



## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors

**FROM:** Steven Lederer - Manager  
Upper Valley Waste Management Agency

**REPORT BY:** Steven Lederer, Director, Public Works - 259-8228

**SUBJECT:** Use of Agency Funds For Relevant Member Projects

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### **RECOMMENDATION**

#### **ALLOCATION OF FUNDS ACCRUED FROM RECEIPT OF FIRE DEBRIS WASTE**

**DISCUSSION AND REQUESTED ACTION:** Board to consider whether to allocate funds accrued from receipt of fire debris waste, establish the share each Member jurisdiction should be allocated for reimbursement and funding of eligible projects that further the goals and purposes of the Agency, and the process for Members' proposing and seeking reimbursement for projects.

### **EXECUTIVE SUMMARY**

The Agency is funded primarily through a \$4.75 surcharge on waste received at the landfill. Because of the large surcharge of waste received following the 2017 fires, revenue in excess of the planned budget was received. At the November Board meeting the Board determined conceptually that they would like to make these funds available to Member agencies to conduct projects that would further the Agency's goals and purposes for which it was formed. The task for the Board now is to:

- | Determine the total of available funds;
- | Determine how the funds will be allocated as being available for reimbursement to each Member;
- | Agree to the process by which funds would be accessed

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      Yes

Is it currently budgeted?	No
What is the revenue source?	Excess funds received from the surcharge on fire debris disposed of at CFL
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Funds on hand exceed the operational needs of the Agency and can therefore be made available for conducting other projects that also service the mission of the agency.
Is the general fund affected?	No
Future fiscal impact:	None
Consequences if not approved:	Funds will remain on hand for other future use.
Additional Information:	

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The Agency is funded primarily through a \$4.75 surcharge on waste received at the landfill. Because of the large surcharge of waste received following the 2017 fires, revenue in excess of the planned budget was received. At the November Board meeting the Board determined conceptually that they would like to make these funds available to Member agencies to conduct projects that are consistent with and further the goals and purposes for which the Agency was formed.

The task for the Board now is to:

1. Determine the total of available funds:

The Agency closed the books on June 30, 2018 with a closing account balance of \$654,480. The adopted budget estimates we will spend \$42,980 of that balance to balance this year's budget, leaving some \$600,000 in the bank. The Agency Manager recommends we keep a balance of \$100,000 in the account for future needs, and make \$500,000 available to the members to conduct projects relevant to the mission of the Agency. The Board could choose to reduce the balance on hand to as low as \$35,000 (the minimum amount required by Board policy), but due to uncertainties in the future economy, and particularly recycling markets, and new requirements coming from the State, the Agency Manager recommends taking a conservative position in maintaining cash on hand.

As a reminder, the Board also voiced an interest in raising the surcharge at the landfill in order to cover the structural deficit in our operating budget. Estimates indicate an increase in the surcharge to \$6.75/ton from the current \$4.75/ton will be required (plus annual changes for CPI) will be needed to maintain a balanced budget. This proposal will be brought forward to the Board during the June rate setting process.

2. Determine how the funds will be allocated:

There are several options as to how to allocate the funds amongst the Members. These could include equal splits

(25% each), a competitive process (i.e. funds get awarded based on the best projects presented), road miles of areas affected by the fires, or some other. The Agency Manager recommends allocating the funds to be set aside and made available to each Member for reimbursement of qualifying project costs based on the number of residential accounts each Member holds, as this is a good approximation of the "relevant size" of each member in the JPA. Using that formula the split would essentially be per the chart:

Based on November accounts

Assume	\$500,000	Returned
Calistoga	23%	\$115,734
SH	29%	\$143,710
Yountville	12%	\$61,664
County	36%	\$178,891
	100%	\$500,000

3. Determine a process by which funds would be accessed:

The following process is recommended:

1. Member X proposes a project;
2. Board considers whether to approve the project as consistent with and in furtherance of the purposes and mission of the Agency;
3. Member completes project and submits a claim with sufficient backup to verify appropriate charges;
4. Agency reimburses Member up to the amount they are entitled to.

Staff seeks Board input on all of the above.

### **SUPPORTING DOCUMENTS**

None

Recommendation: Approve  
Reviewed By: Steven Lederer