



**A Public Agency**

# CONSENT CALENDAR



**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
March 28, 2019– 2:00 p.m.  
San Carlos Library Conference Room A/B**

**Call To Order: 2:04PM**

**1. Roll Call**

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District	X	

Alternate Member Laura Parmer-Lohan represented San Carlos and  
Alternate Member Alvin Royse represented Hillsborough

**2. Public Comment**

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting. If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

None

**3. Executive Director's Report**

Executive Director La Mariana gave a report out on a few items.

- 1) The Bond Refunding process is moving along, all 12 Member Agencies council meetings have been confirmed for early May. A Tax Equity and Fiscal Responsibility Act (TEFRA) hearing has also been set for the City of San Carlos. Staff is working with Board and TAC members on rate payer impact questions that have come up.
- 2) AB 1509, the SBWMA-sponsored Lithium Ion battery bill, has two components: one is establishing an extended producer responsibility (EPR) approach as it deals with loose lithium ion batteries and two is establishing a handling program for materials that have batteries embedded in them. He will be speaking at the bill's California State Assembly's hearings in Sacramento on April 9 to the Environmental Safety and Toxic Materials Committee, and on April 22 to the Natural Resources

Committee. There will be a “sign-on” support letter coming to each Board Member next week, asking for their individual and/or agency’s support of the bill.

- 3) **RethinkWaste Earth Day at Shoreway will be on Saturday, April 27 from 10-2**, there is strong support for the event and AB1509 at the event and he invited the Board Members to attend noting that there was a strong likelihood that both State Assembly Members Kevin Mullin and Marc Berman were likely to be in attendance.
- 4) There is a Public Outreach RFP in the final stages which will assist staff in engaging the community in our programs
- 5) There was a Zero Landfill Committee meeting and the committee gave strong conceptual direction and input for the Long Range Plan refresh. The committee is discussing changing its name from Zero Landfill to Zero Waste to have a broader context.
- 6) Yesterday there was a workshop for solid waste leaders throughout the state for 90 people on plastics that the RethinkWaste staff worked on and the agency co-hosted. SBWMA leaders in attendance included: Board Member/Zero Landfill Committee Chair, Michael Brownrigg (speaker); Board Member/Zero Landfill Committee Board Member Fran Dehn; and TAC member Rebecca Lucky. He thanked the speakers, and staff.

**4. Approval of Consent Calendar**

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Approval of Minutes from the February 28, 2019 Board of Directors Meeting
- B. Resolution Authorizing the Re-Classification of Certain Staff Positions

Motion/Second: Bonilla/Hurt  
 Voice Vote: All in Favor

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist.	X			

**5. Administration and Finance**

- A. Approval of the Plan of Finance for Bond Refunding and New Money Issuance

Staff Mangini gave an overview of the staff report noting that the plan of finance recommended for Board Approval today is for \$20M total--approximately \$10M in refunding savings due to more favorable interest rates and \$10M in new money to fund capital projects. He noted that the Plan of Finance is structured with minimal rate payer increases by extending the term of the bond an additional 6 years. The annual debt service will not exceed \$4.3M, and it is currently \$4.1M.

Executive Director La Mariana added that today’s vote shapes the scope of the bond documents.

Member Brownrigg commented that this does not ask the Member Agencies to take on any indebtedness, the request as recommended incurs a minimal increase in the annual operating expense that is already carried, so there is not a significant amount of debt being added to this agency. He added that the capital

investments are sensible, and the use of proceeds has been investigated, and he felt comfortable in the recommendation.

Member Bonilla added that he also supported the capital improvement projects and the positive economic and environmental benefits of the projects.

Member Widmer also added his support for the projects and the refunding.

Motion/Second: Bonilla/Brownrigg

Voice Vote: All in favor

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist.	X			

## 6. Collection and Recycling Program Support and Compliance

No Items

## 7. Shoreway Operations and Contract Management

- A. Review and Approval of (1) an Agreement with Recology for Relocation of Organics Extrusion Recovery System & Purchase of Organics Polishing System and (2) an Amendment to the Agreement with South Bay Recycling for Operation of the Shoreway Recycling and Disposal Center to Cover the Additional Work Associated with the Organics-to-Energy Program

Executive Director La Mariana gave background on the item. Noting that a grant that was originally issued by Cal Recycle to Recology for equipment that resides at the San Francisco Recology. That equipment and the grant that comes with it is a critical funding component of the SBWMA's Organics-to-Energy (O2E) Pilot, and staff is now at the end of the legal process to get both the grant and have the equipment transferred to Shoreway. He introduced Kai Ruess who is an Attorney at Aaronson, Dickerson, Cohn and Lanzone (ADCL) who works regularly on the Agency's contractual projects.

Kai Ruess noted that a contract has already been approved with Anaergia, the manufacturer of the equipment being discussed. There are 4 other entities involved: Recology, Cal Recycle, ADCL and SBR. Today's approval is an agreement with Recology to set forth the terms to move the equipment from Recology to Shoreway, and purchase through Recology's grant from Cal Recycle the second bit of the equipment and install it at Shoreway.

The second part of the approval is to approve an amendment to the current facility operations contract with SBR to adjust the contract's scope of work to operate the new O2E equipment to process the material going through this equipment. He noted that there was a grant deadline with Cal Recycle of April 1, 2019 which meant there was a lot of risk associated with the tight deadline. However, in the last two days they have received assurance from Cal Recycle that the deadline will be pushed to May 1, 2019 on their agreement with Recology, and because of that the risk that the \$1.2M being paid to Recology for the equipment will be reimbursed by Cal Recycle has been mitigated.

Member Widmer asked for clarification regarding the risk to us is \$60,000.

Kai Reuss answered that the \$60,000 is a certain cost, that will be paid to a company called the Grant Farm that Recology hired to obtain the original grant, but if RethinkWaste becomes the recipient of the grant funds through this transference, the Agency would then owe the Grant Farm that amount.

Member Hurt asked what the worst-case scenario was.

Kai Reuss answered that the risk is still out there is if Cal Recycle doesn't follow through on the grant agreement amendment, but with the deadline extended they have given every indication that they are headed toward mid-April for the amendment.

Motion/Second: Brownrigg/Bonilla

Voice Vote: All in favor

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary Dist.	X			

**8. Study Session: SB 1383, California’s Mandatory Organic Waste Recycling Law (2016)—also known as “The Short-Lived Climate Pollutant Act” or “The Super Pollutant Reduction Act”**

Executive Director La Mariana gave a Power Point presentation on SB1383 which passed in 2016 and is in final rule making stages now. Final enforcement rules are expected from the designated enforcement agency, CalRecycle, by December 31, 2019. The overarching goal of the bill is to dramatically reduce greenhouse gas emissions and improve overall air quality throughout California. He noted that there is an enforcement component to this law through the air board, that supersedes Cal Recycle which is the usual enforcement agency for the RethinkWaste programs and services. The law goes into effect in 2022.

The Board discussed the presentation, and its implications for the Member Agencies and the SBWMA.

Member Brownrigg asked about the O2E pilot and then presumable full roll out, that would pull organics out of the black carts, noting that the law prohibits organics in the black carts, but our O2E equipment would remove it mechanically, and he asked that our Agency seek a waiver on that part of the requirement.

Member Widmer commented the edible food recovery part of the law, that all the data needs to be included because there was and is a lot of good work going on before the County’s program.

Member Hurt asked if there were ball park costs associated with complying with this law, will more staff be needed.

Executive Director La Mariana answered that because the final regulations are not out yet, it is too early to tell, and the SBWMA needs to feel confident that the investments in O2E will pay off before further costs can be investigated.

Member Perez commented that this is an unfunded mandate, so what are the revenue sources to pay for it. He also noted that smaller cities don't have the funds to pay for compliance with the items they are already responsible for, let alone this law.

Executive Director La Mariana answered that funds to comply will come from our member agency rates, and through any assessed non-performance penalties.

Member Brownrigg asked how much of the law could be centralized through staffing at the SBWMA, and if every city needed to write an ordinance.

Executive Director La Mariana noted that every city is required to write its own mandatory participation ordinance, and just like CalRecycle's current compliance structure with the annual reports each City is responsible for their individual compliance. The SBWMA can assist with the reports just as is done now, but the cities are formally responsible for their jurisdiction's compliance.

The Board discussed issues with compliance, but determined it was premature until the final regulations were released.

Member Brownrigg asked if there was any way for the SBWMA to deem itself a jurisdiction for this law, so that all 12 agencies would not have to do it individually.

Counsel Savaree noted that she would investigate it.

Executive Director La Mariana noted that the final regulations would likely be issued by CalRecycle by mid-fall 2019 and staff would come back to the Board with more detailed financial information and the O2E pilot piece as well.

#### **9. Informational Items Only (no action required)**

- A. Legislative Session Update
- B. Check Register Detail for February 2019
- C. Quarterly Update on Technical Consulting Contracts
- D. 2019 Finance and Rate Setting Calendar
- E. Potential Future Board Agenda Items

#### **10. Board Member Comments**

Mario Puccinelli the group manager for Recology announced that Gino Gasparini would be retiring on June 1, 2019.

Many Board Members and staff members gave thanks and appreciation to Gino for his 47 years of service.

Member Parmer-Lohan commented that kids in San Carlos do a ROPES project in 4-8<sup>th</sup> grades and that there is a young woman in San Carlos who did her project on converting restaurants in San Carlos to use metal straws and she was successful at getting 2 restaurants to convert, and she asked if this student could come and speak to the Board about her project.

Member Brownrigg commented following up on the plastics workshop the day before that there was an excellent editorial by Mike Sangiacomo, Recology's CEO, about the problem of plastic waste. He noted that SB54 was not in the legislative update, but it would require that all plastic be recyclable or ban it if it can't be recycled and he asked Members to support SB54.

#### **11. Adjourn: 3:26PM**

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Hilary Gans, Senior Contracts & Operations Manager  
**Date:** April 25, 2019 Board of Directors Meeting  
**Subject:** Resolution Approving Additional SBR Sort Labor Reimbursement

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-23 attached hereto authorizing the following action: **Resolution Approving the Cost of Additional Fiber Sort Labor to be Split with SBR for a Period of Three Months (April 1 – June 30, 2019).**

### Background

The use of additional sort labor has been viewed by all parties as a short-term solution to ensure that Shoreway fiber commodities continued to find markets. SBR requested reimbursement for additional sort labor that the company had been paying for since the fiber market collapse in January 2018. At the March and June 2018 meetings, the Board discussed the need for additional sort labor in order to keep fiber from being rejected from overseas mills and the decision was made to split the additional sort labor cost with SBR. The Board requested that staff bring this item back for consideration every three-months for their review and funding reauthorization.

### Analysis

Under normal MRF operations, the SBWMA reimburses SBR for 24-sorters at the MRF. To meet the new fiber market conditions, SBR requested six additional VRS sorters. The actual number of sorters hired by SBR to meet market standards has been less than originally anticipated (up to \$40K/ month) and has averaged \$14,363 per month.

### Fiscal Impacts

The FY18/19 Budget includes an additional estimate of \$560,000 (\$47K month) to cover additional sort labor costs in the upcoming year. The actual costs have been running significantly lower than originally anticipated.

### Attachment

Resolution 2019-23

# RESOLUTION NO. 2019-23

## RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING ADDITIONAL SBR SORT LABOR REIMBURSEMENT

**WHEREAS**, SBR has requested reimbursement for additional MRF sort labor,

**WHEREAS**, additional sort labor is the only short-term means for the agency to meet new commodity market standards,

**WHEREAS**, meeting new commodity standards is necessary to ensure that recyclables have a market outlet and are not landfilled.

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves a Resolution Approving SBR Sort Labor Reimbursement and authorizes staff to split (pay one-half) the additional sort labor incurred by SBR for three months (April 1 – June 30, 2019) and return to the Board for future direction.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2019-23 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 25, 2019.

ATTEST:  
SBWMA

\_\_\_\_\_  
Jess (Jay) Benton, Chairperson of

\_\_\_\_\_  
Cyndi Urman, Board Secretary

## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
 John Mangini, Senior Finance Manager  
**Date:** April 25, 2019 Board of Directors Meeting  
**Subject:** Resolution Approving Calendar Year 2018 Financial Statements

### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-24 attached hereto authorizing the following action:

- Approving the South Bayside Waste Management Authority's Financial Report for Calendar Year 2018 as reviewed by SBWMA's audit firm, Maze & Associates.

### Analysis

As part of the 2009 Bond Indenture, the SBWMA is required to present unaudited calendar year Financial Report to the bond rating agencies by May 1<sup>st</sup>. **This report was reviewed on April 11<sup>th</sup>, 2019 by the Board Finance Committee which recommends its approval.** The reports are limited to information that is required in the bond indenture and include the results of the bond covenant tests.

The attached SBWMA Financial Report (see Attachment A) for the calendar year ending December 31, 2018, was prepared by the City of San Carlos Administrative Services Department with assistance from SBWMA staff and examined by the independent auditing firm of Maze & Associates. The audit firm reported that the SBWMA's financial report was prepared in conformity with generally accepted accounting principles (GAAP); however, the report is unaudited.

### Overview of the Financial Reports

**Table 4** of the attached Financial Report, shows operating income for calendar year 2018 of \$2,190,174 (Modified Change in Net Position), while **Table 5** shows that the bond covenant requirements have been achieved. The SBWMA is obligated by the bond indenture to set tip fees at Shoreway that produce financial results which generate enough revenue to achieve the covenant tests. The SBWMA is reporting a break-even coverage of 1.02 and a debt service coverage of 1.70 that meet the minimum requirements of 1.0 and 1.40 respectively. These tests are intended to show sufficient liquidity to satisfy bond holders that there is sufficient income to cover bond debt service.

#### Bond Financial Performance Requirements

Bond Covenant Test	Minimum	Calendar Year			
	Ratio	2015	2016	2017	2018
Break-Even Test	1.00	1.02	1.02	1.06	1.02
Debt Coverage Ratio	1.40	1.58	1.99	2.25	1.70

**Background**

On July 23, 2009 the Board approved a resolution authorizing the issuance of solid waste enterprise revenue bonds Series 2009A (tax-exempt) and Series 2009B (taxable) to the City of Burlingame. In 2013, the Board approved the payoff of the 2009B bond one year early with surplus funds to save interest expense. The bond indenture requires annual financial reporting on a fiscal (audited) and calendar year (unaudited) basis.

Most of our business is conducted on a calendar year basis. Our rates paid to SBR, Recology, and disposal and processing vendors all are adjusted effective January 1<sup>st</sup>. The tip fees at Shoreway are also adjusted, if needed, on January 1<sup>st</sup>. Therefore, for bond reporting, it made sense to report our financial results on a calendar year basis, however, our fiscal year ends on June 30<sup>th</sup>.

Maze & Associates also audits our fiscal year financial statement. The audited financial statement for FY17/18 was approved by the Board at the January 24, 2019 Board meeting.

**Fiscal Impact**

There is no fiscal impact associated with this item.

**Attachments:**

Resolution 2019-24

Attachment A – Calendar 2018 Unaudited Financial Statement



**RESOLUTION NO. 2019-24**  
**RESOLUTION OF THE SOUTH BAYSIDE WASTE  
 MANAGEMENT AUTHORITY BOARD OF DIRECTORS  
 APPROVING THE CALENDAR YEAR 2017 FINANCIAL STATEMENTS**

**WHEREAS**, the South Bayside Waste Management Authority contracted with the audit firm of Maze & Associates to conduct a review of the Agency’s financial records in accordance with Governmental Accounting Standards, and

**WHEREAS**, the financial statements for the calendar year ending December 31, 2018 as prepared by said firm have been completed, and

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves the unaudited Annual Financial Report as prepared by Maze & Associates for the calendar year ending December 31, 2018.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25<sup>th</sup> of April, 2019, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist.				

I HEREBY CERTIFY that the foregoing Resolution No. 2019-24 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 25, 2019.

ATTEST:

\_\_\_\_\_  
 Jess E (Jay) Benton, Chairperson of SBWMA

\_\_\_\_\_  
 Cyndi Urman, Clerk of the Board

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**  
**UNAUDITED FINANCIAL INFORMATION**  
**DECEMBER 31, 2018**

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SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

UNAUDITED FINANCIAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To Members of the Board of Directors of the  
South Bayside Waste Management Authority (Authority)  
San Carlos, California

Management is responsible for the accompanying Unaudited Statement of Revenues, Expenses and Changes in Net Position and Unaudited Calculation of Debt Service Coverage (financial information) for the Year ended December 31, 2018, in accordance with the form prescribed by the \$53,500,000 South Bayside Waste Management Authority Solid Waste Enterprise Bonds (Shoreway Environmental Center) Series 2009A Official Statement. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the financial information nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial information.

The Authority's financial information mentioned above were prepared on the basis in accordance with the form prescribed by the \$53,500,000 South Bayside Waste Management Authority Solid Waste Enterprise Bonds (Shoreway Environmental Center) Series 2009A Official Statement (Official Statement), and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the disclosures ordinarily included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, because such disclosures are not a requirement of the Official Statement.

This report is intended solely for the information and use of the Board of Directors of the Authority for the compliance of with the Official Statement, and is not intended to be and should not be used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
March 15, 2019

**Table 4**  
**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**  
**UNAUDITED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$43,858,039
Commodity revenue	7,179,516
Other	14,992
Total Operating Revenues	<u>51,052,547</u>
<b>OPERATING EXPENSES</b>	
Shoreway operations	41,584,508
SBWMA program administration	2,954,676
Franchise Fee-Transfer Station	2,086,146
Total Operating Expenses	<u>46,625,330</u>
Operating Income (Loss)	<u>4,427,217</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	387,779
Interest-2009A Bond	(2,676,833)
Facility Fire - Insurance Claim Proceeds	57,556
Loss on Disposal of Assets	(5,545)
Net Nonoperating Revenues (Expense)	<u>(2,237,043)</u>
<b>MODIFIED CHANGE IN NET POSITION <sup>(1)</sup></b>	2,190,174
<b>RECONCILIATION OF NET POSITION</b>	
Reduction of Bond Liability	(1,420,000)
Payment of Principal	1,420,000
Premium 2009A Reserved Fund FHLMC	7,500
Depreciation Expense (non-cash)	(3,104,574)
TOTAL RECONCILIATION TO NET POSITION	<u>(3,097,074)</u>
NET CHANGE IN NET POSITION	(906,900)
NET POSITION AT BEGINNING OF YEAR	<u>20,662,321</u>
NET POSITION AT END OF YEAR	<u><u>\$19,755,421</u></u>

(1) Includes interest income and interest expense

See Independent Accountants' Compilation Report

**Table 5**  
**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**  
**UNAUDITED CALCULATION OF DEBT SERVICE COVERAGE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>
Operating and Non-Operating Revenues (from Table 4)	\$51,497,882
Rate Stabilization Fund reserves <sup>(See Note)</sup>	
<b>Total Revenues and Additional Revenues</b>	<b>51,497,882</b>
<u>Expenses</u>	
O&M Cost	44,539,184
Debt Service	4,096,833
Subordinate charges	2,086,146
Loss on Disposal of Assets	5,545
<b>Total Expenses</b>	<b>50,727,708</b>
Coverage (Total Revenues/Total Expenses) <sup>(1)</sup>	<u>1.02</u>
Operating and Non-Operating Revenues (from Table 4)	\$51,497,882
<i>plus</i> Rate Stabilization Fund reserves <sup>(see Note)</sup>	
<b>Total Revenues</b>	<b>51,497,882</b>
<i>less</i> O&M Expenses	44,539,184
<i>equals</i> Net Revenues	6,958,698
Debt Service	4,096,833
Coverage (Net Revenues/Debt Service) <sup>(2)</sup>	<u>1.70</u>
Ending Unrestricted Net Position	\$15,848,248

- (1) Required to be 1.0 or greater
- (2) Required to be 1.4 or greater

**Source:** The Authority

**Note:** Reserves from the Rate Stabilization Fund are legally available for the payment of debt service. The purpose of the Rate Stabilization Fund is to minimize Transfer Station rate increases resulting from significant one-time revenue shortfalls (e.g. commodity price decreases, loss of tipping fee revenues due to short or long-term closures of the Shoreway facility, etc.). None was required for the year ended December 31st, 2018.

**See Independent Accountants' Compilation Report**

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