

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## **Executive Director**

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## **Member Agencies**

City of Campbell  
Town of Los Gatos  
City of Monte Sereno  
City of Saratoga

## **REGULAR MEETING AGENDA**

**September 5, 2019**

Monte Sereno City Hall  
18041 Saratoga-Los Gatos Road  
Monte Sereno, CA 95030  
**5:00 p.m.**

### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

### **ORAL COMMUNICATIONS FROM THE PUBLIC**

### **WRITTEN COMMUNICATIONS**

None

### **OLD BUSINESS**

None

### **NEW BUSINESS**

1. Receive and file a report on the Member Agencies' 2018 CalRecycle Annual Reports.
2. Receive an oral report on Ad Hoc Committee Meetings for the disposal agreement procurement.
3. Consider a resolution establishing a Code of Conduct for the disposal agreement procurement process.
4. Receive a report on SB 1383 and Member Agency Compliance Status
5. Receive a report on recent regulatory changes and program updates.

6. Consider a report on an Interim Rate Adjustment Request from WVC&R in response to China's National Sword Policy.

**PUBLIC HEARINGS**

None

**CONSENT CALENDAR**

7. Approve Minutes of May 2, 2019 Board Meeting
8. Receive and file the Executive Director financial report for the Year ended June 30, 2019.
9. Receive and file a report on the West Valley Solid Waste Management Authority's FY 17-18 Audited Financial Statements.

**EXECUTIVE DIRECTOR REPORT**

**FUTURE AGENDA ITEMS**

**BOARD MEMBER REPORTS**

**ADJOURNMENT**

Next Regular Meeting: November 7, 2019, 5:00 p.m.

**ADDRESSING THE BOARD**

Any person shall have the right to address the Board during consideration of any item on the Board's agenda or during the time for oral communication if not on the agenda but pertaining to subject matter within the jurisdiction of the Board. Any person wishing to address the Board should stand or raise the hand and wait to be recognized by the Chairperson. Please stand at the podium, if able, state your name and address for the record, and proceed to address the Board. All remarks and questions should be addressed to the Board through the Chairperson and not to any member thereof or to the public. No question should be asked a Board member or a member of Authority staff without first obtaining permission of the Chairperson.

AGENDA ITEM NO. 1

MEETING DATE: SEPTEMBER 5, 2019

**WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY**

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**AGENDA REPORT**

Date: September 5, 2019

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: **2018 CalRecycle Annual Reports**

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**RECOMMENDED ACTION**

Receive and file a report on the Member Agencies' 2018 CalRecycle Annual Reports.

**DISCUSSION**

**Background**

Title 14, California Code of Regulations Section 18794 requires that each jurisdiction submit a report by August 1 of each year that discusses the jurisdiction's progress in implementing the programs described in its waste planning documents, which include the Source Reduction and Recycling Element (SRRE) and the Household Hazardous Waste Element (HHWE).

AB 341 requires all commercial businesses that generate four or more cubic yards of trash or more and all multi-family dwellings with five or more units to subscribe to recycling service. It also requires all cities and counties to divert a minimum of 75% of the waste generated by 2020.

AB1826 requires various levels of organics generators to subscribe to organics collection. See the table below:

**Table 1:  
 AB 1826 Timeline**

| Deadline         | Requirements for Businesses and Multi-Family Premises   | Requirements for Jurisdictions  |
|------------------|---|---|
| January 1, 2016  |   | Implement organics recycling program for businesses and multi-family premises |
| April 1, 2016    | Businesses with 8 CY / week or more of organic material must arrange recycling services for organics* |   |
| January 1, 2017  | Businesses with 4 CY / week or more of organic material must arrange recycling services for organics* |   |
| August 1, 2017   |   | Report progress to CalRecycle   |
| January 1, 2019  | Businesses with 4 CY / week or more of solid waste must arrange recycling services for organics*      |   |
| Summer/Fall 2021 | Businesses with 2 CY / week or more of solid waste** must arrange recycling services for organics*    |   |

\*Business includes multi-family premises with 5 or more units; however, multi-family premises are not required to recycle food waste.

\*\* Applicable only if CalRecycle determines by January 1, 2020 that the statewide disposal of organics has not been reduced to 50% of the 2014 disposal level.

SB 1383 established targets to achieve a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction by 2025. Additionally, the law grants CalRecycle the regulatory authority required to achieve the organic waste disposal reduction targets and establishes an additional target that not less than 20 percent of current disposed edible food is recovered for human consumption by 2025. The law focuses on both residential and commercial generators.

**Table 2:  
 SB 1383**

| Implementation Dates | Thresholds  |
|----------------------|---|
| 2017-2019            | CalRecycle is currently reviewing and finalizing regulations.                         |
| January 1, 2022      | Regulations take effect and are enforceable by CalRecycle.                            |
| January 1, 2024      | Regulations may require jurisdictions to impose penalties on non-compliant generators |

**Discussion**

Table 3 summarizes the reported diversion rates for each agency for the five-year period 2002-2006.

**Table 3:  
 CIWMB 2002-2006 Annual Reports**

| Member Agency | Diversion % |      |      |      |      |
|---------------|-------------|------|------|------|------|
|               | 2002        | 2003 | 2004 | 2005 | 2006 |
| Campbell      | 41%         | 42%  | 49%* | 46%* | 51%* |
| Los Gatos     | 52%         | 53%  | 56%  | 58%  | 65%  |
| Monte Sereno  | 75%         | 81%  | 78%  | 74%  | 76%  |
| Saratoga      | 62%         | 62%  | 67%  | 66%  | 68%  |

\*Campbell’s rate is based on a new base year study prepared for 2004.

Effective with the 2007 Annual Report, CalRecycle changed the methodology used to calculate compliance with the 50% diversion requirement. Under the new methodology, a per capita waste disposal target amount is calculated and compared to the actual per capita waste disposed. As long as the actual per capita amount is less than the targeted per capita disposal amount, the agency is in compliance.

Table 4 shows the target and actual disposed amounts for each Member Agency under the new methodology for 2007-2018, demonstrating that each Agency met the diversion requirement for all years. All four Member Agency’s actual per-capita disposal amounts continue to exceed the target diversion goals with all member Agencies disposal per-capita decreasing from 2017 levels.

A lower per capita figure corresponds to a higher diversion rate.

**Table 4:**  
**CIWMB 2007-2018 Disposal Per Capita (lbs./person/day)**

| Member Agency | Disposal Per-Capita Target | Actual |      |      |      |      |      |      |      |      |      |      |      |
|---------------|----------------------------|--------|------|------|------|------|------|------|------|------|------|------|------|
|               |                            | 2007   | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Campbell      | 5.2                        | 4.7    | 4.4  | 3.8  | 3.9  | 3.8  | 4.0  | 4.1  | 4.1  | 4.2  | 4.5  | 4.7  | 4.6  |
| Los Gatos     | 6.0                        | 4.1    | 3.9  | 3.3  | 3.6  | 3.7  | 3.7  | 4.0  | 3.9  | 4.5  | 3.8  | 4.4  | 4.1  |
| Monte Sereno  | 3.9                        | 1.4    | 1.4  | 1.2  | 1.1  | 1.5  | 1.5  | 2.1  | 1.7  | 2.0  | 1.7  | 1.6  | 1.0  |
| Saratoga      | 4.2                        | 2.7    | 2.9  | 2.5  | 2.8  | 2.8  | 2.9  | 2.9  | 2.9  | 3.1  | 3.1  | 3.1  | 3.0  |

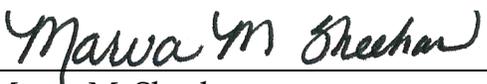
This year a CalRecycle representative visited all four of the West Valley Member Agencies in August 2019 to perform site visits and review commercial and multi-family recycling and organics participation. The sites visited all had recycling and organics programs in place and based on visual inspections appeared to be active participants in the programs success. The representative also reviewed the C&D programs with emphasis on promoting CALGreen building requirement and reviewing agency participation. The summary results from the representative are pending, however, there were not any concerns raised during the visits.

**DOCUMENTS ATTACHED**

None

**FISCAL IMPACT**

None

  
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 Marva M. Sheehan  
 Executive Director

WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 5, 2019  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **Oral Report on AD Hoc Committee Meeting for Disposal Agreement**

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### RECOMMENDED ACTION

Receive an oral report from the Executive Director summarizing the second meeting of the Ad Hoc committee assigned to securing a new disposal agreement.

### DISCUSSION

At the February 7, 2019 Board Meeting, an Ad Hoc committee was established to guide the process of obtaining a new disposal agreement. The committee consists of Chair Resnikoff and Member Kumar.

The first meeting occurred on April 18, 2019 and the Board received an update at the May 2, 2019 meeting.

The second meeting occurred on June 17, 2019.

### FISCAL IMPACT

None

### DOCUMENTS ATTACHED

None



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Marva M. Sheehan  
Executive Director

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WEST VALLEY  
SOLID WASTE MANAGEMENT  
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**AGENDA REPORT**

Date: September 5, 2019  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **Procurement Process Code of Conduct**

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**RECOMMENDED ACTION**

Approve Resolution 2019-05 adopting a code of conduct for the current disposal procurement process.

**DISCUSSION**

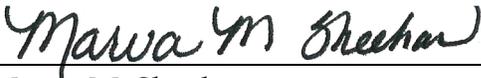
As part of the last collection services procurement process, the Board adopted a Code of Conduct to provide specific language on “dos and don’ts”, provide timeframes for when the rules apply and clarify whether “social conduct” is permissible. The Authority Counsel has updated the prior Code of Conduct to reflect the current timeline for the procurement process.

**DOCUMENTS ATTACHED**

Resolution 2019-05  
Code of Conduct for Procurement Process

**FISCAL IMPACT**

None.

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Marva M. Sheehan  
Executive Director

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**RESOLUTION NO. 2019-05**  
**RESOLUTION OF THE WEST VALLEY SOLID**  
**WASTE MANAGEMENT AUTHORITY ADOPTING A**  
**CODE OF CONDUCT FOR THE 2019/2020 DISPOSAL PROCUREMENT PROCESS**

Whereas, the Authority is a joint powers authority between the Cities of Campbell, Monte Sereno and Saratoga and the Town of Los Gatos (“Member Agencies”);

Whereas, the Board Members of the Authority are obligated to comply with the Political Reform Act of 1974 (“PRA”) to control conflicts of interests through, among other things, disclosure of financial interests;

Whereas, the West Valley Solid Waste Management Authority (“Authority”) is in the process of requesting and receiving proposals for the of solid waste disposal and organics processing services within the jurisdiction of the Authority (“Procurement Process”); and

Whereas, the Board of Directors of the Authority desires to maintain a professional process free from any undue influence and the appearance of impropriety by complying with the PRA and adopting additional regulations regarding the Procurement Process.

THEREFORE, the West Valley Solid Waste Management Authority hereby adopts the Code of Conduct for the Procurement Process attached hereto as Appendix A.

Regularly adopted and passed this 5<sup>th</sup> day of September, 2019, by the following vote:

AYES:  
NOES:  
ABSENT:

APPROVED:

\_\_\_\_\_  
Paul Resnikoff, Chairperson

ATTEST:

\_\_\_\_\_  
Marva M. Sheehan, Executive Director

## **APPENDIX A**

### **WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY CODE OF CONDUCT FOR PROCUREMENT PROCESS**

**POTENTIAL CONFLICT OF INTEREST.** Each Board Member shall inform the Executive Director of the Authority and each elected official of the Member Agencies ("Elected Official") shall inform the staff of his or her Member Agency of any potential conflicts of interest regarding potential proposers for solid waste disposal and organics services for the Authority ("Potential Proposers"). Information regarding potential conflicts shall be provided within 10 days of the Board Member or Elected Official learning of the potential conflict.

**CONTRIBUTIONS.** No Board Member or Elected Official shall accept any contributions by Potential Proposers from the date of adoption of this code from September 5, 2019 until the procurement is finalized and a new contract executed. Each Board Member and Elected Official shall disclose all past contributions from Potential Proposers to the Executive Director of the Authority.

**PROHIBITED CONTACTS.** No Board Member or Elected Official shall have non-public meetings or conversations with Potential Proposers from the date of adoption of this code until the procurement is finalized and a new contract is executed regarding the Procurement Process or any matters involving the Potential Proposers. However, this section shall not prohibit Board Members and elected officials from meeting with Potential Proposers for purely social reasons. All Board Members and Elected Officials shall refer any questions regarding the Procurement Process to the Executive Director of the Authority. Board Members and Elected Officials shall disclose to the Executive Director of the Authority any non-public meetings or conversations with Potential Proposers regarding the Procurement Process which occurred prior to the adoption of this code. A "non-public" meeting is any meeting that has not been called and held in accordance with the Brown Act.

WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 5, 2019  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **Update to SB 1383 and Member Agency Compliance Status**

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### RECOMMENDED ACTION

Receive a report on SB 1383 and Member Agency Compliance Status

### DISCUSSION

SB 1383 was signed by Governor Brown on September 19, 2016 and the second formal draft of the regulations was released on June 19, 2019. The next draft is scheduled to be released sometime in September with a 16 day comment period following. Final Regulations will then be submitted to the Office of Administrative Law for approval in January of 2019.

The primary goals of SB 1383 are to reduce organic waste disposed in landfills 50% by 2020 and 75% by 2025 (2014 baseline), and to reach recovery of 20% of edible food that would otherwise be disposed of in landfills by 2025. To achieve these goals, SB 1383 requires action in the following areas: Organics, Ordinances, Education and Outreach, Contamination Monitoring, Procurement of Organic Materials, Edible Food Recovery, and Compliance Reporting. Enforcement and penalties for non-compliance begins January 1, 2022 for jurisdictions and January 1, 2024 for generators, haulers, and processors.

Exemption waivers exist for both generators and jurisdictions if they have low-volume, low-population, or physical space constrains (§18984.11). The City of Monte Sereno may apply for a low-population waiver (<7,500), depending on the 2020 Census, that will be valid for up to 5 years. However, Monte Sereno may choose to adopt some or all of the policies and procedures adopted by the other Member Agencies.

The following is a summary of the main requirements of SB 1383 by category. Refer to the attached visual timeline for a high-level action plan and key compliance deadlines. The initial compliance deadline for all jurisdictions is **January 1, 2022** with additional compliance deadlines thereafter.

### **Recycling and Organic Waste Collection Services - Partially Compliant**

Commencing January 1, 2022, the State requires all residential and commercial organic waste generators to divert organics materials, including food waste, green waste, and paper from landfill disposal. While the Authority currently offers a 3-container collection program, the current program will need to be expanded to include food waste in residential organics collection (§18984.1-18984.3). Additionally, containers will need to meet labeling and color requirements (§19894.7 & 19894.8).

### **Ordinances - Currently Non-Compliant**

By January 1, 2022, jurisdictions must adopt enforceable ordinances or similar mechanisms to achieve local compliance with SB 1383 (§18981.2.a), including ordinances for recycling/organics, self-haul/back-haul, edible food recovery, hauler regulations, and enforcement. Currently, there are no ordinances in place that meet SB 1383 compliance. Model Ordinances will be released by CalRecycle in early 2020 for use by jurisdictions.

### **Education and Outreach**

#### **Food Recovery - Currently Non-Compliant**

Prior to February 1, 2022, and annually thereafter, jurisdictions will need to provide businesses that generate edible food waste with information regarding the jurisdiction's edible food recovery program, generator requirements, reduction of edible food, and food recovery organizations (§18985.2.b).

#### **Residential, Commercial, & Multi-Family Organics - Partially Compliant**

Annually beginning February 1, 2022, jurisdictions will need to provide information on properly separating materials, organic waste prevention, on-site recycling, methane reduction benefits, public health and environmental impacts, how to recycle organic waste, a list of approved haulers, and information related to food recovery (§18985.1.a). Currently, WVC&R provides a quarterly newsletter to commercial or residential subscribers detailing recycling information.

**Self-Haul Organics- Currently Non-Compliant**

Self-haulers must be provided with information regarding their requirements to either source-separate organic waste or bring it to a high diversion organic waste processing facility, and keep records of organics delivered unless they are a residential organics hauler (§18988.3). Education and outreach provided to organic waste generators will need to include information regarding self-haul requirements (§18985.1.a).

**Contamination Monitoring - Currently Non-Compliant**

Enforcement of SB 1383 on generators and haulers begins on January 1, 2022 with compliance reviews of commercial accounts meeting certain requirements (§18995.1). Beginning April 1, 2022, annual route reviews or composition studies will be added. The reviews/studies may be performed by the Authority, Agency staff, or another designee (i.e. the WVC&R). Non-compliance results in educational material. After January 1, 2024, non-compliance results in enforcement action and penalties to generators.

**Procurement of Materials - Partially Compliant****Organic Waste**

Each jurisdiction must procure recovered organic waste products (e.g., compost or renewable transportation fuel) in quantities that comply with SB 1383 requirements (§18993.1). Procurement quantities shall be determined by the State every five years and are to be based on each jurisdiction's population. The total organic waste tons each Member Agency needs to procure is calculated by multiplying the Agency's population by the per capita procurement target as per the most recent draft regulations of 0.08. The table below summarizes how many tons of organic material each Member Agency will need to procure each year starting in 2022. Currently, some organic waste is being procured, but will need to be expanded.

| <b>SB 1388 Organic Waste Procurement Target</b> |                            |             |
|---|----------------------------|-------------|
| <b>Member Agency</b>                            | <b>Population (1/1/19)</b> | <b>Tons</b> |
| Campbell  | 43,250                     | 3,460       |
| Los Gatos                                       | 30,988                     | 2,479       |
| Monte Sereno                                    | 3,787                      | 303         |
| Saratoga  | 31,407                     | 2,513       |

Recycled-Content Paper

In addition to procuring recovered organic waste products, the Agency must procure recycled-content paper consistent with the Public Contract Code (§18993.3) starting January 1, 2022. This includes Parks and Recreation, Health Department, etc. Currently, some recycled paper products are being procured, but programs will need to be expanded.

Edible Food Recovery – Currently Non-Compliant

The jurisdiction's responsibility surrounding edible food recovery includes educating generators, increasing access, and enforcing Tier 1 generators (Supermarkets, Wholesale Food Vendors, Food Service Providers/Distributors, and Grocery stores (<7,500 sq. ft)) and Tier 2 generator's (Restaurants, Hotels, Event Venues, Education Facilities, and Health facilities based on occupancy) use of food recovery organizations (§18991.1). A list of food recovery organizations shall be maintained on the jurisdiction's website and be provided to food generators at least annually (§18985.2). Tier 1 generators must be compliant by January 1, 2022 and Tier 2 generators by January 1, 2024. If there is insufficient capacity for recovery, the jurisdictions shall be responsible for increasing capacity. The Member Agencies will need to coordinate with their Public Health Department and the County in establishing the program.

Compliance Reporting – Currently Non-Compliant

Implementation Record

Jurisdictions will report on their implementation and compliance with SB 1383 to CalRecycle. The Implementation Record will contain all actions taken for compliance with SB 1383 and shall be readily available upon request (§18995.2). This includes ordinances adopted, contamination records, education and outreach records, edible food recovery records, procurement records, enforcement records, etc.

Initial Compliance Report

The Initial Compliance Report details ordinances adopted and reporting items identified in the Annual Report (§18994.1).

Ongoing Reporting

The Capacity Planning Report will need to include the current level of organic waste and edible food disposed, current infrastructure capacity, and estimated new or expanded capacity (§18992.1 and §18992.2). The Annual Report will need to include all information regarding compliance with SB 1383 (enacted ordinances, organics collections,

contamination monitoring, generator/jurisdiction waivers, food recovery, volumes diverted, overall compliance of generators, etc.) (§18994.2). Like the current AB 939 reporting, the Authority staff will prepare the Annual Reports on behalf of each agency.

| Report Name               | Due Date                         |
|---------------------------|----------------------------------|
| Implementation Record     | January 1, 2022                  |
| Initial Compliance Report | April 1, 2022                    |
| Capacity Planning Reports | August 1, 2022 and 2024          |
| First Annual Report       | October 1, 2022                  |
| Following Annual Reports  | Annually starting August 1, 2023 |

### Penalties

#### Jurisdiction Penalties – Beginning January 1, 2022

Penalties for non-compliant jurisdictions include failure to comply with any of the items identified in Section §18997.3 - Department Penalty Amounts. Some examples include failure to perform any of the following: provide organics processing, adopt appropriate ordinances, provide educational material, comply with CALGreen building standards, maintain adequate records, perform sufficient review, submit required reports and enforce compliance. Penalties range from \$500-\$10,000 per day based on the severity and occurrence of the offence.

#### Generator Penalties – Beginning January 1, 2024

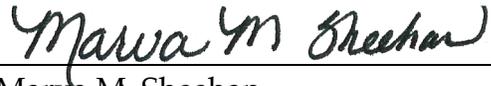
Penalties for non-compliant generators and haulers includes failure to comply with any of the items identified in Section §18997.2 - Penalty Amounts. Some examples include failure to perform any of the following: comply with collection and recovery for organic waste, bring organic material to acceptable facility, and arrange edible food recovery. Penalties range from \$50-\$500 per day based on the severity and occurrence of the offence.

### **FISCAL IMPACT**

Unknown

**DOCUMENTS ATTACHED**

SB 1383 Action Plan Timeline

A handwritten signature in black ink that reads "Marva M Sheehan". The signature is written in a cursive style and is positioned above a horizontal line.

Marva M. Sheehan  
Executive Director

**West Valley Solid Waste Management Authority**  
**SB 1383 Action Plan**

| SB 1383 Regulation                                       | 2019     |    |    |    | 2020           |    |    |    | 2021               |    |    |    | 2022               |    |    |    | 2023               |    |    |    | 2024               |    |    |    |
|--|----------|----|----|----|----------------|----|----|----|--------------------|----|----|----|--------------------|----|----|----|--------------------|----|----|----|--------------------|----|----|----|
|  | Q1       | Q2 | Q3 | Q4 | Q1             | Q2 | Q3 | Q4 | Q1                 | Q2 | Q3 | Q4 | Q1                 | Q2 | Q3 | Q4 | Q1                 | Q2 | Q3 | Q4 | Q1                 | Q2 | Q3 | Q4 |
| <b>Organics Collection Programs</b>                      |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Disposal agreement negotiation                           | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Capacity Planning  | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Expand residential organics collection                   | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Ensure containers have compliant labels                  | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Ensure new containers provided follow color requirements | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Ordinances and Policies</b>                           |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Adopt enforceable ordinance or similar mechanism         | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Require organics haulers to identify facilities utilized | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Adopt ordinances/similar mechanisms for specific reqs.   | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Grant waivers to generators & verify                     | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Contamination Monitoring</b>                          |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Route Reviews/Composition Studies                        | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Noncompliant generator educational follow-up             | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Inspections triggered by processing facility             | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Maintain noncompliance notice records                    | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Education &amp; Outreach</b>                          |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Provide applicable businesses w/ food recovery info      | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Provide all generators w/ required info                  | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Enforcement &amp; Penalties</b>                       |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Inspections of regulated entities                        | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Provide noncompliant generators with public edu.         | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Verify waivers granted to businesses                     | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Investigate complaints and maintain records              | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Take enforcement actions                                 | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Procurement of Recovered Organic Waste</b>            |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Procure prescribed quantity of recovered organic waste   | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Purchase 75% of paper with recycled content              | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Reporting</b>   |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Create an ongoing Implementation Record                  | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Produce a Capacity Planning Report                       | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Produce an Initial Compliance Report                     | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Produce an Annual Report                                 | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| <b>Edible Food Recovery</b>                              |          |    |    |    |                |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |                    |    |    |    |
| Implement edible food recovery program                   | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Monitor compliance of edible food generators             | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Increase edible food recovery capacity, if needed        | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Annually provide Tier 1/Tier 2 generators w/ info        | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |
| Develop/maintain online list of food recovery orgs.      | Planning |    |    |    | Implementation |    |    |    | Ongoing Operations |    |    |    |

| Legend |                    |
|--------|--------------------|
|        | Planning           |
|        | Implementation     |
|        | Ongoing Operations |

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WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 5, 2019  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **Recent Regulatory Changes and Program Updates**

---

### RECOMMENDED ACTION

Receive a report on the recent regulatory changes and program updates.

### DISCUSSION

#### Legislation

No new laws were adopted by the State of California or Federal Government related to recycling, composting and waste reduction since our last meeting.

#### Ongoing

##### AB 1826

AB 1826 continues to be phased in, with generators of solid waste materials (4 cubic yards or greater of weekly volumes) required to subscribe to organic material collection effective January 1, 2019.

Future Milestones for AB 1826 include:

- January 1, 2020 - Businesses with 2 cubic yards or more of weekly solid waste are required to participate in organics collection services if CalRecycle determines on that date that organics waste has not been reduced by 50% of 2014 levels.

Currently there are 7 customers, 6 in Campbell and 1 in Los Gatos, not in compliance with AB 1826 who have either refused service or have been unable to be reached.

WVC&R's next steps to bring those 7 customers into compliance includes letters to each of the non-compliant customers and then reaching out to the jurisdictions for assistance if necessary.

### AB 341

AB 341 became effective on May 6, 2017 and was amended on June 27, 2012 mandating all businesses generating 4 cubic yards or more of solid waste per week to have recycling service. Businesses include commercial customers producing 4 or more cubic yard of solid waste per week and all multi-family residential dwellings with five or more units regardless of the amount of solid waste generated. Although the bill does not mandate diversion standards for each jurisdiction, it sets a statewide goal of 75% disposal reduction by 2020.

### Other Bay Area Programs

#### Refuse Separation Ordinance

The Refuse Separation Ordinance amends the San Francisco Mandatory Recycling and Composting Ordinance. Effective July 1, 2019 it requires large refuse generators to have recycling, composting, and trash audits every 3 years.

#### San Francisco Ordinances

San Francisco passed an ordinance on that will increase the current 10-cent bag fee to 25-cents, effective July 1, 2020. Additionally, San Francisco introduced legislation to reduce single-use food containers by imposing a 25-cent on consumers receiving disposable food ware at all food vendors. It will also be required that all pre-checkout bags, like those seen in grocery stores, are compostable or made from recycled paper. The ordinance would be effective January 1, 2020.

### Proposed Programs

#### AB 827

Introduced on February 20, 2019, AB 827 would require all businesses generating 4 cubic yards or more of commercial solid waste or 8 cubic yards or more of organic waste per week to provide visible recycling containers for customer use. These containers must be marked with educational signage. Full-service restaurants would be exempt.

AB 815

On February 20, 2019, AB 815 was introduced as an integrated waste management plan that incentivizes jurisdictions to adopt dual stream recycling. In order to increase diversion rates, recycling programs focused on being user friendly, resulting in single stream programs.

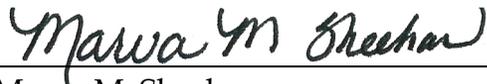
With the implementation the California Integrated Waste Management Act of 1989, jurisdictions not in compliance with specified diversion requirements are issued an order of compliance if a good faith effort was not found. AB 815 would find that any jurisdiction implementing dual stream recycling made a good faith effort.

**FISCAL IMPACT**

None

**DOCUMENTS ATTACHED**

None



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Marva M. Sheehan  
Executive Director

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WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 5, 2019

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: **Consider a report on West Valley Collection and Recycling Interim Rate Adjustment Request**

---

### RECOMMENDED ACTION

Consider a report on West Valley Collection and Recycling Interim Rate Adjustment Request.

### BACKGROUND

Section 8.7 of the current agreement between the Authority and WVC&R allows for the Company or the Authority to submit a request for an Interim Rate Adjustment. Any proposed change in the approved rates shall be subject to Authority review and approval.

Due to changes in China's policy regarding the acceptance of recyclable materials (National Sword), recycling material commodity revenue has declined over the past two years, primarily for fiber material (mixed paper and cardboard).

Processors and hauling contractors throughout California, including the Bay Area, have submitted "extraordinary" rate adjustment requests to jurisdictions. Some have received temporary relief. (e.g., Fremont - \$1.50 per home per month; Union City - \$2.00 per home per month)

### DISCUSSION

In response to the decline in recycling material commodity revenue, WVC&R submitted an Interim Rate Adjustment request on April 1, 2019 and a revised request on May 9, 2019. We have included WVC&R's letter as an attachment.

WVC&R revised submission requested approximately \$1.9 million in additional annual revenue, resulting in potential rate increase of approximately 8% (~\$3.00 per home per month) retroactive to July 1, 2019.

Staff has had discussions and met with WVC&R to review its revised request. WVC&R and staff agreed there are valid changes to the revised request and WVC&R submitted its most recent calculations on August 23, 2019. Staff is currently reviewing the request.

**RECOMMENDATION**

- Provide direction to staff to continue discussions with WVC&R on its most recent Interim Rate Adjustment Request

**FISCAL IMPACT**

To be determined

**DOCUMENTS ATTACHED**

WVC&R May 9, 2019 Letter and Adjustment Support



---

Marva M. Sheehan  
Executive Director



May 9, 2019

Marva Sheehan  
Executive Director WWSWMA Authority  
HF&F Consultants  
201 N. Civic Drive, Suite 230  
Walnut Creek, CA 94596

RE: REVISED Request for an Interim Rate Adjustment

Dear Marva,

Due to our severely impacted ability to market recyclable material collected as part of our solid waste and recycling franchise agreement with WWSWMA we have experienced an extraordinary impact to our performance. Per our agreement with you, WVC&R respectfully requests an interim rate adjustment.

As you are aware, and as you have previously reported to the Authority, China's "National Sword" policy has drastically altered California's recycling industry by restricting foreign imports of recyclable materials, and requiring the reduction of contamination levels in recycling streams. Currently, WVC&R's recycling processor GreenWaste is not sending any postconsumer material to China. Additionally, other foreign outlets have also diametrically changed their willingness to accept recyclables. This is a nationwide situation, and it is impacting us here and now.

Since these changes in policy, GreenWaste has adjusted its operations. In an effort to produce cleaner recycling with less contamination, they have invested in additional MRF processing equipment and have slowed their sort lines by 20%. Materials are piling up, loads are being rejected and the market value for materials has drastically been reduced. Labor is up, capital is up, revenue is down and WVC&R is now paying GreenWaste to process our materials instead of the other way around. Until recently, we have relied on recycling revenue to offset collection costs, allowing for reduced rates for rate payers. Including recycling as a revenue stream had been an industry standard, National Sword has not only eliminated that revenue, recycling programs here for the West Valley Cities, as well as across the U.S. are now struggling with huge processing cost increases.

An article in The Atlantic, [Is this the End of Recycling?](#), March 5, 2019 states that last year China restricted: "imports of certain recyclables including mixed paper, magazines, office

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paper, junk mail- and most plastics. Waste management companies across the country are telling towns, cities, and counties that there is no longer a market for their recycling. These municipalities have two choices: pay much higher rates to get rid of recycling or throw it all away.”

We are not suggesting to throw all the recycling away, in fact the opposite, we are advocating to continue with our expanded list of recyclables and that we do not roll-back all the outreach progress and behavioral change made to date. At the same time, we must recognize that the markets have changed and some allowable recyclables will not be marketed for now.

According to Section 8.7 Interim Rate Adjustment, In the event of an extraordinary or unanticipated event, and such adjustment materially affects the Company's annual cost of operations then the Company or the Authority may submit a request for an interim Rate adjustment.

WVC&R's initial request, submitted to you on April 2, 2019, was based upon an agreement that is now in the process of being replaced. While the new agreement is pending, the attached schedule shows the proposed rates in the new agreement and the incremental cost we are requesting to recover. This is based upon the pricing that is occurring from this uncontrollable impact as compared to pricing West Valley has had since 2014.

We anticipate entering into this new agreement within the next 30 days. It is our understanding that GreenWaste is establishing new contracts with each of its third party haulers and our objective is to enter into an agreement that is not more onerous than any other third party haulers delivering material to GreenWaste for recycle processing.

We sincerely appreciate your consideration of our request for an Interim Rate Adjustment. We all agree this situation is fluid and subject to change based upon market acceptability standards.

Additionally, attached are an email from CalRecycle, a letter from California State Association of Counties, and an article from The Atlantic which are helpful in illustrating the seriousness of this recycling crisis.

Sincerely,



Paul Nelson  
Division Vice President  
West Valley Collection & Recycling

## Recycle Material Sales Recovery - West Valley

|                      | Resi          | Commercial    | Totals        |
|----------------------|---------------|---------------|---------------|
| 2018 Annual Revenues | \$ 12,366,504 | \$ 11,553,163 | \$ 23,919,667 |
| Recycle Adjustment   | \$ 995,786    | \$ 888,268    | \$ 1,884,053  |
| % Increase           | 8.1%          | 7.7%          | 7.88%         |

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# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## **Executive Director**

Marva M. Sheehan, CPA  
HF&H Consultants, LLC  
201 North Civic Drive, Suite 230  
Walnut Creek, CA 94596  
Telephone • (925) 977-6961  
Facsimile • (925) 977-6955  
E-mail • msheehan@hfh-consultants.com

## **Member Agencies**

City of Campbell  
Town of Los Gatos  
City of Monte Sereno  
City of Saratoga

## **MEETING MINUTES**

**May 2, 2019**

Monte Sereno City Hall  
18041 Saratoga-Los Gatos Road  
Monte Sereno, CA 95030

### **CALL TO ORDER**

At 5:10 pm, Vice Chair Paul Resnikoff called the meeting to order.

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

Vice Chair Paul Resnikoff, representing Campbell, Member Kumar Rishi Kumar, representing Saratoga, Member Spector representing Los Gatos, and Alternate Rowena Turner, representing Monte Sereno, were present. Also present were Executive Director Marva Sheehan and Authority Counsel Kirsten Powell.

### **ORAL COMMUNICATIONS FROM THE PUBLIC**

None

### **WRITTEN COMMUNICATIONS**

None

### **OLD BUSINESS**

None

### **NEW BUSINESS**

1. Upon a motion by Member Spector and second by Member Kumar, the Board unanimously elected Vice Chair Resnikoff to serve as Chair for 2019. Upon a

- motion by Member Kumar and a second by Alternate Turner, the Board unanimously elected Member Spector to serve as Vice Chair for 2019.
2. The Board considered the meeting schedule for FY 19/20. No Action Taken.
  3. The Board received an oral report on AD Hoc Committee Meeting for new disposal agreement. No Action Taken.
  4. Upon a motion by Member Kumar and a second by Vice Chair Spector, the Board accepted the Executive Director and Authority Counsel contracts.
  5. Upon a motion by Member Kumar and second by Vice Chair Spector, the Board did not accept a revision to the WVSWMA fund balance policy that would increase the reserve balance to \$300,000. The reserve is to remain at \$100,000.
  6. Upon a motion by Chair Resnikoff and second by Vice Chair Spector, the Board unanimously approved Resolution 2019-20 adopting the FY2019-20 Authority budget and work plan. The approved budget will not include \$25,000 for a customer poll/survey, resulting in a reduction to JPA fees.
  7. The Board received and filed a report on recent regulatory changes and program updates.

### **PUBLIC HEARINGS**

8. Upon a motion by Member Kumar and a second by Vice Chair Spector, the Board unanimously approved Resolution 2019-03 ratifying the Guadalupe Landfill contractual disposal proprietary rate increase of 4.02% effective July 1, 2019.
9. Upon a motion by Member Kumar and a second by Vice Chair Spector, the Board unanimously approved Resolution 2019-04 ratifying the West Valley Collection and Recycling contractual rate increase effective July 1, 2019

### **CONSENT CALENDAR**

10. The Board received and filed the Executive Director financial report for the 9 months ended March 31, 2019.
11. Upon a motion by Vice Chair Spector and a second by Member Kumar, the Board voted 4-0 to approve the minutes of the February 7, 2019 Regular Board Meeting.

### **ADDRESSING THE BOARD**

Any person shall have the right to address the Board during consideration of any item on the Board's agenda or during the time for oral communication if not on the agenda but pertaining to subject matter within the jurisdiction of the Board. Any person wishing to address the Board should stand or raise the hand and wait to be recognized by the Chairperson. Please stand at the podium, if able, state your name and address for the record, and proceed to address the Board. All remarks and questions should be addressed to the Board through the Chairperson and not to any member thereof or to the public. No question should be asked a Board member or a member of Authority staff without first obtaining permission of the Chairperson.

**FUTURE AGENDA ITEMS**

None

**BOARD MEMBER REPORTS**

**None**

**ADJOURNMENT**

Chair Paul Resnikoff adjourned the meeting of the Board at 6:27 pm until the next regular meeting, which will be held September 5, 2019.

**ADDRESSING THE BOARD**

Any person shall have the right to address the Board during consideration of any item on the Board's agenda or during the time for oral communication if not on the agenda but pertaining to subject matter within the jurisdiction of the Board. Any person wishing to address the Board should stand or raise the hand and wait to be recognized by the Chairperson. Please stand at the podium, if able, state your name and address for the record, and proceed to address the Board. All remarks and questions should be addressed to the Board through the Chairperson and not to any member thereof or to the public. No question should be asked a Board member or a member of Authority staff without first obtaining permission of the Chairperson.

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WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 5, 2019  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **YTD Financial Report**

---

### RECOMMENDED ACTION

Accept report on the Authority's FY 2018-19 financial status.

### DISCUSSION

The report titled "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual" shows the approved budget, the year to date actual amounts, and the preliminary fund balance through June for FY 2018-19. With 100% of the fiscal year passed, the report shows that the Authority expended \$582,250 or 93% of the approved FY 2018-19 budget.

Included in the revenue and expenditures is the Annual Fee Payment of \$450,000 from WVC&R. The Annual Fee Payment was fully distributed to the member agencies.

Note that these are preliminary numbers subject to audit.

The preliminary fund balance of \$310,165 exceeds the \$200,000 designated by Board Policy as a result of lower expenditures and higher revenues for the fiscal year. FY 19/20, the fund balance is projected to decrease by \$97,131 with the amount budgeted as a reduction in Agency fees and customer rates.

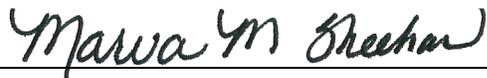
It has been the Board's policy since adopted February 2011 to maintain an operating reserve of \$100,000 and a rate stabilization reserve of \$100,000.

**FISCAL IMPACT**

None

**DOCUMENTS ATTACHED**

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual June 30, 2019.



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Marva M. Sheehan  
Executive Director

**West Valley Solid Waste Management Authority**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**June 30, 2019**

| Acct #                        | Description  | JPA Budget<br>FY 2018-19 | Year to<br>Date<br>Actual | Balance            | YTD %       |
|-------------------------------|--|--------------------------|---------------------------|--------------------|-------------|
| <b><u>Revenues</u></b>        |  |                          |                           |                    |             |
| 4410                          | Interest   | \$ -                     | \$ 6,942                  | \$ (6,942)         | N/A         |
| 4431                          | Unrealized Gains/Losses                                      |                          | \$ 263                    | (263)              | N/A         |
| 4970                          | City of Campbell   | 69,653                   | 69,653                    | -                  | 100%        |
| 4970                          | Town of Los Gatos  | 51,049                   | 51,049                    | -                  | 100%        |
| 4970                          | City of Monte Sereno   | 5,707                    | 5,707                     | -                  | 100%        |
| 4970                          | City of Saratoga   | 49,835                   | 49,835                    | -                  | 100%        |
| 4975                          | Franchise Agreement WVC&R                                    | 450,000                  | 450,000                   | -                  | 100%        |
| 4965                          | Other  | 1                        | 5,000                     | (4,999)            | N/A         |
|                               | <b>Total Revenues</b>  | <u>\$ 626,245</u>        | <u>\$ 638,449</u>         | <u>\$ (12,204)</u> | <u>102%</u> |
| <b><u>Expenditures:</u></b>   |  |                          |                           |                    |             |
| <b>Services and Supplies:</b> |  |                          |                           |                    |             |
| 7424                          | Office Expense   | \$ 500                   | \$ -                      | \$ 500             | 0%          |
| 7427                          | Special Departmental Exp. (Legal Services)                   | 16,597                   | 6,940                     | 9,657              | 42%         |
| 7430                          | Prof. & Special Services (Executive Director)                | 130,985                  | 121,103                   | 9,882              | 92%         |
| 7430                          | Prof. & Special Services (Other)                             | 5,000                    | -                         | 5,000              | 0%          |
| 7432                          | Other Contractual Services (Countywide Support)              | 1,000                    | -                         | 1,000              | 0%          |
| 7432                          | Other Contractual Services (Website Administration)          | 1,100                    | -                         | 1,100              | 0%          |
| 7432                          | Other Contractual Services (Audit Svcs.)                     | 5,760                    | 2,830                     | 2,930              | 49%         |
| 7433                          | Insurance (Liability)  | 2,552                    | 1,377                     | 1,175              | 54%         |
| 7435                          | Travel/Conf. & Meetings                                      | 4,000                    | -                         | 4,000              | 0%          |
| 7438                          | Other Charges (Accounting & Bookkeeping)                     | 8,751                    | -                         | 8,751              | 0%          |
| 7675                          | JPA Solid Waste Distribution                                 | 450,000                  | 450,000                   | -                  | 100%        |
|                               | <b>Total Expenditures</b>                                    | <u>\$ 626,245</u>        | <u>\$ 582,250</u>         | <u>\$ 43,995</u>   | <u>93%</u>  |
|                               | Excess (deficiency) of revenues<br>over (under) expenditures | -                        | 56,199                    | 56,199             |             |
|                               | Beginning Fund Balance 7/1/18 (Preliminary)                  | \$ 200,000               | \$ 253,966                |                    |             |
|                               | Ending Fund Balance  | <u>\$ 200,000</u>        | <u>\$ 310,165</u>         |                    |             |

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WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 5, 2019  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **Fiscal Year 2017-18 Audited Financial Statements**

---

### RECOMMENDED ACTION

Receive and File a report on the West Valley Solid Waste Management Authority's FY 2017-18 Audited Financial Statements.

### DISCUSSION

The City of Campbell (City) provides financial services (general ledger, bookkeeping, etc.) to the Authority. The City, on behalf of the Authority, hired White, Nelson, Diehl, Evans, LLP to perform the annual audit of the Authority's financial statements.

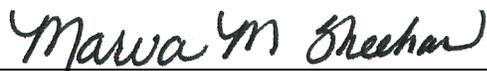
The Authority's FY 2017-18 Financial Audit is presented to the board to receive and file. In the Auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2018, and the changes in financial position and cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

### FISCAL IMPACT

None

### DOCUMENTS ATTACHED

West Valley Solid Waste Management Authority's FY 2017-18 Audited Financial Statements.



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Marva M. Sheehan  
Executive Director

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**WEST VALLEY SOLID WASTE  
MANAGEMENT AUTHORITY**

**BASIC FINANCIAL STATEMENTS**

**WITH REPORT ON AUDIT  
BY INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**JUNE 30, 2018**

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

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WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

BOARD MEMBERS AND STAFF

June 30, 2018

**BOARD MEMBERS**

Curtis Rogers, City of Monte Sereno, Chair

Paul Resnikoff, City of Campbell, Vice Chair

Rishi Kumar, City of Saratoga, Member

Barbara Spector, Town of Los Gatos, Member

**STAFF**

Marva Sheehan, Executive Director

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
West Valley Solid Waste Management Authority  
Campbell, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the West Valley Solid Waste Management Authority (the Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the West Valley Solid Waste Management Authority as of June 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Partial Prior-Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2017, from which such partial information was derived.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, identified as Required Supplementary Information (RSI) in the accompanying 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 RSI 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The board members and staff schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
April 30, 2019

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

This section of the Authority's financial statements, referred to as management's discussion and analysis, provides a narrative introduction, overview, and analysis of the Authority's financial statements that follow.

### **Fiscal Year 2017-18 Financial Highlights**

The primary revenue source for the Authority comes from each member agency based upon the estimated expenses for the upcoming year and a franchise agreement with West Valley Collection and Recycling that provides revenues of \$450,000 annually for the Authority. Revenues and expenses were essentially flat year to year showing just slight increases from 2017. Total revenues for the fiscal year ended June 30, 2018, were \$578,182 compared to expenses of \$556,981, resulting in an increase in net position of \$21,191 for the fiscal year. Ending net position was \$275,157, consisting of cash and investments in the amount of \$206,053 and accounts payable and other liabilities of \$6,284.

### **Overview of the Financial Statements**

This discussion and analysis serve as an introduction to the Authority's basic financial statements.

These basic financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business. They consist of the statement of net position, the statement of revenues, expenses, and changes in net position, the statement of cash flows, and the related notes.

The statement of net position includes all of the Authority's investments in resources (assets and deferred outflows of resources) and the obligations to creditors (liabilities and deferred inflows of resources). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its assessments, fees and other charges, profitability, and creditworthiness. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They can be found immediately following the financial statements.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**Financial Analysis of the Authority**

This analysis focuses on the net position and changes in net position at the Authority-wide level as presented in the statement of net position and the statement of revenues, expenses, and changes in net position.

Net position for the Authority is summarized below and analysis follows:

**Statement of Net Position**

|  | Fiscal<br>Year<br>2018 | Fiscal<br>Year<br>2017 |
|--|------------------------|------------------------|
| Cash and investments                   | \$ 206,053             | \$ 285,596             |
| Accounts receivable                    | 75,388                 | -                      |
| Accounts payable and other liabilities | <u>(6,284)</u>         | <u>(31,630)</u>        |
| Net Position, Unrestricted             | <u>\$ 275,157</u>      | <u>\$ 253,966</u>      |

Total assets decreased \$4,155 (1.45%) from the prior year as a result of the increase in accounts receivable from prior fiscal year offset by a corresponding decrease in cash as the City's fiscal year 2018 annual JPA assessment invoice remained outstanding at year end. Total liabilities decreased \$25,346 (80.13%) from prior fiscal year due to the fiscal year 2017 accrual of the monthly JPA Franchise agreement payments to partner cities.

Below is a summary of components that resulted in the changes in net position.

**Statement of Revenues, Expenses, and Changes in Net Position**

|   | Fiscal Year<br>2018 | Fiscal Year<br>2017 |
|---|---------------------|---------------------|
| Operating Revenues:                     |                     |                     |
| Member assessments                      | \$ 124,724          | \$ 120,879          |
| Annual fee payment                      | 450,000             | 450,000             |
| Investment income                       | 3,458               | 2,311               |
| Other                                   | <u>-</u>            | <u>1,200</u>        |
| Total operating revenues                | <u>578,182</u>      | <u>574,390</u>      |
| Operating Expenses:                     |                     |                     |
| Solid waste                             | 106,991             | 99,980              |
| Distributions to member agencies        | <u>450,000</u>      | <u>450,000</u>      |
| Total operating expenses                | <u>556,991</u>      | <u>549,980</u>      |
| Operating income                        | 17,733              | 22,099              |
| Nonoperating Revenue: Investment income | <u>3,458</u>        | <u>2,311</u>        |
| Changes in Net Position                 | <u>\$ 21,191</u>    | <u>\$ 24,410</u>    |

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**Financial Analysis of the Authority (Continued)**

Revenues and expenses remained relatively consistent with the prior year.

**Budgetary Highlights**

There were no material variances between the current-year budget and actual results.

**Economic Factors and Next Year's Budget**

Next year's budget is based on current-year actual results with a modest inflation factor of less than 4%. It also includes additional funds to begin negotiations for one of the Authority's major contracts.

**Requests for Information**

This financial report is designed to provide a general overview of the West Valley Solid Waste Management Authority's finances for residents, taxpayers, creditors and any other interested parties. Questions about this report can be directed to the Authority's Finance Department at 70 North First Street, Campbell, CA 95008.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION

June 30, 2018

(With comparative totals at June 30, 2017)

|  | <u>2018</u>       | <u>2017</u>       |
|--|-------------------|-------------------|
| ASSETS:                                |                   |                   |
| CURRENT ASSETS:                        |                   |                   |
| Cash and investments                   | \$ 206,053        | \$ 285,596        |
| Accounts receivable                    | 75,388            | -                 |
| TOTAL ASSETS                           | <u>281,441</u>    | <u>285,596</u>    |
| LIABILITIES:                           |                   |                   |
| Accounts payable and other liabilities | <u>6,284</u>      | <u>31,630</u>     |
| TOTAL LIABILITIES                      | <u>6,284</u>      | <u>31,630</u>     |
| NET POSITION:                          |                   |                   |
| Unrestricted                           | <u>275,157</u>    | <u>253,966</u>    |
| TOTAL NET POSITION                     | <u>\$ 275,157</u> | <u>\$ 253,966</u> |

See accompanying notes to the basic financial statements.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the year ended June 30, 2018  
 (With comparative totals for the year ended June 30, 2017)

|  | <u>2018</u>           | <u>2017</u>           |
|--|-----------------------|-----------------------|
| OPERATING REVENUES:                            |                       |                       |
| Member assessments:                            |                       |                       |
| City of Campbell                               | \$ 49,336             | \$ 46,613             |
| Town of Los Gatos                              | 36,351                | 34,895                |
| City of Monte Sereno                           | 4,026                 | 3,946                 |
| City of Saratoga                               | 35,011                | 35,425                |
| Total member assessments                       | <u>124,724</u>        | <u>120,879</u>        |
| Reimbursement from collection service provider | -                     | 1,200                 |
| Annual fee payment                             | <u>450,000</u>        | <u>450,000</u>        |
| <br>TOTAL OPERATING REVENUES                   | <br><u>574,724</u>    | <br><u>572,079</u>    |
| <br>OPERATING EXPENSES:                        |                       |                       |
| Distributions to member agencies               | 450,000               | 450,000               |
| Professional and special services              | 87,258                | 84,332                |
| Legal  | 5,593                 | 820                   |
| Insurance                                      | 2,944                 | 2,787                 |
| Audit  | 2,695                 | 2,630                 |
| Other expenses                                 | <u>8,501</u>          | <u>9,411</u>          |
| <br>TOTAL OPERATING EXPENSES                   | <br><u>556,991</u>    | <br><u>549,980</u>    |
| <br>OPERATING INCOME                           | <br>17,733            | <br>22,099            |
| <br>NONOPERATING REVENUE:                      |                       |                       |
| Investment income                              | <u>3,458</u>          | <u>2,311</u>          |
| <br>CHANGES IN NET POSITION                    | <br>21,191            | <br>24,410            |
| <br>NET POSITION AT BEGINNING OF YEAR          | <br><u>253,966</u>    | <br><u>229,556</u>    |
| <br>NET POSITION AT END OF YEAR                | <br><u>\$ 275,157</u> | <br><u>\$ 253,966</u> |

See accompanying notes to the basic financial statements.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018  
 (With comparative totals for the year ended June 30, 2017)

|  | <u>2018</u>            | <u>2017</u>           |
|--|------------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                        |                       |
| Cash received from member agencies   | \$ 49,336              | \$ 120,879            |
| Cash received from service providers   | 450,000                | 451,200               |
| Cash paid to members   | (450,000)              | (450,000)             |
| Cash paid to suppliers for goods and services  | <u>(132,337)</u>       | <u>(104,938)</u>      |
| <br>NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES  | <br>(83,001)           | <br>17,141            |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                        |                       |
| Interest received  | <u>3,458</u>           | <u>2,311</u>          |
| <br>NET CHANGE IN CASH<br>AND CASH EQUIVALENTS   | <br>(79,543)           | <br>19,452            |
| <br><b>CASH AND CASH EQUIVALENTS<br/>AT BEGINNING OF YEAR</b>  | <br><u>285,596</u>     | <br><u>266,144</u>    |
| <br><b>CASH AND CASH EQUIVALENTS<br/>AT END OF YEAR</b>  | <br><u>\$ 206,053</u>  | <br><u>\$ 285,596</u> |
| <br><b>RECONCILIATION OF OPERATING INCOME TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                        |                       |
| Operating income   | \$ 17,733              | \$ 22,099             |
| Changes in assets and liabilities:   |                        |                       |
| (Increase) decrease in accounts receivable   | (75,388)               | -                     |
| Decrease in accounts payable and<br>other liabilities  | <u>(25,346)</u>        | <u>(4,958)</u>        |
| <br>NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES  | <br><u>\$ (83,001)</u> | <br><u>\$ 17,141</u>  |

See accompanying notes to the basic financial statements.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting Entity:

The West Valley Solid Waste Management Authority (the Authority) was formed on October 1, 1997, to implement and administer the West Valley Solid Waste Management Plan, manage rate studies, and negotiate the related contracts for member entities. The Authority is the only entity included in these financial statements.

The Authority includes the Cities of Campbell, Monte Sereno, and Saratoga and the Town of Los Gatos. The City of Campbell (the City) maintains the financial records and provides accounting services for the Authority.

b. Measurement Focus and Basis of Accounting:

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. New Accounting Pronouncements:

**Current-Year Standards**

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for postemployment benefits other than pension. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation, effective for periods beginning after June 15, 2017. This statement did not impact the Authority.

GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement did not impact the Authority.

GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017. This statement did not impact the Authority.

GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017. This statement did not impact the Authority.

**Pending Accounting Standards**

GASB has issued the following statements, which may impact the Authority's financial reporting requirements in the future:

- GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. New Accounting Pronouncements (Continued):

**Pending Accounting Standards**

- GASB 90 - *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61, effective for periods beginning after December 15, 2018.

d. Cash and Cash Equivalents:

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

e. Fair Value Measurements:

The Authority categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The Authority's investment in the City of Campbell investment pool is not subject to the fair value hierarchy.

f. Classification of Revenues:

*Operating revenues* consist of charges to member agencies, franchise fees, and reimbursements charged to West Valley Collection and Recycling. *Nonoperating revenues* consist of investment income.

g. Net Position Flow Assumption:

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use unrestricted resources first and then use restricted resources as they are needed.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

h. Prior-Year Data:

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's prior-year financial statements from which this selected financial data was derived.

i. Use of Estimates:

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

2. CASH AND INVESTMENTS:

The Authority does not have a separate bank account, however, pools its cash with the City's portfolio of investments. Investments are stated at fair value. The Authority is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis. At June 30, 2018, the Authority had a cash balance of \$206,053.

3. FRANCHISE AGREEMENT:

On March 1, 2014, the Authority entered into a franchise agreement with West Valley Collection and Recycling. Under this agreement, the Authority will receive a payment of \$450,000 annually for the right to continue to hold the franchise for the collection of solid waste, recyclable materials, green waste, food scraps, and construction and demolition debris within the Authority; the transportation of such material to appropriate places of processing, recycling, composting, and/or disposal; and the processing of recyclable materials and food scraps for a period of 10 years ending February 28, 2024. The Authority has recorded the fee revenues of \$450,000 from this agreement in the accompanying statement of revenues, expenses, and changes in net position.

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2018

3. FRANCHISE AGREEMENT (CONTINUED):

On May 1, 2014, the Authority agreed that the proceeds from the franchise agreements would be distributed to each member agency based on the population. Accordingly, the Authority has recorded distributions to member agencies of \$450,000 in operating expenses in the accompanying statement of revenues, expenses, and changes in net position. The distributions were as follows:

|                      |                   |
|----------------------|-------------------|
| City of Campbell     | \$ 173,529        |
| Town of Los Gatos    | 129,906           |
| City of Monte Sereno | 14,688            |
| City of Saratoga     | <u>131,877</u>    |
| Total distributions  | <u>\$ 450,000</u> |

At June 30, 2018, there was no balance due to these member agencies.

4. SUBSEQUENT EVENTS:

Events occurring after June 30, 2018, have been evaluated for possible adjustments to the financial statements or disclosure as of April 30, 2019, which is the date these financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
West Valley Solid Waste Management Authority  
Campbell, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of West Valley Solid Waste Management Authority (the Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 30, 2019.

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of This Report**

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

*White Nelson Dick Evans LLP*

Irvine, California  
April 30, 2019

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# **WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY**

## **Calendar of Future Agenda Items**

### November 7, 2019 Meeting

- Closed Session – annual evaluations of Authority Attorney and Executive Director
- Consider a report on WVC&R's prior Fiscal Year Complaints/Liquidated Damages
- Consider options for future use of \$5,000 received from WVC&R for Outreach and Education

### February 6, 2020 Meeting

- Elect new officers
- Review of Collection and Disposal contracts
- Accept Audited Financial Statements

### May 7, 2020 Meeting

- Board meeting schedule
- Ratify Guadalupe Landfill disposal contractual rate adjustment
- Ratify WVC&R contractual collection rate adjustment
- Approve Authority budget
- Review Executive Director and Authority Counsel contracts

### September 3, 2020 Meeting

- Receive and file annual CalRecycle Annual Reports

### Recurring Meeting Agenda Items

- Approval of prior meeting minutes
- Receive and file the Executive Director financial report
- Regulatory and program updates