



Agenda
EXECUTIVE COMMITTEE
THURSDAY, February 1, 2018
4:00 p.m.

Conference Room
128 Sun Street, Suite 101, Salinas, California

CALL TO ORDER

ROLL CALL

President	Simón Salinas (County of Monterey)
Vice President	Robert Cullen (City of King)
Alternate Vice President	Gloria De La Rosa (City of Salinas)

GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS

COMMITTEE MEMBER COMMENTS

PUBLIC COMMENTS

Receive public communications from audience on items which are not on the agenda. Speakers are limited to three minutes at the discretion of the Chair.

CONSIDERATION ITEMS

1. [Minutes of January 4, 2018 Meeting](#)
 - A. Committee Discussion
 - B. Public Comment
 - C. Recommended Committee Action – Approval
2. [December 2017 Claims and Financial Reports](#)
 - A. Receive a report from Finance and Administration Manager Ray Hendricks
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Forward to the Board and Recommend Approval
3. [A Resolution Approving an Adjustment to the Grant and Capital Improvement Projects Budget for Fiscal Year 2017-18](#)
 - A. Receive a report from Finance and Administration Manager Ray Hendricks
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Forward to the Board and Recommend Approval
4. [Preliminary FY2018-19 Budget](#)
 - A. Receive a report from Finance and Administration Manager Ray Hendricks
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Provide Input and Forward to the Board for Direction

FUTURE AGENDA ITEMS

5. [Future Agenda Items – View Ahead Calendar](#)

CLOSED SESSION

Receive public comment from audience before entering into closed session:

6. Pursuant to **Government Code Section 54957 (b)** to consider the Performance Evaluation of the General Manager/Chief Administrative Officer Patrick Mathews.

RECONVENE

ADJOURNMENT

This meeting agenda was posted at the Salinas Valley Solid Waste Authority office at 128 Sun Street, Suite 101, Salinas, on **Thursday, January 25, 2018**. The Executive Committee will next meet in regular session on **Thursday, March 1, 2018, at 4:00 p.m.** Staff reports for the Authority Executive Committee meetings are available for review at 128 Sun Street, Suite 101, Salinas, California 93901, Phone 831-775-3000 and at www.salinasvalleyrecycles.org.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Erika J. Trujillo, Clerk of the Board, at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II)

**MINUTES OF MEETING
SALINAS VALLEY SOLID WASTE AUTHORITY
EXECUTIVE COMMITTEE
January 04, 2018**

DRAFT

CALL TO ORDER

President Salinas called the meeting to order at 4:02 p.m.

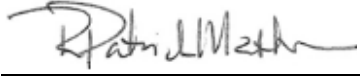
COMMITTEE MEMBERS PRESENT

Simón Salinas President
Gloria De La Rosa Alternate Vice President

STAFF MEMBERS PRESENT

Patrick Mathews, *General Manager/CAO*
Cesar Zuniga, *Asst. General Manager/
Operations Manager*
Ray Hendricks, *Finance and Administration
Manager*
Mandy Brooks, *Resources Recovery
Manager*

Monica Ambriz, *Human Resources Supervisor*
Erika J. Trujillo, *Clerk of the Board*
Thomas Bruen, *General Counsel
(via telephone)*

ITEM NO. 1
Agenda Item

General Manager/CAO
N/A
General Counsel

GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS

(4:02) None

COMMITTEE COMMENTS

(4:02) None

PUBLIC COMMENT

(4:02) None

CONSIDERATION ITEMS

1. Minutes of December 7, 2017, Meeting

(4:03)

Public Comment: None

Committee Action: Alternate Vice President De La Rosa made a motion to approve the minutes as presented. President Salinas seconded the motion. The motion passed unanimously: 2-0.

2. November 2017 Claims and Financial Reports

(4:03) Finance and Administration Manager Hendricks provided a report on the Agency's finances, indicating that both revenue and expenditures are stable and comparable to last year.

Public Comment: None

Committee Discussion: The Committee discussed the report.

Committee Action: Alternate Vice President De La Rosa made a motion to forward to the Board recommending approval. President Salinas seconded the motion. The motion passed unanimously; 2-0

3. A Resolution Approving an Adjustment to the Operating Budget for Fiscal Year 2017-18

(4:05) Finance and Administration Manager Hendricks provided a report based on the financial activity during the first six months of the fiscal year, explaining that due to the increases in green

waste and construction and demolition tonnage an adjustment is required to the operating budget.

Public Comment: None

Committee Discussion: The Committee discussed the report.

Committee Action: Alternate Vice President De La Rosa made a motion to accept the report and forward the report to the Board of Directors recommending approval. President Salinas seconded the motion. The motion passed; 2-0

4. 2017 Employee Survey Results

(4:09) Human Resources Supervisor Ambriz presented the results of the survey, which measured items such as employee job attitude, morale, and general attitude. Overall the report was comparable to previous years in most items except in morale with a significant decline. Ms. Ambriz explained that by the comments received in the survey the decline in morale is caused primarily by the uncertainty of the future of the Sun Street Transfer Station or other SVR facility to serve the Salinas area.

Public Comment: None

Committee Discussion: The Committee discussed the report.

Committee Action: Alternate Vice President De La Rosa made a motion to accept the report and forward the report to the Board of Directors. President Salinas seconded the motion. The motion passed; 2-0

5. Request for Fiscal Year 2018-19 Preliminary Budget Direction

(4:24) Finance and Administrative Manager Hendricks presented a report with the projected increases and potential options to balance the budget. He explained that there are several factors for the increase, such as, the first full payment of the refinanced Bods due in the upcoming fiscal year, personnel changes due to the new MOUs, and the expansion of the organics program.

Public Comment: None

Committee Discussion: The Committee discussed the report.

Committee Action: Alternate Vice President De La Rosa made a motion to forward the report to the Board of Directors for discussion. President Salinas seconded the motion. The motion passed; 2-0

FUTURE AGENDA ITEMS

6. Agenda Items – View Ahead

(4:49) The committee reviewed the future items.

CLOSED SESSION

(4:57) President Salinas adjourned the meeting to closed session to discuss the following:

7. Pursuant to **Government Code Section 54957 (b)** to consider the Performance Evaluation of the General Manager/Chief Administrative Officer Patrick Mathews.

RECONVENE

(5:05) President Salinas reconvened the open session with no reportable action taken in closed session.

ADJOURNMENT

(5:06) President Salinas adjourned the meeting.

APPROVED: _____
Simón Salinas, President

ATTEST: _____
Erika J. Trujillo, Clerk of the Board



Report to the Executive Committee

ITEM NO. 2

Finance and Operations
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: February 1, 2018
From: C. Ray Hendricks, Finance and Administration Manager
Title: December 2017 Claims and Financial Reports

RECOMMENDATION

Staff recommends acceptance of the December 2017 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of December for a summary of the Authority's financial position as of December 31, 2017, the following are highlights of the Authority's financial activity for the month of December.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of December 2017, operating revenues exceeded expenditures by \$637,366. Fiscal year 2017-2018 to date operating revenue exceeded expenditures by \$3,575,025.

Revenues (Consolidated Statement of Revenues and Expenditures)

After six months of the fiscal year, (50.00% of the fiscal year), revenues total \$11,315,377 or 61.6% of the total annual revenues forecast of \$18,364,750. December Tipping Fees totaled \$1,092,941 and for the year to date totaled \$7,295,109 or 60.0% of the forecasted total of \$12,158,750.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of December 31, (50.00% of the fiscal year), year-to-date operating expenditures total \$7,740,352. This is 46.3% of the operating budget of \$16,720,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of December 2017, capital project expenditures totaled \$68,473. \$18,247 of the total was for the JCLF LFG System and \$18,078 was for the JCLF Leachate Handling System.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of December 2017 is attached for review and acceptance. December disbursements total \$1,101,073.14 of which \$487,839.18 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of December 2017.

Vendor	Service	Amount
CARDLOCK FUELS SYSTEM INC	ALL SITES EQUIPMENT AND VEHICLE FUEL	65,840.57
VISION RECYCLING INC	MONTHLY GREENWASTE AND WOODWASTE PROCESSING	81,213.37
WASTE MANAGEMENT INC	SALINAS FRANCHISE WASTE TO MADISON	57,140.27

Cash Balances

The Authority's cash position increased \$954,155.58 during December to \$25,098,884.02. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below.

Restricted by Legal Agreements:	
Johnson Canyon Closure Fund	3,993,535.32
State & Federal Grants	119,174.85
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-
BNY - Sub Pmt Cap One 2014 Eq Lease	-
GEO Deposit (CEQA)	(6,310.91)
Funds Held in Trust:	
Central Coast Media Recycling Coalition	134,278.85
Employee Unreimbursed Medical Claims	2,704.04
Committed by Board Policy:	
AB939 Services	398,039.99
Designated for Capital Projects Reserve	1,941,749.15
Designated for Environmental Impairment Reserve	861,776.73
Designated for Operating Reserve	861,776.73
Expansion Fund (South Valley Revenues)	8,234,705.82
Salinas Rate Stabilization Fund	24,324.06
Assigned by Budget	
Assigned for Capital Projects	7,247,033.17
Available for Operations	1,286,096.22
Total	<u>25,098,884.02</u>

ATTACHMENTS

1. December 2017 Consolidated Statement of Revenues and Expenditures
2. December 2017 Consolidated Grant and CIP Expenditures Report
3. December 2017 Checks Issued Report



Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending December 31, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Revenue Summary</u>							
Tipping Fees - Solid Waste	12,158,750	1,092,941	7,295,109	60.0 %	4,863,641	0	4,863,641
Tipping Fees - Surcharge	1,803,000	151,451	1,041,540	57.8 %	761,460	0	761,460
Tipping Fees - Diverted Materials	1,432,800	181,385	1,417,871	99.0 %	14,929	0	14,929
AB939 Service Fee	2,319,700	193,308	1,159,848	50.0 %	1,159,852	0	1,159,852
Charges for Services	124,500	28,267	64,210	51.6 %	60,290	0	60,290
Sales of Materials	244,000	38,718	150,325	61.6 %	93,675	0	93,675
Gas Royalties	220,000	0	68,866	31.3 %	151,134	0	151,134
Investment Earnings	62,000	7,583	91,214	147.1 %	(29,214)	0	(29,214)
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	655	26,395	0.0 %	(26,395)	0	(26,395)
Total Revenue	18,364,750	1,694,307	11,315,377	61.6 %	7,049,373	0	7,049,373
<u>Expense Summary</u>							
Executive Administration	443,150	25,210	161,810	36.5 %	281,340	837	280,504
Administrative Support	503,550	34,846	227,361	45.2 %	276,189	72,645	203,545
Human Resources Administration	194,050	13,035	77,535	40.0 %	116,515	3,047	113,469
Clerk of the Board	168,600	10,278	72,994	43.3 %	95,606	3,523	92,083
Finance Administration	754,050	56,241	301,708	40.0 %	452,342	4,274	448,068
Operations Administration	454,100	33,338	167,509	36.9 %	286,591	5,700	280,891
Resource Recovery	907,050	56,651	357,022	39.4 %	550,028	3,193	546,835
Marketing	75,000	238	34,590	46.1 %	40,411	37,318	3,092
Public Education	224,150	11,062	49,967	22.3 %	174,183	95,484	78,699
Household Hazardous Waste	775,200	50,368	277,882	35.8 %	497,318	33,575	463,743
C & D Diversion	140,000	0	73,081	52.2 %	66,919	46,919	20,000
Organics Diversion	796,200	81,213	362,172	45.5 %	434,028	434,028	0
Diversion Services	18,000	0	4,925	27.4 %	13,075	0	13,075



Salinas Valley Solid Waste Authority

Consolidated Statement of Revenues and Expenditure For Period Ending December 31, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Scalehouse Operations	554,450	63,118	280,247	50.5 %	274,203	9,013	265,190
JR Transfer Station	353,950	23,819	141,974	40.1 %	211,976	16,821	195,156
JR Recycling Operations	158,900	7,860	50,304	31.7 %	108,596	0	108,596
ML Transfer Station	265,000	57,079	268,666	101.4 %	(3,666)	0	(3,666)
SS Disposal Operations	746,400	82,898	441,206	59.1 %	305,194	57,394	247,800
SS Transfer Operations	1,083,050	106,665	635,441	58.7 %	447,609	45,140	402,468
SS Recycling Operations	700,150	50,719	264,654	37.8 %	435,496	43,658	391,838
JC Landfill Operations	2,404,650	163,570	994,437	41.4 %	1,410,213	676,295	733,917
JC Recycling Operations	360,400	20,501	111,350	30.9 %	249,050	191	248,859
Crazy Horse Postclosure Maintenance	603,700	39,955	173,649	28.8 %	430,051	136,598	293,454
Lewis Road Postclosure Maintenance	226,500	8,909	86,922	38.4 %	139,578	74,068	65,510
Johnson Canyon ECS	312,600	20,571	97,698	31.3 %	214,902	93,994	120,908
Jolon Road Postclosure Maintenance	221,150	8,288	142,882	64.6 %	78,268	14,285	63,983
Sun Street ECS	178,500	6,925	58,446	32.7 %	120,054	82,691	37,362
Debt Service - Interest	1,619,100	0	816,418	50.4 %	802,682	0	802,682
Debt Service - Principal	1,229,900	0	852,068	69.3 %	377,832	0	377,832
Closure Set-Aside	248,500	23,583	155,436	62.5 %	93,064	0	93,064
Total Expense	16,720,000	1,056,941	7,740,352	46.3 %	8,979,648	1,990,691	6,988,957
Revenue Over/(Under) Expenses	1,644,750	637,366	3,575,025	217.4 %	(1,930,275)	(1,990,691)	60,416



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report

For Period Ending December 31, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 180 - Expansion Fund</u>							
180 9804 Long Range Facility Needs EIR	446,982	9,087	60,363	13.5 %	386,619	356,283	30,336
180 9805 Harrison Road	75,000	0	0	0.0 %	75,000	0	75,000
180 9806 Long Range Financial Model	60,261	0	0	0.0 %	60,261	0	60,261
180 9807 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
Total Fund 180 - Expansion Fund	682,243	9,087	60,363	8.8 %	621,880	356,283	265,598
<u>Fund 211 - Grants</u>							
211 9206 HHW HD25-15-0003	13,679	627	1,941	14.2 %	11,738	0	11,738
211 9209 Tire Derived Aggregate 5-15-0004	66,373	0	1,533	2.3 %	64,840	0	64,840
211 9213 Tire Amnesty 2017-18	62,832	3,933	14,249	22.7 %	48,584	32,402	16,182
211 9214 Organics Program 2016-17	1,341,865	0	0	0.0 %	1,341,865	0	1,341,865
211 9216 AB2766 Motor Vehicle Emission Redi	379,335	0	0	0.0 %	379,335	0	379,335
211 9247 Cal Recycle - CCPP	76,499	0	2,401	3.1 %	74,098	0	74,098
211 9251 Cal Recycle - 2015-16 CCPP	45,052	4,159	9,329	20.7 %	35,723	0	35,723
211 9252 Cal Recycle - 2016-17 CCPP	61,955	1,976	12,526	20.2 %	49,429	2,974	46,455
Total Fund 211 - Grants	2,047,590	10,696	41,978	2.1 %	2,005,612	35,375	1,970,237
<u>Fund 216 - Reimbursement Fund</u>							
216 9802 Autoclave Demonstration Unit	141,499	0	402	0.3 %	141,097	0	141,097
216 9804 Long Range Facility Needs EIR	221,126	6,466	30,909	14.0 %	190,217	178,247	11,970
Total Fund 216 - Reimbursement Fund	362,625	6,466	31,311	8.6 %	331,314	178,247	153,067
<u>Fund 800 - Capital Improvement Projects Func</u>							
800 9103 Closed Landfill Revenue Study	24,831	0	0	0.0 %	24,831	0	24,831
800 9104 Organics System Expansion Study	35,000	2,500	2,500	7.1 %	32,500	0	32,500
800 9316 CH Corrective Action Program	253,000	0	0	0.0 %	253,000	0	253,000
800 9319 CH LFG System Improvements	116,500	0	0	0.0 %	116,500	0	116,500
800 9401 LR LFG Replacement	16,563	0	13,000	78.5 %	3,563	241	3,322



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report For Period Ending December 31, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9402 LFG Well Replacement	30,000	0	0	0.0 %	30,000	0	30,000
800 9501 JC LFG System Improvements	40,000	9,985	9,985	25.0 %	30,015	4,368	25,647
800 9506 JC Litter Control Barrier	68,179	0	10,499	15.4 %	57,680	32,081	25,599
800 9507 JC Corrective Action	100,000	0	0	0.0 %	100,000	0	100,000
800 9508 JC Drainage Modifications	35,000	0	0	0.0 %	35,000	0	35,000
800 9509 JC Groundwater Wells	140,008	3,399	4,882	3.5 %	135,126	0	135,126
800 9510 JC LFG System (Vertical Wells)	90,000	8,262	8,262	9.2 %	81,738	5,990	75,749
800 9511 JC LFG System (Horizontal Wells)	35,321	0	0	0.0 %	35,321	0	35,321
800 9526 JC Equipment Replacement	130,900	0	0	0.0 %	130,900	0	130,900
800 9527 JC Module 7 Engineering and Constr	3,500,000	0	0	0.0 %	3,500,000	0	3,500,000
800 9528 JC Roadway Improvements	2,218,937	0	0	0.0 %	2,218,937	0	2,218,937
800 9529 JC Leachate Handling Sys	39,531	18,078	18,078	45.7 %	21,452	26,609	(5,157)
800 9601 JR Transfer Station Improvements	85,362	0	0	0.0 %	85,362	0	85,362
800 9602 JR Equipment Purchase	47,997	0	0	0.0 %	47,997	0	47,997
800 9701 SSTS Equipment Replacement	350,230	0	56,154	16.0 %	294,076	0	294,076
Total Fund 800 - Capital Improvement Projects	7,357,359	42,224	123,360	1.7 %	7,233,999	69,289	7,164,710
Total CIP Expenditures	10,449,818	68,473	257,012	2.5 %	10,192,806	639,194	9,553,611

Salinas Valley Solid Waste Authority
Checks Issued Report for 12/1/2017 to 12/31/2017

Check #		Check Date	Amount	Check Total
19473	ADMANOR, INC FY 2017-18 CCRMC MARKETING MEDIA CAMPAIGN - MARKETING MEDIA CAMPAIGN - PUBLIC ED TIRE AMNESTY MEDIA CAMPAIGN	12/7/2017	2,165.41 237.50 4,361.53 1,043.00	7,807.44
19474	AMERICAN SUPPLY CO. ALL SITES CUSTODIAL SUPPLIES	12/7/2017	52.11	52.11
19475	ANTONIO PULIDO CUSTOMER VEHICLE REPAIR	12/7/2017	200.00	200.00
19476	AT&T SERVICES INC MONTHLY TELEPHONE SERVICE	12/7/2017	352.39	352.39
19477	BC LABORATORIES, INC ALL SITES WATER LAB ANALYSIS	12/7/2017	1,428.00	1,428.00
19478	BECKS SHOES AND REPAIR JR SAFETY UNIFORM JR SAFETY SUPPLIES	12/7/2017	181.08 222.87	403.95
19479	CARDLOCK FUELS SYSTEM, INC. SSTS, JC DYED & CLEAR DIESEL JC DYED DIESEL SSTS, JC DYED & CLEAR DIESEL SSTS, JC DYED & CLEAR DIESEL JC DYED DIESEL	12/7/2017	2,163.71 2,764.63 918.19 4,748.34 487.87	11,082.74
19480	CESAR ZUÑIGA CALPELRA ANNUAL CONFERENCE	12/7/2017	1,098.00	1,098.00
19481	COMCAST MONTHLY INTERNET SERVICE	12/7/2017	184.71	184.71
19482	COSTCO WHOLESALE REPLACEMENT COMPUTER	12/7/2017	1,327.32	1,327.32
19483	CUTTING EDGE SUPPLY JC FACILITY MAINTENANCE	12/7/2017	141.24	141.24
19484	EAST BAY TIRE CO. SSTS EQUIPMENT MAINTENANCE	12/7/2017	856.48	856.48
19485	FULL STEAM STAFFING LLC SSTS, JC CONTRACTED WORK	12/7/2017	6,784.80	6,784.80
19486	GORDON CHIN LUNCH WITH GM	12/7/2017	35.51	35.51
19487	GRAINGER SSTS FACILITY MAINTENANCE	12/7/2017	597.60	597.60
19488	MANUEL PEREA TRUCKING, INC. JC & SSTS EQUIPMENT TRANSPORT	12/7/2017	1,050.00	1,050.00
19489	MARTA M. GRANADOS FY17-18 BD MEETING INTERPRETER	12/7/2017	360.00	360.00
19490	MONTEREY AUTO SUPPLY INC SSTS VEHICLE MAINTENANCE	12/7/2017	23.05	23.05
19491	MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY JC WATER WELL PERMIT	12/7/2017	2,918.00	2,918.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 12/1/2017 to 12/31/2017

Check #		Check Date	Amount	Check Total
19491	MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY JC WATER WELL PERMIT	12/11/2017	(2,918.00)	(2,918.00)
19492	OFFICE DEPOT OFFICE SUPPLIES	12/7/2017	181.47	181.47
19493	PARADIGM SOFTWARE, LLC ANNUAL SCALEHOUSE SOFTWARE SUPPORT SCALEHOUSE SOFTWARE PC INSTALLATION	12/7/2017	17,612.85 800.00	18,412.85
19494	QUINN COMPANY ALL SITES EQUIPMENT & VEHICLE MAINTENANCE	12/7/2017	1,406.60	1,406.60
19495	RODOLFO RAMIREZ AYALA SSTS VEHICLE MAINTENANCE	12/7/2017	360.00	360.00
19496	STURDY OIL COMPANY SSTS VEHICLE MAINTENANCE	12/7/2017	155.03	155.03
19497	T. M. FITZGERALD & ASSOCIATES RECYCLING & COMPOST BINS BULK ORDER	12/7/2017	8,646.81	8,646.81
19498	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION ALL SITES VEHICLE FUEL	12/7/2017	2,593.87	2,593.87
19499	AGRI-FRAME, INC JC EQUIPMENT MAINTENANCE	12/14/2017	3,005.26	3,005.26
19500	ASBURY ENVIRONMENTAL SERVICES MONTHLY HHW USED OIL HAULING & DISPOSAL	12/14/2017	204.13	204.13
19501	AT&T SERVICES INC MONTHLY TELEPHONE SERVICE	12/14/2017	702.98	702.98
19502	CALIFORNIA HIGHWAY ADOPTION CO. MONTHLY HIGHWAY LITTER CLEANUP SERVICES	12/14/2017	1,976.25	1,976.25
19503	CALIFORNIA WATER SERVICE JR CONSTRUCTION METER	12/14/2017	51.76	51.76
19504	CARDLOCK FUELS SYSTEM, INC. SSTS CLEAR AND DYED DIESEL	12/14/2017	9,008.10	9,008.10
19505	CLARK PEST CONTROL, INC ADMIN BUILDING PEST CONTROL	12/14/2017	93.00	93.00
19506	CSC OF SALINAS/YUMA JC & SSTS EQUIPMENT MAINTENANCE JC & SSTS EQUIPMENT MAINTENANCE	12/14/2017	376.19 61.19	437.38
19507	EAGLE STAR SECURITY SSTS SECURITY SERVICES	12/14/2017	3,510.00	3,510.00
19508	EAST BAY TIRE CO. JC VEHICLE MAINTENANCE	12/14/2017	24.50	24.50
19509	EL CAMINO MACHINE & WELDING, LLC JC EQUIPMENT MAINTENANCE	12/14/2017	9,004.15	9,004.15
19510	ERNEST BELL D. JR ADMIN, SSTS & JC JANITORIAL SERVICES	12/14/2017	2,400.00	2,400.00
19511	FEDEX OVERNIGHT MAILING SERVICES- CLERK OF BOARD	12/14/2017	40.50	40.50

Salinas Valley Solid Waste Authority
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Check #		Check Date	Amount	Check Total
19512	FIRST ALARM JRTS SECURITY SERVICES	12/14/2017	30.00	30.00
19513	FULL STEAM STAFFING LLC ALL SITES CONTRACTED LABOR	12/14/2017	8,596.89	8,596.89
19514	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS EQUIPMENT & VEHICLE MAINTENANCE	12/14/2017	17,869.95	17,869.95
19515	**VOID**	12/14/2017	-	-
19516	GRANITE ROCK CO/PAVEX SSTS FACILITY MAINTENANCE	12/14/2017	79.75	79.75
19517	GREEN RUBBER - KENNEDY AG, LP JC FACILITY MAINTENANCE	12/14/2017	171.35	171.35
19518	HOME DEPOT ALL SITES FACILITY SUPPLIES	12/14/2017	999.11	999.11
19519	**VOID**	12/14/2017	-	-
19520	INTERSTATE BATTERIES MOBILE HHW TRUCK BATTERY REPLACEMENT	12/14/2017	123.31	123.31
19521	JULIO GIL SSTS VEHICLE MAINTENANCE	12/14/2017	84.92	84.92
19522	KING CITY HARDWARE INC. JR FACILITY MAINTENANCE	12/14/2017	179.45	179.45
19523	MANUEL PEREA TRUCKING, INC. JC EQUIPMENT HAULING SERVICES	12/14/2017	200.00	200.00
19524	MONTEREY COUNTY HEALTH DEPARTMENT JC WATER WELL PERMIT	12/14/2017	2,918.00	2,918.00
19525	MONTEREY SIGNS, INC. MRS SIGNS - PLASTICS RECYCLING	12/14/2017	726.51	726.51
19526	NEXTEL OF CALIFORNIA, INC SCALEHOUSE, SS & JR CELL PHONE SERVICES	12/14/2017	309.80	309.80
19527	OFFICE DEPOT ALL SITES OFFICE SUPPLIES	12/14/2017	1,036.56	1,036.56
19528	PACIFIC GAS AND ELECTRIC COMPANY ALL SITE ELECTRICAL SERVICES JC SITE UPGRADES- ENGINEERING	12/14/2017	7,314.80 2,500.00	9,814.80
19529	PROBUILD COMPANY LLC SSTS EQUIPMENT MAINTENANCE	12/14/2017	46.90	46.90
19530	QUINN COMPANY JOHNSON CANYON EQUIPMENT MAINTENANCE	12/14/2017	32,181.34	32,181.34
19531	RONNIE G. REHN OPS FACILITY MAINTENANCE	12/14/2017	13.66	13.66
19532	SCS FIELD SERVICES JC ENGINEER SERVICES	12/14/2017	225.00	225.00

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Check #		Check Date	Amount	Check Total
19533	SKINNER EQUIPMENT REPAIR, INC. JC EQUIPMENT MAINTENANCE HHW JR & EQUIPMENT MAINTENANCE	12/14/2017	6,645.12 989.63	7,634.75
19534	**VOID**	12/14/2017	-	-
19535	STATE WATER RESOURCES CONTROL BOARD SSTS & JR ANNUAL PERMIT FEE	12/14/2017	2,800.00	2,800.00
19536	STURDY OIL COMPANY SSTS VEHICLE MAINTENANCE	12/14/2017	860.22	860.22
19537	THOMAS M BRUEN LEGAL SERVICES NOVEMBER	12/14/2017	2,905.73	2,905.73
19538	UNITED RENTALS (NORTHWEST), INC SSTS EQUIPMENT RENTAL	12/14/2017	321.76	321.76
19539	VEGETABLE GROWERS SUPPLY, INC. JC UNIFORMS	12/14/2017	78.55	78.55
19540	WEST COAST RUBBER RECYCLING, INC TIRE RECYCLING - AMNESTY TRAILERS	12/14/2017	1,440.00	1,440.00
19541	A & B FIRE PROTECTION & SAFETY, INC JC SAFETY SUPPLIES	12/21/2017	94.50	94.50
19542	A & G PUMPING, INC JR PORTABLE TOILET SERVICE	12/21/2017	105.83	105.83
19543	A-1 SWEEPING SSTS FACILITY MAINTENANCE	12/21/2017	4,562.50	4,562.50
19544	AECOM TECHNICAL SERVICES, INC. PROJECT DESIGN AND CEQA SERVICES	12/21/2017	12,813.88	12,813.88
19545	ASSOCIATION OF RECORDS MANAGERS AND ADMINISTRATORS, INC ADMIN TRAINING	12/21/2017	175.00	175.00
19546	AT&T MOBILITY INTERNET SERVICE	12/21/2017	84.00	84.00
19547	AT&T SERVICES INC MONTHLY TELEPHONE SERVICE	12/21/2017	333.34	333.34
19548	BC LABORATORIES, INC ALL SITES WATER LAB ANALYSIS	12/21/2017	5,210.00	5,210.00
19549	CARDLOCK FUELS SYSTEM, INC. ALL SITES EQUIPMENT AND VEHICLE FUEL	12/21/2017	45,749.73	45,749.73
19550	**VOID**	12/21/2017	-	-
19551	CHICO COMMUNITY PUBLISHING, INC. JOB RECRUITMENT ADD - RESOURCE RECOVERY TECH	12/21/2017	1,793.30	1,793.30
19552	CITY OF GONZALES JC WATER MONTHLY HOSTING FEE	12/21/2017	88.94 20,833.33	20,922.27
19553	COAST COUNTIES TRUCK & EQUIPMENT CO. PARTS RETURN SSTS VEHICLE MAINTENANCE	12/21/2017	(633.19) 5,877.75	

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Check #		Check Date	Amount	Check Total
19554	**VOID**	12/21/2017	-	5,244.56
19555	CSC OF SALINAS/YUMA ALL SITES FACILITY AND MAINTENANCE SUPPLIES PARTS RETURN	12/21/2017	1,183.84 (263.52)	-
19556	CUTTING EDGE SUPPLY SSTS FACILITY MAINTENANCE	12/21/2017	1,160.20	920.32
19557	EAST BAY TIRE CO. SSTS EQUIPMENT MAINTENANCE	12/21/2017	1,520.12	1,160.20
19558	EDGES ELECTRICAL GROUP, LLC SSTS & JR FACILITY MAINTENANCE	12/21/2017	433.80	1,520.12
19559	FIRST ALARM SSTS BUILDING ALARM SYSTEM	12/21/2017	2,992.50	433.80
19560	FULL STEAM STAFFING LLC SSTS CONTRACTED LABOR	12/21/2017	1,680.00	2,992.50
19561	GEOLOGIC ASSOCIATES, INC. ALL SITE GROUNDWATER MONITORING SERVICES	12/21/2017	15,034.50	1,680.00
19562	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS EQUIPMENT & VEHICLE MAINTENANCE	12/21/2017	3,932.36	15,034.50
19563	GONZALES ACE HARDWARE JC FACILITY MAINTENANCE PARTS RETURN	12/21/2017	188.75 (38.95)	3,932.36
19564	GONZALES TIRE & AUTO SUPPLY SSTS VEHICLE MAINTENANCE	12/21/2017	64.35	149.80
19565	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 JC FACILITY MAINTENANCE	12/21/2017	436.99	64.35
19566	HOPE SERVICES SSTS CONTRACT LABOR	12/21/2017	11,279.80	436.99
19567	JEHAN VALERA DIGITAL TIMER REMOTE CONTROL FOR CAMERA	12/21/2017	12.24	11,279.80
19568	MANUEL PEREA TRUCKING, INC. SSTS EQUIPMENT HAULING SERVICES	12/21/2017	1,250.00	12.24
19569	MCGILLOWAY, RAY, BROWN & KAUFMAN FY AUDIT SERVICE	12/21/2017	15,731.50	1,250.00
19570	MONTEREY AUTO SUPPLY INC PARTS RETURN SSST VEHICLE MAINTENANCE	12/21/2017	(50.24) 100.48	15,731.50
19571	NEXIS PARTNERS, LLC MONTHLY ADMIN BUILDING RENT	12/21/2017	9,212.00	50.24
19572	OFFICE DEPOT RR PC SOFTWARE	12/21/2017	589.92	9,212.00
19573	PACIFIC GAS AND ELECTRIC COMPANY SSTS & HHW CNG FUEL	12/21/2017	178.42	589.92
				178.42

Salinas Valley Solid Waste Authority
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Check #		Check Date	Amount	Check Total
19574	PENINSULA MESSENGER LLC ALL SITES COURIER SERVICES	12/21/2017	620.00	620.00
19575	PENINSULA PLASTICS LIMITED 13 GALLON ORGANICS BINS	12/21/2017	650.00	650.00
19576	PHILIP SERVICES CORP HHW DISPOSAL MATERIALS HHW DISPOSAL SERVICES	12/21/2017	2,473.00 11,503.61	13,976.61
19577	PUMP ONE ENVIRONMENTAL JC LANDFILL GAS WELL DEWATERING PUMPS	12/21/2017	18,078.33	18,078.33
19578	PURE WATER BOTTLING ALL SITES BOTTLED WATER SERVICE	12/21/2017	358.60	358.60
19579	OED ENVIRONMENTAL SYSTEMS INC. JC/LFG EQUIPMENT MAINTENANCE	12/21/2017	9,771.02	9,771.02
19580	QUINN COMPANY JC & SS EQUIPMENT MAINTENANCE SUPPLIES PARTS RETURN	12/21/2017	13,441.05 (3,879.36)	9,561.69
19581	**VOID**	12/21/2017	-	-
19582	**VOID**	12/21/2017	-	-
19583	RAMON N VALLEJO LIVE SCAN PRE-EMPLOYMENT	12/21/2017	114.00	114.00
19584	REPUBLIC SERVICES #471 MONTHLY ADMIN BUILDING TRASH SERVICE PICK UPS	12/21/2017	72.88	72.88
19585	RETURNS R US, INC. PHARMACEUTICAL TAKE-BACK KITS - ALLCARE PHARMAC'	12/21/2017	450.00	450.00
19586	RODOLFO RAMIREZ AYALA SSTS VEHICLE MAINTENANCE	12/21/2017	1,080.00	1,080.00
19587	ROSSI BROS TIRE & AUTO SERVICE SSTS & JR VEHICLE MAINTENANCE	12/21/2017	971.24	971.24
19588	**VOID**	12/21/2017	-	-
19589	SALINAS VALLEY CHAMBER OF COMMERCE ANNUAL MEMBERSHIP	12/21/2017	1,250.00	1,250.00
19590	SCS FIELD SERVICES ALL SITES ROUTINE & NON ROUTINE ENGINEERING SERVICES	12/21/2017	19,185.00	19,185.00
19591	SHARPS SOLUTIONS, LLC MONTHLY SHARPS HAULING DISPOSAL	12/21/2017	120.00	120.00
19592	SOCIETY FOR HUMAN RESOURCE MANAGEMENT SHRM HR TRAINING	12/21/2017	1,115.00	1,115.00
19593	STATE WATER RESOURCES CONTROL BOARD CRAZY HORSE LANDFILL ANNUAL PERMIT FEE	12/21/2017	26,766.00	26,766.00
19594	STURDY OIL COMPANY SSTS VEHICLE MAINTENANCE	12/21/2017	152.90	152.90

Salinas Valley Solid Waste Authority
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Check #	Check Date	Amount	Check Total
19595	12/21/2017	937.37	937.37
19596	12/21/2017	2,501.75	2,501.75
19597	12/21/2017	312.07	312.07
19598	12/21/2017	5,190.70	5,190.70
19599	12/21/2017	-	-
19600	12/21/2017	-	-
19601	12/21/2017	-	-
19602	12/21/2017	4,396.40	4,396.40
19603	12/21/2017	81,213.37	81,213.37
19604	12/21/2017	57,140.27	57,140.27
19605	12/21/2017	1,450.00	1,450.00

Salinas Valley Solid Waste Authority
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Check #		Check Date	Amount	Check Total
19606	WESTERN EXTERMINATOR COMPANY JC & SS EXTERMINATOR SERVICES	12/21/2017	62.50	62.50
19607	WESTERN TRAILER COMPANY SSTS VEHICLE MAINTENANCE	12/21/2017	4,370.00	<u>4,370.00</u>
	Subtotal			<u>613,233.96</u>
	Payroll Disbursements			<u>487,839.18</u>
	Grand Total			<u>1,101,073.14</u>



Report to the Executive Committee

ITEM NO. 3

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: February 1, 2018

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Approving an Adjustment to the Grant and Capital Improvement Projects Budget for Fiscal Year 2017-18

RECOMMENDATION

Staff recommends that the Executive Committee recommend approval of this item to the Board of Directors. The budget adjustments will ensure that the budget reflects current activity.

FISCAL IMPACT

The net increase to the Capital Improvement Projects (CIP) Budget is \$87,956.70. The Sun Street adjustments are funded from an insurance claim, and the Harrison Road Payment was scheduled to be funded from the expansion fund.

DISCUSSION & ANALYSIS

Staff recommends the following budget adjustments.

Eliminate CIP 9805 – Harrison Road (\$75,000)

The Board directed staff not to make the payment to Harrison Road at the December 21, 2017 Board Meeting. The budget for this item is no longer necessary.

Increase CIP 9701 – SSTS Equipment Replacement by \$99,122.53

Add CIP 9703 – SSTS Improvements \$63,834.17

On November 30, 2017, there was a fire at the Sun Street Transfer Station that caused some damage to the transfer station and destroyed one of the loaders. The loader was valued at \$99,122.53, and the repairs necessary to the facility were estimated at \$63,834.17. To allow staff flexibility in replacing the loader with a newer loader, staff is recommending including the \$99,122.53 that was paid out by the insurance in the SSTS Equipment Replacement CIP. The \$63,834.17 will be included in a separate CIP to fund repairs necessary at the transfer station.

BACKGROUND

The FY 2017-18 Grants and CIP budget is approved in every year separate from the operating budget, with subsequent grants approved as they are received. The fire that occurred on November 30, 2017 requires that a budget adjustment be made to fund the repairs and equipment replacement.

ATTACHMENT(S)

1. Resolution
2. FY 2017-18 Grants and CIP Budget Adjustments

RESOLUTION NO. 2018 –

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING AN ADJUSTMENT TO THE GRANTS AND CAPITAL IMPROVEMENT PROJECTS
BUDGET FOR FISCAL YEAR 2017-18**

WHEREAS, on November 16, 2017, the Board of Directors of the Salinas Valley Solid Waste Authority approved the FY 2017-18 Grants and Capital Improvement Projects budget; and,

WHEREAS, on November 30, 2017 there was a fire at the Sun Street Transfer Station resulting in an insurance reimbursement for the damage; and,

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority on December 21, 2017 directed staff to not make the option payment for the Harrison Road Property; and,

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that an adjustment to the Grants and CIP Budget for Fiscal Year 2017-18, attached hereto as "Exhibit A" is hereby approved; and,

BE IT FURTHER RESOLVED, that the General Manager/CAO is hereby authorized to implement the budget in accordance with the Authority's financial policies.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a meeting duly held on the 15th day of February 2018, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Simón Salinas, President

Erika J. Trujillo, Clerk of the Board

**Salinas Valley Solid Waste Authority
FY 2017-18 Consolidated Grant and CIP Budget**

	CURRENT BUDGET	BUDGET ADJUSTMENT	ADJUSTED BUDGET
<u>Fund 180 - Expansion Fund</u>			
180 9804 Long Range Facility Needs EIR	446,981.79		446,981.79
180 9805 Harrison Road	75,000.00	(75,000.00)	-
180 9806 Long Range Financial Model	60,261.32		60,261.32
180 9807 GOE Autoclave Final Project	100,000.00		100,000.00
Total Fund 180 - Expansion Fund	682,243.11	(75,000.00)	607,243.11
<u>Fund 211 - Grants</u>			
211 9206 HHW HD25-15-0003	13,678.95		13,678.95
211 9209 Tire Derived Aggregate 5-15-0004	66,373.00		66,373.00
211 9213 Tire Amnesty 2017-18	62,832.00		62,832.00
211 9214 Organics Program 2016-17	1,341,865.00		1,341,865.00
211 9216 AB2766 Motor Vehicle Emission Reduction Grant	379,335.00		379,335.00
211 9247 Cal Recycle - CCPP	76,498.87		76,498.87
211 9251 Cal Recycle - 2015-16 CCPP	45,052.35		45,052.35
211 9252 Cal Recycle - 2016-17 CCPP	61,955.00		61,955.00
Total Fund 211 - Grants	2,047,590.17	-	2,047,590.17
<u>Fund 216 - Reimbursement Fund</u>			
216 9802 Autoclave Demonstration Unit	141,498.86		141,498.86
216 9804 Long Range Facility Needs EIR	221,126.17		221,126.17
Total Fund 216 - Reimbursement Fund	362,625.03	-	362,625.03
<u>Fund 800 - Capital Improvement Projects Fund</u>			
800 9103 Closed Landfill Revenue Study	24,831.32		24,831.32
800 9104 Organics System Expansion Study	35,000.00		35,000.00
800 9316 CH Corrective Action Program	253,000.00		253,000.00
800 9319 CH LFG System Improvements	116,500.00		116,500.00
800 9401 LR LFG Replacement	16,562.99		16,562.99
800 9402 LR LFG Well Replacement	30,000.00		30,000.00
800 9501 JC LFG System Improvements	40,000.00		40,000.00
800 9506 JC Litter Control Barrier	68,179.42		68,179.42
800 9507 JC Corrective Action	100,000.00		100,000.00
800 9508 JC Drainage Modifications	35,000.00		35,000.00
800 9509 JC Groundwater Wells	140,008.18		140,008.18
800 9510 JC LFG System (Vertical Wells)	90,000.00		90,000.00
800 9511 JC LFG System (Horizontal Wells)	35,321.28		35,321.28
800 9526 JC Equipment Replacement	130,900.00		130,900.00
800 9527 JC Module 7 Engineering and Construction	3,500,000.00		3,500,000.00
800 9528 JC Roadway Improvements	2,218,936.96		2,218,936.96
800 9529 JC Leachate Handling Sys	39,530.61		39,530.61
800 9601 JR Transfer Station Improvements	85,361.73		85,361.73
800 9602 JR Equipment Purchase	47,997.06		47,997.06
800 9701 SSTS Equipment Replacement	350,229.93	99,122.53	449,352.46
800 9703 SSTS Improvements	-	63,834.17	63,834.17
Total Fund 800 - Capital Improvement Projects Fund	7,357,359.48	162,956.70	7,520,316.18
Total Grant and CIP Budget	10,449,817.79	87,956.70	10,537,774.49



Report to the Executive Committee

ITEM NO. 4

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: February 1, 2018
From: C. Ray Hendricks, Finance and Administration Manager
Title: Preliminary FY 2018-19 Budget

RECOMMENDATION

Staff requests that the Executive Committee recommends forwarding item to the Board of Directors for discussion.

DISCUSSION & ANALYSIS

Staff would like to present the following balanced budget for Board consideration and comment based on the initial budget directions received at the Board's January 2018 meeting.

Budget Summary

FY 2018-19 includes the first full payment of the refinanced Bonds. The savings were taken upfront to fund deferred CIPs and repay internal loans. The increase in payment was planned for as shown with the decrease in CIP funded by operations. Below is a consolidated summary of the budget. The expenditure and revenue increases, when combined with FY 2018-19 decrease in CIP allocation leaves \$60,275 budgeted for reserves.

**Salinas Valley Solid Waste Authority
FY 2017-18 Budget with Adjustments**

	FY 2017-18 Budget	FY 2018-19 Preliminary Budget	Increase / (Decrease)	Percent Change
<u>Revenue Summary</u>				
Total Revenue	18,974,750	19,720,275	745,525	3.9%
<u>Expense Summary</u>				
Operating Expenditures	14,364,200	14,926,200	562,000	3.9%
Debt Service	2,849,000	3,933,800	1,084,800	38.1%
Total Expenses	17,213,200	18,860,000	1,646,800	9.6%
Revenue Over/(Under) Expenses	1,761,550	860,275	(901,275)	
Less CIP Allocation	(1,640,000)	(800,000)	840,000	
Balance Used for Reserves	121,550	60,275	(61,275)	-50.4%

Revenue Increases (\$745,525)

The following options are available to balance the budget.

<u>FY 2018-19 Projected Operating Revenue Increase</u>	
7,500-ton increase in solid waste tonnage projection	513,550
Expanded Organics Program Increase to tipping fees	165,025
1.4% Increase to Franchise Transportation Surcharge	46,550
Net all other Revenue Increases/(Decreases)	<u>20,200</u>
Total Revenue Increase	<u>745,525</u>

Increasing the projected tonnage by 7,500 tons

This would increase the budgeted revenue by **\$513,550**. The Authority has sustained several years of increasing tonnage since 2013. Staff remains cognizant of the effects a future recession could have on the Authority's tonnage, however the sustained increases in tonnage over the last several years provides a comfort level that a conservative tonnage projection of 185,000 is reasonable. Increases in tonnage will increase some tonnage related fees and closure funding expense, but amounts are minimal and are incorporated in the budget.

Increase tipping fees for Expanded Organics Program

This would increase our budgeted revenue by **\$165,025**.

On September 21, 2017, the Board approved the expanded organics program to meet new State mandates for organics diversion from landfills which will include the addition of food and recovered agricultural waste composting. A phased-in rate increase over a three-year period was recommended to buffer the impact to rate payers. This will also allow the Authority to run the operations for a couple of years and evaluate the program and long-term needs for new waste streams such as cannabis and agricultural cull wastes that may increase system processing demands. The Authority will need to work with Republic Services to phase out the discounted greenwaste contract signed in 2004 to allow for full and equal funding of the program by all members. Following is the schedule of rate increases approved in concept when the organics program was considered by the Board in September 2017.

	Salinas Organics	Mixed Organics	Wood Waste
FY 2017-18	18.05	33.50	33.50
FY 2018-19	28.00	38.25	36.25
FY 2019-20	38.00	43.00	39.00
FY 2020-21	48.00	48.00	42.00

Increase Franchise Transportation Surcharge by 1.4% (\$0.25/ton)

This would increase our budgeted revenue by **\$46,550**. The transportation surcharge was last increased in FY 2017-18 to \$17.50. During FY 2016-17 the Authority spent \$17.79/ton to transport Salinas Franchise Waste. This increase will partially offset the increase in Madison Lane Transfer costs due to the ongoing increases in Salinas area waste. The increase will also support the Board's goal of establishing rates that fully support program costs and do not rely on landfill tipping fee subsidy.

Clean Soil

Johnson Canyon has a surplus of clean fill dirt. The tipping fee for clean dirt was increased from \$10 per ton to \$12 per ton in FY 2016-17, then again to \$14 per ton in FY 2017-18. SVR staff intended to gradually increase the tip fee to \$28 per ton, which is the same rate charged for other cover material at the site. However, since tonnage has continued to increase staff proposed to increase the rate to \$28 per ton effective immediately.

The Board voiced concerns about the effects to local projects and companies. In order to address these concerns, staff recommends an increase to this rate of \$2 per ton to \$16 per ton, and creating a new out of service area rate of \$28 per ton. Staff is currently working on the long-term development plans for the landfill and will readdress this item when the amount of excess soil at the site is better estimated.

Operational Increases (\$1,649,000)

<u>FY 2017-18 Projected Operating Budget Increase</u>	
Debt Service Increase	\$1,084,800
Payroll Increases	225,550
Expanded Organics Processing	204,700
Facility Maintenance	34,300
Contract Labor	32,100
Closure Costs	19,800
Repair & Maintenance Supplies	18,000
Litter Abatement	16,000
All Other Increases / (Decreases)	<u>13,750</u>
Total Increase	<u>\$ 1,649,000</u>

Debt Service

Debt Service is scheduled to increase \$1,084,800 in FY 2018-19. When the Bonds were refinanced in 2014, the savings were taken upfront to fund deferred CIPs and payback internal loans taken to fund CIPs during the Great Recession. In FY 2018-19, the Bond Payments will return to the amount that was being paid before the refinancing (approximately \$3.13 million). Bond Payments will continue at this level through 2026-27. The final Bond payment is scheduled for August 1, 2031.

When the Authority took over the operations of Johnson Canyon Landfill it took a \$3.6 million Capital Lease Loan to purchase the initial equipment needed for operations. The final payment is scheduled for August 1, 2019. The money currently used for Capital Lease payments will be used to fund future capital equipment needs. This should minimize the need to take out loans for future capital equipment needs.

The following table shows the schedule for all outstanding debt service including interest. Scheduled debt service payments for FY 2018-19 are \$3,933,600.

Fiscal Year	Bond Payment	Capital Lease	Total Debt Service
2014-15	1,920,876	414,811	2,335,686
2015-16	1,908,648	960,373	2,869,021
2016-17	1,907,820	797,594	2,705,415
2017-18	2,051,271	797,594	2,848,866
2018-19	3,135,978	797,594	3,933,572
2019-20	3,134,015	215,938	3,349,952
2020-21	3,136,699		3,136,699
2021-22	3,133,956		3,133,956
2022-23	3,135,730		3,135,730
2023-24	3,136,791		3,136,791
2024-25	3,137,000		3,137,000
2025-26	3,130,838		3,130,838
2026-27	3,132,688		3,132,688
2027-28	2,942,613		2,942,613
2028-29	2,750,975		2,750,975
2029-30	2,752,550		2,752,550
2030-31	2,751,838		2,751,838
2031-32	2,748,563		2,748,563

Payroll Increase

The net increase to payroll is scheduled to be **\$225,550 (1.2% of proposed operating budget)**. Increases are due to annual merit increases, as well as changes due to the approved MOU, such as a 3% COLA and increases to the diversion workers' salary schedule. The Payroll increases are partially offset by increased employee contributions to retirement and medical insurance costs included in the new MOUs. Staff is also requesting two staff allocation adjustments that total \$20,000.

Description	Payroll Budget
	Increases
COLA (MOU)	\$ 141,800
Merit Increases	106,400
Diversion Workers (MOU)	44,800
Worker's Comp Insurance	43,800
Position Changes	19,840
Health Premiums (MOU)	(71,900)
Net All Other Increases/(Decreases)	<u>(15,390)</u>
Net Payroll Increases	<u>\$ 225,550</u>

Unfreeze Business Services Supervisor

The Authority's Accountant is scheduled to retire during FY 2018-19. One of the Authority's Goals is to "Maintain a High Performance and Flexible Workforce and Promote the Value of Salinas Valley Recycles Services and Programs to the Community." Anytime a supervisor or manager leaves, the agency management reassesses options for reorganization, cost savings and staff resource improvements. Management requests that the Business Services Supervisor position that was frozen in 2015 is reallocated. This position is classified at the same level as the Accountant and would supervise routine day to day operations. The Accountant position would remain unfilled and subsequently eliminated during a future staffing action after the Accountant retirement. To allow for training, staff would like to fill this position a month before the Accountant retires. The cost of this overlap is \$8,640.

Reclassify Equipment Operator to Equipment Operator Lead

Staff request the reclassification of the Jolon Road Transfer Station Equipment Operator / Driver to Equipment Operator / Driver / Lead. The remote location and busy operations at Johnson Canyon make it difficult for the Supervisor to be at both facilities throughout the day. Making this change will allow the Authority to have a designated lead operator to handle day to day issues such as supervision, onsite projects, oversight of contractors and meeting with regulators. The cost of this reclassification is \$11,200.

Expanded Organics Processing

On September 21, 2017, the Board approved the expanded organics program to meet the levels of diversion and greenhouse gas emission reductions required by various state mandates, including the Global Warming Solutions Act (Assembly Bill (AB) 32), the Mandatory Commercial Organics Recycling Program (AB 1826), and Short-Lived Climate Pollutants and Methane Emissions Reduction Strategy (Senate Bill 1383), which effectively eliminates the disposal of organic materials (including food scraps) in landfills by 2025 with interim reduction mandates. An Organics grant in the amount \$1.3 million was awarded and accepted from CalRecycle to fund the infrastructure needed for the new program. The program is expected to be up and running around January 1, 2019. The increase in cost of the program for the first six months is \$204,700, and includes two diversion workers to operate the de-packaging equipment, a capital replacement reserve for the de-packaging machine and skid loader, materials and supplies, equipment maintenance, site maintenance, and operations and agency overhead allocations.

Operational Increases

The remaining **\$133,950** in increases are due to operational needs due to increasing tonnages accepted at the facilities.

Facility Maintenance	\$ 34,300
Contract Labor	32,100
Closure Costs	19,800
Repair & Maintenance Supplies	18,000
Litter Abatement	16,000
All Other Increases / (Decreases)	13,750
	<u>\$ 133,950</u>

Cash Balances (Reserves)

The Authority's cash position as of December 31, 2017 is \$25,098,884.02. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below. This summary is updated each month and provided to the Board in the monthly financial report.

Restricted by Legal Agreements:	
Johnson Canyon Closure Fund	3,993,535.32
State & Federal Grants	119,174.85
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-
BNY - Sub Pmt Cap One 2014 Eq Lease	-
GEO Deposit (CEQA)	(6,310.91)
Funds Held in Trust:	
Central Coast Media Recycling Coalition	134,278.85
Employee Unreimbursed Medical Claims	2,704.04
Committed by Board Policy:	
AB939 Services	398,039.99
Designated for Capital Projects Reserve	1,941,749.15
Designated for Environmental Impairment Reserve	861,776.73
Designated for Operating Reserve	861,776.73
Expansion Fund (South Valley Revenues)	8,234,705.82
Salinas Rate Stabilization Fund	24,324.06
Assigned by Budget	
Assigned for Capital Projects	7,247,033.17
Available for Operations	1,286,096.22
Total	<u>25,098,884.02</u>

Reserves Summary

According to financial and other Board adopted policies, the Authority maintains 4 reserves for operational and capital needs. Per the Board's January 18, 2018 request, the Authority approved reserves are summarized below.

Designated for Capital Reserve, Balance \$1,941,749

Due to the capital-intensive nature of the Authority's resource recovery and landfill operations the Authority will develop a Capital Projects Reserve for funding future capital projects and replacement of existing capital infrastructure in accordance with the Capital Improvements Financial Policies. The target amount of the reserve will be based on the capital needs of the Authority.

Designated for Operating Reserve, Balance \$861,777

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 unforeseen occurrences and revenue shortfalls. Operating expenditures for reserve purposes is defined as the total budget less capital project expenditures.

The \$861,777 balance is 5.2% of the \$16,720,000 FY 2017-18 Operations Budget, or about one-third of the way towards the 15% policy goal.

The Operating Reserve shall be used only for its designated purpose - emergencies, non-recurring expenditures, or major capital purchases that cannot 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 reserve.

Designated for Environmental Impairment Reserve, Balance \$861,776

Due to the potential release of contaminants that exists with all Municipal Solid Waste landfills, the Authority will strive to fund an Environmental Impairment Reserve for responding to a release in a timely manner. The funds can also be used for mitigation or corrective action measures required by CalRecycle.

The Authority entered into financial assurance agreements for Corrective Action with CalRecycle. The agreements identify specific dollar amounts for which the Authority is potentially liable. Below is a table showing the engineer's calculations of the Authority's potential liability for site remediation (corrective action).

<u>As of June 30, 2017</u>	<u>Capital Improvements</u>	<u>Maintenance</u>	<u>Contingency</u>	<u>Total</u>
Johnson Canyon	\$ 426,126	\$ 362,063	\$ -	\$ 788,189
Crazy Horse	3,328,231	7,534,354	-	10,862,585
Jolon Road	-	1,490,048	-	1,490,048
Lewis Road	125,538	231,227	35,810	392,575
Total Corrective Actions	<u>\$ 3,879,895</u>	<u>\$ 9,617,692</u>	<u>\$ 35,810</u>	<u>\$ 13,533,397</u>

* Maintenance period covers up to 30 years

The above amounts represent the worst-case scenario if all the sites were to have a release, which is very unlikely.

Under the financial assurance agreements with CalRecycle, the Authority has covenanted that it will provide the necessary funding when required. This means that the Authority would increase rates as necessary to cover the above expenses. However, it is highly unlikely that all three sites would need corrective action at the same time. The funding goal is the Capital Improvement costs at Crazy Horse, the highest of the three sites. The \$861,777 balance is 25.9% of the \$3.33 million funding goal.

Expansion Fund, Balance \$8,234,705

This fund was established to track cash received from South Santa Clara imported waste. The approved uses of the fund are as follows:

- Costs associated with developing the new long-term landfill including, planning, environmental impact reports, land acquisition, permit processing, road improvements, liner construction and other operating or capital costs attributable to developing the new site
- Variable costs associated with the importation of outside waste include Monterey County LEA fees and State Board of Equalization Integrated Waste Management fees
- Incremental cost to operate two landfills (Crazy Horse & Johnson Canyon) not to exceed \$1,000,000 per year until Crazy Horse is closed
- Closure costs associated with increased tonnage
- Liner costs associated with increased tonnage

BACKGROUND

The budget process began in January with a budget direction presentation. The feedback provided by the Board is incorporated into the Preliminary Budget presented in February, with a rate hearing and final budget being presented in March. This allows franchise waste haulers to begin their scheduled rate setting process in April.

ATTACHMENT(S)

1. Two Year Budget Comparison

**Salinas Valley Recycles
Two-Year Budget Comparison
FY 2018-19**

	2017-18 BUDGET	2018-19 PROPOSED	Increase/ (Decrease)	% Change
Revenues				
51.1 - Tipping Fees - Solid Waste	12,158,750	12,672,500	513,750	4.2%
51.2 - Tipping Fees - Surcharge	1,803,000	1,849,550	46,550	2.6%
51.3 - Tipping Fees - Diverted Materials	1,942,800	2,029,525	86,725	4.5%
51.4 - AB939 Service Fee	2,319,700	2,319,700	-	0.0%
52.1 - Charges for Services	124,500	144,000	19,500	15.7%
53.1 - Sales of Materials	244,000	265,000	21,000	8.6%
53.2 - Gas Royalties	220,000	240,000	20,000	9.1%
54.1 - Investment Earnings	162,000	200,000	38,000	23.5%
Total Revenues	18,974,750	19,720,275	745,525	3.9%
Expenditures				
1110 - Executive Administration	443,150	453,500	10,350	2.3%
1120 - Administrative Support	503,550	519,200	15,650	3.1%
1130 - Human Resources Administration	194,050	201,000	6,950	3.6%
1140 - Clerk of the Board	168,600	175,300	6,700	4.0%
1200 - Finance Administration	754,050	686,000	(68,050)	-9.0%
1300 - Operations Administration	454,100	466,400	12,300	2.7%
2100 - Resource Recovery	907,050	927,500	20,450	2.3%
2150 - Marketing	75,000	75,000	-	0.0%
2200 - Public Education	224,150	228,500	4,350	1.9%
2300 - Household Hazardous Waste	775,200	797,700	22,500	2.9%
2400 - C & D Diversion	170,000	150,000	(20,000)	-11.8%
2500 - Organics Diversion	833,200	1,037,900	204,700	24.6%
2600 - Diversion Services	18,000	20,000	2,000	11.1%
3100 - Scalehouse Operations	554,450	564,000	9,550	1.7%
3600 - JR Transfer Station	353,950	367,100	13,150	3.7%
3630 - JR Recycling Operations	158,900	173,000	14,100	8.9%
3650 - ML Transfer Station	500,000	500,000	-	0.0%
3710 - SS Disposal Operations	768,400	858,900	90,500	11.8%
3720 - SS Transfer Operations	1,183,050	1,215,400	32,350	2.7%
3730 - SS Recycling Operations	700,150	757,000	56,850	8.1%
4500 - JC Landfill Operations	2,465,850	2,519,900	54,050	2.2%
4530 - JC Recycling Operations	360,400	392,000	31,600	8.8%
5300 - Crazy Horse Postclosure Maintenance	609,800	547,300	(62,500)	-10.2%
5400 - Lewis Road Postclosure Maintenance	226,500	250,300	23,800	10.5%
5500 - Johnson Canyon ECS	312,600	333,400	20,800	6.7%
5600 - Jolon Road Postclosure Maintenance	215,050	238,000	22,950	10.7%
5700 - Sun Street ECS	186,500	203,600	17,100	9.2%
6100 - Debt Service - Interest	1,619,100	1,550,600	(68,500)	-4.2%
6200 - Debt Service - Principal	1,229,900	2,383,200	1,153,300	93.8%
6605 - Closure Set-Aside	248,500	268,300	19,800	8.0%
Total Expenditures	17,213,200	18,860,000	1,646,800	9.6%
Operating Budget Surplus	1,761,550	860,275		
Less New CIP Allocation	(1,144,000)	(680,000)		
Repayment of Expansion Fund	(376,000)			
Jolon Road Equipment Repayment	(120,000)	(120,000)		
Balance Used for Reserves	121,550	60,275		

SVR Agenda Items - View Ahead 2018

	Feb	Mar	Apr	May	Jun	Jul
A						
1	Minutes	Minutes	Minutes	Minutes	Minutes	MEETINGS RECESS
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	
3	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report/BD Public Outreach Participation (sp)	
4	4th Qtr Tonnage & Diversion Report	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	
5	Award Contract for JCLF Consulting & Engineering Services	CAG Monthly Update	LTFN EIR Qtrly Update (sp)	1st Qtr Tonnage & Diversion Report	FY Investment Policy (EC)	
6	SSTS Loader Replacement	C&D Recycling Program (sp)	QTE March Cash & Investments	FY Investment Policy (EC)	CAG Monthly Update	
7	CAG Monthly Update	Public Hearing: Fee Sched Amend	1st Qtr Facilities Customer Survey	New/Ext Agreements & Contracts	Board Policy Updates (EC)	
8	CNG Transfer Trucks	New FY 18-19 Budget	CAG Monthly Update	CAG Monthly Update		
9	GM Agreement Amendment	STRATEGIC PLAN (Survey Results)	Wally-Waste-Not Award	Strategic Plan Approval & Update		
10	CIP Budget Adjustment (EC)		STRATEGIC PLAN NEW 6-MONTH OBJECTIVES	C&D Recycling Program (EC) (sp)		
11	Revised BD/EC Meetings Schedule					
12	FY Preliminary Operating & CIP Budget (EC)					
13	<i>GM Evaluation (EC Only)</i>					
14						
15						
16						

Consent
Presentation
Consideration
<i>Closed Session</i>

[Other] (Public Hearing, Recognition, Informational, etc.)
 (EC) Executive Committee
 (sp) Strategic Plan Item