

**SALINAS VALLEY  
SOLID WASTE AUTHORITY**

**Salinas, California**



**PROPOSED BUDGET**

**Fiscal Year 2007-2008**

# **SALINAS VALLEY SOLID WASTE AUTHORITY**

## **PROPOSED BUDGET FISCAL YEAR 2007-2008**



Prepared by

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SALINAS VALLEY SOLID WASTE AUTHORITY  
FY 2007-08 Budget  
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May 17, 2007

Salinas Valley Solid Waste Authority Board Members:

We are pleased to present for your consideration the proposed Operating and Capital Improvements Budget for fiscal year 2007-08. The proposed operating budget is balanced due to the \$3.50 tipping fee increase approved by the Board on April 19, 2007.

While the operating expenditures are increasing \$806,640 it should be noted that \$617,890 is for employees and professional services for increased diversion services. The remaining increase is primarily for employee COLA, step-increases and increased benefit expenses. Landfill and transfer stations operating costs remain flat.

While the tipping fee increase covers operational costs it does not cover any capital costs. FY 2007-08 will have \$8,662,877 in capital projects of which \$1,190,100 will be funded from the operating fund balance.

The proposed operating budget accomplishes the following:

- Landfill 331,060 tons of solid waste
- Divert 40,540 tons of recyclable materials
- Increases staff to 22 employees by adding an additional HHW Technician
- Implements the Short-Term portion of the Long-Term Waste Management Report
- Increases the Operating Reserve to \$1,241,140 (7.4% of the operating budget)
- Increases the Expansion Fund to \$3,354,779
- Produce a net increase to fund balance of \$104,480 (0.6% of the operating budget)

The proposed capital improvements portion of the budget accomplishes the following:

- Implements the Long-Term Waste Management Report components
- Completes the design plans of the Sun Street Transfer Station
- Begins the design work on the Johnson Canyon entrance facilities
- Conducts a pilot study on the steam autoclave project (CR3)

Following is a summary comparison of the Operating Budget for FY 2007-08

|   | Fiscal Year       |                   | Increase           | %            |
|---|-------------------|-------------------|--------------------|--------------|
|   | 2006-07           | 2007-08           | (Decrease)         | Change       |
| <b>Revenues:</b>                              |                   |                   |                    |              |
| Tipping Fees                                  | 13,796,630        | 13,796,630        | -                  | 0.0%         |
| Tipping Fees Increase                         |                   | 810,000           | 810,000            | 5.9%         |
| Sale of Outside Waste                         | 2,281,000         | 2,391,350         | 110,350            | 4.8%         |
| Investment Earnings                           | 829,000           | 834,000           | 5,000              | 0.6%         |
| Recycling Sales                               | 16,000            | 100,000           | 84,000             | 525.0%       |
| Grants  | 137,000           | 62,000            | (75,000)           | -54.7%       |
| Contract Services                             | 71,000            | 71,000            | -                  | 0.0%         |
| Other Revenue                                 | 32,000            | 32,000            | -                  | 0.0%         |
| <b>Total Revenues</b>                         | <b>17,162,630</b> | <b>18,096,980</b> | <b>934,350</b>     | <b>5.4%</b>  |
| <b>Operating Expenditures:</b>                |                   |                   |                    |              |
| Employee Services                             | 1,750,470         | 2,252,200         | 501,730            | 28.7%        |
| Professional Services                         | 1,193,610         | 1,212,440         | 18,830             | 1.6%         |
| Landfill/Transfer Station Operations          | 7,039,930         | 7,170,780         | 130,850            | 1.9%         |
| Taxes and permits                             | 961,500           | 918,660           | (42,840)           | -4.5%        |
| Debt Service                                  | 3,133,170         | 3,134,910         | 1,740              | 0.1%         |
| Postclosure maintenance                       | 69,300            | 78,300            | 9,000              | 13.0%        |
| Closure Transfers                             | 885,780           | 1,023,810         | 138,030            | 15.6%        |
| All Other                                     | 972,740           | 1,022,040         | 49,300             | 5.1%         |
| <b>Total Expenditures</b>                     | <b>16,006,500</b> | <b>16,813,140</b> | <b>806,640</b>     | <b>5.0%</b>  |
| <b>Net Income/(Loss) from Operations</b>      | <b>1,156,130</b>  | <b>1,283,840</b>  | <b>127,710</b>     | <b>11.0%</b> |
| Transfer to Expansion Fund                    | (667,630)         | (933,790)         | (266,160)          |              |
| Transfer to Operating Reserve                 | (245,570)         | (245,570)         | -                  |              |
| <b>Net Change to Operating Fund Balance</b>   | <b>242,930</b>    | <b>104,480</b>    | <b>(138,450)</b>   |              |
| <b>Beginning Operating Fund Balance - 7/1</b> | <b>7,305,649</b>  | <b>4,166,097</b>  | <b>(3,139,552)</b> |              |
| Capital Projects from fund balance            | (3,382,482)       | (1,190,100)       | 2,192,382          |              |
| <b>Ending Operating Fund Balance - 6/30</b>   | <b>4,166,097</b>  | <b>3,080,477</b>  | <b>(1,085,620)</b> |              |
| <b>Reserved Fund Balances</b>                 |                   |                   |                    |              |
| Closure Reserve                               | 10,628,940        | 9,284,700         | (1,344,240)        |              |
| Bond Reserve                                  | 2,821,213         | 2,821,213         | -                  |              |
| Operating Reserve                             | 995,570           | 1,241,140         | 245,570            |              |
| Capitalized Interest Reserve                  | 3,230             | 3,230             | -                  |              |
| Bond Proceeds for Capital Projects            | 7,586,547         | 2,188,410         | (5,398,137)        |              |
| Expansion Fund Reserve                        | 2,420,989         | 3,354,779         | 933,790            |              |
| <b>Total Reserves</b>                         | <b>24,456,489</b> | <b>18,893,472</b> | <b>(5,563,017)</b> |              |
| <b>Total Estimated Ending Fund Balances</b>   | <b>28,622,586</b> | <b>21,973,949</b> | <b>(6,648,637)</b> |              |

## OPERATING BUDGET HIGHLIGHTS

- Authority service area tipping fee revenue will increase 5.9% due to:
  - \$3.50 per ton (6.4%) increase in general tipping fees.
  - \$1.00 per ton increase in Waste Management fees for transfers from Madison Lane Transfer Station.
  - 2% increase in tonnage.
- Employee services will increase 28.7% due to:
  - the addition of the Diversion Manager and Resource Recovery Technician for diversion services, approved in February 2007.
  - the addition of a HHW Maintenance Worker due to increased demand for HHW services and the need to maintain a safe work environment.
  - employee step increases, COLA and insurance premium increases.
- Professional services (legal, engineering and marketing) will increase only 1.6%.
- The largest expense, landfill, transfer stations and scale house operations, will increase only 1.9% from \$7,039,930 to \$7,170,780. These expenses are:
  - Norcal Engineering will be compensated \$3,757,740 for operating the landfills (Crazy Horse - \$2,598,820; Johnson Canyon - \$1,158,920).
  - Norcal Engineering will be compensated \$272,892 for operating the scales (Crazy Horse - \$197,800; Johnson Canyon - \$151,300; Sun Street - \$146,200).
  - Norcal Engineering will be compensated \$791,620 for operating the Sun Street Transfer Station at 140 tons per day.
  - BFI will be compensated \$398,700 for additional trucking costs to Crazy Horse due to the lack of a transfer station in Salinas able to handle all of their tonnage.
  - Waste Management will be compensated \$612,420 for operating the Jolon Road Transfer Station.
- Taxes and permits will decrease 4.5% due to an expected increase in states fees in FY 2006-07 that did not take place.
- Debt service will remain constant at \$3,134,910 (0.1% increase).
- Debt service on the \$39.8 million bond issue will now remain constant. At \$3.1 million it is the second largest expense. \$2,748,053 is for the debt service on the 2002 Revenue Bonds which will be paid off in 2032. The remainder is for the annual installment to the City of Salinas for the purchase of Crazy Horse landfill which will be paid off in 2028.
- Postclosure costs for Lewis Road are increasing slightly due to additional drainage work to be performed this coming year.
- Closure transfers will increase 15.6% to \$1,023,810. Since Crazy Horse will be closing sooner than expected additional funds need to be set-aside to fund the closure costs by the time it closes.
- All other expenses (i.e., utilities, rent, insurance, etc.) have a 5.0% increase.

## REVENUES AND TONNAGE

Estimated tipping fee revenue is based on receiving the following tonnages:

| <u>Source</u>           | <u>Tons</u> | <u>Rate</u> | <u>Revenue</u> |
|-------------------------|-------------|-------------|----------------|
| Franchise Haulers       | 202,900     | \$ 58.00    | \$ 11,768,200  |
| Self-Haul               | 25,452      | \$ 54.00    | 1,374,408      |
| WM Madison TS Transfers | 15,100      | \$ 32.00    | 483,200        |
| Field Plastics          | 1,800       | \$ 96.00    | 172,800        |
| Diversion Materials     | -           | varies      | 808,000        |
| Tipping Fees Total      | 245,252     |             | \$ 14,606,608  |
| South Valley Disposal   | 88,910      |             | \$ 2,391,350   |
| Total Tons Landfilled   | 334,162     |             | \$ 16,997,958  |

Tonnage landfilled is expected to increase 2%. The increase in tipping fee revenue is due primarily to the \$3.50 per ton increase in tipping fees approved by the Board on April 19, 2007.

Following is a brief discussion of each of the Authority's functional areas.

### ADMINISTRATION

The Administration operating budget of \$2,293,900 represents a 5.1% (\$111,460) increase over FY 2006-07. Employee services will increase 13% due to step increases, COLA and insurance premium increases. All other costs have been held constant or reduced.

In FY 2006-07 the Authority became fully self-sufficient with the addition of an Accounting Technician and its own financial management system.

The Administration budget is funded in part by \$71,000 in contract administration fees from the Cities of Salinas, Gonzales, Soledad and Greenfield for managing their solid waste franchise agreements.

### RESOURCE RECOVERY

The Resource Recovery operating budget of \$2,325,450 represents a 36.2% (\$617,890) increase over FY 2006-07. The increase is due primarily to the implementation of the Short Range Programs from the Long Term Waste Management Report as follows:

|   |               |
|---|---------------|
| Construction & Demolition (C&D) Recycling | \$ 250,000    |
| Enhanced Public Education                 | 100,000       |
| Increased Organics Diversion              | 50,000        |
| Ag Industry Diversion                     | 75,000        |
| Facilitate Member Agency Programs         | <u>50,000</u> |
| Total New Program                         | \$ 525,000    |

Other increased costs in this area are \$29,500 for HHW Disposal costs due to the ever increasing items now considered HHW and \$30,000 for a new vehicle for Diversion Services to be used for that division to make site visits.

The total budgeted cost of the diversion of wood, metal, green waste, C&D and organics from the landfills is \$910,000. This expense will divert approximately 40,540 tons of material at an average cost of \$22.50 per ton.

The capital improvement budget includes \$550,000 for the capital projects that are part of the Short-Term Programs of the Long-Term Waste Management Report as follow:

|                                    |            |
|------------------------------------|------------|
| Conversion Technologies Evaluation | \$ 250,000 |
| Baseline & Waste Composition Study | 150,000    |
| Self-Haul Serial MRF               | 75,000     |
| CR3 Pilot Project Studies          | 75,000     |

Since these are one-time projects they are funded from the operating fund balance. They are not funded from the tipping fee increase.

### LANDFILLS AND TRANSFER STATIONS

The Crazy Horse Landfill operating budget of \$3,576,350 is a 4.9% (\$165,924) increase over FY 2006-07.

The Lewis Road closed landfill operating budget of \$147,800 is an increase of 6.1% (\$9,000) over the previous year.

The Johnson Canyon Landfill operating budget of \$1,759,530 is a 4.0% (\$71,190) decrease over FY 2006-07 due a decrease in the anticipated compaction incentive and tonnage band payment for FY 2007-08.

The Jolon Road Transfer Station operating budget of \$739,120 is a decrease of 3.9% (\$29,660) over FY 2006-07. The decrease is due to decreased environmental engineering services and lower environmental fees. The Authority receives no income from the transfer station. When Waste Management delivers solid waste to Johnson Canyon, it pays the Authority's standard tipping fees, however, they keep all gate fees at Jolon.

The Sun Street Transfer Station operating budget of \$1,613,120 is an 8.3% (\$133,500) decrease over the previous year. The decrease is due to the final payment on December 31 for all the equipment to operate the transfer station. The budget includes \$398,700 for compensation to BFI for hauling the majority of the waste collected to Crazy Horse. This will continue until there is a transfer station which can handle all of the BFI material.

### EXPANSION FUND

The Expansion Fund is used to account for the sale of landfill capacity to South Santa Clara Valley Disposal. The Authority is guaranteed to receive \$2,231,347 for land filling 83,910 tons. The Authority expects to receive an additional 5,000 tons above the guaranteed amount at \$32.00 per ton, which will generate an additional \$160,000.

These funds are used to pay for the costs associated with keeping Crazy Horse open until the end of 2008 and to develop supplemental landfill capacity. Annual operating costs are



\$199,150 for permits and fees; \$1,000,000 contribution for Crazy Horse operations and \$293,410 for closure costs.

The Expansion Fund budget includes no new projects for FY 2007-08. At June 30, 2008 the Expansion Fund is expected to have a fund balance of \$3,354,779.

At the end of 10 years (June 30, 2014) the Expansion Fund is expected to generate \$15.4 million which, per Board policy, is to be used for developing 50 years of sustainable landfill capacity.

### DEBT SERVICE

FY 2007-08 is the first year since 2002-03 that will not require a rate increase for debt service payments. Debt service (principal and interest) payments on the 2002 Revenue Bonds have now leveled off at \$2.75 million through FY 2031-32. Following is a partial summary of the Authority's debt service requirements for the 2002 Revenue Bonds:

| Fiscal Year | Annual Debt Service | Capitalized Interest | Debt Service Requirements | Increase in Debt Service | Per Ton Rate Increase | Tipping Fees Generated | Funded from Operations |
|-------------|---------------------|----------------------|---------------------------|--------------------------|-----------------------|------------------------|------------------------|
| 2002-03     | 1,383,218           | 809,218              | 574,000                   |                          | 1.00                  |                        | -                      |
| 2003-04     | 2,057,678           | 1,357,778            | 699,900                   | 125,900                  | 2.00                  | 411,600                | (285,700)              |
| 2004-05     | 2,057,679           | 463,079              | 1,594,600                 | 894,700                  | 2.00                  | 425,000                | 469,700                |
| 2005-06     | 2,759,679           | 510,379              | 2,249,300                 | 654,700                  | 2.00                  | 450,000                | 204,700                |
| 2006-07     | 2,748,053           |                      | 2,748,053                 | 498,753                  | 2.00                  | 475,000                | 23,753                 |
| 2007-08     | 2,749,803           |                      | 2,749,803                 | 1,750                    | -                     | -                      | 1,750                  |
|             |                     | <u>3,140,454</u>     |                           |                          |                       |                        |                        |

The debt service payments were structured so that rate increases could be done gradually. This was possible because the bond issue included \$3,140,454 in capitalized interest to help make the debt service payments during the initial period so rates could be increased gradually. The use of the capitalized interest is shown on the above table under the column titled Capitalized Interest. Through FY 2006-07 tipping fees were increased \$9.00 solely for debt service since the bonds were issued.

In addition to the debt service payments on the 2002 Revenue Bonds the Authority also pays the City of Salinas \$385,100 annually through FY 2027-28 for the purchase of Crazy Horse Landfill.

### RATE COVENANT

Pursuant to the Master Indenture for the 2002 Revenue Bonds the Authority agreed "to fix, prescribe and collect rates, fees and charges and manage the operation of the System for each fiscal year so as to yield Net Revenues during such fiscal year equal to at least one hundred fifteen percent (115%) of the Annual Debt Service in such fiscal year." After paying for operations the Authority must have available 115% of the amount of debt service. This ensures the bond holders that there is a 15% cushion to make debt service payments in case there should be some changes during the year that affect revenues or expenditures. For FY 2007-08 the debt service coverage ratio is 140%.

## CAPITAL PROJECTS

The FY 2007-08 Capital Improvement Budget of \$8,662,877 is funded \$5,398,137 from bond proceeds, \$2,074,640 from closure funds and \$1,190,100 from the operating fund balance. Following is a discussion of the major new capital projects for FY 2007-08:

Resource Recovery includes \$135,000 for the HHW Relocation Project. This project begins the design of the HHW facilities which need to be relocated at the Sun Street Transfer Station and at Johnson Canyon. This is in addition to the \$550,000 in Short-Term Projects from the Long Term Waste Management Report previously mentioned.

Crazy Horse Landfill includes \$977,800 for the Crazy Horse Closure Project to begin designing the closure of Crazy Horse. It also includes \$100,000 to begin designing a Crazy Horse Convenience Station once Crazy Horse Landfill is closed. Before work is began on this project the Board will need to decide if it wants to establish a Convenience Station at Crazy Horse.

Johnson Canyon Landfill includes \$2,300,000 for the Johnson Canyon Roadway Improvements project which are required as part of the Regional Facilities EIR. It also includes \$1,200,000 to begin the construction of Modules 7 and 8; \$390,000 for the Johnson Canyon Entrance Facility which needs to be relocated in order to accommodate the waste from Crazy Horse; and \$450,000 to develop a water source for use on composting.

Jolon Road Landfill includes \$1,500,000 for the Jolon Road Landfill Closure project which needs to be completed by December 31, 2007.

The next page has a summary of the capital improvement projects budget. Besides those projects budgeted for FY 2007-08 it also lists the known projects for FY 2008-09 and 2009-10.

## FUTURE FUNDING NEEDS

As the Capital Projects list on the next page shows, FY 2008-09 has \$20,813,100 in projected capital projects. All are/will be funded except for \$8,028,690. FY 2009-10 shows an additional \$2,899,500 in unfunded capital projects. This is a total of \$10,928,190 in additional funding that will be needed. This will be the topic of major discussions during FY 2007-08.

The implementation of additional Short-Term Diversion Programs in FY 2008-09 will require an additional \$500,000 in revenues. At current tonnage levels that will require an additional \$2.00 per ton rate increase in FY 2008-09 in addition to any rate increases necessary to fund other operating expense increases.

## OPERATING RESERVE

At the Board meeting of April 20, 2006 the Board provided direction to set-aside \$750,000 from the FY 2005-06 fund balance to begin funding a 25% Operating Reserve. The Board also approved a \$1.00 tipping fee increase which is to stay in place for 12 years to fund the 25% Operating Reserve. In FY 2006-07 and 2007-08 an additional \$245,570 is expected to be added to the Operating Reserve from the \$1.00 increase. At June 30, 2008 the Operating Reserve will be \$1,241,140 or 7.4% of the 2007-08 operating budget.

Salinas Valley Solid Waste Authority  
Capital Improvement Projects

| Project Number                     | Project Name                                   | Budget 2005-06   | Proposed 2006-07 | Proposed 2007-08 | Projected 2008-09 | Projected 2009-10 |
|------------------------------------|--|------------------|------------------|------------------|-------------------|-------------------|
| <b>Administration</b>              |  |                  |                  |                  |                   |                   |
| 9207                               | Capital Equipment Replacement                  | 61,784           | 49,416           | 19,100           | 19,100            | 19,100            |
| 9225                               | Scale House Network                            | 35,000           | 35,000           | -                | -                 | -                 |
| 9260                               | Standalone Agency                              | 101,588          | 45,828           | -                | -                 | -                 |
| 9912                               | Records Retention System                       | 60,000           | 21,227           | -                | -                 | -                 |
| 9921                               | Alternative Processing                         | 80,000           | -                | -                | -                 | -                 |
| New                                | Administrative Offices Relocation              | -                | 75,000           | -                | -                 | -                 |
| <b>Resource Recovery</b>           |  |                  |                  |                  |                   |                   |
| 9246                               | CIWMB HHW Facility                             | 15,820           | 1,573            | -                | -                 | -                 |
| 9247                               | D.O.C. Grant                                   | 7,353            | 2,178            | -                | -                 | -                 |
| 9331                               | D.O.C. Grant 04-05                             | 86,000           | 62,900           | -                | -                 | -                 |
| 9291                               | Tire Amnesty Grant 2004                        | 18,750           | -                | -                | -                 | -                 |
| New                                | HHW Facility Relocation                        | -                | -                | 135,000          | 500,000           | -                 |
|                                    | D.O.C. Grant 06-07                             | -                | 62,000           | -                | -                 | -                 |
|                                    | Tire Amnesty Grant 2006                        | -                | 75,000           | -                | -                 | -                 |
|                                    | C&D Materials Recovery Facility @ JC           | -                | 100,000          | 200,000          | -                 | -                 |
|                                    | Baseline & Waste Comp Study                    | -                | 175,000          | 75,000           | -                 | -                 |
|                                    | CR3 Pilot Project Studies                      | -                | 55,000           | 75,000           | -                 | -                 |
|                                    | Conversion Technologies Evaluation             | -                | 50,000           | 250,000          | -                 | -                 |
|                                    | Self-Haul Serial MRF                           | -                | -                | 150,000          | -                 | -                 |
|                                    | D.O.C. Grant 07-08                             | -                | -                | 62,000           | -                 | -                 |
| <b>Crazy Horse Landfill</b>        |  |                  |                  |                  |                   |                   |
| 9203                               | Winterization/Erosion Control                  | 33,266           | 21,393           | 10,000           | -                 | -                 |
| 9204                               | Groundwater Monitoring Imprmnts.               | 215,006          | 278,434          | -                | -                 | -                 |
| 9226                               | Liquids Handling System                        | 379,844          | 92,690           | -                | -                 | -                 |
| 9241                               | LFG System Expansion & Flare                   | 199,765          | 148,290          | 100,000          | 200,000           | 300,000           |
| 9249                               | Groundwater Remediation System                 | 276,006          | 148,465          | 250,000          | 25,000            | -                 |
| 9250                               | Closed Area Maintenance                        | 217,909          | 129,526          | -                | -                 | -                 |
| 9288                               | JTD Preparation, Closure Planning              | 31,828           | 31,728           | 30,000           | 30,000            | -                 |
| 9227                               | Closure (Partial)                              | 79,209           | 79,209           | 977,800          | 10,596,000        | -                 |
| 9913                               | LFG to Energy Feasibility Study                | 100,000          | 51,400           | -                | -                 | -                 |
| New                                | CH Well Destruction                            | -                | -                | -                | -                 | 200,000           |
| New                                | CH Transfer Station                            | -                | -                | 100,000          | 400,000           | -                 |
| New                                | CH Mitigation Monitoring Program               | -                | -                | -                | 5,000             | -                 |
| New                                | CH SCADA System                                | -                | -                | -                | 30,000            | -                 |
| New                                | CH Well Monitoring Road Impvts                 | -                | -                | -                | 60,000            | -                 |
| <b>Lewis Road Landfill</b>         |  |                  |                  |                  |                   |                   |
| 9194                               | LR Erosion Control                             | -                | 16,218           | -                | -                 | -                 |
| 9195                               | Closure  | 503,600          | 402,539          | -                | -                 | -                 |
| 9194                               | Winterization/Erosion Control (postclosure)    | 64,589           | -                | -                | -                 | -                 |
| 9339                               | LR SCADA System                                | -                | -                | -                | 30,000            | -                 |
| 9821                               | LFG Improvements                               | 10,000           | 10,190           | -                | -                 | -                 |
| 9914                               | Perimeter Fence (project spread over 3 years)  | 28,600           | 10,000           | -                | -                 | -                 |
| 9915                               | Interior Monitoring Probes (GW)                | 10,000           | -                | -                | -                 | -                 |
| 9916                               | Property Development                           | 10,000           | 8,859            | 10,000           | 4,000             | -                 |
| 9520                               | Plant Restoration                              | -                | 4,000            | 4,000            | -                 | -                 |
| <b>Johnson Canyon Landfill</b>     |  |                  |                  |                  |                   |                   |
| 9196                               | Species Mitigation & Monitoring                | 1,000            | 113              | 40,977           | -                 | -                 |
| 9211                               | Groundwater Mon. Systems Eval.                 | 135,510          | 29,205           | -                | 40,000            | 40,000            |
| 9212                               | Winterization/Erosion Control                  | 56,829           | 15,359           | 14,000           | 16,000            | 16,000            |
| 9219                               | EMP Surface Investigation                      | 36,581           | -                | -                | -                 | -                 |
| 9254                               | Leachate Handling System Revision              | 38,625           | 21,281           | 10,000           | 10,000            | 10,000            |
| 9255                               | LFG System Improvements                        | 87,375           | 31,543           | 15,000           | 200,000           | -                 |
| 9271                               | Johnson Landfill Expansion                     | 127,639          | 73,333           | 20,000           | 20,000            | -                 |
| 9224                               | Ripley Water Source Dev                        | 28,515           | 25,477           | 450,000          | -                 | -                 |
| 9340                               | LFG to Energy                                  | 128,455          | 741,975          | -                | -                 | -                 |
| 9521                               | JC Entrance Facility - Ph 1                    | -                | -                | 390,000          | -                 | -                 |
| New                                | JC 5th Street OC (contribution)                | -                | -                | 10,000           | -                 | -                 |
| 9918                               | West Berm Plant Establishment                  | 10,000           | 5,000            | 5,000            | -                 | -                 |
| 9521                               | Johnson Canyon Entrance Facility               | -                | -                | -                | -                 | -                 |
| New                                | West Property Line Fence                       | -                | -                | -                | -                 | -                 |
| New                                | JC Roadway Improvements                        | -                | -                | 2,300,000        | -                 | -                 |
| 9523                               | US 101/Alta St. Interchange Study              | -                | 15,000           | -                | -                 | -                 |
| New                                | Module 1 Closing                               | -                | -                | 50,000           | 250,000           | -                 |
| 9524                               | Johnson Canyon Module 7/8 Construction         | -                | 30,000           | 1,200,000        | 1,200,000         | -                 |
| 9917                               | JC SCADA System                                | -                | -                | -                | 50,000            | -                 |
| New                                | JC Leachate/Septic Evaporation Pond            | -                | -                | -                | 30,000            | 200,000           |
| New                                | JC Module 9/10 Construction                    | -                | -                | -                | 500,000           | 2,000,000         |
| <b>Jolon Road Landfill</b>         |  |                  |                  |                  |                   |                   |
| 9197                               | Jolon Road Closure Planning                    | 97,985           | 181,955          | 1,500,000        | -                 | -                 |
| 9218                               | JR Groundwater Monitoring                      | -                | 30,169           | -                | -                 | -                 |
| 9819                               | Jolon Road Erosion Control                     | -                | 25,462           | 10,000           | -                 | -                 |
| <b>Sun Street Transfer Station</b> |  |                  |                  |                  |                   |                   |
| 9199                               | Sun Street Transfer Station Acq/Rehabilitation | 1,257,882        | 1,127,948        | 200,000          | 6,598,000         | 114,400           |
| <b>Expansion Fund</b>              |  |                  |                  |                  |                   |                   |
| 9001                               | CR3 Autoclave Implementation                   | -                | 120,000          | -                | -                 | -                 |
| 9290                               | Phase II - Constraints Analysis                | 228,096          | 2                | -                | -                 | -                 |
| 9920                               | Phase III - EIR Hydro Geo Studies              | 535,500          | -                | -                | -                 | -                 |
| 9921                               | Alternative Processing Research (LWMP)         | 36,700           | 75,000           | -                | -                 | -                 |
|                                    |  | <u>5,432,609</u> | <u>4,791,885</u> | <u>8,662,877</u> | <u>20,813,100</u> | <u>2,899,500</u>  |

## CONCLUSION

The budget as presented covers all operating expenditures, debt service payments, transfers and leaves a net income of \$104,480 (0.6% of operating expenditures). The June 30, 2008 Operating Fund Balance is estimated to be \$3,080,477 all of which is designated for the Sun Street Transfer Station. All bond proceeds will be committed and the Authority will begin the closure of Jolon Road and Crazy Horse, two major projects for the Authority.

FY 2007-08 will involve making more decisions as stated above on the Authority's future finances. FY 2008-09 capital projects cannot take place without additional financing. The Board's due diligence in managing the Authority's finances is evident in this budget.

Respectfully submitted,

Stephen Johnson  
General Manager

Roberto Moreno  
Finance Manager

# SALINAS VALLEY SOLID WASTE AUTHORITY



## List of Principal Officials

**George Worthy, City of Gonzales**  
President

**Lou Calcagno, County of Monterey**  
Vice President

**Gloria De La Rosa, City of Salinas**  
Alternate Vice President

**Fernando Armenta, County of Monterey**  
Board Member

**Dennis Donahue, City of Salinas**  
Board Member

**Janet Barnes, City of Salinas**  
Board Member

**Yolanda Teneyuque, City of Greenfield**  
Board Member

**Richard Ortiz, City of Soledad**  
Board Member

**Josephine Campos, City of King**  
Board Member

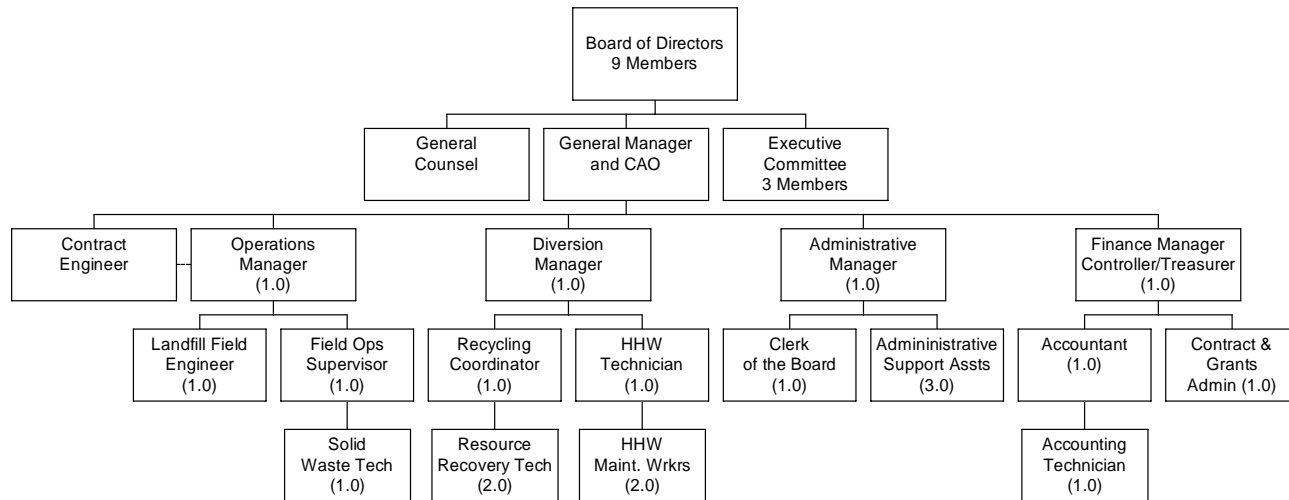
**Stephen Johnson**  
Chief Administrative Officer

**Roberto Moreno**  
Finance Manager/Treasurer

**Thomas M. Bruen**  
General Counsel

# SALINAS VALLEY SOLID WASTE AUTHORITY ORGANIZATIONAL CHART

Salinas Valley Solid Waste Authority  
Proposed Organization Chart  
February 15, 2007  
21 Staff Members



# FY 2007-08 Budget Summary

|                                      |                             |
|--------------------------------------|-----------------------------|
| Revenues                             | \$ 18,096,980               |
| Expenditures                         | <u>(16,813,140)</u>         |
| Net Income                           | 1,283,840                   |
| Transfer to Expansion Fund           | (933,790)                   |
| Transfer to Operating Reserve        | <u>(245,570)</u>            |
| Net Change to Operating Fund Balance | 104,480                     |
| Begin Operating Fund Balance         | 4,166,097                   |
| Cap. Proj. Appropriation             | <u>(1,190,100)</u>          |
| Ending Operating Fund Balance        | 3,080,477                   |
| Est. June 2008 Reserves              | <u>18,893,472</u>           |
| Est. June 2008 Total Fund Balances   | <u><u>\$ 21,973,949</u></u> |

Salinas Valley Solid Waste Authority  
June 30, 2008 Fund Balances

Restricted:

|                           |              |
|---------------------------|--------------|
| Closure Reserve           | \$ 9,284,700 |
| Bond Debt Service Reserve | 2,824,443    |
| Bond Proceeds for CIP     | 2,188,410    |
|                           | <hr/>        |
|                           | 14,297,553   |
|                           | <hr/>        |

Unrestricted:

|                        |           |
|------------------------|-----------|
| Expansion Fund         | 3,354,779 |
| Operating Reserve      | 1,241,140 |
| Operating Fund Balance | 3,080,477 |
|                        | <hr/>     |
|                        | 7,676,396 |
|                        | <hr/>     |

|                     |                             |
|---------------------|-----------------------------|
| Total Fund Balances | <u><u>\$ 21,973,949</u></u> |
|---------------------|-----------------------------|



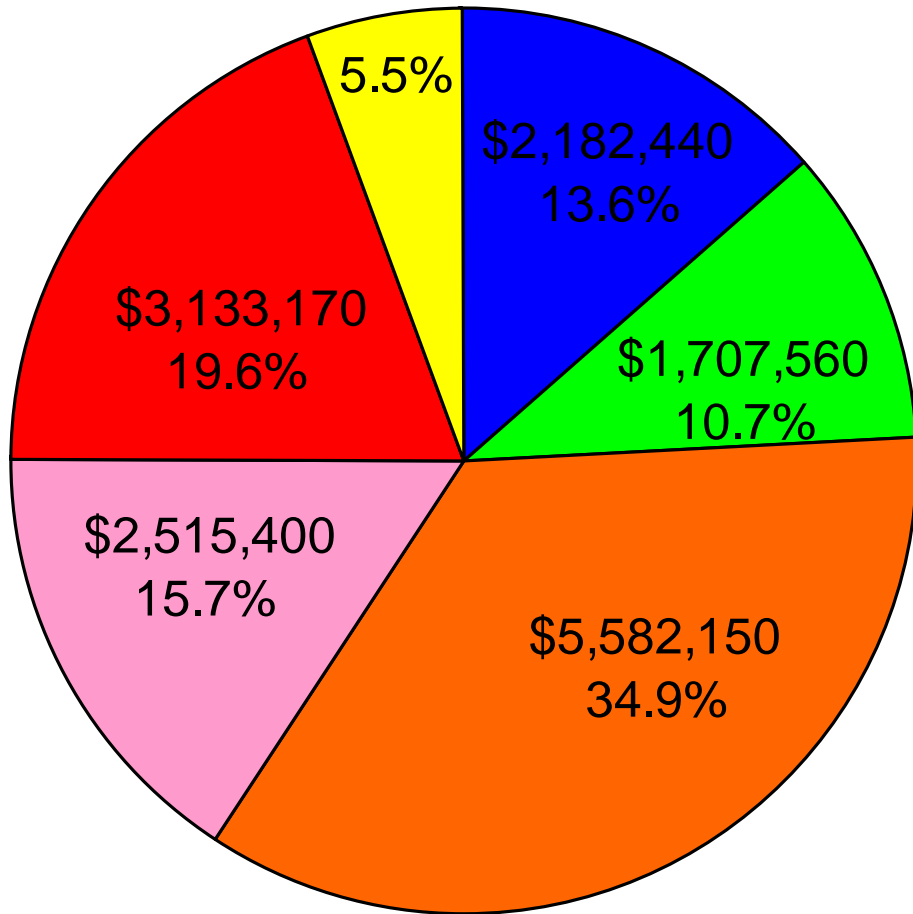
## Salinas Valley Solid Waste Authority Budgetary Comparison

|                                      | Fiscal Year         |                     | Increase<br>(Decrease) | %<br>Change |
|--------------------------------------|---------------------|---------------------|------------------------|-------------|
|                                      | <u>2006-07</u>      | <u>2007-08</u>      |                        |             |
| <b>Revenues</b>                      |                     |                     |                        |             |
| Tipping Fees                         | \$ 13,796,630       | \$ 14,606,630       | \$ 810,000             | 5.9%        |
| South Valley Waste Fees              | 2,281,000           | 2,391,350           | 110,350                | 4.8%        |
| Investment Earnings                  | 829,000             | 834,000             | 5,000                  | 0.6%        |
| Grants & Other Revenue               | 256,000             | 265,000             | 9,000                  | 3.5%        |
| Total Revenues                       | <u>17,162,630</u>   | <u>18,096,980</u>   | <u>934,350</u>         | 5.4%        |
| <b>Operating Expenditures</b>        |                     |                     |                        |             |
| Employee Services                    | 1,750,470           | 2,252,200           | 501,730                | 28.7%       |
| Closure Transfers                    | 885,780             | 1,023,810           | 138,030                | 15.6%       |
| Landfill/Transfer Station Operations | 7,039,930           | 7,170,780           | 130,850                | 1.9%        |
| Professional Services                | 1,193,610           | 1,212,440           | 18,830                 | 1.6%        |
| Taxes and permits                    | 961,500             | 918,660             | (42,840)               | -4.5%       |
| Debt Service                         | 3,133,170           | 3,134,910           | 1,740                  | 0.1%        |
| Postclosure maintenance              | 69,300              | 78,300              | 9,000                  | 13.0%       |
| All Other                            | 972,740             | 1,022,040           | 49,300                 | 5.1%        |
| Total Expenditures                   | <u>16,006,500</u>   | <u>16,813,140</u>   | <u>806,640</u>         | 5.0%        |
| Net Income from operations           | <u>\$ 1,156,130</u> | <u>\$ 1,283,840</u> | <u>\$ 127,710</u>      | 11.0%       |

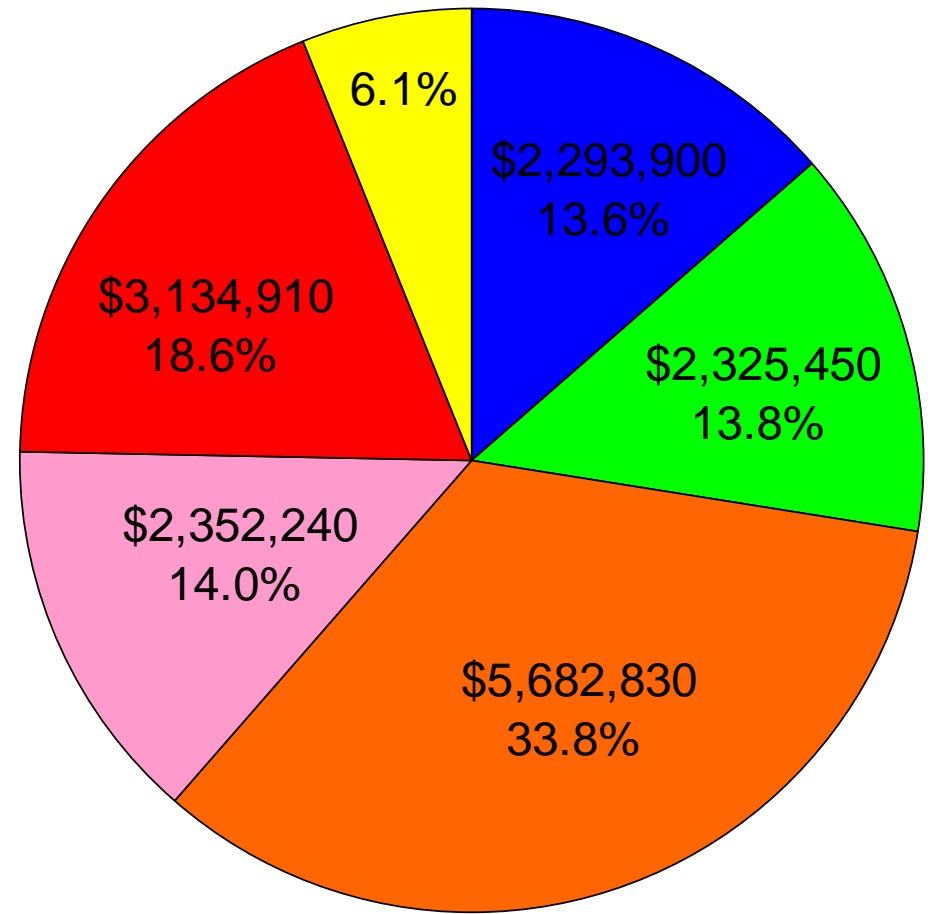
**Salinas Valley Solid Waste Authority  
Operating Expenditures by Function**

| <u>Function</u>             | <u>Fiscal Year</u>   |                      | <u>Change</u>     |                |
|-----------------------------|----------------------|----------------------|-------------------|----------------|
|                             | <u>2006-07</u>       | <u>2007-08</u>       | <u>Amount</u>     | <u>Percent</u> |
| Administration              | \$ 2,182,440         | \$ 2,293,900         | \$ 111,460        | 5.1%           |
| Resource Recovery           | 1,707,560            | 2,325,450            | 617,890           | 36.2%          |
| Landfill Operations         | 5,582,150            | 5,682,830            | 100,680           | 1.8%           |
| Transfer Station Operations | 2,515,400            | 2,352,240            | (163,160)         | -6.5%          |
| Debt Service                | 3,133,170            | 3,134,910            | 1,740             | 0.1%           |
| Closure Costs Transfers     | 885,780              | 1,023,810            | 138,030           | 15.6%          |
|                             | <u>\$ 16,006,500</u> | <u>\$ 16,813,140</u> | <u>\$ 806,640</u> | <u>5.0%</u>    |

FY 2006-07  
\$16,006,500  
\$885,780



FY 2007-08  
\$16,813,140  
\$1,023,810



- |                             |                   |                     |
|-----------------------------|-------------------|---------------------|
| Administration              | Resource Recovery | Landfill Operations |
| Transfer Station Operations | Debt Service      | Closure Funding     |

## Salinas Valley Solid Waste Authority Capital Improvements Budget Summary

| <b>Projects by Function</b> | Proposed<br><u>2006-07</u> | Proposed<br><u>2007-08</u> | Projected<br><u>2008-09</u> | Projected<br><u>2009-10</u> |
|-----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Administration              | \$ 226,471                 | \$ 19,100                  | \$ 19,100                   | \$ 19,100                   |
| Resource Recovery           | 583,651                    | 947,000                    | 500,000                     | -                           |
| Crazy Horse Landfill        | 981,135                    | 1,467,800                  | 11,346,000                  | 500,000                     |
| Lewis Road Landfill         | 451,806                    | 14,000                     | 34,000                      | -                           |
| Johnson Canyon Landfill     | 988,286                    | 4,504,977                  | 2,316,000                   | 2,266,000                   |
| Jolon Road Landfill         | 237,586                    | 1,510,000                  | -                           | -                           |
| Sun Street Transfer Station | 1,127,948                  | 200,000                    | 6,598,000                   | 114,400                     |
| Expansion Fund              | 195,002                    | -                          | -                           | -                           |
|                             | <u>\$ 4,791,885</u>        | <u>\$ 8,662,877</u>        | <u>\$ 20,813,100</u>        | <u>\$ 2,899,500</u>         |

| <b>Financing Source</b> |                     |                     |                      |                     |
|-------------------------|---------------------|---------------------|----------------------|---------------------|
| Operating Fund Balance  | \$ 3,382,484        | \$ 1,190,100        | \$ -                 | \$ -                |
| Closure Funds           | 181,955             | 2,074,640           | 10,596,000           | -                   |
| Bond Proceeds - 2002    | 1,227,446           | 5,398,137           | 2,188,410            | -                   |
| Bond Proceeds - 2007    | -                   | -                   | 8,028,690            | 2,899,500           |
|                         | <u>\$ 4,791,885</u> | <u>\$ 8,662,877</u> | <u>\$ 20,813,100</u> | <u>\$ 2,899,500</u> |

EXHIBIT A  
SALINAS VALLEY SOLID WASTE AUTHORITY  
BUDGET SUMMARY BY FUND  
FISCAL YEAR 2007-2008

| Description                               | Crazy Horse         | Lewis Road       | Johnson Canyon     | Jolon Road         | Transfer Station   | Administration     | Resource Recovery  | Supplemental Capacity | Interfund Eliminations | Total               |
|---|---------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|------------------------|---------------------|
| <b>Beginning Fund Balances:</b>           |                     |                  |                    |                    |                    |                    |                    |                       |                        |                     |
| All Funds                                 | 17,439,863          | #REF!            | 2,808,257          | #REF!              | #REF!              | #REF!              | (526,397)          | 2,420,989             | 0                      | #REF!               |
| Reserve for Closure                       | (7,587,488)         |                  | (1,944,612)        | (1,096,840)        | 0                  | 0                  |                    |                       |                        | (10,628,940)        |
| Bond Reserve                              | (1,486,999)         | (361,819)        | (619,849)          | (293,353)          | 0                  | (59,193)           |                    |                       |                        | (2,821,213)         |
| Operating Reserve                         | (772,170)           | 0                | (223,400)          | 0                  | 0                  | 0                  | 0                  | 0                     |                        | (995,570)           |
| Capitalized Interest                      | 0                   | 0                | 0                  | 0                  | 0                  | (3,230)            |                    |                       |                        | (3,230)             |
| Bond Proceeds for Capital Projects        | (7,114,958)         | #REF!            | (471,589)          | #REF!              | #REF!              | 0                  |                    |                       |                        | #REF!               |
| <b>Operating Fund Balance</b>             | <b>478,248</b>      | <b>#REF!</b>     | <b>(451,193)</b>   | <b>#REF!</b>       | <b>#REF!</b>       | <b>#REF!</b>       | <b>(526,397)</b>   | <b>2,420,989</b>      | <b>0</b>               | <b>#REF!</b>        |
| <b>Estimated Revenue</b>                  |                     |                  |                    |                    |                    |                    |                    |                       |                        |                     |
| Tipping Fees                              | 8,655,350           |                  | 3,956,140          | 0                  | 377,140            |                    | 808,000            |                       |                        | 13,796,630          |
| Sale of Outside Waste                     |                     |                  |                    |                    |                    |                    |                    | 2,391,350             |                        | 2,391,350           |
| Recycling Sales                           |                     |                  |                    |                    |                    |                    | 100,000            |                       |                        | 100,000             |
| Investment Earnings                       | 350,000             | 36,000           | 114,000            | 95,000             | 176,000            | 16,000             | 12,000             | 35,000                |                        | 834,000             |
| Grants                                    |                     |                  |                    |                    |                    |                    | 62,000             |                       |                        | 62,000              |
| Contract Management Services              |                     |                  |                    |                    |                    | 71,000             | 0                  |                       |                        | 71,000              |
| Miscellaneous                             |                     |                  | 3,000              |                    | 1,000              | 27,000             | 1,000              |                       |                        | 32,000              |
| <b>Total Estimated Revenue</b>            | <b>9,005,350</b>    | <b>36,000</b>    | <b>4,073,140</b>   | <b>95,000</b>      | <b>554,140</b>     | <b>114,000</b>     | <b>983,000</b>     | <b>2,426,350</b>      | <b>0</b>               | <b>17,286,980</b>   |
| <b>Operating Budget</b>                   |                     |                  |                    |                    |                    |                    |                    |                       |                        |                     |
| Employee Services                         |                     |                  |                    |                    |                    | (1,458,700)        | (793,500)          |                       |                        | (2,252,200)         |
| Office Expense                            |                     |                  |                    |                    |                    | (212,550)          | (18,000)           |                       |                        | (230,550)           |
| Vehicle Expense                           |                     |                  |                    |                    |                    | (21,500)           | (6,000)            |                       |                        | (27,500)            |
| Legal Services                            |                     |                  |                    | (20,000)           |                    | (100,000)          |                    |                       |                        | (120,000)           |
| Professional Services                     |                     |                  |                    |                    | (30,000)           | (346,700)          | (331,800)          |                       |                        | (708,500)           |
| Training & Travel                         |                     |                  |                    |                    |                    | (73,450)           | (8,750)            |                       |                        | (82,200)            |
| Utilities                                 | (55,000)            |                  | (38,400)           |                    | (20,000)           |                    |                    |                       |                        | (113,400)           |
| Professional/Engineering Services         | (214,640)           |                  | (129,000)          | (40,300)           |                    |                    |                    |                       |                        | (383,940)           |
| Taxes and Permits                         | (447,790)           | (25,500)         | (217,620)          | (22,000)           | (6,600)            |                    |                    | (199,150)             |                        | (918,660)           |
| Landfill/Transfer Stn Operating Contract  | (2,613,820)         |                  | (1,178,920)        | (612,420)          | (1,360,320)        |                    | (910,000)          |                       |                        | (6,675,480)         |
| Scalehouse Operating Contract             | (197,800)           |                  | (151,300)          |                    | (146,200)          |                    |                    |                       |                        | (495,300)           |
| HHW Transportation & Disposal             |                     |                  |                    |                    |                    |                    | (241,000)          |                       |                        | (241,000)           |
| Insurance                                 | (47,300)            | (44,000)         | (44,290)           | (44,400)           | (50,000)           | (65,000)           |                    |                       |                        | (294,990)           |
| Other Operating                           |                     |                  |                    |                    |                    | (12,000)           | (13,900)           |                       |                        | (25,900)            |
| Rents and Leases                          |                     |                  |                    |                    |                    |                    |                    |                       |                        | 0                   |
| Debt Service                              | (1,834,330)         | (352,640)        | (604,270)          | (285,980)          |                    | (57,690)           |                    |                       |                        | (3,134,910)         |
| Postclosure Maintenance (30 years)        |                     | (78,300)         |                    |                    |                    |                    |                    |                       |                        | (78,300)            |
| Capital Outlay                            |                     |                  |                    |                    |                    | (4,000)            | (2,500)            |                       |                        | (6,500)             |
| <b>Total Budget</b>                       | <b>(5,410,680)</b>  | <b>(500,440)</b> | <b>(2,363,800)</b> | <b>(1,025,100)</b> | <b>(1,613,120)</b> | <b>(2,351,590)</b> | <b>(2,325,450)</b> | <b>(199,150)</b>      | <b>0</b>               | <b>(15,789,330)</b> |
| <b>Other Sources and (Uses)</b>           |                     |                  |                    |                    |                    |                    |                    |                       |                        |                     |
| Contributions from Landfills              |                     | 470,000          |                    | 930,100            | 987,900            | 2,150,000          | 1,612,000          |                       |                        | 6,150,000           |
| Contribution for JPA Administration       | (1,510,000)         |                  | (640,000)          |                    |                    |                    |                    |                       |                        | (2,150,000)         |
| Contribution for Resource Recovery        | (550,000)           |                  | (100,000)          |                    |                    |                    |                    |                       |                        | (650,000)           |
| Contribution for Transfer Station         | (1,300,000)         |                  | 0                  |                    |                    |                    |                    |                       |                        | (1,300,000)         |
| Contribution for Lewis Road Landfill      | (710,000)           |                  | 0                  |                    |                    |                    |                    |                       |                        | (710,000)           |
| Contribution for Jolon Road Landfill      | (1,340,000)         |                  | 0                  |                    |                    |                    |                    |                       |                        | (1,340,000)         |
| To Operating Reserve                      | (172,170)           |                  | (73,400)           |                    |                    |                    |                    |                       |                        | (245,570)           |
| To CH from Expansion for Operations       | 1,000,000           |                  |                    |                    |                    |                    |                    | (1,000,000)           |                        | 0                   |
| To Closure Fund                           | (572,390)           |                  | (158,010)          | 0                  |                    |                    |                    |                       |                        | (730,400)           |
| To CH from Expansion for Closure          | 0                   |                  |                    |                    |                    |                    |                    | (293,410)             |                        | (293,410)           |
| <b>Total Other Sources/(Uses)</b>         | <b>(5,154,560)</b>  | <b>470,000</b>   | <b>(971,410)</b>   | <b>930,100</b>     | <b>987,900</b>     | <b>2,150,000</b>   | <b>1,612,000</b>   | <b>(1,293,410)</b>    | <b>0</b>               | <b>(1,269,380)</b>  |
| <b>Net Income from Operations</b>         | <b>(1,559,890)</b>  | <b>5,560</b>     | <b>737,930</b>     | <b>0</b>           | <b>(71,080)</b>    | <b>(87,590)</b>    | <b>269,550</b>     | <b>933,790</b>        | <b>0</b>               | <b>228,270</b>      |
| <b>Capital Projects Appropriations</b>    |                     |                  |                    |                    |                    |                    |                    |                       |                        |                     |
| Capital Projects from Operations          |                     | (14,000)         |                    | (10,000)           | (200,000)          | (19,100)           | (947,000)          | 0                     |                        | (1,190,100)         |
| Capital Projects from Closure Reserves    | (977,800)           |                  |                    | (1,096,840)        |                    |                    |                    |                       |                        | (2,074,640)         |
| Capital Projects from Bond Proceeds       | (490,000)           | 0                | (4,504,977)        | (403,160)          |                    | 0                  |                    |                       | 0                      | (5,398,137)         |
| <b>Total Expenditures &amp; Transfers</b> | <b>(11,055,240)</b> | <b>(30,440)</b>  | <b>(7,840,187)</b> | <b>(498,160)</b>   | <b>(625,220)</b>   | <b>(201,590)</b>   | <b>(713,450)</b>   | <b>(1,492,560)</b>    |                        | <b>(22,456,847)</b> |
| <b>Operating Fund Balance</b>             | <b>(1,081,642)</b>  | <b>#REF!</b>     | <b>286,737</b>     | <b>#REF!</b>       | <b>#REF!</b>       | <b>#REF!</b>       | <b>(1,203,847)</b> | <b>3,354,779</b>      |                        | <b>#REF!</b>        |
| <b>Estimated Ending Reserves</b>          |                     |                  |                    |                    |                    |                    |                    |                       |                        |                     |
| Reserve for Closure                       | 7,182,078           | 0                | 2,102,622          | 0                  | 0                  | 0                  | 0                  | 0                     |                        | 9,284,700           |
| Operating Reserve                         | 944,340             |                  | 296,800            |                    |                    |                    |                    |                       |                        | 1,241,140           |
| Bond Reserve                              | 1,486,999           | 361,819          | 619,849            | 293,353            | 0                  | 59,193             | 0                  | 0                     |                        | 2,821,213           |
| Reserve for Capitalized Interest          | 0                   | 0                | 0                  | 0                  | 0                  | 3,230              |                    |                       |                        | 3,230               |
| Bond Proceeds for Capital Projects        | 6,624,958           | #REF!            | (4,033,388)        | #REF!              | #REF!              | 0                  | 0                  | 0                     | 0                      | #REF!               |
| <b>Total Estimated Ending Reserves</b>    | <b>16,238,375</b>   | <b>#REF!</b>     | <b>(1,014,117)</b> | <b>#REF!</b>       | <b>#REF!</b>       | <b>62,423</b>      | <b>0</b>           | <b>0</b>              | <b>0</b>               | <b>#REF!</b>        |
| <b>Estimated Fund Balance-All Funds</b>   | <b>15,156,734</b>   | <b>#REF!</b>     | <b>(727,380)</b>   | <b>#REF!</b>       | <b>#REF!</b>       | <b>#REF!</b>       | <b>(1,203,847)</b> | <b>3,354,779</b>      | <b>0</b>               | <b>#REF!</b>        |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program  | 31.05-5105 | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | <b>ADMINISTRATION</b>                                |            |                                 |                                 |                              |                               |
|                | <b>Beginning Fund Balance</b>                        |            | 435,674                         | 457,664                         | 457,664                      | 255,093                       |
| <b>31.07</b>   | <b>Bond Reserve</b>                                  |            | (89,178)                        | (59,193)                        | (59,193)                     | (59,193)                      |
| <b>31.08</b>   | <b>Capitalized Interest Reserve</b>                  |            | (13,950)                        | (3,230)                         | (3,230)                      | (3,230)                       |
|                | <b>Operating Fund Balance</b>                        |            | 332,546                         | 395,241                         | 395,241                      | 192,670                       |
|                | <b>Estimated Revenue:</b>                            |            |                                 |                                 |                              |                               |
| <b>57033</b>   | <b>Landfill Contributions</b>                        |            |                                 |                                 |                              |                               |
|                | Crazy Horse Landfill                                 |            | 980,000                         | 752,502                         | 1,505,000                    | 1,505,000                     |
|                | Johnson Canyon Landfill                              |            | 420,000                         | 322,500                         | 645,000                      | 645,000                       |
|                | <b>Sub-Total Landfill Contributions</b>              |            | 1,400,000                       | 1,075,002                       | 2,150,000                    | 2,150,000                     |
| <b>51254</b>   | <b>Tri-Cities Franchise Administration</b>           |            | 0                               | 26,899                          | 21,000                       | 21,000                        |
| <b>51255</b>   | <b>Salinas BFI Franchise Administration</b>          |            | 0                               | 57,358                          | 50,000                       | 50,000                        |
| <b>54001</b>   | <b>Investment Earnings</b>                           |            | 12,003                          | 10,281                          | 16,000                       | 16,000                        |
| <b>57005</b>   | <b>Miscellaneous</b>                                 |            | 21,825                          | 12,982                          | 20,000                       | 20,000                        |
|                | Redeposit of NSF Checks                              |            |                                 |                                 |                              |                               |
| <b>57045</b>   | <b>Late Payment Charges</b>                          |            | 6,530                           | 8,101                           | 7,000                        | 7,000                         |
|                | <b>Total Estimated Revenue</b>                       |            | 1,440,358                       | 1,190,623                       | 2,264,000                    | 2,264,000                     |
|                | <b>Estimated Expenditures:</b>                       |            |                                 |                                 |                              |                               |
| <b>61110</b>   | <b>Regular/Bilingual/Incentive Pay - SVSWA</b>       |            | 649,382                         | 319,144                         | 966,600                      | 1,044,000                     |
| <b>61111</b>   | <b>Regular Pay-Salinas Employees</b>                 |            | 95,612                          | 57,706                          | 20,000                       | 0                             |
| <b>61120</b>   | <b>PTO</b>   |            | 39,370                          | 18,310                          | 96,400                       | 104,400                       |
| <b>61140</b>   | <b>Regular Pay - Other (Holidays)</b>                |            | 27,955                          | 2,138                           | 0                            | 0                             |
| <b>61200</b>   | <b>Temporary Salaries</b>                            |            | 0                               | 0                               | 0                            | 0                             |
| <b>61300</b>   | <b>Overtime - Regular</b>                            |            | 16,231                          | 2,314                           | 9,000                        | 9,000                         |
| <b>61410</b>   | <b>Health Club/Fitness Reimburse</b>                 |            | 1,401                           | 528                             | 2,500                        | 7,000                         |
| <b>61600</b>   | <b>Other Payroll Costs &gt; SVSWA Administration</b> |            | (21,131)                        | 0                               | (41,000)                     | (20,000)                      |
| <b>61999</b>   | <b>Transfer of Salary Costs to CIPs</b>              |            | (36,030)                        | 0                               | (150,000)                    | (100,000)                     |
|                | <b>Benefits</b>                                      |            |                                 |                                 |                              |                               |
| <b>61700</b>   | Flexible Leave                                       |            | 27,057                          | 11,540                          | 28,500                       | 30,000                        |
| <b>61705</b>   | Management Leave                                     |            | 10,129                          | 0                               | 19,500                       | 22,000                        |
| <b>61821</b>   | Social Security                                      |            | 0                               | 0                               | 0                            | 0                             |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                                     | 31.05-5105 | 06/30/2006 Actual Rev/Exp | 12/31/2006 Actual Rev/Exp | 2006-07 Revised Budget | 2007-08 Proposed Budget |
|----------------|---|------------|---------------------------|---------------------------|------------------------|-------------------------|
| <b>61822</b>   | <b>PERS</b>                                 |            | 77,713                    | 36,603                    | 101,170                | 100,100                 |
| <b>61825</b>   | Medicare                                    |            | 9,565                     | 6,345                     | 14,200                 | 15,300                  |
| <b>61815</b>   | Auto Allowance                              |            | 6,023                     | 2,769                     | 6,000                  | 6,000                   |
| <b>61831</b>   | Health Insurance                            |            | 131,845                   | 65,410                    | 183,100                | 199,000                 |
| <b>61833</b>   | Long Term Disability Insurance              |            | 4,605                     | 1,832                     | 5,000                  | 4,100                   |
| <b>61834</b>   | Unemployment Insurance                      |            | 3,289                     | (55)                      | 3,600                  | 3,600                   |
| <b>61836</b>   | Life Insurance                              |            | 2,363                     | 1,254                     | 3,050                  | 3,200                   |
| <b>61837</b>   | Workman's' Compensation                     |            | 38,145                    | 9,632                     | 46,100                 | 31,000                  |
|                | <b>Sub-Total Personnel Services</b>         |            | 1,083,524                 | 535,470                   | 1,313,720              | 1,458,700               |
|                |   |            |                           | *                         |                        |                         |
| <b>62100</b>   | <b>Office Supplies</b>                      |            | 16,976                    | 6,589                     | 15,000                 | 15,000                  |
| <b>63594</b>   | <b>Bank /Credit Card Service Fees</b>       |            |                           | 0                         | 0                      | 0                       |
| <b>62120</b>   | <b>Reproduction Costs</b>                   |            | 5,136                     | 1,419                     | 4,000                  | 2,500                   |
| <b>62800</b>   | <b>Special Dept Supplies</b>                |            | 1,222                     | 274                       | 1,500                  | 1,500                   |
|                | Water, cooler, kitchen, cleaning supplies   |            |                           |                           |                        |                         |
| <b>63116</b>   | <b>Cell Phones and Monthly Charges</b>      |            | 3,775                     | 1,787                     | 6,000                  | 6,000                   |
| <b>63120</b>   | <b>Telephone</b>                            |            | 10,300                    | 1,823                     | 9,200                  | 14,600                  |
|                | Telephone and Long Distance                 |            |                           |                           |                        |                         |
|                | First Alarm monitoring+log 12x50= 600       |            |                           |                           |                        |                         |
|                | Website Host/ISP = 12 x 250 = 3,000         |            |                           |                           |                        |                         |
|                | Voice Mail Site License/DSL Lines 3,000     |            |                           |                           |                        |                         |
|                | ISP - \$5,000                               |            |                           |                           |                        |                         |
|                | Main Agreement - Infinity -0-               |            |                           |                           |                        |                         |
|                | Long Distance - \$3,000                     |            |                           |                           |                        |                         |
|                | PRI/DID Monthly Charges - \$6,000           |            |                           |                           |                        |                         |
| <b>63140</b>   | <b>Postage</b>                              |            | 2,142                     | 3,261                     | 7,800                  | 8,000                   |
|                | Postage meter, postage, FedEx, CalOvernight |            |                           |                           |                        |                         |
| <b>63200</b>   | <b>Utilities</b>                            |            | 4,828                     | 2,381                     | 10,000                 | 10,000                  |
| <b>63320</b>   | <b>Building Rent</b>                        |            | 42,441                    | 38,391                    | 78,200                 | 95,000                  |
|                | \$7,600 x 12 mths = \$91,200.               |            |                           |                           |                        |                         |
|                | Property Taxes                              |            |                           |                           |                        |                         |
|                | Portion of maintenance fees \$3,800         |            |                           |                           |                        |                         |
| <b>63430</b>   | <b>Equipment Maintenance</b>                |            | 16,796                    | 20,400                    | 45,550                 | 59,950                  |
|                | Copier Maintenance Agreement 2,500          |            |                           |                           |                        |                         |
|                | Fax Maintenance Agreement 350               |            |                           |                           |                        |                         |
|                | Computer Support 2,500                      |            |                           |                           |                        |                         |
|                | Paradigm Mt. Agreement 15,000               |            |                           |                           |                        |                         |
|                | Other Equipment Repair 1,200                |            |                           |                           |                        |                         |
|                | Network Support (12mths x \$2,000)          |            |                           |                           |                        |                         |
|                | INCODE Support                              |            |                           |                           |                        |                         |
|                | LaserFiche Software Renewal \$6,200         |            |                           |                           |                        |                         |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program   | 31.05-5105 | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|---|------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | <b>ADMINISTRATION</b>                             |            |                                 |                                 |                              |                               |
|                | <b>Sub-Total Office Expense</b>                   |            | 103,616                         | 76,325                          | 177,250                      | 212,550                       |
| <b>62230</b>   | <b>Vehicle Expense</b>                            |            | 5,976                           | 4,785                           | 7,500                        | 9,000                         |
|                | R & M Administrative Vehicles (8)                 |            |                                 |                                 |                              |                               |
|                | Jeep, Corsica, 1 Ranger, 1 F-150, 1 F-250, Van +1 |            |                                 |                                 |                              |                               |
| <b>62330</b>   | <b>Unleaded Gasoline</b>                          |            | 11,782                          | 4,620                           | 12,500                       | 12,500                        |
|                | <b>Sub-Total Vehicle Expense</b>                  |            | 17,758                          | 9,405                           | 20,000                       | 21,500                        |
| <b>63510</b>   | <b>Legal Services</b>                             |            | 66,795                          | 42,683                          | 106,300                      | 100,000                       |
| <b>63590</b>   | <b>Professional Services</b>                      |            | 417,087                         | 236,860                         | 343,570                      | 329,700                       |
|                | Consulting Engineer - \$250,000                   |            |                                 |                                 |                              |                               |
|                | Audit - \$11,200                                  |            |                                 |                                 |                              |                               |
|                | Contract Engineer, PE 30,000                      |            |                                 |                                 |                              |                               |
|                | Bank of NY (1997 Series A Bonds) 5,000            |            |                                 |                                 |                              |                               |
|                | MBIA Muni-Financial Rebate 3,000                  |            |                                 |                                 |                              |                               |
|                | Custodial Service 12,000                          |            |                                 |                                 |                              |                               |
|                | Recruitment Exp (Ads, tests, board) \$7,500       |            |                                 |                                 |                              |                               |
|                | City of Salinas Bond Admin Fee \$43,540 (1/2)     |            |                                 |                                 |                              |                               |
|                | HR Consultants - Compensation Study 7,500         |            |                                 |                                 |                              |                               |
|                | HR Investigations, Testing, Drug Testing \$2,000  |            |                                 |                                 |                              |                               |
|                | Safety Prog/Consulting \$1,500                    |            |                                 |                                 |                              |                               |
|                | Safety Awards                                     |            |                                 |                                 |                              |                               |
| <b>63594</b>   | Bank & Credi Card Fees                            |            |                                 | 981                             | 2,000                        | 2,000                         |
| <b>63595</b>   | Collection Services                               |            |                                 | 15                              |                              |                               |
| <b>64100</b>   | <b>Promotion &amp; Publicity</b>                  |            | 32,392                          | 10,933                          | 65,000                       | 15,000                        |
|                | Press releases, yellow page ads                   |            |                                 |                                 |                              |                               |
|                | <b>Sub-Total Professional Services</b>            |            | 449,479                         | 248,789                         | 410,570                      | 346,700                       |
| <b>63960</b>   | <b>Contingency</b>                                |            | 45                              | 62                              | 6,600                        | 7,000                         |
| <b>64200</b>   | <b>Travel, Meetings and Conferences</b>           |            | 30,429                          | 14,322                          | 41,000                       | 47,000                        |
|                | Board Member Stipends                             |            |                                 |                                 |                              |                               |
|                | Additional stipends \$2,500 - charge to 31.80     |            |                                 |                                 |                              |                               |
|                | 9 Members x 13 meetings @100 11,700               |            |                                 |                                 |                              |                               |
| <b>New</b>     | Ex Committee stipends 3 x 12 x \$100              |            |                                 |                                 |                              |                               |
|                | Staff Travel & Meetings 3,200                     |            |                                 |                                 |                              |                               |
|                | Board Meeting Refreshments 1,000                  |            |                                 |                                 |                              |                               |
|                | CIWMB Meetings 1,500                              |            |                                 |                                 |                              |                               |
|                | Wastecon (5) 6,500                                |            |                                 |                                 |                              |                               |
|                | SWANA Annual Conference (5) 8,000                 |            |                                 |                                 |                              |                               |
|                | SWANA Exec Conference (1) 1,500                   |            |                                 |                                 |                              |                               |
|                | SWANA Specific Conf (2) 3,000                     |            |                                 |                                 |                              |                               |
|                | Dept. and All Staff Retreats (4) 5,000            |            |                                 |                                 |                              |                               |



**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program  | 31.05-5105 | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | LaserFische Annual (1) \$1,000                   |            |                                 |                                 |                              |                               |
|                | City Clerk Association (1)                       |            |                                 |                                 |                              |                               |
| <b>64201</b>   | <b>Travel Expense - General Manager</b>          |            | 5,179                           | 1,858                           | 9,500                        | 5,000                         |
| <b>64250</b>   | <b>Training</b>                                  |            | 8,262                           | 6,877                           | 18,400                       | 17,500                        |
|                | MOLO (1) 1,250                                   |            |                                 |                                 |                              |                               |
|                | Computer Training (7 @ 500 each)                 |            |                                 |                                 |                              |                               |
|                | Auto Cad Training -0-                            |            |                                 |                                 |                              |                               |
|                | Paradigm & Norcal Training 5,250                 |            |                                 |                                 |                              |                               |
|                | In-house Safety Training 1,500                   |            |                                 |                                 |                              |                               |
|                | LFG & Flare Ops Training 2,500                   |            |                                 |                                 |                              |                               |
|                | Tuition reimbursement 3,500                      |            |                                 |                                 |                              |                               |
|                | INCODE Learning Mgmt System                      |            |                                 |                                 |                              |                               |
| <b>64320</b>   | <b>Publications/Memberships</b>                  |            | 2,264                           | 886                             | 3,650                        | 3,950                         |
|                | SWANA Membership/Publications 1,800              |            |                                 |                                 |                              |                               |
|                | Newspaper Subscriptions                          |            |                                 |                                 |                              |                               |
|                | WasteNews 300                                    |            |                                 |                                 |                              |                               |
|                | SV Chamber of Commerce 200                       |            |                                 |                                 |                              |                               |
|                | Am Society of Civil Engineers 250                |            |                                 |                                 |                              |                               |
|                | American Academy of Env Engineers 300            |            |                                 |                                 |                              |                               |
|                | ISWA   |            |                                 |                                 |                              |                               |
|                | Mo County - Planning Comm Agenda 25              |            |                                 |                                 |                              |                               |
|                | So CA Waste Mgmt Forum 25                        |            |                                 |                                 |                              |                               |
|                | Leadership Salinas Valley 250                    |            |                                 |                                 |                              |                               |
|                | Technical Books - \$350                          |            |                                 |                                 |                              |                               |
|                | GFOA & CSMFO 500                                 |            |                                 |                                 |                              |                               |
|                | <b>Sub-Total Training &amp; Meeting Expenses</b> |            | 46,134                          | 23,943                          | 72,550                       | 73,450                        |
| <b>64410</b>   | <b>Insurance</b>                                 |            | 57,260                          | 58,694                          | 58,900                       | 65,000                        |
|                | Vehicles 8 \$16,325                              |            |                                 |                                 |                              |                               |
|                | Prof Liability/Employmt Practices 25,275         |            |                                 |                                 |                              |                               |
|                | Tenant's property insurance 10,000+deductible    |            |                                 |                                 |                              |                               |
| <b>64700</b>   | <b>Refunds &amp; Reimbursed Damages</b>          |            | 6,656                           | 1,166                           | 5,000                        | 5,000                         |
|                | Returned checks and fees from landfill a/r       |            |                                 |                                 |                              |                               |
| <b>65002</b>   | <b>Debt Service</b>                              |            | 32,039                          | 36,837                          | 57,660                       | 57,690                        |
| <b>66530</b>   | <b>Office Equipment</b>                          |            | 3,954                           | 848                             | 11,550                       | 4,000                         |
|                | Digital Camera                                   |            |                                 |                                 |                              |                               |
|                | Scanner  |            |                                 |                                 |                              |                               |
|                | 2 Printers                                       |            |                                 |                                 |                              |                               |
| <b>66550</b>   | <b>Rolling Stock</b>                             |            | 0                               | 0                               | 0                            | 0                             |
|                |  |            |                                 |                                 |                              |                               |
|                | <b>Sub-Total Capital Outlay</b>                  |            | 3,954                           | 848                             | 11,550                       | 4,000                         |
|                | <b>Sub-Total Operating Budget</b>                |            | 1,867,260                       | 1,034,222                       | 2,240,100                    | 2,351,590                     |
|                |  |            | *                               | *                               |                              |                               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number                                  | Program                                     | 31.05-5105 | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|---|---|------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
| <b>ADMINISTRATION</b>                           |   |            |                                 |                                 |                              |                               |
| <b>Income (Deficit) Before Capital Projects</b> |   |            | (94,356)                        | 156,401                         | 23,900                       | (87,590)                      |
| <b>Capital Improvement Projects</b>             |   |            |                                 |                                 |                              |                               |
| <b>9207</b>                                     | Capital Equipment Replacement               |            | 28,409                          | 16,108                          | 49,416                       | 19,100                        |
| <b>9260</b>                                     | Standalone Agency                           |            | 21,186                          | 34,188                          | 45,828                       | 0                             |
| <b>9225</b>                                     | Scalehouse Hard/Software/Networking         |            | 0                               | 3,351                           | 35,000                       | 0                             |
| <b>9234 *</b>                                   | Capacity Development                        |            | 0                               | 0                               | 0                            | 0                             |
| <b>9825 *</b>                                   | Regional Facilities Expansion               |            | 0                               | 0                               | 0                            | 0                             |
| <b>9912</b>                                     | Records Retention System                    |            | 45,599                          | 9,650                           | 21,227                       | 0                             |
| <b>9921</b>                                     | Alternative Processing                      |            |                                 | 0                               | 0                            | 0                             |
| <b>9514 *</b>                                   | Administrative Offices Relocation           |            |                                 | 200                             | 75,000                       | 0                             |
|   | * Completed Projects                        |            |                                 |                                 |                              |                               |
| <b>Total Capital Projects</b>                   |   |            | 95,194                          | 63,497                          | 226,471                      | 19,100                        |
| <b>Estimated Transfers</b>                      |   |            |                                 |                                 |                              |                               |
| <b>31.08</b>                                    | Debt Service Paid from Capitalized Interest |            | 10,720                          | 0                               | 0                            | 0                             |
| <b>31.08</b>                                    | From Capitalized Interest Fund              |            | (10,720)                        | 0                               | 0                            | 0                             |
| <b>Total Transfers</b>                          |   |            | 0                               | 0                               | 0                            | 0                             |
| <b>Total Expenditures and Transfers</b>         |   |            | 1,962,454                       | 1,097,719                       | 2,466,571                    | 2,370,690                     |
| <b>Net Operating Fund Balance</b>               |   |            | (189,550)                       | 488,145                         | 192,670                      | 85,980                        |
| <b>Reserved Funds</b>                           |   |            |                                 |                                 |                              |                               |
| <b>31.07</b>                                    | 2002 Bond Reserve                           |            | 89,178                          | 59,193                          | 59,193                       | 59,193                        |
| <b>31.08</b>                                    | Capitalized Interest                        |            | 3,230                           | 3,230                           | 3,230                        | 3,230                         |
| <b>Total Reserved Funds</b>                     |   |            | 92,408                          | 62,423                          | 62,423                       | 62,423                        |
| <b>Ending Fund Balance - All Funds</b>          |   |            | (97,142)                        | 550,568                         | 255,093                      | 148,403                       |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                                    | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | RESOURCE RECOVERY 31.06-5151               |                                 |                                 |                              |                               |
|                | <b>Beginning Operating Fund Balance</b>    | 405,652                         | 170,553                         | 170,553                      | (508,658)                     |
|                | <b>Estimated Revenues:</b>                 |                                 |                                 |                              |                               |
| <b>54001</b>   | <b>Investment Earnings</b>                 | 10,539                          | 4,586                           | 12,000                       | 12,000                        |
|                | Fund Balance                               |                                 |                                 |                              |                               |
| <b>57034</b>   | <b>Landfill Contributions</b>              |                                 |                                 |                              |                               |
|                | Crazy Horse Landfill                       | 233,333                         | 227,502                         | 455,000                      | 1,120,000                     |
|                | Johnson Canyon Road Landfill               | 100,000                         | 97,500                          | 195,000                      | 480,000                       |
|                | <b>Total:</b>                              | 333,333                         | 325,002                         | 650,000                      | 1,612,000                     |
| <b>57041</b>   | <b>Green/Wood Waste Tipping Fees</b>       | 322,423                         | 393,335                         | 808,000                      | 808,000                       |
| <b>55132</b>   | <b>Shared Revenue with Norcal</b>          | 24,953                          | 8,257                           | 16,000                       | 40,000                        |
| <b>55140</b>   | <b>E-Waste Revenue (new)</b>               |                                 |                                 |                              | 60,000                        |
|                | <b>CIWMB Grants</b>                        |                                 |                                 |                              |                               |
| <b>55256</b>   | Tire Amnesty Grant                         |                                 | 0                               | 75,000                       | 0                             |
| <b>55252</b>   | Dept of Conservation Grant 2005-06         | 55,735                          | 72,894                          | 62,000                       | 0                             |
| <b>57005</b>   | <b>Misc. Earnings (Commercial HW)</b>      | 316                             | 3,903                           | 1,000                        | 1,000                         |
| <b>New</b>     | Dept of Conservation 2007-08               |                                 |                                 |                              | 62,000                        |
| <b>51254</b>   | <b>Tri-Cities Franchise Enforcement</b>    | 36,000                          | 0                               | 0                            | 0                             |
|                |  |                                 |                                 |                              |                               |
|                |  |                                 |                                 |                              |                               |
|                | <b>Total Estimated Revenue</b>             | 772,760                         | 803,391                         | 1,612,000                    | 2,595,000                     |
|                |  |                                 | *                               |                              |                               |
| <b>61110</b>   | <b>Regular Pay/Bilingual/Incentive Pay</b> | 206,465                         | 96,517                          | 256,300                      | 482,000                       |
|                | 8 Full Time Employees                      |                                 |                                 |                              |                               |
| <b>61120</b>   | <b>PTO 10%</b>                             | 16,426                          | 20,483                          | 25,000                       | 47,200                        |
| <b>61140</b>   | <b>Regular Pay-Holiday</b>                 | 11,712                          | 1,107                           |                              |                               |
|                | 13 holidays x 8 hours = 104 hrs            |                                 |                                 |                              |                               |
|                | 2080 annual hours/104 hours = 5%           |                                 |                                 |                              |                               |
| <b>61230</b>   | <b>Temporary Services</b>                  | 808                             | 0                               | 0                            | 0                             |
| <b>61300</b>   | <b>Overtime Pay</b>                        | 1,799                           | 1,169                           | 10,000                       | 10,000                        |
| <b>61410</b>   | <b>Health Club Reimbursement</b>           | 0                               | 0                               | 2,250                        | 4,000                         |
|                |  |                                 |                                 |                              |                               |
|                | <b>Benefits</b>                            |                                 |                                 |                              |                               |
| <b>61700</b>   | Flexible Leave                             | 11,920                          | 9,333                           | 13,000                       | 18,400                        |
| <b>61705</b>   | Management Leave                           |                                 |                                 |                              | 5,300                         |
| <b>61821</b>   | Social Security                            | 67                              | 408                             | 500                          | 0                             |
| <b>61822</b>   | PERS                                       | 25,280                          | 10,862                          | 27,000                       | 45,300                        |
| <b>61825</b>   | Medicare                                   | 3,802                           | 1,508                           | 3,700                        | 7,000                         |
| <b>61831</b>   | Health Insurance                           | 58,267                          | 28,233                          | 62,000                       | 134,700                       |
| <b>61833</b>   | Long Term Disability                       | 1,448                           | 544                             | 1,250                        | 2,400                         |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program  | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | RESOURCE RECOVERY 31.06-5151                     |                                 |                                 |                              |                               |
| 61834          | Unemployment                                     | 4,711                           | 11                              | 1,250                        | 2,100                         |
| 61836          | Life Insurance                                   | 878                             | 434                             | 1,000                        | 1,700                         |
| 61837          | Workman's' Compensation                          | 32,929                          | 8,337                           | 33,500                       | 33,400                        |
|                |  |                                 |                                 |                              |                               |
|                | <b>Sub-Total Personnel Services</b>              | <b>376,512</b>                  | <b>178,946</b>                  | <b>436,750</b>               | <b>793,500</b>                |
|                |  |                                 |                                 |                              |                               |
| 62110          | <b>Office Supplies</b>                           | 1,234                           | 204                             | 1,500                        | 1,500                         |
|                |  |                                 |                                 |                              |                               |
| 62120          | <b>Reproduction Costs</b>                        | 932                             | 0                               | 1,500                        | 1,500                         |
|                |  |                                 |                                 |                              |                               |
| 62230          | <b>Vehicle Expense</b>                           | 1,276                           | 164                             | 1,000                        | 1,000                         |
|                | F-250, Ranger                                    |                                 |                                 |                              |                               |
|                |  |                                 |                                 |                              |                               |
| 62330          | <b>Unleaded Fuel</b>                             | 3,168                           | 1,435                           | 5,800                        | 5,000                         |
|                |  |                                 |                                 |                              |                               |
| 62800          | <b>Special Dept. Supplies</b>                    | 8,402                           | 2,148                           | 3,000                        | 7,500                         |
| HHW            | Safety and analytical supplies \$2500            |                                 |                                 |                              |                               |
| ResRec         | Presentation supplies \$5,000                    |                                 |                                 |                              |                               |
|                |  |                                 |                                 |                              |                               |
| 62801          | <b>Special Dept. Supplies (Graffiti removal)</b> | 361                             | 152                             | 2,500                        | 2,500                         |
| 62802          | <b>Special Dept. Supplies (litter abatement)</b> | 316                             | 0                               | 1,250                        | 1,250                         |
| 62803          | <b>Special Dept. Supplies (tip fees event)</b>   |                                 | 0                               | 10,000                       |                               |
|                |  |                                 |                                 |                              |                               |
| 63116          | <b>Cellular Phone</b>                            | 1,149                           | 446                             | 1,000                        | 1,000                         |
|                |  |                                 |                                 |                              |                               |
| 63120          | <b>Telephone Charges - HHW</b>                   | 2,009                           | 0                               | 3,500                        | 250                           |
|                |  |                                 |                                 |                              |                               |
| 63140          | <b>Postage</b>                                   | 0                               | 0                               | 0                            | 0                             |
|                |  |                                 |                                 |                              |                               |
| 63210          | <b>Water - HHW Facility</b>                      | 0                               | 0                               | 0                            | 0                             |
|                |  |                                 |                                 |                              |                               |
| 63230          | <b>Electricity - HHW Facility</b>                | 0                               | 0                               | 0                            | 0                             |
|                |  |                                 |                                 |                              |                               |
| 63416          | <b>Building Alarm Service</b>                    | 0                               | 0                               | 0                            | 0                             |
|                |  |                                 |                                 |                              |                               |
| 63430          | <b>Equipment Maintenance</b>                     | 176                             | 250                             | 2,500                        | 2,500                         |
|                | Copier Maintenance Agreement                     |                                 |                                 |                              |                               |
|                | Forklift Maintenance                             |                                 |                                 |                              |                               |
|                | Repair and Maintenance                           |                                 |                                 |                              |                               |
|                |  |                                 |                                 |                              |                               |
|                | <b>Office and Vehicle Supplies</b>               | <b>19,023</b>                   | <b>4,799</b>                    | <b>33,550</b>                | <b>24,000</b>                 |
|                |  |                                 |                                 |                              |                               |
| 63590          | <b>Professional Services</b>                     | 177,561                         | 77,809                          | 218,300                      | 229,300                       |
|                | Media Campaign 100,000                           |                                 |                                 |                              |                               |
|                | Publicity Releases 4,500                         |                                 |                                 |                              |                               |
|                | Monthly Recycling Column \$5,500                 |                                 |                                 |                              |                               |
|                | Recycling Brochures \$7,500                      |                                 |                                 |                              |                               |
|                | Give Aways 12,000                                |                                 |                                 |                              |                               |
|                | Xmas Tree Recycling \$2,500                      |                                 |                                 |                              |                               |
|                | Website Design Kids Page \$7,500                 |                                 |                                 |                              |                               |
|                | Meetings 5,000                                   |                                 |                                 |                              |                               |
|                | Contingency 11,000                               |                                 |                                 |                              |                               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program RESOURCE RECOVERY 31.06-5151            | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|---|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | RecycleRama                                     |                                 |                                 |                              |                               |
| <b>63591</b>   | Increased Public Education (ST Goals)           |                                 |                                 | 35,000                       | 100,000                       |
| <b>64100</b>   | <b>Advertising</b>                              | 4,638                           | 2,153                           | 5,000                        | 2,500                         |
|                | Booth/Expenses Community Events 100             |                                 |                                 |                              |                               |
|                | <b>Total Professional Services</b>              | 182,199                         | 79,962                          | 258,300                      | 331,800                       |
| <b>63955</b>   | <b>Landfill Operations - Diversion</b>          | 682,690                         | 202,871                         | 737,510                      | 910,000                       |
| Task #5        | Materials Sorting & Diversion                   |                                 |                                 |                              |                               |
| CH             | Diversion Assistance Fees (7,051*6) + (7,192*6) |                                 |                                 |                              |                               |
| JC             | Diversion fees (3,938*6)+(4,017*6)              |                                 |                                 |                              |                               |
|                | Wood - received and processed                   |                                 |                                 |                              |                               |
|                | Metal - shipped out                             |                                 |                                 |                              |                               |
| SS             | Greenwaste                                      |                                 |                                 |                              |                               |
| CH             | Greenwaste                                      |                                 |                                 |                              |                               |
| JC             | Greenwaste (13,080 WMGR + 8,214 GREEN)          |                                 |                                 |                              |                               |
|                | Plus volume contingency 10% 12,880              |                                 |                                 |                              |                               |
|                | Organics Greenwaste @ JC \$293,400              |                                 |                                 |                              |                               |
| <b>63970</b>   | Organics Diversion (ST Goals)                   |                                 |                                 | 25,000                       | 50,000                        |
| <b>63980</b>   | C&D Recycling (ST Goals)                        |                                 |                                 | 25,000                       | 250,000                       |
| <b>63960</b>   | <b>Contingency</b>                              | 0                               | 0                               | 9,600                        | 9,600                         |
| <b>64200</b>   | <b>Travel, Meetings &amp; Conferences</b>       | 6,218                           | 2,399                           | 5,500                        | 5,500                         |
|                | CRRA  |                                 |                                 |                              |                               |
| <b>64250</b>   | <b>Training</b>                                 | 3,760                           | 1,821                           | 3,250                        | 3,250                         |
|                | HazAwareness, Freon Removal                     |                                 |                                 |                              |                               |
| <b>64310</b>   | <b>Association Memberships</b>                  | 186                             | 615                             | 500                          | 700                           |
|                | SWANA (1), CRRA (3), NAHMM (2)                  |                                 |                                 |                              |                               |
| <b>64320</b>   | <b>Publications &amp; Trade Journals</b>        |                                 | 0                               | 100                          | 100                           |
|                | BioCycle, MSW Management                        |                                 |                                 |                              |                               |
|                | Resource Recycling                              |                                 |                                 |                              |                               |
| <b>64905</b>   | <b>Fees and Permits</b>                         | 415                             | 0                               | 3,500                        | 3,500                         |
|                | MoCo Haz Materials Generator                    |                                 |                                 |                              |                               |
|                | Fees CH, HHW                                    |                                 |                                 |                              |                               |
|                | <b>Sub-Total Other Operating Expenses</b>       | 10,579                          | 4,835                           | 12,850                       | 13,050                        |
| <b>64410</b>   | <b>Insurance</b>                                | 0                               | 0                               | 0                            | 0                             |
|                | Deductible and (moved to Sun St.)               |                                 |                                 |                              |                               |
|                | Property Liability & Pollution                  |                                 |                                 |                              |                               |
| <b>64563</b>   | <b>HHW Transportation &amp; Disposal</b>        | 127,346                         | 87,335                          | 211,500                      | 241,000                       |
| Task #4        | HHW Hauling & Disposal Agmt 200,000             |                                 |                                 |                              |                               |
|                | Ewaste Hauler 36,500 - should be -0-            |                                 |                                 |                              |                               |
|                | Evergreen Environmental (ABOP) 5,000            |                                 |                                 |                              |                               |

**Salinas Valley Solid Waste Authority**  
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| Account Number | Program                                   | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|---|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | Freon Removal                             |                                 |                                 |                              |                               |
|                | Mattresses Diversion - \$70,000           |                                 |                                 |                              |                               |
|                | Carpets - \$15,000                        |                                 |                                 |                              |                               |
| <b>66550</b>   | <b>Rolling Stock</b>                      |                                 |                                 |                              | 30,000                        |
|                | Vehicle for Diversion Manager             |                                 |                                 |                              |                               |
| <b>66560</b>   | <b>Computer Equipment</b>                 | 52                              | 0                               | 7,500                        | 2,500                         |
|                | Paradigm System conversion                |                                 |                                 |                              |                               |
|                | Freon Removal Equip.                      |                                 |                                 |                              |                               |
|                | <b>Sub-Total Capital Outlay</b>           | 52                              | 0                               | 7,500                        | 2,500                         |
|                | <b>Total Operating Expenses</b>           | 1,398,401                       | 558,748                         | 1,707,560                    | 2,325,450                     |
|                |   | *                               | *                               |                              |                               |
|                | <b>Capital Improvement Projects</b>       |                                 |                                 |                              |                               |
| <b>9246</b>    | CIWMB HHW Facility                        | 0                               | 1,573                           | 1,573                        |                               |
| <b>9247</b>    | Dept of Conservation (Grant)              | 1,550                           | 2,178                           | 2,178                        |                               |
| <b>9331</b>    | 04-05 Dept of Conservation (Grant)        | 23,100                          | 0                               | 62,900                       |                               |
| <b>9291</b>    | Tire Amnesty Grant 2004                   | 5,625                           | 0                               | 0                            |                               |
| <b>9515</b>    | HHW Facility Relocation (CIWMB Grant)     |                                 | 0                               | 0                            | 135,000                       |
| <b>9516</b>    | 06-07 Dept of Conservation (Grant)        |                                 | 7,233                           | 62,000                       |                               |
| <b>9517</b>    | Tire Amnesty Grant 2006                   |                                 | 8,952                           | 75,000                       |                               |
| <b>9518</b>    | C&D MRF @ JC                              |                                 | 1,063                           | 100,000                      | 200,000                       |
| <b>9001</b>    | CR3 Autoclave Set-up                      |                                 |                                 |                              |                               |
| <b>New</b>     | Baseline & Waste Comp Study               |                                 |                                 | 175,000                      | 75,000                        |
| <b>New</b>     | CR3 Pilot Project Studies                 |                                 |                                 | 55,000                       | 75,000                        |
| <b>New</b>     | Conversion Technologies Evaluation        |                                 |                                 | 50,000                       | 250,000                       |
| <b>New</b>     | Self-Haul Serial MRF                      |                                 |                                 |                              | 150,000                       |
| <b>New</b>     | 07-08 Dept of Conservation Grant          |                                 |                                 |                              | 62,000                        |
|                | <b>Total Capital Improvement Projects</b> | 30,275                          | 20,999                          | 583,651                      | 947,000                       |
|                |   | *                               | *                               |                              |                               |
|                | <b>Total Estimated Expenditures</b>       | 1,428,676                       | 579,747                         | 2,291,211                    | 3,272,450                     |
|                | <b>Ending Fund Balance</b>                | (250,264)                       | 394,197                         | (508,658)                    | (1,186,108)                   |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program   | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Adjustments |
|----------------|---|---------------------------------|---------------------------------|------------------------------|------------------------------------|
|                | <b>CRAZY HORSE LANDFILL<br/>31.30-5150</b>                                |                                 |                                 |                              |                                    |
|                | <b>Beginning Fund Balance</b>   |                                 |                                 |                              |                                    |
|                | <b>All Funds</b>  | 17,485,441                      | 19,094,172                      | 19,094,172                   | 17,464,582                         |
|                | <b>Reserve for Closure</b>  | (5,120,558)                     | (7,118,068)                     | (7,118,068)                  | (7,587,488)                        |
|                | <b>Bond Reserve</b>   | (1,486,999)                     | (1,486,974)                     | (1,486,974)                  | (1,486,999)                        |
|                | <b>Capitalized Interest</b>   | (214,691)                       | 0                               | 0                            | 0                                  |
|                | <b>Accounts Receivable</b>  | 0                               | 0                               | 0                            | 0                                  |
|                | <b>Operating Fund Balance</b>   | 10,663,193                      | 10,489,130                      | 10,489,130                   | 8,390,095                          |
|                | <b>Estimated Revenue</b>  |                                 |                                 |                              |                                    |
| <b>51250</b>   | Tipping Fees  | 5,644,184                       | 3,821,416                       | 8,655,350                    | 8,655,350                          |
|                | Franchise Tons 118,000 @\$54.50 = 6,431,000                               |                                 |                                 |                              |                                    |
|                | Self Haul Tons 31,300 @\$50.50 = 1,580,650                                |                                 |                                 |                              |                                    |
|                | WM Madison tons 15,500 @ 31.00 = \$480,500                                |                                 |                                 |                              |                                    |
|                | Field Plastics tons 1,700 @ \$96.00 = \$163,200                           |                                 |                                 |                              |                                    |
| <b>54001</b>   | Investment Earnings   | 355,065                         | 190,148                         | 350,000                      | 350,000                            |
| <b>57005</b>   | Miscellaneous   | 40,953                          |                                 |                              |                                    |
|                | Tonnage Shortfall Payment from Norcal                                     |                                 |                                 |                              |                                    |
|                | Estimated tons = 171,512  |                                 |                                 |                              |                                    |
|                | Falls within the tonnage band   |                                 |                                 |                              |                                    |
|                | <b>Total Estimated Revenue</b>  | 6,040,202                       | 4,011,564                       | 9,005,350                    | 9,005,350                          |
|                | <b>Estimated Expenditures</b>   |                                 |                                 |                              |                                    |
| <b>62290</b>   | <b>Repair &amp; Maintenance Supplies</b>                                  | 1,326                           | 82                              | 3,000                        | 3,000                              |
| <b>63120</b>   | <b>Telephone</b>  | 2,115                           | 760                             | 4,500                        | 2,000                              |
|                | Telephone service, long distance,<br>alarm service and flare auto dialers |                                 |                                 |                              |                                    |
| <b>63230</b>   | <b>Electricity</b>  | 27,403                          | 20,937                          | 50,000                       | 50,000                             |
|                | <b>Sub-Total Utilities/Supplies</b>                                       | 30,844                          | 21,779                          | 57,500                       | 55,000                             |
| <b>63540</b>   | <b>Engineering Services</b>   | 0                               |                                 |                              |                                    |
| <b>63542</b>   | <b>Engineering Services - Surveying</b>                                   | 47,395                          | 7,048                           | 30,000                       | 26,000                             |
|                | Survey Engineering 20,000   |                                 |                                 |                              |                                    |
|                | Aerial Topography 5,000   |                                 |                                 |                              |                                    |
|                | As Needed Surveying 15,000  |                                 |                                 |                              |                                    |
| <b>63543</b>   | <b>Engineering Services</b>   |                                 |                                 |                              |                                    |
| <b>63544</b>   | <b>Engineering Services - Leachate</b>                                    | 39,591                          | 11,364                          | 19,500                       | 26,000                             |
|                | Liquids Handling:   |                                 |                                 |                              |                                    |
|                | Leachate System O & M 12,000  |                                 |                                 |                              |                                    |
|                | Baker Tank Rental 7,500   |                                 |                                 |                              |                                    |

**Salinas Valley Solid Waste Authority**  
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| Account Number | Program  | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Adjustments |
|----------------|--|---------------------------------|---------------------------------|------------------------------|------------------------------------|
|                | <b>CRAZY HORSE LANDFILL<br/>31.30-5150</b>                   |                                 |                                 |                              |                                    |
| <b>63545</b>   | <b>Engineering Services - GW Monitoring</b>                  | 80,359                          | 25,146                          | 106,640                      | 106,640                            |
|                | Groundwater Monitoring:                                      |                                 |                                 |                              |                                    |
|                | Groundwater System O&M 45,000                                |                                 |                                 |                              |                                    |
|                | RWQCB Studies 10,000   |                                 |                                 |                              |                                    |
|                | EMP Investigation 25,000                                     |                                 |                                 |                              |                                    |
|                | Lab Analysis 37,640  |                                 |                                 |                              |                                    |
|                | CAP System O & M 24,000                                      |                                 |                                 |                              |                                    |
| <b>63548</b>   | <b>Engineering Services - Landfill Gas</b>                   | 46,769                          | 17,489                          | 56,000                       | 56,000                             |
|                | Gas Control & Flare System:                                  |                                 |                                 |                              |                                    |
|                | LFG System O&M 45,000  |                                 |                                 |                              |                                    |
|                | LFG Surface Monitoring 3,900                                 |                                 |                                 |                              |                                    |
|                | TO-14 Testing 7,100  |                                 |                                 |                              |                                    |
| <b>63590</b>   | <b>Professional Services</b>                                 | 2,328                           | 142                             | 0                            | 0                                  |
|                | Misc Repairs 30,000  |                                 |                                 |                              |                                    |
|                | Liner Repair 5,000   |                                 |                                 |                              |                                    |
|                | <b>Sub-Total Professional Services</b>                       | <b>216,442</b>                  | <b>61,189</b>                   | <b>212,140</b>               | <b>214,640</b>                     |
| <b>63955</b>   | <b>Landfill Operations</b>                                   | <b>2,925,921</b>                | <b>889,782</b>                  | <b>2,675,650</b>             | <b>2,811,620</b>                   |
| Norcal         | <u>Scale house Operations - \$197,800</u>                    |                                 |                                 |                              |                                    |
|                | July-December 6 x (14,515+790+928) = 97,398                  |                                 |                                 |                              |                                    |
| +CPI           | January-June 97,398 x 1.03 = 100,320                         |                                 |                                 |                              |                                    |
|                | <u>Landfill Operations - \$2,024,700</u>                     |                                 |                                 |                              |                                    |
|                | July-December 6x(164,478+1,746) = 997,344                    |                                 |                                 |                              |                                    |
| +CPI           | January-June (997,344 x 1.02 = 1,027,264                     |                                 |                                 |                              |                                    |
|                | Compaction Incentive - 25% of LF operating costs - \$574,120 |                                 |                                 |                              |                                    |
|                | <u>Tonnage Band Fee</u>                                      |                                 |                                 |                              |                                    |
|                | Minimum Tonnage - 173,207                                    |                                 |                                 |                              |                                    |
|                | Maximum Tonnage - 211,698                                    |                                 |                                 |                              |                                    |
|                | Estimated Tonnage - 173,450                                  |                                 |                                 |                              |                                    |
|                | Shortfall tons credit - none                                 |                                 |                                 |                              |                                    |
|                | Out-of-Scope Work 10,000                                     |                                 |                                 |                              |                                    |
| ScaleU         | Scale Maintenance & Repair 15,000                            |                                 |                                 |                              |                                    |
| <b>64331</b>   | <b>JPA Administration Contribution</b>                       | <b>1,470,000</b>                | <b>755,004</b>                  | <b>1,510,000</b>             | <b>1,510,000</b>                   |
| <b>64334</b>   | <b>Resource Recovery Contribution</b>                        | <b>350,000</b>                  | <b>275,004</b>                  | <b>550,000</b>               | <b>550,000</b>                     |
| <b>64336</b>   | <b>Transfer Station Contribution</b>                         | <b>700,000</b>                  | <b>649,998</b>                  | <b>1,300,000</b>             | <b>1,300,000</b>                   |
| <b>64337</b>   | <b>Lewis Road Contribution</b>                               | <b>350,000</b>                  | <b>355,002</b>                  | <b>710,000</b>               | <b>710,000</b>                     |
| <b>64338</b>   | <b>Jolon Road Contribution</b>                               |                                 | <b>670,002</b>                  | <b>1,340,000</b>             | <b>1,340,000</b>                   |
| <b>64410</b>   | <b>Insurance</b>   | <b>39,964</b>                   | <b>47,300</b>                   | <b>47,300</b>                | <b>47,300</b>                      |
|                | Excess Liability & Pollution Liability + Deductible          |                                 |                                 |                              |                                    |



**Salinas Valley Solid Waste Authority**  
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| Account Number | Program   | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Adjustments |
|----------------|---|---------------------------------|---------------------------------|------------------------------|------------------------------------|
|                | <b>CRAZY HORSE LANDFILL<br/>31.30-5150</b>      |                                 |                                 |                              |                                    |
| <b>64905</b>   | <b>State Taxes &amp; Permit Fees</b>            | 455,793                         | 18,877                          | 417,830                      | 447,790                            |
| MoCo           | LEA Facility Fee \$21,630                       |                                 |                                 |                              |                                    |
| MoCo           | LEA Tonnage 173,450@.84/ton=\$145,698           |                                 |                                 |                              |                                    |
| BOE            | Excise Tax 173,450@1.40/ton=\$242,830           |                                 |                                 |                              |                                    |
| MBU            | Title V, Emission and Source Testing            |                                 |                                 |                              |                                    |
| APCD           | Fees \$16,500                                   |                                 |                                 |                              |                                    |
| CA             | Waste Discharge Fee \$21,000                    |                                 |                                 |                              |                                    |
| Mo Co          | Alarm Permit \$30                               |                                 |                                 |                              |                                    |
| Mo Co          | Scale Registration \$100                        |                                 |                                 |                              |                                    |
| <b>65000</b>   | <b>Debt Service Installment Purchase</b>        | 314,753                         | 192,549                         | 385,100                      | 385,100                            |
| <b>65002</b>   | <b>Debt Service</b>                             | 859,465                         | 925,380                         | 1,448,310                    | 1,449,230                          |
|                | 2002 Bond Issue                                 |                                 |                                 |                              |                                    |
|                | <b>Sub-Total Debt Service</b>                   | <b>1,174,218</b>                | <b>1,117,929</b>                | <b>1,833,410</b>             | <b>1,834,330</b>                   |
| <b>66530</b>   | <b>Scale House Equipment</b>                    | 0                               | 0                               | 0                            | 0                                  |
|                | <b>Total Operating Expenses</b>                 | <b>7,713,182</b>                | <b>4,861,866</b>                | <b>10,653,830</b>            | <b>10,820,680</b>                  |
|                |   | *                               |                                 |                              |                                    |
|                | <b>Capital Improvement Projects</b>             |                                 |                                 |                              |                                    |
| <b>9203</b>    | Winterization/Erosion Control                   | 5,681                           | 4,507                           | 21,393                       | 10,000                             |
| <b>9204</b>    | Groundwater Monitoring Imprmnts.                | 1,136                           | 9,426                           | 278,434                      |                                    |
| <b>9205</b>    | Groundwater System Enhance                      | 0                               | 0                               | 0                            |                                    |
| <b>9226</b>    | Liquids Handling System                         | 1,526                           | 16,925                          | 92,690                       |                                    |
| <b>9227 *</b>  | Closure (Design)                                | 0                               | 0                               | 79,209                       | 977,800                            |
| <b>9241</b>    | LFG System Expansion & Flare                    | 2,353                           | 39,739                          | 148,290                      | 100,000                            |
| <b>9248</b>    | Scale house Entrance Improvements               | 0                               | 0                               | 0                            |                                    |
| <b>9249</b>    | Groundwater Remediation System                  | 0                               | 0                               | 148,465                      | 250,000                            |
| <b>9250</b>    | Closed Area Maintenance                         | 78,939                          | 1,064                           | 129,526                      |                                    |
| <b>9256</b>    | Solid Waste Facilities Permit Revision          | 0                               | 0                               | 0                            |                                    |
| <b>9288</b>    | JTD Preparation, Closure Planning               | 99                              | 0                               | 31,728                       | 30,000                             |
| <b>9289</b>    | Evaluation Monitoring Plan for RWQCB            | 0                               | 0                               | 0                            |                                    |
| <b>9913</b>    | LFG to Energy Feasibility Study                 | 3,383                           | 12,673                          | 51,400                       |                                    |
| <b>New</b>     | CH Transfer Station (design only)               |                                 | 0                               | 0                            | 100,000                            |
|                | * Completed Projects                            |                                 |                                 |                              |                                    |
|                | <b>Sub-Total Capital Projects</b>               | <b>93,117</b>                   | <b>84,334</b>                   | <b>981,135</b>               | <b>1,467,800</b>                   |
|                |   | *                               | *                               | *                            | *                                  |
|                | <b>Total Operating/Capital Expenditures</b>     | <b>7,806,299</b>                | <b>4,946,200</b>                | <b>11,634,965</b>            | <b>12,288,480</b>                  |
|                | <b>Estimated Transfers</b>                      |                                 |                                 |                              |                                    |
| <b>31.31</b>   | To Closure Fund                                 |                                 | 242,534                         | 469,420                      | 572,390                            |
| <b>31.80</b>   | To Closure from Landfill Expansion Fund         |                                 | 0                               | 0                            |                                    |
| <b>31.35</b>   | Debt Service Paid fr Capitalized Interest       | 214,691                         | 0                               | 0                            | 0                                  |
| <b>31.35</b>   | From Capitalized Interest                       | (214,691)                       | 0                               | 0                            | 0                                  |
| <b>31.33</b>   | From Article V Reserve                          |                                 | 0                               | 0                            | 0                                  |
| <b>31.80</b>   | To CH from Landfill Expansion Fund for Closure  |                                 | (246,162)                       |                              |                                    |
| <b>31.30</b>   | To Operating Costs from Landfill Expansion Fund |                                 | (499,998)                       | (1,000,000)                  | (1,000,000)                        |
|                | <b>Sub-Total Transfers</b>                      | <b>0</b>                        | <b>(503,626)</b>                | <b>(530,580)</b>             | <b>(427,610)</b>                   |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                                    | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Adjustments |
|----------------|--|---------------------------------|---------------------------------|------------------------------|------------------------------------|
|                | <b>CRAZY HORSE LANDFILL<br/>31.30-5150</b> |                                 |                                 |                              |                                    |
|                | <b>Total Est/Actual Expenditures</b>       | 7,806,299                       | 4,442,574                       | 11,104,385                   | 11,860,870                         |
|                | <b>Net Operating Fund Balance</b>          | 8,897,096                       | 10,058,120                      | 8,390,095                    | 5,534,576                          |
|                | <b>Reserved Funds</b>                      |                                 |                                 |                              |                                    |
| <b>31.31</b>   | Closure Costs                              | 5,120,558                       | 7,360,602                       | 7,587,488                    | 7,182,078                          |
| <b>31.34</b>   | 2002 Bond Reserve                          | 1,486,999                       | 1,486,999                       | 1,486,999                    | 1,486,999                          |
|                | <b>Sub-Total Reserved Funds</b>            | 6,607,557                       | 8,847,601                       | 9,074,487                    | 8,669,077                          |
|                | <b>Ending Fund Balance-All Funds</b>       | 15,504,653                      | 18,905,721                      | 17,464,582                   | 14,203,653                         |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program   | 06/30/2005     | 06/30/2006     | 12/31/2006     | 2006-07        | 2007-08         |
|----------------|---|----------------|----------------|----------------|----------------|-----------------|
| LEWIS LANDFILL | 31.40-5152  | Actual Rev/Exp | Actual Rev/Exp | Actual Rev/Exp | Revised Budget | Proposed Budget |
|                | <b>Beginning Fund Balance</b>                         |                |                |                |                |                 |
|                | <b>All Funds</b>                                      | 2,343,488      | 731,705        | 543,537        | 543,537        | 346,521         |
|                | <b>Bond Reserve</b>                                   | (125,267)      | (361,321)      | (361,819)      | (361,819)      | (361,819)       |
|                | <b>Capitalized Interest</b>                           | (38,655)       | (52,085)       | 0              | 0              | 0               |
|                | <b>Operating Fund Balance</b>                         | (168,155)      | 318,299        | 181,718        | 181,718        | (15,298)        |
|                | <b>Estimated Revenue:</b>                             |                |                |                |                |                 |
| 54001          | Investment Earnings                                   | 28,838         | 57,479         | 31,287         | 36,000         | 36,000          |
| 57034          | Landfill Contributions                                | 1,000,000      | 333,333        | 355,002        | 710,000        | 470,000         |
|                | <b>Total Estimated Revenue</b>                        | 1,028,838      | 390,812        | 386,289        | 746,000        | 506,000         |
|                | <b>Estimated Expenditures:</b>                        |                |                |                |                |                 |
| 64410          | Insurance   | 31,061         | 39,964         | 44,000         | 44,000         | 44,000          |
|                | Excess Liability and Pollution Liability              |                |                |                |                |                 |
| 64905          | State Taxes & Permit Fees                             | 3,370          | 34,999         | 6,274          | 25,500         | 25,500          |
| MoCo           | LEA Facility Fee (1/4)                                |                |                |                |                |                 |
|                | <b>Debt Service</b>                                   |                |                |                |                |                 |
| 65002          | 2002 Bond Issue                                       | 204,466        | 209,281        | 225,169        | 352,410        | 352,640         |
|                | <b>Debt Service</b>                                   | 204,466        | 209,281        | 225,169        | 352,410        | 352,640         |
| 63591          | Post Closure Maintenance                              | 117,069        | 33,830         | 23,179         | 69,300         | 78,300          |
|                | Per Postclosure Plan - \$50,400                       |                |                |                |                |                 |
|                | Groundwater & stormwater monitoring \$16,000          |                |                |                |                |                 |
|                | LFG monitoring and maintenance \$30,000               |                |                |                |                |                 |
|                | Aerial survey (every 5 years) \$1,000                 |                |                |                |                |                 |
|                | Site grading \$1,000                                  |                |                |                |                |                 |
|                | Emergency response 5% - \$2,400                       |                |                |                |                |                 |
|                | Maintenance not included in Postclosure Plan -\$8,500 |                |                |                |                |                 |
|                | GW Nonroutine work \$5,000                            |                |                |                |                |                 |
|                | Heavy Equipment Rental \$3,500                        |                |                |                |                |                 |
|                | <b>Total Operating Expenses</b>                       | 355,966        | 318,074        | 298,622        | 491,210        | 500,440         |
|                |   | *              | *              | *              |                |                 |
|                | <b>Capital Improvement Projects:</b>                  |                |                |                |                |                 |
| 9195           | Closure   | 155,438        | 73,144         | 399,233        | 402,539        | 0               |
| 9194 *         | Winterization/Erosion Control (postclosure)           | 30,980         | 20,350         | 11,176         | 16,218         | 0               |
| 9821 *         | LFG Improvements                                      | 0              | 2,408          | 190            | 10,190         | 0               |
| 9914           | Perimeter Fence (project spread over 3 years)         |                | 357            | 0              | 10,000         | 0               |
| 9915           | Interior Monitoring Probes (GW)                       |                | 0              | 0              | 0              | 0               |
| 9916           | Property Development                                  |                | 1,056          | 85             | 8,859          | 10,000          |
| 9520           | Plant Restoration                                     |                |                | 0              | 4,000          | 4,000           |
|                | <b>Sub-Total Capital Projects</b>                     | 186,418        | 97,315         | 410,684        | 451,806        | 14,000          |
|                |   | *              | *              | *              | *              | *               |
|                | <b>Total Operating/Capital Expenditures</b>           | 542,384        | 415,389        | 709,306        | 943,016        | 514,440         |
|                | <b>Estimated Transfers</b>                            |                |                |                |                |                 |
| 31.45          | Debt Service Paid fr Capitalized Interest             | 59,411         | 52,085         | 0              | 0              | 0               |
| 31.45          | From Capitalized Interest Fund                        | (59,411)       | (52,085)       | 0              | 0              | 0               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | LEWIS LANDFILL | Program                                 | 31.40-5152 | 06/30/2005<br>Actual<br>Rev/Exp | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|----------------|---|------------|---------------------------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                |                | <b>Total Estimated Transfers</b>        |            | 0                               | 0                               | 0                               | 0                            | 0                             |
|                |                | <b>Total Estimated Expenditures</b>     |            | 542,384                         | 415,389                         | 709,306                         | 943,016                      | 514,440                       |
|                |                | <b>Sub-Total Operating Fund Balance</b> |            | 318,299                         | 293,722                         | (141,299)                       | (15,298)                     | (23,738)                      |
|                |                | <b>Reserved Funds</b>                   |            |                                 |                                 |                                 |                              |                               |
| 31.44          |                | Bond Reserve                            |            | 361,321                         | 361,321                         | 361,819                         | 361,819                      | 361,819                       |
| 31.45          |                | Capitalized Interest                    |            | 52,085                          | 0                               | 0                               | 0                            | 0                             |
|                |                | <b>Sub-Total Reserved Funds</b>         |            | 413,406                         | 361,321                         | 361,819                         | 361,819                      | 361,819                       |
|                |                | <b>Ending Fund Balance-All Funds</b>    |            | 731,705                         | 655,043                         | 220,520                         | 346,521                      | 338,081                       |
|                |                |   |            | *                               |                                 |                                 |                              |                               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program  | 06/30/06<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|-------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | JOLON RD TRNSFR STATION 31.60-5156                 |                               |                                 |                              |                               |
|                | Beginning Fund Balance                             |                               |                                 |                              |                               |
|                | All Funds  | 2,074,512                     | 2,074,512                       | 1,332,820                    | 1,475,654                     |
|                | Reserve for Closure                                | (1,278,795)                   | (1,278,795)                     | (1,278,795)                  | (1,096,840)                   |
|                | Bond Reserve                                       | (293,353)                     | (293,353)                       | (293,353)                    | (293,353)                     |
|                | Capitalized Interest                               | (42,341)                      | 0                               | 0                            | 0                             |
|                | Accounts Receivable                                | 0                             | 0                               | 0                            | 0                             |
|                | <b>Operating Fund Balance</b>                      | 460,023                       | 502,364                         | (239,328)                    | 85,461                        |
|                | <b>Estimated Revenue</b>                           |                               |                                 |                              |                               |
| <b>57033</b>   | <b>Landfill Contributions</b>                      |                               | 670,002                         | 1,340,000                    | 930,100                       |
|                | Crazy Horse Landfill                               |                               |                                 |                              |                               |
|                | Johnson Canyon Landfill                            |                               |                                 |                              |                               |
| <b>51250</b>   | <b>Tipping Fees</b>                                | 0                             | 0                               | 0                            | 0                             |
| <b>54001</b>   | <b>Investment Earnings</b>                         | 83,194                        | 33,408                          | 95,000                       | 95,000                        |
|                | <b>Total Estimated Revenue</b>                     | 83,194                        | 703,410                         | 1,435,000                    | 1,025,100                     |
| <b>63510</b>   | <b>Legal Services</b>                              | 41,599                        | 0                               | 20,000                       | 20,000                        |
| <b>63540</b>   | <b>Engineering Services</b>                        |                               | 0                               | 0                            | 0                             |
| <b>63544</b>   | <b>Engineering Services - Leachate</b>             | 841                           | 0                               | 2,000                        | 2,000                         |
|                | Liquids Handling                                   |                               |                                 |                              |                               |
|                | Leachate System O & M 2,000                        |                               |                                 |                              |                               |
| <b>63545</b>   | <b>Engineering Services - GW Monitoring</b>        | 19,818                        | 11,738                          | 26,200                       | 36,200                        |
|                | Groundwater Monitoring:                            |                               |                                 |                              |                               |
|                | Groundwater System O&M 19,000                      |                               |                                 |                              |                               |
|                | RWQCB Studies 10,000                               |                               |                                 |                              |                               |
|                | Lab Analysis 7,200                                 |                               |                                 |                              |                               |
| <b>63548</b>   | <b>Engineering Services - Landfill Gas</b>         | 984                           | 0                               | 2,100                        | 2,100                         |
|                | Gas Perimeter Probe O&M - 2,100                    |                               |                                 |                              |                               |
|                | <b>Sub-Total Professional Services</b>             | 63,242                        | 11,738                          | 50,300                       | 60,300                        |
| <b>63955</b>   | <b>Transfer Station Operations</b>                 | 533,278                       | 246,375                         | 598,650                      | 612,420                       |
|                | WM-Transfer Station                                |                               |                                 |                              |                               |
|                | 12 months x \$49,000 * 1.04 = \$ 611,520           |                               |                                 |                              |                               |
|                | Freon removal for 50 units @ \$15 per unit = \$750 |                               |                                 |                              |                               |
| <b>63955</b>   | <b>Landfill Operations</b>                         |                               | 0                               | 0                            | 0                             |
|                | Tractor loader lease & operation \$3,000?mth       |                               |                                 |                              |                               |
|                | Operator 1 dayweek                                 |                               |                                 |                              |                               |
|                | Fees   |                               |                                 |                              |                               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                                       | 06/30/06 Actual Rev/Exp | 12/31/2006 Actual Rev/Exp | 2006-07 Revised Budget | 2007-08 Proposed Budget |
|----------------|---|-------------------------|---------------------------|------------------------|-------------------------|
| <b>64410</b>   | <b>Insurance</b>                              | 0                       | 41,744                    | 44,400                 | 44,400                  |
|                | Excess Liability & Pollution Liability        |                         |                           |                        |                         |
| <b>64905</b>   | <b>State &amp; Permit Fees</b>                | 2,667                   | 5,615                     | 75,430                 | 22,000                  |
|                | LEA Facility Fee \$20,800 + 4% increase       |                         |                           |                        |                         |
|                | Excise Tax @ \$1.46/ton * 2600 tons           |                         |                           |                        |                         |
| <b>65002</b>   | <b>Debt Services</b>                          | 169,624                 | 182,607                   | 285,800                | 285,980                 |
|                | 2002 Bond Issue                               |                         |                           |                        |                         |
|                | <b>Total Operating Expenses</b>               | 768,811                 | 488,079                   | 1,054,580              | 1,025,100               |
|                |   | *                       | *                         |                        |                         |
|                | <b>Capital Improvement Projects</b>           |                         |                           |                        |                         |
| <b>9197 *</b>  | Jolon Road Closure                            | 13,734                  | 25,000                    | 181,955                | 1,500,000               |
| <b>9218</b>    | Jolon Groundwater Monitoring                  |                         |                           | 30,169                 |                         |
| <b>9819</b>    | Jolon Road Erosion Control                    |                         | 25,000                    | 25,462                 | 10,000                  |
| <b>9270</b>    | Groundwater Seepage                           | 0                       | 0                         | 0                      |                         |
|                | <b>Sub-Total Capital Projects</b>             | 13,734                  | 50,000                    | 237,586                | 1,510,000               |
|                |   | *                       |                           |                        |                         |
|                | <b>Total Operating &amp; Capital Expenses</b> | 782,545                 | 538,079                   | 1,292,166              | 2,535,100               |
|                | <b>Estimated Transfers</b>                    |                         |                           |                        |                         |
| <b>31.61</b>   | To Closure Fund                               | 0                       | 0                         | 0                      | 0                       |
| <b>31.65</b>   | Debt Service Paid fr Capitalized Interest     | 42,341                  | 0                         | 0                      | 0                       |
| <b>31.65</b>   | From Capitalized Interest                     | (42,341)                | 0                         | 0                      | 0                       |
|                | <b>Sub-Total Transfers</b>                    | 0                       | 0                         | 0                      | 0                       |
|                | <b>Total Expenditures &amp; Transfers</b>     | 782,545                 | 538,079                   | 1,292,166              | 2,535,100               |
|                | <b>Sub-Total Operating Fund Balance</b>       | (239,328)               | 667,695                   | 85,461                 | 75,461                  |
|                | <b>Reserved Funds</b>                         |                         |                           |                        |                         |
| <b>31.61</b>   | Closure Fund                                  | 1,278,795               | 1,278,795                 | 1,096,840              | (403,160)               |
| <b>31.64</b>   | Bond Issue Reserve                            | 293,353                 | 0                         | 293,353                | 293,353                 |
| <b>31.65</b>   | Capitalized Interest                          | 0                       | 0                         | 0                      | 0                       |
|                | <b>Sub-Total Reserved Funds</b>               | 1,572,148               | 1,278,795                 | 1,390,193              | (109,807)               |
|                | <b>Ending Fund Balance-All Funds</b>          | 1,332,820               | 1,946,490                 | 1,475,654              | (34,346)                |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                                     | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Projected<br>Budget |
|----------------|---|---------------------------------|---------------------------------|------------------------------|--------------------------------|
|                | <b>JOHNSON LANDFILL 31.50-5154</b>          |                                 |                                 |                              |                                |
|                | <b>Beginning Fund Balance</b>               |                                 |                                 |                              |                                |
|                | <b>All Funds</b>                            | 2,796,262                       | 1,906,745                       | 2,508,787                    | 2,419,031                      |
|                | <b>Reserve for Closure</b>                  | (1,227,640)                     | (1,227,640)                     | (1,774,412)                  | (1,944,612)                    |
|                | <b>Bond Reserve</b>                         | (619,849)                       | (619,849)                       | (619,849)                    | (619,849)                      |
|                | <b>Accounts Receivable</b>                  | 0                               | 0                               | 0                            | 0                              |
|                | <b>Capitalized Interest</b>                 | (89,466)                        | 0                               | 0                            | 0                              |
|                | <b>Operating Fund Balance</b>               | 859,307                         | 59,256                          | 114,526                      | (145,430)                      |
|                | <b>Estimated Revenue</b>                    |                                 |                                 |                              |                                |
| <b>51250</b>   | <b>Tipping Fees</b>                         | 2,232,833                       | 1,746,098                       | 3,956,140                    | 3,956,140                      |
|                | Franchise 57,800 tons @\$54.50=3,150,100    |                                 |                                 |                              |                                |
|                | Self Haul 15,600 tons @\$50.50= \$787,800   |                                 |                                 |                              |                                |
|                | Field Plastic 190T @ \$96 = 18,240          |                                 |                                 |                              |                                |
| <b>54001</b>   | <b>Investment Earnings</b>                  | 126,151                         | 60,348                          | 114,000                      | 114,000                        |
| <b>57005</b>   | <b>Miscellaneous Earnings</b>               | 2,379                           | 1,675                           | 3,000                        | 3,000                          |
|                | JC Shop lease 12 x 500 /2                   |                                 |                                 |                              |                                |
|                | <b>Total Estimated Revenue</b>              | 2,361,363                       | 1,808,121                       | 4,073,140                    | 4,073,140                      |
| <b>62000</b>   | <b>Supplies &amp; Materials</b>             | 357                             | 0                               | 3,000                        | 3,000                          |
| <b>63120</b>   | <b>Telephone</b>                            | 1,298                           | 481                             | 1,600                        | 1,600                          |
| <b>63200</b>   | <b>Utilities</b>                            | 25,044                          | 12,762                          | 33,800                       | 33,800                         |
|                | <b>Sub-Total Supplies and Utilities</b>     | 26,699                          | 13,243                          | 38,400                       | 38,400                         |
| <b>63542</b>   | <b>Engineering Services - Surveying</b>     | 35,133                          | 6,699                           | 31,000                       | 27,000                         |
|                | Aerial Topography 5,000                     |                                 |                                 |                              |                                |
|                | Field Survey Work 21,000                    |                                 |                                 |                              |                                |
|                | As Needed Surveying 10,000                  |                                 |                                 |                              |                                |
| <b>63543</b>   | <b>Engineering Services</b>                 |                                 |                                 |                              |                                |
| <b>63544</b>   | <b>Engineering Services - Leachate</b>      | 17,347                          | 5,045                           | 21,000                       | 28,000                         |
|                | Liquids Handling:                           |                                 |                                 |                              |                                |
|                | Leachate System O & M 21,000                |                                 |                                 |                              |                                |
|                | Baker Tank Rental 5,000                     |                                 |                                 |                              |                                |
| <b>63545</b>   | <b>Engineering Services - GW Monitoring</b> | 24,843                          | 10,087                          | 21,000                       | 21,000                         |
|                | Groundwater Monitoring:                     |                                 |                                 |                              |                                |
|                | Groundwater System O&M 15,000               |                                 |                                 |                              |                                |
|                | RWQCB Studies 10,000                        |                                 |                                 |                              |                                |
|                | Lab Analysis 6,000                          |                                 |                                 |                              |                                |
| <b>63548</b>   | <b>Professional Services - Landfill Gas</b> | 26,368                          | 7,014                           | 28,000                       | 28,000                         |
|                | Gas Control & Flare System                  |                                 |                                 |                              |                                |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program   | 06/30/2006 Actual Rev/Exp | 12/31/2006 Actual Rev/Exp | 2006-07 Revised Budget | 2007-08 Projected Budget |
|----------------|---|---------------------------|---------------------------|------------------------|--------------------------|
|                | LFG System O&M 28,000   |                           |                           |                        |                          |
| <b>63590</b>   | <b>Other Professional Services</b>                                      | 489                       | 4,612                     | 25,000                 | 25,000                   |
|                | Landscape Maintenance   |                           |                           |                        |                          |
|                | Misc Repairs 10,000   |                           |                           |                        |                          |
|                | Tank and Watering 15,000  |                           |                           |                        |                          |
|                | <b>Sub-Total Professional Services</b>                                  | 104,180                   | 33,457                    | 126,000                | 129,000                  |
| <b>63955</b>   | <b>Landfill Operations</b>  | 1,186,123                 | 373,300                   | 1,388,100              | 1,330,220                |
|                | Norcal - Landfill \$792,500   |                           |                           |                        |                          |
|                | 6 months x (\$64,760 + \$298) = \$390,348                               |                           |                           |                        |                          |
| w/CPI          | \$390,348 x 1.03 = \$402,058  |                           |                           |                        |                          |
|                | Norcal - Scale house \$151,300  |                           |                           |                        |                          |
|                | 6 months x (\$11,568 + \$847) = \$74,490                                |                           |                           |                        |                          |
| w/CPI          | \$74,490 * 1.03 = \$76,725  |                           |                           |                        |                          |
|                | Norcal - Compaction Incentive \$261,220<br>(33% of landfill operations) |                           |                           |                        |                          |
|                | Norcal - Out of Scope Work 15,000                                       |                           |                           |                        |                          |
|                | Tonnage Band Fee \$123,910  |                           |                           |                        |                          |
|                | Estimated tons - 68,700   |                           |                           |                        |                          |
|                | Minimum Tonnage - 42,582  |                           |                           |                        |                          |
|                | Maximum Tonnage - 52,045  |                           |                           |                        |                          |
|                | Estimated Excess Tonnage -<br>16,655 tons @ \$7.44 = 158,994            |                           |                           |                        |                          |
| ScaleU         | Scale Maintenance 5,000   |                           |                           |                        |                          |
| <b>64331</b>   | <b>JPA Admin Contribution</b>   | 630,000                   | 319,998                   | 640,000                | 640,000                  |
| <b>64334</b>   | <b>Resource Recovery Contribution</b>                                   | 150,000                   | 49,998                    | 100,000                | 100,000                  |
| <b>64336</b>   | <b>Transfer Station Contribution</b>                                    | 300,000                   | 0                         | 0                      | 0                        |
| <b>64337</b>   | <b>Lewis Road Contribution</b>  | 150,000                   | 0                         | 0                      | 0                        |
| <b>64338</b>   | <b>Jolon Road Contribution</b>  |                           | 0                         | 0                      | 0                        |
| <b>64410</b>   | <b>Insurance</b>  | 39,964                    | 44,290                    | 44,290                 | 44,290                   |
|                | Excess Liability & Pollution Liability                                  |                           |                           |                        |                          |
| <b>64905</b>   | <b>State Taxes &amp; Permit Fees</b>                                    | 196,508                   | 6,581                     | 233,930                | 217,620                  |
| MoCo           | LEA Facility Fee \$20,800 *1.04   |                           |                           |                        |                          |
| MoCo           | LEA Tonnage 68,700@.84/ton=57,710                                       |                           |                           |                        |                          |
| BOE            | Excise Tax 68,700@1.40/ton=96,180                                       |                           |                           |                        |                          |
| MBU            | Title V 10-04 Fee 7,000   |                           |                           |                        |                          |
| APCD           | Toxic Fees and Flare Eval 3,000   |                           |                           |                        |                          |
| APCD           | Flare Evaluation 4,000  |                           |                           |                        |                          |
| CA             | Waste Discharge Fee 10,000  |                           |                           |                        |                          |



**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                                   | 06/30/2006 Actual Rev/Exp | 12/31/2006 Actual Rev/Exp | 2006-07 Revised Budget | 2007-08 Projected Budget |
|----------------|---|---------------------------|---------------------------|------------------------|--------------------------|
| Mo Co          | SV Water Project Fee 18,000               |                           |                           |                        |                          |
| Mo Co          | Alarm Permit 30                           |                           |                           |                        |                          |
| MoCo           | Scale Registration 100                    |                           |                           |                        |                          |
| <b>65002</b>   | <b>Debt Service</b>                       | 358,413                   | 385,846                   | 603,890                | 604,270                  |
|                | <b>Sub-Total Debt Service</b>             | 358,413                   | 385,846                   | 603,890                | 604,270                  |
|                | <b>Total Operating Expenses</b>           | 3,141,887                 | 1,226,713                 | 3,174,610              | 3,103,800                |
|                |   | *                         | *                         |                        |                          |
|                | <b>Capital Improvement Projects</b>       |                           |                           |                        |                          |
| 9196           | Species Mitigation & Monitoring           | 0                         | 113                       | 113                    |                          |
| 9210           | Landscape/Irrigation-West Berm            | 875                       | 0                         | 0                      |                          |
| 9211           | Groundwater Mon. Systems Eval.            | 0                         | 4,205                     | 29,205                 | 40,977                   |
| 9212           | Winterization/Erosion Control             | 2,022                     | 1,359                     | 15,359                 | 14,000                   |
| 9219           | EMP Surface Investigation                 | 140                       | 0                         | 0                      |                          |
| 9224           | <b>Water Source for Composting (new)</b>  |                           |                           | 25,477                 | 450,000                  |
| 9239 *         | Module V and VI Liner                     | 0                         | 0                         | 0                      |                          |
| 9254           | Leachate Handling System Revision         | 2,564                     | 0                         | 21,281                 | 10,000                   |
| 9255           | LFG System Improvements                   | 1,586                     | 0                         | 31,543                 | 15,000                   |
| 9271           | Johnson Landfill Expansion                | 7,299                     | 0                         | 73,333                 | 20,000                   |
| 9224 *         | Ripley Water Source Dev                   | 2,633                     | 0                         | 0                      |                          |
| 9340           | LFG to Energy                             | 2,408                     | 1,000,000                 | 741,975                |                          |
| 9521           | JC Entrance Facility Ph 1                 |                           |                           |                        | 390,000                  |
| 9918           | West Berm Plant Establishment             |                           | 10,609                    | 5,000                  | 5,000                    |
| <b>Combine</b> | Johnson Canyon Entrance Facility          |                           | 150,000                   | 0                      |                          |
| <b>New</b>     | West Property Line Fence                  |                           | 34,320                    | 0                      |                          |
| <b>New</b>     | JC 5th Street OC (Contribution)           |                           |                           |                        | 10,000                   |
| <b>New</b>     | JC Roadway Improvements                   |                           |                           |                        | 2,300,000                |
| <b>New</b>     | JC Module 1 Closing                       |                           |                           |                        | 50,000                   |
| 9523           | US 101/Alta St. Interchange Study         |                           | 15,000                    | 15,000                 |                          |
| 9524           | Johnson Canyon Module 7/8 Construction    |                           | 30,000                    | 30,000                 | 1,200,000                |
|                | *Completed Projects                       |                           |                           |                        |                          |
|                | <b>Sub-Total Capital Projects</b>         | 19,527                    | 1,245,606                 | 988,286                | 4,504,977                |
|                |   | *                         |                           |                        |                          |
|                | <b>Total Operating/Capital Expenses</b>   | 3,161,414                 | 2,472,319                 | 4,162,896              | 7,608,777                |
|                | <b>Estimated Transfers</b>                |                           |                           |                        |                          |
|                | To Lewis Road Closure Fund                |                           |                           |                        |                          |
| 31.51          | To Closure Fund (68,700 T @ \$2.30)       |                           | 170,200                   | 170,200                | 158,010                  |
| 31.55          | Debt Service Paid fr Capitalized Interest | 89,466                    | 0                         | 0                      | 0                        |
| 31.55          | From Capitalized Interest Fund            | (89,466)                  | 0                         | 0                      | 0                        |
|                | <b>Sub-Total Transfers</b>                | 0                         | 170,200                   | 170,200                | 158,010                  |
|                | <b>Total Estimated Expenditures</b>       | 3,161,414                 | 2,642,519                 | 4,333,096              | 7,766,787                |
|                | <b>Estimated Ending Op Fund Balance</b>   | 59,256                    | (775,142)                 | (145,430)              | (3,839,077)              |
|                | <b>Reserved Funds</b>                     |                           |                           |                        |                          |
| 31.51          | Closure Costs                             | 1,227,640                 | 1,397,840                 | 1,944,612              | 2,102,622                |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program                              | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Projected<br>Budget |
|----------------|--------------------------------------|---------------------------------|---------------------------------|------------------------------|--------------------------------|
| <b>31.54</b>   | Bond Reserve                         | 619,849                         | 619,849                         | 619,849                      | 619,849                        |
|                |                                      |                                 |                                 |                              |                                |
|                | <b>Sub-Total Reserved Funds</b>      | 1,847,489                       | 2,017,689                       | 2,564,461                    | 2,722,471                      |
|                |                                      |                                 |                                 |                              |                                |
|                | <b>Ending Fund Balance-All Funds</b> | 1,906,745                       | 1,242,547                       | 2,419,031                    | (1,116,606)                    |
|                |                                      |                                 |                                 |                              |                                |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | SALINAS TRANSFER STATION                                   | 31.70-5159 | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | <b>Beginning Fund Balance</b>                              |            |                                 |                                 |                              |                               |
|                | All Funds  |            | 4,717,290                       | 4,296,909                       | 2,578,020                    | 1,557,592                     |
|                | Bond Reserve   |            | 0                               | 0                               | 0                            | 0                             |
|                | Capitalized Interest                                       |            | 0                               | 0                               | 0                            | 0                             |
|                | <b>Operating Fund Balance</b>                              |            | <b>4,717,290</b>                | <b>4,296,909</b>                | <b>2,578,020</b>             | <b>1,557,592</b>              |
|                | <b>Estimated Revenues</b>                                  |            |                                 |                                 |                              |                               |
| <b>56663</b>   | <b>Tipping Fees</b>  |            | 271,816                         | 667,237                         | 377,140                      | 377,140                       |
| SS             | Franchise SW 15,950 tons @ \$54.50                         |            |                                 |                                 |                              |                               |
|                | TS SW - 6,920 tons @ 54.50                                 |            |                                 |                                 |                              |                               |
| <b>54001</b>   | <b>Investment Earnings</b>                                 |            | 138,333                         | 55,266                          | 176,000                      | 176,000                       |
|                | Miscellaneous Income                                       |            |                                 |                                 |                              |                               |
| <b>57034</b>   | <b>Landfill Contributions</b>                              |            | 666,667                         | 649,998                         | 1,300,000                    | 987,900                       |
|                | Crazy Horse Landfill \$700,000                             |            |                                 |                                 |                              |                               |
|                | Johnson Canyon Landfill \$300,000                          |            |                                 |                                 |                              |                               |
| <b>57005</b>   | <b>Miscellaneous Receipts</b>                              |            | 0                               | 335                             | 1,000                        | 1,000                         |
|                | <b>Total Revenue</b>                                       |            | <b>1,076,816</b>                | <b>1,372,836</b>                | <b>1,854,140</b>             | <b>1,542,040</b>              |
|                | <b>Expenditures</b>  |            |                                 |                                 |                              |                               |
| <b>63200</b>   | <b>Utilities</b>   |            | 22,928                          | 13,047                          | 20,000                       | 20,000                        |
|                | New Office, includes alarm                                 |            |                                 |                                 |                              |                               |
| <b>63590</b>   | <b>Professional Services</b>                               |            | 6,292                           | 1,273                           | 30,000                       | 30,000                        |
|                | Facility Maintenance 25,000                                |            |                                 |                                 |                              |                               |
|                | Landscaping 5,000  |            |                                 |                                 |                              |                               |
| <b>63955</b>   | <b>Landfill Operations</b>                                 |            | 0                               | 0                               | 0                            | 0                             |
|                | <b>Total Other Expenses</b>                                |            | <b>29,220</b>                   | <b>14,320</b>                   | <b>50,000</b>                | <b>50,000</b>                 |
| <b>63957</b>   | <b>Transfer Station Operations</b>                         |            | 1,016,244                       | 555,305                         | 1,335,070                    | 1,354,020                     |
| Norcal         | <u>Scalehouse Operations \$146,200</u>                     |            |                                 |                                 |                              |                               |
| Jul-Dec        | 6 months @ \$11,999 = \$71,994                             |            |                                 |                                 |                              |                               |
| Jan-June       | \$71,994 * 1.03 = \$74,154                                 |            |                                 |                                 |                              |                               |
|                | <u>Basic Monthly Fee for 150 tons per day \$754,800</u>    |            |                                 |                                 |                              |                               |
| Jul-Dec        | 6 months @ \$58,944 = \$353,664                            |            |                                 |                                 |                              |                               |
| Jan-June       | 6 months \$353,664 * 1.03 = 364,274                        |            |                                 |                                 |                              |                               |
|                | 4 excess loads per week @ \$177 each x 52 weeks = \$36,820 |            |                                 |                                 |                              |                               |
|                | Equipment  |            |                                 |                                 |                              |                               |
| BFI            | 12 mths Transfer to CH (12 x 22,358) + \$115,000 + 4%      |            |                                 |                                 |                              |                               |
| Norcal         | Out of Scope Work \$10,000                                 |            |                                 |                                 |                              |                               |
| ScalesU        | Scale Maintenance \$7,500                                  |            |                                 |                                 |                              |                               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | SALINAS TRANSFER STATION                         | 31.70-5159 | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|--|------------|---------------------------------|---------------------------------|------------------------------|-------------------------------|
| <b>64410</b>   | <b>Insurance</b>                                 |            | 43,248                          | 50,000                          | 50,000                       | 50,000                        |
|                | Sun Street Property Liability 25,000+deductible  |            |                                 |                                 |                              |                               |
|                | includes HHW facility                            |            |                                 |                                 |                              |                               |
| <b>64905</b>   | <b>Fees &amp; Permits</b>                        |            | 1,988                           | 8,703                           | 6,600                        | 6,600                         |
| Mo Co          | Scale Registration Fee 200x2=400                 |            |                                 |                                 |                              |                               |
|                | Sun Street Permits 6,000                         |            |                                 |                                 |                              |                               |
|                |  |            |                                 |                                 |                              |                               |
|                | <b>Total Operations Expenditures</b>             |            | 1,090,700                       | 628,328                         | 1,441,670                    | 1,460,620                     |
|                |  |            |                                 | *                               |                              |                               |
| <b>66560</b>   | Equipment Lease 12 months x \$25,411 = \$304,932 |            | 232,472                         | 85,445                          | 304,950                      | 152,500                       |
|                |  |            |                                 | *                               |                              |                               |
|                | <b>Capital Improvement Projects</b>              |            |                                 |                                 |                              |                               |
| <b>9199</b>    | Sun ST Transfer Station Design & Prop Purchase   |            | 174,025                         | 762,600                         | 1,127,948                    | 200,000                       |
|                |  |            |                                 |                                 |                              |                               |
|                | <b>Total All Expenditures</b>                    |            | 1,497,197                       | 1,476,373                       | 2,874,568                    | 1,813,120                     |
|                |  |            | *                               |                                 |                              |                               |
|                | <b>Total Expenditures and Transfers</b>          |            | 1,497,197                       | 1,476,373                       | 2,874,568                    | 1,813,120                     |
|                |  |            |                                 |                                 |                              |                               |
|                | <b>Sub-Total Operating Fund Balance</b>          |            | 4,296,909                       | 4,193,372                       | 1,557,592                    | 1,286,512                     |
|                |  |            |                                 |                                 |                              |                               |
|                | <b>Ending Fund Balance-All Funds</b>             |            | 4,296,909                       | 4,193,372                       | 1,557,592                    | 1,286,512                     |
|                |  |            |                                 |                                 |                              |                               |

**Salinas Valley Solid Waste Authority**  
**BUDGET SUMMARY FISCAL YEAR 2007-2008**

| Account Number | Program   | 06/30/2006<br>Actual<br>Rev/Exp | 12/31/2006<br>Actual<br>Rev/Exp | 2006-07<br>Revised<br>Budget | 2007-08<br>Proposed<br>Budget |
|----------------|---|---------------------------------|---------------------------------|------------------------------|-------------------------------|
|                | <b>SUPPLEMENTAL CAPACITY</b>                              |                                 |                                 |                              |                               |
|                | <b>Beginning Fund Balance</b>                             |                                 |                                 |                              |                               |
|                | <b>All Funds</b>  | 996,616                         | 2,031,000                       | 2,031,000                    | 2,698,630                     |
|                | <b>Operating Fund Balance</b>                             | 996,616                         | 2,031,000                       | 2,031,000                    | 2,698,630                     |
|                | <b>Estimated Revenue:</b>                                 |                                 |                                 |                              |                               |
| <b>51253</b>   | <b>Tipping Fees</b>                                       | 1,276,116                       | 1,267,448                       | 2,281,000                    | 2,391,350                     |
|                | Guaranteed 83,910 tons @\$2,231,347                       |                                 |                                 |                              |                               |
|                | Excess tons 5,000 @ \$32.00/ton = \$160,000               |                                 |                                 |                              |                               |
| <b>54001</b>   | <b>Investment Earnings</b>                                | 29,646                          | 17,691                          | 30,000                       | 35,000                        |
|                | <b>Total Estimated Revenue</b>                            | 1,305,762                       | 1,285,139                       | 2,311,000                    | 2,426,350                     |
|                | <b>Estimated Expenditures:</b>                            |                                 |                                 |                              |                               |
| <b>64905</b>   | <b>Fees</b>   | 164,263                         | 0                               | 202,210                      | 199,150                       |
| LEA            | Tonnage 88,910 @\$.84/ton=\$74,684                        |                                 |                                 |                              |                               |
| BOE            | Excise Tax 88,910 @1.40/ton=\$124,474                     |                                 |                                 |                              |                               |
|                | <b>Total Operating Expenses</b>                           | 164,263                         | 0                               | 202,210                      | 199,150                       |
|                | <b>Capital Improvement Project:</b>                       |                                 |                                 |                              |                               |
| <b>9290</b>    | Phase II - Constraints Analysis                           | 75,181                          | 0                               | 0                            |                               |
| <b>9920</b>    | Contingency for EIR Hydro Geo Studies-Phase 3             | 0                               | 0                               | 0                            |                               |
| <b>9921</b>    | Alternative Processing Research (LTWMP)                   | 31,934                          | 75,000                          | 75,000                       |                               |
| <b>9001</b>    | CR3 Autoclave Set-Up                                      |                                 | 0                               | 120,000                      |                               |
|                | <b>Total Capital Projects</b>                             | 107,115                         | 75,000                          | 195,000                      | 0                             |
|                |   | *                               |                                 |                              |                               |
|                | <b>Total Operating/Capital Expenditures</b>               | 271,378                         | 75,000                          | 397,210                      | 199,150                       |
|                |   | *                               |                                 |                              |                               |
|                | <b>Estimated Transfers:</b>                               |                                 |                                 |                              |                               |
| <b>31.30</b>   | To Crazy Horse Landfill for Operating Costs Reimbursement |                                 | 499,998                         | 1,000,000                    | 1,000,000                     |
| <b>31.31</b>   | To Crazy Horse Landfill Closure Fund                      |                                 | 117,487                         | 246,160                      | 293,410                       |
|                | <b>Total Transfers</b>                                    | 0                               | 617,485                         | 1,246,160                    | 1,293,410                     |
|                | <b>Total Expenditures and Transfers</b>                   | 271,378                         | 692,485                         | 1,643,370                    | 1,492,560                     |
|                | <b>Ending Fund Balance</b>                                | <b>2,031,000</b>                | <b>2,623,654</b>                | <b>2,698,630</b>             | <b>3,632,420</b>              |

| <b>Salinas Valley Solid Waste Authority</b> |                     |                     |                      |                     |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>Capital Improvements Budget Summary</b>  |                     |                     |                      |                     |
|   | Proposed            | Proposed            | Projected            | Projected           |
| <b>Projects by Function</b>                 | <u>2006-07</u>      | <u>2007-08</u>      | <u>2008-09</u>       | <u>2009-10</u>      |
| Administration                              | \$ 226,471          | \$ 19,100           | \$ 19,100            | \$ 19,100           |
| Resource Recovery                           | 583,651             | 947,000             | 1,100,000            | -                   |
| Crazy Horse Landfill                        | 981,135             | 1,467,800           | 11,346,000           | 500,000             |
| Lewis Road Landfill                         | 451,806             | 14,000              | 34,000               | -                   |
| Johnson Canyon Landfill                     | 988,286             | 4,504,977           | 2,316,000            | 2,266,000           |
| Jolon Road Landfill                         | 237,586             | 1,510,000           | -                    | -                   |
| Sun Street Transfer Station                 | 1,127,948           | 200,000             | 6,598,000            | 114,400             |
| Expansion Fund                              | 195,002             | -                   | -                    | -                   |
|   | <u>\$ 4,791,885</u> | <u>\$ 8,662,877</u> | <u>\$ 21,413,100</u> | <u>\$ 2,899,500</u> |
|   |                     |                     |                      |                     |
| <b>Financing Source</b>                     |                     |                     |                      |                     |
| Operating Fund Balance                      | \$ 3,382,484        | \$ 1,190,100        | \$ -                 | \$ -                |
| Closure Funds                               | 181,955             | 2,074,640           | 10,596,000           | -                   |
| Bond Proceeds - 2002                        | 1,227,446           | 5,398,137           | 2,188,410            | -                   |
| Bond Proceeds - 2007                        | -                   | -                   | 8,628,690            | 2,899,500           |
|   | <u>\$ 4,791,885</u> | <u>\$ 8,662,877</u> | <u>\$ 21,413,100</u> | <u>\$ 2,899,500</u> |
|   |                     |                     |                      |                     |

**RESOLUTION NO. 2006 - 35**

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY  
ADOPTING THE FINANCIAL POLICIES**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS  
VALLEY SOLID WASTE AUTHORITY**, that the Financial Policies attached hereto as Exhibit  
"A" are hereby adopted.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste  
Authority at the regular meeting duly held on the 20<sup>th</sup> day of July 2006 by the following vote:

|          |                |   |
|----------|----------------|---|
| AYES:    | BOARD MEMBERS: | Fernando Armenta, Lou Calcagno, Janet Barnes,<br>Christopher Bourke (Alt.), Gloria De La Rosa,<br>Annie Moreno (Alt.), Roberto Ocampo |
| NOES:    | BOARD MEMBERS: | None  |
| ABSENT:  | BOARD MEMBERS: | Josephine Campos, Richard Ortiz, Yolanda Teneyuque,<br>George Worthy  |
| ABSTAIN: | BOARD MEMBERS: | None  |

  
Janet Barnes, President

ATTEST:

  
Elia Zavala, Clerk of the Board



# Salinas Valley Solid Waste Authority

## Financial Policies

### SUMMARY

The SVSWA Board of Directors recognizes their fiduciary responsibility by virtue of their appointment to the Board. In an effort to promote transparency in the fiscal affairs of the Authority and to promote fiscal accountability, it hereby adopts the following financial policies to guide the Authority's finances:

1. Revenues: The Authority will maintain a revenue system that will assure a reliable, equitable, predictable revenue stream to support Authority services.
2. Expenditures: The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.
3. Fund Balance/Reserves: The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable occurrences or emergencies.
4. Capital Expenditures and Improvements: The Authority shall annually review the state of its capital assets, setting priorities for its replacement and renovation based on needs, funding, alternatives and availability of resources.
5. Debt: The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.
6. Investments: The Authority's cash will be invested in such a manner so as to ensure the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield.
7. Grants: The Authority shall seek, apply for and effectively administer federal, state and foundation grants that address the Authority's current priorities and policy objectives.
8. Closure Funding: The Authority shall properly fund all closure and postclosure costs in accordance with California Integrated Waste Management Board (CIWMB) requirements.
9. Fiscal Monitoring: Authority staff shall prepare and present to the Board regular reports that analyze, evaluate and forecast the Authority's financial performance and economic condition.
10. Accounting, Auditing and Financial Reporting: The Authority's accounting, auditing and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.



# Salinas Valley Solid Waste Authority

## Financial Policies

11. Internal Controls: The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.
12. Operating Budget: The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.
13. Capital Assets: The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles so as to maintain proper control of all capital assets.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 1 - REVENUES

The Authority will maintain a revenue system that will assure a reliable, equitable, predictable revenue stream to support Authority services.

A. User Fees

The Authority shall establish and collect fees to recover the costs of handling specific items that benefit only specific users. The Authority Board shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the Authority shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

B. Tipping Fees

Tipping fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements, and provide adequate levels of working capital. Tipping Fees are not expected to cover depreciation/depletion.

C. One Time Revenues

One-time revenues shall be used only for one-time expenditures.

D. Revenue Estimates

The Authority shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and thus avoid mid-year service reductions.

E. Revenue Collection and Administration

The Authority shall pursue to the full extent allowed by state law all delinquent ratepayers and others overdue in payments to the Authority. Since a revenue should exceed the cost of producing it, the Authority shall strive to control and reduce administrative collection costs.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 2 - EXPENDITURES

The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

A. Current Funding Basis

The Authority shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues.

B. Avoidance of Operating Deficits

The Authority shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Reserves Policy. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the Authority shall maintain capital assets and infrastructure at a sufficient level to protect the Authority's investment, to minimize future replacement and maintenance costs, and to continue current service levels.

D. Periodic Program Reviews

The General Manager shall undertake periodic staff and third-party reviews of Authority programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternative approaches to service delivery. Programs which are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

E. Purchasing

The Authority shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall use competitive bidding whenever possible to attain the best possible price on goods and services.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 3 - FUND BALANCE/RESERVES

The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable emergencies.

A. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to fifteen percent (15%) of the current year operating expenditures, to provide sufficient reserves for emergencies and revenue shortfalls. Operating expenditures for reserve purposes is defined as the total budget less debt service and capital project expenditures. This reserve will be in addition to the Debt Service Reserve required under the 2002 Bond Indenture.

B. Undesignated Fund Balance

The Authority shall strive to maintain an undesignated fund balance of ten percent (10%) of current year operating budget (maintenance and operation expenditures only). Adequate designations shall be maintained for all known liabilities and insurance retentions. After completion of the annual audit, if the undesignated fund balance exceeds 10%, the excess will be allocated to reserves in the following priority:

1. Insurance Retention Reserves
2. Operating Reserve
3. Capital Projects Reserve.

C. Capital Projects Reserve

Due to the capital intensive nature of the Authority's landfill operations the Authority will strive to develop a Capital Projects Reserve for the purpose of funding future capital projects in accordance with the Capital Improvements Financial Policies. After fulfilling all insurance and operating reserve requirements any undesignated funds above 10% will be allocated to the Capital Projects Reserve.

D. Use of Operating Reserve

The Operating Reserve shall be used only for its designated purpose - emergencies, non-recurring expenditures, or major capital purchases that can not be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective, restoration recommendations will accompany the decision to utilize said balance.

# Salinas Valley Solid Waste Authority Financial Policies

## 4 - CAPITAL EXPENDITURES AND IMPROVEMENTS

The Authority shall annually review the state of its capital assets, setting priorities for their replacement and renovation based on needs, funding, alternatives and availability of resources.

### A. Capital Improvement Plan

The Authority shall prepare a 10-Year Capital Improvement Plan (CIP) which will detail the Authority's capital needs financing requirements. The CIP will be reviewed and approved every two (2) years before discussions of the operating budget take place. It will include budget financing for the first two years. The CAO will develop guidelines for what projects to include in the CIP. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every capital project, all operation, maintenance and replacement costs shall be fully disclosed. The CIP will be in conformance with and support the Authority's major planning documents – the Long Term Waste Management Plan and the Regional Solid Waste Facilities Environmental Impact Report (EIR).

### B. Capital Improvement Budget

The CIP will be the basis for which projects will be included in the following year's budget. Appropriations will be approved annually using the following criteria:

1. Linkage with needs identified in the Authority's planning documents.
2. Cost/benefit analysis identifying all economic or financial impacts of the project.
3. Identification of available funding resources.

CIP funding will be based on the following priorities:

1. Projects that comply with regulatory requirements.
2. Projects that maintain health and safety standards.
3. Projects that maintain and preserve existing facilities.
4. Projects that replace existing facilities that can no longer be maintained.
5. Projects that improve operations.

### C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

1. Use current revenues;
2. Use the Capital Projects Reserve;
3. Borrow money through debt issuance.

Debt financing includes revenue bonds, certificates of obligation, lease/purchase agreements, and other obligations permitted to be issued or incurred under California law. Guidelines for assuming debt are set forth in the Debt Policy Statements.

# Salinas Valley Solid Waste Authority

## Financial Policies

### D. Capital Projects Reserve Fund

A Capital Projects Reserve Fund shall be established and maintained to accumulate funds transferred from the undesignated fund balance. This fund shall only be used to pay for non-routine and one-time capital expenditures such as land and building purchases or construction and maintenance projects with a 10-year life. Expenditures from this Fund shall be aimed at protecting the health and safety of residents, employees and the environment, and protecting the existing assets of the Authority.

### E. Capital Projects Management

The Authority will fund and manage its capital projects in a phased approach. The project phases will become a framework for appropriate decision points and reporting. The phasing will consist of:

1. Conceptual/schematic proposal
2. Preliminary design and cost estimate
3. Engineering and final design
4. Bid administration
5. Acquisition/construction
6. Project closeout

Each project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, periodically report project status and track project expenditures.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 5 - DEBT

The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.

#### A. Use of Debt Financing

The issuance of long-term debt will be only for the acquisition of land, capital improvements or equipment.

Debt financing is not considered appropriate for current operations, maintenance expenses, or for any recurring purposes.

#### B. Conditions for Debt Issuance

The Authority may use long-term debt to finance major equipment acquisition or capital project only if it is established through a cost/benefit analysis that the financial and community benefits of the financing exceed the financing costs. Benefits would include, but not be limited to, the following:

1. Present value benefit: The current cost plus the financing cost is less than the future cost of the project.
2. Maintenance value benefit: The financing cost is less than the maintenance cost of deferring the project.
3. Equity benefit: Financing provides a method of spreading the cost of a facility back to the users of the facility over time.
4. Community benefit: Debt financing of the project enables the Authority to meet an immediate community need.

Debt financing will be used only when project revenues or other identified revenue sources are sufficient to service the debt.

#### C. Debt Structure

The Authority's preference is to issue fixed-rate, long-term debt with level debt service, but variable rate debt or other debt service structure may be considered if an economic advantage is identified for a particular project.

Bond proceeds, for debt service, will be held by an independent bank acting as trustee or paying agent.

# Salinas Valley Solid Waste Authority

## Financial Policies

The Authority's minimum bond rating objective for all debt issues is a Moody's and Standard & Poor's rating of A (upper medium grade). Credit enhancements will be used to achieve higher ratings when there is an economic benefit.

The Authority may retain the following contract advisors for the issuance of debt:

1. Financial Advisor - To be selected, when appropriate, by negotiation to provide financial analysis and advice related to the feasibility and structure of the proposed debt.
2. Bond Counsel - To be selected by negotiation for each debt issue.
3. Underwriters - To be selected by negotiation or competitive bid for each bond issue based upon the proposed structure for each issue.

### D. Call Provisions

Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the Authority. When possible, all bonds shall be callable only at par.

### E. Debt Refunding

Authority staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3.5% of the refunded maturities.

### F. Interest Earnings

Interest earnings received on the investment of bond proceeds shall be used to assist in paying the interest due on bond issues, to the extent permitted by law.

### G. Lease/Purchase Agreements

Over the lifetime of a lease, the total cost to the Authority will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.



# Salinas Valley Solid Waste Authority Financial Policies

## 6 - INVESTMENTS

The Authority's cash will be invested in such a manner so as to insure the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield after meeting the first two requirements.

A. Investment Policy

The Authority Treasurer is both authorized and required to promulgate a written Statement of Investment Policy which shall be presented to the Board annually.

B. Interest Earnings

Interest earned from investments shall be distributed to the operating funds from which the money was provided, with the exception that interest earnings received on the investment of bond proceeds shall be attributed and allocated to those debt service funds responsible for paying the principal and interest due on the particular bond issue.

# Salinas Valley Solid Waste Authority Financial Policies

## 7 - GRANTS

The Authority shall seek, apply for and effectively administer federal, state and foundation grants-in-aid that address the Authority's current priorities and policy objectives.

A. Grant Guidelines

The Authority shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs previously identified by the Board. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. Indirect Costs

The Authority shall recover full indirect costs unless the funding agency does not permit it. The Authority may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

C. Grant Review

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Authority's policy objectives. Departments shall seek Board approval prior to submission of a grant application. Should time constraints under the grant program make this impossible, the department shall obtain approval to submit an application from the CAO and then, at the earliest feasible time, seek formal Board approval. If there are cash match requirements, the source of funding shall be identified prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.

D. Grant Program Termination

The Authority shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

# Salinas Valley Solid Waste Authority Financial Policies

## 8 - CLOSURE FUNDING

The Authority shall properly fund all closure and postclosure costs in accordance with CIWMB requirements.

### A. Closure Funding

In accordance with CIWMB requirements, the Authority shall annually set aside sufficient funds to fully fund all accrued closure costs liability. These funds will be held in a separate Closure Fund restricted specifically for this purpose.

### B. Postclosure Funding

In accordance with the Financial Assurances, the Authority shall fund postclosure costs from future revenues when those costs are incurred. The Authority will not pre-fund postclosure costs in its operating budget. The Authority has entered into Pledge of Revenue with the CIWMB for this purpose.

### C. Closure Funding Calculations

The Authority shall, as part of the budget process, annually recalculate the closure costs on a per ton basis. Funds will be transferred on a monthly basis to the Closure funds based on tonnage land-filled. Post closure expense incurred as a result of current fiscal year solid waste disposal will be recorded as an expense on the Authority's financial statements with a corresponding liability.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 9 - FISCAL MONITORING

Authority staff shall prepare and present to the Board regular reports that analyze, evaluate and forecast the Authority's financial performance and economic condition.

A. Financial Status and Performance Reports

Monthly reports comparing expenditures and revenues to current budget, noting the status of fund balances, and outlining any remedial actions necessary to maintain the Authority's financial position shall be prepared for review by the Board.

B. Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures, to include a discussion of major trends affecting the Authority's financial position, shall be prepared in anticipation of the annual budget process. The forecast shall also examine critical issues facing the Authority, economic conditions, and the outlook for the upcoming budget year. The document shall provide insight into the Authority's financial position and alert the Board to potential problem areas requiring attention.

C. Semi-Annual Status Report on Capital Projects

A summary report on the contracts awarded, capital projects completed and the status of the Authority's various capital projects will be prepared at least semi-annually and presented to the Board.

D. Compliance with Board Policy Statements

The Financial Policies will be reviewed annually by the Board and updated, revised or refined as deemed necessary. Policy statements adopted by the Board are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 10 - ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

The Authority's accounting, auditing and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.

A. Conformance to Accounting Principles

The Authority's accounting practices and financial reporting shall conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

B. Popular Reporting

In addition to issuing a comprehensive annual financial report (CAFR) in conformity with GAAP, the Authority shall supplement its CAFR with a simpler, "popular" report designed to assist those residents who need or desire a less detailed overview of the Authority's financial activities. This report should be issued no later than six months after the close of the fiscal year.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 11 - INTERNAL CONTROLS

The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.

A. Proper Authorizations

Procedures shall be designed, implemented and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

B. Separation of Duties

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

C. Proper Recording

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded and that all financial reports may be relied upon as accurate, complete and up-to-date.

D. Access to Assets and Records

Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records.

E. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

F. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

# Salinas Valley Solid Waste Authority

## Financial Policies

### 12 - OPERATING BUDGET

The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.

#### A. Budget Format

The budget shall provide a complete financial plan of all Authority funds and activities for the ensuing fiscal year and shall be in such form as the Chief Administrative Officer deems desirable or that the Board may require.

The budget shall begin with a clear general summary of its contents. It shall show in detail all estimated revenues, all carry-over fund balances and reserves, and all proposed expenditures, including debt service, for the ensuing fiscal year.

The total of proposed expenditures shall not exceed the total of estimated revenues plus the un-appropriated fund balance, exclusive of reserves, for any fund.

The budget will be organized on a program/service level format.

The budget development process will include the identification and evaluation of policy options for increasing and decreasing service levels.

#### B. Estimated Revenues

The Authority will annually update its revenue forecast to enhance the budgetary decision-making process.

In its budget projections, the Authority will attempt to match current expense to current revenue. If it becomes apparent that revenue shortfalls will create a deficit, efforts will be made first to reduce the deficiency through budgetary reductions.

If appropriate reductions are insufficient, the Board may decide, on an exception basis, to use an appropriate existing reserve, which is in excess of minimum reserve requirements.

#### C. Appropriations

In evaluating the level of appropriations for program enhancements, or reductions, the Authority will apply the following principles in the priority order given:

1. Essential services, which provide for the health and safety of residents will be funded to maintain current dollar levels.
2. The budget will provide for adequate ongoing maintenance of facilities and equipment.
3. Appropriations for program enhancements or reductions will be evaluated on a case-by-case basis rather than across the board.

# Salinas Valley Solid Waste Authority

## Financial Policies

4. When reductions in personnel are necessary to reduce expenditures, they shall be consistent with the Authority Board's established service level priorities and, when possible, shall be accomplished through normal attrition.
5. Programs, which are self-supported by special revenues or fees, shall be separately evaluated.

Prior to the Authority Board making any supplemental appropriation, the CAO or Finance Manager shall certify that funds in excess of those estimated in the budget are available for appropriation. Any such supplemental appropriations shall be made for the fiscal year by Board action up to the amount of any excess.

Appropriations may be reduced any time during the fiscal year by the Authority Board upon recommendation of the CAO. When appropriation reductions are recommended, the CAO shall provide specific recommendations to the Board, indicating the estimated amount of the reduction, any remedial actions taken, and recommendations as to any other steps to be taken.

The CAO may transfer appropriations between divisions, and division managers may transfer appropriations between programs and accounts within their individual divisions, but only the Board by resolution may appropriate funds from reserves or fund balances.

All appropriations, except for Capital Improvement Program and Grant Programs appropriations, shall lapse at the end of the fiscal year to the extent that they have not been expended or encumbered. An appropriation in the Capital Improvement Program shall continue in force until expended, revised, or cancelled.

The Authority will endeavor to budget an appropriated contingency account in all Divisions operating budget equal to one percent of the total Operating Budget to meet changing operational requirements during the fiscal year.



# Salinas Valley Solid Waste Authority

## Financial Policies

### 13 - CAPITAL ASSETS

The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles so as to maintain proper control of all capital assets.

- A. Overview – The Finance Division will maintain a capital asset management system that will meet external financial reporting requirements and the needs of the Authority in line with these policies.
1. Capital assets are recorded as expenditures in governmental funds at the time the assets are received and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements. Enterprise fixed assets are recorded as assets within the fund when purchased and a liability is incurred.
  - i. GASB 34 defines Capital Assets as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
  - ii. GASB 34 defines Infrastructure Assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems. Buildings that are an ancillary part of a network of infrastructure assets are included.

The Authority uses the most current edition of GOVERNMENTAL ACCOUNTING, AUDITING, AND FINANCIAL REPORTING (GAAFR) published by the Government Finance Officers Association (GFOA) as its authoritative guide in setting policy and establishing accounting procedures regarding capital assets.

- B. Capitalization – Generally all capital assets with an original cost of \$25,000 or more will be capitalized (recorded as an asset on the balance sheet versus expensing the item). Infrastructure Assets with an original cost of \$150,000 or more will be capitalized. This capitalization policy addresses financial reporting, not control. The Authority follows the GFOA recommended practices for establishing capitalization thresholds. Specific capitalization requirements are described as follows:
1. The asset must cost \$25,000 or more.
  2. The asset must have a useful life of two (2) or more years.
  3. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten items purchased for \$10,000 each will not be capitalized even though the total (\$100,000) exceeds the threshold of \$25,000.
  4. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset

# Salinas Valley Solid Waste Authority

## Financial Policies

functional.

5. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described number 6 below.
6. Improvements to existing capital assets will be presumed by definition to extend the useful life of the related capital asset and therefore will be subject to capitalization if the cost exceeds \$5,000.
7. Capital projects will be capitalized as “construction in progress” until completed. Personal computers will not be capitalized:

### C. Leased Assets-

Operating leased assets are usually short term and cancelable at anytime. The recording of an operating lease as a fixed asset is not required because the item is not purchased.

Capital leases will be capitalized if one or more of the following criteria are met and the chance of cancellation is low:

- a. Ownership is transferred by the end of the lease term
- b. The lease contains a bargain purchase option
- c. The lease term is greater than or equal to 75 percent of the asset’s service life
- d. The present value of the minimum lease payment is greater than or equal to ninety percent (90%) of the fair market value of the asset at the inception of the lease.

Capital lease items are capitalized at the beginning of the lease period, regardless of when the title transfers. Capital leases are recorded at net present value of lease payments.

- D. Capital Asset Recording - It is the responsibility of the Finance Division to record, monitor and inventory all fixed assets. Each division will assign appropriate staff members to respond to verification, inventories, and filling out the necessary forms for recording transfers, dispositions or retired fixed assets.

- E. Acquisition of Capital Assets - Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts.

When a capital asset is acquired the funding source will be identified.

If funds are provided by a specific funding source, a record will be made of that specific source such as:

- ❖ Bond Proceeds
- ❖ State Grants

- F. Measuring the Cost and/or Value - Capital assets are recorded at their “historical cost”, which is the original cost of the assets. Donations accepted by the Authority will be valued at the fair market value at the time of donation. Costs include purchase price (less discounts) and any other reasonable and necessary costs incurred to place the asset in its intended location and prepare it for service. Costs could include the following:

# Salinas Valley Solid Waste Authority

## Financial Policies

Sales Tax  
Freight charges  
Legal and title fees  
Closing costs  
Appraisal and negotiation fees  
Surveying fees  
Land-preparation costs  
Demolition costs  
Relocation costs  
Architect and accounting fees  
Insurance premiums and interest costs during construction

- G. Establishing Cost in the Absence of Historical Records - According to the GASB 34, an estimate of the original cost is allowable. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary the Authority will use whichever method gives the most reasonable amount based on available information.
- H. Recording Costs Incurred After Acquisition - Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.
- I. Disposition or Retirement of Fixed Assets - It is the Authority's policy that divisions wishing to dispose of surplus, damaged or inoperative equipment must notify the Finance Division.  
  
The Authority will conduct public auctions, as necessary, for the purpose of disposing of surplus property. Auctions will be conducted by the Finance Division. The original cost less depreciation will then be removed from the Authority's capital asset management system.
- J. Transfer of Assets - The transfer of fixed assets between divisions requires notification to the Finance Department.
- K. Depreciation - In accordance with GASB Statement No. 34 the Authority will record depreciation expense on all capital assets, except for inexhaustible assets.  
  
The Authority will use straight-line depreciation using the half-year convention or mid month as appropriate. Depreciation will be calculated for half a year in the year of acquisition and the year of disposition. Depreciation will be calculated over the estimated useful life of the asset.
- L. Recommended Lives - The Authority follows GFOA Recommended Practices when establishing recommended lives for capitalized assets. In accordance with GASB 34 the Authority will rely on "general guidelines obtained from professional or industry organizations." In particular the Authority will rely on estimated useful lives published by GFOA. If the life of a particular asset is estimated to be different than these guidelines, it

# Salinas Valley Solid Waste Authority

## Financial Policies

may be changed. The following is a summary for the estimated useful lives:

| <u>Asset Class</u>      | <u>Useful Life</u> |
|-------------------------|--------------------|
| Buildings               | 20 to 50 years     |
| Improvements            | 15 to 45 years     |
| Infrastructure          | 20 to 50 years     |
| Equipment and Machinery | 5 to 20 years      |

- M. Control of Assets – In accordance with GFOA Recommended Practice the Authority will exercise control over the non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the division level. The Authority's capitalization threshold of \$5,000 meets financial reporting needs and is not designed for nor particularly suited to maintain control over lower cost capital assets. It is the responsibility of each division to maintain inventories of lower-cost capital assets to ensure adequate control and safekeeping of these assets.
- N. Maintenance Schedules - The Authority shall develop and implement maintenance and replacement schedules with a goal of maximizing the useful life of all assets. The schedules shall include estimates of annual maintenance and/or replacement funding required for each asset.
- O. Maintenance Funding - The Authority shall identify specific sources of funds for the annual maintenance or replacement of each asset. Whenever possible, the maintenance or replacement funding shall be identified from a source other than the Authority General Fund. The Authority shall endeavor to set aside, on an annual basis, one and one-half percent (1½%) of its Operating Budget to provide for on-going maintenance and required replacement of assets that cannot be reasonably funded from other sources.
- Q. Inventorying – The Authority will follow the GFOA recommended practice of performing a physical inventory of its capitalized capital assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.
- R. Tagging – The Authority will tag only moveable equipment with a value of \$5,000 or higher. Rolling stock items will not be tagged. They will be identified by the VIN number. The Finance department will be responsible for tagging equipment.