allocation	Actives only
plus Present Value of Future Normal Costs	Future Years' Cost Allocations	Actives only
equals Present Value of Projected Benefits	Total Benefit Costs	Actives and Retirees

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets is applied to offset the AAL. In this valuation, we set the Actuarial Value of Assets equal to the market value of assets invested in in the Authority's CERBT account. The market value reported as of June 30, 2015 was $125,940. The portion of the AAL not covered by assets is referred to as the unfunded actuarial accrued liability (UAAL).

E. Basic Valuation Results

The following chart compares the results of the July 1, 2015 valuation of OPEB liabilities to the results of the July 1, 2013 valuation.

Funding Policy	**Partial Prefunding Basis**	
Valuation date	**7/1/2013**	**7/1/2015**
Discount rate	5.38%	4.79%
Number of Covered Employees		
Actives	7	9
Retirees	2	2
Total Participants	9	11
Actuarial Present Value of Projected Benefits		
Actives	$ 988,248	$ 1,200,631
Retirees	325,269	848,117
Total APVPB	1,313,517	2,048,748
Actuarial Accrued Liability (AAL)		
Actives	366,984	571,305
Retirees	325,269	848,117
Total AAL	692,253	1,419,422
Actuarial Value of Assets	88,187	125,940
Unfunded AAL (UAAL)	604,066	1,293,482
Normal Cost	54,373	69,151
Percent funded	12.7%	8.9%
Reported covered payroll	192,720	208,790
UAAL as percent of payroll	313.4%	619.5%

Note: Authority liabilities as of 7/1/2015 include about $103,000 in projected excise tax liability for retirees expected to be covered by "high cost" plans per the Affordable Care Act.

Changes Since the Prior Valuation

Even if all of our previous assumptions were met exactly as projected, liabilities generally increase over time as active employees get closer to the date their benefits are expected to begin. Given the uncertainties involved and the long term nature of these projections, it is unlikely that our prior assumptions will ever be exactly realized. Nonetheless, it is helpful to review why results are different than we anticipated.

In comparing results shown in the exhibit above, we can see that the Unfunded Actuarial Accrued Liability (UAAL) actually increased by roughly $689,000 from $604,000 to $1,293,000 between July 2013 and July 2015. Over this period, however, additional costs were accrued for active employees, present values were adjusted for the passage of time and some benefits were paid to retirees. From this activity, we expected increase of $133,000 in the UAAL, from $604,000 to $737,000. *Thus, the actual UAAL is $556,000 higher than expected.*

Basic Valuation Results
(Concluded)

The primary reasons for the increase in the UAAL are:

- A $346,000 increase in the AAL which resulted because actual retiree healthcare premium rates increased *substantially* more than projected from the prior valuation;
- A $124,000 increase in the AAL due to a change in discount rates used to develop the OPEB liability, from 5.38% to 4.79%;
- A $44,000 increase in the AAL due to revised assumptions for future disability and service retirements, terminations prior to retirement and mortality before and after retirement, based on the *most recent CalPERS retirement plan experience study covering Authority employees,* including an updated projection of retiree life expectancy (mortality improvement);
- A $116,000 increase in the AAL because, following a review of recent plan experience, we now assume that the retirees' portion of healthcare premiums increase more slowly than pace at which total healthcare premiums will increase in future years (in reality, the retiree's portion of premiums has not increased in many years);
- The remaining $74,000 decrease in the AAL is due to a combination of these additional factors:
    - An updated model we used to developing age related retiree medical claim costs;
    - Plan experience relative to prior assumptions. One component of this experience relates to plan assets, which were about $1,000 higher than projected, from trust earnings slightly higher than assumed. Plan experience also includes factors such as changes in plan membership, retiree elections and limits on benefits other than previously projected as well as the addition of new employees hired since July 1, 2013.

F. Funding Policy

The specific calculation of the ARC and annual OPEB expense for an employer depends on how the employer elects to fund these benefits. The funding levels can generally be categorized as follows:

1. *Prefunding:* contributing an amount greater than or equal to the ARC each year. Prefunding generally allows the employer to have the liability calculated using a higher discount rate, which in turn lowers the liability. In addition, following a prefunding policy does not build up a net OPEB obligation (or gradually reduces it to $0), such as the 7.28% return on trust assets. We would be happy to illustrate prefunding results at the Authority's request.
2. *Pay-As-You-Go funding:* contributing only the amounts needed to pay retiree benefits in the current year; generally uses a lower discount rate, such as the 4.0% rate used in this report.
3. *Partial prefunding*: contributing more than the current year's retiree payments but less than 100% of the ARC; requires that liabilities be developed using a discount rate that "blends" the portions of benefits that are prefunded and those not. *See Appendix 1 for this rate.*

Determination of the ARC

The Annual Required Contribution (ARC) consists of two basic components, which have been adjusted with interest to the Authority's fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The ARCs for the fiscal years ending June 30, 2017 and June 30, 2018 are developed in Table 1B.

Decisions Affecting the Amortization Payment

The period and method for amortizing the AAL can significantly affect the ARC. GASB 45:

- Prescribes a maximum amortization period of 30 years and requires no minimum amortization period (except 10 years for certain actuarial gains). Immediate full funding of the liability is also permitted.
- Allows amortization payments to be determined (a) as a level percentage of payroll, designed to increase over time as payroll increases, or (b) as a level dollar amount much like a conventional mortgage, so that this component of the ARC does not increase over time. Where a plan is closed and has no ongoing payroll base, a level percent of payroll basis is not permitted.
- Allows the amortization period to decrease annually by one year (closed basis) or to be maintained at the same number of years (open basis).

Funding Policy Illustrated in This Report

It is our understanding that the Authority's prefunding policy includes amortization of the unfunded AAL on a level percent of pay basis over a closed 30-year period initially effective July 1, 2009; the remaining period used in determining the ARC for the fiscal year ending June 30, 2017 is 22 years.[3]

[3] Where the UAAL is amortized on a level percent of pay basis, if all assumptions are met, the UAAL may increase, rather than decrease, in the earlier years of the amortization period.

G. Choice of Actuarial Funding Method and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method. The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the "incidence of cost". Methods that produce higher initial annual costs will produce lower annual costs later. Conversely, methods that produce lower initial costs will produce higher annual costs later relative to the other methods. GASB 45 allows a choice of six actuarial funding methods; a brief description of each is in the glossary.

Factors Impacting the Selection of Funding Method

While the goal of GASB 45 is to match recognition of retiree medical expense with the periods during which the benefit is earned, the funding methods differ because they focus on different financial measures in attempting to level the incidence of cost. Appropriate selection of a funding method contributes to creating intergenerational equity between generations of taxpayers. The impact of potential new employees entering the plan may also affect selection of a funding method, though this is not a factor in this plan.

We believe it is most appropriate for the plan sponsor to adopt a theory of funding and consistently apply the funding method representing that theory. This valuation was prepared using the entry age normal cost method with normal cost determined on a level percent of pay basis. The entry age normal cost method often produces initial contributions between those of the other more common methods and is generally regarded by pension actuaries as the most stable of the funding methods and is one of the most commonly used methods for GASB 45 compliance.

Factors Affecting the Selection of Assumptions

Special considerations apply to the selection of actuarial funding methods and assumptions for the Authority. The actuarial assumptions used in this report were chosen, for the most part, to be the same as the actuarial assumptions used for the most recent actuarial valuations of the retirement plans covering Authority employees. Other assumptions, such as age related healthcare claims, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. We will continue to gather information and monitor these assumptions for future valuations, as more experience develops.

In selecting an appropriate discount rate, GASB states that the discount rate should be based on the expected long-term yield of investments used to finance the benefits. The Authority has selected CERBT asset allocation strategy #1, which has published a long term expected return of 7.28%.

Where the funding policy provides that only a portion of benefit liabilities will be prefunded through a trust with the remainder funded on a pay-as-you-go basis, GASB 45 requires the discount rate reflect an appropriate blend between the prefunding and pay-as-you-go discount rates. With the Authority's approval, we assumed a 4.0% expected return for pay-as-you-go funding Appendix 1 provides details on how the blended discount rate of 4.79% was developed.

H. Certification

This report presents the results of our actuarial valuation of the other post-employment benefits provided by the Del Norte Solid Waste Management Authority. The purpose of this valuation was to provide the actuarial information required for the Authority's reporting under Statement 45 of the Governmental Accounting Standards Board. The calculations were focused on determining the plan's funded status as of the valuation date, developing the Annual Required Contribution and projecting the Net OPEB Obligations for the years to which this report is expected to be applied.

We certify that this report has been prepared in accordance with our understanding of GASB 45. To the best of our knowledge, the report is complete and accurate, based upon the data and plan provisions provided to us by the Authority. We believe the assumptions and method used are reasonable and appropriate for purposes of the financial reporting required by GASB 45. The results may not be appropriate for other purposes.

The undersigned individual is a Fellow in the Society of Actuaries and Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Signed: June 28, 2016

Catherine L. MacLeod

Catherine L. MacLeod, FSA, FCA, EA, MAAA

Table 1

Results for fiscal year ending 2016: The annual required contribution (ARC) and annual OPEB expense (AOE) for the Authority's fiscal year ending June 30, 2016 were developed as part of the July 2013 valuation, but the financial statement for that period has not yet been finalized. We have illustrated what we anticipate will be reported for OPEB under GASB 45 as of June 30, 2016 and included this information in Appendix 1. We use the net OPEB asset projected from this Appendix as the starting point for developing the net OPEB asset as of June 30, 2017, shown in Table 1B

Results for fiscal years 2017 and 2018: The basic results of our July 1, 2015 valuation of OPEB liabilities for the Authority calculated under GASB 45 are summarized in Section E. Those results are applied to develop the ARC, AOE and the net OPEB obligation (NOO) to be reported by the Authority for its fiscal years ending June 30, 2017 and June 30, 2018.

- The development of the ARC reflects the assumption that the Authority will:
  a) pay retiree claims each year (and/or retiree premiums assessed by the County) and
  b) Contribute $11,125 each year to the trust.

  If this understanding is incorrect or if actual Authority contributions are materially different, some of the results in this report should be revised.

- GASB 75 will not necessarily impact the development of results for funding purposes, though will change the development of the OPEB liability and expense information to be reported by the Authority in its financial statements for the fiscal year ending June 30, 2018. That information will need to be developed at a later date and is outside the scope of this report.

Employees reflected in future years' costs: The counts of active employees and retirees shown in Tables 1A and 1C are the same as the counts of active and retired employees on the valuation date. While we do not adjust these counts between valuation dates, the liabilities and costs developed for those years already anticipate the likelihood that some active employees may leave employment forfeiting benefits, some may retire and elect benefits and coverage for some of the retired employees may cease. However, because this valuation has been prepared on a closed group basis, no potential future employees are included. We will incorporate any new employees in the next valuation, in the same way we included new employees hired after July 2013 in this July 2015 valuation.

Table 1A
Summary of Valuation Results

This table provides valuation results for the fiscal years ending June 30, 2017 and June 30, 2018 determined on a partial prefunding basis. Some of these values have been adjusted from the basic valuation results presented in Section E to reflect accruals for the fiscal years to which the costs are being assigned.

	Partial Prefunding Basis	
Valuation date	**7/1/2015**	
For fiscal year beginning	7/1/2016	7/1/2017
For fiscal year ending	6/30/2017	6/30/2018
Long term asset return	7.28%	7.28%
Discount rate	4.79%	4.79%
Number of Covered Employees		
Actives	9	9
Retirees	2	2
Total Participants	11	11
Actuarial Present Value of Projected Benefits		
Actives	$ 1,257,767	$ 1,316,781
Retirees	851,369	853,311
Total APVPB	2,109,136	2,170,092
Actuarial Accrued Liability (AAL)		
Actives	670,748	776,450
Retirees	851,369	853,311
Total AAL	1,522,117	1,629,761
Actuarial Value of Assets	146,233	168,004
Unfunded AAL (UAAL)	1,375,884	1,461,757
Normal Cost	71,398	73,718
Benefit Payments		
Future Retirees	1,261	3,131
Current Retirees	38,857	42,343
Total	40,118	45,474

Table 1B
Calculation of the Annual Required Contribution

The following exhibit calculates the amortization payments and the annual required contribution (ARC) on a partial prefunding basis for the fiscal years ending June 30, 2017 and June 30, 2018.

	Partial Prefunding Basis	
Fiscal Year End	**6/30/2017**	**6/30/2018**
Funding Policy		
Discount rate	4.79%	4.79%
Amortization method	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30
Remaining period (in years)	22	21
Determination of Amortization Payment		
UAAL	$ 1,375,884	$ 1,461,757
Factor	18.4654	17.7693
Payment	74,512	82,263
Annual Required Contribution (ARC)		
Normal Cost	71,398	73,718
Amortization of UAAL	74,512	82,263
Interest to 06/30	6,992	7,475
Total ARC at fiscal year end	152,902	163,456

While the following is not intended to be used to determine the normal cost or ARC in future years, this information may be of value for planning purposes:

Valuation date	**7/1/2015**	
Fiscal Year End	**6/30/2017**	**6/30/2018**
Projected covered payroll	$ 215,576	$ 222,582
Normal Cost as a percent of payroll	33.1%	33.1%
ARC as a percent of payroll	70.9%	73.4%
ARC per active ee	16,989	18,162

Table 1C
Expected OPEB Disclosures for FYE 2017 & 2018

The following exhibit develops the annual OPEB expense, estimates the expected OPEB contributions and projects the net OPEB obligation as of June 30, 2017 and June 30, 2018 reflecting the assumed partial prefunding policy described in this report.

	Partial Prefunding Basis	
Fiscal Year End	**6/30/2017**	**6/30/2018**
1. Calculation of the Annual OPEB Expense		
a. ARC for current fiscal year	$ 152,902	$ 163,456
b. Interest on Net OPEB Obligation (Asset) at beginning of year	15,564	20,298
c. Adjustment to the ARC	(18,432)	(24,980)
d. **Annual OPEB Expense (a. + b. + c.)**	150,034	158,774
2. Calculation of Expected Contribution		
a. Estimated payments on behalf of retirees	40,118	45,474
b. Estimated contribution to OPEB trust	11,125	11,125
c. **Total Expected Employer Contribution**	51,243	56,599
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	98,791	102,175
Net OPEB Obligation (Asset), beginning of fiscal year	324,782	423,573
Net OPEB Obligation (Asset) at fiscal year end	423,573	525,748

In the table above, we assumed that the Authority will:

- Pay all retiree healthcare claims in excess of the portion which retirees are required to contribute (or pay amounts assessed to the Authority by the County).
- Contribute $11,125 to the trust each year.

Notes on calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (4.79%) multiplied by the net OPEB obligation (or asset) at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for these factors).

Del Norte County Budget Transfer Request FY 17/18

Department Name	Fund	Dept.	Line Item	Description	Budget Transfer Amount(s): Reduce Expenditures or Increase Revenue	Budget Transfer Amount(s): Increase Expenditures or Reduce Revenue
Solid Waste	422	421	90580	State Aid	$ 87,132	
Solid Waste	422	421	20270	Minor Equipment		$ 600
Solid Waste	422	421	20180	Maint Structures / Improvements		$ 1,500
Solid Waste	422	421	10015	Part-Time / Temp		$ 3,000
Solid Waste	422	421	30500	Department Allotment		$ 82,032
				Total Amounts	$ 87,132	$ 87,132

Department complete and send to Auitor's Office for transfer number before sending to CAO. Round amounts up to whole dollars.

Department Justification - Include cover letter that addresses the following: 1) Reason for request; 2) Why sufficient balances exist to finance transfer; 3) Why

Department Head Signature　　　　Date

Auditor's Office: Sufficient balances exist per above
(Under $100 Auditor's Office approves)

Deputy Auditor-Controller　　　　Date

TR No. ______________　　Budget Revision No. ________________

________Includes Revenue Appropriation ________Requires 4/5ths Vote

County AdministrativeOfficer:
(Under $1000 - CAO approves)

Recommendation:　　Approve ________
Deny ________
Submit for Board approval ________

County Administrative Officer　　Date

Passed by Board of Commissioners of the Del Norte Solid Waste Management Authority on 20 February 2018.

Ayes:
Noes:
Absent:

Attest: Clerk of the Board

By: ______________________
Kyra Seymour

Blake Inscore, Chair
Del Norte Solid Waste Management Authority

1.3

Del Norte Solid Waste Management Authority

1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300
www.recycledelnorte.ca.gov

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY 1992

The Authority's mission is the management of Del Norte County solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

Director's Report

Date: 15 February 2018
To: Commissioners of the Del Norte Solid Waste Management Authority
From: Tedd Ward, M.S. – Director
Reporting Period: 12 January 2018 – 14 February 2018
Attachments: Recology Del Norte reports re. recycling contamination
China's Finalized Recyclables Ban Impacts US Recyclers (American Recyclers' News)
Presentation: Time-lapse video of American Restore's Transfer Station Floor Repair

File Number: **231501 – Authority Work Plans**

Summary: The Del Norte Solid Waste Management Authority continues to operate the Klamath, Gasquet and Del Norte County Transfer Stations and to provide required monitoring, accounting and reports to overseeing agencies. Authority staff provide these services without any financial support from the City of Crescent City or the County of Del Norte, and without receiving a penny of taxes. The rates charged at Authority-managed facilities continue to be lower than any comparable facilities in Humboldt or Curry Counties.

During this period, repairs were completed on a portion of the transfer station floor and one of the scale ramps, and the Del Norte County Transfer Station was closed from noon on Friday February 2nd, and remained closed on Saturday February 3rd and Sunday February 4th.

Consent Agenda Items:

Agenda Item 1.2 is the budgeted payment to Cal PERS for Other Post-employment Benefits. All claims larger than $5,000 which are not regular monthly payments to Hambro/WSG for transfer station operations services must be separately approved by the Authority Board.

Agenda Item 1.3 is a budget transfer, adding a budget line 90580 to receive the anticipated 75% reimbursement from the California Office of Emergency Services for the

2.1

landfill repair with the greatest proportion allocated to the Department Allotment line 30500 which was added to the budget so the Authority could pay for the repairs at both the landfill and the transfer station floor. Remaining funds are used to increase the lines for Minor Equipment 20270, in part to pay for an Electronic Defibrillation Device for emergency response. The budget line for Part-Time/Temp employees 10015 is also being increased as we have been relying on a CalPERS retiree (who can therefore ONLY be a part-time/temp employee) to cover weekend shifts in Klamath and Gasquet, and there is a balancing surplus in the payroll line. Finally, this budget transfer increased the Maintenance of Structures and Improvements line 20180, which has been used for painting rate signs and other minor expenses, to make sure there is adequate funds available to pay American Restore for the transfer station floor and scale ramp repairs.

Outreach / Events: The Authority has been running radio ads on KCRE, KPOD, and KFUG explaining how bottle caps can be recycled through Recology Del Norte's recycling programs, but Hambro Forest Products asks that bottle caps be removed and will not pay CRV deposits for bottle caps.

Staff have set the date for the 2018 hazardous waste collection event to be held on Saturday September 29th from 9 AM until 2 PM. Commercial hazardous wastes will be accepted by appointment on Friday September 28th.

Facilities: American Restore completed the repair of a portion of the floor as well as one of the scale ramps at the Del Norte County Transfer Station over the weekend of February 2-4. All repairs were successfully completed, and repaired areas have been performing well. Staff anticipate presenting the invoice for this completed work next month. Staff plan on presenting a time-lapse video of the floor repairs at this meeting.

During this period, staff worked with Hi-Tech Security and Andrew Butcher of Digital Needs Services to upgrade our security system and install three new cameras at the Del Norte County Transfer Station.

Landfill Postclosure: **Agenda Item 3.1** is the summary documentation submitted to the California Office of Emergency Services for 75% reimbursement of the winter 2016 storm-related repairs at the Crescent City Landfill. Total storm-related repairs cost $116,176.00, and the Authority is seeking reimbursement of $87,132.00.

Agenda Items 3.2 and 3.3 are both related to the Pledge of Revenue, which essentially commits the Authority to using revenues from the Del Norte County Transfer Station to cover any post-closure and emergency corrective action expenses at the Crescent City Landfill. Adopting and signing these documents is required prior to CalRecycle granting any further reduction in the multiplier used to assess the liability associated with the landfill. Deferring CalRecycle's approval of reducing this multiplier this year increased the net deficit position of the Authority in FY 16/17 by approximately $97,476.

During this period, Authority staff collected most required semi-annual groundwater samples at the Crescent City Landfill. Completion of this task was delayed by the theft of a trash pump and associated fittings from a storage container at the Del Norte County Transfer Station. Earlier this month, staff also completed additional repairs of minor erosion damage at this facility after the repairs were completed by Hemmingsen Construction.

Agenda Item 3.4 is the semi-annual monitoring report for the Crescent City Landfill from July-December 2017, as prepared by Lawrence & Associates and submitted to the North Coast Regional Water Quality Control Board, as required under Monitoring and Reporting Program 97-90.

Collections and Processing: Following radio ads and inserts mailed to their collection customers, Recology Del Norte has started tagging customers' carts who continue to place black plastic bags in their recycling carts. Both Recology Del Norte and Authority staff have received complaints from customers who said that the stores that had assured Recology that they would stock clear plastic bags did not have any for sale. Staff have explained that black plastic bags may still be used for trash, and materials that should be bagged (opened junk mail, office paper, or paper shreds) may also be placed in cereal boxes or smaller transparent bags before being placed in the recycling carts.

On 29 January, I reported to Jeremy Herber that Recology Del Norte truck number 15107 needed significant painting. Mr. Herber explained that plans were already made that this truck would be replaced within the coming weeks.

On 30 January, the Director met with City staff and Mayor Inscore to discuss the recycling containers at the end of B Street pier, and the movement of one pair of trash and recycling containers to the new Dog Park in Beachfront Park. A follow-up meeting is scheduled for 21 February.

Finances / Audits: **Agenda Item 6.2** is the Independent Auditor's Report from Patel & Associates and the Annual Financial Statements for the Del Norte Solid Waste Management Authority for the year ended June 30, 2017, and responses from Authority staff.

Highlights of this audit include:

- The Authority's cash and investments totaled $970,320, plus an additional $198,177 set aside for the final payment to the I-Bank for financing the construction of the Del Norte County Transfer Station.

- During this past fiscal year, the Authority increased its net cash by $32,246. Net cash is the cash available in Authority accounts, whereas net position is all assets less all liabilities.

- At the end of FY 16/17, the Authority had a net-deficit position of $1,048,753 caused by the post-closure liability of $2,046,994 associated with the Crescent City Landfill. Though still negative, the Authority's net position improved by $169,592 during FY 16/17. For comparison, at the end of FY 04/05 after the opening of the Del Norte County Transfer Station, the Authority's net-deficit position was $2,981,434. Authority activities have generally improved this net-deficit position each year. In FY 16/17, an additional $98,791 of liabilities associated with retirement and other post-employment benefits (OPEB) were added by Patel & Associates to the 'Salaries and Benefits' line of this audit, as the Authority has up until this point made OPEB payments that were far less than the 'Annual Required Contribution.'

- In a repeat of prior findings, the auditor found that the Authority's charges for services were not sufficient to cover post-closure liability, fund OPEB obligations, and debt-service requirements. Essentially the auditors recommend that the Authority raise rates to hasten the date when this agency does not have a net-deficit position financially. A draft 'Management Response' follows Patel & Associate's report.

Compliance: Authority Ordinance 2018-01, Adopting Informal Bid Procedures under the Uniform Construction Cost Accounting Act was passed by the Crescent City Council on 05 February. The Del Norte County Board of Supervisors will likely consider this Ordinance at their meeting scheduled for 27 February.

Houawa Moua has informed staff that the Authority is also obligated to submit a Five-year permit review for the Del Norte County Transfer Station before July 1, 2018. Staff will be gathering information for this application in the coming weeks and months.

Advocacy: **Agenda Item 6.6** is a staff-recommended letter of support for SB 168, which would establish minimum recycled content requirements for beverage containers, and an analysis of how California's beverage container recycling program could be improved, and possibly become an extended producer responsibility program.

Personnel / Staffing: During this period, Facilities & Programs Coordinator (and Clerk) Kyra Seymour completed her 40 hour Hazardous Waste Operations course, as well as a training to improve her writing and editing skills.

Tedd Ward

From: Jeremy Herber <JHerber@recology.com>
Sent: Monday, February 12, 2018 7:57 AM
To: Tedd Ward
Subject: FW: Recology Recycling Weekly Update for February 3rd, 2018 to February 11th, 2018.

I am re-sending since the dates in subject were incorrect.

Jeremy

Tedd,

We are continuing to collect approximately 65% - 70% of the recyclable volume in Del Norte.
Recycling stream continues to remain in the area of 18%-25% contamination depending on the locations serviced during the week.

We have taken many phone calls regarding the Recycling Bag Ban and we will continue to work with our customers to help them recycle correctly.
Wal-Mart along with other stores are having difficulty keeping the bags in stock, but Ace seems to be keeping up with the demand. During this initial phase,
We are still in the roll-out phase of the program and will be performing recycle load inspections to verify the customer change in habits.
Our expectations will be a decrease in contamination in the recycling stream in the first 30 days and improve thereafter.

The Community bins remain at a high contamination level around 30%-45% depending on location.
We will be watching community bins to see if their trash volumes increase.

The routes that are consistently being processed are the following:

131 Residential Curbside Recycling
132 Residential Curbside Recycling
133 Commercial Recycling

Gasquet and Klamath transfer stations are being processed when full.
Last week we also processed both recycling bins from the transfer station on State street.

Bettendorf's trailer has the ability to carry 136 Yards of recyclables. Our average weight of material being loaded
On the truck as recyclables is approximately **10 to 11 tons each load.**

Last week we delivered 3 loads to Recology Humboldt (Somoa Facility)

Most of the cardboard is being removed from the recycling loads and processed in Del Norte County.

Best Regards,

Jeremy Herber
General Manager

Recology Del Norte™ I P.O. Box 1933 I Crescent City, CA 95531

Tedd Ward

From:	Jeremy Herber <JHerber@recology.com>
Sent:	Monday, February 12, 2018 7:54 AM
To:	Tedd Ward
Subject:	FW: Recology Recycling Weekly Update for January 28th, 2018 to February 2nd, 2018.

Tedd,

We are continuing to collect approximately 65% - 70% of the recyclable volume in Del Norte.
Recycling stream continues to remain in the area of 18%-25% contamination depending on the locations serviced during the week.

We have taken many phone calls regarding the Recycling Bag Ban and we will continue to work with our customers to help them recycle correctly.
Wal-Mart along with other stores are having difficulty keeping the bags in stock, but Ace seems to be keeping up with the demand. During this initial phase,
We are still in the roll-out phase of the program and will be performing recycle load inspections to verify the customer change in habits.
Our expectations will be a decrease in contamination in the recycling stream in the first 30 days and improve thereafter.

The Community bins remain at a high contamination level around 30%-45% depending on location.
We will be watching community bins to see if their trash volumes increase.

The routes that are consistently being processed are the following:

131 Residential Curbside Recycling
132 Residential Curbside Recycling
133 Commercial Recycling

Gasquet and Klamath transfer stations are being processed when full.
Last week we also processed both recycling bins from the transfer station on State street.

Bettendorf's trailer has the ability to carry 136 Yards of recyclables. Our average weight of material being loaded
On the truck as recyclables is approximately **10 to 11 tons each load.**

Last week we delivered 3 loads to Recology Humboldt (Somoa Facility)

Most of the cardboard is being removed from the recycling loads and processed in Del Norte County.

Best Regards,

Jeremy Herber
General Manager

Recology Del Norte™ I P.O. Box 1933 I Crescent City, CA 95531
T: 707.464.4181 I Jherber@recology.com

Tedd Ward

From: Jeremy Herber <JHerber@recology.com>
Sent: Monday, January 29, 2018 11:14 AM
To: Tedd Ward
Subject: FW: Recology Recycling Weekly Update for January 21st, 2018 to January 27th, 2018.

Tedd,

We are continuing to collect approximately 65% - 70% of the recyclable volume in Del Norte.
Recycling stream continues to remain in the area of 18%-25% contamination depending on the locations serviced during the week.

The Community bins remain at a high contamination level around 30%-45% depending on location.

The routes that are consistently being processed are the following:

131 Residential Curbside Recycling
132 Residential Curbside Recycling
133 Commercial Recycling

Gasquet and Klamath transfer stations are being processed when full.
Last week we also processed both recycling bins from the transfer station on State street.

Recology continues to spot check community bins weekly to see if we notice any changes in contamination levels.
The community bins still providing high levels of contamination include both Smith River bins and the Fort Dick location.

Bettendorf's trailer has the ability to carry 136 Yards of recyclables. Our average weight of material being loaded
On the truck as recyclables is approximately **9 to 10 tons each load.**

Last week we delivered 3 loads to Recology Humboldt (Somoa Facility)

Most of the cardboard is being removed from the recycling loads and processed in Del Norte County.

Best Regards,

Jeremy Herber
General Manager

Recology Del Norte™ I P.O. Box 1933 I Crescent City, CA 95531
T: 707.464.4181 I Jherber@recology.com

Please consider the environment before you print this email.

China's finalized recyclables ban impacts U.S. recyclers

Construction & Demolition (/8568759/index.php/component/tags/tag/construction-demolition)
Front Page (/8568759/index.php/component/tags/tag/front-page)

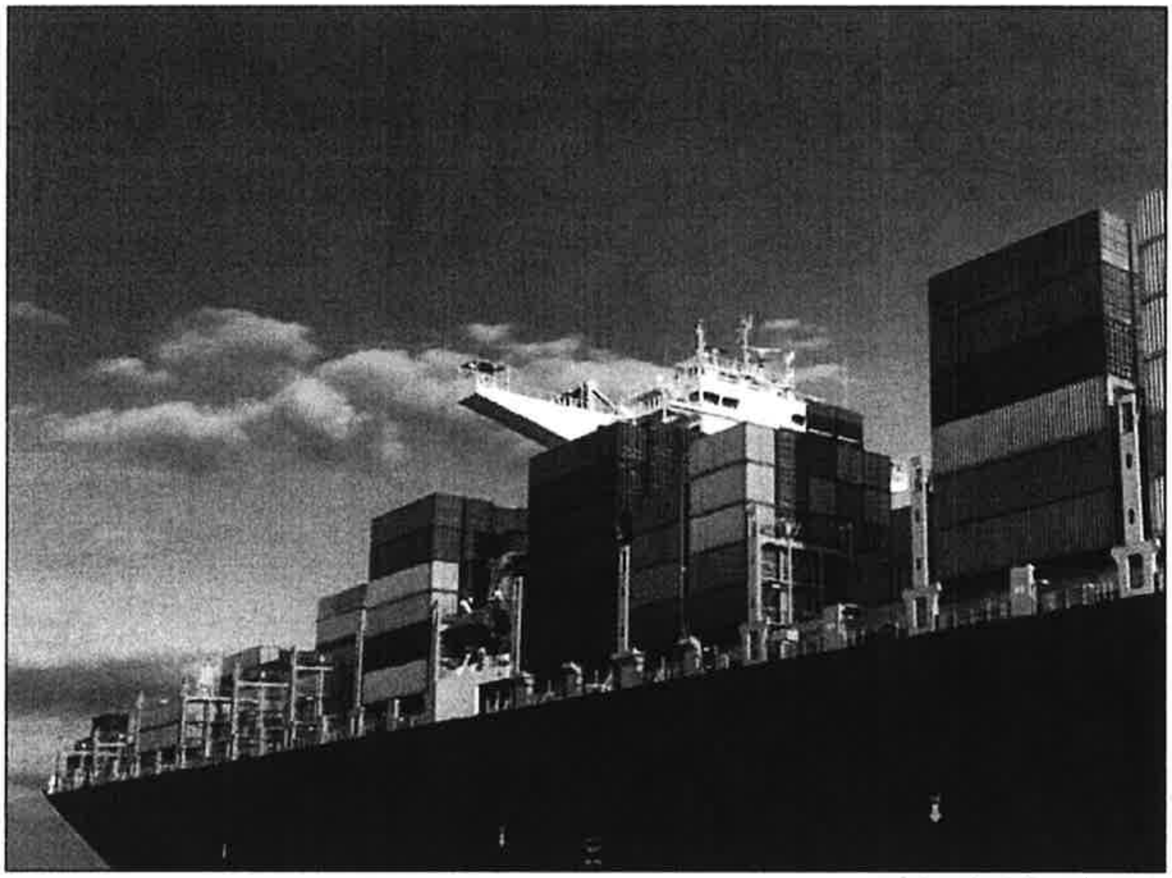


PHOTO BY [illegible]

by MAURA KELLER (mailto:mkeller@americanrecycler.com)

For decades, the U.S. has exported about a third of its recycling material, half of which went to China. In fact, for decades, China has used recyclables from around the world to supply its manufacturing boom. But this summer it declared that this "foreign waste" includes too many other non-recyclable materials that are dirty and hazardous. So China filed with the World Trade Organization listing a variety of solid wastes it would ban from entering the country in an effort to "protect China's environmental interests and people's health."

Linda Li is chief strategy officer of Re-Teck and an expert in green supply chain management who specializes in cradle-to-cradle and design-for-recycle programs. Li claims, with the ban the U.S. is left with more recyclable material to process than normal. Recycling manufacturers were already running at a high level, and now that there is more material to process, they're scrambling to adapt to the situation. If they don't adapt, it leaves more potentially reusable waste sitting in landfills.

Historically Speaking

As Christy Hurlburt, vice president of marketing at Enevo, explained, during their manufacturing boom, China was willing to accept a variety of recyclables from other countries to use as raw materials by Chinese manufacturers. And for years, this worked well for the global economy. But now, China's manufacturing has cooled and the country no longer has the capacity to take on that volume of recycled materials, so they are banning the import of foreign waste.

According to Hurlburt, the initial step China took in this direction was with Operation Green Fence, implementing this program to improve the quality of recycled materials exported to China. But the industry has not fully cleaned up its recycling, so China is taking a stricter stance as they localize their nation's recycling efforts.

"The waste and recycling industry around the world is now in chaos, and the full impact of China's ban is currently unknown," Hurlburt said. "There are a lot of questions as we work to figure out who will accept and process the restricted recycling materials moving forward."

The ban is having a significant impact on recycling companies in the U.S. and throughout the world because many developed countries that have been exporting their recyclables to China do not have the capacity at home to take on the processing of the recycled materials.

"Recycling is piling up," Hurlburt said. "And unfortunately, if there is nowhere else to put the materials, it is being landfilled. This is challenging the business models of recycling companies worldwide."

Indeed, as Li explained, the ban leads to an increase in scrap material, which in turn leads to a decrease in scrap prices. While some companies are taking advantage of the decrease in scrap price, other companies are helping to elevate a circular economy.

"In order to shift towards a circular economy, these companies must begin modifying the way they design and manufacture products from the very beginning," Li said. "By considering a products entire lifecycle in the early stages of development, companies can get the most from their recycled devices and keep the most from landfills."

There is also an environmental challenge, Hurlbert said. "With exporting recyclables, the responsibility of dealing with any contaminated or hazardous materials was China's responsibility during sorting and processing. Now, those hazards need to be handled locally."

"This ban impacts the entire supply chain, not just at the end with the recycling bin or dumpster," Hurlburt said. "We'll have to take more responsibility for our waste generation as an industry and as consumers."

Strategic Approach

In response to the ban, Hurlbert said that some organizations are working with China to modify or reverse the ban. But while they do, recycled materials are piling up, and recycling companies are even finding that they are unable to accept more materials while consumption and waste generation continues.

Hurlburt said that in the short term, U.S. recycling companies are responding by looking at ways to clean up the contamination. Some have already started to exclude specific materials from their recycling collections as a result of the ban.

"These companies are evaluating where the banned recycled materials can now be processed, searching for other markets that have the capacity to take on these recyclables," Hurlburt said. "And in many instances, they aren't having much luck so these materials that should be recycled are being put in landfills."

"And in the long term, experts predict that U.S. recycling companies will likely need to modify and build facilities here at home that can take our country's recyclables. This is challenging though as immediate action needs to be taken to address the current recycled materials that are piling up, but modifying a facility is typically a 2 to 5 year project and building new facilities can take up to 5 to 10 years," Hurlburt said.

Future Outcomes

In today's world, technology mega-trends, like IoT and EaaS, result in a shorter lifecycle for devices. Shorter lifecycles result in more recycled devices, leading to more e-waste than recycling manufacturers are used to. "For recycling companies, adapting to the influx of material might prove to be more difficult than expected," Li said. "Because of the ban, companies are having to rethink the way they design products. A better product design is critical to facilitating recycling and making devices easier to recycle or repurpose. By rethinking the way products are designed, manufactured and repurposed, companies can extract the most from devices and keep valuable, reusable resources from landfills."

As Hurlburt explained, we all know the three Rs of "reduce, reuse, recycle" but before this ban, the society in the U.S. and the recycling industry were really focused first on the third step. This ban may also force consumers, municipalities, and the industry to take a deeper look at our systems, to better understand where we are producing waste – trash and recycling – so that we can shift the focus instead on reducing first.

"Also, because China had been so willing to accept the world's recyclables, waste generators were not forced to sort the materials. For years, we've been able to dump our recycled materials and not worry about what happens after that," Hurlburt said

"Organizations and consumers alike have taken pride in their recycling as sustainability efforts. And we've even been able to get away with the process being less expensive by exporting the materials," Hurlburt said. "This ban will push the world economy to localize the recycling process, bringing more jobs back home to process materials, making us more accountable for what materials are being recycled and shifting our systems to reflect the true cost of waste."

Hurlburt expalined that the recycling industry is starting to see a push of technology-enabled solutions in the waste industry. "At recycling facilities, the use of robotic sorting technology is progressing. While still expensive, robotic technology is proven to sort materials faster and more accurately than their human counterparts."

"In our trucks, we are seeing the use of cameras to take pictures of contaminated loads so that the haulers can send notices and even fines to the end customer for not adhering to recycling standards," Hurlburt said. "This puts more accountability on the waste generators"

At the dumpster level, Hurlburt said Enevo now has container sensors that use IoT technology to consistently monitor the volumes of materials coming out of a site. These connected devices allow waste services providers to identify changes in volume and understand where in the supply chain the materials come from, which ultimately helps with the goal of reducing waste.

"I think more companies will move from a linear economy to a circular economy, where resources are kept in use for as long as possible and are recovered and regenerated for new devices," Li said. "Companies will be more accountable for the amount of recycled material produced and be forced to develop a closed-loop solution. Not only is it good for the environment, but it can drive economic growth by demonstrating commitment to long-term sustainability efforts."

Published in the February 2018 Edition

Solid Waste
Balance Sheet
December 31, 2017

Unaudited

ASSETS

422 010 00000	Cash Solid Waste	1,163,981.28
422 010 00300	Imprest Cash	3,500.00
422 010 00500	I Bank Loan Deposit Held by County	198,177.17
422 010 01100	Accounts Receivable	3,047.75
422 010 03200	Land	493,000.00
422 010 03300	Transfer Station	3,266,990.64
422 010 03400	Equipment	158,443.55
422 010 03410	Buildings & Improvements	141,638.89
422 010 03440	Accum Depr Equipment	(157,814.00)
422 010 03450	Accum Depr Bldg & Improv	(113,204.00)
422 010 03460	Accum Depr Transfer Station	(918,877.00)
	Total Assets	4,238,884.28

LIABILITIES AND FUND EQUITY

422 010 05105	Sales Tax Payable	13.53
422 010 05210	Sublease Payable	2,727,290.50
422 010 05300	Compensated Absences Payable	45,281.00
422 010 05400	Deferred Revenue	3,047.75
422 010 05500	Post Closure Liability	2,061,342.00
422 010 05600	Net OPEB Obligation	273,578.00
422 010 07100	Fund Balance	(1,600,276.06)
422 010 09600	Investment in Capital Assets net of related debt	578,198.00
	Revenue	1,608,100.41
	Expenditure	(1,457,690.85)
	Total Liabilities and Fund Equity	4,238,884.28

RECEIVED
JAN 24 2018
DNSWMA

2.2

Del Norte Solid Waste Management Authority
A/R Aging Summary
As of February 6, 2018

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Affordable Home & Rental Rep.	84.41	0.00	0.00	0.00	0.00	84.41
Agricultural Commission(solid waste only)	16.34	0.00	0.00	0.00	0.00	16.34
Albers Seafood	20.97	0.00	0.00	0.00	0.00	20.97
Alexandre EcoDairy Farms	1,636.84	0.00	0.00	0.00	0.00	1,636.84
Babich Construction	32.67	0.00	0.00	0.00	0.00	32.67
Bart Kast Builders	0.00	0.00	0.00	-6.24	0.00	-6.24
Benner Mini Storage	72.77	0.00	0.00	0.00	0.00	72.77
Borges Dairy	280.67	0.00	0.00	0.00	0.00	280.67
Brown, Hector	764.98	0.00	0.00	0.00	0.00	764.98
Cal-Ore LIFE FLIGHT	23.76	0.00	3.27	0.00	0.00	27.03
Cal-Trans	86.99	0.00	0.00	0.00	0.00	86.99
California Auto Image	258.40	0.00	0.00	0.00	0.00	258.40
California Dept. of Fish & Wildlife	19,094.74	0.00	0.00	0.00	0.00	19,094.74
California Dept. Parks & Rec.	1,064.07	733.04	0.00	0.00	0.00	1,797.11
Castlerock Countertop's	16.34	0.00	0.00	0.00	0.00	16.34
Cetnar Construction Inc.	31.19	0.00	0.00	0.00	0.00	31.19
City of Crescent City.	232.53	0.00	0.00	0.00	0.00	232.53
Cornerstone Assembly of God	43.14	0.00	0.00	0.00	0.00	43.14
Crescent Ace Hardware.	332.67	0.00	0.00	0.00	0.00	332.67
Crescent City KOA	53.46	0.00	0.00	0.00	0.00	53.46
Del Norte Ambulance	40.10	46.04	0.00	0.00	0.00	86.14
Del Norte Realty	47.52	0.00	0.00	0.00	0.00	47.52
Del Norte Roofing	167.81	0.00	0.00	0.00	0.00	167.81
Del Norte Triplicate/WesternCom	20.79	0.00	0.00	0.00	0.00	20.79
DN Unified School District	1,389.78	0.00	0.00	0.00	0.00	1,389.78
Elk Valley Casino	22.28	0.00	0.00	0.00	0.00	22.28
Elk Valley Rancheria	38.61	0.00	0.00	0.00	0.00	38.61
Elk Valley Storage	13.37	0.00	0.00	0.00	0.00	13.37
G. H. Outreach	326.45	0.00	0.00	0.00	0.00	326.45
Golden State Construction	319.28	0.00	0.00	0.00	0.00	319.28
Green Scapes	20.87	44.27	55.17	0.00	0.00	120.31
Griffin's Furniture Outlet	310.30	0.00	0.00	0.00	0.00	310.30
Hambro Forest Products, Inc.	194.62	0.00	0.00	0.00	0.00	194.62
Hambro/Waste Solutions Group	0.00	8.42	0.00	0.00	0.00	8.42
Hartley Construction	266.40	0.00	0.00	0.00	0.00	266.40
HASP / Jordan Recovery Centers	196.39	0.00	0.00	0.00	0.00	196.39
Hemmingsen Contracting Company	17,637.21	0.00	0.00	0.00	0.00	17,637.21
Hiouchi Community Fellowship	15.00	0.00	0.00	0.00	0.00	15.00
Humboldt Moving & Storage	86.76	0.00	0.00	0.00	0.00	86.76
Investment Realty	55.58	0.00	0.00	0.00	0.00	55.58
Kays Yard Service	55.22	0.00	0.00	0.00	0.00	55.22
Kirkland's Lawn & Yard Service	208.40	0.00	0.00	0.00	0.00	208.40
Kraft, Tom & Patti	144.06	0.00	0.00	0.00	0.00	144.06
Lara-Edelman Accounting Svc.	99.50	0.00	0.00	0.00	0.00	99.50
LNL Design and Construction	0.00	0.01	0.00	0.00	0.00	0.01
Lucky 7 Casino	175.25	0.00	0.00	0.00	0.00	175.25
Madrone Court	71.91	0.00	0.00	0.00	0.00	71.91
Malloroy Construction	100.70	0.00	0.00	0.00	0.00	100.70
Mastaloudis Homes Inc.	29.70	0.00	0.00	0.00	0.00	29.70
McMurray & Sons, Inc.	311.86	0.00	0.00	0.00	0.00	311.86
Miller Construction	40.10	0.00	0.00	0.00	0.00	40.10
Mountain Power Tree Co	0.00	34.16	0.00	0.00	0.00	34.16
Mow Blow and Go	53.71	0.00	0.00	0.00	0.00	53.71
Murray Construction	144.20	0.00	0.00	0.00	0.00	144.20
New Dawn Support Services	731.17	0.00	0.00	0.00	0.00	731.17
North Coast Properties	36.82	26.88	0.00	0.00	0.00	63.70
North Woods Realty	333.04	780.47	0.00	0.00	0.00	1,113.51
Northridge Electric	160.39	0.00	0.00	0.00	0.00	160.39
Orcutt's Landscaping/Lawn Care	0.00	16.34	0.00	0.00	0.00	16.34
Pacific Ocean Park	683.89	0.00	0.00	0.00	0.00	683.89
PALM Industries, Inc.	41.58	0.00	0.00	0.00	0.00	41.58
Pappas Dry Wall	144.36	0.00	0.00	0.00	0.00	144.36
Peasley's Property Mang.	22.28	0.00	0.00	0.00	0.00	22.28
Pelican Bay Roofing Co.	362.35	0.00	0.00	0.00	0.00	362.35
Pierson Company	446.99	0.00	0.00	0.00	0.00	446.99
Plunkett's Family Painting	147.28	0.00	0.00	0.00	0.00	147.28

Del Norte Solid Waste Management Authority
A/R Aging Summary
As of February 6, 2018

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Ray's Mobile Home Service	248.01	0.00	0.00	0.00	0.00	248.01
Recology Del Norte (Franchise)	114,114.09	0.00	0.00	0.00	0.00	114,114.09
Recology Del Norte (Prison)	13,846.18	0.00	0.00	0.00	0.00	13,846.18
Red Sky Roofing	12,523.22	0.00	0.00	0.00	0.00	12,523.22
Redwood National Park	502.04	0.00	0.00	0.00	0.00	502.04
Reservation Ranch	438.08	369.77	0.00	0.00	0.00	807.85
Richterich & Jones Const	148.92	0.00	0.00	0.00	0.00	148.92
Rick Parker Construction	466.31	0.00	0.00	0.00	0.00	466.31
Ritchie Homes	161.88	0.00	0.00	0.00	0.00	161.88
Rogers, Luu T.	0.00	370.58	390.03	0.00	0.00	760.61
Ron Spitzner	49.01	0.00	0.00	0.00	0.00	49.01
Roy Rook Construction	0.00	63.86	0.00	0.00	0.00	63.86
S.O.S. Construction	14.85	0.00	0.00	0.00	0.00	14.85
Schnacker's *COLLECTIONS*	0.00	0.00	0.00	2.32	832.55	834.87
Seawood Village	3,102.20	0.00	0.00	0.00	0.00	3,102.20
Smith River Equipment	539.07	0.00	0.00	0.00	0.00	539.07
Sprint Courier Service	10.40	0.00	0.00	0.00	0.00	10.40
Stephen F White Gen.Cont. Inc.	27.67	0.00	0.00	0.00	0.00	27.67
Stone Roofing	5,793.02	8,011.62	0.00	0.00	0.00	13,804.64
Sutter Coast Hospital *HOLD*	3.71	0.00	0.00	37.13	0.00	40.84
Swanson, Ray C. Construction	69.81	0.00	0.00	0.00	0.00	69.81
Tab & Associates	366.32	0.00	0.00	0.00	0.00	366.32
Tim Haban Construction	22.28	56.44	0.00	0.00	0.00	78.72
Tolowa Dee-Ni' Nation	240.58	0.00	0.00	0.00	0.00	240.58
Van Arsdale Construction	997.29	1,673.61	0.00	0.00	0.00	2,670.90
Wigley Contracting	49.01	0.00	0.00	0.00	0.00	49.01
Yurok Economic Dev Corp	21.16	0.00	0.00	0.00	0.00	21.16
Yurok Indian Housing Authority	24.20	0.00	0.00	0.00	0.00	24.20
Yurok Tribe *HOLD*	30.17	98.69	595.56	301.67	0.00	1,026.09
TOTAL	**203,670.30**	**12,334.20**	**1,044.03**	**334.88**	**832.55**	**218,215.96**

CLAIMS APPROVED BY THE DIRECTOR

Del Norte Solid Waste Management Authority

Claims for January 2018

Date Paid	Paid to:	Budget	Amt. Paid	Description	Claim #
1/2/2018	Taylor, Richard D.	20235	$ 640.00	Treasurer/Controller Services December 2017	8081
1/2/2018	Efficiency Delivery	20280	$ 30.00	INV 437412 Delivery to North Coast Labs, 11/28	8082
1/2/2018	Davis, Darren	20290	$ 48.15	Mileage reimb 12/06-12/20/17	8083
1/2/2018	Smith, Haley	20290	$ 40.50	Mileage reimb 08/23-12/28/17	8084
1/3/2018	DN County Auditor	20223	$ 415.40	Postage Jul-Dec 2017	Interdepartmental
1/4/2018	DN County Auditor	20297	$ 15.71	C. Renner Petroleum fuel charges 12/16-31/2017	Interdepartmental
1/10/2018	U S Bank Corp P S	20290	$ 545.00	ORD 1848 40hr Hazwoper Training, 2/5-9/18	8085
	U S Bank Corp P S	20224	$ 123.75	INV 03954-10-IN Pro Series Redeyable Padlocks, 6	
	U S Bank Corp P S	20290	$ 4.50	Parking, Sacramento 12/08/17	
	U S Bank Corp P S	20290	$ 12.00	RCPT 17709 Parking, Sacramento 12/07/17	
1/11/2018	Curry Transfer Roto-Rooter	20140	$ 173.08	INV 65867977 KTS PortaPotty December 2017	8088
	Curry Transfer Roto-Rooter	20140	$ 173.08	INV 65867976 GTS PortaPotty December 2017	
1/11/2018	G.H. Outreach	20285	$ 75.00	INV 835663 December 2017 Recycling Services	8089
1/11/2018	Crescent Hay & Feed	20140	$ 4.00	REC 219304 Propane refill 12/29/17	8090
	Crescent Hay & Feed	20140	$ 9.21	REC 218591 Propane refill 12/15/17	
1/12/2018	Black & Rice LLP	20234	$ 532.00	Statement for December 2017 Legal Fees	8091
1/12/2018	Hambro/Waste Solutions Group	20239	$ 162,033.83	INV 2017-13 Material Management December 2017	8092
1/12/2018	DN County Auditor	20237	$ 1,585.63	Debit/Credit Mo. Lease December 2017	Interdepartmental
1/16/2018	Recology Del Norte	20238	$ 1,709.73	INV 2444 Klamath Beach Rd 12/17 bin pull	8093
	Recology Del Norte	20238	$ 379.94	INV 2443 Old Gasquet Toll Rd 12/17 bin pull	
1/16/2018	Butcher, Andrew	20231	$ 750.00	INV 2422 IT Services February 2018	8094
1/16/2018	Fleshman, Ronald	20290	$ 179.76	Mileage reimb 12/13-31/17	8095
1/16/2018	Quill	20224	$ 4.77	INV 3775012 Permanent markers 2/pkg-Gold	8096
	Quill	20140	$ 51.64	INV 3727305 Recyc pprtowel 2Ply 8 pk	
	Quill	20224	$ 10.51	INV 3674684 Qb paper clips, jumbo smooth	
	Quill	20140	$ 10.51	INV 3674684 Greenworks all purpose refill	
	Quill	20140	$ 4.77	INV 3674684 Scotch superglue liquid .14Oz	
	Quill	20140	$ 31.56	INV 3674684 3Msupr strngth tape, 2X55,3.1MI	
	Quill	20224	$ 14.73	INV 3674684 Calc spool value 6Pk blk/red	
	Quill	20224	$ 45.44	INV 3674684 2000 plus hd date & phrase	
1/17/2018	North Coast Laboratories, Ltd.	20232	$ 1,675.00	INV 137169 landfill water testing	8097
1/17/2018	Bi-Coastal Media	20240-066	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/21/17, 1	8098
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/21/17, 2	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/22/17, 2	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/23/17, 2	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/24/17, 2	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/25/17, 2	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/26/17, 2	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/27/17, 2	
	Bi-Coastal Media	20240-066	$ 45.00	INV 4743-1 KCRE Hambro CRV ads, 12/28/17, 3	
	Bi-Coastal Media	20240-066	$ 45.00	INV 4743-1 KCRE Hambro CRV ads, 12/29/17, 3	
	Bi-Coastal Media	20240-066	$ 45.00	INV 4743-1 KCRE Hambro CRV ads, 12/30/17, 3	
	Bi-Coastal Media	20240-066	$ 31.00	INV 4743-1 KCRE Hambro CRV ads, 12/20/17, 2	
	Bi-Coastal Media	20240-066	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/20/17, 1	
	Bi-Coastal Media	20240	$ 28.00	INV 4743-2 KPOD Hambro CRV ads, 12/31/17, 2	
	Bi-Coastal Media	20240-066	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/22/17, 1	
	Bi-Coastal Media	20240-066	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/23/17, 1	
	Bi-Coastal Media	20240-066	$ 5.00	INV 4743-2 KPOD Hambro CRV ad, 12/24/17, 1	
	Bi-Coastal Media	20240	$ 9.00	INV 4743-2 KPOD Hambro CRV ad, 12/24/17, 1	
	Bi-Coastal Media	20240	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/25/17, 1	
	Bi-Coastal Media	20240	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/26/17, 1	
	Bi-Coastal Media	20240	$ 14.00	INV 4743-2 KPOD Hambro CRV ad, 12/27/17, 1	
	Bi-Coastal Media	20240	$ 28.00	INV 4743-2 KPOD Hambro CRV ads, 12/28/17, 2	
	Bi-Coastal Media	20240	$ 28.00	INV 4743-2 KPOD Hambro CRV ads, 12/29/17, 2	
	Bi-Coastal Media	20240	$ 28.00	INV 4743-2 KPOD Hambro CRV ads, 12/30/17, 2	
	Bi-Coastal Media	20240-066	$ 45.00	INV 4743-1 KCRE Hambro CRV ads, 12/31/17, 3	
1/17/2018	United States Cellular	20121	$ 85.75	INV 0228331862 01/04-02/03/18 Cell Service	8099
1/17/2018	DN Community Development Department	20230	$ 177.48	Reimbursable Time for Landfill	Interdepartmental
1/18/2018	DN County Auditor	20297	$ 24.43	C. Renner Petroleum fuel charges 01/01-15/2018	Interdepartmental
1/19/2018	Canon Financial Services, Inc.	20221	$ 32.45	INV 18207370 Printing charges Dec 2017	8100
	Canon Financial Services, Inc.	20250	$ 142.02	INV 18207370 Contract rental charges Jan 2018	
1/19/2018	DN County Community Development	20221	$ 0.30	December 2017 Copies	Interdepa

1/23/2018	Recology Del Norte	20288	$	256.34	BILL 05254537 900 Tenth St - City Yard	8101
1/23/2018	Recology Del Norte	20288	$	881.46	BILL 05254503 1001 Front St - Cultural Center	8102
1/23/2018	Recology Del Norte	20283	$	464.58	BILL 05254529 500 Cooper Ave - County Yard	8103
1/26/2018	Crescent Ace Hardware	20140	$	12.04	INV 701154 BATTERY AAA 16PK ENERGZR	8104
	Crescent Ace Hardware	20140	$	9.23	INV 698746 ENERGZR MAX BATT D CD4	
1/26/2018	Hemmingsen Contracting Company, Inc.	20239-001	$	4,882.50	Landfill Storm Damage Rep, retention payment	8105
1/29/2018	Lawrence & Associates	20231	$	178.75	INV 25003 PRO 015063.00 December 2017	8106
1/29/2018	Quill	20140	$	9.37	INV 4063465 Ambitex gloves, nitrile pf, lg, 1	8107
	Quill	20140	$	18.81	INV 4063465 Ambitex gloves, nitrile pf, md, 2	
	Quill	20140	$	18.32	INV 4063465 Purell naturals hand sntzr 8Oz, 6	
	Quill	20224	$	595.01	INV 4142786 Cash receipt bk 4Up triplicate, 25	
1/30/2018	Mission Linen Supply	20140	$	30.86	INV 506660586 Linen service 01/30/18	8108
	Mission Linen Supply	20140	$	30.86	INV 506568124 Linen service 01/16/18	
	Mission Linen Supply	20140	$	30.86	INV 506479690 Linen service 01/02/18	
1/31/2018	Seymour, Kyra	20290	$	470.09	Travel Reimb. - Grammar & Proofreading Seminar 01/29/18	Interdepartmental
	TOTAL		$	180,332.71		

DNSWMA

GRAND TOTALS

January 2018

	Amount to 422-421 91003	Amount to 422-421 91004	TOTAL AMOUNT
	66.53%	**33.47%**	
DNCTS Cash Total	27,249.24	13,708.59	*40,957.83*
DNCTS Charge Total	139,940.63	70,401.51	*210,342.14*
DNCTS Credit/Debit	21,535.63	10,834.17	*32,369.80*
DNCTS Adjustment	-163.85	163.85	*0.00*
DNCTS Totals	188,561.65	95,108.12	*283,669.77*
Klamath Cash Total		4,235.24	4,235.24
Klamath Charge Total		134.10	134.10
Klamath Adjustment			
Klamath Totals		4,369.34	*4,369.34*
Gasquet Cash Total		1,078.37	1,078.37
Gasquet Charge Total		0.00	*0.00*
Gasquet Adjustment			
Gasquet Totals		1,078.37	*1,078.37*
GRAND TOTALS	***188,561.65***	***100,555.83***	***289,117.48***

2.4

MONTHLY SPLIT SHEET
DNSWMA TRANSFER STATION
MONTH: January 2018

Date	Cash	Checks	Cash/Check Total	Visa	Master	Discover	AmExp	Credit Card Total	Charges	Grand Total	66.53% 91003	33.47% 91004	20286	Total	
1	CLOSED		$ -					$ -		$ -	$ -	$ -		$ -	
2	$ 1,797.47	$ 176.56	$ 1,974.03	$ 1,690.58	$ 34.23			$ 1,724.81	$ 10,780.40	$ 14,479.24	$ 1,313.32	$ 660.71	$0.11	$ 1,974.14	
3	$ 1,737.18	$ 72.99	$ 1,810.17	$ 1,355.81	$ 22.35	$ 14.85		$ 1,393.01	$ 8,854.42	$ 12,057.60	$ 1,204.31	$ 605.86	($20.53)	$ 1,789.64	$20.47 Cash shortage
4	$ 1,186.91	$ 226.89	$ 1,413.80	$ 1,394.35	$ 129.28	$ 54.41		$ 1,578.04	$ 14,795.64	$ 17,787.48	$ 940.60	$ 473.20	($0.34)	$ 1,413.46	
5	$ 1,045.23	$ 50.65	$ 1,095.88	$ 941.63		$ 76.27		$ 1,017.90	$ 7,205.71	$ 9,319.49	$ 729.09	$ 366.79	$19.64	$ 1,115.52	
6	$ 1,706.69	$ 271.85	$ 1,978.54	$ 1,553.16	$ 87.62	$ 75.41		$ 1,716.19	$ 6,353.22	$ 10,047.95	$ 1,316.32	$ 662.22	$0.09	$ 1,978.63	
7	$ 1,808.78	$ 212.60	$ 2,021.38	$ 1,406.62	$ 35.72			$ 1,442.34	$ 820.49	$ 4,284.21	$ 1,344.82	$ 676.56	$0.04	$ 2,021.42	
8	$ 1,035.35	$ 62.37	$ 1,097.72	$ 544.31	$ 132.17			$ 676.48	$ 6,626.03	$ 8,400.23	$ 730.31	$ 367.41	$0.18	$ 1,097.90	
9	$ 658.58	$ 236.12	$ 894.70	$ 602.19				$ 602.19	$ 8,773.16	$ 10,270.05	$ 595.24	$ 299.46	($0.02)	$ 894.68	
10	$ 801.75	$ 82.41	$ 884.16	$ 723.29				$ 723.29	$ 5,814.67	$ 7,422.12	$ 588.23	$ 295.93	($21.48)	$ 862.68	$22.28 shortage. No credit card approval
11	$ 915.07	$ 98.29	$ 1,013.36	$ 572.04				$ 572.04	$ 5,212.50	$ 6,797.90	$ 674.19	$ 339.17	$0.08	$ 1,013.44	
12	$ 1,445.59	$ 281.62	$ 1,727.21	$ 1,112.31	$ 37.20	$ 11.38	$ 7.50	$ 1,168.39	$ 7,945.62	$ 10,841.22	$ 1,149.11	$ 578.10	($0.10)	$ 1,727.11	
13	$ 1,896.12	$ 112.01	$ 2,008.13	$ 1,246.23	$ 96.29		$ 43.07	$ 1,385.59	$ 1,185.76	$ 4,579.48	$ 1,336.01	$ 672.12	$0.63	$ 2,008.76	
14	$ 2,116.35	$ 326.91	$ 2,443.26	$ 1,400.79	$ 29.70	$ 37.13		$ 1,467.62	$ 1,611.33	$ 5,522.21	$ 1,625.50	$ 817.76	$1.83	$ 2,445.09	
15	$ 1,223.84	$ 294.12	$ 1,517.96	$ 1,187.13	$ 747.04			$ 1,934.17	$ 6,140.78	$ 9,592.91	$ 1,009.90	$ 508.06	($0.04)	$ 1,517.92	
16	$ 1,310.90	$ 75.82	$ 1,386.72	$ 933.55	$1,519.23		$ 21.57	$ 2,474.35	$ 8,364.28	$ 12,225.35	$ 922.58	$ 464.14	$2.32	$ 1,389.04	
17	$ 1,636.38	$ 41.58	$ 1,677.96	$ 556.31		$ 40.60		$ 596.91	$ 7,228.22	$ 9,503.09	$ 1,116.35	$ 561.61	$0.09	$ 1,678.05	
18	$ 428.04	$ 184.22	$ 612.26	$ 464.75				$ 464.75	$ 9,337.55	$ 10,414.56	$ 407.34	$ 204.92	$0.02	$ 612.28	
19	$ 1,039.61	$ 83.80	$ 1,123.41	$ 1,091.76	$ 91.21			$ 1,182.97	$ 8,099.14	$ 10,405.52	$ 747.40	$ 376.01	$0.98	$ 1,124.39	
20	$ 1,587.29	$ 101.90	$ 1,689.19	$ 1,123.45	$ 30.00			$ 1,153.45	$ 734.31	$ 3,576.95	$ 1,123.82	$ 565.37	$0.00	$ 1,689.19	
21	$ 538.57	$ -	$ 538.57	$ 233.85				$ 233.85	$ 2,487.38	$ 3,259.80	$ 358.31	$ 180.26	$0.16	$ 538.73	
22	$ 1,440.62	$ 59.81	$ 1,500.43	$ 820.19	$ 15.00	$ 16.34		$ 851.53	$ 10,841.61	$ 13,193.57	$ 998.24	$ 502.19	$0.00	$ 1,500.43	
23	$ 1,144.61	$ 142.64	$ 1,287.25	$ 549.49	$ 65.35	$ 55.25	$ 16.34	$ 686.43	$ 14,075.87	$ 16,049.55	$ 856.41	$ 430.84	($0.14)	$ 1,287.11	
24	$ 743.32	$ 15.00	$ 758.32	$ 353.14	$ 8.91			$ 362.05	$ 7,243.89	$ 8,364.26	$ 504.51	$ 253.81	($0.12)	$ 758.20	
25	$ 582.29	$ 19.38	$ 601.67	$ 566.04	$ 7.50			$ 573.54	$ 12,310.85	$ 13,486.06	$ 400.29	$ 201.38		$ 601.67	
26	$ 794.23	$ 73.72	$ 867.95	$ 965.60	$ 25.25	$ 7.50		$ 998.35	$ 7,998.02	$ 9,864.32	$ 577.45	$ 290.50	($0.79)	$ 867.16	
27	$ 863.74	$ 145.54	$ 1,009.28	$ 662.42	$ 20.79			$ 683.21	$ 1,287.50	$ 2,979.99	$ 671.47	$ 337.81	($10.57)	$ 998.71	$10.40 shortage, card not swiped
28	$ 1,753.29	$ 150.22	$ 1,903.51	$ 1,628.18	$ 113.09			$ 1,741.27	$ 3,862.71	$ 7,507.49	$ 1,266.41	$ 637.10	$0.03	$ 1,903.54	
29	$ 1,399.45	$ 122.38	$ 1,521.83	$ 830.08	$ 41.58			$ 871.66	$ 7,879.10	$ 10,272.59	$ 1,012.47	$ 509.36	$0.26	$ 1,522.09	
30	$ 981.38	$ 54.46	$ 1,035.84	$ 950.59	$ 23.76	$ 83.17	$ 28.22	$ 1,085.74	$ 8,934.08	$ 11,055.66	$ 689.14	$ 346.70	$0.12	$ 1,035.96	
31	$ 1,530.52	$ 32.82	$ 1,563.34	$ 845.64	$ 96.69	$ 65.35		$ 1,007.68	$ 7,537.90	$ 10,108.92	$ 1,040.09	$ 523.25	20.03	$ 1,583.37	
								$ -							
TOTALS	$37,149.15	$3,808.68	$ 40,957.83	$28,305.48	$3,409.96	$ 537.66	$ 116.70	$32,369.80	$210,342.14	$283,669.77	$27,249.24	$13,708.59	$ (7.52)	$40,950.31	

DAILY TICKET REPORT
DNSWMA TRANSFER STATION
MONTH: January 2018

Date	BEGIN	END	VOIDED TICKETS	TICKET COUNT		
1	CLOSED					
2	983391	983626		236		
3	983627	983854		228		
4	983855	984022	2	166		
5	984023	984188		166		
6	984189	984385		197		
7	984386	984612		227		
8	984613	984750		138		
9	984751	984878	2	126		
10	984879	984998	1	119		
11	984999	985091		93		
12	985092	985263	2	170		
13	985264	985482		219		
14	985483	985732	1	249		
15	985733	985889	1	156		
16	985890	986081	1	191		
17	986082	986225		144		
18	986226	986311	3	83		
19	986312	986447		136		
20	986448	986631		184		
21	986632	986692		61		
22	986693	986899		207		
23	986900	987037		138		High
24	987038	987121	1	83		249
25	987122	987225		104		
26	987226	987376	1	150		Low
27	987377	987495		119		61
28	987496	987714		219		
29	987715	987882		168		Daily Ave.
30	987883	988034		152		160
31	988035	988206	1	171		
TOTAL			16	4800		

DNSWMA
KLAMATH TRANSFER STATION - DEPOSITS
January-2018

Date	Cash	Checks	TOTAL Deposit	Over / Short	Sales	TOTAL Sales	Charges	TOTAL Cash + Charge	Tickets
January 3, 2018	412.12	33.64	445.76	9.00	436.76	445.76		445.76	26
January 7, 2018	871.60	104.69	976.29	(1.95)	978.24	976.29		976.29	45
January 10, 2018	163.10	30.37	193.47		193.47	193.47	88.69	282.16	15
January 14, 2018	584.66	146.97	731.63	1.95	729.68	731.63		731.63	37
January 17, 2018	295.03	12.05	307.08		307.08	307.08	21.21	328.29	21
January 21, 2018	231.24		231.24	4.00	227.24	231.24		231.24	16
January 24, 2018	163.42	27.16	190.58	(0.01)	190.59	190.58	24.20	214.78	12
January 28, 2018	669.98	185.89	855.87	0.05	855.82	855.87		855.87	40
January 31, 2018	248.08	55.24	303.32	0.06	303.26	303.32		303.32	24
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
TOTAL	$ 3,639.23	$ 596.01	**$ 4,235.24**	$13.10	$ 4,222.14	**$ 4,235.24**	$ 134.10	**$4,369.34**	**236**

Date	TOTAL SALES (CASH + CHARGE) Wednesday	Friday	Sunday
January 3, 2018	445.76		
January 7, 2018			976.29
January 10, 2018	282.16		
January 14, 2018			731.63
January 17, 2018	328.29		
January 21, 2018			231.24
January 24, 2018	214.78		
January 28, 2018			855.87
January 31, 2018	303.32		
TOTALS	***$1,574.31***	***$0.00***	***$2,795.03***
DAILY AVERAGE	$314.86		$698.76

DNSWMA
GASQUET TRANSFER STATION - DEPOSITS
January-2018

Date	Cash	Checks	TOTAL Deposit	Over / Short	Sales	TOTAL Sales	Charges	TOTAL Cash + Charge	Tickets
January 6, 2018	235.83	51.11	286.94	$2.85	284.09	286.94		286.94	26
January 13, 2018	331.37	81.43	412.80	$1.00	411.80	412.80		412.80	31
January 20, 2018	89.70	51.10	140.80		140.80	140.80		140.80	15
January 27, 2018	186.57	51.26	237.83		237.83	237.83		237.83	21
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
			0.00			0.00		0.00	
TOTAL	$ 843.47	$ 234.90	**$ 1,078.37**	$ 3.85	$ 1,074.52	**$ 1,078.37**	$ -	**$1,078.37**	**93**

Date	TOTAL SALES (CASH + CHARGE) Thursday	Saturday
January 6, 2018		286.94
January 13, 2018		412.80
January 20, 2018		140.80
January 27, 2018		237.83
TOTALS	***$0.00***	***$1,078.37***
DAILY AVERAGE		$269.59

AUTHORITY REVENUE REPORT **January 2018**

Source

Authority Service Fees

	2016/2017 Actual Annual				2017/2018	Budget/Month		Adjusted Annual Budget	
	$	1,114,509.12				$	94,453.88	$	1,133,446.50
	Actual/Month		Comparison FY15/16			Actual/Month		Over Budget	
July	$	93,395.01	$	12,556.47	July	**$**	**105,951.48**	$	11,497.61
August	$	100,284.45	$	17,739.97	August	**$**	**118,024.42**	$	23,570.55
September	$	97,849.58	$	7,042.13	September	**$**	**104,891.71**	$	10,437.84
October	$	84,217.04	$	12,026.46	October	**$**	**96,243.50**	$	1,789.63
November	$	87,939.87	$	(540.40)	November	**$**	**87,399.47**	$	(7,054.41)
December	$	84,419.61	$	4,925.25	December	**$**	**89,344.86**	$	(5,109.02)
January	$	88,068.76	$	7,039.36	January	**$**	**95,108.12**	$	654.24
February	$	78,021.83	$	-	February			$	-
March	$	92,473.84	$	-	March			$	-
April	$	91,704.52	$	-	April			$	-
May	$	106,885.70	$	-	May			$	-
June	$	109,248.91	$	-	June			$	-
Total	$	1,114,509.12	$	60,789.24	Total	**$**	**696,963.56**	$	35,786.44
				Over last year					Over Budget

2.5

AUTHORITY REVENUE REPORT **January 2018**

Source **2016/2017**

Franchise Fee Actual Annual

2017/2018

Budget/Month $ 23,015.25 Budget/Year $ 276,183.00

	2016/2017 Actual/Month	Comparison FY 16/17		2017/2018 Actual/Month	Over/(Under) Budget
July	**$ 24,594.00**	$ (821.00)	July	**$ 23,773.00**	$ 757.75
August	**$ 22,628.00**	$ 3,609.00	August	**$ 26,237.00**	$ 3,221.75
September	**$ 24,003.00**	$ (1,142.00)	September	**$ 22,861.00**	$ (154.25)
October	**$ 22,699.00**	$ 1,683.00	October	**$ 24,382.00**	$ 1,366.75
November	**$ 21,921.00**	$ 2,198.00	November	**$ 24,119.00**	$ 1,103.75
December	**$ 22,566.00**	$ 2,029.00	December	**$ 24,595.00**	$ 1,579.75
January	**$ 20,591.00**	$ 2,458.00	January	**$ 23,049.00**	$ 33.75
February	**$ 22,030.00**	$ -	February		$ -
March	**$ 21,197.00**	$ -	March		$ -
April	**$ 22,923.00**	$ -	April		$ -
May	**$ 23,040.00**	$ -	May		$ -
June	**$ 23,586.00**	$ -	June		$ -
Total	**$ 271,778.00**	$ 10,014.00	Total	**$ 169,016.00**	$ 7,909.25
		Over/(Under) last year			Over/ (Under) Budget

Narrative: (Continued)

Contract Repair Hemmingsen Contraction Company, Inc. – 2 Invoices (See Sheets #3)
Invoice # 008159 (11-8-17) = $55,250.00
Invoice # 008331 (12-27-17) = $42,400.00
Note: Repaired 3 damaged sites and includes costs for Hazard Mitigation Project.
Total cost = $97,650.00
Estimate Cost on DSR = $80,700.00

Contract Engineering with Del Norte County Engineering Invoice - #16006.
Eric Laughstedt - 36.25 Hours @ $59.16/HR & James Barnts - 3 Hours @ $70.96/HR for a total of 39.25 Hours. (See Sheet #4)
Total cost = $2,357.43
Estimate Cost on DSR = $0.00 (Did not include estimate on DSR)

Contract Labor/Equipment with Del Norte County Roads – Invoice #16006 (See Sheets #5)
Haul Dirt to Crescent City Landfill – 107 Loads for 1,391 Tons.
Total cost $12,227.80
Estimate Cost on DSR (as ditching on DSR - should have been hauling) = $16,661.10
Note: Overhead ($1,456.88) is the general overhead operating rate for the County. The rate is set by the state controller's office every year when they audit the road funs. Admin costs ($356.15) were cost of county that was charged to the Applicant. Benefits are included in the hourly rate.

Hazard Mitigation Project
To help stop erosion on perimeter access road by Area #3, place 85 tons of 4 Inch Rip Rap in drainage channel along access road. Also construct a 10 foot wide earthen water bar with 3 inch drainage channel lined with 95 tons of 4 Inch Rip Rap.
However, the Engineering Department decided not to install the water bar. It was changed to an inlet and pipe to increase storm water handling capacity after the 120 inch rainfall year. Having determined that the HDPE drain on the west side of the access road was damaged and plugged, and the down drain would be better served by an inlet.
The repair costs of HMP are rolled into repair costs of Area #3.

Actual Total Cost of DSR

FA Labor	$3,639.30
Materials (Seed)	$301.30
Contract Repair	$97,650.00
Contract Engineering	$2,357.43
Contract Labor/Equipment	$12,227.80
Total	**$116,175.83**

FINAL INSPECTION REPORT ***CDAA 2016-05***	
Applicant: Del Norte Solid Waste Management Authority	
PAID # 015-91009	**Applicant Rep: Tedd Ward** **Applicant Phone #: (707) 464-1100**
FEMA- N/A	**OES Inspector: Michael McIntosh**

Background:

This CDAA Final Inspection Report (FIR) covers a total of 1 State Only DSR for CDAA 2016-05. The following explains the continuing legally mandated responsibilities for managing the Crescent City Landfill. The Del Norte Solid Waste Management Authority was formed in 1992 as a joint powers authority of the County of Del Norte and the City of Crescent City. One of the main purposes of this agency has been the operation, closure, and post-closure maintenance of the Crescent City Landfill. Having operated without permits for several years prior, this facility was first permitted as a landfill in 1977, and it received materials for disposal through 2005. Final closure construction was completed in February 2006. Under the Federal Resource Conservation and Recovery Act, Subtitle D, closed landfills must be maintained and monitored for at least 30 years following closure, following the Post-Closure monitoring and maintenance procedures described in the Closure Plan for the Crescent City Landfill. Accordingly, this agency's responsibilities for monitoring and maintaining the Crescent City Landfill will continue at least through February 2036. These requirements are incorporated into Order 97-90 from the California Regional Water Quality Control Board, North Coast Region, and this includes a Monitoring and Reporting Program. Regular inspections by staff from Cal Recycle, the California Department of Resources Recycling and Recovery, and staff from the North Coast Regional Water Quality Control Board confirm our agency's continuing compliance with these requirements.

Narrative:

DSR #3449 – Cat G

DSR was approved for **$106,896** with 0% of the work completed at time of original inspection.
After this Final Inspection Report the Actual costs are **$116,175.83.**
DSR was written as an estimate to repair 3 different Areas at the Landfill.
DSR also had a Hazard Mitigation Proposal to place 4 Inch Rip Rap in drainage channel and construct water bar on access road at Area #3.

Actual Costs are as follows;
Force Account Labor – Kyra Seymour (See Sheet #1)
Consulting and Review Repair design – 12 Hours @ $42.50/HR = $510.00
Supervision of Contractor and Seeding – 65 Hours @ $42.50/HR = $3,017.50
Construction Inspection – Tedd Ward – 1.5 Hours @ $74.53/HR = $111.80
Total cost = $3,639.30
Estimate Cost on DSR = $1,996.00 (Not including Seeding)

Materials Crescent City Hay & Feed (See Sheets #2)
Grass seed – 1 Bag/$37.50 ea. of Bentgrass-Seaside & 4 Bags/ $65.95 ea. of Gulf Annual Rye.
Total cost = $301.30
Estimated Cost on DSR = $1,592.10

Applicant: Del Norte Solid Waste Management Authority
PAID # 015-91009
FEMA- N/A
Applicant Rep: Tedd Ward
Applicant Phone #: (707) 464-1100
OES Inspector: Michael McIntosh

Conclusion

Actual Costs are **$116,175.83**
FIR Funding Costs are $87,132 ($116,175.83 x .75% = $87,131.87)
Deobligte Original CDAA Funding of $80,172 and obligate FIR funding $87,132.00
$87,132.00 (FIR Funding) minus $80,172 (Original Funding) = $6,960.00
A Cost Adjusting DSR for $6,960.00 is included in this FIR.

Prepared by: Michael McIntosh DAPs 11 **Date:** 1-26-18

CDAA Only APPLICATION CLOSEOUT

Subgrantee: Del Norte Solid Waste Management Authority	CDAA No: 2016-05
County: Del Norte	CDAA ID: 015-91009
Prepared by: Michael McIntosh	Date: 1-26-18

This is to verify the following:

Scope of Work

- ☐ There is No change between the initial scope of work and the actual final scope.
- ☒ There is a change between the initial scope of work and the actual final scope, see attached.

Project Cost

- ☐ There is No change between the initial approved amount and the actual final amount.
- ☒ There is a change between the initial approved amount and the actual final amount, see attached.

Other Federal Funding

- ☒ There are No cost sharing DSRs with any other Federal agencies.
- ☐ There are cost sharing DSRs with other Federal agencies, see attached.

Summary:
As a result of review of the Applicant's file, this application consists of one (1) DSR (#3449). It was written at 0% complete at time of inspection. There was a change in scope for the Hazard Mitigation Project.

Based on the attached project cost documentation and the enclosed, signed Project Summary Certification of Documentation (CDAA form 4a) there is an adjustment to the original CDAA funding and the FIR funding.

DSR was written for 106,896. (Original CDAA amount at 75% is $80,172)
FIR eligible cost is $116,175.83. (FIR CDAA amount at 75% is $87,132)
$87,132 minus $80,172 = $6,960. (FIR CDAA amount minus Original CDAA amount)
CDAA Cost Adjusting DSR for the difference of **$6,960** is included in this FIR.

See attached Narrative for details.

CDAA cost share for the Application is 75% of the eligible cost in accordance with Government Code 8683(b) ($87,132). This Application is considered closed.

CDAA Final QC________________

FOR INTERNAL USE ONLY

RECOMMENDED FINAL COST	
75% STATE SHARE	
ADJUSTMENT	
10% ADMINISTRATIVE ALLOWANCE	
RECOMMENDED FINAL PAYMENT	

State of California
OFFICE OF
EMERGENCY SERVICES

FINAL INSPECTION REPORT
CALIFORNIA DISASTER ASSISTANCE ACT

SUBGRANTEE **Del Norte Solid Waste Management Authority**

CDAA NO. **015-91009** FIPS NO. **015-91009** CDAA **2016-05** -DR

CAT	CDAA	DSR NO. FEMA	DATE COMP.	DATE INSP.	APPROVED AMOUNT Total 100%	APPROVED AMOUNT CDAA 75%	CLAIMED COSTS	ELIGIBLE FIR COSTS TOTAL 100%	ELIGIBLE FIR COSTS CDAA 75%	REMARKS**
G	3449	N/A	01/08/18	03/23/17	$ 106,896	$ 80,172	$ 116,176	$ 116,176	$ 87,132	Written at 0%
					$ 0	$ 0	$ 0	$ 0	$ 0	
					$ 0	$ 0	$ 0	$ 0	$ 0	
						$ 0	$ 0	$ 0	$ 0	
						$ 0	$ 0	$ 0	$ 0	
						$ 0	$ 0	$ 0	$ 0	
						$ 0	$ 0	$ 0	$ 0	
						$ 0	$ 0	$ 0	$ 0	
						$ 0	$ 0	$ 0	$ 0	

*Narrative attachment should be added to explain any substantive changes in cost or scope of approval.

	Total 100%	CDAA 75%	CLAIMED COSTS	TOTAL 100%	CDAA 75%
TOTAL FROM THIS PAGE	$ 106,896	$ 80,172	$ 116,176	$ 116,176	$ 87,132
TOTALS FROM ADDITIONAL PAGES	$ 0	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	$ 106,896	$ 80,172	$ 116,176	$ 116,176	

TOTAL ELIGIBLE PER FIR UNDER CDAA $ 87,132

FOR INTERNAL USE ONLY

RECOMMENDED FINAL COST	
75% STATE SHARE	
ADJUSTMENT	
4% ADMINISTRATIVE ALLOWANCE	
RECOMMENDED FINAL PAYMENT	

Name of ASR MICHAEL "MAC" MCINTOSH	Title DAPS 11	Signature Concur	Date 1/26/2018
Name of Applicant Ted Ward	Title Director	Signature Concur by Phone	Date 2/1/2018
Name of Reviewer Robe Larsen	Title PM1	Signature	Date
Approved By: David Gillings	Title PM 2	Signature	Date

PLEDGE OF REVENUE AGREEMENT FOR
POSTCLOSURE MAINTENANCE AND CORRECTIVE ACTION
CRESCENT CITY LANDFILL

This agreement ("Agreement") establishes a Pledge of Revenue to assure that adequate funds are available to carry out the Postclosure Maintenance and Corrective Action of the Crescent City Landfill.

This Agreement shall become effective immediately, and is made and entered into by and between the Del Norte Solid Waste Management Authority, a joint powers authority of the City of Crescent City and the County of Del Norte ("DNSWMA") and the California Department of Resources Recycling and Recovery ("CalRecycle").

WHEREAS, Public Resources Code, sections 43500 through 43610.1 and Title 27, California Code of Regulations ("Regulations"), Division 2, Subdivision 1, Chapter 6, require operators of solid waste landfills to demonstrate the availability of financial resources to conduct closure, postclosure maintenance, and corrective action activities; and

WHEREAS, sections 22228 and 22245 of the Regulations specify a Pledge of Revenue as an acceptable mechanism to demonstrate financial responsibility for postclosure maintenance and corrective action costs of a solid waste landfill; and

WHEREAS, the DNSWMA operates the Crescent City Landfill, a solid waste landfill, in conformance with the findings, conditions, prohibitions and requirements contained in Solid Waste Facilities Permit No. 08-AA-0006 issued by the Del Norte County Community Development Department, Environmental Health Division, serving as Local Enforcement Agency ("LEA") for CalRecycle; and

WHEREAS, the DNSWMA is pledging revenues from tipping fees of the Del Norte Transfer Station, Solid Waste Facilities Permit No. 08-AA-0018, deposited into the Del Norte Solid Waste Management Authority Fund; and

WHEREAS, the DNSWMA has determined that projected net revenues from tipping fees during the state-mandated period of postclosure maintenance, as determined pursuant to section 21900 of the Regulations, and during the corrective action period, shall, during each year of this period, be greater than the yearly monitoring and postclosure maintenance costs and corrective action costs contained in the most recent Cost Estimates for the Crescent City Landfill, which have been submitted to CalRecycle in accordance with section 21840 and sections 22100 - 22103 of the Regulations.

NOW THEREFORE, the DNSWMA and CalRecycle do agree as follows:

1. The DNSWMA hereby establishes a pledge of revenue to demonstrate financial responsibility for postclosure maintenance and corrective action costs of the Crescent City Landfill in accordance with sections 22228 and 22245 of the Regulations.

2. The DNSWMA agrees to pledge net revenues from the tipping fees collected at the Del Norte Transfer Station and deposited in the Del Norte Solid Waste Management Authority Fund, as described herein.

3.2

3. The amount of the pledged revenue shall be equal to $101,426 per year for the state mandated period of postclosure maintenance, representing the most recent monitoring and postclosure maintenance cost estimate for the Crescent City Landfill. It is agreed that the amount of this pledge may increase or decrease to match any adjustment to the identified cost estimate, which is mutually agreed to by the DNSWMA and CalRecycle.

4. The amount of the pledged revenue shall be equal to $550,427 per year for the estimated length of the corrective action period, representing the most recent corrective action cost estimate for the Crescent City Landfill. It is agreed that the amount of this pledge may increase or decrease to match any adjustment to the identified cost estimate, which is mutually agreed to by the DNSWMA and CalRecycle.

5. The total amount of the pledged revenue, combining the postclosure maintenance and corrective action, shall be equal to $651,853 per year for the required periods. It is agreed that the amount of this pledge may increase or decrease to match any adjustments to the identified cost estimates which are mutually agreed to by the DNSWMA and CalRecycle.

6. The Solid Waste Director is directed to produce an Annual Certification Report (form CalRecycle 114) as required by Section 22233(b)(4)(B) of the Regulations to demonstrate that the pledged revenue continues to be available when needed and will cover the cost estimates identified in the updated Annual Inflation Report required by Section 22236 of the Regulations. It is understood that copies of the Resolution and Pledge of Revenue Agreement are not required annually, unless amended.

7. If the DNSWMA ceases at any time to retain control of its ability to allocate the pledged revenue as identified herein to pay postclosure maintenance costs and/or corrective action costs, the DNSWMA shall notify CalRecycle and the local enforcement agency and shall obtain alternate coverage within sixty (60) days after the control of funds lapses, pursuant to section 22245 of the Regulations.

8. In the event that CalRecycle, Regional Water Quality Control Board ("RWQCB") or LEA staff determine that the DNSWMA has failed, or is failing, to perform postclosure maintenance and/or corrective actions as required by law, CalRecycle, RWQCB and/or LEA staff shall confer with the DNSWMA and attempt to resolve the alleged violation. If no agreement is reached, the matter shall be presented to CalRecycle which shall give reasonable notice, hold a public hearing, and consider the testimony and documentation submitted by CalRecycle and/or LEA staff, the DNSWMA, and any interested parties, prior to making a determination in the matter. In the event CalRecycle then determines that the DNSWMA has failed, or is failing, to perform postclosure maintenance and/or corrective action as required by law, CalRecycle may direct the Auditor-Controller to pay the Solid Waste Director from the pledged revenues sufficient funds to ensure postclosure maintenance and/or corrective action, who then shall be obligated to use such funds for postclosure maintenance and/or corrective action in accordance with the directives of CalRecycle and RWQCB.

9. The DNSWMA acknowledges that, under Section 8.2 of the Second Amended Joint Powers Agreement governing its operations, a unilateral withdrawal of a participating member of the DNSWMA shall not be effective until the withdrawing party has paid all contributions to DNSWMA that said withdrawing party has legally and nonrevocably committed. The DNSWMA further agrees that postclosure maintenance and/or corrective action activities shall not be delayed in order to determine the withdrawing member's liability and to collect the funds due from that member.

10. The DNSWMA also acknowledges that, under Section 8.3 of the Seconded Amended Joint Powers Agreement, should both Charter Members (the City of Crescent City and the County of Del Norte) agree to dissolution of the DNSWMA as a legal entity, all debts of and advances of DNSWMA shall be paid.

11. The DNSWMA acknowledges that, if its members agree to dissolve the DNSWMA, then, under Section 21200 of the Regulations, it must give notice to the LEA and CalRecycle of the pending dissolution and change of operator at least 45 days prior to the anticipated date of dissolution, and the proposed new operator must provide satisfactory evidence of adequate financial assurances as part of that notice.

IN WITNESS WHEREOF, the parties have executed this agreement on the date as set forth below.

Del Norte Solid Waste Management Authority	**State of California – California Dept. of Resources Recycling and Recovery (CalRecycle)**
Dated: ______________________	Dated: ______________________
______________________ By: Blake Inscore, Chair	______________________ By: Authorized Officer of CalRecycle
ATTEST:	
______________________ Eli Naffah, Secretary	
APPROVED AS TO FORM:	APPROVED AS TO FORM AND PROCEDURE:
______________________ Martha D. Rice, Legal Counsel	______________________ Authorized Counsel of CalRecycle

Resolution No. 2018-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY AUTHORIZING A PLEDGE OF REVENUE AGREEMENT WITH CALRECYCLE TO PROVIDE FINANCIAL ASSURANCE FOR POSTCLOSURE MAINTENANCE AND CORRECTIVE ACTION OF THE CRESCENT CITY LANDFILL

WHEREAS, Public Resources Code sections 43500 through 43610.1 and Title 27, California Code of Regulations ("Regulations"), Division 2, Subdivision 1, Chapter 6, require operators of solid waste landfills to demonstrate the availability of financial resources to conduct closure, postclosure maintenance, and corrective action activities; and

WHEREAS, sections 22228 and 22245 of the Regulations specify a Pledge of Revenue as an acceptable mechanism to demonstrate financial responsibility for financing postclosure maintenance and/or corrective action costs of a solid waste landfill.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Del Norte Solid Waste Management Authority ("DNSWMA") that:

1. The DNSWMA operates the Crescent City Landfill, a solid waste landfill, in conformance with the findings, conditions, prohibitions and requirements contained in Solid Waste Facilities Permit No. 08-AA-0006 issued by the Del Norte County Community Development Department, Environmental Health Division, serving as Local Enforcement Agency for the California Department of Resources Recycling and Recovery ("CalRecycle").

2. The DNSWMA shall establish a Pledge of Revenue to demonstrate financial responsibility for postclosure maintenance and corrective action of the Crescent City Landfill in accordance with sections 22228 and 22245 of the Regulations.

3. The disbursement of funds for postclosure maintenance and corrective action shall be in accordance with the final postclosure maintenance and corrective action plan, as approved by CalRecycle.

4. In the event CalRecycle determines that the DNSWMA has failed, or is failing, to perform postclosure maintenance and/or corrective action as required by law, CalRecycle may direct the Auditor-Controller to pay to the DNSWMA Director from the pledged revenues sufficient funds to ensure postclosure maintenance and/or corrective action, who then shall be obligated to use such funds for postclosure maintenance and/or corrective action in accordance with the directives of CalRecycle.

5. The DMSWMA Director is directed to produce an Annual Certification Report (form CalRecycle 114) as required by Section 22233(b)(4)(B) of the Regulations to demonstrate that the pledged revenue continues to be available when needed and will

cover the cost estimates identified in the updated Annual Inflation Report required by Section 22236 of the Regulations. It is understood that copies of the Resolution and Pledge of Revenue Agreement are not required annually, unless amended.

APPROVED and ADOPTED at a special meeting of the Governing Board of the Del Norte Solid Waste Management Authority held this 20th day of February, 2018, and made effective the same date.

AYES:
NOES:
ABSENT:
ABSTAIN:

Blake Inscore, Chair

ATTEST:

Eli Naffah, Secretary

****

State of California }
County of Del Norte } ss.

I, Eli Naffah, Secretary of the Governing Board of the Del Norte Solid Waste Management Authority, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the Governing Board at a regular meeting held on November 20, 2018, and duly entered in the minutes of said agency.

Eli Naffah, Secretary

****

LAWRENCE
& ASSOCIATES
ENGINEERS & GEOLOGISTS

015063.00

SECOND-HALF AND ANNUAL 2017 WATER-QUALITY MONITORING REPORT FOR CRESCENT CITY LANDFILL

JANUARY 30, 2018

CERTIFIED HYDROGEOLOGIST
BONNIE E. LAMPLEY
No. HG626
STATE OF CALIFORNIA

Bonnie E. Lampley

PREPARED FOR:

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
1700 STATE STREET
CRESCENT CITY, CA 95531

3.4

Table of Contents

INTRODUCTION

This document presents the second-half and annual 2017 water-quality monitoring report for the Crescent City Landfill (Landfill), Del Norte County, California (**Figures 1** and **2**). Lawrence & Associates (L&A) prepared this report at the request of the Del Norte Solid Waste Management Authority (DNSWMA), a joint powers authority of the County of Del Norte and the only incorporated city, Crescent City. The Authority has administrative responsibility for the Crescent City Landfill, including environmental monitoring, reporting, and compliance, though the landfill and landfill property are owned by the County of Del Norte.

The Landfill, which was closed in March 2005, is monitored under Waste Discharge Requirements (WDR) Order No. 97-90, issued by the North Coast Regional Water Quality Control Board (NCRWQCB) on September 25, 1997.

In anticipation of updating the WDR, the DNSWMA proposed updates to the Monitoring & Reporting Program (MRP). To that end, L&A prepared a report (MRP Update Report) summarizing the landfill history and operations, describing the hydrogeology of the site in detail, and interpreting the historical water-quality data, and proposing changes to the MRP.[1]

On September 16, 2016, the NCRWQCB issued a letter reducing the Threat/Complexity (T/C) Rating for the Landfill from 1A to 2A. The letter stated the following:

> "Specifically, to maintain a 2A rating, you must continue to monitor the two nearest domestic wells, identified as 110-140-24 and 110-149-16, twice a year at the same time as the SWDS sampling. Analytes shall include, at a minimum, the general chemistry and field parameters required at the SWDS monitoring wells and volatile organic compounds U.S. EPA Method 8260, including oxygenates. Data from these wells shall be included in the regular monitoring reports. Other monitoring points may be proposed to replace sampling at the domestic wells, but are subject to review and approval by the Executive Officer of the Regional Water Board."

DNSWMA staff has contacted the owners of the above-described wells to obtain permission to sample, but the owners declined to give permission.

Based on the analysis herein and the MRP Update Report, it is neither clear whether an additional downgradient well is necessary at this time nor where one should be located. The location of new downgradient wells may depend, in part, on the results of the residential well sampling, and on the continued monitoring of the E-4 well pair. In the MRP Update Report, we recommended evaluating the need and/or location for a new downgradient well in six months, after one more sampling event for the E-4 pair and sampling of the residential wells. The E-4 well pair was not

[1] L&A, January 13, 2016, *Proposed Updates to Monitoring & Reporting Program for Crescent City Landfill.*

sampled in either of the 2016 events, but was sampled in the first-half 2017 event. The need for a new downgradient well is discussed herein, based on the results from the first- and second-half 2017 sampling. We also recommend sampling the above-described residential wells, although we understand from DNSWMA staff that the residents have indicated they do not wish to participate in any further monitoring of their wells.

SUMMARY

GROUNDWATER GRADIENT AND MOVEMENT

Figures 2 and **3** shows groundwater elevation contour maps for August 21, 22, & 30, 2017, for the Dune (shallow) and Battery (deep) aquifers, respectively. The direction of the groundwater gradient is similar in both aquifers, generally ranging from east to southeast at magnitudes ranging from 0.004 to 0.020 feet/foot. The exception to the overall gradient direction and magnitude is at the northeastern corner of the landfill in the deep aquifer. In this area, the gradient steepens to approximately 0.084 feet/foot towards the northeast. All gradients are similar to previous periods.

GENERAL WATER QUALITY

Second-half 2017 water-quality monitoring was performed by DNSWMA per WDR Order No. 97-90.

Volatile organic compounds (VOC) were not detected in any of the monitored wells in second-half 2017. In first-half 2017, there were two detections – 0.5 μg/L of methyl tert-butyl ether (MTBE) in E-1 Shallow and 1.7 μg/L of toluene in SM-7 Shallow. Previously, MTBE was detected in E-1 at 1 μg/L (March 2014). During the March 2014 sampling event, 23 μg/L of tert-butyl alcohol (TBA) and 3.9 μg/L of acetone also were detected in E-1. The latter two compounds have not been detected in E-1-SH since 2014.

VOC were not detected in well SM-6, which contained 0.90 μg/L of toluene and 24 μg/L of benzene in the first-half 2016 sampling event (January 2016; it was not sampled in second-half 2016 as it was dry). The detections of VOC in SM-6 between 2012 and 2016 were attributed to vandalism. This is supported by the decreasing trend for total dissolved solids (TDS) since closure; if landfill leachate were imparting VOC, TDS would not be expected to be decreasing. TDS is used here as an indicator of the general water quality and level of mineralization. As described in the second-half 2016 report, SM-6 was redeveloped, and the casing was extended and a locking compression cap installed to prevent surface-water inflow and vandalism.

VOC were not detected in the E-4 well pair (the well pair closest to the nearest residences). Well E-4 Shallow has always been nondetected for VOC. Well E-4 Deep had previous detections, in 2014, of 0.56 μg/L of MTBE and 6.9 μg/L of TBA. In E-4 Shallow, general parameters (such as TDS, alkalinity, hardness, calcium, sodium, etc.) have shown a distinct decline in concentration over the last two years.

Therefore, based on the recent historical and current results, a new well further downgradient of the E-4 pair does not appear to be warranted at this time. It is imperative, however, that the E-4 pair be sampled during every monitoring event, even though they are not officially listed in the WDR. The need for additional wells downgradient of the E-4 pair and upgradient of the nearest residences should continue to be evaluated after every sampling event, for the foreseeable future.

Wells downgradient of the Landfill and between the Landfill and the residential area show decreasing trends for TDS since Landfill closure. The E-3 pair, W-6E, W-6W, and SM-6 all show statistically significant decreasing trends in TDS since closure (*ibid.*). The E-1 pair shows decreasing trends in TDS, although not statistically significant. Most of these wells have not shown VOC detections for at least the last six years. VOC have never been detected in W-6E; VOC have not been detected in W-6W since 2001.

The only increasing trend in TDS is in crossgradient well W-2, and it is unusual, in that there is not a correlative increase in TDS in any of the downgradient wells. If the increase in TDS in W-2 was attributable to significant leachate migrating to groundwater over such a long period (almost 30 years), it would be expected that the downgradient wells would be showing increasing trends. All downgradient wells, however, are showing decreasing trends. Landfill-gas migration also does not appear to be causing this increase, as no other wells show a similar trend. The video survey of W-2, conducted in 2016, did not show damaged casing, but did show that surface-water intrusion has been occurring. L&A staff redeveloped and properly capped W-2 in 2016. Data from 2016 and 2017 suggest that this work may have been effective in slowing or stopping the increasing trends, as the concentrations of several parameters (alkalinity, bicarbonate, calcium, conductivity, hardness, magnesium, and TDS) have stabilized (see graphs in **Attachment B**).

SITE DESCRIPTION

The Landfill is located two miles north of Crescent City, in Del Norte County, on a 166-acre property (**Figure 1**). The property encompasses parcels APN 110-020-08, APN 1120-020-43, and a portion of APN 110-020-69. The property is owned by Del Norte County and zoned as a Public Facility. Current land uses within one mile of the site are recreational, wildlife habitat, agricultural, residential, and industrial. The Landfill mound comprises approximately 23 acres of the 167-acre site.

The landfill property is surrounded on three sides by land owned by the California Department of Parks and Recreation; their holdings include approximately 5,000 acres extending from Old Mill Road to the ocean, less than two miles to the west. There is a residential area consisting of sixteen properties located approximately one quarter to one half mile north-northeast of the Landfill mound (main body of waste; **Figures 2** and **3**).

In 1996, the approximate southern half of the landfill was capped with a 60-mil coextruded geomembrane. In October 2005, the second phase of closure included capping the remaining area with a linear low-density polyethylene (LLDPE) geomembrane. Since 2005, no waste has been disposed at the Landfill.

Since 1997, groundwater-monitoring has been conducted using 17 groundwater monitoring wells, one leachate well, and three surface-water points. Two additional wells, E-4 Shallow and E-4 Deep, have been sampled but are not under MRP 97-90, as they were installed in 2014. Monitoring is conducted by DNSWMA and County staff.

Beginning in at least 1987, evidence of Landfill influence on groundwater and surface-water quality was noted. Impacts consist of periodic detections of organic compounds and elevated mineral constituents. In general, however, water quality has improved since the completion of landfill capping. This was discussed in detail in the MRP Update Report.

METHODS

SAMPLING

DNSWMA staff conducted the groundwater and surface-water sampling per the protocol recommended in a Technical Memorandum prepared in 1996 by Winzler & Kelly, and approved by NCRWQCB staff. Before sampling, the depth to water in each groundwater well was measured to the nearest 0.01 foot with an electronic well sounder.

Field parameters were measured per the Sampling and Analysis Plan; the meter was calibrated the morning of the actual testing. Field parameter data was not available, however, for reporting herein.

Samples were shipped on ice and accompanied by appropriate chain-of-custody documentation, to North Coast Laboratories, Ltd., in Arcata, California.

HYDROGEOLOGICAL SETTING

The following discussions of the hydrogeologic setting and water quality were taken from the more detailed description in the MRP Update Report. Please refer to that report for additional information, as indicated.

STRATIGRAPHY

The Landfill site is underlain by the following geologic units, from ground surface downwards:

- Dune deposits of well-sorted, poorly consolidated, fine-grained sand. The Dune deposit is of varying thickness, depending on the ground-surface topography. In the higher elevation portions of the site, the Dune deposits can be as much as 40 feet thick (*e.g.*, as in the boring for the E-4 wells). In other areas, the Dune deposits may be less than 10 feet thick (*e.g.*, as in the boring for well W-2). Hydraulic conductivity of the Dune deposits ranges from 1.1×10^{-3} to 5.8×10^{-3} cm/sec.

- Underlying the Dune deposits is a unit characterized as the Marsh deposit. The Marsh deposit consists of interbedded peat and silty to clayey sand. It can be present merely as a zone of organic material or greenish-gray clayey zone, or range up to 10 feet thick. It appears to thicken to the northeast (*e.g.*, as in the boring for the E-4 wells).
- Underlying the Marsh deposit is the Battery Formation, a littoral sand deposit. The Battery Formation ranges in thickness from about five to 30 feet, although, in general, it is thinner overall than the Dune deposits. Hydraulic conductivity of the Battery Formation ranges from 4.1×10^{-4} to 6.1×10^{-5} cm/sec.
- Underlying the Battery Formation is bedrock of the St. George Formation. The St. George Formation consists of highly consolidated siltstone and sandstone, and is considered essentially non-water bearing.

The Dune, Marsh, and Battery deposits range in age from Pleistocene to Holocene (approximately 2.5 million years to present). The St. George Formation is late Miocene in age (approximately 5 to 6 million years).

Surface-water Occurrence

Because of the relatively high permeability of the Dune deposits, precipitation and surface drainage can rapidly percolate downward into the deposits. Similarly, there can be a relatively strong connection between groundwater and surface water, especially where groundwater levels are near ground surface. Historically, groundwater mounds were noted below surface impoundments.

Groundwater Occurrence

Groundwater occurs principally in the Dune and Battery deposits; for practical purposes, the St. George Formation is non-water bearing. Although the Marsh deposit is saturated in some locations, it is not considered an aquifer; rather, it acts as an aquitard between the Dune and Battery deposits.

Depth to groundwater at the Landfill site generally ranges from near ground surface (less than five feet) to approximately 40 feet below ground surface (bgs).

At all locations, the elevation of the piezometric surface is higher in the Dune deposit relative to that of the Battery Formation. The difference ranges from about one foot (in the W-6E/W pair) to almost eight feet (in the W-1E/W pair). Thus, the relative elevations of the piezometric surfaces show that there is a net downward gradient from the Dune deposit to the Battery Formation. This is the case even though the Battery Formation aquifer is semiconfined by the Marsh deposit.

Figures 2 and **3** shows groundwater elevation contour maps for August 21, 22, and 30, 2017, for the Dune (shallow) and Battery (deep) aquifers, respectively. The direction of the groundwater gradient is similar in both aquifers, generally ranging from east to southeast at magnitudes ranging from 0.004 to 0.020 feet/foot. The exception to the overall gradient direction and magnitude is at the northeastern corner of the landfill in the deep aquifer. In this area, the gradient steepens to approximately 0.084 feet/foot towards the northeast. All gradients are similar to previous periods.

Both aquifers show a steepening of the gradient generally in the middle part of the site, beneath the central part of the Landfill mound. This is especially apparent in the Battery aquifer; in this area in the Battery aquifer, the gradient steepens from approximately 0.007 feet/foot to 0.021 feet/foot, with the direction remaining generally unchanged.

The groundwater gradient in the Battery Formation aquifer shows another distinct steepening and change of direction in the area bounded by the W-6W Deep, E-4 Deep, and E-3 Deep (between the Landfill mound and the nearest residential wells). In this area, the gradient steepens more, and has a slight change of direction, becoming more easterly.

Although the various wells' screened intervals are not exactly the same, the differences in screened-interval length or elevation is not sufficient to cause such distinct changes in gradient. Possible explanations for the gradient changes are stratigraphic changes and changes in elevation of the top of the St. George Formation.

To the northeast of the Landfill, the Battery Formation (deep aquifer) essentially thins to nothing, with the lower permeability Marsh deposit lying directly on the St. George Formation. Additionally, the top of bedrock is higher in elevation to the northeast, leading to a thinning of the aquifer. With a thinner aquifer and decreasing hydraulic conductivity, an increase in the groundwater gradient is to be expected.

WATER QUALITY

Table 1 (following text) contains a summary of the second-half results. **Table 2** (following **Table 1**) contains a summary of historical and current VOC detections. **Attachment A** contains laboratory sheets and field data; **Attachment B** contains time-series graphs of general mineral parameters. Tables for historical data are presented in **Attachment C**.

As early as 1987, groundwater quality impacts from site operations were noted. The impacts were attributed to different site operations, including the now-closed sludge and whey ponds, and the landfill itself. Closure of the various ponds and capping the landfill, however, has improved groundwater quality in almost all locations.

SOUTHEAST TO SOUTHWEST OF LANDFILL MOUND

Figure 4 shows TDS time-series graphs for the E-1 pair, E-2 Deep, SM-6, W-2 Deep, W-3S, and W-8 Shallow, located on the generally southeast to southwest sides (downgradient and crossgradient) of the Landfill.

In the E-1 pair, TDS increased in the period 1996 through 2009, but has decreased since 2009. The overall increase between 1996 and 2015 is statistically significant at the 95% level (statistical sheets are in Attachment A in the MRP Update Report). Since closure (2006 to present), TDS in both E-1 wells is decreasing, although the decrease is not statistically significant and E-1 Deep has shown a higher TDS periodically in the last two years. TDS value in the shallow aquifer at E-1 was at 220 mg/L in second-half 2017.

Southeast and immediately adjacent to the landfill, shallow well SM-6 shows a statistically significant decreasing trend for TDS for 1995 through 2015; TDS continued to decline in 2016. TDS in SM-6 was at 251 mg/L in second-half 2017. Well E-2 Deep shows no significant trend for its period-of-record (2007 to present). TDS in E-2 Deep was at 490 mg/L in second-half 2017.

Well SM-6 had detections of relatively high concentrations of toluene between September 2012 and September 2013 (see below); toluene was nondetected in November 2014 and March 2015, but detected again in August 2015 and January 2016. Toluene has been nondetected since January 2016.

Date	SM-6, Toluene (µg/L)	Date	SM-6, Toluene (µg/L)
6-Sep-12	610	25-Feb-14	1.3
24-Jan-13	1.6	24-Nov-14	<0.5
20-Aug-13	2600	19-Mar-15	<0.5
17-Sep-13	270	18-Aug-15	91
		27-Jan-16	0.90

The patterns of detections (sudden onsets, sudden decreases) is more characteristic of vandalism or the presence of VOC-containing materials in the well, not Landfill influence. As described above, SM-6 was redeveloped and properly secured in 2016. VOC were nondetected in 2017.

At the immediate southwestern corner of the Landfill, well W-2 Deep is the only site well that currently shows an increasing trend since closure. This location is very close to the landfill, and the groundwater level here likely is very close to the bottom of waste. The TDS in W-2 Deep shows a significant increasing trend since at least 1990, with no apparent changes since closure. In 2016 and first-half 2017, TDS in W-2 deep approached 900 mg/L. TDS in second-half 2017 declined to 699 mg/L.

VOC have only been detected in W-2 Deep once, in August 2009 (hexachloroethane at 110 µg/L). This detection may reflect non-landfill influence because hexachloroethane also was detected at exactly 110 µg/L in five of the site wells on the same date; it seems unlikely that contamination derived from the landfill would show the same concentration in five wells on the same date.

As described above (page 3), it appears that surface water had been entering the casing of W-2 Deep. Surface-water inflow should cease because the casing was extended and a water-tight cap wasinstalled during second-half 2016. Data from 2016 and 2017 suggest that this work may have been effective in slowing or stopping the increasing trends, as the concentrations of several parameters (alkalinity, bicarbonate, calcium, conductivity, hardness, magnesium, and TDS) have stabilized (see graphs in **Attachment B**).

The two shallow wells in the area southwest of the Landfill mound, W-3 Shallow and W-8 Shallow, are upgradient and crossgradient of the Landfill mound, respectively, although W-3 Shallow is downgradient of former waste ponds. For the period 1988 through 2015, W-3 Shallow showed a significant decreasing trend and W-8 Shallow showed no significant trend. This is consistent with W-3 Shallow being downgradient of the former ponds. After their closure, it would be expected that downgradient groundwater quality would improve. W-8 Shallow is crossgradient of former and current Landfill features, so it would be expected that groundwater quality would remain stable at that location. The most recent TDS concentrations in these wells are approximately 150 mg/L. VOC have been nondetected in W-3 Shallow for the last six years; VOC have always been nondetected in W-8 Shallow.

Northeast to North of Landfill Mound (Towards Residential Area)

Figure 5 shows the time-series graphs for wells northeast to north of the Landfill mound, directly between the Landfill and the closest neighboring wells which are to the northeast of the Landfill property. Monitoring wells between the Landfill and the neighbors are the E-3 and E-4 pairs. The E-3 pair has been monitored since 1996; the E-4 pair was installed in early 2014, and has a limited number of data points.

Looking at TDS from the period-of-record shows that values were higher in both E-3 Shallow and Deep before closure. Before closure, TDS ranged near or above 1,200 mg/L periodically in these wells. Since closure, TDS has decreased and generally is near or below 300 to 400 mg/L currently. The decreasing trends in these wells since closure is statistically significant.

Both wells have had periodic detections of VOC, although all VOC have been nondetected in E-3 Shallow for the last eight years. In E-3 Deep, there were occasional detections of chloroethene, at 1 to 2 μg/L, between 2002 and 2013. Methyl tert-butyl ether (MTBE) was detected in E-3 Deep in 2002 (6.4 μg/L), 2009 (0.52 μg/L), and 2014 (0.74 μg/L). Tert-butyl alcohol (TBA) was detected in E-3 Deep in August 2014 at 13 μg/L. No VOC were detected in either E-3 Shallow or Deep in 2017. Constituents-of-concern (COC) are analyzed every five years; to date, COC have been analyzed twice since the landfill closure construction was completed, in 2009 and 2014. **Table 2** (following text) summarizes historical organic compound detections.

In the E-4 Shallow and Deep pair, TDS has declined over the period 2014 through 2017. MTBE and TBA were nondetected in the shallow aquifer. In the deep aquifer, MTBE was detected at 0.6 μg/L and TBA at 6.9 μg/L in August 2014. No VOC were detected in the E-4 well pair in 2017.

At the immediate northern edge of the Landfill mound and crossgradient of the waste, the 6-E Shallow and 6-W Deep pair show no significant trends in TDS for the period-of-record. Since closure, however, both show significant decreasing trends. Over the last five years, TDS has hovered around 200 mg/L for both wells. VOC have always been nondetected in 6-E Shallow; VOC have not been detected since 2001 in 6-W Deep.

In the shallow aquifer farther north and crossgradient of the Landfill mound, well W-10 Shallow shows no significant trends for TDS, although there are distinct seasonal variations in TDS concentrations. TDS generally ranges between 100 and 300 mg/L, seasonally. VOC have always been nondetected.

UPGRADIENT OF LANDFILL MOUND

Figure 6 shows the time-series graphs for wells upgradient of the Landfill mound. The well pair W-1E Deep and W-1W Shallow historically showed relatively high TDS concentrations (500 to 800 mg/L) which were related to the previous waste ponds. After closure of the waste ponds, TDS in this well pair decreased almost immediately, and has remained relatively constant since that time. The most recent TDS values generally are less than 150 mg/L for the deep aquifer and less than 200 mg/L for the shallow aquifer. VOC have always been nondetected in this well pair.

Well SM-7, in the shallow aquifer to the north of the W-1E/W-1W pair, shows a similar pattern. Historic TDS values were as high as 1,200 mg/L because SM-7 was near former waste ponds. After closure, TDS decreased immediately, and since 2006 has been stable, ranging from 100 to 150 mg/L. There was one VOC detection in 2009 (hexachloroethane at 110 µg/L); as discussed above, it is likely that the hexachloroethane detection in 2009 represented outside contamination of some sort, not aquifer conditions. During first-half 2017, toluene at 1.7 µg/L was detected in SM-7. The significance of this detection is unknown. VOC were not detected in second-half 2017.

Upgradient of the Landfill mound and generally outside of the influence of other Landfill features, the W-9 Shallow/Deep well pair has shown consistent water quality since 1997. For that period, TDS in the shallow aquifer here has been consistently just over 240 mg/L. In the deep aquifer, TDS has shown more variability than in the shallow aquifer, ranging between 100 and 250 mg/L. VOC always have been nondetected in this well pair.

COMPARISON TO GROUNDWATER LIMITS

Table 1 (following text) shows the previously established groundwater limits for the shallow aquifer; limits were not established for the deep aquifer.[2] Of the analyzed parameters, which also have limits, only SM-6 Shallow (downgradient of the landfill) showed an exceedance, for manganese (1.1 mg/L exceeding the limit of 0.6 mg/L).

---

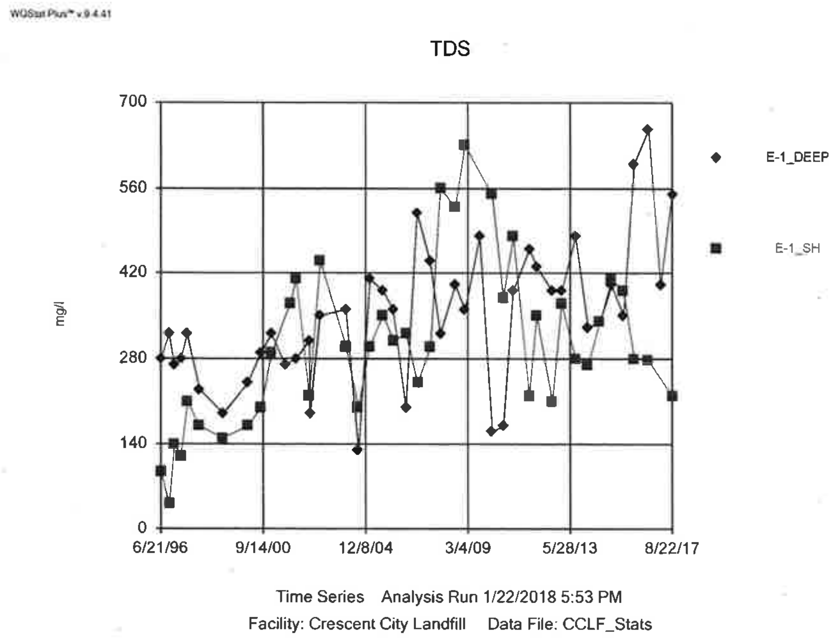
[2] March 27, 1996, rev. October 14, 1996, Winzler & Kelly, *Technical Memorandum – Deliverable for Tasks 2, 3, and 4 of Article 5 Compliance Documents.*

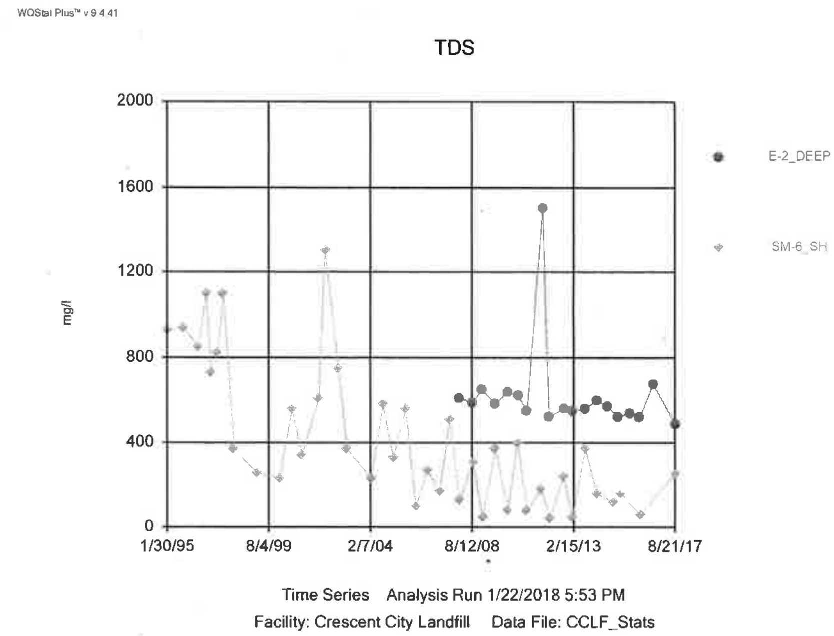
LANDFILL GAS

DNSWMA staff conducted landfill gas monitoring on December 29, 2017, for oxygen, methane, hydrogen sulfide, and carbon monoxide. The field log for gas monitoring is included in **Attachment A**. Methane was non-detected in all probes and oxygen content was at or near atmospheric concentrations (approximately 17.5 to 21%).

Methane has always been nondetected and oxygen has always been at or near atmospheric concentrations in the compliance probes. There has never been evidence of landfill gas at the property boundary.

In the probes immediately adjacent to the waste, methane had been detected periodically over the last six years in probes G1, G5, G6, G7, and G16 (note that a G designation has been added to the gas probe names herein, for ease of reference and to avoid confusion with groundwater well names; we are not proposing to change the names of any of the probes). **Figures 2** and **3** show probe locations.


WQStat Plus™ v.9.4.41
TDS
mg/l
700
560
420
280
140
0
6/21/96
9/14/00
12/8/04
3/4/09
5/28/13
8/22/17
E-1_DEEP
E-1_SH
Time Series Analysis Run 1/22/2018 5:53 PM
Facility: Crescent City Landfill Data File: CCLF_Stats


WQStat Plus™ v.9.4.41
TDS
mg/l
2000
1600
1200
800
400
0
1/30/95
8/4/99
2/7/04
8/12/08
2/15/13
8/21/17
E-2_DEEP
SM-6_SH
Time Series Analysis Run 1/22/2018 5:53 PM
Facility: Crescent City Landfill Data File: CCLF_Stats

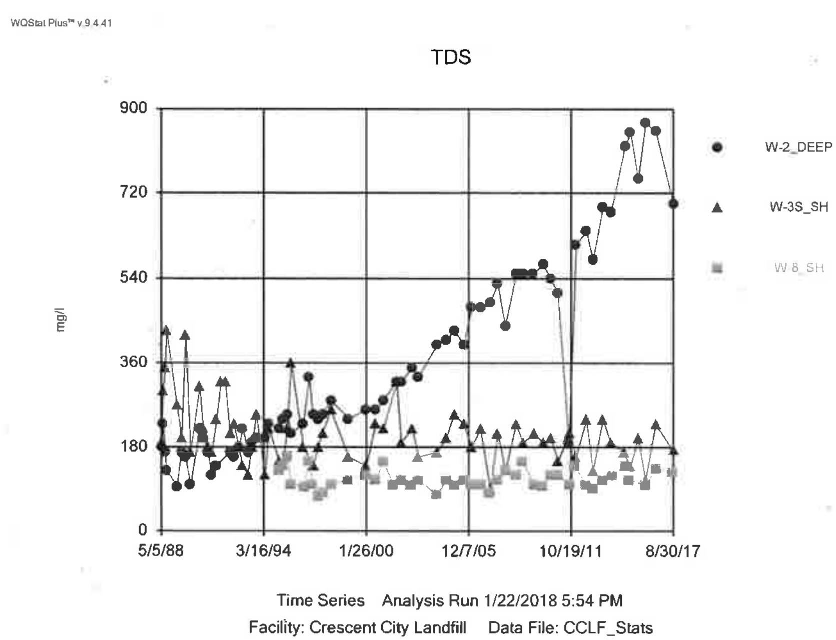
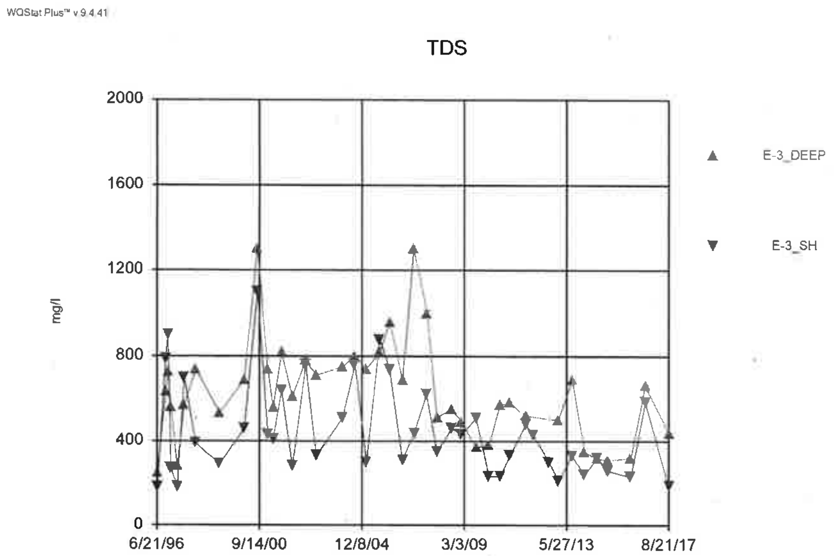
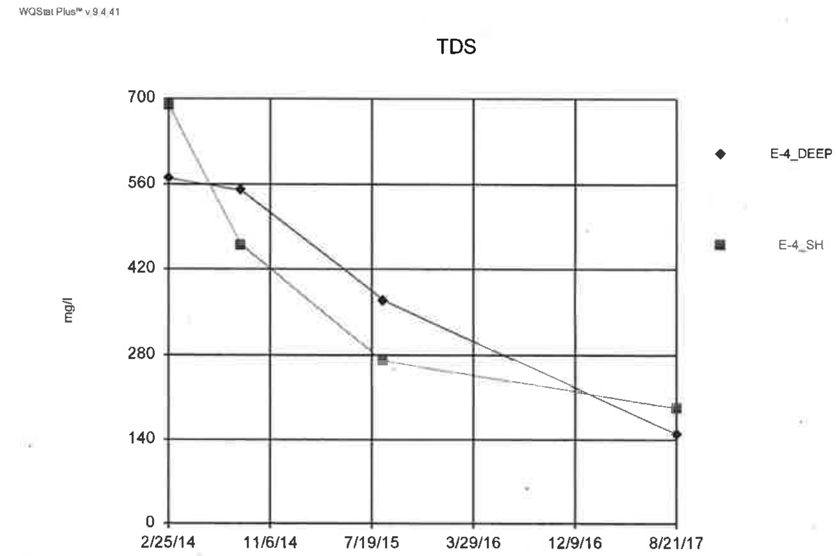

WQStat Plus™ v.9.4.41
TDS
mg/l
900
720
540
360
180
0
5/5/88
3/16/94
1/26/00
12/7/05
10/19/11
8/30/17
W-2_DEEP
W-3S_SH
W-8_SH
Time Series Analysis Run 1/22/2018 5:54 PM
Facility: Crescent City Landfill Data File: CCLF_Stats

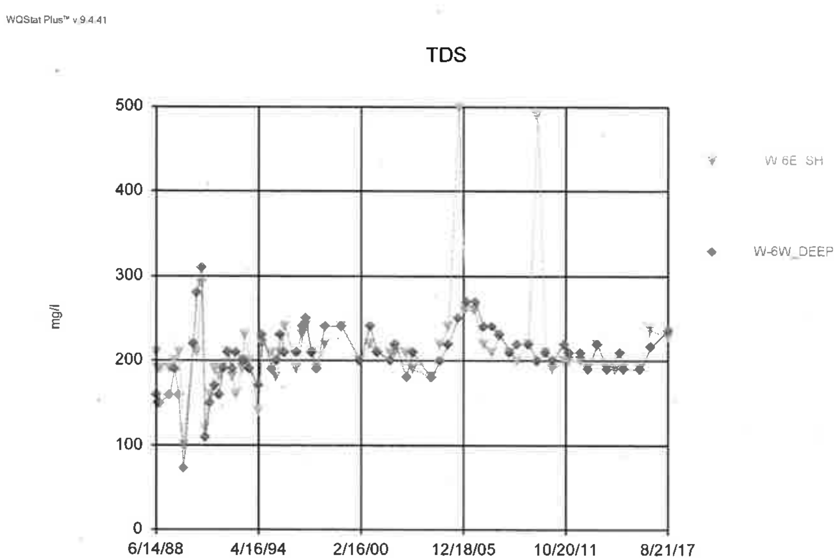
FIGURE 4



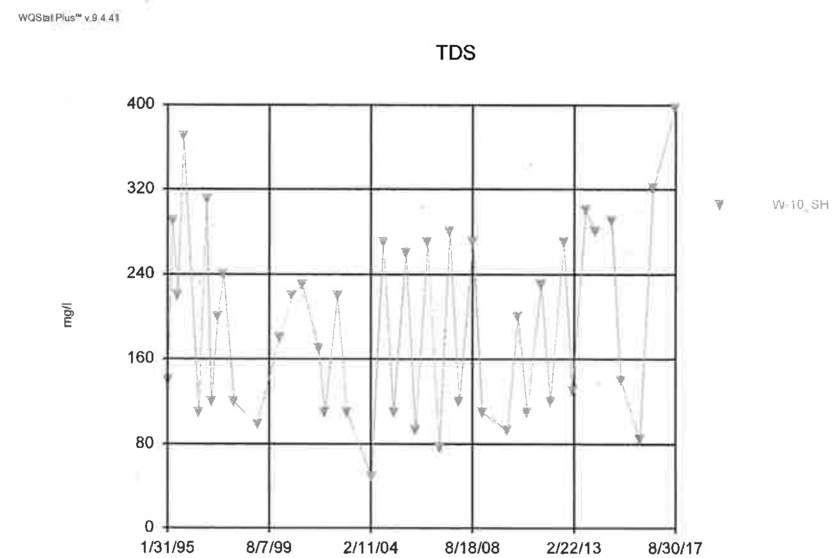
Time Series Analysis Run 1/23/2018 11:58 AM View: DEEP
Facility: Crescent City Landfill Data File: CCLF_Stats



Time Series Analysis Run 1/23/2018 11:58 AM View: DEEP
Facility: Crescent City Landfill Data File: CCLF_Stats

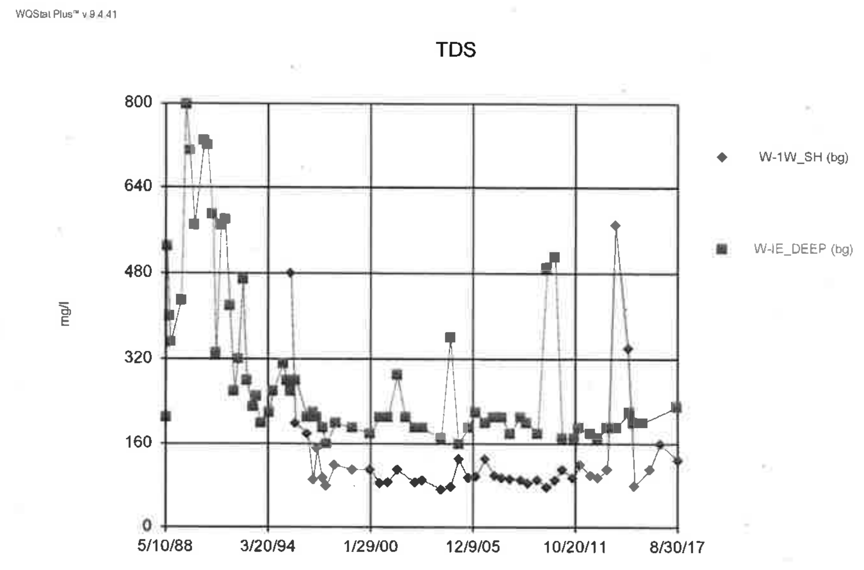


Time Series Analysis Run 1/23/2018 11:58 AM View: DEEP
Facility: Crescent City Landfill Data File: CCLF_Stats

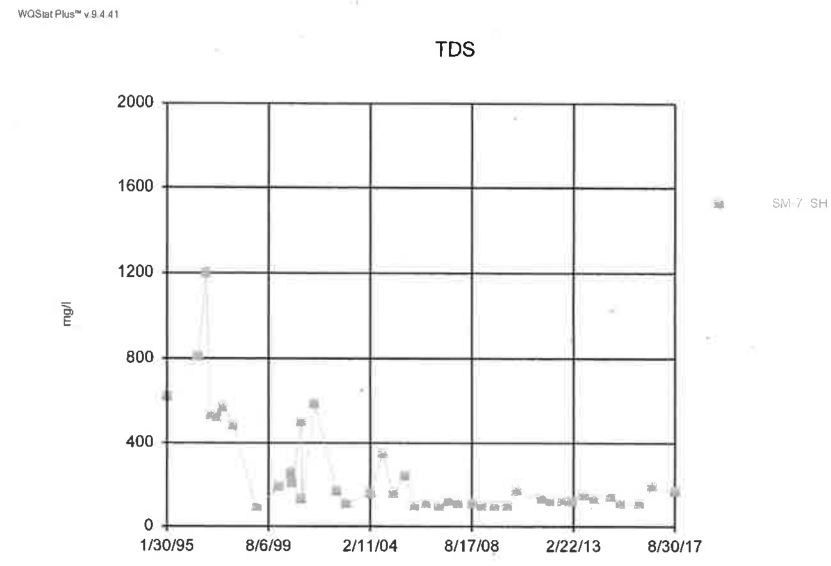


Time Series Analysis Run 1/23/2018 11:59 AM View: DEEP
Facility: Crescent City Landfill Data File: CCLF_Stats

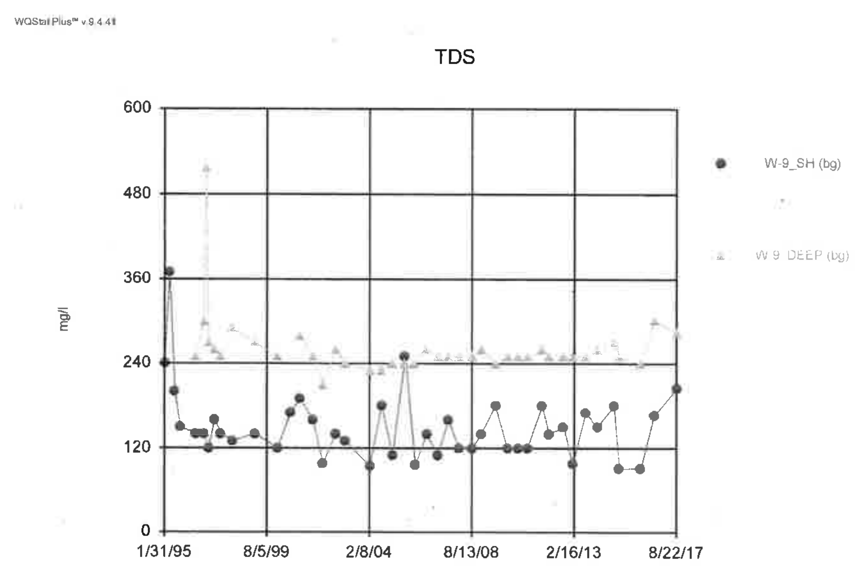
FIGURE 5



Time Series Analysis Run 1/22/2018 5:56 PM
Facility: Crescent City Landfill Data File: CCLF_Stats



Time Series Analysis Run 1/22/2018 5:56 PM
Facility: Crescent City Landfill Data File: CCLF_Stats



Time Series Analysis Run 1/22/2018 5:56 PM
Facility: Crescent City Landfill Data File: CCLF_Stats

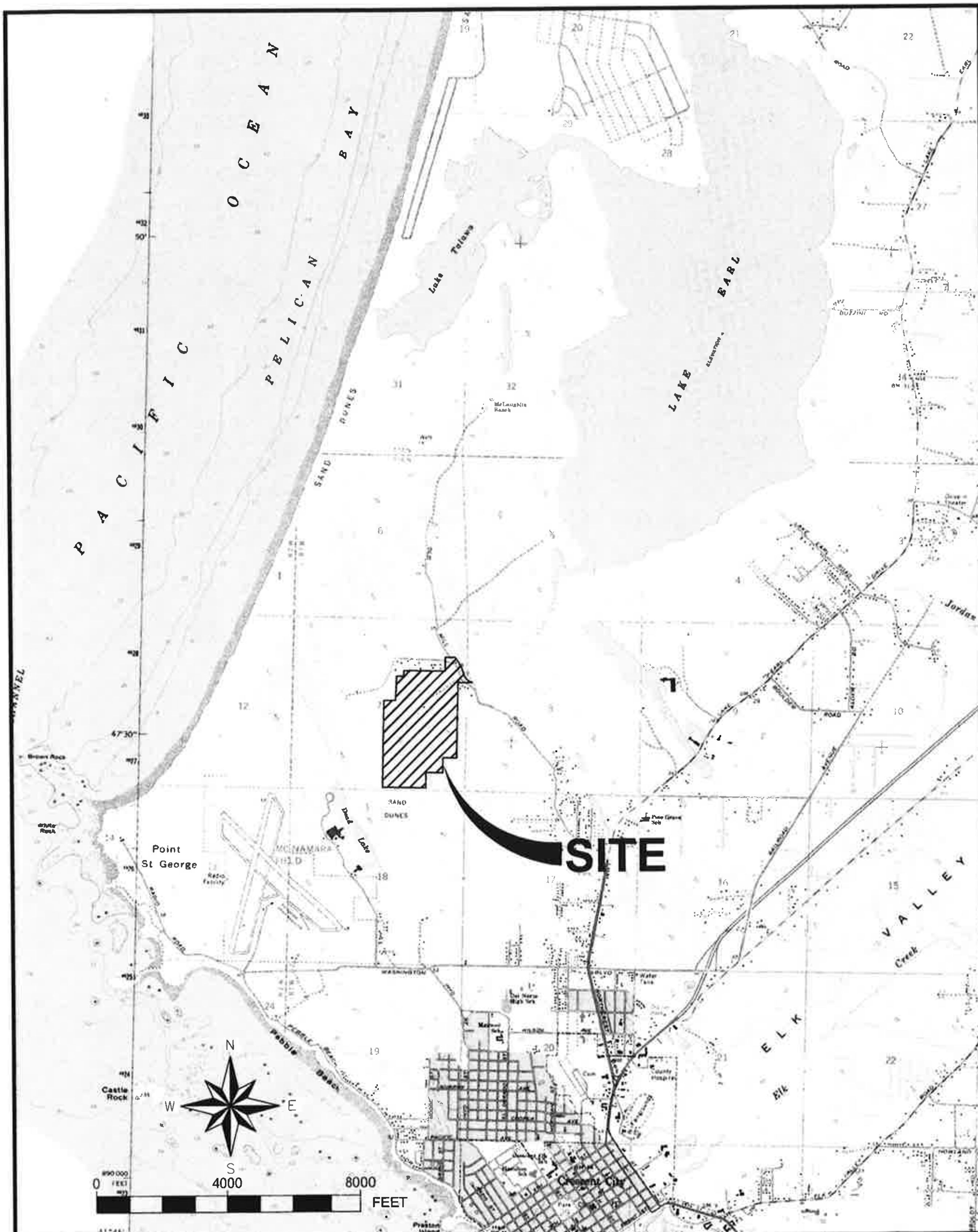
FIGURE 6

ATTACHMENT A

FIELD DATA & LABORATORY SHEETS

Sampled by:	Tedd Ward & Kyra Seymour		
Date:	29-Dec-17	Weather: Hazy	
Location:	Crescent City Landfill (closed)	Barometer:	30.21

Well / Mon	Purged?	Complianc point?	CH4 % LEL	O2 %	H2S ppm	CO ppm	Time	Order	Comment	Date Collected
1	yes		0%	20.9%	0	0	10:50 AM	1		
2	yes		0%	20.9%	0	0	10:56 AM	2		
3	yes		0%	20.8%	0	0	10:59 AM	3		
4	yes		0%	20.9%	0	0	11:05 AM	4		
5	yes		0%	18.3%	0	0	11:15 AM	5	Calibrated	
6	yes		0%	17.5%	0	0	11:20 AM	6		
7	yes		0%	18.8%	0	0	11:25 AM	7		
8	yes	yes	0%	18.5%	0	0	11:31 AM	8		
9	yes							9	Skip due to safety concerns	
10								10	Missing!	
11	yes							11	**Destroyed/Missing!**	
12	yes		0%	19.8%	0	0	10:34 AM	12		
13	yes		0%	20.8%	0	0	10:37 AM	13		
14	yes		0%	20.0%	0	0	11:42 AM	14		
15								15	Missing!	
16	yes		0%	20.3%	0	0	11:37 AM	16		
17	yes		0%	19.8%	0	0	9:50 AM	17		
1	yes	yes	0%	20.9%	0	0	10:08 AM	18		
3								19	Destroyed / missing	
4	yes	yes	0%	20.9%	0	0	12:23 PM	20	Plug needed	
5	yes	yes	0%	20.9%	0	0	12:07 PM	21	Plug needed	
Surface 6								22	Replaced by well 8	
Surface 7	yes	yes	0%	20.9%	0	0	10:29 AM	23		
Surface 8	yes	yes	0%	20.9%	0	0	11:54 AM	24		
9	yes	yes	0%	20.3%	0	0	1:35 PM	25		
10	yes	yes	0%	20.8%	0	0	1:45 PM	26		



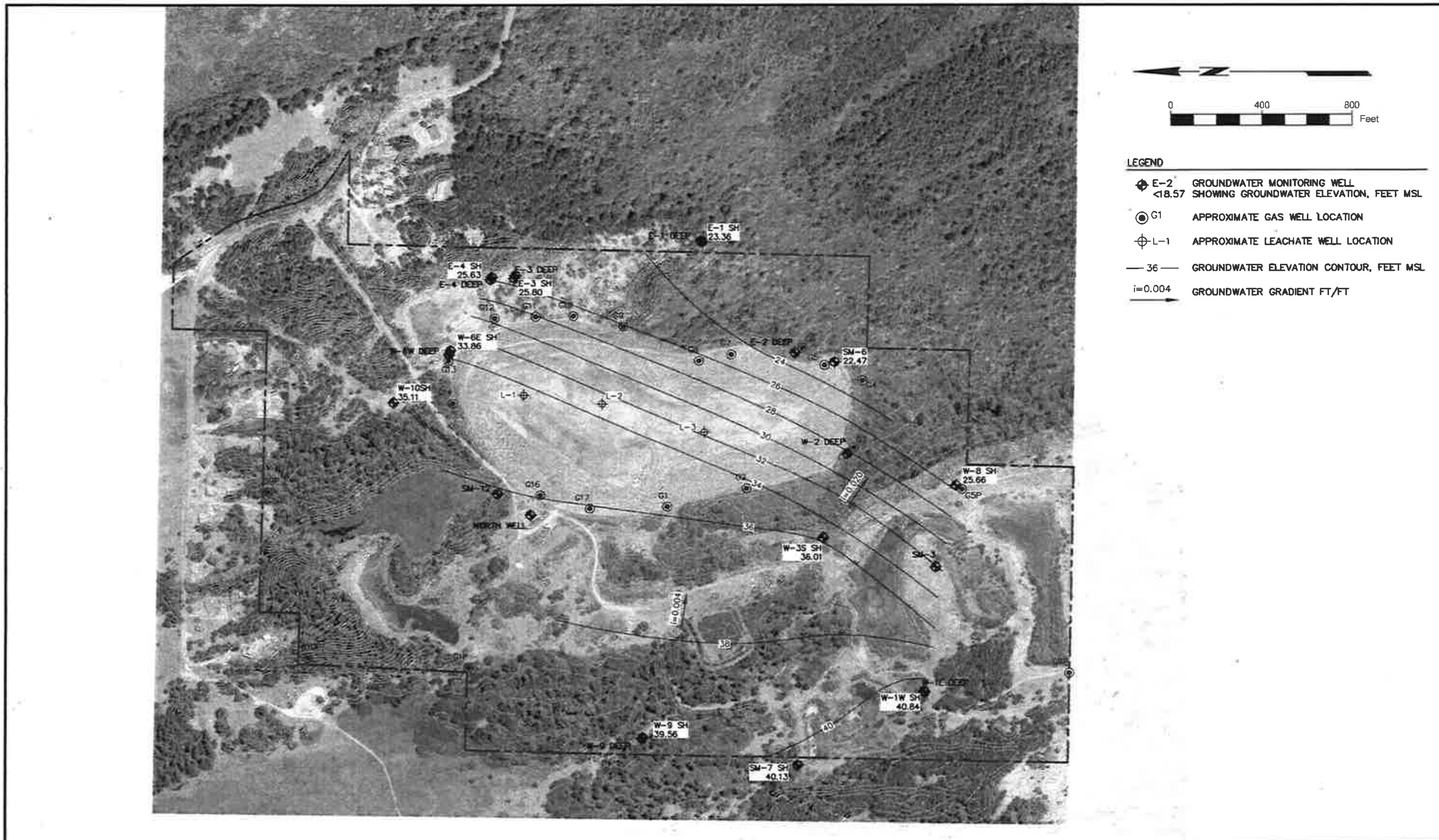
SITE LOCATION MAP

ADAPTED FROM USGS 15-MINUTE TOPOGRAPHIC QUADRANGLE: CRESCENT CITY

LAWRENCE & ASSOCIATES
ENGINEERS & GEOLOGISTS

PROJECT NAME: CRESCENT CITY LF	PROJECT NO: 015063.00	DATE: 01/22/2018
CLIENT: DNSWMA	DRAWN BY: J. BEERS	FIGURE 1
SCALE: 1" = 4000'	CHECKED BY: B. LAMPLEY	

p:\015063.00_del norte landfill\site_loc.dwg J.R.B. 10/11/2016



LAWRENCE & ASSOCIATES ENGINEERS & GEOLOGISTS	SHALLOW AQUIFER GROUNDWATER ELEVATION AUGUST 21, 22, & 30, 2017	DEL NORTE SOLID WASTE MGMT. AUTHORITY	PROJECT NO: 015063.00	SCALE: 1" = 400'
		CRESCENT CITY LANDFILL	DRAWN BY: J. BEERS	DATE: 1/23/2018
			CHECKED BY: B. LAMPLEY	FIGURE 2

p:\015063.00_del norte landfill\gw-aug17s.dwg J.R.B. 1/23/2018

TABLE 2
Crescent City Landfill
Summary of Historic Organic Compound (VOC, SVOC, & Chlorinated Pesticide) Detections

Last Update: 1/22/2018

WELL	Year of Most Recent Detection	Total # VOC Species Detected	Total # Detections	Volatile Organic Compounds: 1,1,2,2-Tetrachloroethane	1,4-Dichlorobenzene	Acetone	Benzene	Chloroethane	Chloromethane	Dichlorodifluoromethane	Ethylbenzene	Hexachloroethane	Xylenes	Methylene chloride (dichloromethane)	MTBE	Tert-butyl alcohol	Toluene	TPH-Gas, Diesel, or Motor Oil	Vinyl chloride	Semivol. Org. Cmpds.: Bis(2-ethylhexyl) phthalate	3,4-Methylphenol	Pesticide: 4-4'-DDE
	Last Time Parameter Analyzed -->			2017	2017	2016	2017	2017	2017	2017	2017	2014	2017	2017	2017	2017	2017	2016	2017	2016	2014	2014
				Year Last Detected / Total Detections to Date																		
E-1 SHALLOW	2017	3	5			2014 / 1									2017 / 2	2014 / 1				2002 / 1		
E-1 DEEP	2013	4	9	2013 / 1											2009 / 1	2009 / 1			2013 / 6			
E-2 DEEP	2009	1	1									2009 / 1										
E-3 SHALLOW	2009	4	10					2005 / 2		2001 / 5					2009 / 2		2000 / 1					
E-3 DEEP	2014	6	27					2013 / 10	2000 / 2	2001 / 5					2014 / 3	2014 / 1			2006 / 6			
E-4 SHALLOW	n/a	0	0																			
E-4 DEEP	2014	2	2												2014 / 1	2014 / 1						
SM-6 SHALLOW	2016	10	27		2001 / 1	2014 / 1	2016 / 1			2000 / 2		2009 / 1	2014 / 4	1995 / 1			2016 / 13	2014 / 1	1996 / 1	2014 / 1		
SM-7 SHALLOW	2017	2	2									2009 / 1					2017 / 1					
W-1W SHALLOW	n/a	0	0																			
W-1E DEEP	n/a	0	0																			
W-2 DEEP	2009	3	3									2009 / 1		1995 / 1			2006 / 1					
W-3S SHALLOW	2014	1	2		2001 / 1																	2014 / 1
W-6E SHALLOW	n/a	0	0																			
W-6W DEEP	2001	1	1		2001 / 1																	
W-8 SHALLOW	n/a	0	0																			
W-9 SHALLOW	n/a	0	0																			
W-9 DEEP	n/a	0	0																			
W-10 SHALLOW	n/a	0	0																			
L-3 (in waste)	2014	9	17			2014 / 2	2013 / 2				2013 / 1	2009 / 1	2013 / 3		2014 / 2	2014 / 2	2013 / 2	2009 / 1		2014 / 1		
S-2 & 2B	2016	2	14			2016 / 11												2014 / 2			2014 / 1	
S-3	2015	1	4			2015 / 4																

Notes: Blank cell = Not detected.
Hexachloroethane detections in 2009 were all on the same date (08/25/09) and all showed the same value (110 ug/L); this suggests non-landfill influence on the samples, not landfill contamination.

Del Norte Solid Waste Management Authority

1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300
www.recycledelnorte.ca.gov

The Authority's mission is the management of Del Norte County solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

Staff Report

Date:	**09 February 2018**
To:	**Commissioners of the Del Norte Solid Waste Management Authority**
From:	**Tedd Ward, M.S. – Director** Tedd **Del Norte Solid Waste Management Authority**
File Number:	**012104 – Authority Officers**
Topic:	**Elections of Authority Officers**

Summary / Recommendation: That the Board nominate and elect Authority officers of Vice-Chair, Secretary, and Treasurer / Controller to serve during calendar year 2018.

Background: Under Section 2 of the Authority's By-laws, the Authority Board of Commissioners is to elect officers annually to serve one-year terms. Authority officers include the following:

<u>Chair:</u> Presides at all meetings of the Governing Board and shall sign all contracts and other instruments for and on behalf of the Authority.

<u>Vice-Chair:</u> Performs all duties of the Chair in the absence or incapacity of the Chair. Traditionally, the Chair and Vice-Chair have been from different member agencies.

<u>Secretary:</u> The Commissioner who serves as Secretary signs all minutes and other documents reporting and acknowledging specific votes of the Authority Commissioners, including Resolutions and Ordinances. Other clerking functions of the Authority Secretary are being fulfilled by Authority staff.

<u>Treasurer / Controller:</u> This non-voting officer is elected by the Authority Board of Commissioners shall be a Certified Public Accountant, shall perform all duties specified in Government Code 6505.5 as well as cause a bi-annual audit of Authority funds according to legal requirements. On 16 January 2018, the Authority Board

6.1

approved an agreement with Richard D. Taylor, who has served as the Authority's Treasurer / Controller since August 1993. Either the Authority Board or Mr. Taylor can terminate this agreement with 30 days notice. Should the Authority Board opt to appoint a different Treasurer / Controller, the Board should also direct staff regarding how to transition from the existing contract to a new contract for these services.

Analysis: Under section 2.2 of the Authority By-laws, the Chair and Vice-Chair "... shall be elected by the Governing Board from the Authority Commissioners appointed by the Charter Members..." meaning that the Chair and Vice Chair must also be members of the City Council or Board of Supervisors. Staff work with the Chair and Vice-Chair to set the agenda for each Authority meeting, and staff would like to continue working with an appropriately elected chair to set the agenda for upcoming Authority meetings.

As the Authority's member agencies include the County of Del Norte and the City of Crescent City, the Chair and Vice-Chair generally include one City Councilperson and one County Supervisor. Typically, the Vice-Chair is elected as Chair the following year. In this way, the Chair of the Authority Board generally alternates between City and County representatives.

This is also an appropriate time to express appreciation for the Officers of the Del Norte Solid Waste Management who served in 2017:

Chair:	Blake Inscore
Vice-Chair:	Chris Howard
Secretary:	Eli Naffah
Treasurer / Controller:	Richard D. Taylor

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
ANNUAL FINANCIAL REPORT
JUNE 30, 2017

6.2

INTRODUCTORY SECTION

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

TABLE OF CONTENTS

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

OFFICIAL ROSTER
JUNE 30, 2017

Name	Title
Blake Inscore	Chair
Chris Howard	Vice Chair
Lori Cowan	Commissioner
Jason Greenough	Commissioner
Eli Naffah	Secretary

FINANCIAL SECTION

Patel &
Associates, LLP
Certified Public Accountants

266 17th Street, Suite 200
Oakland, California 94612-4124

Telephone: (510) 452-5051
Fax: (510) 452-3432

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Del Norte Solid Waste Management Authority
Crescent City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the proprietary fund of Del Norte Solid Waste Management Authority, Crescent City, California (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the proprietary fund of the Authority as of June 30, 2017, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2018 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 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 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.

Patel & Associates, LLP
Certified Public Accountants
Oakland, California
January 15, 2018

BASIC FINANCIAL STATEMENTS

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS	
Current Assets:	
Cash and investments	$ 970,230
Receivables:	
Accounts	266,397
Deposit with Del Norte County	198,177
Total Current Assets	1,434,804
Non-Current Assets:	
Capital assets:	
Non-depreciable	493,000
Depreciable, net	2,283,398
Total Noncurrent Assets	2,776,398
Total Assets	4,211,202
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities:	
Accounts payable	215,700
Compensated absences	57,427
Sublease payable	112,398
Deferred Revenue	3,048
Total Current Liabilities	388,573
Noncurrent Liabilities	
Sublease payable	2,400,815
Postclosure	2,046,994
NET OPEB obligation	423,573
Total Noncurrent Liabilities	4,871,382
Total Liabilities	5,259,955
NET POSITION	
Net Investment in capital assets	248,179
Unrestricted	(1,296,932)
Total Net Position	(1,048,753)
Total Liabilities and Net Position	$ 4,211,202

The accompanying notes are an integral part of these financial statements

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

		Solid Waste
OPERATING REVENUES:		
Grants & Contribution	$	30,656
Charges for services		3,046,940
Other revenue		22,433
Total Operating Revenues		3,100,029
OPERATING EXPENSES:		
Salaries and benefits		627,093
Professional services		44,663
Audit & Legal Counsel		27,940
Printing		1,104
Postage		739
Advertising		11,969
Travel		8,507
Office supplies		14,602
Insurance		14,120
Special department expense		17,004
Telephone and utilities		3,467
Maintenance and repairs		5,052
Subscriptions and memberships		7,404
Rent		2,768
Landfill postclosure		6,809
Hazardous waste clean-up		30,444
Transfer station fees		2,037,486
State fees		44,762
Clothing		413
Waste collection fees		26,931
County Overhead/ Other Expenses		67,348
Other expenses		23,151
Depreciation		93,781
Total Operating Expenses		3,117,557
Operating Income (Loss)		(17,528)
NON-OPERATING REVENUES (EXPENSES):		
Interest income		8,452
Franchise fees		271,778
Interest expense		(93,110)
Total Non-Operating Revenues (Expenses)		187,120
Change in Net Position		169,592

The accompanying notes are an integral part of these financial statements

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

Total Net Position - Beginning	(1,218,345)
Total Net Position - Ending	$ (1,048,753)

The accompanying notes are an integral part of these financial statements

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$	3,066,373
Payment to suppliers		(2,485,957)
Payments to employees		(626,593)
Net Cash Provided (Used) by Operating Activities		(46,177)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Franchise fees		271,778
Net Cash Provided (Used) by Noncapital Financing Activities		271,778
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on debt		(108,787)
Interest paid on debt		(93,110)
Net Cash Provided (Used) by Capital and Related Financing Activities		(201,897)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends		8,452
Net Cash Provided (Used) by Investing Activities		8,452
Net Increase (Decrease) in Cash and Cash Equivalents		32,156
Balances - Beginning		938,074
Balances - Ending	$	970,230
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$	(17,528)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		93,781
Decrease (increase) in:		
Accounts receivable		(33,656)
Interest (decrease) in:		
Accounts payable		(176,765)
Compensated absences		500
Deferred Revenue		3,048
Postclosure		(14,348)
Net OPEB obligation		98,791
Net Cash Provided (Used) by Operating Activities	$	(46,177)

The accompanying notes are an integral part of these financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Del Norte Solid Waste Management Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Reporting Entity

The Del Norte Solid Waste Management Authority (Authority) was formed September 21, 1992, and is a Joint Powers Authority between the County of Del Norte and the City of Crescent City.

The purpose of the Authority is to administer the siting, development, construction, and operation of solid waste facilities for the collection, reduction, recycling, composting, and disposal of discards generated within the City's and County's territorial boundaries. Under the terms of the Joint Powers Agreement, either the County or the City may withdraw and thereby dissolve the Authority. The County and City then would each reassume their respective responsibilities for waste management matters.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Component Units

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the Authority.

Related Organizations

The County of Del Norte appoints two members to the Board of Commissioners and performs certain accounting functions for the Authority. However, the County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Fund financial statements of the Authority are organized into one fund, which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, net position, revenues, and expenses. The fund of the Authority is organized into the proprietary category and is treated as a major fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

B. Basis of Presentation - (Continued)

The Authority reports the following major proprietary fund:

- The Solid Waste Fund is an enterprise fund used to account for solid waste management, transfer station operations, and landfill postclosure.

C. Basis of Accounting and Measurement Focus

The proprietary fund 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. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include revenues from grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash, Cash Equivalents, and Investments

The Authority pools all cash and investments, other than imprest cash, with the County of Del Norte. The Del Norte County Treasury is an external investment pool for the Authority and the Authority is considered an involuntary participant. The Authority's share in the pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant's deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on the amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants each quarter based on the participant's average daily cash balance at quarter end in relation to the total pool investments. This method differs from the fair value method used to value investments in these financial statements. In these financial statements, the fair value of the Authority's investments in the pool was based on unaudited quoted market values as provided by the County Treasurer. The pool has not provided or obtained any legally binding guarantees during the period to support the value of the investments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

D. Cash, Cash Equivalents, and Investments - (Continued)

The County has established a Treasury Oversight Committee to monitor and review the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value.

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Del Norte's financial statements may be obtained by contacting the County of Del Norte Auditor Controller's office at 981 H Street, Suite 140, Crescent City, CA 95531.

For purposes of the accompanying statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County of Del Norte investment pool, to be cash equivalents.

E. Receivables

Receivables consist mostly of amounts due from customers for services and amounts due from grant activities. These amounts are not shown a net of an allowance for doubtful accounts. Any doubtful accounts at June 30, 2017 were not considered material and therefore were not recorded.

F. Other Assets

Inventory

Inventory items are recorded as an expense at the time individual items are purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, however, these amounts are not considered material.

Deposit with Del Norte County

The County of Del Norte holds a deposit of $198,177 for the final sublease payment.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are defined by the Authority as an asset with an individual cost of more than $2,000 and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is unavailable. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not included as part of the capitalized value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

G. Capital Assets - (Continued)

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life. The range of estimated useful lives by type of asset is as follows:

Depreciable Assets	Estimated Lives
Equipment	5-20 years
Structures and improvements	10-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

H. Compensated Absences

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave which vests with the employee and will be paid upon separation from Authority service. The liability for these compensated absences is recorded as long-term debt in the financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, proprietary funds report the liability as it is incurred. The Authority includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. At June 30, 2017, the Authority did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2017, the Authority did not have any deferred inflows of resources.

J. Estimates

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Net Position

The Solid Waste fund had a net position deficit of $1,048,753, caused by the postclosure liability.

NOTE 3. CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2017, the Authority's cash and investments consisted of the following:

Cash:	
Cash on hand	$ 3,500
Total Cash	3,500
Investments:	
Del Norte County Treasurer's Pool	966,730
Total Investments	966,730
Total Cash and Investments	$ 970,230

B. Cash

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The Authority and the County comply with the requirements of the California Government Code. Under this code, deposits of more than $250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds.

NOTE 3. CASH AND INVESTMENTS - (CONTINUED)

C. Investments

The Authority does not have a formal investment policy. At June 30, 2017, all investments of the Authority were in the County of Del Norte investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund
- Medium Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Securities of the Federal Government or its Agencies
- California State Registered Warrants, Treasury Notes and Bonds
- Local Agency Obligations
- Certificates of Deposit
- Pass-Through Security

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations. The County limits its exposure to interest rate risk inherent in its portfolio by limiting individual maturities to 5 years or less.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2017, the Authority's investments were all pooled with the County Treasury investment pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

NOTE 3. CASH AND INVESTMENTS - (CONTINUED)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy of the County contains limitations on the amount the at can be invested in any one issuer. As of June 30, 2017, all investments of the Authority were in the County investment pool which contains a diversification of investments.

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
Capital Assets, Not Being Depreciated:				
Land	$ 493,000	$	$	$ 493,000
Total Capital Assets, Not Being Depreciated:	493,000			493,000
Capital Assets, Being Depreciated				
Equipment	158,444			158,444
Structures and Improvements	3,408,629			3,408,629
Total Capital Assets, Being Depreciated	3,567,073			3,567,073
Less Accumulated Depreciation For:				
Equipment	(157,814)	(315)		(158,129)
Structures and Improvements	(1,032,080)	(93,466)		(1,125,546)
Total Accumulated Depreciation	(1,189,894)	(93,781)		(1,283,675)
Total Capital Assets, Being Depreciated, Net	2,377,179	(93,781)		2,283,398
Capital Assets, Net	$ 2,870,179	$ (93,781)	$	$ 2,776,398

Depreciation expense of $93,781 was charged to operations.

NOTE 5. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2017	Amounts Due Within One Year
Compensated Absences	$ 56,927	$ 39,887	$ (39,387)	$ 57,427	$ 57,427
Sublease Payable	2,622,000		(108,787)	2,513,213	112,398
Postclosure	2,061,342		(14,348)	2,046,994	
Net OPEB Obligation	324,782	150,034	(51,243)	423,573	
Total Long Term Liabilities	$ 5,065,051	$ 189,921	$ (213,765)	$ 5,041,207	$ 169,825

NOTE 5. LONG TERM LIABILITIES - (CONTINUED

Individual issues of debt payable outstanding at June 30, 2017, are as follows:

Sublease Payable:

County of Del Norte Facility Sublease issued May 1, 2004 in the amount of \$3,535,000, due in annual installments of \$78,475 to \$183,454, with an interest rate of 3.32% and maturity of August 1, 2033. The sublease was used to finance the construction of the transfer station.	\$ 2,513,213
Total Sublease Payable	\$ 2,513,213

Following is a schedule of debt payment requirements of the proprietary fund, excluding compensated absences that have indefinite maturities, postclosure which is reported in Note 6 and Net OPEB obligation which is reported in Note 9.

	Sublease Payable		
Year Ended June 30	Principal	Interest	Total
2018	112,398	81,573	193,971
2019	116,130	77,779	193,909
2020	119,986	73,860	193,846
2021	123,969	69,810	193,779
2022	128,085	65,626	193,711
2023-2027	707,105	260,342	967,447
2028-2032	832,542	132,823	965,365
2033-2034	372,998	12,485	385,483
Total	2,513,213	774,298	3,287,511

NOTE 6. POSTCLOSURE

The Authority is responsible for one closed solid waste landfill site. State and federal laws and regulations require the Authority to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. GASB Statement No. 18 requires a portion of these postclosure care costs is reported as an operating expense in each period based on landfill capacity used as of each statement of net position date. Since the landfill is no longer accepting waste, the entire estimated expense and liability have been reported.

As of June 30, 2017, the Authority's estimated remaining liability for postclosure maintenance costs was \$2,046,994. This amount is based on the amount that would be paid if all equipment, facilities, and services required to monitor the landfill were acquired as of June 30, 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 6. POSTCLOSURE - (CONTINUED)

The Authority is required by the California Code of Regulations to provide financial assurance that appropriate resources will be available to finance postclosure costs in the future. The Authority intends to fund the post-closure liability through a pledge of revenue from the new transfer station/materials recovery facility. The Authority expects that future inflation costs will be paid from interest earnings on these annual contributions.

NOTE 7. NET POSITION

The proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Net Position Flow Assumption

When a government fund outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 8. EMPLOYEE BENEFITS

A. Employee's Retirement Plan

The Authority employees are covered under the retirement plan of the County of Del Norte. The County of Del Norte bills the Authority monthly for the costs of the retirement benefits.

NOTE 8. EMPLOYEE BENEFITS - (CONTINUED)

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employees defined benefit plan. PERS provides retirement and disability benefits, the annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

Required disclosure information regarding the total retirement plan can be found in the County's audited financial statements. Separate information regarding the Authority is not available.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The Authority provides medical and dental benefits for retired employees and their dependents through a self-insured trust administered by Del Norte County. The Authority recently made dental-only coverage available to retirees at age 65 and over. Composite premium rates as of the valuation date are as follows:

Coverage	Employee Only	Employee +1	Employee+2 or more
Medical and Dental	$ 617	$ 1,198	$ 1,505
Post 65 Dental Only	60	115	165

The Authority pays partial premiums for retirees based on years of service with the Authority. For retirees under age 65 with at least 10 years of Authority service (those hired prior to 2007 need only five years of service with the Authority in order to be eligible to receive the discounted premium rates), the Authority covers between 25% and 100% of the premium for the retiree as well as between 25% and 75% of the dependent premiums. Retirees over the age of 65 also receive the benefit of a discounted premium. The following table illustrates the premiums paid by retirees as of the valuation date, with the balance of the premiums paid by the Authority:

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

Medical Plan Rates Charged to Retiree Effective November 1, 2009						
Age	Under 65			65 and over		
Years of Service	Retiree Only	Retiree & 1 Dep.	Retiree & Family	Retiree Only	Retiree & 1 Dep.	Retiree & Family
Less than 10 years	Cobra coverage for up to 18 months					
At least the 10 years, but less than 16	$ 386	$ 749	$ 1,127	$ 225	$ 440	$ 555
At least 16, but less than 21	257	560	875	200	415	530
At least 21, but less than 25	129	344	459	175	390	505
At least 25 or more		215	345	150	365	480

B. Funding Policy

As required by GASB 45, an actuary will determine the Authority's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

In accordance with the Authority's budget, the annual required contribution (ARC) is to be funded by (a) making payments for retiree benefit premiums, (b) making payments for retiree claims and (c) prior to fiscal year end, depositing the remaining amount of the ARC, if any, to the OPEB trust. Concurrent with implementing Statement No. 45, the Authority Board of Commissioners passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the Authority. This Trust is not considered a component unit of the Authority and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the Authority's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation.

	Fiscal Year Ending June 30, 2017
Annual required contribution	$ 152,902
Interest on net OPEB obligation	15,564
ARC adjustment	(18,432)
Annual OPEB cost	150,034
Contributions Made:	
Pay as you go contribution	40,118
Funding of ARC contribution	11,125
Change in net OPEB obligation	98,791
Net OPEB Obligation - Beginning of Year	324,782
Net OPEB Obligation - End of Year	$ 423,573

The Authority's Annual OPEB Cost, the percentage of Annual OPEB cost contributed to the plan, and the Net OPEB Obligation for the year ended June 30, 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Contributed	Net OPEB Obligation
June 30, 2012	$ 66,734	$ 19,634	29.42%	$ 86,006
June 30, 2013	76,119	22,359	29.37%	139,766
June 30, 2014	81,318	18,981	23%	202,103
June 30, 2015	95,664	24,189	25%	273,578
June 30, 2016	102,139	50,935	25%	324,782
June 30, 2017	150,034	51,243	25%	423,573

D. Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was 8.9 percent funded. The actuarial accrued liability for benefits was $1,419,422 and the actuarial value of assets was $125,940, resulting in an unfunded actuarial accrued liability (UAAL) of $1,293,482. The covered payroll (annual payroll of employees covered by the plan) was $208,790, and the ratio of the UAAL to the covered payroll was 619.5 percent.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (CONTINUED)

D. Funded Status and Funding Progress - (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarial amounts determined regarding the funded status of the plan and the Annual Required Contributions of the Authority are subject to revision at least biannually as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The most recent valuation was performed as of July 1, 2015. The assumptions used for this valuation are in accordance with CALPERS' "OPEB Assumption Model", which describes guidelines to be used for retiree healthcare valuations for plans intending to pre-fund benefits through California Employers' Retiree Benefit Trust (CERBT).

In the July 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.28% investment rate of return, payroll decreases to 3.25%, and assumed health inflation of 2.75%. The OPEB plan's unfunded actuarial liability is being amortized over a closed, 30-year amortization period and level percent of pay basis beginning in the 2014/15 fiscal year.

NOTE 10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases coverage from a private insurance company. In addition, they participate in the County liability program. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. As of June 30, 2017, the Authority did not have landfill insurance.

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11. RELATED PARTY TRANSACTIONS

The Authority has related party transactions with the County of Del Norte. During the year ended June 30, 2017, the Authority paid the County $1,615 for liability insurance and $10,419 for health insurance. The Authority provides free dumping service to the County of Del Norte and the City of Crescent City as required in the Joint Powers Agreement.

NOTE 12. OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2017 through January 15, 2018, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

SCHEDULE OF FUNDING PROGRESS -
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
JUNE 30, 2017

The Schedule of Funding Progress - Other Postemployment Benefits (OPEB) presents a consolidated snapshot of the Authority's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the Authority Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAl (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
July 1, 2010	$ 44,752	$ 435,051	$ 390,299	10.14%	$ 294,812	132.39%
July 1, 2011	58,086	528,091	470,005	10.99%	294,812	159.43%
July 1, 2013	88,187	692,253	604,066	12.74%	192,720	313.44%
July 1, 2015	125,940	1,419,422	1,293,482	8.9%	208,790	619.5%

COMPLIANCE SECTION

Patel &
Associates, LLP
Certified Public Accountants

266 17th Street, Suite 200
Oakland, California 94612-4124

Telephone: (510) 452-5051
Fax: (510) 452-3432

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 Commissioners
Del Norte Solid Waste Management Authority
Crescent City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the proprietary fund of the Del Norte Solid Waste Management Authority, Crescent City, California (Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 15, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider as items 2016-001 and 2016-002 to be significant deficiencies.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Authority's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patel & Associates, LLP
Certified Public Accountants
Oakland, California
January 15, 2018

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2017

SECTION II - AUDIT FINDING IN RELATION TO FINANCIAL STATEMENTS

2017-001 Deficit Net Position (Significant Deficiency) -Repeated

Condition:

The charges for services were not sufficient to cover postclosure liability and debt service requirements which resulted in the Authority having a net position deficit of $1,048,753.

Criteria:

Prudent management of Authority resources requires that charges for services be adequate to cover the cost of providing the service.

Effect:

The Authority had inadequate reserves to settle the estimated accrued liabilities.

Cause:

The Authority's rates charged to customers were not adequate to cover postclosure costs and debt service requirements.

Auditor's Recommendations:

We recommend that the Authority consider all expenses including depreciation and postclosure costs when setting rates and adopting the annual budget. We further recommend that the Authority review options to manage this deficit and begin a program to fund the liability.

Management's Response:

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017

2017-002 GASB 68 Implementation (Significant Deficiency)-Repeated

Condition:

During our audit we noted that Authority employees are reported to CalPERS under the County of Del Norte pension plan.

Criteria:

Governmental Accounting Standards Board Statement No. 68, which is effective for the Authority for periods beginning after June 15, 2014, addresses accounting and financial reporting for pensions that are provided to employees of local governments.

Effect:

The District may not have information for compliance with GASB 68.

Cause:

The Authority employees are treated as County of Del Norte employees for purposes of pension reporting.

Auditor's Recommendations:

We recommend that the Authority review the requirements of GASB 68 and take steps necessary to ensure compliance with GASB 68.

Management's Response:

DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

JUNE 30, 2017

Audit Reference	**Status of Prior Year Audit Recommendation**
2016-001	**Deficit Net Assets**

Recommendation

We recommend that the Authority consider all expenses including depreciation and post closure costs when setting rates and adopting the annual budget. We further recommend that the Authority review options to manage this deficit and begin a program to fund the liability.

Status

Not Implemented

2016-002	**GASB 68 Implementation**

Recommendation

We recommend that the Authority review the requirements of GASB 68 and take steps necessary to ensure compliance with GASB 68.

Status

Not Implemented

Del Norte Solid Waste Management Authority

1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300
www.recycledelnorte.ca.gov

The Authority's mission is the management of Del Norte County solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

CORRECTIVE ACTION PLAN PROPOSED BY THE DEL NORTE SOLID WASTE MANAGEMENT AUTHORITY

Date:	**15 February 2018**
To:	**Albert Hwu, Patel & Associates, LLP**
From:	**Tedd Ward, M.S. – Director**
	Richard D. Taylor – Treasurer / Controller
	Del Norte Solid Waste Management Authority
cc:	**Clinton Schaad, Del Norte County Auditor**
File Number:	**012101 – DNSWMA Audit for FY 16/17**

The following are staff responses and Draft Annual Financial Statement for the year ended June 30, 2017, and proposed corrective actions to the audit, findings and recommendations presented by Patel & Associates pertaining to the Del Norte Solid Waste Management Authority (Authority).

Management Responses:

The following responses are specific to the numbered findings presented in that report.

2017-001 Deficit Net Position (Page 31)

The annual financial the Solid Waste fund had a net deficit position for the agency of ($1,048,753) at the end of FY 16/17, caused by the postclosure liability associated with the Crescent City Landfill. The Authority has met its requirements to address the financial liabilities and potential need for corrective actions associated with the Crescent City Landfill through a Pledge of Revenue under Resolution 2014-02.

This is a repeat of a prior finding, noting that the rates as set by the Authority were not sufficient to cover post-closure liability and debt service requirements. The audit report recommends that the Authority consider all expenses, including *depreciation and postclosure costs when adopting the annual budget, and that the Authority review options to manage this deficit and begin a program to fund the liability.*

2017-001 Authority Staff Response & Plan for Action

When the Del Norte Solid Waste Management Authority was formed in 1992 the adopted Joint Powers Agreement transferred all debt and liability related to solid waste, recycling and the County-owned, Crescent City Landfill to the Authority, and these debts and liabilities still impact the financial position of this agency.

Because historical landfill operations and oversight did not set rates sufficiently high in the past to provide funds for closure and post-closure, the Authority must pledge revenue from the operational transfer station to pay for post-closure maintenance costs. This means that current customers are paying for expenses that accrued in the past.

While the Authority's continuing obligations with respect to the post-closure maintenance of the Crescent City Landfill will continue to keep the Authority in a net deficit position for the short and medium term, raising rates is not the only way to address this fiscal responsibility. Specifically, the California Department of Resources Recycling and Recovery (CalRecycle) requires that the Authority demonstrate that mechanisms are in place to address any potential urgent needs associated with this closed landfill.

CalRecycle requires under California Public Resources Code (PRC) sections 43500 through 43610.1 and Title 27 of the California Code of Regulations ("Regulations"), Division 2, Subdivision 1, Chapter 6, Article 2, that operators of solid waste landfills to demonstrate the availability of financial resources to conduct postclosure maintenance and corrective action activities, and sections 22228 and 22245 of the Regulations specify a Pledge of Revenue as an acceptable mechanism to demonstrate financial responsibility for financing postclosure maintenance and corrective action costs of a solid waste landfill. Towards that end, the Authority has used a Pledge of Revenue, approved by CalRecycle and provided to Patel & Associates, to address these requirements.

Furthermore, the Authority Board has standing direction that Authority staff annually request that CalRecycle review and approve a reduced multiplier for the approved annual postclosure maintenance cost estimate. This cost estimate of post-closure liability is determined by multiplying the annual post-closure maintenance cost estimate times 30. CalRecycle has already approved the Authority's application to reduce this multiplier from 30 to 21, reducing the Authority's post-closure liability by $868,623. Unfortunately, CalRecycle is requiring that the Authority update the Pledge of Revenue, and will not approve of further reductions to this multiplier until an approved updated Pledge of Revenue has been adopted.

Compared to the prior fiscal year, the Authority's net position improved by $169,572 from ($1,218,345) to ($1,048,753). Factors that impacted this calculation included estimates for annual landfill post-closure liability, increased recognition of retirement and other post employment benefits as liabilities, and increases in County interfund payments (for accounting, payroll, human resources, and information technology services).

This is the sixth consecutive audit that has identified the Authority's deficit net position as a significant deficiency. It is also worth noting that though the Authority Board has raised rates as recommended by Patel & Associates, it will still be many years before revenues accrue to adequately address the calculated liabilities associated with the Crescent City Landfill.

As a partial response to this repeated finding, the rates adopted by the Del Norte Solid Waste Management Authority Board which went into effect 01 July 2017 did consider all expenses, including depreciation and postclosure costs when adopting the annual budget, and increased customer rates to address both this comment and the outstanding OPEB liabilities and obligations. These rate adjustments became effective after the close of the audit period, and so did not impact the assets of liabilities as assessed in this audit.

Considered together, the Authority's Pledge of Revenue addresses the potential financial obligations associated with the Crescent City Landfill, regardless of the specific amount, while the annual application to reduce the multiplier represents the Authority's ongoing efforts to reduce those calculated liabilities.

Despite these rate increases, Authority managed facilities continue to have the lowest per ton disposal fees in the region. The Authority will again consider this finding during the setting of rates in 2018.

2017-002 GASB 68 Implementation (Significant Deficiency) - Repeated

The audit report indicates that Authority employees are reported to CalPERS under the County of Del Norte pension plan, and treated as County of Del Norte employees for the purposes of pension reporting. This same comment was made as part of the audits for the past four fiscal years.

2017-002 Authority Staff Response & Plan for Action

Authority implementation of GASB 68 requirements are similar to the level of implementation of these requirements achieved by other Del Norte County departments. The Authority Treasurer/Controller and Authority staff will review the requirements of Governmental Accounting Standards Board Statement number 68, addressing accounting and financial reporting requirements for pensions provided to local government employees, and take steps in coordination with the Del Norte County Auditor and Del Norte County Personnel Departments to ensure compliance with GASB 68.

RESOLUTION NO. 2018-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE DEL NORTE SOLID WASTE MANAGEMENT ADJUSTING THE AMOUNT OF IMPREST CASH FROM $3,500 TO $3,800

WHEREAS, the Del Norte Solid Waste Management Authority provides refuse site attendants at the Del Norte County Transfer Station, the Klamath Transfer Station and the Gasquet Transfer Station; and

WHEREAS, these facilities are open 358 days each year, and between June and October, the Klamath and Gasquet Transfer Stations are each open an extra day each week; and

WHEREAS, the regular duties of the Del Norte Solid Waste Management Authority accounting staff include using Imprest Cash to prepare cash and change for opening each of these facilities; and

WHEREAS, the amount of Imprest Cash has not been increased since the fall of 2014 when it was adjusted from $3,000 to $3,500; and

WHEREAS, since 2014, rates have increased by 4.4% and traffic at the Del Norte County Transfer Station has increased by 8.5%, and both these factors increase the demands for additional Imprest Cash.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the Del Norte Solid Waste Management Authority that the amount of Imprest Cash should be increased by 8.6% from $3,500.00 to $3,800.00, effective 01 May 2018.

PASSED AND ADOPTED by the Board of Commissioners of the Del Norte Solid Waste Management Authority this 20th day of February, 2018 by the following polled vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Blake Inscore, Chair
Del Norte Solid Waste Management Authority

ATTEST:

Eli Naffah, Secretary
Del Norte Solid Waste Management Authority

6.3

Del Norte Solid Waste Management Authority
1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300
www.recycledelnorte.ca.gov

The Authority's mission is the management of Del Norte County solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

Staff Report

Date:	**15 February 2018**
To:	**Commissioners of the Del Norte Solid Waste Management Authority**
From:	**Tedd Ward, M.S. – Director**
Attachments:	**1. Criteria and Policy for the allocation of Authority directed Complimentary bin pulls**
	2. Requests from US Fish & Wildlife Service for one bin-pull to support Pacific Shores Broom Bash.
	3. Request from Del Norte Surfrider for three bin-pulls for three beach cleanups
File Numbers:	**031205, 180510**
Topic:	**Authority-directed bin pulls**

Summary / Recommendation: That the Board approve use of Authority-directed bin pulls as follows:

1. Approval of 1 Authority-directed bin pull to support Scotch Broom Bash at Pacfic Shores.
2. Approval of 3 bins supporting beach cleanups organized by Del Norte Surfrider, approving one Authority-directed bin pull for each of the following: Love Your Beach cleanup on February 17th, an Earth Day Beach Cleanup on April 22, and an AfterFourth Beach Cleanup on July 5th..

Background: Under the Collections Franchise Agreement with Recology Del Norte, the Authority may direct up to twenty complimentary bin pulls per calendar year. An additional Authority-directed bin pull was added as part of moving the community recycling bins from the Fairgrounds to the Del Norte County Transfer Station.

Alternatives: The Board could deny these requests.

Related Issues: To have all disposal fees waived, a similar request must be approved by Hambro/WSG to waive their portion of disposal fees.

6.4

Criteria and Policy for the allocation of Authority-directed Complimentary bin pulls

Adopted: 09 July 2014 Files: **031205, 180510**

1. Assets subject to this policy

The Del Norte Solid Waste Management Authority, as the public agency responsible for oversight of the collections franchise with Recology Del Norte, may direct the deployment of up to twenty (20) bin pulls of up to 40 cubic yards during each calendar year, as described in the Franchise Collections Agreement with Recology Del Norte, Exhibit B2, section C.3. In addition, the Authority may also designate any number of Authority-directed Pull-charge bin services, for which the bin charge will be for 'Collection, hauling, and unloading bins as directed' charge rather than the fee for hauling and disposal of a specific size bin. In all of these cases, the charges for disposal will be assessed and paid ***unless Hambro/WSG agrees to waive their fees***, which they may or may not do on a case-by-case basis. The following Criteria and Policy are intended to clarify how such allocations may be considered and determined.

Policy: **The Authority Board will allocate bin pulls according to the criteria listed below based on written requests and recommendations presented at regular Authority Board meetings.**

Criteria: The following criteria shall be considered and/or discussed when the Authority takes action directing complimentary or directed bin pulls:

- **Beach, river, and community cleanup events to which the public is invited**
- **Cleanup activities on public property as the highest priority**
- **Support of high-profile community events open to the public that include both disposal and recycling, and/or related outreach activities**
- **Coordinated cleanup activities on prioritized private properties that have been designated by the City, County, or other public agency as blighted with accumulated solid waste**
- **Coordinated neighborhood cleanup events in cases where a specific written request is presented for the Authority Board's consideration**
- **Activities that have great potential to reduce solid-waste-related blight, reduce illegal disposal of solid or hazardous wastes, or increase recycling or composting**
- **The ability for the requesting party to pay for disposal and maintain security and supervision for each bin**
- **The remaining number of bins to be allocated each year**

As these bins are allocated by calendar year, Authority Staff are to present the remaining number of complimentary bin pulls remaining at the regular Authority Board meeting in September or October of each year.

Tedd Ward

From: Pogue, Clint <clint_pogue@fws.gov>
Sent: Thursday, February 08, 2018 4:23 PM
To: tedd@recycledelnorte.ca.gov; joel.wallen@hambrowsg.com; jerabek@jeffnet.org
Cc: Susie Tharratt
Subject: Requesting dumpster and disposal fee waiver for the 2018 Annual Scotch Broom Bash

Hello Tedd,

I've recently taken over the planning for the annual Scotch Broom Bash held at Pacific Shores. I've just started the planning process for 2018 and wanted to reach out since, in previous years, the Del Norte Solid Waste Management Authority had graciously waived the bin rental, and pick-up/delivery fees for the removed plant material. If the Waste Management Authority could consider assisting in this way again this year, we would greatly appreciate it. We are in the process of selecting a date, but we are aiming for one of these three dates: March 24, March 31, or April 7 (all are Saturdays). I will update you as soon as we have landed on a date. We would like to request a 40 cubic-yard (or comparable) bin for the disposal of plant material from the event. Also, I know that there is some planning for a watchman's outpost at the corner of Kellogg and Tell, which is normally where we have had the dumpster placed, so I will reply soon with a proposed location for the dumpster, but it will likely be a similar location. If there is anything else I need to provide, I am happy to do so.

Thank you so much for your continued time, consideration, and assistance,

Clint

--
Clint Pogue, Botanist
U.S. Fish and Wildlife Service
Ecological Services - AFWO
1655 Heindon Road
Arcata, CA 95521

phone: 707.822.7201
fax: 707.822.8411
email: clint_pogue@fws.gov

Tedd Ward

From: Walter Mackelburg <wc.mackelburg@gmail.com>
Sent: Thursday, February 08, 2018 11:33 AM
To: Tedd Ward
Subject: 2018 Del Norte Surfrider Schedule of Cleanup's

Mr. Tedd Ward,

Here is the schedule for Del Norte Surfrider's 2018 beach cleanups:

2/17/18 Love Your Beach Cleanup (20 yard bin)

4/22/18 Earth Day Beach Cleanup (20 yard bin)

7/5/18 5th of July Beach Cleanup (20 yard bin)

September 2018 date is still to be determined.

All drop off bin locations will be on Anchor Way at the Starfish Way intersection. This location has been used in the past.

If bins are dropped off before 10am the day of the cleanup and picked up after 4:30 pm, it will ensure we can get the most work done possible. We normally concentrate on South Beach and along Anchor Way, but would like to expand to Pebble Beach and the north side of town depending on how many volunteers and other community groups/businesses we have to coordinate with. Please help spread the word and let me know if other groups would be interested in partnering on these dates.

Thanks Again,

Walter Mackelburg
Del Norte Surfrider, Chair
707-974-5273

Del Norte Solid Waste Management Authority

1700 State Street, Crescent City, CA 95531
Phone (707) 465-1100 Fax (707) 465-1300
www.recycledelnorte.ca.gov

The Authority's mission is the management of Del Norte County solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

21 February 2018

The Honorable Bob Wieckowski
California State Senate, 10th District
California State Capitol, Room 4085
Sacramento, CA 95814

RE: SUPPORT OF SB 168 AS AMENDED 18 JANUARY 2018

The Del Norte Solid Waste Management Authority, a joint powers authority of the City of Crescent City and the County of Del Norte, is on a mission to manage Del Norte County's solid waste and recyclable material in an environmentally sound, cost effective, efficient and safe manner while ensuring 100% regulatory compliance with law.

Towards that end, on 20 February 2018, the Board of Commissioners of the Del Norte Solid Waste Management Authority voted to send this letter supporting Senate Bill (SB) 168 as amended on 18 January 2018 to accomplish two objectives:

1. Establish minimum recycled content standards for beverage containers before 2023, and

2. Publish a report to the Legislature before 2020 regarding the establishment and implementation of an extended producer responsibility program to replace the current California beverage container recycling program.

Since 2013, over 800 recycling centers have closed in California – including over 350 recycling centers that closed in 2016. Many of these were smaller-volume centers located in rural areas like Del Norte County. Following the closure of Julindra Recycling, which had been the only buy-back recycling center in Del Norte County for over 15 years, for several months in 2017, the nearest Buy-Back center where our residents and businesses could redeem their CRV containers for cash was over 70 miles away.

These changes and challenges to California's beverage container recycling program demonstrate the need to increase the demand and marketability of beverage container materials. Requiring a minimum percentage of recycled materials in California beverage containers will help stimulate markets for these materials.

6.5

This agency generally supports extended producer responsibility programs for hazardous products and other materials banned from mixed waste disposal. Though beverage containers are not hazardous, it is appropriate that brand owners and bottlers have a greater level of responsibility for maintaining robust markets for recovered beverage container materials. For this reason, further study is warranted regarding the potential for how California could transition to a producer responsibility model for beverage container recycling.

Thank you for considering these comments.

Sincerely,

Blake Inscore, Chair
Del Norte Solid Waste Management Authority

Cc: Jay Sarina, Del Norte County
Eric Wier, Crescent City
Mark Murray, Californians Against Waste
Susan Collins, Container Recycling Institute
Mary Pitto, ESJPA of Rural Counties
Heidi Sanborn, California Product Stewardship Council

Senator Mike McGuire
1303 10th Street, Room 5064
Sacramento, CA 95814

Senator Mike McGuire
1303 10th Street, Room 5064
Sacramento, CA 95814

CPSC
California Product Stewardship Council℠

1822 21st Street, Suite #100
Sacramento, CA 95811
916-706-3420

www.CalPSC.org

January 22, 2018

The Honorable Bob Wieckowski
California State Senate, 10th District
California State Capitol, Room 4085
Sacramento, CA 95814

RE: SUPPORT OF SB 168 AS AMENDED JANUARY 18, 2018

Dear Senator Wieckowski:

The California Product Stewardship Council (CPSC) is a non-profit organization formed in 2006 in response to the State of California repeatedly implementing disposal bans without any funding or management plan. CPSC educates and advocates for producers to have a significant share of the responsibility in the waste management of their products. Extended Producer Responsibility (EPR) is a policy approach where producers of targeted products with significant end-of-life impacts are asked to contribute their fair share of responsibility of the end-of-life management of those products thereby "extending" their responsibility beyond just the sale of their products.

CPSC is in support of Senate Bill (SB) 168 as amended January 18, 2018 with the intent to do two things:

1) *Require the department, on or before January 1, 2023, to establish minimum content standards for beverage containers, and;*
2) *Require the department, on or before January 1, 2020, to provide to the Legislature a report on the establishment and implementation of an extended producer responsibility program to replace the current California beverage container recycling program*

CPSC is the preeminent organization advocating for producer responsibility, and this bill clearly focuses on the need to consider EPR programs for packaging. The minimum content standards established by this bill will result in design changes that are critical to improving markets. We know that such changes can only be made by producers. We at the CPSC thank you for your amendments to simplify the bill and assure there is time to be thoughtful about making any significant changes to an existing program.

Thank you for the opportunity to consider our comments. We look forward to being very involved in the packaging discussion as it continues, for beverage containers as well as all other packaging.

Sincerely,

Heidi Sanborn

Heidi Sanborn, Executive Director
California Product Stewardship Council

Attached: Letter to CalRecycle Regarding Packaging Policy dated Nov. 2017

Californians Against Waste

HOME ABOUT LEGISLATION ISSUES NEWS DONATE CONTACT

SB 168 (Wieckowski) - Minimum Recycled Content Standard

Summary: SB 168 will require CalRecycle to establish minimum recycled content standards for beverage containers. The bill also requires the department to develop a report on the establishment of an extended producer responsibility program as a replacement to the current California beverage container recycling program.

Position and Status: CAW is supporting this bill.

- *Previous version of the bill was introduced, passed the Senate Environmental Quality Committee, and the Senate Appropriations Committee.*
- Previous language removed and amended to be SB 168 in it's current form January 18, 2018
- Passed the Senate floor January 29th, 2018. Now in the Assembly.
- **Next Step:** Be referred to a policy committee in the Assembly.

Description: SB 168 is authored by Senator Wieckowski (D-Fremont). PET recycling in California is facing incredible challenges, especially when it comes to making recycled PET commodities that have to compete in a marketplace with virgin PET. This challenge has been exacerbated by the recent implementation of the National Sword, China's policy which bans the import of 24 types of solid waste material and sets strict limitations on allowable contamination of recyclable plastics. Drastic drops in oil prices have had the effect of undermining the demand and price for California-generated recycled materials—California recycled material processors and recycled product makers are starting to lose market share to out of state/country 'virgin' producers. This bill would require the state to establish minimum recycled content standards for beverage containers made from all material types, which compliments other minimum content laws that the state has already adopted. The bill also requires CalRecycle to develop a report to the state legislature that would explore the implications of replacing the current California beverage container recycling program with an extended producer responsibility program.

CAW Staff Contact: Kelly McBee, (916) 443-5422

Contact Senator Wieckowski's office

Current language, analysis, and votes

921 11TH STREET, SUITE 420 SACRAMENTO, CA 95814 PH:916.443.5422 FX: 916.443.3912.

AMENDED IN SENATE JANUARY 18, 2018

AMENDED IN SENATE APRIL 6, 2017

AMENDED IN SENATE FEBRUARY 28, 2017

SENATE BILL **No. 168**

Introduced by Senator Wieckowski

January 23, 2017

~~An act to amend, repeal, and add Sections 12024.13, 21608.5, and 23671 of the Business and Profession Code, to amend, repeal, and add Sections 47605.1 and 47612.1 of the Education Code, to amend, add, and repeal Section 1720.4 of the Labor Code, to amend, repeal, and add Sections 186.2 and 186.8 of the Penal Code, to amend Section 12165 of the Public Contract Code, to amend Sections 14526.5, 14571.5, and 14571.8 of, to amend and repeal Section 17002 of, to amend, repeal, and add Sections 615, 5845.8, 14315, 17000, 17001, 19535, 31178, 40003, 42476, 42889, and 48653 of, to add Section 14100.5 to, to add Chapter 9 (commencing with Section 14600) to Division 12.1 of, to add Chapter 20.5 (commencing with Section 42984) to Part 3 of Division 30 of, to repeal Section 40511 of, and to repeal and add Division 12.1 (commencing with Section 14500) of, the Public Resources Code, to amend Sections 17153.5 and 24315 of the Revenue and Taxation Code, to amend, repeal, and add Sections 2370 and 2382 of the Streets and Highways Code, and to amend, repeal, and add Section 79714 of the Water Code, relating to recycling.~~ *An act to add Sections 14514.2 and 14548 to, and to add and repeal Section 14549.7 of, the Public Resources Code, relating to recycling.*

LEGISLATIVE COUNSEL'S DIGEST

SB 168, as amended, Wieckowski. ~~Beverage Container Recycling Act of 2017.~~ *Recycling: beverage containers.*

Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires every beverage container sold or offered for sale in this state to have a minimum refund value. Under existing law, a beverage distributor is required to pay a redemption payment to the Department of Resources Recycling and Recovery for every beverage container sold or offered for sale in the state to a dealer, and the department is required to deposit those amounts in the continuously appropriated California Beverage Container Recycling Fund.

Existing law requires each glass container manufacturer to use a minimum percentage of 35% of postfilled glass in the manufacturing of its glass food, drink, or beverage containers.

This bill would require the department, on or before January 1, 2023, to establish minimum content standards, as defined, for beverage containers that are constructed of metal, glass, or plastic, or other material, or any combination thereof, except as specified in the above provision. The bill would require the department, on or before January 1, 2020, to provide to the Legislature a report on the establishment and implementation of an extended producer responsibility program to replace the current California beverage container recycling program, as specified.

~~(1) Existing law, the Used Mattress Recovery and Recycling Act, requires a mattress recycling organization, comprised of manufacturers of mattresses sold in the state, to develop and submit to the Department of Resources Recycling and Recovery for approval a plan, including a budget to implement the plan, for the recovery and recycling of used mattresses. The act requires the organization to submit annual reports to the department and subjects the organization to audits, if necessary. The act requires the organization to reimburse the department for costs for implementing and enforcing the act. Under the act, a retailer is prohibited from selling, distributing, or offering for sale a mattress in the state unless the retailer is in compliance with the act, and a manufacturer or renovator is prohibited from selling, offering for sale, or importing a mattress, or selling or distributing a mattress to a distributor or retailer, unless the manufacturer or renovator is in compliance with the chapter. A violation of the act may be subject to an administrative civil penalty.~~

~~This bill would require distributors of beverage containers in the state to form a beverage container stewardship organization. The organization would be required to develop and submit a plan and budget for the recovery and recycling of empty beverage containers similar to that described in the Used Mattress Recovery and Recycling Act, and would require the organization to establish a stewardship fee, to be paid by distributor members of the organization, to assist in covering the costs of implementing the program. The act would require the organization to reimburse the department for the department's costs of enforcement. The bill would impose similar administrative civil penalties for a violation of these provisions.~~

~~(2) The California Beverage Container Recycling and Litter Reduction Act, which is administered by the Department of Resources Recycling and Recovery, is established to promote beverage container recycling, and provides for the payment, collection, and distribution of certain payments and fees based on minimum refund values established for beverage containers. The act requires the department to annually designate convenience zones statewide and requires at least one certified recycling center or location within every convenience zone, as defined, that accepts all types of empty beverage containers and pays the refund value, if any, at one location. The act authorizes the director of the department to exempt, if certain conditions are met, an individual convenience zone from the requirement that it have at least one certified recycling center or location and limits the total number of exemptions the director may grant to 35% of the total number of convenience zones identified pursuant to the act. For purposes of the act, "supermarket" is defined as a full-line, self-service retail store with gross annual sales of $2,000,000, or more, and that sells specified food items. A violation of the act is an infraction.~~

~~This bill, for purposes of defining a "supermarket," would increase the minimum gross annual sales to $4,000,000 and make conforming changes. The bill, until December 31, 2020, would increase the limit on the total number of exemptions the director may grant to 50%.~~

~~(3) This bill, commencing January 1, 2021, would revise and recast the provisions of the California Beverage Container Recycling and Litter Reduction Act, which would be renamed the Beverage Container Recycling Program, and would include wine and distilled spirits as beverages under the program. The bill would specify a refund value for beverage containers and would require the department to provide recommendations to the Legislature on ways to increase the aggregate~~

~~recycling rate if the recycling rate for beverage containers drops below a certain threshold. The bill would require the beverage container stewardship organization, as a part of its stewardship plan described above, to establish processes for the payment and collection of minimum refund values by the organization. The bill would require the organization to, among other things, designate convenience zones in the state to provide for the convenient redemption of beverage containers by consumers, establish an incentive payment to be paid by the organization to recycling centers for empty beverage containers redeemed by the recycling center, establish a payment to be paid by the organization to a processor to help ensure the processor, recycling center, or dropoff or collection program is not operating at a loss, establish procedures and funding for the recycling of empty beverage containers collected pursuant to residential curbside collection programs and establish procedures for a consumer to redeem empty beverage containers if no certified recycling center is not established in a convenience zone. By increasing the scope of various crimes, this bill would impose a state-mandated local program. The bill would require the beverage container stewardship organization to retain refund values not redeemed and to use those moneys for the administration of the beverage container stewardship program and for specified purposes relating to the recycling of beverage containers. The bill would repeal certain annual disbursements that are made by the department under the act, and would limit moneys received by the department under the program to penalties for violating these provisions and charges to fund the department's administration of the program.~~

~~(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~yes~~ *no*.

The people of the State of California do enact as follows:

SECTION 1. Section 14514.2 is added to the Public Resources Code, to read:

14514.2. "Minimum content standard" means a requirement for the minimum percentage of a material type that a beverage *container is constructed of, including, but not limited to, recycled material.*

SEC. 2. Section 14548 is added to the Public Resources Code, to read:

14548. On or before January 1, 2023, and except as provided in Section 14549, the department shall establish minimum content standards for beverage containers that are constructed of metal, glass, or plastic, or other material, or any combination thereof.

SEC. 3. Section 14549.7 is added to the Public Resources Code, to read:

14549.7. (a) On or before January 1, 2020, the department shall provide to the Legislature a report on the establishment and implementation of an extended producer responsibility program to replace the current beverage container recycling program established by this division. The report shall include, but is not limited to, analyses and recommendations on all of the following:

(1) Establishment of a stewardship organization, including all of the following:

(A) Membership of the organization.

(B) Classification of the organization, such as whether the organization should be a nonprofit organization.

(C) Duties and responsibilities of the organization, including the components of a stewardship plan and annual reports to be submitted by the organization.

(2) Program funding.

(3) Goals of the program.

(4) Oversight and enforcement for the program.

(b) (1) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2024.