

MARIN COUNTY HAZARDOUS & SOLID WASTE
JOINT POWERS AUTHORITY

EXECUTIVE COMMITTEE MEETING

Wednesday, January 20, 2010
Suite 200-A Conference Room
65 Mitchell Blvd., San Rafael

2:00 - 3:00 PM

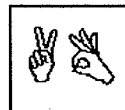
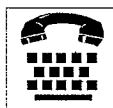
AGENDA

Call to Order.

1. Approval of Executive Committee Minutes from April 15, 2009. (Action)
2. JPA Audit and Financial Statements for year ending June 30, 2009. (Action)
3. Zero Waste Feasibility Study update. (Information/Action)
4. FY 10-11 Budget Process, Executive Committee Subcommittee (Action)
5. Open Time.
6. Next scheduled Executive Board Meeting - Wednesday April 14, 2010,
2:00 – 3:00 PM, 65 Mitchell Boulevard, San Rafael.
Next scheduled JPA Board Meeting - Thursday, January 28, 2010.
7. Adjourn.

View complete agenda, including staff reports, at www.marinrecycles.org/mins_agendas.cfm

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All public meetings and events sponsored or conducted by the County of Marin are held in accessible sites. Requests for accommodations may be requested by calling (415) 473-4381 (voice) (415) 473-3232 (TTY) at least **four work days** in advance of the event. Copies of documents are available in alternative formats, upon written request.

Contact the County's Waste Management Division, at 499-6647 for more information

Draft**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT JOINT POWERS AUTHORITY**

Executive Committee
 Wednesday, October 21, 2009
 65 Mitchell Blvd., Suite 200-A
 San Rafael, CA 94903

MINUTES**MEMBERS PRESENT**

Matthew Hymel, County of Marin
 George Rodericks, Town of Belvedere
 Ken Nordhoff, San Rafael
 Debbie Stutsman, San Anselmo (Chair)
 Michael Frank, Novato

MEMBERS ABSENT

None

STAFF PRESENT

Michael Frost, JPA
 Alex Soulard, JPA
 Jeff Rawles, JPA Consultant

OTHERS PRESENT

Kerry Mazzoni, Public
 Patty Garbarino, Marin Sanitary Service
 Jon Elam, Tamalpais CSD
 Richard Schorske, MCEP
 Dee Johnson, Novato Sanitary District
 Roger Roberts, Marin Conservation League
 Christopher Gray, San Rafael Fire
 Richard Tagore-Erwin, R3 Consulting Group
 Steve McCaffrey, Redwood Empire Disposal

Call to Order The Executive Committee meeting came to order at 2:06 PM.

1. Approve Executive Committee minutes from April 15, 2009. M/s Nordhoff, Rodericks to approve the April 15, 2009 Executive Committee meeting minutes. The motion was unanimously approved.
2. Novato Household Hazardous Waste Grant. Staff reported that the Novato HHW grant is the sixth year of the grant to augment Novato's Household Hazardous Waste Program. M/s Nordhoff, Rodericks to authorize the Chair to sign the grant contract with Novato Sanitary District. The motion was unanimously approved.
3. Nondisposal Facility Element Amendment. Staff reported that the California Integrated Waste Management Board (CIWMB) requested the JPA amend its Nondisposal Facility Element (NDFE) to reflect permit changes at Redwood Landfill that include their composting operation. Staff described the purpose of the document and noted that Task Force comments had been incorporated into the report. M/s Frank, Nordhoff to recommend the full JPA Board approve the NDFE at their January meeting. The motion was unanimously approved.
4. Draft Zero Waste Feasibility Study Presentation. Richard Tagore –Erwin of R3 Consulting Group presented the Draft Zero Waste Feasibility Study by describing the process of developing the original draft of the study and holding a series of public meetings and receiving comments. He reviewed the suggested programs and described

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the range of cost for each of the items and their impact depending on how aggressively the JPA targets each item. The consultant described the cost estimates of the total franchised hauler costs for Marin's total waste stream and evaluated how implementation of Zero Waste programs would decrease overall system costs by bringing new waste streams into the franchised hauler system. The cost per ton generated would be reduced but the average cost to the ratepayer would increase. Michael Frank asked how the increased staffing and work at the JPA level would affect the individual efforts of each municipality. Tagore-Erwin suggested that many of the programs would work most cost efficiently by coordinating efforts regionally to reduce work for each city to revise franchise agreement language, ordinances, and providing outreach. Staff added that past programs that were coordinated by the JPA were not adopted by all member agencies and emphasized that there must be member interest and participation to make many of the Zero Waste Programs work. Ken Nordhoff asked why grant funds were not included in the study since the JPA has been aggressive in obtaining grant funding. Tagore-Erwin stated that this could be added to the study but many grant funding sources are being eliminated. Matthew Hymel and George Rodericks asked whether the implementation of programs in the study was capable under the current role of the JPA named in the JPA Agreement including the ability to raise fees to fund programs. Staff stated that Counsel has reviewed raising AB939 fees and that the JPA is capable of raising the fees to fund programs, but staff will need to review with Counsel to ensure the JPA Agreement allows the Board to implement Zero Waste Programs. Stutsman and Nordhoff stated that education is a major part of the Zero Waste programs and suggested that updating the website and providing outreach is necessary for success. M/s Nordhoff, Rodericks to recommend the JPA Board accept the report at their January meeting, direct staff to extend the comment period on the Draft Zero Waste Feasibility Study to November 10, 2009, examine the JPA Agreement to determine what roles the JPA can accept under the current structure, and create a budget proposal through the Budget Subcommittee to create a matrix of costs related to proposed Zero Waste Programs that will be brought back to the Executive Committee. The motion was unanimously approved.

5. Report on JPA HHW Facility and CIWMB Grant. Staff reported that grant language in a \$300,000 Household Hazardous Waste (HHW) Facility Expansion Grant the JPA received from the CIWMB requires the JPA to update agreements with the City of San Rafael and Marin Sanitary Service to ensure the HHW facility is open for 10 years. The JPA must either return the grant funding or come to an agreement with the permit holder and Marin Sanitary for continued operation of the facility. Chief Gray reported that the San Rafael Fire Department and Hazardous Waste Regulations have changed a great deal over the past 5 years. The oversight of the facility is limited by its supervisor and the increase in HHW regulations and the Fire Department has difficulty committing to another 10 years of operation of the site. The Committee discussed the implications of not receiving the grant funds and the impacts that would have on the facility, agreements, and the permitted agencies. Patty Garbarino gave a historical background of the facility and how the operations have prevented pollution and fires and needs to be expanded to process new types of hazardous waste. She stated that the facility needs the grant funds and that Marin Sanitary Service would take responsibility to pay back grant funds if the facility closed before the 10 year CIWMB requirement.

M/s Nordhoff, Hymel to direct staff to work with the City of San Rafael, the CIWMB, Marin Sanitary Service and each group's legal counsel to construct an agreement that would

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satisfy the State's requirements to receive grant funding and obligate the repayment of the grant funds by Marin Sanitary shall the facility close within the 10 year period of ownership required by the grant, eliminating liability of repayment by the JPA or the City of San Rafael. This agreement will be presented to the JPA Board at the Marin Managers Group at their meeting on October 29, 2009. The motion was approved with Ayes from all members except Michael Frank, who abstained.

M/s Nordhoff, Hymel to have staff prepare a proposal for the Executive Committee and the JPA Board at a future meeting to determine how to amend agreements with the permitting agency, facilitate oversight, and manage contracts. Additionally, staff should prepare a proposal which examines how JPA would like to run the HHW program and oversee operations moving forward and determine what sort of expertise will be required to run the program for all entities served by the facility. The motion was approved with Ayes from all members except Michael Frank, who abstained.

6. Legislative Support Letters and Platform. Staff reported that there were multiple legislative support letters that were prepared for the Committee's approval. However, the governor vetoed those bills days prior to the meeting. Staff recommended that the Local Task Force prepare a legislative platform for quicker response to support bills. M/s Hymel, Nordhoff to direct the Local Task Force to develop a Legislative Platform that will be presented to the JPA Board for approval at a future meeting. The motion was approved unanimously.
7. MarinRecycles.org Website Update. Staff reported that the Local Task Force has reviewed the MarinRecycles.org website and made many it needed many updates to be brought up to date. M/s Nordhoff, Hymel to direct staff to proceed with Phase 1 of the website update out of budget reserves by soliciting at least three bids and selecting web contractors, and include Phase 2 in the FY 10/11 Budget. The motion was approved unanimously.
8. 2008 Annual Report Submittal. Staff presented the 2008 Annual report that was submitted in August 2009. The annual report showed that disposal was 4.5 pounds per person per day, which is down from 4.9 pounds for 2007. The JPA is well below the disposal threshold of 7.3 pounds per person per day which is the target for compliance with AB939.
9. Open Time. No comments received.
10. Adjourn.

MARIN COUNTY HAZARDOUS AND SOLID WASTE MANAGEMENT JOINT POWERS AUTHORITY

Belvedere:
George Rodericks

Date: January 20, 2009

Corte Madera:
David Bracken

To: Executive Committee Members

County of Marin:
Matthew Hymel

From: Michael Frost

Re: 2009 Financial Statements and Auditors Report

Fairfax:
Michael Rock

Attached for your review are the JPA's Financial Statement and Auditor's Report for the year ending June 30, 2009. Also attached is a letter from John Maher's CPA management firm for year ending June 30, 2009. No exceptions are noted in Mr. Maher's Audit and Management letter.

Larkspur:

Mill Valley:

It is requested that you recommend your Board accept the attached financial statements and auditor's report for the year ending June 30, 2009 at their January 28, 2010 meeting.

Novato:
Michael Frank

Attachments

Ross:
Gary Broad

San Anselmo:
Debbie Stutsman

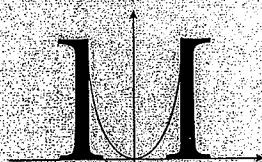
San Rafael:
Ken Nordhoff



Sausalito:
Adam Politzer

Tiburon:
Margaret Curran

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Financial Plumb Line

MAHER ACCOUNTANCY 1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

November 17, 2009

To the Board of Directors
Marin County Hazardous & Solid Waste Management Authority

We have audited the financial statements of the Marin County Hazardous & Solid Waste Management Authority for the year ended June 30, 2009, and have issued our report thereon November 17, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 11, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marin County Hazardous & Solid Waste Management Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant estimates used in preparing the financial statements.

Difficulties Encountered in Performing the Audit

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

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Because the

Authority's general ledger is maintained for each fund according to the modified accrual basis of accounting, we recommended adjustment to allow for the presentation of the government-wide financial statements on the full accrual basis since generally accepted accounting principles require that both presentations be made in the financial statements. During last fiscal year (07-08), management made a reasonable estimate of the accrued expenditures for services provided by San Rafael Fire Department based on information available at year end. At the time of our audit work for 07-08 additional information was available. Accordingly, we recommended and management accepted adjustment to reduce the estimated expenditure by approximately \$65,000. The adjustment was recorded by management in the 08-09 financial records. We recommended and management accepted that the adjustment should be recorded in 07-08 and not 08-09. Any other misstatements detected as a result of audit procedures and corrected by management were immaterial, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 1, 2009 and returned to us on November 17, 2009.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

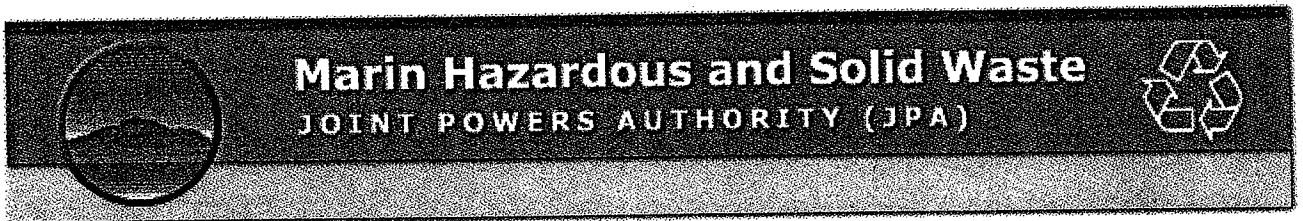
We noted that expenditures for legal services and contracted services with San Rafael Fire Department exceeded amounts authorized by the budget. Management should closely monitor actual expenditures during the year. In the event that the original budget is insufficient, management should propose appropriate budget amendments for adoption during the course of the year.

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

This information is intended solely for the use of Board of Directors and management of Marin County Hazardous & Solid Waste Management Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

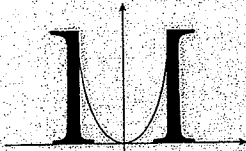
Maier Accountancy



FINANCIAL STATEMENTS AND AUDITORS' REPORT
YEAR ENDED JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Marin County Hazardous & Solid Waste
Management Authority

We have audited the accompanying basic financial statements of the Marin County Hazardous & Solid Waste Management Authority as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted the audit in accordance with auditing standards generally accepted in the United States of America and the California State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Marin County Hazardous & Solid Waste Management Authority as of June 30, 2009, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

The management's discussion and analysis on pages 2 through 5 and required supplemental information on pages 16 and 17 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Maher Accountancy

November 17, 2009



**Marin County Hazardous & Solid Waste
Management Authority**
P.O. Box 4186
San Rafael, CA 94913

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis provides an overview of the Marin County Hazardous & Solid Waste Management Authority (Authority) financial activities for the fiscal year ended June 30, 2009. Please read it along with the Authority's financial statements, which begin on page 5.

FINANCIAL HIGHLIGHTS

The Authority's net assets are \$479,770, a decrease of \$260,141 over the prior year. Total revenues increased by \$126,738 and total expenses increased by \$348,776.

Budgetary comparison schedules are found starting on page 16. Those schedules indicate we had positive variance of \$91,887 in Countywide Waste Management and a negative variance of \$43,319 in Household Hazardous Waste Management when comparing actual activity with budgeted.

USING THIS ANNUAL REPORT

This annual report consists of financial statements for the Authority as a whole. The statement of net assets and the statement of activities provide information about the activities of the Authority as a whole and presents a long-term view of the Authority's finances. The fund financial statements present a short-term view of the Authority's activities (they include only current assets expected to be collected in the very near future and liabilities expected to be paid in the very near future). Presently, the Authority does not have any differences between the basic financial statements (statement of net assets and statement of activities) and the fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance).

THE AUTHORITY AS A WHOLE

One important question asked about the Authority's finances is, "Is the Authority better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the basis of accounting used by most private-sector companies.

The change in *net assets* (the difference between total assets and total liabilities) over time is one indicator of whether the Authority's financial health is improving or deteriorating. However, one must consider other nonfinancial factors in making an assessment of the Authority's health, such as changes in the economy and changes in the Authority's boundaries, etc. to assess the *overall* health of the Authority.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

Changes in the Authority's net assets were as follows:

	<u>2009</u>	<u>2008</u>	<u>Increase (decrease)</u>
Total assets	\$ 711,002	\$ 1,058,351	\$ (347,349)
Total liabilities	<u>231,232</u>	<u>318,440</u>	<u>(87,208)</u>
Net assets:			
Designated	278,373	662,258	(383,885)
Undesignated	<u>201,397</u>	<u>77,653</u>	<u>123,744</u>
Total net assets	<u>\$ 479,770</u>	<u>\$ 739,911</u>	<u>\$ (260,141)</u>

The Authority's total assets decreased as a result of the planned operating deficit and the payment of liabilities from the prior year. The Authority was able to reduce its liabilities at year-end because it received vendor invoices for hazardous waste disposal services more timely than in the prior year.

Changes in the Authority's revenues were as follows:

	<u>2009</u>	<u>2008</u>	<u>Increase (decrease)</u>
General revenues:			
Investment earnings	\$ 3,775	\$ 10,330	\$ (6,555)
Program revenues:			
Solid waste management fees	1,678,773	1,518,380	160,393
Grant revenue	7,000	5,508	1,492
Miscellaneous	1,875	-	1,875
Investment earnings	<u>13,409</u>	<u>43,876</u>	<u>(30,467)</u>
Total program revenue	<u>1,701,057</u>	<u>1,567,764</u>	<u>133,293</u>
Total revenues	<u>\$ 1,704,832</u>	<u>\$ 1,578,094</u>	<u>\$ 126,738</u>

Solid waste management fees increased as planned for in our budget.

MARIN COUNTY HAZARDOUS & SOLID WASTE MANAGEMENT AUTHORITY

Changes in the Authority's expenses and net assets were as follows:

	2009	2008	Increase (decrease)
Contract staff and support	\$ 347,003	\$ 257,636	\$ 89,367
Services and supplies	1,617,970	1,358,561	259,409
Total expenses	1,964,973	1,616,197	348,776
Less program revenues	1,701,057	1,567,764	133,293
Net revenue (expenses)	(263,916)	(48,433)	(215,483)
General revenues	3,775	10,330	(6,555)
Change in net assets	<u>\$ (260,141)</u>	<u>\$ (38,103)</u>	<u>\$ (222,038)</u>

Expenses increased as a result of our higher contracted fixed fee arrangement with the County and the implementation of the Zero Waste program during 2008-09.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Authority's funds - the general fund and special revenue fund.

The fund financial statements provide a short-term view of the Authority's operations. They are reported using an accounting basis called *modified accrual* which measures amounts using only cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid with cash.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Authority does not own any capital assets nor does it have any debt. The Authority shares office space with the Marin County Public Works Department.

MARIN COUNTY HAZARDOUS & SOLID WASTE MANAGEMENT AUTHORITY

THE FUTURE OF THE AUTHORITY


With a growing awareness of our society's environmental impacts, the public has shown an increasing interest in recycling, reuse, waste reduction and hazardous materials programs. The incremental increase in products that are legislatively banned from landfill disposal and public requests for expansion of green programs demonstrates the growing demand for a greater scope of environmental services in the future. The JPA's goal of 80 percent diversion by 2012 and Zero Waste by 2025 will require substantial coordination and uniformity of solid waste services, outreach programs, infrastructure, and regulation in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the address on our letterhead.

Respectively submitted,



Michael Frost, Manager

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2009**

ASSETS	
Cash	\$ 707,724
Receivables:	
Grants	<u>3,278</u>
Total assets	<u>711,002</u>
LIABILITIES	
Accounts payable and accrued expenses	<u>231,232</u>
NET ASSETS	
Restricted for household hazardous waste disposal	278,373
Unrestricted	<u>201,397</u>
Total net assets	<u><u>\$ 479,770</u></u>

The accompanying notes are an integral part of these financial statements.

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**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

	Countywide Waste Management (General Fund)	Hazardous Waste (Special Revenue Fund)	Total
EXPENDITURES:			
Contract staff and support	\$ 312,303	\$ 34,700	\$ 347,003
Services and supplies	208,949	1,409,021	1,617,970
Total expenditures/expenses	<u>521,252</u>	<u>1,443,721</u>	<u>1,964,973</u>
PROGRAM REVENUES:			
Waste management fees	632,346	1,046,427	1,678,773
Operating grant - State of California	7,000	-	7,000
Miscellaneous income	1,875	-	1,875
Investment earnings	<u>13,409</u>	<u>13,409</u>	<u>13,409</u>
Total program revenue	<u>641,221</u>	<u>1,059,836</u>	<u>1,701,057</u>
Net program revenue (expense)	<u>\$ 119,969</u>	<u>\$ (383,885)</u>	<u>(263,916)</u>
GENERAL REVENUES:			
Investment earnings			<u>3,775</u>
Excess (deficiency) of revenues over expenses			(260,141)
NET ASSETS:			
Net Assets at June 30, 2008			<u>739,911</u>
Net Assets at June 30, 2009			<u>\$ 479,770</u>

The accompanying notes are an integral part of these financial statements.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**BALANCE SHEET
YEAR ENDED JUNE 30, 2009**

	Countywide Waste Management (General Fund)	Household Hazardous Waste (Special Revenue Fund)	Total
ASSETS			
Cash	\$ 198,119	\$ 509,605	\$ 707,724
Receivables:			
Grants	3,278	-	3,278
Total assets	<u>\$ 201,397</u>	<u>\$ 509,605</u>	<u>\$ 711,002</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ 231,232	\$ 231,232
FUND BALANCES			
Fund balances:			
Designated for household hazardous waste disposal		278,373	278,373
Undesignated	201,397		201,397
Total fund balance	<u>201,397</u>	<u>278,373</u>	<u>479,770</u>
Total liabilities and fund balances	<u>\$ 201,397</u>	<u>\$ 509,605</u>	<u>\$ 711,002</u>

The accompanying notes are an integral part of these financial statements.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2009**

	Countywide Waste Management (General Fund)	Hazardous Waste (Special Revenue Fund)	Total
REVENUES:			
Solid waste management fees	\$ 632,346	\$ 1,046,427	\$ 1,678,773
Operating grant - State of California	7,000	-	7,000
Miscellaneous income	1,875		1,875
Investment earnings	3,775	13,409	17,184
	<hr/>	<hr/>	<hr/>
Total revenues	644,996	1,059,836	1,704,832
EXPENDITURES:			
Contract staff and support	312,303	34,700	347,003
Services and supplies:			
Legal	5,600		5,600
Accounting and audit fees	7,500		7,500
Insurance	16,624		16,624
Rent	15,904		15,904
Mileage and routine travel	211		211
Outreach	17,230		17,230
Contract services	139,275	1,409,021	1,548,296
Computer supplies	756		756
County financial service	5,849		5,849
Total services and supplies	<hr/>	<hr/>	<hr/>
Total expenditures	208,949	1,409,021	1,617,970
	<hr/>	<hr/>	<hr/>
	521,252	1,443,721	1,964,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	123,744	(383,885)	(260,141)
Fund balance at June 30, 2008	<hr/>	<hr/>	<hr/>
	77,653	662,258	739,911
Fund balance at June 30, 2009	<hr/>	<hr/>	<hr/>
	\$ 201,397	\$ 278,373	\$ 479,770

The accompanying notes are an integral part of these financial statements.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Marin County Hazardous & Solid Waste Management Authority was formed under a joint powers agreement between the County of Marin and eleven cities and towns within Marin County. The purpose of Authority is to administer and enforce hazardous waste and solid waste management plans, as mandated by State Law.

The governing board of the Authority consists of one appointed official from each of the member agencies. The Authority has contracted with Marin County Department of Public Works for administrative services and the City of San Rafael for Hazardous Waste management services.

INTRODUCTION

The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations.). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major funds).

In the government-wide Statement of Net Assets, the Authority's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Authority's net assets are reported in two parts: (1) invested in capital assets, net of related debt, and (2) unrestricted net assets. Since the Authority does not own any capital assets and there is no debt, only unrestricted assets are shown.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS (Continued)

The government-wide Statement of Activities reports both the gross and net cost of the Authority's function. The function is supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues.

The net costs (by function) are normally covered by general revenues.

The government-wide focus is more on the sustainability of the Authority as an entity and the change in the Authority's net assets resulting from the current year's activities.

FUND FINANCIAL STATEMENTS

The financial transactions of the Authority are reported in individual funds in the fund balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures.

The Authority uses the following fund type:

Governmental fund:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Authority:

General fund accounts for the Authority's general operations.

Special revenue fund accounts for hazardous waste disposal for households through a contract with the City of San Rafael Fire Department and Novato Sanitary District.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCUAL:

The governmental activities in the governmental-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

MODIFIED ACCRUAL:

The government fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

There were no differences between the two bases of accounting for the year ended June 30, 2009.

FINANCIAL STATEMENT AMOUNTS

CASH AND CASH EQUIVALENTS:

The Authority has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with fiscal agent (County of Marin).

Equipment and infrastructure

It is the Authority's policy to record purchases of items of furniture and equipment costing \$1,000 or less as office supplies. Items in excess of \$1,000 are classified as capital outlay or capitalized. As of June 30, 2009, no equipment purchases have met the capitalization criteria.

BUDGET

Both the original budget and the final budget (if changes were adopted) are included in these financial statements as approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

2. CASH

The Authority maintains all of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash."

The County Pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

INTEREST RATE RISK

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2008, the latest available information, the County's investment pool had a weighted average maturity of 218 days.

For purposes of computing weighted average maturity, the maturity date of variable rate notes is the length of time until the next reset date rather than the stated maturity date.

CREDIT RISK

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA."

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

2. CASH (continued)

CONCENTRATION OF CREDIT RISK

The following is a summary of the concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2008, the latest date available.

Investments in Investment Pool	<u>Percent of Portfolio</u>
U.S. Agency	65%
U.S. Treasury	11%
Local Agency Investment Fund	2%
Money market funds	6%
Certificates of deposits	11%
Bankers acceptances	4%
Commercial paper	1%
	<u>100%</u>

CUSTODIAL CREDIT RISK

For investments and deposits held with safekeeping agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

LOCAL AGENCY INVESTMENT FUND

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

3. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, the Authority purchased liability insurance with limits of \$2,000,000 and a deductible of \$1,000.

4. RELATED PARTY TRANSACTIONS

The County of Marin is a member of the Authority. The County Public Works Department provided staffing for the Authority for a fee of \$347,003 for the year. Additionally, the Authority paid the County of Marin \$15,904 for rent and \$5,849 for indirect overhead.

The Authority incurred expenditures of \$1,375,518 under a contract with the City of San Rafael (a member government) to operate its household waste program. As of June 30, 2009, accrued expenses to the City of San Rafael amounted to \$231,232. The Authority has budgeted \$1,360,000 for these services for the 2009-10 fiscal year.

5. STATE GRANT

The Authority was the recipient of two grants from the State of California. One grant, for \$7,000, was used to create region-wide programs for dealing with universal waste issues. The other grant, for \$300,000, is to provide funding for the expansion of the San Rafael Household Hazardous Waste facility is expected to be earned during the 2009-10 fiscal year.

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**BUDGET COMPARISON SCHEDULE
COUNTYWIDE WASTE MANAGEMENT PROGRAM
GENERAL FUND (CWM)
YEAR ENDED JUNE 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Waste management fees	\$ 632,342	\$ 632,346	\$ 4
Operating grant - State of California	-	7,000	7,000
Miscellaneous income		1,875	1,875
Investment earnings	1,592	3,775	2,183
Total revenues	633,934	644,996	11,062
EXPENDITURES:			
Contract staff and support	312,303	312,303	-
Services and supplies:			
Legal	4,000	5,600	(1,600)
Accounting and audit fees	8,000	7,500	500
Insurance	17,420	16,624	796
Equipment repairs & maintenance	1,000	-	1,000
Rent	15,904	15,904	-
Training	1,500	-	1,500
Mileage and routine travel	600	211	389
Outreach	30,000	17,230	12,770
Zero waste development	200,000	139,275	60,725
Computer supplies	1,000	756	244
Office supplies	2,500		2,500
Document reproduction	2,000		2,000
County financial service	5,850	5,849	1
Total services and supplies	289,774	208,949	80,825
Total expenditures	602,077	521,252	80,825
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 31,857</u>	123,744	<u>\$ 91,887</u>
Fund balance as of June 30, 2008		77,653	
Fund balance as of June 30, 2009		<u>\$ 201,397</u>	

**MARIN COUNTY HAZARDOUS & SOLID WASTE
MANAGEMENT AUTHORITY**

**BUDGET COMPARISON SCHEDULE
HOUSEHOLD HAZARDOUS WASTE PROGRAM (NNO)
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Solid waste management fees	\$ 1,046,427	1,046,427	\$ -
Investment earnings	<u>9,062</u>	<u>13,409</u>	<u>4,347</u>
Total revenues	1,055,489	1,059,836	4,347
EXPENDITURES:			
Contract services and support	34,700	34,700	-
Contract services	<u>1,361,355</u>	<u>1,409,021</u>	<u>(47,666)</u>
Total expenditures	<u>1,396,055</u>	<u>1,443,721</u>	<u>(47,666)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (340,566)</u>	<u>(383,885)</u>	<u>\$ (43,319)</u>
Fund balance June 30, 2008		<u>662,258</u>	
Fund balance June 30, 2009		<u>\$ 278,373</u>	

MARIN COUNTY HAZARDOUS AND SOLID WASTE MANAGEMENT JOINT POWERS AUTHORITY

Belvedere:
George Rodericks

Date: January 20, 2010

Corte Madera:
David Bracken

To: JPA Executive Committee

County of Marin:
Matthew Hymel

From: Michael Frost
Executive Director

Fairfax:
Michael Rock

Re: Zero Waste Feasibility Study Update

Larkspur:

Marin's draft Zero Waste Feasibility Study is complete and currently posted on the JPA's website – marinrecycles.org. At your Committee's direction, the comment period was extended to November 10, 2009, and all comments have been responded to and are incorporated into the study.

Mill Valley:

Novato:
Michael Frank

The Zero Waste Feasibility study will be on the JPA's January 28, 2010 Board Meeting agenda for acceptance. Should the JPA accept the study, staff will then incorporate costs in its budget proposal for FY 2010-11.

Ross:
Gary Broad

San Anselmo:
Debbie Stutsman

At your request, the JPA's legal counsel reviewed the draft Zero Waste Feasibility Study for compatibility with the existing JPA articles and whether its existing powers allow the JPA to address recommendations contained in the zero waste feasibility study.

San Rafael:
Ken Nordhoff

Sausalito:
Adam Politzer

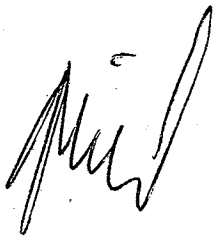
Counsel's opinion is that the existing agreement allows for new programs as outlined in the Zero Waste Study, as long as they are consistent with the purpose and powers of the JPA in achieving compliance with AB 939. Counsel noted the purpose of the JPA agreement refers to and includes "new requirements imposed on member agencies by future acts of the State and Federal Government as agreed by the member agencies." Therefore it would follow that new programs which do not fit under that description would be of a voluntary nature in regard to each member's participation to the extent that such programs extend beyond what is required by State and Federal law. This concept would be similar to the Household Hazardous Waste Program currently administered by the JPA. As you are aware, San Rafael Fire Department administers the HHW for the JPA, except Novato who operates a separate program and is granted funds by the JPA.

Tiburon:
Margaret Curran

Counsel cautioned that the existing JPA agreement provides that the JPA shall indemnify and hold harmless member agencies. This indemnification provision would indicate that the JPA consider carefully the possible funding of programs for a member agency to individually administer. For example, should the JPA decide to consider the granting of funds to programs for, e.g., a city to administer, the JPA may wish to consider options to address the potential liability involved.

JPA staff will be looking at other regional agencies, specifically the Alameda Waste Management Authority who currently operate with a significantly larger budget, for applicability in Marin. Should the JPA desire to expand its budget and programs, Alameda's program might provide a template on which programs are best administered centrally, and other programs that are better administered at each municipality.

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A handwritten signature in black ink, appearing to be 'M. L. Smith', is centered on the page.

MARIN COUNTY HAZARDOUS AND SOLID WASTE MANAGEMENT JOINT POWERS AUTHORITY

Belvedere:
George Rodericks

Date: January 20, 2010

Corte Madera:
David Bracken

To: JPA Executive Committee

County of Marin:
Matthew Hymel

From: Michael Frost
Executive Director



Fairfax:
Michael Rock

Re: FY 10-11 Budget Process

Larkspur:

Mill Valley:

Novato:
Michael Frank

Ross:
Gary Broad

San Anselmo:
Debbie Stutsman

San Rafael:
Ken Nordhoff

Sausalito:
Adam Politzer

Tiburon:
Margaret Curran

In past years, your Committee has appointed a budget subcommittee consisting of your Chair and Vice Chair to review the proposed JPA Budget prior to submission to the Executive Committee. Following that precedent, it is recommended you appoint Debbie Stutsman and George Rodericks as the Executive Committee's budget subcommittee. It is also recommended you approve the following budget schedule:

1. February 20, 2010, San Rafael Fire Department submits budget request to JPA staff.
2. March 19, 2010, JPA staff submits budget request and fee resolution to Executive Committee budget subcommittee.
3. Budget subcommittee meets with staff before April 14, 2010 for review and approval.
4. April 14, 2010, budget and fee resolution approved by Executive Committee.
5. May 27, 2010, budget and fee resolution adopted by full JPA Board.

cc: Chief Chris Grey, San Rafael Fire Department
Captain Bradley Mark, San Rafael Fire Department

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