

# BOARD OF DIRECTORS

## MEETING HIGHLIGHTS

### February 21, 2019

### STAYING ON TRACK

#### COLLABORATION OPPORTUNITIES

The Monterey Regional Waste Management District (District), Salinas Valley Solid Waste Authority (Authority), the City of Salinas City Manager, and the Monterey County Administrative Officer have met twice since the execution of the Memorandum of Understanding (MOU) for Collaboration between the District and the Authority. The group is working together to identify feasible and cost-effective opportunities and has identified the following opportunities that can occur in the upcoming fiscal year: The Authority accepting and processing of District green waste stream, the District accepting and processing of the Authority's mixed construction and demolition wastes and select industrial wastes, and to continue joint efforts on public education and outreach. The meetings will continue through the completion of formal agreements.

#### NO MID-YEAR OPERATING BUDGET ADJUSTMENT NEEDED

Authority staff carefully monitors the budget throughout the year to identify unforeseen changes that would impact the budget. Previous years have included changes due to increases in tonnage and unexpected cost increases in fuel and maintenance. Additional staffing is needed at the south county facilities. However, due to uncertainties with the notice of intent to withdrawal from the City of Salinas, these are being deferred. Therefore, no mid-year adjustment is required.

#### CITY OF SALINAS NOTICE OF INTENT TO WITHDRAWAL

The Authority's Interim Legal Counsel and staff are working on identifying the requirements prompted by the one-year notice given by the City of Salinas of intent to withdrawal from the Agency. With no further information provided by the City of Salinas

after the notice, the due diligence to prepare for significant impact of the possible withdrawal has been deemed extremely important.

#### STRATEGIC PLAN UPDATE

With the uncertainty of the direction Authority will be taking due to the one-year notice of intent to withdrawal from the City of Salinas, several of the Strategic Plan Actions are on hold. Staff is working on obtaining further information to help move the actions forward.

**Strategic Plan Objectives - October 2018**

- FINALIZE A COLLABORATIVE MOU WITH APPROVAL TO EXPLORE SHARED USE OF INFRASTRUCTURE - COMPLETED NOV 2018
  - Collaborative MOU recommended by City, CVW and SVWA, AOE approved by both Boards in Jan
  - San Francisco Agency Review due 4/30/2019
- PRESENT NEW USE PROJECT DESCRIPTION FOR MULTIPLE USE OPTIONS FOR WILTS AT NOV 20 19 BOARD MEET - COMPLETED NOV 2018, BUT DEFERRED DUE TO REPUBLIC SERVICES PENDING PURCHASE OF WILTS AND SALINAS NOTICE OF WITHDRAWAL
  - UPLTS Project CDE lettered due to Salinas withdrawal, and
  - Republic Services completed purchase of WILTS 12/19/18
- RESTART LONG-TERM FACILITIES EIR AND FINANCIAL IMPACT ANALYSIS TO CLOSE SUN STREET T'S AND RELOCATE TO WILTS - DEFERRED & ON HOLD INDEFINITELY DUE TO ISSUES ABOVE
  - Contract customer EIR on hold reviewed in Strategic Plan
  - Status of EIR and EIR on hold reviewed in Strategic Plan
  - Salinas withdrawal status unclear
- IDENTIFY BUYER FOR SUN STREET T'S - DEFERRED & ON HOLD PENDING CITY IDENTIFICATION OF DEVELOPERS/BUYER FOR ALGAS MARKET PLACE
  - Salinas City Manager issued an offering of Sun Street long-term customer on 10/13/18 with 180 day withdrawal period
  - No suitable replacement of Sun Street Place Developer identified by City

#### 2019-20 OPERATING BUDGET

As directed by the Board and the Executive Committee, staff presented the proposed status quo operating budget for \$19,289,000. The budget includes a previously approved three year phased in rate increase for the expanded organics program for all member agencies except the City of Salinas. With no resolution from the City of Salinas on supporting the phased-in Organics processing rate adjustment between the Authority and Republic Services since June 2018 to fully fund the program, an increase to the AB939 fees is being proposed by staff to offset the shortfall for the City of Salinas. A rate hearing and request for budget adoption is scheduled for the March 21<sup>st</sup> Board of Directors meeting.

Residential Rates (Estimate) SVSWA Related Increases Only						Commercial Rates (Estimate) SVSWA Related Increases Only					
Hauler	Service Level	Status Quo	Additional AB939 for		Salinas Proposed MOU Withdrawal	Hauler	Service Level	Status Quo	Additional AB939 for		Salinas Proposed MOU Withdrawal
			Salinas	Organics (worst case)					Salinas	Organics (worst case)	
Republic	32 gal	\$ .31	\$ .20	\$ 2.88	\$ 2.86	Republic	1 cy	\$ 1.04	\$ .66	\$ 9.67	\$ 9.64
Tri Cities	48 gal	\$ .27	\$ .48	\$ 3.46	\$ 4.26	Tri Cities	1 cy	\$ .46	\$ 1.66	\$ 19.05	\$ 23.70
WM- County	35 gal	\$ .15	\$ .31	\$ 3.31	\$ 4.10	WM- County	1 cy	\$ .88	\$ 1.80	\$ 19.34	\$ 23.96
WM- King City	35 gal	\$ .10	\$ .31	\$ 3.90	\$ 4.85	WM- King City	1 cy	\$ .43	\$ 1.30	\$ 16.38	\$ 20.97

Does not include the following:

- Franchise Fees (10%-20%)
- Increases due to Direct Haul or Madison Lane
- Hauler CPI Increases
- Increases for Curbside Recycling & Processing

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#### FINANCIAL REPORT FOR MONTH ENDED DECEMBER 2018 (50% OF THE FISCAL YEAR)

Revenue collected	\$ 11,609,350 (58.9% of Estimated Revenue of \$19,720,275)
Expenditures for operations	\$ 10,172,703 (51.1% of Operating Budget of \$18,860,000)
Cash balance	\$ 28,038,872

**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."