



BOARD OF DIRECTORS

MEETING HIGHLIGHTS

October 15, 2020

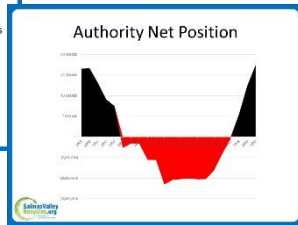
2021 MEETING CALENDAR APPROVED

With 2020 quickly coming to an end, the Board of Directors approved its scheduled meetings and the Executive Committee's regular scheduled meetings calendar for 2020. To view or download the calendar visit our website at www.SalinasValleyRecycles.com.

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2019-20

Report Highlights

- Comprehensive Annual Financial Report
 - Includes Statistical Section
 - Will be submitted to Government Finance Officers Association (GFOA) after the board meeting for review under the Certificate of Achievement for Excellence in Financial Reporting (CAFR Program)
- No Management Letter



The report highlighted that the Agency continues to not have internal weaknesses or material deficiencies and once again did not receive a management letter from the auditors. Patricia Kaufman from McGilloway, Ray, Brown & Kaufman Accountants & Consultants reported that the Agency received a clean unqualified opinion – the best opinion that can be received. Ms. Kaufman indicated that there were no problems encountered when working with management, commending staff for their work and dedication. The audit was completed earlier than it ever has been. **Fantastic Work Finance Team!**

REGIONAL FRANCHISE PROCUREMENT OPPORTUNITIES

Option 1: Consolidated Franchise Service Procurement

- PROS:
 - Highest Economies of Scale
 - Broader service vendor bases
 - One request for proposal process for all
 - Reduced procurement costs and negotiations
 - Opportunity for Public and non-vendor oversight
 - Single franchise oversight by JWC and Regional Committee
 - Agreement uniformity
- CONS:
 - Reduced contractual transparency
 - May still be muddled with current vendor and rates
 - Natural agreement transition more complex

Option 2: Collective Franchise Service Procurement

- PROS:
 - Second Highest Economies of Scale
 - Broader service vendor bases
 - One procurement process for all
 - Reduced procurement costs
 - Opportunity for Public and non-vendor oversight
 - Regional jurisdictional independence
 - Agreement uniformity
- CONS:
 - Increased negotiations required by jurisdictions
 - Increased franchise oversight responsibility for each jurisdiction
 - 2020 or 2021
 - May still be muddled with current vendor and rates
 - Multiple agreement transitions possibly more complex

With the Cities member agencies franchise agreements at 25 years old, the County's agreement at 15 years old and the alignment of the termination of all agreements in the next five years, a one-time opportunity is provided to benefit from an Economies of Scale through a regional agreement or procurement process. It also offers the ability to correct any out of balance rates, adjust all franchise agreements to be uniform and consistent with current laws and legislation, and the ability to explore new service ideas. Staff presented to the Board sample rates from each waste hauler and detailed the five options for franchise services procurement; consolidated franchise services procurement, collective franchise services procurement, status quo franchise services procurement, the extension of current franchise agreements and municipal collection services. These options have been presented to the City Managers Group by Authority staff for review, discussion, and input. Authority staff will continue to analyze the options with the City Managers Group and will keep the Board apprised of the discussions and recommendations.

SUN STREET TRANSFER STATION RELOCATION PROJECT AND CITY OF SALINAS NOTICE OF INTENT TO WITHDRAW UPDATES

Recurring meetings have been held between City of Salinas Mayor Pro Tem, Public Works Director, Senior Civil Engineer, Authority Board President, Alternate Vice President, General Manager, and Assistant General Manager to discuss the five identified priorities: (1) Negotiations with Republic Services for the potential transfer of the Sun Street Transfer Station operations to the Madison Lane Transfer Station; (2) Identification of other potential properties for the relocation; (3) Leaving the Sun Street Transfer Station location; (4) The rescinding of the Notice of Intent to Withdraw, and (5) Reviewing the Governance of the Authority.

The Authority General Manager has met with the Interim City Manager of Salinas, Public Works Director, and Republic Services General Manager to provide information on the current status of the relocation project, guidelines, expectations, and other pertinent matters. Recurring meetings will be scheduled to continue exploring this relocation option and business terms and agreements needed.

FINANCIAL REPORT FOR MONTH ENDED AUGUST 2020 (16.6% OF THE FISCAL YEAR)

Revenue collected	\$ 3,629,891 (21.3% of Estimated Revenue of \$21,644,200)
Expenditures for operations	\$ 4,602,054 (24.0% of Operating Budget of \$19,137,200)
Cash balance	\$ 29,998,358

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."