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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

Board of Directors Meeting Agenda
February 10, 2022
6:15 p.m.

Teleconference/Public Participation Information

Pursuant to the provisions of California Governor's March 4, 2020 State of Emergency Declaration and enactment of Assembly Bill 361 on September 16, 2021 which adopted exemptions to the Ralph M. Brown Act and the findings to be adopted by the Board at this meeting, this meeting will be conducted by teleconference only in accordance with Government Code section 54953(e). No physical location will be available for this meeting.
This meeting agenda is available online recyclemore.com/about/board-meeting-agendas.

For meetings, there will be no physical location from which members of the public may observe the meeting. Members of the public are welcome to observe and address the Board telephonically at the appropriate time for public comment during the meeting, following these instructions:

Link to join Webinar: https://us02web.zoom.us/j/83970413840

Or phone: 1-669-900-6833

Webinar ID: 839 7041 3840

During the meeting, the Chair will call for public comment. To make a public comment on a desired item while participating in the webinar, click on the "Raise Your Hand" option within the online webinar tool, or if participating via phone - dial *9.

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

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in an Authority meeting, or you need a copy of the agenda, or the agenda packet in an alternative format, please contact the Authority Board Secretary at (510) 609-1215 or by email at donalds@recyclemore.com with the following information: name, phone number, email, and type of assistance requested. Notification of at least 48 hours prior to the meeting or time when services are needed will assist Authority staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Public Comment

Members of the public may address the Board of Directors on items that are within the jurisdiction of the Authority. Comments by the public pertaining to items listed in this Agenda should be made at the time the item is considered by the Board of Directors. Please note this Agenda contains an item for the Public to address the Board on non-agenda matters. Each speaker is limited to 3 minutes and may speak only once under each agenda item. The Board of Directors may waive these provisions. If you desire to address the Board, please submit your request using the instructions above.

Serving: The cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo and Unincorporated West Contra Costa County

1. CALL TO ORDER AND ROLL CALL

The Chair will call the meeting to order, and the Secretary will call the roll to establish the presence of a quorum.

2. CLOSED SESSION

None.

3. PLEDGE OF ALLEGIANCE

The Chair or a Member of the Board will lead the Pledge of Allegiance.

4. EX PARTE COMMUNICATIONS DISCLOSURES

The Chair of the Board will ask if any Director has an ex parte disclosure, pursuant to the Authority's Ex Parte Communications Policy, on any agendized items.

5. PUBLIC COMMENT

Receipt of public comment on non-agenda matters.

6. CONSENT CALENDAR

All matters listed in the Consent Calendar will be enacted with one motion. There will be no separate discussion of the items listed. However, upon request by a member of the Board or the Public, items will be removed from the Consent Calendar and considered separately in the agenda order.

Consideration of a motion to approve the following actions:

6.1 January 13, 2022 Authority Board Meeting Minutes

Note: To vote on the adoption of the minutes does not require a Director to have been present at the subject meeting.

6.2 Implementation of AB 361 to Allow Teleconferenced Meeting

Adopt Resolution No. 22-02 to continue conducting Board of Director meetings remotely due to health and safety concerns for the public and making related findings in compliance with Assembly Bill 361 (2021) ("AB 361") effective February 12, 2022 through March 14, 2022.

END OF CONSENT CALENDAR

7. STAFF REPORT

Staff will provide updates on recent and upcoming activities.

Process for Addressing Agenda Items Before the Board of Directors

- *Chair reads the agenda item*
- *Staff presents their report*
- *Board questions staff*
- *Public comments are heard*
- *Board discusses item*
- *A motion is made*
- *Final Board discussion*
- *Motion is restated and seconded for the record*
- *Board votes or provides direction to staff*

8. REGULAR AGENDA

8.1 Election of Board Chair and Vice-Chair

Nomination of candidates and election of Board Chair and Vice Chair for a term beginning February 10, 2022 and ending January 31, 2023.

8.2 Professional Services Agreement with the California Product Stewardship Council

Consideration of a motion to approve a professional services agreement with the California Product Stewardship Council, in an amount not to exceed $46,500 to coordinate activities and assist the West Contra Costa Integrated Waste Management Authority with the implementation of the HD 37 Grant, Number HD 37-21-007 through September 30, 2024.

8.3 FY 2020-21 Financial Audit

Receive and file report on the final Audited Financial Statements prepared for the Fiscal Year Ending June 30, 2021 prepared by Maze and Associates.

END OF REGULAR AGENDA

9. BOARD MEMBER AND STAFF ANNOUNCEMENTS

INFORMATION ONLY. Announcement of matters of interest by Board Members, Alternate Board Members, Executive Director, Staff, and General Counsel.

10. ADJOURNMENT

Consideration of a motion to adjourn. The next regular Board of Directors' Meeting is scheduled for March 10, 2022.

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: February 10, 2022

To: West Contra Costa Integrated Waste Management Authority Board

From: Peter Holtzclaw, Executive Director

Subject: January 13, 2022 Authority Board Meeting Minutes

ACTION REQUESTED

Consideration of ADOPTION OF A MOTION to approve the subject minutes.

Note: To vote on the adoption of the minutes does not require a Director to have been present at the subject meeting.

BACKGROUND

The minutes of the January 13, 2022 Board meeting are attached.

FISCAL IMPACT

None.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: January 13, 2022 Board Meeting Minutes

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS MEETING MINUTES – JANUARY 13, 2022

Meeting Date | Time ***1/13/2022 6:15 PM*** **| Meeting Location** ***The meeting was held exclusively via teleconference participation of a quorum of Board members in locations not open to the public in compliance with the Governor's March 4, 2020 State of Emergency Declaration and enactment of Assembly Bill 361 on September 16, 2021, which adopted exemptions to the Ralph M. Brown Act and the proposed findings to be adopted by the Board at this meeting, to be conducted by teleconference only in accordance with Government Code Section 54953(e). No physical location will be available for this meeting. All votes of the Board to be Roll Call votes.***

Meeting called by	Board of Directors
Type of meeting	Regular
Authority Staff Present	Peter Holtzclaw, Lisa Borreani, Christina Leard, Andy Schneider, Donald Sturman
Legal Counsel	John Bakker

Board Members Present:

Directors: T. Rudnick, El Cerrito; R. Xavier, Alternate, San Pablo: A. Tave, Pinole; D. Romero, Hercules (Vice-Chair); G. McLaughlin, and N. Bates (Chair), Richmond

Absent: M. Willis, Richmond; and, F. Glover (Ex-Officio) Contra Costa County

CALL TO ORDER/ROLL CALL

Chair Bates called the meeting to order at 6:22 P.M. The Roll Call established the existence of a quorum (Bates, McLaughlin,* Romero, Rudnick, Tave, Xavier). *Director McLaughlin arrived after Roll Call at 6:37 P.M.

CLOSED SESSION

There was no Closed Session.

PLEDGE OF ALLEGIANCE

Director Rudnick led the Pledge of Allegiance.

EX-PARTE COMMUNICATIONS & DISCLOSURE

There were no ex-parté communications or disclosures.

PUBLIC COMMENT

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

CONSENT CALENDAR

Vice Chair Romero removed Item 6.4 for clarifications related to the Request for Proposal (RFP) for an Edible Food Recovery Consultant. He questioned several aspects of the RFP including the action to Work with County Environmental Health with respect to assistance with some of the record review requirements; requested that East Bay Sanitary be mentioned as part of the Post-Collection Agreement (PCA) since they were the actual operator picking up the green waste; requested that the referenced Tier 1 and Tier 2 lists be made available to the Board of Directors; and with respect to the scope of services requested that the hours assigned to each entity be identified along with the person designated and the rate.

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Executive Director Peter Holtzclaw explained that County Environmental Health had been included since edible food in general was a regionalized program and it would take the efforts of many agencies to address, and given the shared resources between County, RecycleMore and member agency staff as well as all the private organizations involved it was felt to be important to include in the RFP. With respect to the lack of reference to East Bay Sanitary, he noted that the larger framework with edible food recovery was outside the scope of the solid waste service providers, and while they could have been mentioned the whole aspect of edible food recovery did not include a role with East Bay Sanitary. He clarified there was already an actual Tier 1 list with the R-3 Consulting SB 1383 Preparedness Study, and with the RFP the awardee would verify the information and take a step further into Tier 2. All that information was available on the RecycleMore website. He further verified that the hours to be assigned to each entity would be broken down by principal, hourly rate and estimated hours per person.

Director Rudnick clarified that East Bay Sanitary hauled the green waste while the City of El Cerrito hauled the recycling in El Cerrito.

Mr. Holtzclaw clarified that the item had been submitted for information only and not for approval at this time. When complete, the contract would be submitted to the Board for approval.

> **MOTION** by Director Xavier to approve Consent Calendar Items 6.1, 6.2, 6.3 and 6.4. **SECOND** by Director Rudnick.
>
> **MOTION PASSED unanimously** by a Roll Call vote.

STAFF REPORT

Staff Report Item 7 - | Presenter | *Peter Holtzclaw - Executive Director*

Executive Director Holtzclaw reported the comments on the Memorandum of Understanding (MOU) had been received from all five member agencies. Staff was preparing a draft MOU and work plan and would work with all member agencies to get a good consensus of what the timeframe would look like. All member agencies were expected to approve the MOU in March 2022.

Mr. Holtzclaw announced that there was an SB 1383 grant that had just been released by CalRecycle with a February 1, 2022 deadline. Staff was getting information and ideas from member agency staff and contractors and would be applying for that grant. He would provide an update on the application when available.

Agenda Item *8.1 – Administrative Policy for Compliance Set-Aside Monies* | Presenter | *Peter Holtzclaw, Executive Director*

Executive Director Holtzclaw reported that the Compliance Set-Aside Fund had been created in 2019 during the 2020 rate structure as a set-aside for SB 1383 and AB 1826 funds, and a year later in the budget process the Board had designated it as a restricted fund for compliance projects. He explained that the Compliance Set-Aside Fund sat outside the RecycleMore budget; a line item where $800,000 had been set aside and $50,000 or so had been spent in an informal way. The agenda item was intended to formalize how the money was spent out of that fund and the Board would have to approve those projects. He sought direction from the Board and expressed the desire to present it to the Board during the budget process. He characterized the Compliance Fund as roughly equivalent to an escrow account where Republic Services and Richmond Sanitary collected the revenues and dispersed those revenues through the transparent funds, a process that had been followed for decades. The funds were auditable and had been audited in the past.

Director McLaughlin verified with Mr. Holtzclaw that the Board held the authority to approve the funds. With respect to the policy, she objected to the inclusion of Republic Services, Inc. in the process that would require approval by Republic, the Executive Director or the Board, and suggested it was inappropriate to approve the hauler in the policy. She also expressed the preference that RecycleMore hold the compliance funds rather than the hauler.

Mr. Holtzclaw agreed with the recommendation that Republic Services, Inc. be removed from the process of approving funds leaving the Executive Director and the Board, but stated it would be more difficult for RecycleMore to hold the compliance funds given that everything was being done through the front end franchise collection contracts. He described that process in detail and explained that Republic Services paid RecycleMore a quarterly amount according to the budget passed by the Board and the rate setting. The City of San Pablo, which provided accounting services to RecycleMore for a fee, held those monies. To have RecycleMore hold the compliance fund would create an unnecessary step.

Director McLaughlin asked therefore that a statement be included that the hauler will send account statements including deposits and expenditures to RecycleMore on a monthly basis.

Mr. Holtzclaw stated that could be done.

Director Rudnick asked if the City of San Pablo could hold the funds, and Mr. Holtzclaw stated that could be pursued. She suggested it would be better for the public that the monies be held by a public agency in a public fund and know how the money was being disbursed.

Mr. Holtzclaw clarified that the City of El Cerrito had a similar PCA with Republic Services and made payments to Republic; the post-collection fee derived from El Cerrito's own PCA, and payment to the RecycleMore budget where El Cerrito paid 7.227 percent of the West County post-collection tonnage into the RecycleMore budget, about $84,000 annually which was paid to Republic, and Republic paid that amount to RecycleMore. El Cerrito also paid about $100,000 for the Household Hazardous Waste (HHW) program annually that went to Republic as well, which disbursed the money back into both sides for expenses incurred.

Director Rudnick requested that the City of San Pablo be asked if it could support the holding of the compliance funds. She also asked how the money would be disbursed, and Mr. Holtzclaw stated it would be difficult to do by population or ratepayer given that it would probably be more in general program terms given that with the SB 1383 ramp up, organics would be getting out of the waste stream. He added those cities with more multifamily units would probably get more outreach. The work plan would provide more information.

Director Xavier reported that the recommendations from San Pablo staff were in line with Director McLaughlin's recommendations, having the Board and the Executive Director approve the funds, and consider adding a requirement that the Board approve a work plan before funds were allocated, and require approval of any expenses over the Executive Director's authority of $10,000. She asked if RecycleMore legal counsel had reviewed the policy.

Mr. Holtzclaw agreed with all the recommendations, stated there had been legal review, and noted that the recommendations could be included in the policy to be returned to the Board. The Board could approve an annual work plan with expenses to be brought back during the budget process.

Director Tave verified that there would be approximately $750,000 in the Compliance Fund at the end of 2022, approximately $250,000 annually. He agreed with the comments.

DRAFT

Vice Chair Romero emphasized that if San Pablo was to hold the funds there would be a cost to do that. If Republic Services was not charging RecycleMore to hold those funds he had no problem continuing to allow that to be done. He clarified that Republic had been holding and forwarding the funds to RecycleMore under contract. He supported a policy for compliance set-aside to make sure that everyone was clear about the use of the funds. Any funds used for a program would have to come to the Board. He agreed with Executive Director and Board approval, had no problem with Republic Services holding the funds, concurred with the analogy that the process was similar to property taxes, and agreed with the need for a policy.

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

Chair Bates agreed with the item, to be returned to the Board with a finalized version.

Legal Counsel John Bakker verified with the Board the desire that staff reach out to the City of San Pablo to ask about holding the funds and identifying the cost of that process.

The item would return to the Board with recommended changes.

BOARD MEMBER AND STAFF ANNOUNCEMENTS

Director Rudnick reported that El Cerrito had lost one of its police officers, Jerrick Bernstine, on his 26th birthday. She asked that the meeting be adjourned in his memory.

Vice Chair Romero advised that Isiah Turner, a former Richmond City Manager, had also recently passed away. He asked that the meeting also be adjourned in Mr. Turner's memory.

ADJOURNMENT

With consensus of the Board, Vice Chair Romero adjourned the meeting at 7:03 P.M. ***in Memory of El Cerrito Police Officer Jerrick Bernstine***, and ***Former Richmond City Manager Isiah Turner***, until the regular Board meeting scheduled for February 10, 2022 at 6:15 P.M.

I hereby certify the foregoing to be a true and correct statement of the Official Minutes of the West Contra Costa Integrated Waste Management Authority Board meeting held January 13, 2022.

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Board Secretary Date

DRAFT

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: February 10, 2022

To: West Contra Costa Integrated Waste Management Authority Board

From: Peter Holtzclaw, Executive Director

Subject: Implementation of AB 361 to Allow Teleconferenced Meeting

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ACTION REQUESTED

Adopt Resolution No. 22-02 to continue conducting Board of Director meetings remotely due to health and safety concerns for the public and making related findings in compliance with Assembly Bill 361 (2021) ("AB 361") effective February 12, 2022 through March 14, 2022.

BACKGROUND

On March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State address the broader spread of COVID-19.

On March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20, which suspended certain provisions of the Ralph M. Brown Act ("**Brown Act**") in order to allow local legislative bodies to conduct meetings telephonically or by other means. Additionally, the State implemented a shelter-in-place order, requiring all non-essential personnel to work from home.

The Board of Directors established virtual meetings. The virtual meetings have allowed the Board to continue to conduct its business from remote locations while ensuring the public's continued access to government meetings in a safe manner.

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which among other things, rescinded certain clauses of Executive Order N-29-20 after September 30, 2021, including clauses that suspended certain provisions of the Brown Act. Thus, effective October 1, 2021, agencies would have had to transition back to in person public meetings. Since the Governor issued Executive Order N-08-21, the highly contagious Delta variant has emerged, causing a spike in cases throughout the state and within Contra Costa County.

On August 2, 2021, the Contra Costa County Health Officer issued a Health Order requiring all individuals in both Counties, regardless of vaccination status, to wear face coverings in all indoor public settings and businesses for the control of COVID-19. The August 2, 2021 Public Health Officer Order will be in effect until rescinded, superseded or amended.

On September 16, 2021, Governor Newsom signed AB 361, which was an urgency measure that became effective on October 1, 2021, and it allows a local agency to use teleconferencing for public meetings during

a Governor-proclaimed state of emergency as long as the legislative body adopts findings every 30 days that: 1) meeting in person would present imminent risks to the health or safety of attendees as a result of the emergency; or 2) state or local officials have imposed or recommended measures to promote social distancing.

In such circumstances, a legislative body is not required to make available a physical location from which members of the public may observe the meeting and offer public comment or required to have a quorum of the members of the legislative body participate from locations within the boundaries of the agency's jurisdiction in the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- The legislative body holds a meeting during a proclaimed state of emergency to determine, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The legislative body must make certain findings by majority vote every 30 days to continue using AB 361's teleconferencing requirements.

An additional provision of AB 361 states that, in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body is prohibited from taking any further action on items appearing on the meeting agenda until public access to the meeting via the call-in or internet-based options is restored.

These new provisions are only operative until January 1, 2024, at which point they are repealed, and the prior Brown Act teleconferencing requirements become effective again.

The California Department of Public Health (CDPH) and the Federal Centers for Disease Control and Prevention (CDC) caution that the Delta Variant of COVID-19, is more transmissible than prior variants of the virus, may cause more severe illness, and even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations. The very recent emergence of the Omicron Variant of COVID-19 has resulted in the CDC's designation of it as Variant of Concern noting that it may spread more easily than other Variants, including Delta, and that fully vaccinated people who become infected with the Omicron Variant can spread the virus to others. In fact, the first verified case of the Omicron Variant in the United States has been confirmed as an individual in the Bay Area who was fully vaccinated.

The Authority meets the requirements to continue holding meetings remotely in order to ensure the health and safety of the public:

- The Governor has declared a State of Emergency related to the COVID-19 pandemic; and
- County Health Orders require that individuals in indoor public spaces wear masks and the CDC recommends social distancing of at least six feet due to COVID-19; and

- The Delta variant of COVID-19 has resulted in a significant increase of COVID-19 cases within the state and throughout Contra Costa County.
- The Omicron variant of COVID-19 has resulted in a significant increase of COVID-19 cases within the state and throughout Contra Costa County.

Thus, meeting in person for Board meetings would present imminent risks to the health and safety of attendees, the Board and staff. In the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, Authority staff recommends invoking the provisions of Assembly Bill 361 related to teleconferencing.

The Board must make its own determination and findings, no later than 30 days after the adoption of Resolution 22-02, in order to continue to hold teleconferenced meetings in accordance with AB 361. At this time, Staff intends to schedule special Board meetings every 30 days, if necessary, to consider adoption of similar findings in the future. Staff will return no later than March 14, 2022 with an item for the Board of Directors to consider whether to continue meeting under the provisions of Assembly Bill 361.

FISCAL IMPACT

None.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: Proposed Resolution No. 22-02

RESOLUTION NO. 22-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY AUTHORIZING TELECONFERENCE MEETINGS PURSUANT TO ASSEMBLY BILL 361 EFFECTIVE FEBRUARY 19, 2022 THROUGH MARCH 21, 2022

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed the existence of a state of emergency in California under the California Emergency Services Act, Government Code section 8550 et seq. (Declaration); and

WHEREAS, on March 17, 2020, Governor Gavin Newsom issued Executive order N-29-20 (Executive Order), which suspended the teleconferencing rules set forth in California Open Meeting law, the Ralph M. Brown Act (California Government Code §§ 54950 – 54963), provided certain requirements were met and followed; and

WHEREAS, on June 11, 2021, Governor Gavin Newsom issued Executive Order N-08-21, which clarified the suspension of the teleconferencing rules set forth in the Ralph M. Brown Act and further provided that those provisions would remain suspended through September 30, 2021; and

WHEREAS, on September 16, 2021, Governor Gavin Newsom signed Assembly Bill 361, which provides that under Government Code section 54953(e), a legislation body subject to the Ralph M. Brown Act may continue to meet using teleconferencing without complying with the non-emergency teleconferencing rules in Government Code section 54953(b)(3) if a proclaimed state of emergency exists and state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, such conditions exist in the West Contra Costa Integrated Waste Management Authority (RecycleMore) jurisdiction. In addition to the Governor's Declaration, the Contra Costa County Health Officer has issued numerous Health Orders regarding safety protocols during the COVID-19 pandemic. In particular, on August 2, 2021, the Contra Costa County Health Officer issued an Order requiring all individuals in the County, regardless of vaccination status, to wear face coverings in all indoor public settings and businesses for the control of COVID-19. The Order was amended as of November 1, 2021 to allow groups of fully vaccinated individuals to remove masks indoors under limited circumstances, but the amendment does not apply to indoor spaces "open to the general public". This Public Health Officer Order will be in effect until rescinded, superseded or further amended; and

WHEREAS, The California Department of Public Health (CDPH) and the Federal Centers for Disease Control and Prevention (CDC) caution that the Omicron Variant of COVID-19, is more transmissible than prior variants of the virus, may cause more severe illness, and even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations; and

WHEREAS, on January 13, 2022, the Board of Directors adopted Resolution No. 22-01 initially authorizing teleconferenced meetings to be conducted pursuant to AB 361 from January 13, 2022 to February 12, 2022; and

WHEREAS, the very recent emergence of the Omicron Variant of COVID-19 has resulted in the CDC's designation of it as a Variant of Concern noting that it may spread more easily than other Variants, including Delta, and that fully vaccinated people who become infected with the Omicron Variant can spread the virus to others. In fact, the first verified case of the Omicron Variant in the United States has been confirmed as an individual in the Bay Area who was fully vaccinated; and

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, RecycleMore intends to continue utilizing the provisions of Assembly Bill 361 related to teleconferencing in the manner authorized by Government Code § 54953(e), and such legislative body shall comply with the requirements to provide the public with access to the meetings as prescribed in Government Code § 54953(e)(2); and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the West Contra Costa Integrated Waste Management Authority as follows:

1. The Recitals set forth above are true and correct and are incorporated herein by reference.

2. In compliance with AB 361 (2021), and in order to continue to conduct teleconference meetings without complying with the usual teleconference meeting requirements of the Ralph M. Brown Act, the Board of Directors makes the following findings:

   a. The Board of Directors has considered the circumstances of the state of emergency; and

   b. The state of emergency, as declared by the Governor, continues to directly impact the ability of the Board of Directors, including RecycleMore's legislative bodies and staff, as well as staff and members of the public, from meeting safely in person; and

   c. The CDC and Contra Costa County Department of Public Health continue to recommend physical distancing of at least six feet due to COVID-19 and as a result of the presence of COVID-19 and the Delta and Omicron Variants, meeting in person would present imminent risks to the health or safety of attendees, the legislative bodies and staff.

3. The Board of Directors and RecycleMore's legislative bodies may continue to meet remotely in compliance with AB 361, in order to better ensure the health and safety of the public and staff in accordance with the provisions of Government Code section 54953(e).

4. The Board of Directors will revisit the need to conduct meetings remotely before March 22, 2022.

5. Staff is authorized and directed to take all actions necessary to implement the intent and purpose of this resolution, including conducting open and public meetings in accordance with Government Code section 54953(e) and all other application provisions of the Ralph M. Brown Act; and

6. Staff is directed to return no later than March 22, 2022 with an item for the Board of Directors of the West Contra Costa Integrated Waste Management Authority to consider whether to continue meeting under the provisions of Assembly Bill 361.

ATTEST: **CHAIR OF THE BOARD**

_____ _____

Donald W. Sturman – Authority Secretary Date Dan Romero, Board Chair Date

I hereby certify that the foregoing resolution was adopted by the Board of Directors of the West Contra Costa Integrated Waste Management Authority at its meeting of February 10, 2022, by the following vote:

AYES: Directors:_____

NOES: Directors:_____

ABSENT: Directors:_____

_____

Donald W. Sturman, Authority Secretary

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: February 10, 2022

To: West Contra Costa Integrated Waste Management Authority Board

From: Peter Holtzclaw, Executive Director

Subject: Election of Board Chair and Vice-Chair

ACTION REQUESTED

Nomination of candidates and election of Board Chair and Vice Chair for a term beginning February 10, 2022, and ending January 31, 2023.

BACKGROUND

Section 7.4, Section 1, Amendment 5 of the Joint Powers Agreement provides that the Board of Directors shall select from the membership of the Board representing the Member Cities, a Chair and Vice-Chair who shall hold office for a period of one year commencing February 1 of each year. Section 7.4, provides the following guidelines: (1) the Chair and Vice-Chair shall not be representatives of the same Member Agency, (2) no person may serve consecutive terms as Chair or Vice-Chair, and (3) successive Chairs shall not be representatives of the same City.

The current Board Chair is Director Bates from the City of Richmond, and the Vice-Chair is Director Dan Romero from the City of Hercules. According to the selection process guidelines, the new Chair cannot represent the City of Richmond. Any of the existing Directors except Director Dan Romero could be Vice Chair, as none of the existing Directors served as Vice Chair in 2020. Finally, both the Chair and Vice-Chair cannot be from the same Member Agency.

The Board should complete selection of the new Board Chair before moving to select the new Board Vice-Chair. For information purposes, a listing of past Chairs and Vice-Chairs of the Authority is attached to this agenda item.

FISCAL IMPACT

None.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: WCCIWMA List of Past Chairs and Vice-Chairs

West Contra Costa Integrated Waste Management Authority

LIST OF PAST CHAIRS AND VICE CHAIRS OF THE AUTHORITY BOARD OF DIRECTORS

Calendar Year	CHAIR		VICE CHAIR	
	Director	Representing	Director	Representing
2011	Murray	Pinole	Bates	Richmond
2012	Bates	Richmond	McNeil	San Pablo
2013[1]	Romero	Hercules	Valdez	San Pablo
2014	Valdez	San Pablo	Lyman	El Cerrito
2015	Lyman	El Cerrito	Murray	Pinole
2016	Murray	Pinole	Myrick	Richmond
2017[2]	Romero	Hercules	Choi	Richmond
2018	Choi	Richmond	Valdez	San Pablo
2019[3]	Lyman	El Cerrito	Pineda	San Pablo
2020	Pineda	San Pablo	Bates	Richmond
2021[4]	Bates	Richmond	Romero	Hercules

Section 7.4 of the Joint Powers Agreement states **:** The Board shall select a Chair and a Vice Chair from among the Directors and shall hold office for a period of one (1) year commencing on a date designated by resolution of the Board. No person shall serve consecutive terms as the Chair and no person shall serve consecutive terms as the Vice Chair. Successive Chairs shall not be representatives of the same Member. Successive Vice Chairs shall not be representatives of the same Member.

1 Director McNeil of San Pablo did not become chair because he lost the election and could no longer serve as a Board Member.
2 Director Myrick did not become Chair because he declined to take the Chair.
3 Director Pineda stepped in for retired Director Valdez as the Vice Chair and chose not to take the Chair due to being new to the Board and a new Director.
4 The City of Pinole did not serve as Vice Chair because Director Tave from Pinole, was brand new at that time.

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: February 10, 2022

To: West Contra Costa Integrated Waste Management Authority Board

From: Christina Leard, Program Manager and Peter Holtzclaw, Executive Director

Subject: Professional Services Agreement with the California Product Stewardship Council

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ACTION REQUESTED

Consideration of a motion to approve a professional services agreement with the California Product Stewardship Council, in an amount not to exceed $46,500 to coordinate activities and assist the West Contra Costa Integrated Waste Management Authority with the implementation of the HD 37 Grant, Number HD 37-21-007 through September 30, 2024.

BACKGROUND

The California Product Stewardship Council (CPSC) is a 501 (c)(3) nonprofit organization, founded in 2007 to change the way product waste is funded and managed, and has become a recognized leader and driver for innovative product stewardship programs across the state. They engage with diverse stakeholder groups to create and promote best-in-class product stewardship programs for pharmaceuticals, mercury thermostats, carpets, paint, mattresses, and batteries. Many of these programs have helped the Authority save money in the management of these end-of-life products. RecycleMore has been a dues paying 'Associate Member' of the CPSC for many years. The West Contra Costa Integrated Waste Management Authority (Authority) has previously worked with CPSC on the HD-31 Grant to promote 1lb. reusable propane cylinders in the service area, and the grant was a success.

Marine flares are required to be carried aboard recreational boats for emergency signaling. However, because they expire 42-months after manufacture, they need to be replaced about every three seasons of boating. A 2012 study found that California boaters generate 174,000 pyrotechnic marine flares every year, an explosive hazardous waste that contains toxic chemicals such as perchlorate. There are limited collection sites in California that will accept and dispose of outdated flares, presenting a safety hazard and disposal challenge. Newer, more modern electronic Visual Distress Signal Devices (eVDSD) aim to eliminate the expired flare disposal challenge; they never expire and can last the lifetime of a boat and are a great alternative to the hazardous Pyrotechnic Marine Flares.

The Authority was recently awarded $100,000 in grant funding, a portion of which is intended to be used to contract with CPSC to promote a robust resident education campaign for safe marine flare management while promoting the adoption of coast guard certified reusable LED distress signals to replace single-use pyrotechnic flares. The project will include up to 2 marine flare collection exchange events, offering residents free or discounted reusable signals when they bring unwanted flares for

safe disposal. $53,500 of grant funds are allocated for disposal costs for the marine flares collected. Reportable metrics include the number of publications, the number of flares collected, and the number of LED signals distributed to residents within the Authority's jurisdiction.

The goal is for CPSC to complete the project objectives outlined in the Scope of Work (Exhibit C in Attachment 1) by the termination date of September 30, 2024, with a not-to-exceed amount of $46,500.00.

CPSC would be hired, if approved, as a contractor to develop the outreach materials and conduct the outreach and education efforts and plan, promote and staff up to 2 marine flare collection events in the Authority service area. A Sole Source Rationale is included as Attachment 2.

FISCAL IMPACT

The Authority was recently awarded $100,000 in HHW grant funding by the California Department of Resources, Recycling and Recovery (CalRecycle). Of the $100,000 awarded to the Authority, $53,500 is dedicated to provide funding for marine flare disposal costs. Thus, there are sufficient funds available to approve the proposed agreement with CPSC for $46,500.

Respectfully Submitted,

Peter Holtzclaw

Peter Holtzclaw
Executive Director

Attachment 1: DRAFT - Professional Services Agreement Between the West Contra Costa Integrated Waste Management Authority and the California Product Stewardship Council (CPSC) and Scope of Work

Attachment 2: CPSC HD 37 Sole Source Rationale

PROFESSIONAL SERVICES AGREEMENT BETWEEN THE WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY AND THE CALIFORNIA PRODUCT STEWARDSHIP COUNCIL

This Agreement is made and entered into on the ____ day of _____ 2022, by and between the West Contra Costa Integrated Waste Management Authority, hereinafter referred to as "Authority," and the California Product Stewardship Council, a California Corporation, hereinafter referred to as "Consultant."

I. DESCRIPTION OF PROJECT

Through this Agreement, the Authority has retained Consultant to provide professional services to the Authority to assist with the implementation of the HD 37 Grant Number HD 37-21-0017, awarded to the Authority by the California Department of Resources Recycling and Recovery (CalRecycle).

II. SCOPE OF SERVICES BY CONSULTANT

Subject to the terms and conditions set forth in this Agreement, Consultant shall provide the Authority with those services specified in Attachment 1 (Scope of Work). The Consultant warrants that it possesses the skill, experience, ability, background, certification and knowledge to provide the services described in the Scope of Work and pursuant to the terms and provisions hereinafter set forth.

III. COMPENSATION

A. Total compensation for Consultant services shall not exceed the sum of $46,500.00. The cost of professional services is based upon the Scope of Work.

B. Consultant shall bill Authority at least monthly, but not more than twice per month, for the work performed during the preceding month. Such bills shall itemize all charges in such detail as may reasonably be required by Authority in the usual course of Authority business. Authority shall pay Consultant no later than forty-five (45) days upon receipt of the monthly invoice. In the event a dispute arises relating to the services performed, costs incurred or any other item relating to compensation of Consultant, such dispute will not delay compensation for those services and costs not in dispute. Any such dispute will be resolved by the parties through negotiations.

IV. RESPONSIBILITY OF CONSULTANT

Consultant agrees that it shall use its professional efforts and that its services shall be performed in accordance with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

V. INDEMNIFICATION

To the extent permitted by law, Consultant shall indemnify, defend, and hold Authority, its officers, employees, agents and volunteers harmless from and against any and all liability, loss, damage, causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state or municipal law or ordinance, expense, costs (including without limitation the costs and fees of litigation) of every nature arising out of or

connected with the performance of work by Consultant, its officers, employees, agents, volunteers, and subcontractors, under this Agreement, except for any such claim that is the result of the sole negligence or willful misconduct of Authority, its officers, employees, agents or volunteers. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in California Civil Code §2778. Acceptance of insurance certificates and endorsements required under this agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not insurance policies have been determined to be applicable to any of such damages or claims for damages.

VI. INSURANCE

Consultant shall secure and maintain in full force and effect at Consultant's sole cost and expense throughout the term of this Agreement such insurance as shall protect Consultant and Authority in such manner and amounts as set forth below. Premiums for said insurance coverage shall be paid by Consultant and shall not be billed as a Consultant Direct Expense or Subcontractor Charge under this Agreement

1. Insurance Required by Law. Consultant shall maintain Workers Compensation Insurance and any other insurance as may be required by law in the State of California.

2. Commercial General Liability. Consultant shall maintain, commercial general liability insurance in an amount not less than $1,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement.

3. Professional Liability. Consultant shall maintain, professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than $1,000,000, covering the licensed professionals' errors and omissions.

4. Automobile Insurance. Consultant shall maintain automobile liability insurance against claims for injury to persons or damage to property, which may arise from or in connection with the performance of the work to be performed by the Consultant, its officers, employees, agents, volunteers and subcontractors under this Agreement.

A. Minimum Limits of Insurance. Consultant shall maintain limits no less than: Automobile Liability: $500,000 per accident for bodily injury and property damage.

B. Acceptability of Insurers. Insurance is to be placed with insurers with a current Best's rating of A:VII or better at time the Agreement is executed.

C. Subcontractors as Insureds. If the Authority has approved the use of subcontractors, Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

5. Other Requirements. All insurance policies certified for compliance with this Agreement shall include or provide by endorsement that (a) coverage provided by

Consultant's policies shall be primary coverage and no other insurance or self-insurance such as may be utilized by Authority shall contribute to a loss under the policies required by this Agreement and (b) Authority shall receive thirty (30) days prior written notice of a policy cancellation. In the event any change is made in the insurance carrier, policies or nature of coverage required under this Agreement, Consultant shall be required to notify Authority prior to making such changes.

6. Certificates. Consultant shall, within fifteen (15) calendar days of the date first written above, deliver to Authority certificates of insurance and original endorsements affecting the coverage required by this Agreement, signed by a person authorized by the insurer to bind coverage on its behalf, verifying the insurance coverage required by this Agreement.

7. Premiums. Premiums for any insurance coverage shall be paid by Consultant and shall not be billed as a consultant direct expense or subcontractor charge under this Agreement.

8. Failure to Obtain Insurance. If Consultant or Consultant's subcontractor fail to procure and maintain any insurance required by this Agreement, the Authority may take out and maintain, at Consultant's expense, such insurance as other consultants with similar contracts have for comparable jurisdictions, they may deem proper and deduct the cost thereof from any monies due Consultant, or bill Consultant accordingly.

VII. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the Authority. Consultant expressly warrants not to represent at any time or in any manner, that Consultant is an employee of the Authority.

VIII. ASSIGNMENT AND SUBCONTRACTING

It is recognized by the parties that a substantial inducement to the Authority for entering into this Agreement was, and is, the professional reputation and competence of Consultant. Neither this Agreement nor any interest therein may be assigned by Consultant without the prior written approval of the Executive Director.

Consultant shall not subcontract any portion of the performance contemplated and provided for herein without the prior written approval of the Executive Director.

IX. TERM AND TERMINATION

A. **Term:** The term of this Agreement shall commence upon the date written above and continue, subject to the termination provisions of this section, until September 30, 2024. The Authority Executive Director can extend the term of this Agreement by written notice to Consultant.

B. **Termination for Convenience:** Authority or Consultant may, at any time, and at their sole discretion, terminate all or any portion of the work to be performed under the terms of this Agreement. This termination shall be accomplished by provision of a written, seven day notice, as provided in Section XV of this Agreement.

C. In the event of such termination by the Authority, Consultant shall stop work at the stage directed by the Authority, whereupon Consultant shall be entitled to immediate payment for work performed up to the date of receipt of this written notice of termination. Consultant shall not be entitled to payment for any work performed after the receipt of this notice of termination unless such payment is authorized in advance by the Executive Director in writing.

D. **Termination for Cause**: Should Consultant fail to perform any of the obligations required of Consultant within the time and in the manner provided for under the terms of this Agreement, or should Consultant violate any of the terms and conditions of this Agreement, the Authority may terminate this Agreement by providing Consultant with seven (7) days written notice of such termination. Upon the Authority's termination of this Agreement for cause, the Authority reserves the right to complete the work by whatever means the Authority deems expedient. Consultant shall pay to Authority the expense of completing such work, as well as any and all damages to the extent caused by the negligent acts, intentional acts, or errors or omission of Consultant.

X. SUSPENSION OF WORK

The Authority may suspend, in writing, all or a portion of the work under this Agreement if unforeseen circumstances beyond the Authority's control make normal progress of the work impossible.

XI. REPORTS, PLANS, AND DOCUMENTS

All reports, plans, documents, and data prepared by Consultant pursuant to this Agreement shall be endorsed by Consultant and delivered to and become the property of the Authority. Consultant shall deliver such reports, plans, documents, and data to the Authority upon the Authority's written request. At the Authority's request, a copy of the reports, plans, documents, and data shall be provided to the Authority in an electronic report in such format as the Authority may require. Consultant may keep file copies of all documents prepared for the Authority, and may use this information for marketing purposes only.

Notwithstanding these and other provisions in this Agreement, Consultant recognizes that the Authority may provide Consultant with various records, documents, and other materials that are confidential in nature and are not to be shared with or distributed to any other party. Consultant's sharing or distribution of such confidential documents could result in civil prosecution.

XII. COPYRIGHT AND PATENT

Consultant shall execute appropriate documents to assign to the Authority the copyright and patent to works created pursuant to this Agreement.

XIII. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS

Consultant shall comply with all applicable Federal, State, and Local laws, statutes, ordinances, rules, and regulations affecting the performance of this Agreement, including without limitation laws requiring licensing and non-discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin, or other prohibited bases. Regarding performance of professional services, compliance shall mean compliance with current prevailing professional standards and practices.

XIV. RETENTION OF RECORDS

Consultant shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this project, and Consultant shall make such documents and records available for review and/or audit by the Authority and the Authority's representatives at all reasonable times during the contract period and for at least four (4) years from the date of the completion and/or termination of this Agreement.

XV. NOTICES

If either party shall desire or be required to give notice to the other, such notice shall be given in writing, via hand-delivery, facsimile, or prepaid U.S. certified or registered postage, addressed to recipient as follows:

Authority:
Peter Holtzclaw, Executive Director
West Contra Costa Integrated Waste Management Authority
3220 Blume Drive, Suite 198
Richmond, CA 94806

Consultant:
California Product Stewardship Council
Doug Kobold, Executive Director
1822 21st Street, Ste. 100
Sacramento, CA 95811

Any party to this Agreement may change the name or address of representatives for purpose of this Section by providing written notice to all other parties ten (10) business days before the change is effective.

XVI. INTEGRATION

This Agreement constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

XVII. AMENDMENTS

This Agreement may be modified or amended only by a written document executed by both Consultant and the Executive Director. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this Agreement.

XVIII. WAIVER

The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement.

XIX. GOVERNING LAW AND VENUE

This Agreement shall be governed under the laws of the State of California. The County of Contra Costa shall be the venue for any litigation between the Authority and the Consultant arising out of this Agreement.

XX. SEVERABILITY

Should any part of this Agreement be declared by a final decision of a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the excised portion, can be reasonably interpreted to give effect to the intentions of the parties.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

AUTHORITY	**CONSULTANT**
Signature _____	Signature _____
Printed Name: Peter Holtzclaw	Printed Name _Doug Kobold
Title: Executive Director	Title _Executive Director
Date _____	Date _____

Exhibit A Terms and Conditions

Household Hazardous Waste Grant Fiscal Year 2021–22

The following terms used in this Grant Agreement (Agreement) have the meanings given to them below, unless the context clearly indicates otherwise:

- "CalRecycle" means the Department of Resources Recycling and Recovery.
- "Director" means the Director of CalRecycle or his or her designee.
- "Grant Agreement" and "Agreement" means all documents comprising the agreement between CalRecycle and the Grantee for this Grant.
- "Grant Manager" means CalRecycle staff person responsible for monitoring the grant.
- "Grantee" means the recipient of funds pursuant to this Agreement.
- "Program" means the Household Hazardous Waste Grant Program.
- "State" means the State of California, including, but not limited to, CalRecycle and/or its designated officer.

Air or Water Pollution Violation

The grantee shall not be:

(a) In violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district.
(b) Out of compliance with any final cease and desist order issued pursuant to Water Code Section 13301 for violation of waste discharge requirements or discharge prohibitions.
(c) Finally determined to be in violation of provisions of federal law relating to air or water pollution.

Amendment

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated into this Agreement is binding on any of the parties. This Agreement may be amended, modified or augmented by mutual consent of the parties, subject to the requirements and restrictions of this paragraph.

Americans with Disabilities Act

The grantee assures the state that it complies with the Americans with Disabilities Act of 1990 (ADA)(42 U.S.C.§ 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Assignment, Successors, and Assigns

(a) This Agreement may not be assigned by the grantee, either in whole or in part, without CalRecycle's prior written consent.

(b) The provisions of this Agreement shall be binding upon and inure to the benefit of CalRecycle, the grantee, and their respective successors and assigns.

Audit/Records Access

The grantee agrees that CalRecycle, the Department of Finance, the Bureau of State Audits,or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The granteeagrees to maintain such records for possible audit for a minimum of three (3) years after finalpayment date or grant term end date, whichever is later, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which mayarise as a result of any litigation, dispute, or audit, whichever is later. The grantee agrees to allow the designated representative(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the grantee agrees to include a similar right of the State to audit records and interview staff in any contract or subcontract related to performance of this Agreement.

[It may be helpful to share the Terms and Conditions and Procedures and Requirements withyour finance department, contractors and subcontractors. Examples of audit documentation include, but are not limited to: expenditure ledger, payroll register entries and time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts, change orders, invoices, and/or cancelled checks.]

Authorized Representative

The grantee shall continuously maintain a representative vested with signature authority authorized to work with CalRecycle on all grant-related issues. The grantee shall, at all times, keep the Grant Manager informed as to the identity and contact information of the authorized representative.

Availability of Funds

CalRecycle's obligations under this Agreement are contingent upon and subject to the availability of funds appropriated for this grant.

Bankruptcy/Declaration of Fiscal Emergency Notification

If the grantee files for protection under Chapter 9 of the U.S. Bankruptcy Code (11 U.S.C.

§901 et seq.) or declares a fiscal emergency at any time during the Grant Term, the grantee shall notify CalRecycle within 15 days of such filing or declaration, pursuant to the procedures set forth in the section entitled "Communications" herein.

Charter Cities

If the grantee is a charter city, a joint powers authority that includes one or more charter cities, or the regional lead for a regional program containing one or more charter cities, the grantee shall not receive any grant funding if such funding is prohibited by Labor Code section 1782. If it is determined that Labor Code section 1782 prohibits funding for the grantproject, this Agreement will be terminated and any disbursed grant funds shall be returned toCalRecycle.

Child Support Compliance Act

For any agreement in excess of $100,000, the grantee acknowledges that:

(a) The grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code Section 5200 et seq.; and
(b) The grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

Communications

All communications from the grantee to CalRecycle shall be directed to the Grant Manager. All notices, including reports and payment requests, required by this Agreement shall be given in writing by email, letter, or fax to the Grant Manager as identified in the Procedures and Requirements (Exhibit B). If an original document is required, prepaid mail or personal delivery to the Grant Manager is required following the email or fax.

Compliance

The grantee shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits. The grantee shall provide evidence, upon request, that all local, state, and/or federal permits, licenses, registrations, and approvals have been secured for the purposes for which grant funds are to be expended. The grantee shall maintain compliance with such requirements throughout the Grant Term. The grantee shall ensure that the requirements of the California Environmental Quality Act are met for any approvals or other requirements necessary to carry out the terms of this Agreement. The grantee shall ensure that all of grantee's contractors and subcontractors have all local, state, and/or federal permits, licenses, registrations, certifications, and approvals required to perform the work for which they are hired. Any deviation from the requirements of this section shall result in non- payment of grant funds.

Conflict of Interest

The grantee needs to be aware of the following provisions regarding current or former state employees. If the grantee has any questions on the status of any person rendering servicesor involved with this Agreement, CalRecycle must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code, § 10410):

(a) No officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity, or enterprise is required as a condition of regular state employment.
(b) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code, § 10411):

(a) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
(b) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the twelve month period prior to his or her leaving state service.

If the grantee violates any provisions of above paragraphs, such action by the grantee shall render this Agreement void. (Pub. Contract Code, § 10420).

Contractors/Subcontractors

The grantee will be entitled to make use of its own staff and such contractors and subcontractors as are mutually acceptable to the grantee and CalRecycle. Any change in contractors or subcontractors must be mutually acceptable to the parties. Immediately upon termination of any such contract or subcontract, the grantee shall notify the Grant Manager. Nothing contained in this Agreement or otherwise, shall create any contractual relation between CalRecycle and any contractors or subcontractors of grantee, and no agreement with contractors or subcontractors shall relieve the grantee of its responsibilities and obligations hereunder. The grantee agrees to be as fully responsible to CalRecycle for the acts and omissions of its contractors and subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the grantee. The grantee's obligation to pay its contractors and subcontractors is an independent obligation from CalRecycle's obligation to make payments to the grantee.As a result, CalRecycle shall have no obligation to pay or to enforce the payment of any moneys to any contractor or subcontractor.

Copyrights

Grantee retains title to any copyrights or copyrightable material produced pursuant to this Agreement. Grantee hereby grants to CalRecycle a royalty-free, nonexclusive, transferable, world-wide license to reproduce, translate, and distribute copies of any and all copyrightable materials produced pursuant this Agreement, for nonprofit, non-commercial purposes, and to

have or permit others to do so on CalRecycle's behalf. Grantee is responsible for obtaining any necessary licenses, permissions, releases or authorizations to use text, images, or other materials owned, copyrighted, or trademarked by third parties and for extending such licenses, permissions, releases, or authorizations to CalRecycle pursuant to this section.

Corporation Qualified to do Business in California

When work under this Agreement is to be performed in California by a corporation, the corporation shall be in good standing and currently qualified to do business in the State. "Doing business" is defined in Revenue and Taxation Code Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit.

Discharge of Grant Obligations

The grantee's obligations under this Agreement shall be deemed discharged only upon acceptance of the final report by CalRecycle. If the grantee is a non-profit entity, the grantee's Board of Directors shall accept and certify as accurate the final report prior to its submission to CalRecycle.

Disclaimer of Warranty

CalRecycle makes no warranties, express or implied, including without limitation, the implied warranties of merchantability and fitness for a particular purpose, regarding the materials, equipment, services or products purchased, used, obtained and/or produced with funds awarded under this Agreement, whether such materials, equipment, services or products are purchased, used, obtained and/or produced alone or in combination with other materials, equipment, services or products. No CalRecycle employees or agents have any right or authority to make any other representation, warranty or promise with respect to any materials, equipment, services or products, purchased, used, obtained, or produced with grant funds. In no event shall CalRecycle be liable for special, incidental or consequential damages arising from the use, sale or distribution of any materials, equipment, services or products purchased or produced with grant funds awarded under this Agreement.

Discretionary Termination

The Director shall have the right to terminate this Agreement at his or her sole discretion at any time upon 30 days written notice to the grantee. Within 45 days of receipt of written notice, grantee is required to:

(a) Submit a final written report describing all work performed by the grantee.
(b) Submit an accounting of all grant funds expended up to and including the date of termination.
(c) Reimburse CalRecycle for any unspent funds.

Disputes

In the event of a dispute regarding performance under this Agreement or interpretation of requirements contained therein, the grantee may, in addition to any other remedies that may

be available, provide written notice of the particulars of such dispute to the Branch Chief of Financial Resources Management Branch, Department of Resources Recycling and Recovery, PO Box 4025, Sacramento, CA 95812-4025. Such written notice must contain the grant number.

Unless otherwise instructed by the Grant Manager, the grantee shall continue with its responsibilities under this Agreement during any dispute.

Drug-Free Workplace Certification

The person signing this Agreement on behalf of the grantee certifies under penalty of perjury under the laws of California, that the grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

(a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions that will be taken against employees for violations.
(b) Establish a drug-free awareness program to inform employees about all of the following:
  (1) The dangers of drug abuse in the workplace.
  (2) The grantee's policy of maintaining a drug-free workplace.
  (3) Any available counseling, rehabilitation, and employee assistance programs.
  (4) Penalties that may be imposed upon employees for drug abuse violations.
(c) Require that each employee who works on the grant:
  (1) Receive a copy of the drug-free policy statement of the grantee.
  (2) Agrees to abide by the terms of such statement as a condition of employment on the grant.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and grantee may be ineligible for award of any future state agreements if CalRecycle determines that the grantee has made a false certification, or violated the certification by failing to carry out the requirements as noted above.

Effectiveness of Agreement

This Agreement is of no force or effect until signed by both parties.

Entire Agreement

This Agreement supersedes all prior agreements, oral or written, made with respect to the subject hereof and, together with all attachments hereto, contains the entire agreement of the parties.

Environmental Justice

In the performance of this Agreement, the grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the state.

Expatriate Corporations

The person signing this Agreement on behalf of the grantee certifies under penalty of perjury under the laws of California, that the grantee is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Sections 10286 and 10286.1, and is eligible to contract with the State of California.

Failure to Perform as Required by this Agreement

CalRecycle will benefit from the grantee's full compliance with the terms of this Agreement only by the grantee's:

(a) Investigation and/or application of technologies, processes, and devices which support reduction, reuse, and/or recycling of wastes.
(b) Cleanup of the environment.
(c) Enforcement of solid waste statutes and regulations, as applicable.

Therefore, the grantee shall be in compliance with this Agreement only if the work it performs results in:

(a) Application of information, a process, usable data or a product which can be used to aid in reduction, reuse, and/or recycling of waste.
(b) The cleanup of the environment.
(c) The enforcement of solid waste statutes and regulations, as applicable.

If the Grant Manager determines that the grantee has not complied with the Grant Agreement, the grantee may forfeit the right to reimbursement of any grant funds not alreadypaid by CalRecycle, including, but not limited to, the 10 percent withhold.

Force Majeure

Neither CalRecycle nor the grantee, its contractors, vendors, or subcontractors, if any, shall be responsible hereunder for any delay, default, or nonperformance of this Agreement, to theextent that such delay, default, or nonperformance is caused by an act of God, weather, accident, labor strike, fire, explosion, riot, war, rebellion, sabotage, flood, or other contingencies unforeseen by CalRecycle or the grantee, its contractors, vendors, or subcontractors, and beyond the reasonable control of such party.

Forfeit of Grant Funds/Repayment of Funds Improperly Expended

If grant funds are not expended, or have not been expended, in accordance with this Agreement, or if real or personal property acquired with grant funds is not being used, or has not been used, for grant purposes in accordance with this Agreement, the Director, at his or her sole discretion, may take appropriate action under this Agreement, at law or in equity, including requiring the grantee to forfeit the unexpended portion of the grant funds, including, but not limited to, the 10 percent withhold, and/or to repay to CalRecycle any funds improperly expended.

Generally Accepted Accounting Principles

The grantee is required to use Generally Accepted Accounting Principles in documenting all grant expenditures.

Grant Manager

The Grant Manager's responsibilities include monitoring grant progress, and reviewing and approving Grant Payment Requests and other documents delivered to CalRecycle pursuantto this Agreement. The Grant Manager may monitor grantee performance to ensure that the grantee expends grant funds appropriately and in a manner consistent with the terms and conditions contained herein. The Grant Manager does not have the authority to approve any deviation from or revision to the Terms and Conditions (Exhibit A) or the Procedures and Requirements (Exhibit B), unless such authority is expressly stated in the Procedures and Requirements (Exhibit B).

Grantee Accountability

The grantee is ultimately responsible and accountable for the manner in which the grant funds are utilized and accounted for and the way the grant is administered, even if the

grantee has contracted with another organization, public or private, to administer or operate its grant program. In the event an audit should determine that grant funds are owed to CalRecycle, the grantee is responsible for repayment of the funds to CalRecycle.

Grantee's Indemnification and Defense of the State

The grantee agrees to indemnify, defend and save harmless the state and CalRecycle, and their officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the grantee asa result of the performance of this Agreement.

Grantee's Name Change

A written amendment is required to change the grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change, CalRecycle will process the amendment. Payment of Payment Requests presented with a new name cannot be paid prior to approval of the amendment.

In Case of Emergency

In the event of an emergency, or where there is an imminent threat to public health and safety or the environment, the grantee may choose, at its own risk, to incur grant-eligible expenses not previously included in the approved Budget, subject to subsequent approval bythe Grant Manager of both the Budget change and the need to implement the Budget changeon an

emergency basis. The grantee shall notify the Grant Manager of the emergency and the Budget change at the earliest possible opportunity. CalRecycle reserves the right to accept or reject the grantee's determination that the circumstances constituted an emergencyor a threat to public health and safety or the environment. If the Grant Manager determines that the circumstances did not constitute an emergency or a threat to public health or safety, the Budget change will be disallowed.

National Labor Relations Board Certification

The person signing this Agreement on behalf of the grantee certifies under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against the grantee within the immediately preceding two-year period because of the grantee's failure to comply with an order of a federal court which orders the grantee to comply with an order of the National Labor Relations Board. This section is not applicable if the grantee is a public entity.

No Agency Relationship Created/Independent Capacity

The grantee and the agents and employees of grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agentsof CalRecycle.

No Waiver of Rights

CalRecycle shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by CalRecycle. No delay or omission on the part of CalRecycle in exercising any rights shall operate as a waiver of such right or any other right. A waiver by CalRecycle of a provision of this Agreement shall not prejudice or constitute a waiver of CalRecycle's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by CalRecycle, nor any course of dealing between CalRecycle and grantee, shall constitute a waiver of any of CalRecycle's rights or ofany of grantee's obligations as to any future transactions. Whenever the consent of CalRecycle is required under this Agreement, the granting of such consent by CalRecycle in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of CalRecycle.

Non-Discrimination Clause

(a) During the performance of this Agreement, grantee and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment on the bases enumerated in Government Code Section 12900 et seq.
(b) The person signing this Agreement on behalf of the grantee certifies under penalty of perjury under the laws of California that the grantee has, unless exempted, complied with the nondiscrimination program requirements (Gov. Code, § 12990, subd. (a-f) and California Code of Regulations, Title 2, Section 8103). (Not applicable to public entities.)

Order of Precedence

The performance of this grant shall be conducted in accordance with the Terms and Conditions, Procedures and Requirements, Project Summary/Statement of Use, Work Plan, and Budget of this Agreement, or other combination of exhibits specified on the Grant Agreement Coversheet attached hereto (collectively referred to as "Terms"). Grantee's CalRecycle-approved Application (Grantee's Application) is hereby incorporated herein by this reference. In the event of conflict or inconsistency between the articles, exhibits, attachments, specifications or provisions that constitute this Agreement, the following order ofprecedence shall apply:

(a) Grant Agreement Coversheet and any Amendments thereto
(b) Terms and Conditions
(c) Procedures and Requirements
(d) Project Summary/Statement of Use
(e) Budget
(f) Work Plan
(g) Grantee's Application
(h) All other attachments hereto, including any that are incorporated by reference.

Ownership of Drawings, Plans, and Specifications

The grantee shall, at the request of CalRecycle or as specifically directed in the Procedures and Requirements (Exhibit B), provide CalRecycle with copies of any data, drawings, design plans, specifications, photographs, negatives, audio and video productions, films, recordings,reports, findings, recommendations, and memoranda of every description or any part thereof,prepared under this Agreement. Grantee hereby grants to CalRecycle a royalty-free, nonexclusive, transferable, world-wide license to reproduce, translate, and distribute copiesof any and all such materials produced pursuant this Agreement, for nonprofit, non- commercial purposes, and to have or permit others to do so on CalRecycle's behalf.

Payment

(a) The approved Budget, if applicable, is attached hereto and incorporated herein by this reference and states the maximum amount of allowable costs for each of the tasks identified in the Work Plan, if applicable, which is attached hereto and incorporated herein by this reference. CalRecycle shall reimburse the grantee for only the work and tasks specified in the Work Plan or the Grantee's Application at only those costs specified in the Budget and incurred in the term of the Agreement.
(b) The grantee shall carry out the work described in the Work Plan or in the Grantee's Application in accordance with the approved Budget, and shall obtain the Grant Manager's written approval of any changes or modifications to the Work Plan, approved project as described in the Grantee's Application or the approved Budget prior to performing the changed work or incurring the changed cost. If the grantee fails to obtain such prior written approval, the Director, at his or her sole discretion, may refuse to provide funds to pay for such work or costs.
(c) The grantee shall request reimbursement in accordance with the procedures described in the Procedures and Requirements.
(d) Ten percent will be withheld from each Payment Request and paid at the end of the grant

term, when all reports and conditions stipulated in this Agreement have been satisfactorily completed. Failure by the grantee to satisfactorily complete all reports and conditions stipulated in this Agreement may result in forfeiture of any such funds withheld pursuant to CalRecycle's 10 percent retention policy.

(e) Lodgings, Meals and Incidentals: Grantee's Per Diem eligible costs are limited to the amounts authorized in the California State Administrative Manual (contact the Grant Manager for more information).

(f) Payment will be made only to the grantee.

(g) Reimbursable expenses shall not be incurred unless and until the grantee receives a Notice to Proceed as described in the Procedures and Requirements (Exhibit B).

Personal Jurisdiction

The grantee consents to personal jurisdiction in the State of California for all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties. Native American Tribal grantees expressly waive tribalsovereign immunity as a defense to any and all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties.

Personnel Costs

If there are eligible costs pursuant to Exhibit B, Procedures and Requirements, any personnel expenditures to be reimbursed with grant funds must be computed based on actual time spent on grant-related activities and on the actual salary or equivalent hourly wage the employee is paid for his or her regular job duties, including a proportionate share of any benefits to which the employee is entitled, unless otherwise specified in the Procedures and Requirements (Exhibit B).

Real and Personal Property Acquired with Grant Funds

(a) All real and personal property, including equipment and supplies, acquired with grant funds shall be used by the grantee only for the purposes for which CalRecycle approved their acquisition for so long as such property is needed for such purposes, regardless of whether the grantee continues to receive grant funds from CalRecycle for such purposes. In no event shall the length of time during which such property, including equipment and supplies, acquired with grant funds, is used for the purpose for which CalRecycle approved its acquisition be less than five (5) years after the end of the grant term, during which time the property, including equipment and supplies, must remain in the State of California.

(b) Subject to the obligations and conditions set forth in this section, title to all real and personal property acquired with grant funds, including all equipment and supplies, shall vest upon acquisition in the grantee. The grantee may be required to execute all documents required to provide CalRecycle with a security interest in any real or personal property, including equipment and supplies, and it shall be a condition of receiving this grant that CalRecycle shall be in first priority position with respect to the security interest on any such property acquired with the grant funds, unless pre-approved in writing by the Grant Manager that CalRecycle will accept a lower priority position with respect to the security interest on the property. Grantee shall inform any lender(s) from whom it is

acquiring additional funding to complete the property purchase of this grant condition.

(c) The grantee may not transfer Title to any real or personal property, including equipment and supplies, acquired with grant funds to any other entity without the express authorization of CalRecycle.

(d) CalRecycle will not reimburse the grantee for the acquisition of equipment that was previously purchased with CalRecycle grant funds, unless the acquisition of such equipment with grant funds is pre-approved in writing by the Grant Manager. In the event of a question concerning the eligibility of equipment for grant funding, the burden will be on the grantee to establish the pedigree of the equipment.

Reasonable Costs

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision wasmade to incur the cost. Consideration will be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the performance of the grant.

(b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, federal and state laws and regulations, and the terms and conditions of this Agreement.

(c) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, clients, and the public at large.

(d) Significant deviations from the established practices of the organization which may unjustifiably increase the grant costs.

Recycled-Content Paper

All documents submitted by the grantee must be printed double-sided on recycled-content paper containing 100 percent post-consumer fiber. Specific pages containing full color photographs or other ink-intensive graphics may be printed on photographic paper.

Reduction of Waste

In the performance of this Agreement, grantee shall take all reasonable steps to ensure that materials purchased or utilized in the course of the project are not wasted. Steps should include, but not be limited to: the use of used, reusable, or recyclable products; discretion inthe amount of materials used; alternatives to disposal of materials consumed; and the practice of other waste reduction measures where feasible and appropriate.

Reduction of Waste Tires

Unless otherwise provided for in this Agreement, in the performance of this Agreement, for allpurchases made with grant funds, including, but not limited to equipment and tire-derived feedstock, the grantee shall purchase and/or process only California waste tires and California waste tire-derived products. As a condition of final payment under this Agreement, the grantee must provide documentation substantiating the source of the tire materials used during the performance of this Agreement to the Grant Manager.

Reimbursement Limitations

Under no circumstances shall the grantee seek reimbursement pursuant to this Agreement for a cost or activity that has been or will be paid for through another funding source. The grantee shall not seek reimbursement for any costs used to meet cost sharing or matching requirements of any other CalRecycle funded program.

All costs charged against the Agreement shall be net of all applicable credits. The term “applicable credits” refers to those receipts or reductions of expenditures that operate to offset or reduce expense items that are reimbursable under this Agreement. Applicable credits may include, but are not necessarily limited to, rebates or allowances, discounts, credits toward subsequent purchases, and refunds. Grantee shall, where possible, deduct theamount of the credit from the amount billed as reimbursement for the cost, or shall deduct theamount of the credit from the total billed under a future invoice.

Reliable Contractor Declaration

Prior to authorizing any contractor or subcontractor to commence work under this Grant, the grantee shall submit to CalRecycle a Reliable Contractor Declaration (CalRecycle 168) from the contractor or subcontractor, signed under penalty of perjury, disclosing whether of any ofthe events listed in Section 17050 of Title 14, California Code of Regulations, Natural Resources (https://www.calrecycle.ca.gov/laws/regulations/title14), Division 7, has occurred with respect to the contractor or subcontractor within the preceding three (3) years. If a

contractor is placed on CalRecycle's Unreliable List after award of this Grant, the grantee may be required to terminate that contract.

Remedies

Unless otherwise expressly provided herein, the rights and remedies hereunder are in addition to, and not in limitation of, other rights and remedies under this Agreement, at law orin equity, and exercise of one right or remedy shall not be deemed a waiver of any other rightor remedy.

Self-Dealing and Arm's Length Transactions

All expenditures for which reimbursement pursuant to this Agreement is sought shall be the result of arm's-length transactions and not the result of, or motivated by, self-dealing on the part of the grantee or any employee or agent of the grantee. For purposes of this provision, "arm's-length transactions" are those in which both parties are on equal footing and fair market forces are at play, such as when multiple vendors are invited to compete for an entity's business and the entity chooses the lowest of the resulting bids. "Self-dealing" is involved where an individual or entity is obligated to act as a trustee or fiduciary, as when handling public funds, and chooses to act in a manner that will benefit the individual or entity, directly or indirectly, to the detriment of, and in conflict with, the public purpose for which all grant monies are to be expended.

Severability

If any provisions of this Agreement are found to be unlawful or unenforceable, such provisions will be voided and severed from this Agreement without affecting any other provision of this Agreement. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement bedeemed to be a valid and binding agreement enforceable in accordance with its terms.

Site Access

The grantee shall allow the state to access sites at which grant funds are expended and related work being performed at any time during the performance of the work and for ninety

(90) days after completion of the work, or until all issues related to the grant project have been resolved.

Stop Work Notice

Immediately upon receipt of a written notice from the Grant Manager to stop work, thegrantee shall cease all work under this Agreement.

Termination for Cause

CalRecycle may terminate this Agreement and be relieved of any payments should the grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, CalRecycle may proceed with the work in any manner deemed proper by CalRecycle. All costs to CalRecycle shall be deducted from any sum due the grantee under this Agreement. Termination pursuant to this section may result in forfeiture by the grantee of any funds retained pursuant to CalRecycle's 10 percent retention policy.

Time is of the Essence

Time is of the essence to this Agreement.

Tolling of Statute of Limitations

The statute of limitations for bringing any action, administrative or civil, to enforce the terms ofthis Agreement or to recover any amounts determined to be owing to CalRecycle as the result of any audit of the grant covered by this Agreement shall be tolled during the period of any audit resolution, including any appeals by the grantee to the Director.

Union Organizing

By signing this Agreement, the grantee hereby acknowledges the applicability of Government Code Sections 16645, 16645.2, 16645.8, 16646, 16647, and 16648 to this Agreement and hereby certifies that:

(a) No grant funds disbursed by this grant will be used to assist, promote, or deter unionorganizing by employees performing work under this Agreement.
(b) If the grantee makes expenditures to assist, promote, or deter union organizing, the grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that grantee shall provide those records to the Attorney General uponrequest.

Venue/Choice of Law

(a) All proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties hereunder shall be held in Sacramento County, California. The parties hereby waive any right to any other venue. The place where the Agreement is entered into and place where the obligation is incurredis Sacramento County, California.
(b) The laws of the State of California shall govern all proceedings concerning the validity andoperation of this Agreement and the performance of the obligations imposed upon the parties hereunder.

Waiver of Claims and Recourse against the State

The grantee agrees to waive all claims and recourse against the state, its officials, officers, agents, employees, and servants, including, but not limited to, the right to contribution for loss or damage to persons or property arising out of, resulting from, or in any way connected with or incident to this Agreement. This waiver extends to any loss incurred attributable to any activity undertaken or omitted pursuant to this Agreement or any product, structure, or condition created pursuant to, or as a result of, this Agreement.

Work Products

Grantee shall provide CalRecycle with copies of all final products identified in the Work Plan. Grantee shall also provide CalRecycle with copies of all public education and advertising material produced pursuant to this Agreement.

Workers' Compensation/Labor Code

The grantee is aware of Labor Code Section 3700, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the Labor Code, and the grantee agrees to comply with such provisions before commencing the performance of the work of this Agreement.

Department of Resources Recycling and Recovery

Exhibit B

Procedures and Requirements

Household Hazardous Waste Grant Program

37th Cycle (HD37) Fiscal Year 2021–22Small Projects Cycle

Copies of these Procedures and Requirements must be shared with both the Finance Department and the staff responsible for implementing the grant activities.

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Introduction

The Department of Resources Recycling and Recovery (CalRecycle) administers the Household Hazardous Waste Grant Program. These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and closeout procedures, and records and audit requirements.

This document is attached to, and incorporated by reference, into the Grant Agreement.

Milestones

Notice to Proceed: **Grant Term Begins** on the date that CalRecycle emails the Noticeto Proceed.

September 30, 2022: **Progress Report 1 Due**

Covering activities from NTP to September 1, 2022

September 29, 2023: **Progress Report 2 Due**

Covering activities from September 2, 2022 to September 1, 2023

September 30, 2024: **Final Report and Final Payment Request Due**

Covering activities from NTP to September 30, 2024

September 30, 2024: **Grant Term End**

Grants Management System (GMS)

GMS is CalRecycle's web-based grant application and Grants Management System. Access to GMS is secure; grantees must log in using a WebPass. WebPass accounts are tied to a specific email address. If an email address changes, or if it becomes inactive, the grantee must create a new WebPass account to continue accessing GMS.Establish or manage a WebPass at CalRecycle's WebPass page (https://secure.calrecycle.ca.gov/WebPass/).

Accessing the Grant

Grantees must log in to GMS (https://secure.calrecycle.ca.gov/Grants) using their web pass. After logging in, locate the grant in the **My Awarded/Open Grants** table and select

the **Grant Management** link. The **Grant Management Module** includes the following sections:

- **Summary tab**: Shows approved budget, paid and remaining amounts. (This section is available to the grantee in read-only mode.)
- **Payment Request tab**: Grantee requests reimbursement.
- **Reports tab**: Grantee uploads required reports.
- **Documents tab**: Grantee uploads all other grant documents that are not supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.
- **Sites tab**: Shows approved project sites.

Follow the instructions in GMS to work in the system. The following sections describethe reports, transactions, and supporting documents CalRecycle requires.

Contact Updates

Access to the grant is limited to those listed in the **Contacts** tab of the **Application Module** with the "Allow Access" check box marked. A contact may be listed but not granted access by not checking the box. Please note, if a contact is granted access toa grant they will be able to edit contacts, submit payment requests, upload reports, andview all documents. Those with access may update contact information for all contact types except Signature Authority. Email the assigned Grant Manager regarding any changes to Signature Authority information.

Prior to Commencing Work

Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

Reliable Contractor Declaration

Prior to authorizing a contractor or subcontractor to commence work under this grant, the grantee shall submit to the Grant Manager a declaration from the contractor or subcontractor, signed under penalty of perjury, stating that within the preceding three

(3) years, none of the events listed in section 17050 of Title 14 (https://www.calrecycle.ca.gov/Laws/Regulations/Title14/), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor or subcontractor. The grantee must submit this form for each contractor and subcontractor working under the grant.

If a contractor or subcontractor is placed on the CalRecycle Unreliable Contractor List (https://www.calrecycle.ca.gov/Funding/Unreliability/) after award of this grant, the grantee may be required to terminate the contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from CalRecycle's Grant Forms web page (https://www.calrecycle.ca.gov/Funding/Forms/).

The grantee must upload a scanned copy of each signed Reliable Contractor Declaration form in GMS. To upload the form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** under **Report Type**.

3. Click the **Add Document** button.
4. Select Reliable Contractor Declaration in the **Document Type** drop down box, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
5. Click on the **Submit Report** button.

For further instructions regarding GMS, including login directions, see the "Grants Management System" section (above).

Grant Term

The Grant Term begins on the date of the Notice to Proceed (NTP) email, which is the formal notification from CalRecycle authorizing the grantee to begin the grant project and ends on September 30, 2024. The grantee must make all grant-eligible program expenditures and incur all grant-eligible costs within this period. Expenditures made or costs incurred prior to the NTP date or after the end date are not eligible for reimbursement.

The Final Report and final Payment Request are due on September 30, 2024. CalRecycle recommends reserving the period from September 1, 2024 to September 30, 2024 exclusively for the preparation of the Final Report and final

Payment Request, though they may be completed earlier. **Costs incurred to preparethe Final Report and final Payment Request are only eligible for reimbursement during the Grant Term.**

Eligible Costs

Grantees may incur eligible costs only during the Grant Term, which starts when the grantee receives a Notice to Proceed from CalRecycle and ends on September 30, 2024. See "Grant Term" for additional information). All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget. To be eligible for reimbursement, costs must be incurred after receiving a Notice to Proceed and before the end of the Grant Term. All services must be provided and goods received during this period in order to be eligible costs. Invoicesfor goods and services must be paid by the grantee prior to the inclusion of those goodsor services on a payment request.

Eligible costs are limited to the following:

- HHW public education and outreach for general audiences (may include Extended Producer Responsibility (EPR) information).
- Implementation of sustainable EPR collection opportunities, to include but not limited to:

  - Promotion of an ongoing retail take-back program such as batteries or fluorescent lamps at local hardware stores, businesses, or government facilities.
  - Promotional collection events hosted at businesses or government facilities.
  - Promotional public education and outreach materials specifically for local retail take-back programs.
- Project to:
  - Determine and implement the safest and cost-effective methods for collecting propane gas cylinders and/or marine flares.
  - Implement effective education programs and identify effective incentives that reduce the disposal of household hazardous waste. The incentives must be something reusable to replace HHW being disposed (does not include monetary or SWAG (https://www.calrecycle.ca.gov/Funding/SWAG) incentives, rechargeable batteries, propane fuel, adapters, valves, caps or other accessories for refilling propane canisters).
    i. Incentive costs of up to 20 percent of the approved Budget are eligible. Incentives cannot exceed $20 (dollars) (including sales tax) per item and no more than one per household may be distributed. Incentives exceeding $20 (dollars) will require Grant Manager approval.
    ii. If refillable propane cylinders are used as incentives, they cannot be larger than one pound.
- Set-up and operation of temporary or mobile collection program for one-day or multi-day collection events. This includes promoting, handling, permitting, and disposal costs for the following, except for those materials that are currently covered by another recycling/collection program (e.g. covered electronic waste [https://www.calrecycle.ca.gov/Electronics/RegInfo], cell phones, thermostat, etc.):
  - Common HHW materials (https://dtsc.ca.gov/universalwaste/household-hazardous-waste/) and universal waste (https://www.dtsc.ca.gov/HazardousWaste/UniversalWaste/)
  - Marine flares
  - Propane gas cylinders up to 5 gallons
  - Solar panels as a pilot project (Review Department of Transportation rules and research costs during planning stage. Grantees are required to collect and report data on type/style of panels, manufacturer, volume, and the method of disposal.)
  - Treated wood waste
- Set-up and operation of new or expanded curbside and/or door-to-door collection programs to allow for the collection of new and eligible HHW materials.
- Minor improvements to an existing HHW facility. (Examples include: storage bins, signage, painting, paving, shelving, etc.)
- Purchase of personal protection equipment.
- 8-hour refresher Hazardous Waste Operations and Emergency Response Standards (HAZWOPER) training.
- Indirect costs up to 10 percent of the total grant funds that have been reimbursed. For more detail on overhead/indirect costs, refer to Exhibit B - Procedures and Requirements.

Ineligible Costs

Any costs not specifically included in the approved Budget and not directly related to HHW and the approved grant project are ineligible for reimbursement. The grantee should contact the Grant Manager if clarification is needed. Ineligible costs include, butare not limited to:

- Costs incurred prior to the date that CalRecycle sends the Notice to Proceed email or after September 30, 2024
- Any costs, such as equipment, maintenance, repairs, tools, supplies, or services not related to the approved project
- Any food or beverages (e.g., as part of meetings, workshops, or events)
- Costs currently covered by another CalRecycle loan, grant, grant cycle or contract
- Costs for planning and/or design of HHW facilities
- Ongoing costs to maintain an HHW program
- Developing or customizing school curricula
- Developing or expanding a permanent facility on non-government owned property
- Equipment or services not related to the project
- HAZWOPER 40-hour and 24-hour courses
- Honoraria, stipends, prizes, royalties, strictly promotional give-away items (SWAG) (https://www.calrecycle.ca.gov/Funding/SWAG), etc.
- Management, handling, disposal, or treatment of radioactive, explosives, or medical wastes, sharps, and pharmaceuticals
- Out-of-state travel
- Overtime costs/Compensated Time Off (except for local government staffing during specially scheduled evening or weekend events when law or labor contract requires overtime compensation)
- Personnel costs not related to the project
- Premiums or promotional items unless pre-approved in writing by the Grant Manager
- Pre-paid expenditures for future goods or services delivered beyond the end of the grant term
- Promotion of either brand-name product(s) or private businesses with grant funds
- Public education and outreach not related to the project
- Purchase or lease of land
- Remediation (any cleanup or restoration of polluted areas)
- Travel costs exceeding the state-approved rates for mileage, per diem, lodging, etc.
- For one pound propane or marine flare projects, ineligible incentives include: monetary or SWAG (https://www.calrecycle.ca.gov/Funding/SWAG) incentives, rechargeable batteries, propane canisters/tanks over one pound, propane fuel, adapters, valves, caps or other accessories used for home refilling of propane canisters.
- Handling and recycling costs for HHW collected from commercial entities
- Propane fuel
- Costs deemed unreasonable or not related to the grant project by the Grant

Manager

Indirect Costs

Indirect costs can be claimed by the Grantee. The following guidelines must be usedwhen claiming these costs.

- The total amount of indirect costs charged to the grant shall not exceed 10 percent of the grant funds reimbursed. These costs are expenditures not capable of being assigned or not readily itemized to a particular project or activity but considered necessary for the operation of the organization and the performance of the program. The costs of operating and maintaining facilities, accounting services, and administrative salaries as well as contractor's indirect costs in their contracts, are examples of indirect costs.

All indirect costs charged to the grant must be associated with grant activitiesas shown in the approved Budget.

- Direct costs charged directly to the grant shall not be included in the indirect cost formula. Supervision performed by managers and supervisors can be included in the indirect cost formula, and therefore, will not be a direct charge to the grant. On the other hand, if a manager or supervisor performs an

activity that is directly related to the execution of the grant (not supervision), costs associated with this activity may be included as a direct charge. Such activity must be clearly supported by appropriate documentation and shall notbe charged to the grant as indirect cost.

- The grantee must maintain organized and accurate records that follow generally accepted accounting principles and leave an audit trail. The grantee must provide access to all documents related to the grant program and fiscal operation of the grant program as deemed necessary by CalRecycle.

If you are uncertain whether a given cost is considered an indirect cost, contact the Grant Manager.

Modifications

The grantee must submit any proposed revision(s) to the Work Plan and/or Budget in writing to the Grant Manager. The grantee may not incur costs or make expenditures based on the revision without first receiving the Grant Manager's written approval.

Proposed revisions must be clearly marked on the Work Plan and/or Budget document and must be accompanied by a summary of proposed changes or modifications, including justification for the proposed changes. If approved, the Grant Manager will upload the final revised Work Plan and/or Budget to GMS and notify the grantee. The grantee may submit proposed revisions in conjunction with a Progress Report but they cannot be submitted as

part of the Progress Report. The grantee should retain the approval document(s) for audit purposes. See the "Audit Record/Access" section of theTerms and Conditions (Exhibit A).

Acknowledgements

The grantee shall acknowledge CalRecycle's support each time a project funded, in whole or in part, by this Agreement is publicized in any medium, including news media, brochures, or other types of promotional materials. The acknowledgement of CalRecycle's support must incorporate the CalRecycle logo. Initials or abbreviations forCalRecycle shall not be used. The Grant Manager may approve deviation from this requirement on a case-by-case basis where such deviation is consistent with CalRecycle's Communication Strategy and Outreach Plan.

Publicity and Education

The following items require acknowledgement of funding from CalRecycle and pre-approval from the CalRecycle Grant Manager prior to incurring the expense:

- All television, radio and video scripts
- Functional premiums, if the per unit price is greater than $6.00
- Advertisements
- Audio and/or visual material
- Brochures
- Pamphlets
- Other outreach

All publicity and education materials must include the following:

1. "Funded by a grant from CalRecycle." Exception: The acknowledgement line is not required on small items where space constraints would not allow for this line or if it would interfere with the message.
2. There are two acceptable Spanish translations: "Financiado por una becadel CalRecycle" or "Patrocinado por fondos del CalRecycle." For other languages, the Grantee must work with a certified translator or person fluent in reading and writing that language. All exceptions must be pre- approved in writing by the CalRecycle Grant Manager.
3. CalRecycle logo (https://www.calrecycle.ca.gov/gallery/) as reflected on the CalRecycle website, can be obtained from the Office of Public Affairs at opa@calrecycle.ca.gov.
4. A list of HHW collection sites within the targeted community with a local telephone number or website to obtain further information on local collection centers. (Use the 1-800-CLEANUP number or Earth911 website (http://search.earth911.com/) if your jurisdiction does not maintain its own 24-hour hotline.)
5. Press Releases – the only requirement is to place the name of "CalRecycle" as an acknowledgement in the body of the release.

Graphics

HHW-related graphics (https://www.calrecycle.ca.gov/UsedOil/Graphics/HHWArt/) are available for use. For large equipment, a CalRecycle bumper sticker (http://www.calrecycle.ca.gov/UsedOil/Graphics/#Bumper) "Equipment funded by a grant from CalRecycle" is available and is required to be affixed to all large pieces of equipment purchased with grant funds. These can be requested from your grant manager when available. When submitting the Final Report, a photograph of this equipment should include the affixed sticker.

Retention of Public Education

For audit purposes, grantees are required to retain samples of all publicity and education materials for three years AFTER the close of the Grant Term, or a longer period if warranted to resolve any issues with this grant. (See Audit/Records Access Section in Terms and Conditions, Exhibit A.)

Reporting Requirements

The Grant Agreement requires two Progress Reports and a Final Report; however, the Grant Manager may require additional Progress Reports at any time during the Grant Term. Failure to submit the Final Report with appropriate documentation by the due date may result in rejection of the Payment Request and/or forfeiture by the grantee ofclaims for costs incurred that might otherwise have been eligible for grant funding.

The grantee must upload all reports in GMS. For further instructions regarding GMS, including login directions, see the "Grants Management System" section (above).

To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate Report Type.
3. Click on the **Add Document** button.
4. Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
    - Select the **Back** button to upload another document and continue the process until all required documents as listed below are uploaded.
    - The maximum allowable file size for each document is 35MB.

5. Click the **Submit Report** button to complete your report submittal. The **Submit Report** button will not be enabled until all required reporting documents are uploaded.

The reports must be current, include all required sections and documents, and must be approved by the Grant Manager before any Payment Request can be processed.

Failure to comply with the specified reporting requirements may be considered a breachof the Grant Agreement and may result in the termination of the Grant Agreement, rejection of the Payment Request, and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding. The grantee must report any problems or delays immediately to the Grant Manager.

Electronic and Original Signatures

CalRecycle now allows for certified e-Signature or original wet signature on documents or forms that certify legally binding information.

Note: The e-Signature must be the Adobe Digital ID or through another certified digital signature program, and cannot be the "Fill and Sign" function within Adobe. Any documents using the "Fill and Sign" method will be considered as incomplete and may be sent back to the grantee.

If you have questions, email grantassistance@calrecycle.ca.gov.

Progress Reports

The grantee must submit two Progress Reports. These reports should include thefollowing:

1. The Grant Number, Grantee's name and Grant Term.
2. The following disclaimer on the cover page:

○ "The statements and conclusions of this report are those of the grantee and not necessarily those of the Department of Resources Recycling andRecovery (CalRecycle), its employees, or the State of California. The state makes no warranty, express or implied, and assumes no liability forthe information contained in the succeeding text."

- **Progress Report 1** is due on **September 30, 2022** (covering grant activities from the Notice to Proceed through September 1, 2022).
- **Progress Report 2** is due on **September 29, 2023** (covering grant activities from September 2, 2022 through September 1, 2023).

Final Report

The Final Report is due **September 30, 2024**. This report should cover grant activities **from the Notice to Proceed** through **September 30, 2024**. The grantee must include the following items in the Final Report:

- The Grant Number, grantee's name, and Grant Term.
- The following disclaimer statement on the cover page:

"The statements and conclusions of this report are those of the grantee and not necessarily those of the Department of Resources Recycling and Recovery (CalRecycle), its employees, or the State of California. The state makes no

warranty, express or implied, and assumes no liability for the information contained in the succeeding text."

- For collection events, create a spreadsheet that includes the type/style of item, manufacturer (for solar panels), volume (by count preferred), and the method of disposal.

Grant Payment Information

- Payment to the grantee for eligible grant expenses is made on a reimbursement basis only, and only for those materials and services specified in the approved grant application.
- The grantee may request reimbursement three times during the Grant Term. In conjunction with (or after) submission of a Progress Report and in conjunction with the Final Report.
- The grantee must submit the required Progress Report/Final Report prior to, or concurrent with, submission of the Grant Payment Request. No reimbursement is made prior to Grant Manager approval of the report.
- The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the "Payment Request and Documentation" section.
- CalRecycle will make grant payments to only the grantee. It is the grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
- Joint Agreement Reimbursement: Lead entities for joint agreements are responsible for reimbursing all participants. When and if the participant(s) submits an invoice to the lead, the lead pays the participant, in full, directly. The lead then requests reimbursement from CalRecycle. CalRecycle can only reimburse invoices received from the lead entity directly, not from the participant(s).
- CalRecycle will withhold and retain 10 percent of each approved Grant Payment Request amount until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and Final Reports, have been satisfied.
- CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date the Grant Manager approves a Grant Payment Request.
- The grantee must provide a Reliable Contractor Declaration (CalRecycle 168)

(https://www.calrecycle.ca.gov/Funding/forms/) signed under penalty of perjury by the grantee's contractors and subcontractors in accordance with the "Reliable Contractor Declaration" section of the Terms and Conditions (Exhibit A). The declaration must be received and approved by the Grant Manager prior to commencement of work. See the "Reliable Contractor Declaration" section in Terms and Conditions (Exhibit A) for more information.

Payment Request and Documentation

Failure to submit the final Payment Request with appropriate documentation by the due date may result in rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

The grantee must submit payment requests in GMS. For further instructions regarding GMS, including login directions, see the "Grants Management System" section (above). To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
    a. Choose **Reimburse** for the **Transaction Type** and enter the amount spent in each budget subcategory.
    b. When the transaction is complete, click the **Save** button.
    c. After the transaction is saved, the **Upload Supporting Documents** button will appear in the lower right corner.
3. Click the **Upload Supporting Documents** button.
    a. Choose the **Document Type**, enter a **document title**, click the **Browse** button to search and upload the document, and then **Save**.

    b. Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
    c. The maximum allowable file size for each document is 35MB.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request. The **Submit Transaction** button will not be enabled until all required supporting documents are uploaded.
    a. **Note:** Once a transaction is saved, select the transaction number from the **Payment Request** tab to access it again. Please do not create multiple transactions for the same requested funds.

Supporting Documentation

- **Grant Payment Request form** (CalRecycle 87)
    - A scanned copy with the signature of the signatory or his/her designee, as authorized by grantee's Resolution or Letter of Commitment, must be uploaded to GMS.
        - **Note:** A designee may sign on behalf of the grantee if a) authorized by the Resolution or Letter of Commitment, and b) a Letter of Designation has been provided to the Grant Manager.
- **Cost and Payment Documentation**
    - Acceptable cost and payment documentation must include at least one of

each of the following.

- Invoices, receipts, or purchase orders must include the vendor's name and telephone number, address, description of goods or services purchased, amount due, and date. The claimed expenses should be highlighted and identified with applicable task number on each invoice.

- Proof of payment may include:
  - copy of cancelled check(s) that shows an endorsement from the banking institution
  - invoice(s) showing a zero balance, or stamped "paid" with a check number, date paid, and initials
  - accounting system report from local government if it contains the vendor name, date of invoice, invoice number, check number or internal ID, and date amount was paid
  - bank statement(s) along with a copy of the endorsed check or invoice showing the check number
    - copy of an electronic funds transfer confirmation
    - copy of a credit card statement(s)
  - The Grant Manager may require additional cost and paymentdocumentation as necessary to verify eligible costs.

- **Expenditure Itemization Summary (EIS)** (CalRecycle 667)

Each EIS must be accompanied by supporting documentation for each line item expense. All expenditures must be itemized and arranged by the reporting and expenditure categories as contained in the grantee's approved Budget and Work Plan.

- **Personnel Expenditure Summary** (CalRecycle 165 or Grantee's Version), when applicable. Document personnel expenditures based on actual time spenton grant activities and actual amounts paid to personnel (these forms are not required if you have an alternate time reporting method pre-approved by your Grant Manager).
- **Travel Expense Log Form** (CalRecycle 246 or Grantee's version), whenapplicable. Document costs related to travel and include supporting documentation.

All forms listed above are available from the CalRecycle Grant Forms web page(https://www.calrecycle.ca.gov/Funding/Forms).

Audit Considerations

The grantee agrees to maintain records and supporting documentation pertaining to theperformance of this grant subject to possible audit for a minimum of three (3) years afterfinal payment date or Grant Term end date, whichever is later. CalRecycle may stipulate a longer period of records retention in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, competitive bids, grant amendments if any relating to the Budget or Work Plan, copies of any agreements with contractors or subcontractors if utilized, expenditure ledger, payroll register entries, timesheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices, and cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.

EXHIBIT C – Scope of Work

Total requested budget

Education Labor, Media Buys & Printing	$42,500.00
Equipment	$4,000.00
TOTAL:	**$46,500.00**

This project proposes a robust resident education campaign for safe marine flare management while promoting the adoption of coast guard certified reusable LED distress signals to replace single-use pyrotechnic flares. The project will include up to 2 marine flare collection exchange events, offering residents free or discounted reusable signals when they bring unwanted flares for safe disposal. Reportable metrics include the number of publications, the number of flares collected, and the number of LED signals distributed to residents within the AUTHORITY's jurisdiction (El Cerrito, Hercules, Pinole, Richmond, San Pablo, El Sobrante, North Richmond, Tara Hills, Rollingwood, East Richmond Heights, Bayview, and Montalvin Manor). CPSC will conduct the following Scope of Work for a not-to-exceed amount of **$46,500.00.**

A. Public Education – Public education in the AUTHORITY service area on safe flare handling, local collection sites/events, and promote reusable LED distress signals.

B. Seasonal Collections/Exchanges– Marine flare collection event planning, promoting, and staffing; up to 2 events.

C. Reporting collection data and program results– Collect baseline data, two progress reports, payment requests, and final report including invoices and supporting documentation for each line item expense including invoices, receipts, and purchase orders.

   Data we will report will include:
   a. Number of reusables given out at exchange events;
   b. Number of marine flares collected at events;

c. Number and reach of social media posts, and/or other digital publications;
d. Number and reach of resident postcard/bill inserts and/or other print publications; Examples of mishandled marine flares provided by grant partners and stakeholders;

Prepare two Progress Reports and a Final Report, which includes a comparison of the baseline measurement vs. measurements at the end of the grant period. Provide supporting documents for the AGENCY to submit with payment requests to CalRecycle including invoices and supporting documentation for each line item expense including invoices, receipts, and purchase orders.

EXHIBIT D

CPSC Fee Schedule

(Rates Effective January 1, 2022)

Employee Wages	**Hourly**
Executive Director	$280
Assistant Director	$235
Special Projects Manager	$185
Program Manager	$165
Special Project Coordinator	$150
Senior Associate	$115
Associate	$100
Intern	$65

West Contra Costa Integrated Waste Management Authority
CalRecycle HHW HD 37 Grant: Marine Flares
California Product Stewardship Council Sole Source Rationale

Experience Summary

The California Product Stewardship (CPSC) is a public education non-profit 501(c)(3) organization formed in 2007, to shift California's product waste management system from one focused on government funded and ratepayer financed waste diversion to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability.

CPSC has extensive experience managing CalRecycle Household Hazardous Waste (HHW) grants and was hired as a consultant for CPSC's first CalRecycle HHW related grant back in 2008. Since then, CPSC has completed more than 21 HHW grant projects, with an additional 11 HHW grant projects currently active and 3 of which have been focused on marine flare waste reduction. CPSC's work on marine flares is the first in the state and collaborative in nature.

For all the CalRecycle HHW grants, CPSC has been a grant partner to a local government, who was the lead agency on the project. Each of these grants contained recruitment, public education, and reporting components. From this experience and other work done by CPSC, we have been successful at working with both the public and private sectors, including manufacturers and retailers, to create sustainable programs both economically and environmentally.

Through a staff of five, CPSC has been extremely successful in planning marine flare collection events in collaboration with neighboring jurisdictions. In November 2021, CPSC coordinated two marine flare collection events in the Bay Area for Delta Diablo who has an HD 35 grant and Alameda County who self-funds. Through those projects, CPSC developed template process documents and outreach material.

CPSC is skilled at customizing messaging and outreach materials for specific audiences and has developed and executed numerous multi-media public education campaigns including the Refuel Your Fun Campaign to promote the refillable propane gas cylinders which partnered with RecycleMore for an HD 31 grant project. We have designed and placed billboards, print, TV and radio ads, social media, newsletters, email blasts, press releases, bus and trash truck ads, measuring effectiveness by number of impressions, action taken, and change in purchasing and/or disposal behavior.

CPSC also has experience planning and staffing propane marine flare exchange events where we typically give out a free or discounted reusable LED distress signals. CPSC has hosted previous events in rural and urban regions and has working experience with applicable regulations and permits required to host such events. Overall, CPSC is a leader in establishing new programs and making pilots work. Our extensive network provides us the resources to learn from other entities what works and what doesn't and be knowledgeable about lessons learned prior to repeating similar errors.

Company Capabilities

CPSC has five full-time employees with a wide variety of backgrounds building a robust and effective team. The diverse array of educational, professional, and skillset backgrounds create a competent organization which has successfully completed over 21 CalRecycle HHW grants as noted earlier. Completion of prior HHW grant projects enables CPSC to anticipate many of the obstacles and opportunities encountered with grant work for general HHW outreach and take-back of hazardous products. All graphics are created by CPSC staff and utilized as billboards, flyers, and social media graphics. Internal production allows for cost-effective and timely development of public education materials. Frequent grant projects have resulted in resourceful and efficient work by keeping most tasks in-house while maintaining the grants timeline and budget.

Below, the expertise of the team is more thoroughly reviewed:

Executive Director, Doug Kobold has over 29 years experience working in the solid waste industry. Before joining the CPSC staff in August 2018, Doug worked for the County of Sacramento for 18 years, first as a Solid Waste Planner for six years then the Waste Management Program Manager for 11 years. He also worked in the solid waste consulting arena for 2 ½ years and for the County of Yolo for five years as a Civil Engineer and then Solid Waste Operations Manager. Doug has a Bachelor of Science Degree in Civil Engineering from the California State University, Chico.

Special Projects Manager, Dr. Joanne Brasch has a PhD in Industrial Economics and Environmental Analysis from the University of California, Davis, where she also got a Master's in Textile Science and Bachelor's in International Agricultural Development. All three degrees focused on global industrial systems and developing a circular economy. With over ten years of academic work experience, Joanne has held lecturer and research appointments at UC Davis, CSU Sacramento, and Donghua University in Shanghai, China. Her topics of interest include supply-chain sustainability, global markets and trade, extended producer responsibility (EPR), and diffusion of innovation. Dr. Brasch's level of expertise makes her an ideal candidate to lead projects that promote EPR and Product Stewardship in the industrial products, including products such as gas cylinders, solar panels, carpet, mattresses, packaging, and fashion goods.

References

Delta Diablo, 2500 Pittsburg-Antioch Hwy, Antioch, CA 94509
Amanda Roa, (925) 756-1940, amandar@deltadiablo.org

Delta Diablo was granted an HD 35 grant funds by CalRecycle, which were sub-contracted to CPSC. The project scope is very similar as it was used for a model for the RecycleMore HD 37 application. This project has already conducted its first collection event with plans to roll out education and outreach materials in the spring to give out reusable marine flares and promote the upcoming marine flare collection event tentatively planned for November 2022.

Del Norte Solid Waste Management Authority, Crescent City, CA 91910
Kyra Seymour, (707) 465-1100, kyra@recycledelnorte.ca.gov

Del Norte was granted an HD 33 grant funds by CalRecycle, which were sub-contracted to CPSC. The project scope is very similar as it was used for a model for the Delta Diablo HD 35 and RecycleMore HD 37 applications. This project has not already conducted its first collection event with plans to roll out education and outreach materials in the spring to give out reusable marine flares and promote the upcoming marine flare collection event tentatively planned for November 2022.

City of Chula Vista, 276 Fourth Avenue, Chula Vista, CA 91910
Manuel Medrano, (619) 585-5766, mmedrano@chulavistaca.org

CPSC recruited three retailers to sell, refill, and/or exchange refillable one-pound propane gas cylinders in the City of Chula Vista and 10 retailers host collection boxes for all batteries. CPSC also developed and executed a comprehensive public education campaign about both product types and the negative environmental impacts, as well as environmentally friendly alternatives.

City of Sunnyvale, P.O. Box 3707, Sunnyvale, CA 94088
Karen Gissibl, (408) 730-7277, KGissibl@ci.sunnyvale.ca.us

CPSC recruited eight retailers to sell, refill, and/or exchange refillable one-pound propane gas cylinders in the Cities of Mountain View, Sunnyvale and Palo Alto, all of which were included in the grant project. CPSC also developed and executed a comprehensive public education campaign promoting residents switch from refillables to disposables to reduce waste and save money.

County of Tehama, 20000 Plymire Road, Red Bluff, California 96080
Rachel Ross, (530) 528-1103, RRoss@co.tehama.ca.us

CPSC has been awarded three HHW projects for the County of Tehama, the first of which addressed on one-pound propane cylinders, batteries and general HHW. The second focused solely on one-pound propane gas cylinders, and included recruitment, public education and setting up a disposal infrastructure. The third and final project, is currently in progress. CPSC recruited three retailers to sell, refill, and/or exchange refillable one-pound propane gas cylinders, recruited hosts and installed 10 one-pound propane cylinder gas cylinder collection receptacles at parks and campgrounds, including Lassen Volcanic National Park. CPSC also conducted exchange events where residents brought two empty disposable one-pound propane cylinders and received a free refillable. As part of the first grant mentioned above, CPSC recruited 11 retailers host collection boxes for all batteries in Tehama County.

recyclemore
WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: February 10, 2022

To: West Contra Costa Integrated Waste Management Authority Board

From: Donald Sturman, Finance and Administration Manager

Subject: FY 2020-21 Financial Audit

ACTION REQUESTED

Receive and file report on the final Audited Financial Statements prepared for the Fiscal Year Ending June 30, 2021 prepared by Maze and Associates.

BACKGROUND

During FY 2020-21, the City of San Pablo provided financial services for the West Contra Costa Integrated Waste Management Authority (WCCIWMA). The City of San Pablo hired Maze and Associates to perform their annual financial audit. As such, WCCIWMA also has decided to hire Maze and Associates to complete the WCCIWMA FY 2020-21 annual financial audit.

The WCCIWMA FY 2020-21 Financial Audit is presented to the Board for your information (Attachments 1, 2, & 3). Total FY 2020-21 expenditures in the Operating Fund (General Fund and HHW Fund) combined were $1,302,790.00. Total revenue (General Fund and HHW Fund) was $1,116,660. Overall, Fund revenue was less than expenditures by $186,130.00. The FY 2020-21 Budget was adopted with expenses anticipated at $1,510,217.00, which would have exceeded revenue by approximately $273,740 with the budget being balanced by using funds from Operating Reserve. The net position of the Authority decreased by $186,130 over the prior year as a result primarily driven by a decrease in operating revenues. The total assets and deferred outflows exceeded liabilities and deferred inflows by $2,145,692 as of the close of the fiscal year and is the Authority's total net position as of June 30, 2021.

The Auditor (Maze and Associates) had no major findings.

In the auditor's opinion, the audited financial statements present fairly, in all material respects, the financial position of the government activities, each major fund, and the fiduciary funds of the Authority as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended, in conformity with generally accepted accounting principles.

FISCAL IMPACT

There is no fiscal impact associated with receiving and filing this report.

Respectfully Submitted,

Donald W. Sturman, MBA

Donald Sturman, MBA
Finance and Administrative Services Manager

Attachment 1: Audited Financial Statements prepared for the Fiscal Year Ending June 30, 2021 prepared by Maze and Associates, including Maze and Associates Letter to Board of Directors.

Attachment 2: Memorandum on Internal Controls FY2020-21

Attachment 3: Required Communications FY2020-21

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
Basic Financial Statements
For the Year Ended June 30, 2021

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MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Contra Costa Integrated Waste Management Authority
Richmond, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the West Contra Costa Integrated Waste Management Authority, California (Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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. 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 Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W **mazeassociates.com**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the other Required Supplementary Information 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.

Maze & Associates

Pleasant Hill, California
January 25, 2022

WEST CONTRA COSTA
INTEGRATED WASTE MANAGEMENT AUTHORITY

Management's Discussion and Analysis
June 30, 2021

As management of the West Contra Costa Integrated Waste Management Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. This document has been prepared as required by the Statement No. 34 of Governmental Accounting Standards Board (GASB No. 34). We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements.

I. Financial Highlights

Government-Wide Financial Analysis

The Authority's net position are largely in cash and investments and the largest revenue stream comes from rate-payer surcharges. The Authority entered into a Post-Collection Recycling and Disposal Services agreement effective January 1, 2014 between the Authority and the operating subsidiaries of Republic Services, Inc. (RSI) Under the new agreement, RSI continues to collect from the ratepayers, as part of the revenue requirement, a surcharge to cover the cost of the Authority's operating budget and the cost to operate the Household Hazardous Waste Facility. RSI wire transfers monthly to the Authority the surcharge collected for the Authority's operating expenses.

The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year leaving a net position of $2,145,692.

The net position of the Authority decreased by $186,130 from the prior year as a result of the following:

- There was a decrease in post-collection revenue versus the prior year attributed to a decline in solid waste tonnage generated by the commercial sector because businesses were closed or operating at a reduced rate due to the Covid-19 pandemic.

During fiscal year ended June 30, 2021, the Authority recorded deferred outflows of resources in the amount of $213,171 and deferred inflows of resources in the amount of $261,764 related to OPEB and Pension. The Authority recognized OPEB expense in the amount of $49,424 and Pension expense in the amount of ($34,899).

Financial Analysis of the Authority's Governmental Funds

The Authority's governmental funds' combined ending fund balance of $3,020,657 which was a decrease of $140,262 from the prior year ending fund balance of $3,160,919.

II. Overview of the Basic Financial Statements

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

Government-Wide Financial Statements

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

WEST CONTRA COSTA
INTEGRATED WASTE MANAGEMENT AUTHORITY

Management's Discussion and Analysis
June 30, 2021

The *Statement of Net Position* provides information about the financial position of the Authority as a whole, including all capital assets and liabilities on the full accrual basis. Over time, increases or decreases in the Authority's net position may serve as one useful indicator of the Authority's overall financial position. In the case of the Authority, total assets and deferred outflows exceeded liabilities and deferred inflows by $2,145,692 as of the close of the fiscal year. This amount is the total net position as of June 30, 2021.

Authority's Net Position

TABLE 1 - AUTHORITY'S NET POSITION

	2021	2020	$ Change	% Change
Assets				
Current assets	$ 3,117,723	$ 3,247,560	$ (129,837)	-4%
Non-current assets	30,625	35,658	(5,033)	-14%
Total assets	3,148,348	3,283,218	(134,870)	-4%
Deferred outflows of resources				
OPEB-related	76,447	7,859	68,588	873%
Pension-related	136,724	88,060	48,664	55%
Total deferred outflows of resources	213,171	95,919	117,252	122%
Liabilities				
Current liabilities	148,471	111,736	36,735	33%
Non-current liabilities	805,592	658,004	147,588	22%
Total liabilities	954,063	769,740	184,323	24%
Deferred inflows of resources				
OPEB-related	29,133	0	29,133	
Pension-related	232,631	277,575	(44,944)	-16%
Total deferred inflows of resources	261,764	277,575	(15,811)	-6%
Net position				
Net investment in capital assets	30,625	35,658	(5,033)	-14%
Unrestricted	2,115,067	2,296,164	(181,097)	-8%
Total net position	$ 2,145,692	$ 2,331,822	$ (186,130)	-8%

The Authority's net position decreased by $186,130 primarily due to reduced collections from rate payers as a result of the effects of the Covid-19 pandemic.

WEST CONTRA COSTA
INTEGRATED WASTE MANAGEMENT AUTHORITY

Management's Discussion and Analysis
June 30, 2021

The *Statement of Activities and Changes in Net Position* provides information about all of the Authority's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues and expenses of each of the Authority's programs.

Authority's Changes in Net Position

TABLE 2 - AUTHORITY'S CHANGES IN NET POSITION

	2021	2020	$ Change	% Change
Program revenues				
Charges for services	$ 1,107,042	$ 1,271,689	$ (164,647)	-13%
Total program revenues	1,107,042	1,271,689	(164,647)	-13%
General revenues				
Unrestricted investment income	9,618	54,094	(44,476)	-82%
Total general revenues	9,618	54,094	(44,476)	-82%
Program expenses	1,302,790	1,296,743	6,047	0%
Change in net position	(186,130)	29,040	(215,170)	-741%
Net position - beginning	2,331,822	2,220,764	111,058	5%
Prior period adjustments/restatements		82,018	(82,018)	-100%
Net position - ending	$ 2,145,692	$ 2,331,822	$ (186,130)	-8%

The decrease in charges for services is mostly attributable to a decrease in post-collection revenue versus the prior year in FY19-20. Expenses in the current year increased by $39,821 over the prior year due to an increase in Personnel Services, General, and Program direct expenditures.

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

Fund Financial Statements

The Fund Financial Statements provide detailed information about the Authority's major funds - not the Authority as a whole. The Authority has established separate funds to help control and manage money for particular purposes or to comply with the requirements of the State Grants.

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

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information

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

III. Fund Financial Statements Analysis

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

Governmental Funds – The focus of the Authority's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Operational Highlights

During the fiscal year of 2020-2021, the Authority achieved the following results:

- Continued to be in official full compliance with all CalRecycle mandates;
- Passed a Post-Collection rate structure that has the lowest 2-year overall increase over the past 8 years;
- Hired 1 new staff member and seamlessly integrated them into the operations;
- Completed an audit and remain in a strong financial position with regards to reserves and retirement liabilities;
- Completed a website upgrade that will be a tremendous asset for our rate payers and general community.

In the Source Reduction & Recycling Program the Authority:

- Expanded the compliance coverage for AB 1826 mandatory organics through stakeholder meetings, outreach, hauler coordination, and waiver program thus increasing AB 1826 compliance to 74%.
- Prepared for the implementation of SB 1383 through regular stakeholder meetings, implementing a new Authority website, and regular, engaging social media postings.
- In calendar year 2022, the Authority plans to implement all required aspects for SB 1383 and bring our AB 1826 compliance up to 90%

In the Recycling & Solid Waste Program the Authority:

- Collected 3,856 mattresses at the Richmond HHW Facility
    - Collected an additional 1,165 mattresses at 3 one-day HHW collection events
- Serviced 14,875 residents at Richmond and El Cerrito HHW Facilities and 3 one-day HHW Collection Events

- Collected 976,602 pounds of hazardous waste at the Richmond and El Cerrito HHW Facilities and 3 one-day HHW Collection Events
    - Included in this number is 360,741 pounds of Latex and oil-based paint and 284,956 pounds of flammable/poisons
- In calendar year 2022, the Authority has a goal to implement a marine flare collection program

IV. Budgetary Highlights

Total expenditures were $253,295 under budget, primarily due to a decrease in operating expenditures.

V. Capital Asset and Long-Term Obligations

Capital Assets – As of June 30, 2021 the Authority's capital assets, net of depreciation, were $30,625. This represents furniture and equipment totaling $275,821 offset by accumulated depreciation of $245,196.

Long-Term Obligations – The Authority's long-term obligations as of June 30, 2021 consist of Net Pension liability of $498,886 and OPEB of $306,706 totaling $805,592.

VI. Economic Factors and Next Year's Budget

A large portion of the Authority's revenues prior to the new agreement was from the Authority's share of revenues from the sale of recyclable materials. The market price of recyclable materials is affected by local, national, and global markets. Now a more stable revenue stream is provided by the ratepayer surcharge.

The budget for fiscal year 2020/2021 has been developed based on current operating agreements for programs of the Authority and the latest rate in the change in Consumer Price Index was used to inflate anticipated expenses subject to inflation.

VII. Requests for Information

This financial report is designed to provide a general overview for those who are interested in the Authority's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Manager – Finance & Administration, West Contra Costa Integrated Waste Management Authority, 3220 Blume Drive, Suite 198 Richmond, CA 94806.

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Current assets	
Cash and investments (Note 2)	$ 3,035,857
Accounts receivable	77,860
Prepaids	4,006
Total current assets	3,117,723
Noncurrent assets	
Furniture and Equipment, net (Note 3)	30,625
Total noncurrent assets	30,625
Total Assets	3,148,348
DEFERRED OUTFLOWS OF RESOURCES	
OPEB-related (Note 6)	76,447
Pension-related (Note 7)	136,724
Total Deferred Outflows of Resources	213,171
LIABILITIES	
Current liabilities	
Accounts payable	97,066
Compensated absences (Note 1G)	51,405
Total current liabilities	148,471
Noncurrent liabilities:	
Net OPEB liability (Note 6)	306,706
Net pension liability (Note 7)	498,886
Total noncurrent liabilities	805,592
Total Liabilities	954,063
DEFERRED INFLOWS OF RESOURCES	
OPEB-related (Note 6)	29,133
Pension-related (Note 7)	232,631
Total Deferred Inflows of Resources	261,764
NET POSITION	
Net investment in capital assets (Note 1H)	30,625
Unrestricted	2,115,067
Total Net Position	$ 2,145,692

See accompanying notes to financial statements

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary Government:					
Governmental Activities:					
Recycling and waste management services	$ 1,302,790	$ 1,107,042	$ -	$ -	$ (195,748)
Total	$ 1,302,790	$ 1,107,042	$ -	$ -	(195,748)
		General revenues:			
		Investment earnings			9,618
		Total general revenues			9,618
		Change in Net Position			(186,130)
		Net Position - Beginning			2,331,822
		Net Position - Ending			$ 2,145,692

See accompanying notes to financial statements

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General Fund	Special Projects Fund	Total
Assets			
Cash and investments (Note 2)	$ 1,151,298	$ 1,884,559	$ 3,035,857
Accounts receivable	77,860	-	77,860
Prepaids	4,006	-	4,006
Total Assets	$ 1,233,164	$ 1,884,559	$ 3,117,723
Liabilities			
Accounts payable	$ 97,066	$ -	$ 97,066
Total Liabilities	97,066	-	97,066
Fund Balance (Note 1J)			
Nonspendable	4,006	-	4,006
Committed for OPEB unfunded liability	-	1,884,559	1,884,559
Unassigned	1,132,092	-	1,132,092
Total Fund Balance	1,136,098	1,884,559	3,020,657
Total Liabilities and Fund Balances	$ 1,233,164	$ 1,884,559	$ 3,117,723

See accompanying notes to the financial statements

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Fund Balance - Governmental funds	$ 3,020,657
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets	
Capital assets used in governmental activities are not current assets of financial resources and therefore are not reported in the governmental funds.	30,625
Deferred outflows reported on the statement of net position	213,171
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences payable	(51,405)
Post employment benefit plan liability	(306,706)
Net pension liability	(498,886)
Deferred inflows of resources reported on the statement of net position	(261,764)
Net position of governmental activities	$ 2,145,692

See accompanying notes to financial statements

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Projects Fund	Total
REVENUES			
Charges for services	$ 1,107,042	$ -	$ 1,107,042
Interest income	2,867	6,751	9,618
Total Revenues	1,109,909	6,751	1,116,660
EXPENDITURES			
Current:			
Personnel services	694,565	-	694,565
Professional services	445,906	-	445,906
General	116,451	-	116,451
Total Expenditures	1,256,922	-	1,256,922
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 1L)	332,233	-	332,233
Transfers (out) (Note 1L)	-	(332,233)	(332,233)
Total other financing sources (uses)	332,233	(332,233)	-
Net Changes in Fund Balances	185,220	(325,482)	(140,262)
Fund Balances, Beginning of Year	950,878	2,210,041	3,160,919
Fund Balances, End of Year	$ 1,136,098	$ 1,884,559	$ 3,020,657

See accompanying notes to the financial statements

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (140,262)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS	
Depreciation expense on capital asset is reported in the Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.	(7,833)
Capital assets additions	2,800
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Change in compensated absences	(26,310)
Net OPEB liability and deferred outflows/inflows related to OPEB	(49,424)
Net pension liability and deferred outflows/inflows related to pensions	34,899
Change in net position of governmental activities	$ (186,130)

See accompanying notes to financial statements

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The West Contra Costa Integrated Waste Management Authority (Authority) was formed in 1991 in accordance with the State of California Law (California Integrated Waste Management Act AB939). The Authority was formed for the purpose of planning and implementing measures to reduce the disposal of solid waste in accordance with State Law and developing the Integrated Resource Recovery Facility (IRRF), to meet the requirements of materials recovery facility under section 50000(a)(4) of the California Public Resource Code, for the collection, processing, recycling, and transportation of solid waste and the recovery of materials from such waste in the West Contra Costa County Area of California, in cooperation with West County Resource Recovery, Inc. (WCRR), a wholly owned subsidiary of Richmond Sanitary Services, Inc. (RSS). The IRRF is located in the unincorporated City of North Richmond, and is owned and operated by WCRR, to serve ratepayers within the boundary of the Authority and the unincorporated area of Contra Costa County serviced by RSS. Each member has one representative on the Authority's Board of Directors, with the exceptions of the City of Richmond, which has three, and Contra Costa County, which has a nonvoting representative. The Authority's boundaries are those of its members. The Authority functions independently of its members.

The Authority is not financially accountable for any other organizations and is the only entity included in these statements.

B. Basis of Accounting and Measurement Focus

The accounts of Authority are organized and operated on the basis of funds, each of which is defined as a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenue, and expenditures. Authority resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Authority's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities for the Changes in Net Position. These statements present summaries of Governmental Activities for the Authority. The Authority has no Business-type Activities.

The Government -wide financial statements are presented on an "*economic resource*" measurement focus and the accrual basis of accounting. Accordingly, all the Authority's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental Fund Financial Statements – Governmental Fund Financial Statements include a Balance Sheet, and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance as presented in these statements to the net position presented in the Government-Wide financial statements. The Authority has presented all funds as major funds.

All governmental funds are accounted for on a spending or "*current financial sources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Revenues, Expenditures, and Changes in Fund Balances presented increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under there modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of current period.

C. Cash and Investments

The Authority pools cash resources from all funds with the City of San Pablo's cash in order to facilitate management of cash. The balance in pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

D. Investment Valuation

The Authority holds unrestricted cash and investments with the Treasurer of the City of San Pablo in a cash and investment pool. The Authority's investment is presented at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools.* However, the value of the pool shares in the City may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Authority's portion in the pool.

E. Capital Assets

Capital assets are those assets acquired for general governmental purposes and are reported in governmental activities in the Government-wide Financial Statements. All purchased capital assets are recorded at historical or estimated historical cost if actual cost is not available. Donated capital assets are valued at their acquisition value on the date received. Authority policy has set the capitalization thresholds for reporting capital assets at the following:

Equipment	$1,000

The cost of normal maintenance and repairs that do not add to the value of asset or material extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the estimated useful lives, which range from two to ten years.

F. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has deferred inflows related to pensions and OPEB.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

Compensated absences comprise unpaid vacation and compensated time off. The Authority accrues the cost of these absences when they are earned. The Authority expects its governmental funds' liability for compensated absences to be utilized in the next year.

H. Net Position and Fund Equity

In the Government-Wide Financial Statements, net position are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted Net Position – This amount is all net position that do not meet the definition of "invested" in capital assets, net of related debt" or "restricted net position" as defined above.

I. Use of Restricted/Unrestricted Net Position

When an expense is incurred for a purpose for which both restricted and unrestricted net position are available, the Authority's policy is to apply restricted net position first.

J. Fund Balances – Governmental Funds

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. As of June 30, 2021, fund balances for governmental funds consist of the following categories:

Nonspendable: Items that cannot be spent because they are not in spendable form such as prepaid items, or items that are legally or contractually required to be maintained intact, such as principal of endowment or revolving loan fund.

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

Committed: Committed fund balances represent amounts that can only be used for specific purposes through resolutions by the Board of Directors. Commitments can only be modified or lifted through Board resolutions.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the governments intended use of resources. Assignment of resources can be done by the highest level of decision making or by committee or official designated for that purpose.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned: This category is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted fund balance resources first, followed by the unrestricted resources in the committed, assigned, and unassigned fund balances, as they are needed.

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

K. Use of Estimates

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

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures (governmental fund types). Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recovered as a reduction in expenditures in the user fund. All other interfund transactions are reported as transfers. During the fiscal year ended June 30, 2021, the Special Projects Fund made a transfer to the General Fund in the amount of $350,000 for funding Pension contributions to CalPERS.

NOTE 2 – CASH AND INVESTMENTS

The Authority maintains a cash and investment pool with the City of San Pablo (City) for all funds.

The investments made by the City are limited to those allowable under State statues as incorporated into the Authority's Joint Powers Agreement, which is more conservative than that allowed by State, statute.

Under provisions of this policy, the Authority is authorized to invest in the following types of investments:

Certificate of Deposits	Government Agency Securities
Bankers' Acceptances	Treasury Bills and Notes
Commercial Paper	Passbook Savings Accounts
Repurchase Agreements	State of California Local Agency Investment Fund
Government Cash Pools	

See the City of San Pablo's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related interest rate risk, credit rate risk, custodial risk, and concentration of risk.

A. Cash Deposits

The Authority pools all operating cash, except its payroll account, with the City of San Pablo and records the pooled monies as cash and investments.

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Investments

The Authority's investments are carried at fair value as required by accounting principles generally accepted in United States. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in investment income (loss) for that fiscal year.

C. Summary of Cash and Investments

The cash and investments are classified in the financial statements as shown below:

Cash and Investments	$ 3,035,857
Total Cash and Investments	$ 3,035,857

Cash and investments held by the Authority at June 30, 2021 consisted of the following:

Pooled Cash with City of San Pablo	$ 3,005,507
Deposits in Bank	30,350
Total Cash and Investments	$ 3,035,857

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the authority by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk and concentration of credit risk. The Authority has not adopted a formal investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency investment Fund (LAIF)	N/A	None	$75 Million
Certificate of Deposit	None	None	None
U.S. Government Securities	None	None	None
City Cash Pool	None	None	None

Disclosures Related to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2021, the Authority held $3,005,507 in deposits with the City of San Pablo with a remaining maturity of 12 months or less.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosure Related to Credit Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2021, the Authority held $3,005,507 in deposits with the City of San Pablo which is exempt from credit rate risk disclosure.

D. Custodial Credit Risk

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 will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgages notes having a value of 150% of the secured public deposits.

E. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 3 – CAPITAL ASSETS

The following is a summary of the Authority's capital asset accounting for the fiscal year ending June 30, 2021:

Governmental Activities	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets, being depreciated:				
Furniture and Equipment	$ 273,021	$ 2,800	$ -	$ 275,821
Less accumulated depreciation for:				
Furniture and Equipment	(237,363)	(7,833)	-	(245,196)
Total capital assets, being depreciated, net	$ 35,658	$ (5,033)	$ -	$ 30,625

Total capital assets included $203,221 in fully depreciated assets. The depreciation expense of the capital assets for the fiscal year ended June 30, 2021 was $7,833. This expense was charged to the Recycling and Waste Management Services function of the Statement of Activities.

NOTE 4 – RISK MANAGEMENT

A. General Liability Insurance

The Authority maintains a deductible of $500 per occurrence. Coverage is maintained with the Special District Risk Management Authority with coverage limits of $2,500,000 per occurrence.

B. Workers' Compensation Insurance

The Authority maintains adequate workers' compensation coverage with the Special District Risk Management Authority.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Lawsuits

The Authority is not a defendant in any lawsuits as of June 30, 2021.

B. Federal and State Grant Programs

The Authority participates in a number of Federal, State, and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the Authority may be required to reimburse the grantor government.

NOTE 6 – POST RETIREMENT HEALTHCARE BENEFITS

A. Plan Description

The Authority administers a single-employer defined benefit healthcare plan. The Authority currently provides retiree health benefits to eligible employees.

For employees who retire from the Authority after at least five (5) years of service with the Authority and who have reached the age of fifty-five (55), and who continue health insurance through an Authority-sponsored health insurance plan, the Authority will contribute the minimum monthly amount of $143 of the health insurance premium, which is paid for the lifetime of the retiree. The Authority also pays the administrative fees which are .24% of premiums as of July 1, 2020.

Employees Covered by Benefit Terms – Membership in the Plan consisted of the following at the measurement date of June 30, 2020:

Active employees	5
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	0
Total	8

NOTE 6 – POST RETIREMENT HEALTHCARE BENEFITS (Continued)

B. Funding Policy

The Authority's policy is to contribute an amount sufficient to pay the current year's premium. For fiscal year 2020-2021, the Authority contributed $19,673, which covered current premiums, but did not include any additional prefunding of benefits.

C. Net OPEB Liability

Actuarial Methods and Assumptions – the Authority's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	2.45%
Inflation	2.75%
Payroll Growth	3.00%
Medical Cost Trend Rate	4.00% for 2020 through 2023; 5.20% for 2024-2069; and 4.00% for 2070 and later years; Medicare ages: 4.00% for all years.
Preretirement Mortality	CalPERS Experience Study (1997-2015).
Postretirement Mortality	CalPERS Experience Study (1997-2015).

Discount Rate – The discount rate used to measure the total OPEB liability was 2.45%. The projection of cash flows used to determine the discount rate assumed that the Authority's contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The discount rate was set using historic 20 years real rates of return for each asset class along with assumed long-term inflation assumptions.

D. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (a) - (b)**
Balance at June 30, 2020	$ 217,827	$ -	$ 217,827
Changes Recognized for the Measurement Period:			
Service Cost	35,850	-	35,850
Interest on the total OPEB liability	7,635	-	7,635
Changes in benefit terms	-	-	-
Differences between expected and actual experience	108,073	-	108,073
Changes of assumptions	(43,006)	-	(43,006)
Contributions from the employer	-	19,673	(19,673)
Net investment income		-	-
Administrative expenses	-	-	-
Benefit payments	(19,673)	(19,673)	-
Net changes	88,879	-	88,879
Balance at June 30, 2021	$ 306,706	$ -	$ 306,706

NOTE 6 – POST RETIREMENT HEALTHCARE BENEFITS (Continued)

E. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (1.45%)	Discount Rate (2.45%)	Discount Rate +1% (3.45%)
$ 332,156	$ 306,706	$ 285,631

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3%) or 1-percentage-point higher (5%) than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
1% Decrease (3.0%)	Healthcare Cost Trend Rates (4.0%)	1% Increase (5.0%)
$ 285,906	$ 306,706	$ 331,662

F. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Authority recognized OPEB expense of $49,424. At June 30, 2021, the Authority recorded the amount of $76,447 from deferred outflows of resources and the amount of $29,133 from deferred inflows of resources related to OPEB, which will be amortized as follows:

Year Ended June 30	Annual Amortization
2022	$ 24,225
2023	20,989
2024	2,100
2025	$ -
Total	$ 47,314

NOTE 7 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Authority's Miscellaneous and PEPRA Miscellaneous Plans. Both plans are cost-sharing multiple employer defined benefit pension plans. Both plans are administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Contra Costa County resolution. CalPERS issued publicly available reports that include a full description of the pension plan regarding benefit provision, assumptions and membership information that can be found on the CalPERS website.

NOTE 7 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credit service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Miscellaneous	
	Classic Tier	PEPRA Tier
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	11.742%	7.732%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension*

As of June 30, 2021, the Authority reported a net pension liability for its proportionate shares of the net pension liability of its plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$498,886

The Authority's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2020, and the total pension liability for its plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020 using standard update procedures.

NOTE 7 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

The Authority's proportion of the net pension plan liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers actuarially determined. The Authority's proportionate share of the net pension liability for its plan as of June 30, 2019 and 2020 was as follows:

	Miscellaneous Classic
Proportion - June 30, 2019	0.00015670
Proportion - June 30, 2020	0.00011827
Change - Increase (Decrease)	(0.00003843)

For the year ended June 30, 2021, the Authority recognized pension expense of $33,928. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 68,827	$ -
Differences between actual and expected experience	25,709	-
Changes in assumptions	-	(3,558)
Differences in actual contributions and proportionate and proportionate share of contributions	1,814	(85,610)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	25,554	(143,463)
Net differences between projected and actual earnings on plan investments	14,820	-
Total	$ 136,724	$ (232,631)

The Authority reported $68,827 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2022	$ (98,763)
2023	(72,808)
2024	(271)
2025	7,108
Total	$ (164,734)

NOTE 7 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 Experience study report (based on CalPERS demographic data from 1997 to 2015.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a 2017 CalPERS actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

NOTE 7 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
(2) An expected inflation of 2.00% used for this period.
(3) An expected inflation of 2.92% used for this period.

NOTE 7 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Change in the Discount Rate – The following presents the Authority's proportionate share of the net pension liability for its Plan, calculated using the discount for its Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Classic
1% Decrease	6.15%
Net Pension Liability	$901,994
Current Discount Rate	7.15%
Net Pension Liability	$498,886
1% Increase	8.15%
Net Pension Liability	$165,811

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Subsequent Event - Reduction of CalPERS Discount Rate

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall Public Employees Retirement Fund (PERF) is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

NOTE 8 – RELATED PARTY TRANSACTIONS

The City of San Pablo (City) performs accounting services for the Authority. In this regard, the City charged the Authority $30,660 for fiscal year ended June 30, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

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NOTE 1 – BUDGETARY CONTROL AND ACCOUNTING

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May of each year, the Executive Director submits to the Board of Directors a proposed operating budget for the following two fiscal years. This budget includes proposed expenditures by fund and the revenues expected to finance them.

2. Public hearings are conducted to obtain public and ratepayer comments.

3. The budget is legally enacted through passage of a resolution before July 1.

4. The Executive Director is authorized to transfer budget amounts; however, any revision which alter total expenditures of any fund must be approved by Board of Director.

5. Formal budgetary integration is employed as management control device during the year for the General Fund and Special Revenue Funds.

6. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances. The Executive Director must approve any adjustments to the budget.

7. Appropriations lapse at the end of the year fiscal year and then are re-budgeted for the subsequent fiscal year.

8. Budgeted appropriations for the various governmental funds become effective each July 1. The Board of Directors may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extend they have not been expended or encumbered.

9. The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund and Special Revenue Funds present comparisons of the legally adopted budget with actual data on a basis consistent with accounting principles generally accepted in the United States of America.

Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported as reservations of fund balance since they represent commitments, which will be honored during the subsequent year. Encumbrances do not represent expenditures or liabilities.

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	$ 1,216,477	$ 1,216,477	$ 1,107,042	$ (109,435)
Interest income	20,000	20,000	2,867	(17,133)
Total Revenues	1,236,477	1,236,477	1,109,909	(126,568)
EXPENDITURES				
Current:				
Personnel services	907,424	907,424	694,565	212,859
Professional services	458,270	458,270	445,906	12,364
General	144,523	144,523	116,451	28,072
Total Expenditures	1,510,217	1,510,217	1,256,922	253,295
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	332,233	132,233
Total Other Financing Sources (Uses)	200,000	200,000	332,233	132,233
CHANGE IN FUND BALANCE	$ (73,740)	$ (73,740)	185,220	$ 258,960
Fund balance at beginning of year			950,878	
Fund balance at end of year			$ 1,136,098	

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest	$ 30,000	$ 30,000	$ 6,751	$ (23,249)
Total Revenues	30,000	30,000	6,751	(23,249)
EXPENDITURES				
Current:				
Personnel services	680,000	680,000	-	680,000
Total Expenditures	680,000	680,000	-	680,000
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(200,000)	(200,000)	(332,233)	(132,233)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(332,233)	(132,233)
CHANGE IN FUND BALANCE	$ (850,000)	$ (850,000)	(325,482)	$ 524,518
Fund balance at beginning of year			2,210,041	
Fund balance at end of year			$ 1,884,559	

Required Supplementary Information

WEST CONTRA COSTA
INTEGRATED WASTE MANAGEMENT AUTHORITY

Required Supplementary Information - Pension
Benefit Plan Trend Information
Last 10 Years*

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

	Miscellaneous Plan						
	Measurement Date						
	6/30/2014	6/31/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Proportion of the net pension liability	N/A	N/A	N/A	N/A	0.0001528%	0.0001567%	0.0118273%
Proportionate share of the net pension liability	$ 320,057	$ 428,066	$ 538,968	$ 626,351	$ 611,290	$ 440,177	$ 498,886
Covered payroll	N/A	$ 370,907	$ 279,183	$ 396,064	$ 469,151	$ 494,375	$ 357,457
Proportionate share of the net pension liability as percentage of covered payroll	86.29%	115.41%	193.05%	158.14%	130.30%	89.04%	139.57%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	77.70%	73.86%	73.86%	75.57%	84.38%	83.53%

SCHEDULE OF CONTRIBUTIONS

	Miscellaneous Plan						
	Reporting Fiscal Year						
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Contractually required contribution (actuarially determined)	$ 62,407	$ 22,280	$ 64,051	$ 41,157	$ 44,689	$ 48,955	$ 68,827
Contributions related to the actuarially determined contribution	62,407	22,280	64,051	41,157	44,689	48,955	68,827
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 370,907	$ 279,183	$ 396,064	$ 469,151	$ 494,375	$ 357,457	$ 462,388
Contributions as a percentage of covered payroll	16.83%	7.98%	16.17%	8.77%	9.04%	13.70%	14.89%

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

N/A = Not available

Required Supplementary Information

WEST CONTRA COSTA
INTEGRATED WASTE MANAGEMENT AUTHORITY

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Post Retirement Health Care Single Employer Defined Benefit Plan
Last 10 fiscal years*

Measurement Date	**6/30/18**	**6/30/19**	**6/30/20**
Total OPEB Liability			
Service Cost	$ 33,991	$ 33,788	$ 35,850
Interest	5,088	7,396	7,635
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	108,073
Changes of assumptions	-	12,482	(43,006)
Benefit payments	(5,681)	(12,611)	(19,673)
Net change in total OPEB liability	33,398	41,055	88,879
Total OPEB liability - beginning	143,374	176,772	217,827
Total OPEB liability - ending (a)	$ 176,772	$ 217,827	$ 306,706
Plan fiduciary net position			
Contributions - employer	$ 5,681	$ 12,611	$ 19,673
Contributions - employee	-	-	-
Net investment income	-	-	-
Administrative expense	-	-	-
Benefit payments	(5,681)	(12,611)	(19,673)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -
Net OPEB liability (asset) - ending (a)-(b)	$ 176,772	$ 217,827	$ 306,706
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	$ 469,151	$ 494,375	$ 357,457
Net OPEB liability (asset) as a percentage of covered payroll	37.68%	44.06%	85.80%

* Fiscal year 2019 was the first year of implementation.

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

MEMORANDUM ON INTERNAL CONTROL

FOR THE YEAR ENDED JUNE 30, 2021

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

MEMORANDUM ON INTERNAL CONTROL

For The Year Ended June 30, 2021

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MAZE & ASSOCIATES

MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of
West Contra Costa Integrated Waste Management Authority
Richmond, California

In planning and performing our audit of the basic financial statements of the West Contra Costa Integrated Waste Management Authority (Authority) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

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

Maze & Associates

Pleasant Hill, California
January 25, 2022

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

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

EFFECTIVE FISCAL YEAR 2021/22:

GASB 87 – *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 92 – *Omnibus 2020*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

SCHEDULE OF OTHER MATTERS

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32 (Continued)*

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2022/23:

GASB 91 – *Conduit Debt Obligations*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
  (1) an issuer
  (2) a third-party obligor, and
  (3) a debt holder or a debt trustee.

- The issuer and the third-party obligor are not within the same financial reporting entity.

- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.

- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.

- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

SCHEDULE OF OTHER MATTERS

GASB 91 – *Conduit Debt Obligations (Continued)*

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.

- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.

- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

SCHEDULE OF OTHER MATTERS

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

PPPs – This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancelable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

A transferor generally should recognize an underlying PPP asset as an asset in financial statements prepared using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of an SCA, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, a transferor should recognize a receivable for installment payments, if any, to be received from the operator in relation to the PPP. Measurement of a receivable for installment payments should be at the present value of the payments expected to be received during the PPP term. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

This Statement requires a transferor to recognize a receivable for installment payments and a deferred inflow of resources to account for a PPP in financial statements prepared using the current financial resources measurement focus. Governmental fund revenue would be recognized in a systematic and rational manner over the PPP term.

SCHEDULE OF OTHER MATTERS

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (Continued)*

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement). An operator should report an intangible right-to-use asset related to an underlying PPP asset that either is owned by the transferor or is the underlying asset of an SCA. Measurement of the right-to-use asset should be the amount of consideration to be provided to the transferor, plus any payments made to the transferor at or before the commencement of the PPP term, and certain direct costs. For an underlying PPP asset that is not owned by the transferor and is not the underlying asset of an SCA, an operator should recognize a liability measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, an operator should recognize a liability for installment payments, if any, to be made to the transferor in relation to the PPP. Measurement of a liability for installment payments should be at the present value of the payments expected to be made during the PPP term. An operator also should recognize a deferred outflow of resources for the consideration provided or to be provided to the transferor as part of the PPP. Expense should be recognized by an operator in a systematic and rational manner over the PPP term.

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. If a PPP involves multiple underlying assets, a transferor and an operator in certain cases should account for each underlying PPP asset as a separate PPP. To allocate the contract price to different components, a transferor and an operator should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining the best estimate is not practicable, multiple components in a PPP should be accounted for as a single PPP.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination. A PPP termination should be accounted for by a transferor by reducing, as applicable, any receivable for installment payments or any receivable related to the transfer of ownership of the underlying PPP asset and by reducing the related deferred inflow of resources. An operator should account for a termination by reducing the carrying value of the right-to-use asset and, as applicable, any liability for installment payments or liability to transfer ownership of the underlying PPP asset. A PPP modification that does not qualify as a separate PPP should be accounted for by remeasuring PPP assets and liabilities.

APAs – An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by a government as a financed purchase of the underlying nonfinancial asset. This Statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate.

SCHEDULE OF OTHER MATTERS

GASB 96 – *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.

SCHEDULE OF OTHER MATTERS

GASB 96 – *Subscription-Based Information Technology Arrangements (Continued)*

- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2021

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WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY

REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2021

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MAZE & ASSOCIATES

REQUIRED COMMUNICATIONS

To the Board of Directors of
West Contra Costa Integrated Waste Management Authority
Richmond, California

We have audited the basic financial statements of the West Contra Costa Integrated Waste Management Authority (Authority) for the year ended June 30, 2021. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Matters

Accounting Policies

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

GASB 84 – *Fiduciary Activities*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

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This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The pronouncement became effective, but did not have a material effect on the financial statements.

GASB 90 – *Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)*

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The pronouncement became effective, but did not have a material effect on the financial statements.

Unusual Transactions, Controversial or Emerging Areas

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

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significances to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Estimated Fair Value of Investments: As of June 30, 2021, the Authority held approximately $3 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2021. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2021.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 3 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1G to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 7 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liabilities and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liabilities and deferred outflows/inflows of resources is disclosed in Note 6 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in a management representation letter dated January 25, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

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

Maze & Associates

Pleasant Hill, California
January 25, 2022

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