



## BOARD OF DIRECTORS

### MEETING HIGHLIGHTS

Thursday March 21, 2013



#### Crazy Horse Landfill Closure Project

The approved change orders will bring to completion the sand placement work on the artificial turf cover.

#### Operations Department Restructured

The Assistant General Manager position will not be filled at this time. Instead, two field positions will be reopened to help improve the transfer station operations. This change will increase efficiencies and still result in over \$10,000 in savings.

#### Strategic Plan Update

Staff reported on the accomplishments to date on the strategic plan goals and objectives:

- A. Develop and Implement a Sustainable Finance Plan
- B. Promote Authority's Role and Value as a Resource Recovery Agency
- C. Achieve 75% Diversion by 2015
- D. Enhance Existing Facilities, Equipment and Public Services
- E. Promote and Maintain a High Performance, Efficient and Flexible Workforce

#### Public Hearing on Service Fees for Year 2013-14

At the February meeting, the Board directed staff to prepare a budget that eliminates the dependence on revenue from waste from outside the County to fund operations. Staff was asked to mail out informational brochures to all service area residents and business and to schedule the public hearing for the consequent rate increase in March. After 90,000 direct mailers and meeting with stakeholders, the public hearing outcome was as follows:

No.	Commenter	Format	Purpose
19	Resident	Telephone	General information
4	Resident	Telephone	Not within service area
5	Resident	Telephone	Oppose
1	Resident	Public Hearing Meeting	Oppose
3	Member agency staff	Public Hearing Meeting	Comments and questions
2	Waste hauler	Public Hearing Meeting	Comments and questions

After closing the hearing and deliberating on the rate impact to customers, haulers, and member agencies, the Board discussed the proposed revenue collection method and the 30-day postponement request by the City Managers and County CAO to bring forward a county-wide solid waste framework recommendation. By a 6-to-2 vote, the Board approved a 30-day delay for final approval in April to allow member agencies' staff to work with their respective Board representative to fully understand the Authority and to give member agencies the opportunity to reach out to their constituents.

#### Financial Report for Month Ended January 2013

Revenue collected	\$ 9,459,979 (59.18% of Estimated Revenue)
Expenditures for operations	\$ 8,256,949 (52.22% of Operating Budget)
Expenditures for capital projects	\$ 261,565 (CH Closure Project accounted for \$259,574)
Cash balance (unrestricted)	\$ 1,739,253
Cash balance (restricted)	\$ 12,677,751

REDUCE

REUSE

RECYCLE

"To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service, and education."

# Strategic Plan Update

## March 2013

Rose Gill, Administrative Manager

***“If you don't know where you are going, you will wind up somewhere else”. Yogi Bear***

***“Vision without action is a dream. Action without vision is simply passing the time. Action with Vision is making a positive difference.” Joel Barker***



# Mission/Vision/Values

## Mission

To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service and education.

## Vision

To reduce the amount of waste by promoting individual and corporate responsibility.  
To recover waste for its highest and best use while balancing rates and services.  
To eliminate the need for landfills.  
To transform our business from burying waste to utilizing waste as a resource.

## Values

Innovation • Integrity • Public Education • Efficiency • Fiscally Prudent  
Resourcefulness • Customer Service • Community Partnerships





# Strategic Plan Goals

**Develop and implement a sustainable finance plan**

**Promote Authority's role and value as a resource recovery agency**

**Achieve 75% diversion by 2015**

**Enhance existing facilities, equipment and public services**

**Promote and maintain a high performance, efficient and flexible workforce**

## GOAL

**Develop and implement a sustainable finance plan**

# Highlights and Accomplishments

- Feb 2013 presented FY 2013-14:
  - Proposed operating budget
  - Proposed capital improvements budget
  - Proposed use of Recology South Valley monies
  - Proposed rates
- Mar 2013 public outreach and public hearing
- Mar 2013 Joint meeting with Board of Supervisors was cancelled; being reschedule

## **GOAL**

**Promote Authority's role and value as a  
resource recovery agency**

## **Highlights and Accomplishments**

- Continue with ads/commercials: Sun Street –Authority's sites
- Authority logo submitted and implemented
- Two press releases to be scheduled in next two months
- Post one post per week on Facebook



## GOAL

**Achieve 75% diversion by 2015**

### Highlights and Accomplishments

- 2011 Diversion rates at average of 69.4%
- Materials Recovery Center expanded at Sun Street
- AB 341 Implementation plan created
- Food waste to liquid fertilizer project increased
- 36 Waste Audits done for schools, business' & apartments
- Recycled 16,800 used tires using grant funding
- Attended 23 public education and outreach events
- Enrolled in Paint Stewardship program
- Term sheet with Global Organics Energy approved
- \$66,000 grant from USDA for biomethane project

## **GOAL**

**Enhance existing facilities, equipment and public services**

### Highlights and Accomplishments

- Completed preliminary regional truck route pavement assessment. Next Step, meet with County regarding the pavement review and the proposed geotechnical work.
- Submitted draft land acquisition agreement to City of Salinas for review.
- Closure of Crazy Horse 95% complete. Next Step – To complete the leak detection study to identify and repair holes in the geomembrane cover.



## **GOAL**

**Promote and Maintain a High Performance,  
Efficient and Flexible Workforce**

### Highlights and Accomplishments

- Succession policy will be presented next month
- Continued County training partnership
- Admin policies in draft form, revised date
- Safety committee currently working on safety suggestion quarterly awards program.
- Reviewing upgrade to Electronic Doc Management Program
- Records retention schedule undergoing 2<sup>nd</sup> revision
- Revising record classification practices



# Questions and Comments



Salinas Valley Solid Waste Authority



Item No. 9  
Revision 2 - 3/21/13

Public Hearing  
On  
Proposed Rates for  
FY 2013-14

**March 21, 2013**  
**Board of Directors Meeting**



# Why Increase Fees?

- 1.6% increase in operating expenditures
- \$3.00 per ton increase in Salinas Transportation Surcharge
- Must replace \$2 Million in expected lost revenue from importing waste



# Revenue Requirement

Increase applied to tipping fees:

Revenue Requirement	\$ 2,000,000
Divide by projected tons	<u>166,500</u>
Equals increase per ton	\$ 12.00





# AB939 Services

## Expenditures

2100 - Resource Recovery	\$	816,834
2150 - Marketing	\$	91,776
2200 - Public Education	\$	195,789
2300 - Household Hazardous Waste	\$	828,067
3730 - SS Recycling Operations	\$	<u>243,513</u>
Total AB939 Expenditures	\$	2,175,980
Less AB939 Related Revenues	\$	<u>(444,000)</u>
Revenue Requirement	\$	1,731,980



# AB939 Fee Allocation

Net Cost of AB939 Services \$1,731,980

Allocation Based on 2011-12 Actual Tons Landfilled

<u>Franchise Hauler</u>	<u>Tons Landfilled</u>	<u>Percent</u>	<u>Annual Fee</u>	<u>Monthly Fee</u>
Republic Services	91,753	63.3%	\$ 1,096,269	\$ 91,356
WM - Unincorp.	30,930	21.3%	\$ 369,550	\$ 30,796
TCD-Soledad	6,147	4.2%	\$ 73,450	\$ 6,121
WM-King City	7,627	5.3%	\$ 91,133	\$ 7,594
TCD-Greenfield	5,702	3.9%	\$ 68,124	\$ 5,677
TCD-Gonzales	<u>2,800</u>	<u>1.9%</u>	<u>\$ 33,454</u>	<u>\$ 2,788</u>
Total	<u>144,959</u>	<u>100.0%</u>	<u>\$ 1,731,980</u>	<u>\$ 144,332</u>



# Estimated Impact on Residential Customers

Jurisdiction	Waste Hauler	Typical Container Size	Monthly Bill	Disposal Portion	Proposed Disposal Increase
Salinas	Republic Services	32 Gallon	\$ 20.87	\$ 4.90	\$ 0.98
County	Waste Management	35 Gallon	\$ 26.96	\$ 5.22	\$ 0.62
Gonzales	Tri-Cities Disposal	48 Gallon	\$ 23.35	\$ 7.91	\$ 1.42
Soledad	Tri-Cities Disposal	48 Gallon	\$ 23.42	\$ 7.91	\$ 1.42
Greenfield	Tri-Cities Disposal	48 Gallon	\$ 23.42	\$ 7.91	\$ 1.42
King City	King City Disposal	35 Gallon	\$ 18.73	\$ 7.29	\$ 0.49





# Estimated Impact on Commercial Customers

Jurisdiction	Waste Hauler	Typical Container Size	Monthly Bill	Disposal Portion	Proposed Disposal Increase
Salinas	Republic Services	1 CY	\$ 248.62	\$ 15.58	\$ 3.12
County	Waste Management	1 CY	\$ 153.42	\$ 21.95	\$ 3.93
Gonzales	Tri-Cities Disposal	1 CY	\$ 141.84	\$ 39.59	\$ 7.09
Soledad	Tri-Cities Disposal	1 CY	\$ 142.20	\$ 39.59	\$ 7.09
Greenfield	Tri-Cities Disposal	1 CY	\$ 142.20	\$ 39.59	\$ 7.09
King City	King City Disposal	1 CY	\$ 78.74	\$ 30.66	\$ 2.08



# Benefits of Proposed AB939 Fee

- First step to sustainable financial plan
  - Ends reliance on imported waste
  - Directly funds mandated services
- Stops use of capital funds for operations
- Keeps self-haul rate competitive
- Puts Authority in a position to refinance
  - Maintains favorable bond rating



# Outreach Efforts

- Mailed 90,000 flyers to Salinas Valley residents and businesses
- Met with all franchise haulers
- Met with all cities and county
  - Except for Greenfield
- Made presentation to City of Gonzales



# How Should Fees Increase?

\$ 3 per ton Salinas Transfer Surcharge

Plus

\$12 per ton tipping fee increase

(not recommended)

or

\$144,332 monthly AB 939 fees



# Public Hearing

- Open public hearing
- Receive public comment
- Answer questions
- Consider Approval of 2013-14 rates





