



AGENDA Regular Meeting

BOARD OF DIRECTORS
Thursday, May 16, 2013, 6:00 p.m.
Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: Louis Calcagno
County: Fernando Armenta, President
Salinas: Gloria De La Rosa
Salinas: Jyl Lutes
Salinas: Tony Barrera
Gonzales: Elizabeth Silva, Vice President
Soledad: Richard J. Perez
Greenfield: Annie Moreno
King City: Robert S. Cullen

Alternate Directors

County: Simon Salinas
Salinas: Joe Gunter
Gonzales: Scott Funk
Soledad: Christopher Bourke
Greenfield: Raul Rodriguez
King City: Carlos Victoria

GENERAL MANAGER/CAO COMMENTS

DEPARTMENT MANAGER COMMENTS

BOARD DIRECTOR COMMENTS

PUBLIC COMMENT

Receive public comment from audience on items which are not on the agenda. The public may comment on scheduled agenda items as the Board considers them. Speakers are limited to three minutes at the discretion of the Chair.

CONSENT AGENDA:

All matters listed under the Consent Agenda may be enacted by one motion unless a member of the Board, a citizen, or a staff member requests discussion or a separate vote.

1. [Minutes of April 18, 2013 Meeting](#)
2. [March 2013 Claims and Financial Reports](#)
3. [March 2013 Quarterly Tonnage and Diversion Report](#)
4. [A Resolution Approving a Three-Year Service Agreement with Hope Services for Hauling and Recycling of Mattresses and Box Springs Not to Exceed \\$35,000 each Year](#)
5. [A Resolution Approving a One-year Services Agreement with Hope Services for Materials Processing and Litter Abatement at the Sun Street Transfer Station for an Amount not to Exceed \\$125,000](#)
6. [A Resolution Authorizing the Release of a Request for Bids for the Johnson Canyon Landfill Gas Well Installation Project](#)

7. [Report on the Monterey Bay Area Managers Group Proposal for a Comprehensive Study of Solid Waste Management in Monterey County](#)
8. [Citizen's Advisory Group Implementation Plan](#)

PRESENTATION

9. [Strategic Plan Progress Report](#)
 - A. Receive a presentation from Administrative Manager Rose Gill
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Accept Report
10. [Next Steps for Refinancing of 2002 Revenue Bonds and Installment Purchase Agreement](#)
 - A. Receive a presentation from Finance Manager Roberto Moreno
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Accept Report

CONSIDERATION

11. [A Resolution Approving Service Fees Effective July 1, 2013 for Recycling, Resource Recovery, and Disposal at Authority Landfills and Transfer Stations and Administrative Services](#)
 - A. Receive Report from Finance Manager Roberto Moreno
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Adopt Resolution

FUTURE AGENDA ITEMS

12. [Agenda Items – View Ahead](#)

CLOSED SESSION

13. Pursuant to Government Code Section 54956.8 to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Diversion Manager Susan Warner, Finance Manager Roberto Moreno, and Legal Counsel Tom Bruen, concerning the possible terms and conditions of acquisition or lease of APN 003-012-005, APN 003-012-017 and APN 003-012-018, located between Work Street, Work Circle and Elvee Circle, Salinas, California. The Authority's negotiators will negotiate with the City of Salinas and Matthew Ottone and Ottone-Salinas, Inc., the owners of the property.
14. Pursuant to Government Code Section 54956.8 to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Diversion Manager Susan Warner, Finance Manager Roberto Moreno, and Legal Counsel Tom Bruen, concerning the possible terms and conditions of a sale or exchange of APN 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, California. The Authority's negotiators will negotiate with the City of Salinas, Cooley Development and Bristol Alisal Marketplace, LLC, and their affiliates.
15. Pursuant to Government Code Section 54957 (b) to consider the Performance Evaluation of the General Manager/Chief Administrative Officer.

RECONVENE

ADJOURNMENT

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This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun Street, Suite 101, Salinas, and on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, **Friday, May 10, 2013**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on **Thursday, June 20, 2013**. Staff reports for the Authority Board meetings are available for review at:

- ▶ Salinas Valley Solid Waste Authority: 128 Sun Street, Ste. 101, Salinas, CA 93901, Phone 831-775-3000
- ▶ Web Site: www.salinasvalleyrecycles.org ▶ Public Library Branches in Gonzales, Prunedale and Soledad
- ▶ City Halls of Salinas, Gonzales, Greenfield, King City & Soledad

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Elia Zavala, 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).

Spanish interpretation will be provided at the meeting. *Se proporcionará interpretación a Español.*

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
APRIL 18, 2013**

DRAFT

CALL TO ORDER

President Armenta called the meeting to order at 6:01 p.m.

ROLL CALL

The following Board Directors were present:

County of Monterey	Fernando Armenta, President
County of Monterey	Louis Calcagno, <i>arrived at 6:08 p.m.</i>
City of Salinas	Gloria De La Rosa
City of Salinas	Jyl Lutes
City of Salinas	Tony Barrera
City of Gonzales	Scott Funk (Alternate)
City of Soledad	Richard Perez
City of Greenfield	Annie Moreno
City of King	Robert Cullen

The following Board Directors were absent:

City of Gonzales Elizabeth Silva, Vice President

Staff Members Present:

Patrick Mathews, General Manager/CAO
Roberto Moreno, Finance Manager
Susan Warner, Diversion Manager
Rose Gill, Administrative Manager

David Meza, Authority Engineer
Cesar Zuniga, Operations Superintendent
Elia Zavala, Clerk of the Board
Thomas Bruen, General Counsel

Translation services were available. No members of the public required the service.

GENERAL MANAGER COMMENTS

General Manager/CAO Mathews commented on the following:

- Article - *The Atlantic Cities*, "San Francisco's Trash Inspectors Get Up Earlier Than You Do"
- He participated as a speaker at the SWANA-Western Regional Symposium where he spoke about the Authority's strategic plan.

DEPARTMENT MANAGER COMMENTS

Administrative Manager Gill reminded the Board to submit their completed General Manager's Performance Evaluation form. President Armenta requested an update on those who have not submitted their form by the following Wednesday.

BOARD COMMENTS

None

PUBLIC COMMENT

(6:07) None

CONSENT AGENDA (6:07)

1. Minutes of March 21, 2013 Meeting

ITEM NO. 1

Agenda Item

T. Bruen by ez

General Counsel Approval



General Manager/CAO

2. February 2013 Claims and Financial Reports
3. March 2013 Quarterly Investments Report
4. Supplemental Appropriation for Crazy Horse Landfill Closure Project
5. Resolution No. 2013-13 Approving Amendment No 1 Authorizing a Two-Year Extension to the Professional Services Agreement with SCS Field Services for Environmental Control Systems Operations and Maintenance in an Amount not to exceed \$495,213
6. Approval of a Letter of Support for SB 804 to Assist the Potential for Conversion Technology Facilities to Meet Environmental Goals
7. Resolution No. 2013-14 Establishing a Succession Planning Program

Public Comment: None

Board Comments: None

Motion: Alternate Vice President Lutes made a motion approve the consent agenda as presented. Director De La Rosa seconded the motion.

Votes: Motion carried 8, 0

Ayes: Armenta, Barrera, Cullen, De La Rosa, Funk (alt), Moreno, Lutes, Perez

Noes: None

Abstain: None

Absent: Calcagno, Silva

PRESENTATIONS

8. RECOGNITION OF ESTANCIA ESTATES WINERY OF SOLEDAD FOR SUCCESSFUL IMPLEMENTATION OF RECYCLING PROGRAMS

(6:08) Diversion Manager Warner provided a certificate of recognition to Estancia Estates Winery representative Gina Miller for achieving a 51% waste reduction in addition to all waste diversion programs they had previously implemented.

Public Comment: None

Board Comments: None

CONSIDERATION

9. RESOLUTION NO. 2013-15 APPROVING SERVICE FEES EFFECTIVE JULY 1, 2013 FOR RECYCLING, RESOURCE RECOVERY, AND DISPOSAL AT AUTHORITY LANDFILLS AND TRANSFER STATIONS AND ADMINISTRATIVE SERVICES

(6:10) Finance Manager Moreno provided a report on three different budget scenarios and their relative impact to the Authority's bond covenant requirements. (6:16) Gonzales City Manager Rene Mendez presented a recommendation from the Monterey Bay Area Managers Group for the development of a request for proposals for an independent study on how to best handle solid waste county-wide. The proposal will be presented at the joint meeting with the County Board of Supervisors, along with a recommendation for the County to rescind its notice of intent to withdraw to allow the Authority to refinance its debt. The Managers Group recommended either phasing the rate increase over a couple of years or delay the proposed increase until the study is completed.

Public Comment: (6:25) Jay Ramos, District Manager of Waste Management's Madison Lane Transfer Station, expressed support for the Managers Group

proposal. He spoke on the existing capacity of the Madison Lane Transfer Station to handle all the Republic Services (Salinas) waste. He mentioned that if the Authority would solicit proposals for the transfer of Salinas waste, Waste Management would propose \$15 per ton.

(6:27) Roman Barba, Gonzales resident, expressed concern with the importation of waste to Gonzales and suggested reductions in salaries. General Manager/CAO Mathews explained that the proposed increase is due to the ending of imported waste and its associated revenue.

Board Comments: The majority of the Board expressed support for the Managers' Group recommendation. Some members expressed concerns with the proposed increase. The Board discussed issues around the relocation and funding of the Salinas transfer station, specifically the use of the existing transfer station owned by Waste Management on Madison Lane and a new proposed facility on Work Street. Concerns were also raised on the budget impacts of the County's notice of intent to withdraw and on the potential of violating the Authority's bond covenant requirements if no rate increase is passed. Director Calcagno stated that the County could consider rescinding its intent to withdraw notice if the Authority provides assurance that an independent consultant would be hired to study how best to handle garbage in the county and that the Authority would not incur any additional debt.

Staff Comments: General Manager/CAO Mathews stated that staff does not oppose the study. He explained that there are two separate issues – the study, which will likely take several months to a year to complete, and the rate increase to address the immediate budget challenge. He noted that the Board can chose to phase the increase but that would result in continued depletion of capital reserves. He mentioned that the Madison Lane facility is already the alternate location in the project approved following certification of the Regional Facilities EIR, however the same issues that existed in the past still exist, such as the nearby schools and residences, community opposition and no alternate truck access route has been built.

1st Motion: Director Perez made a motion to conduct an independent third-party study as recommended by the Managers Group. Director Calcagno seconded the motion.

General Counsel Bruen stated that the item was not on the agenda but the Board could ask to schedule it for next month. Director Perez directed staff to schedule the item on the next meeting agenda. General Counsel Bruen clarified that if the consequences of the Authority not maintaining its bond covenants, could be the bondholders seeking relief and placing the Authority in receivership, in which case the receiver would run the Authority and replace the Board's decision making process over issues such as setting the Authority's rates.

2nd Motion: Director Cullen made a motion to approve the staff recommendation. President Armenta seconded the motion.

Votes: Motion failed 2, 7

Ayes: Armenta, Cullen
Noes: Barrera, Calcagno, De La Rosa, Funk (alt), Moreno, Lutes, Perez
Abstain: None
Absent: Silva

3rd Motion: Alternate Vice President Lutes made a motion to bring this item back to the Board in May, together with the Managers' Group recommendation for final resolution. Director De La Rosa seconded the motion.

Vote: Motion carried 9, 0

Ayes: Armenta, Calcagno, Cullen, Barrera, De La Rosa, Funk (alt), Moreno, Lutes, Perez
Noes: None
Abstain: None
Absent: Silva

FUTURE AGENDA ITEMS

10. AGENDA ITEMS – VIEW AHEAD

(7:22) The Board reviewed the future agenda items and directed staff to schedule the item of an independent study on the next Board meeting agenda.

CLOSED SESSION

(7:25) President Armenta adjourned the meeting to closed session to discuss the following:

11. Pursuant to Government Code Section 54956.8 to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Diversion Manager Susan Warner, Finance Manager Roberto Moreno, and Legal Counsel Tom Bruen, concerning the possible terms and conditions of acquisition or lease of APN 003-012-005, APN 003-012-017 and APN 003-012-018, located between Work Street, Work Circle and Elvee Circle, Salinas, California. The Authority's negotiators will negotiate with the City of Salinas and Matthew Ottone and Ottone-Salinas, Inc., the owners of the property.
12. Pursuant to Government Code Section 54956.8 to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Diversion Manager Susan Warner, Finance Manager Roberto Moreno, and Legal Counsel Tom Bruen, concerning the possible terms and conditions of a sale or exchange of APN 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, California. The Authority's negotiators will negotiate with the City of Salinas, Cooley Development and Bristol Alisal Marketplace, LLC, and their affiliates.
13. Pursuant to Government Code Section 54957 (b) to consider the Performance Evaluation of the General Manager/Chief Administrative Officer.

RECONVENE

(8:13) President Armenta reconvened the meeting to open session with no reportable action taken in closed session.

ADJOURN

(8:13) President Armenta adjourned the meeting.

APPROVED: _____
Fernando Armenta, President

Attest:

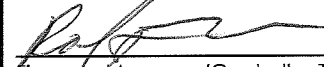
Elia Zavala, Clerk of the Board




SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 2


Finance Manager/Controller-Treasurer


General Manager/CAO


Board President

Date: May 16, 2013
From: Roberto Moreno, Finance Manager
Title: March 2013 Claims and Financial Reports

RECOMMENDATION

The Executive Committee recommends acceptance of the March 2013 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of March for a discussion of the Authority's financial position as of March 31, 2013. Following are highlights of the Authority's financial activity for the month of March.

Results of Operations

For the month of March 2013, operating expenses exceeded revenues by \$275,669. Year to date operating revenues exceed operating expenditures by \$722,451.

Revenues

Revenues for the month of March totaled \$1,155,758. As of March 31, after nine months (75.0%) of the fiscal year, revenues total \$11,701,523.10. This is 72.35% of the estimated revenues of \$16,172,705. Year-to-date solid waste tipping fees are \$8,299,043. This is 73.74% of the estimated \$11,254,500 in solid waste tipping fees.

Operating Expenditures

Expenditures for the month of March totaled \$880,089. As of March 31, (75.0% of the fiscal year) year-to-date operating expenditures total \$10,979,072. This is 68.14% of the operating budget of \$16,111,606.

All operating programs are within trend line projections except for principal and interest on the 2002 Revenue Bonds and the Crazy Horse Installment Purchase Agreement which are now fully paid for the year.

Capital Project Expenditures

For the month of March 2013, capital project expenditures totaled \$311,020. The Crazy Horse Landfill closure project accounted for \$304,832 of the total.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of March 2013 is attached for review and acceptance. The March claims checks issued total \$1,308,020.13 of which \$340,963.27 was paid from the payroll checking account for payroll and payroll related benefits. Selected major payments to vendors are listed below.

Vendor	Amount	Services
ALL AMERICAN MAILING, INC.	27,711.16	PUBLIC HEARING FLYER
MOCO HEALTH DEPART	48,547.70	MONTEREY COUNTY REGIONAL FEES
SCS FIELD SERVICES	51,541.14	CH CLOSE, NR LFG OM&M & JCLF SVC
VISION RECYCLING INC	50,214.26	C&D GRINDING & ORGANICS PROG
WASTE MANAGEMENT INC	1,813.77	BFI WASTE DELIVERED TO MLTS - 02/13
	56,757.89	JRLF OPERATIONS FEB 2013
	111,388.37	REFUND OF DUPLICATE PAYMENTS
A. L. PACKARD-CLIENT TR ACCT	50,000.00	CALSPA SETTLEMENT & MONITORING FD
ROSE FOUNDATION	40,000.00	CALSPA SETTLEMENT
COAST OIL COMPANY, LLC	23,629.73	DIESEL FUEL USAGE 02&03/13
FERGUSON ENTERPRISES INC	34,122.63	JC LFG IMPRV & CHLF CLOSE SUPPLIES
SAN BENITO SUPPLY	219,978.43	CH CLOSURE CIP 9312 SUPPLIES

Cash Balances

The Authority's cash position decreased \$58,155.32 during March to \$13,303,902.64. Most of the cash balance is restricted as shown below:

Restricted by Legal Agreements:

Crazy Horse Closure Fund	156,618.57
Johnson Canyon Closure Fund	2,695,791.83
Bond Debt Service Reserve	2,820,700.00
State & Federal Grants	103,085.26

Restricted by Board policy:

Expansion Fund (South Valley Revenues)	6,070,720.84
Salinas Transportation Surcharge	145,553.60
Salinas Rate Stabilization Fund	47,415.03

Funds Held in Trust:

Central Coast Media Recycling Coalition	73,837.60
Employee Unreimbursed Medical Claims	3,651.89

Unrestricted - Assigned:

Operations and Capital Projects	1,186,528.02
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13,303,902.64

ATTACHMENTS

1. March 2013 Consolidated Statement of Revenues and Expenditures
2. March 2013 Consolidated CIP Expenditures Report
3. March 2013 Checks Issued Report



Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2013

	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	11,254,500	803,592	8,299,043	73.74%	2,955,457	0	2,955,457
Tipping Fees - Surcharge	725,600	52,533	533,276	73.49%	192,324	0	192,324
Tipping Fees - Diverted Materials	1,001,800	89,282	807,873	80.64%	193,927	0	193,927
Tipping Fees - South Valley	2,340,900	195,080	1,755,722	75.00%	585,178	0	585,178
Charges for Services	117,000	0	59,310	50.69%	57,690	0	57,690
Sales of Materials	572,500	13,307	203,048	35.47%	369,452	0	369,452
Investment Earnings	80,200	1,963	38,171	47.59%	42,029	0	42,029
Grants	20,205	0	0	0.00%	20,205	0	20,205
Miscellaneous/Other	60,000	0	5,081	8.47%	54,919	0	54,919
Total Revenue	16,172,705	1,155,758	11,701,523	72.35%	4,471,182	0	4,471,182
<u>Expense Summary</u>							
Administration	2,353,160	212,235	1,678,331	71.32%	674,829	47,098	627,731
Resource Recovery	2,461,196	193,276	1,454,019	59.08%	1,007,177	459,786	547,391
Scalehouses Operations	342,490	22,547	231,604	67.62%	110,886	4,237	106,649
Transfer Stations Operations	2,732,180	176,443	1,808,287	66.18%	923,893	347,794	576,099
Landfills Operations	3,568,290	83,697	1,877,750	52.62%	1,690,540	1,186,946	503,594
Postclosure Maintenance	725,370	45,533	452,632	62.40%	272,738	111,310	161,429
Environmental Control Systems	511,800	146,359	336,399	65.73%	175,401	121,021	54,380
Debt Service - Interest	2,037,120	-	2,037,063	100.00%	57	-	57
Debt Service - Principal	1,103,000	-	1,102,988	100.00%	12	-	12
Closure Set-Aside	277,000	-	-	0.00%	277,000	-	277,000
Total Expense	16,111,606	880,089	10,979,072	68.14%	5,132,534	2,278,192	2,854,341
Revenue Over/(Under) Expenses	61,099	275,669	722,451	1182.43%	(661,352)	(2,278,192)	1,616,841

Expense Summary

Executive Administration	358,270	23,945	251,576	70.22%	106,694	1,006	105,688
Administrative Support	385,040	28,800	265,161	68.87%	119,879	32,065	87,814
Human Resources Administration	299,240	24,658	198,271	66.26%	100,969	1,143	99,827
Clerk of the Board	153,360	11,949	103,908	67.75%	49,452	1,142	48,310
Finance Administration	620,200	43,184	426,519	68.77%	193,681	8,417	185,264
Operations Administration	537,050	79,699	432,896	80.61%	104,154	3,325	100,829
Resource Recovery	648,000	38,718	392,654	60.59%	255,346	20,281	235,065
Marketing	110,000	35,846	62,375	56.70%	47,625	41,451	6,174
Public Education	135,000	6,667	66,997	49.63%	68,003	35,545	32,459
Household Hazardous Waste	645,260	48,603	401,310	62.19%	243,950	79,660	164,290
C & D Diversion	60,000	6,250	42,605	71.01%	17,395	7,395	10,000
Organics Diversion	598,530	44,518	383,091	64.01%	215,439	195,439	20,000
Diversion Services	151,500	12,124	74,938	49.46%	76,562	64,512	12,050
DOC Grant	112,906	550	30,048	26.61%	82,858	15,504	67,353
Scalehouse Operations	342,490	22,547	231,604	67.62%	110,886	4,237	106,649
JR Transfer Station	701,910	56,728	474,408	67.59%	227,502	170,184	57,318
ML Transfer Station	450,000	1,786	271,584	60.35%	178,416	78,388	100,028
SS Disposal Operations	419,842	37,000	352,795	84.03%	67,047	17,650	49,397
SS Transfer Operations	925,598	75,090	643,628	69.54%	281,970	36,369	245,602
SS Recycling Operations	234,830	5,838	65,872	28.05%	168,958	45,204	123,754
JC Landfill Operations	3,568,290	83,697	1,877,750	52.62%	1,690,540	1,186,946	503,594
Crazy Horse Postclosure Maintenance	466,490	35,505	283,592	60.79%	182,898	83,066	99,833
Lewis Road Postclosure Maintenance	160,210	8,722	132,762	82.87%	27,448	15,560	11,888
Johnson Canyon ECS	249,300	39,805	137,317	55.08%	111,983	80,636	31,347
Jolon Road Postclosure Maintenance	98,670	1,306	36,278	36.77%	62,392	12,684	49,707
Sun Street ECS	262,500	106,555	199,081	75.84%	63,419	40,385	23,033
Debt Service - Interest	2,037,120	0	2,037,063	100.00%	57	0	57
Debt Service - Principal	1,103,000	0	1,102,988	100.00%	12	0	12
Closure Set-Aside	277,000	0	0	0.00%	277,000	0	277,000
Total Expense	16,111,606	880,089	10,979,072	68.14%	5,132,534	2,278,192	2,854,341
Revenue Over/(Under) Expenses	61,099	275,669	722,451	1182.43%	(661,352)	(2,278,192)	1,616,841



Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2013

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Fund 131 - Crazy Horse Closure Fund							
131 9227 CH Landfill Closure	0	0	0	0.00%	0	0	0
131 9301 CH Closure Preparation	34,618	728	15,346	44.33%	19,272	16,500	2,772
131 9302 CH PH 1A Leachate Recirculation	33,841	0	33,841	100.00%	0	0	0
131 9303 CH PH 1B Site Prep Work	161	5,234	5,375	3330.07%	(5,214)	0	(5,214)
131 9304 CH PH 1C Bench Preparation	0	1,104	1,104	0.00%	(1,104)	0	(1,104)
131 9305 CH PH 1D Liner Termination	8,187	919	9,106	111.23%	(919)	0	(919)
131 9306 CH PH 1E Liner Placement	1,418,629	59,146	1,420,955	100.16%	(2,326)	0	(2,326)
131 9307 CH PH 1F Winterization	18,185	1,848	16,318	89.73%	1,868	193	1,675
131 9308 CH PH 2A Module 1	626,113	5,472	626,712	100.10%	(599)	1,975	(2,574)
131 9309 CH PH 2B Lower Access Road	2,468	0	2,468	100.00%	0	0	0
131 9310 CH PH 2C Remaining LF Prep	(12,143)	1,084	(11,059)	91.07%	(1,084)	0	(1,084)
131 9311 CH PH 2D Liner Placement	10,817	0	10,817	100.00%	0	0	0
131 9312 CH PH 2E Complete Liner Work	383,021	225,232	346,297	90.41%	36,724	32,784	3,940
131 9313 CH Closure Equipment Purchases	31,454	0	31,454	100.00%	0	0	0
131 9314 CH Closure Quality Assurance	212,938	3,984	201,883	94.81%	11,055	3,966	7,089
131 9315 CH Closure Contingency	1,015	81	684	67.42%	331	331	0
Total Fund 131 - Crazy Horse Closure Fund	2,769,306	304,832	2,711,303	97.91%	58,003	55,749	2,255
Fund 180 - Expansion Fund							
180 9003 USDA Autoclave Studies	167,375	0	2,203	1.32%	165,172	0	165,172
180 9021 Autoclave CEQA	240,875	1,017	14,322	5.95%	226,553	147,318	79,235
180 9801 Ameresco JCL LFG Equipment	376,000	0	338,400	90.00%	37,600	37,600	0
Total Fund 180 - Expansion Fund	784,250	1,017	354,925	45.26%	429,325	184,918	244,407
Fund 211 - State Grants							
211 2620 DOC Grant	112,906	550	30,048	26.61%	82,858	15,504	67,353
211 9019 Biodiesel Fuel Station	20,205	0	20,205	100.00%	0	0	0
Total Fund 211 - State Grants	133,111	550	50,253	37.75%	82,858	15,504	67,353

Fund 216 - Plasco Reimbursement

216 9022 Gasifier CEQA	663,195	0	0	0.00%	663,195	472,945	190,250
Total Fund 216 - Plasco Reimbursement	663,195	0	0	0.00%	663,195	472,945	190,250

Fund 800 - Capital Projects Fund

800 9010 JC Roadway Improvements	0	3,643	20,626	0.00%	(20,626)	7,774	(28,400)
800 9012 Work St Transfer Station	59,892	170	32,507	54.28%	27,385	0	27,385
800 9019 Biodiesel Fuel Station	0	382	(7,111)	0.00%	7,111	0	7,111
800 9101 Equipment Replacement	0	0	0	0.00%	0	0	0
800 9199 Sun Street Transfer Station Expansion	0	426	6,972	0.00%	(6,972)	0	(6,972)
800 9701 SSTS Equipment Replacement	0	0	0	0.00%	0	0	0
800 9702 SSTS NPDES Improvements	0	0	0	0.00%	0	0	0
800 9703 SSTS Improvements	0	0	0	0.00%	0	0	0
800 9913 CH LFG to Energy Project	5,295	0	0	0.00%	5,295	0	5,295
Total Fund 800 - Capital Projects Fund	65,187	4,621	52,995	81.30%	12,193	7,774	4,419
Total CIP Expenditures	4,415,050	311,020	3,169,475	71.79%	1,245,574	736,890	508,684

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Check #	Name	Check Date	Amount	Check Total
10913	All American Mailing, Inc. Public Hearing Flyer	3/1/2013	27,711.16	27,711.16
10914	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARIES CH CLOSURE CIP 9312 SUPPLIES AS OF 02.14.13 CH CLOSURE PROJECT AS OF 01.30.13 CH Closure Supplies AS OF 02.06.13	3/4/2013	70,300.37 48,596.50 6,576.42	125,473.29
10915	**Void**	3/4/2013	0.00	0.00
10916	**Void**	3/4/2013	0.00	0.00
10917	A-1 SWEEPING SWEEP YARD & EXTERIOR STREET @ SUN ST FEB 2013	3/7/2013	774.00	774.00
10918	AT&T SERVICES INC ADMIN 8317701023355 PHONE SERVICE THRU 02.14.13 HHW PHONE SERVICE THRU 02.23.13 LR TELEPHONE SERVICE 8317610775940 THRU 02.19.13 SCALE HOUSE PHONE SERVICE THRU 02.23.13	3/7/2013	523.87 180.69 16.02 75.00	795.58
10919	BALTAZAR SERRATO GASOLINE FOR PRESSURE WASHER	3/7/2013	9.66	9.66
10920	BECKS SHOE STORE, INC. SAFETY SHOES FOR BC	3/7/2013	174.42	174.42
10921	BLANCA LAGUNAS MILEAGE REIMBURSEMENT	3/7/2013	447.48	447.48
10922	BOYDS ASPHALT SERVICES CAL SPA SSTS SPEED BUMP GRIFFIN ST	3/7/2013	4,971.00	4,971.00
10923	CALABRO PLUMBING & TRUE VALUE JC 12 POSTS FOR NEW SIGN	3/7/2013	54.05	54.05
10924	CALIFORNIA HIGHWAY ADOPTION CO. HWY 101 LITTER ABATEMENT MARCH 2013	3/7/2013	550.00	550.00
10925	CALIFORNIA WATER SERVICE SS TS WATER SERVICES THRU 02.14.13	3/7/2013	540.23	540.23
10926	CDW GOVERNMENT EPSON 110/220 AC PWER ADPATOR PS 180 EPSON T88V USB EDG THERMAL RECEIPT	3/7/2013	41.16 318.84	360.00

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10927	COAST COUNTIES TRUCK & EQUIPMENT CO. 17236 150 EA PIN HUCKBOLTS, COLLAR HUCKS	3/7/2013	375.07	375.07
10928	COAST OIL COMPANY, LLC SS BIO DIESEL FUEL USAGE 02.08.13 SS BIO DIESEL FUEL USAGE 02.19.13	3/7/2013	1,606.73 1,837.72	3,444.45
10929	COSTCO WHOLESALE February 21 Board Meeting Supplies OFFICE SUPPLIES	3/7/2013	94.44 110.11	204.55
10930	CSC OF SALINAS/YUMA Vehicle Maintenance SUPPLIES JC WING NUT COUPLER PLUG, 3/4 FLAT FACE PLUG, NIPP	3/7/2013	722.63 277.09	999.72
10931	ESTELA GUTIERREZ NEW LOGO PAYOUT FOR MARKETING CAMPAIGN	3/7/2013	100.00	100.00
10932	EVERGREEN OIL INC HHW Disposal 02.20.13	3/7/2013	66.00	66.00
10933	FEDEX Overnight Shipments Operations	3/7/2013	127.07	127.07
10934	FERGUSON ENTERPRISES INC #588 JC LFG IMPROVEMENT SUPPLIES 2 12 PVC STON SOC FLG, 1 12 RR 1/16 FF 150# GASKET CH CLOSURE CIP 9312 SUPPLIES	3/7/2013	1,094.80 459.86 27,561.79	29,116.45
10935	FORRER SUPPLY CO INC CH CLOSURE CIP 9312 SUPPLIES	3/7/2013	515.98	515.98
10936	GEOLOGIC ASSOCIATES, INC. CH CIP 9314 NR GRDWTR MONITORING NOV/DEC 2012	3/7/2013	866.00	866.00
10937	GOLDEN STATE TRUCK & TRAILER REPAIR CAL-SPA TAKE OFF RUBBER STOP OFF LOADING DOCK LOADER REPLACED BROKEN HYDRAULIC LINE CARDBOARD CONTAINER WELD CRACK	3/7/2013	165.00 281.00 3,812.75	4,258.75
10938	**Void**	3/7/2013	0.00	0.00
10939	GREEN RUBBER - KENNEDY AG, LP 1 EA 6" & 4" COUPLING SLIP PVC S40 JC LFG 1,000 6" PVC SCH 4 IPIE BELLED END, BOLTS, JC LFG 16 EA 3/4 X 7 BOLTS, 3/4 NUTS/WASHERS, 8" P CAMLOCK FITTINGS, RED BUSINGS FITTINGS, COUPLINGS PARKER HOSES, WORMGEAR JC LFG NIPPLES, PVC'S, BRASS BALL VALVE, ET	3/7/2013	33.66 6,745.13 1,847.59 95.64 177.94 1,370.01	10,269.97

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Check #	Name	Check Date	Amount	Check Total
10940	HISPANIC CHAMBER OF COMMERCE MEMBERSHIP DUES	3/7/2013	500.00	500.00
10941	HOME DEPOT 3 GRADE STAKES, 2 AJAX 4 PUSH BROOMS, 1 WOOD HANDLE KITCHEN TRASH BAGS, POLY LEAF RAKE, TERRY TOWELS	3/7/2013	16.04 132.69 65.98	214.71
10942	HOPE SERVICES JC MATTRESS/BOX SPRING RECYCLING 02.05.13	3/7/2013	1,275.00	1,275.00
10943	INFINITY STAFFING SERVICES, INC. SS TS CONTRACT DRIVERS WK ENDING 02.24.13	3/7/2013	2,109.38	2,109.38
10944	JENNY MITCHELL FUNDAMENTALS OF SUCCESSFUL PROJECT MNGMT MILEAGE Parking FUNDAMENTALS OF SUCCESSFUL PROJECT MNGMT	3/7/2013	62.10 22.00	84.10
10945	JUAN TREVINO Janitorial Services for Suite 202	3/7/2013	140.00	140.00
10946	KARL A. HATTENDORF Biodiesel Tank Installation	3/7/2013	1,000.00	1,000.00
10946	KARL A. HATTENDORF Biodiesel Tank Installation	3/7/2013	(1,000.00)	(1,000.00)
10947	LAMAR BROS TIRE SERVICE, INC. 2 MISC USED OTR AIR CHUCKS	3/7/2013	16.20	16.20
10948	MALLORY CO. INC 1 CASE MICROMAX NS CVRALL-M 10 CASES CVRL NEX GEN ZIP FRONT 1X HHW Disposal Supplies 20 DOZ GLV STR KW BLEACHED	3/7/2013	90.67 869.60 95.19	1,055.46
10949	MANDY BROOKS NEW LOGO PAYOUT FOR MARKETING CAMPAIGN	3/7/2013	100.00	100.00
10950	MONICA AMBRIZ NEW LOGO PAYOUT FOR MARKETING CAMPAIGN	3/7/2013	100.00	100.00
10951	MONTEREY REGIONAL WATER POLLUTION CONTROL AGEN MRWPCA & CITY SERVICE FEE 02.01.2013 - 03.31.2013	3/7/2013	25.58	25.58
10952	MONTEREY SANITARY SUPPLY, INC. Janitorial Supplies SS 02.07.13	3/7/2013	215.45	215.45
10953	NETPIPE INTERNET SERVICES INTERNET SERVICES MAR 2013	3/7/2013	300.00	300.00

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10954	NEXTEL OF CALIFORNIA, INC Cellphone Service DECEMBER 2012	3/7/2013	906.91	906.91
10955	OFFICE DEPOT 1HP 35A BLACK TONER SS TS BREAKROOM SUPPLIES 74 VARIOUS SIZES OF BINDERS Electronic Cash Box Drawer & Wireless Adapter WIRELESS KEYBOARD/MOUSE	3/7/2013	65.69 72.53 634.18 164.10 30.77	967.27
10956	**Void**	3/7/2013	0.00	0.00
10957	ORCHARD SUPPLY HARDWARE LLC CRAFTSMAN MTS 260P	3/7/2013	291.59	291.59
10958	PACIFIC GAS AND ELECTRIC COMPANY ELECTRIC SERVICES THRU 02.21.13	3/7/2013	6,299.46	6,299.46
10959	PITNEY BOWES - POSTAGE Postage 03.05.13 REFILL	3/7/2013	800.00	800.00
10960	PURE WATER BOTTLING BOTTLED WATER SERVICES 03.01.13	3/7/2013	123.25	123.25
10961	QUINN COMPANY 950G6 BOLTS, 2 NUTS, 4 WASHERS, 1 MUFFLER ASSEMBLY 950K HYDRO - 10W-5 GAL	3/7/2013	795.59 112.59	908.18
10962	REPUBLIC SERVICES #471 TRASH CART SERVICE MAR 2013	3/7/2013	60.22	60.22
10963	RUBEN GONZALEZ NEW LOGO PAYOUT FOR MAREKTING CAMPAIGN	3/7/2013	100.00	100.00
10964	SCS FIELD SERVICES CH CLOSURE SUPPORT & NR LFG OM&M JAN 2013 CH NR LEACHATED JAN 2013 JC NR LFG JAN 2013 JR OM&M ENGINEERING JAN 2013	3/7/2013	17,951.10 196.00 1,699.10 276.53	20,122.73
10965	SHARPS SOLUTIONS, LLC Sharps Disposal 02.27.13	3/7/2013	160.00	160.00
10966	STURDY OIL COMPANY SS TS TRK/TRLR 4 WASH & 8 STEAM CLEANING	3/7/2013	520.00	520.00
10967	SWT ENGINEERING, INC. Engineering Services THRU 12.02.12	3/7/2013	5,894.44	5,894.44

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10968	UNITED RENTALS NORTHWEST , INC JC BACKHOE AUGER SIGN REPLACEMENT	3/7/2013	239.06	239.06
10969	VALLEY PACIFIC PETROLEUM SERVICES, INC. SS TS EQUIPMENT DIESEL FUEL THRU 02.28.13	3/7/2013	545.06	545.06
10970	PATRICIA A. BERGSTROM Knowledge Resource Group	3/7/2013	2,710.00	2,710.00
10971	AT&T SERVICES INC JC 8316752114750 TELEPHONE SERVICES THRU 02.18.13	3/12/2013	156.58	156.58
10972	BC LABORATORIES, INC CH GRDWTR ANALYTICAL SERVICES 01.23.13	3/12/2013	6,123.00	6,123.00
10973	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM PRE-RETIREMENT DEATH BENEFITS FY 12-13	3/12/2013	1,728.00	1,728.00
10974	COAST COUNTIES TRUCK & EQUIPMENT CO. 16096 MIRROR YOKE MOUNT L/R	3/12/2013	531.15	531.15
10975	COAST OIL COMPANY, LLC SS TS EQUIP BIODIESEL & DIESEL FUEL FEB 2013	3/12/2013	20,185.28	20,185.28
10976	EDWARDS TRUCK CENTER, INC 1 CLAMP V BAND, INBOUND FREIGHT 1 HEADSET KIT 1 V CLAMP EGR BAND 16094 1 CLAMP 16094 10 SEAL GROMMETS 16094 2 SEAL CLAMPS 5" PREFORMED CLAMP, CLAMP INJ CELECT 98M, 2 GASKETS, INBOUND FREIGHT TRK003 1 HEADSET KIT, 2 O-RINGS	3/12/2013	37.08 231.40 39.71 8.48 29.05 18.06 20.30 602.73 240.60	1,227.41
10977	FERGUSON ENTERPRISES INC #588 100 18X20 GA COR MTL SLD PIPE, 4 18 DIMPLED COUP CH CIP 9312 2 10 RR 1/8 FF 150# GASKET, 1 12PVC S4	3/12/2013	2,153.23 539.16	2,692.39
10978	GOLDEN STATE TRUCK & TRAILER REPAIR CH CIP 9308 BIG TEX TRAILER REPAIR FLAT TIRE CH CIP 9308 JOHN DEERE FLAT TIRE REPLACED TRK004 2 BRIDGESTONE 295/75R22.5 TIRES	3/12/2013	178.23 275.00 7,075.46	7,528.69
10979	GREEN RUBBER - KENNEDY AG, LP CH LFG CLOSURE SUPPLIES 4" 90 ELL, 4" TEE PVC S40	3/12/2013	43.77	43.77

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10980	HERTZ EQUIPMENT RENTAL CORPORATION CH CIP 9312 4-WHEEL DSL KUBOTA CART 01.30.13 - 02. CH CIP 9312 JOHN DEERE EXCAVATOR 02.04.13 - 03.04. CH CIP 9312 MULTIQUI RAMMER 02.14.13 - 03.04.13	3/12/2013	714.88 4,293.04 792.28	5,800.20
10981	HOPE SERVICES JC MATTRESS/BOX SPRING RECYCLING 02.28.13	3/12/2013	737.50	737.50
10982	INFINITY STAFFING SERVICES, INC. SS TS CONTRACT DRIVERS WK ENDING 03.03.13	3/12/2013	749.25	749.25
10983	MONTEREY AUTO SUPPLY INC TRK002 RR INNER TIRE REPAIRED	3/12/2013	745.01	745.01
10984	MONTEREY COUNTY HEALTH DEPARTMENT Monterey County Regional Fees	3/12/2013	48,547.70	48,547.70
10985	QUINN COMPANY 950K 2 PAD ASSEMBLIES 950K 330 HOSES, COUPLINGS, SEAL-O-RING 950K CLEAN BUCKET, INSTALL GUARD, HOSES & LINES CAT ET DEALER CUST SOFTWARE UPGRADE (GSTTR)	3/12/2013	142.06 354.22 2,650.77 1,674.00	4,821.05
10986	SCS FIELD SERVICES JC NR LEACHATE ENG SERV JAN 2013 LR NR OM&M ENG SERV JAN 2013	3/12/2013	2,386.18 223.50	2,609.68
10987	THOMAS M BRUEN LEGAL SERVICES RENDERED FEB 2013	3/12/2013	5,551.40	5,551.40
10988	UNITED RENTALS NORTHWEST , INC SS TS EQUIP RENT 37-44FT BOOM BIRD NETTING REPAIR	3/12/2013	296.64	296.64
10989	US BANK CORPORATE PAYMENT SYSTEM Basic Foods: Board Meeting Supplies SAFETYSIGN.COM 8 EA 20 X 14" OUTDOOR DURABLE PLAST Lands End MONTEREY BAY COMPUTER WORKS FIRST AWAKENINGS - BRKFST W/ M BALLIET Docstop Premium Membership Confirmation RG SurveyMonkey.com Lands End ENG DEPT SHIRT ORDER Lands End FINANCE DEPARTMENT SHIRT ORDERS Northern California Human Resources Association NCHRA HR West Conference 2013 INTERMEDIA EXCHANGE SERVICE FEB 2013 INTERMEDIA EXCHANGE SERVICE FEB 2013 HUGHESNET.COM UPGRADE HUGHESNET.COM UPGRADE Salinas Valley Chamber of Commerce lunch n learn 2 IPMA-HR Membership Renewal	3/12/2013	15.95 188.94 622.96 130.18 28.93 19.95 72.00 77.61 397.48 1,146.00 695.00 19.98 219.80 79.99 65.02 15.00 149.00	

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Check #	Name	Check Date	Amount	Check Total
	Mikes Pizza: BD Mtg Refreshments 1/24/13		56.25	
	Sharefile.com: FTP Monthly Service 2012-13		32.95	
	Lands End OPS DEPT SHIRT ORDERS		224.84	
	La Plaza Bakery Patrick's meeting with City Manage		104.81	
	HOME DEPOT Replacement Ceiling Lights		109.29	
	Land's End Shirt with Logo for Patrick		65.82	
	Smart & Final: EC Mtg 2/6/13 Refreshments		24.04	
	Smart & Final Supplies for IWMTF mtg 1.31.13		16.97	
	APPLE ITUNES THE PRESENTATION SERIRES OF STEVE JOB		14.95	
	Smart & Final Toilet Pper for SS Scale House		8.09	
	Fred Pryor Seminars: The Adobe Photoshop		149.00	
				4,750.80
10990	**Void**	3/12/2013	0.00	
				0.00
10991	**Void**	3/12/2013	0.00	
				0.00
10992	VISION RECYCLING INC	3/12/2013		
	C & D OUTSIDE GRINDING 02.27 & 02.28.13		6,050.00	
	JC Organics Program FEB 2013		9,484.54	
	MISC CONTRACT SERVICES FEB 2013		200.00	
				15,734.54
10993	WASTE MANAGEMENT INC	3/12/2013		
	BFI WASTE DELIVERED TO MADISON - FEB 2013		1,813.77	
				1,813.77
10994	WESTERN EXTERMINATOR COMPANY	3/12/2013		
	RODENT CONTROL SERVICE FEB 2013		272.00	
				272.00
10995	CITY OF GONZALES	3/19/2013		
	CITY OF GONZALES HOSTING FEES FY 2012-13		20,833.33	
				20,833.33
10996	COAST COUNTIES TRUCK & EQUIPMENT CO.	3/19/2013		
	16094 CLECT ISM INJECTOR & CORE		974.43	
				974.43
10997	COAST OIL COMPANY, LLC	3/19/2013		
	SSTS EQUIP BIO-DIESEL FUEL USAGE 03.01.13		1,649.13	
				1,649.13
10998	CSMFO - CITY OF WATSONVILLE	3/19/2013		
	CSMFO 03.28.13 REGISTRATION		25.00	
				25.00
10999	DAVE S. DEERING	3/19/2013		
	Administrative Building 03.13.13		655.00	
	Sun Street Transfer Station 03.13.13		790.00	
				1,445.00
11000	F.A.S.T. SERVICES	3/19/2013		
	BD Mtg Translation Services 01.24.13		360.00	
				360.00
11001	GAIL K. TSUBOI	3/19/2013		
	BD Retreat Transcription 1-18-13		1,456.67	
				1,456.67

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11002	GOLDEN STATE TRUCK & TRAILER REPAIR 1 SD 12-16.5/10 SKS XTRA WALL PNU CH BOBCAT 2200 STEERING COLUMN BOLT REPLACED SS TS STEEL CONTAINER TRK 002 REPLACE X2 LEFT SIDE OUTER/INNER TIRES	3/19/2013	214.35 240.00 810.00 112.50	1,376.85
11003	JOHNSON ASSOCIATES 1 3/8"-1/2" RATCHET CHAIN BINDER (9200LB)	3/19/2013	34.56	34.56
11004	L. A. HEARNE COMPANY SS CAL SPA 50 LBS FORAGE #1, 15 EA BALED STRAW	3/19/2013	172.25	172.25
11005	LUMBERMENS INC CH CIP 9312 SUPPLIES 14 50LB FENCE POST CONCRETE M 276 6X8 2 BTRS, 4 PT 2X8 12' DF 2BTRS CH CIP 9312 SUPPLIES 3 EA PT 6X8 16' DF 2BTRS CH CIP 9312 SUPPLIES 6 50LB FENCE POST CONCRETE MI	3/19/2013	40.07 1,771.31 331.27 121.16	2,263.81
11006	MANDY BROOKS Fuel for white Ranger	3/19/2013	60.10	60.10
11007	MANUEL PEREA TRUCKING, INC. CH, JC, SS EQUIPMENT TRANSPORTATION JAN/FEB 2013	3/19/2013	1,350.00	1,350.00
11008	MONTEREY SANITARY SUPPLY, INC. Janitorial Supplies	3/19/2013	186.29	186.29
11009	NEXIS PARTNERS, LLC RENT & COMMON AREAS FY 2012/13	3/19/2013	8,709.00	8,709.00
11010	OFFICE DEPOT 4 FRESHMATIC REFILLS 10 SETS DIVIDERS Office Supplies Computer Stand Office Supplies Finance Supplies Wifi Extender for HHW	3/19/2013	27.09 156.95 21.59 1,071.36 48.37 80.99	1,406.35
11011	PHILIP SERVICES CORP HHW Disposal & Supplies 2012-13	3/19/2013	17,546.90	17,546.90
11012	PLACEMENT PROS CH CLOSURE CONTRACT EMPLOYEES WK ENDING 02.17.13	3/19/2013	724.32	724.32
11013	R. PATRICK MATHEWS Patrick Mathews Monterey Bay managers group	3/19/2013	25.00	25.00
11014	RECOLOGY WASTE SOLUTIONS, INC Diversion Services at JC Landfill FEB 2013	3/19/2013	8,770.66	8,770.66

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11015	SCS FIELD SERVICES JC NR LFG FEB 2013 LR NR OM&M FEB 2013 TASK 1A LR LFG OMM FEB 2013 TASK 2A - CH LFG OMM FEB 2013 TASK 2E CH GROUNDWATER CAP FEB 2013 TASK 2G CH LEACHATE OMM FEB 2013 TASK 3A JC LFG OMM FEB 2013 TASK 3E JC LEACHATE OMM FEB 2013	3/19/2013	10,357.33 1,570.40 3,691.00 4,712.00 1,344.00 1,400.00 3,539.00 2,195.00	28,808.73
11016	TRI-COUNTY FIRE PROTECTION, INC. Fire Extinguisher annual maintenance	3/19/2013	470.32	470.32
11017	UNITED RENTALS NORTHWEST , INC SS CAL SPA MINI EXCAVATOR RENTAL 02.23.16 - 03.01.	3/19/2013	1,298.07	1,298.07
11018	VERIZON WIRELESS SERVICES, LLC 2012-13 Cellphone Service	3/19/2013	119.39	119.39
11019	VISION RECYCLING INC JC Organics Program FEB 2013	3/19/2013	34,479.72	34,479.72
11020	WASTE MANAGEMENT INC JOLON ROAD OPERATIONS FEB 2013	3/19/2013	56,757.89	56,757.89
11021	WEST COAST RUBBER RECYCLING, INC 48' TRAILER FILLED W/JUNK TIRES	3/19/2013	950.00	950.00
11022	WORKWELL MEDICAL GROUP WORK WELL FIRST AID	3/19/2013	373.54	373.54
11023	WASTE MANAGEMENT INC Waste Management - Refund of Duplicate Payments	3/21/2013	111,388.37	111,388.37
11024	LAW OFFICES OF ANDREW L. PACKARD-CLIENT TRUST ACC(3/25/2013 CALSPA SETTLEMENT - COMPLIANCE MONITORING FUND	3/25/2013	50,000.00	50,000.00
11025	Rose Foundation for Communities & the Environment CALSPA SETTLEMENT	3/25/2013	40,000.00	40,000.00
11026	ADMANOR, INC BRANDING FEB 2013 CCRM MEDIA & MARKETING SERVICES FEB 2013 RECYCLING OUTREACH/EDUCATION FEB 2013	3/27/2013	8,462.50 8,730.00 325.00	17,517.50
11027	AGRICULTURE & LAND BASED TRAINING ASSOCIATION Module 3: ABT 104 ALBA Farmer Education Program	3/27/2013	260.00	260.00
11028	ANNE MARIE HUNTER RecycleRama THRU 03.15.13	3/27/2013	1,968.75	1,968.75

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11029	AT&T SERVICES INC CH 6632796173 PH SERVICE THRU 03.10.13	3/27/2013	106.68	106.68
11030	BC LABORATORIES, INC ALL SITES GRDWTR ANALYTICAL SERVICES FY 2012-13	3/27/2013	229.00	229.00
11031	BRANDY ELLEN ACEVEDO RecycleRama 2012-13 THRU 03.15.13	3/27/2013	1,675.66	1,675.66
11032	COAST COUNTIES TRUCK & EQUIPMENT CO. 16094 SOLENOID VALVE	3/27/2013	114.27	114.27
11033	COAST OIL COMPANY, LLC SSTS EQUIP BIO-DIESEL FUEL USAGE 03.13.13	3/27/2013	1,706.34	1,706.34
11034	FERGUSON ENTERPRISES INC #588 CH CIP 9312 16 EA 2 DI 125# C110 THRD COMP FLG F/S CH CIP 9312 6 EA 36" HDPE JOIN RESTRAINTS	3/27/2013	214.27 2,099.52	2,313.79
11035	GEARY WILTON LYONS CH CIP 9307 SUPPLIES 142 BALES OF RICE STRAW	3/27/2013	924.00	924.00
11036	GEOLOGIC ASSOCIATES, INC. ALL SITES GROUNDWATER MONITOR JAN 2013	3/27/2013	20,589.00	20,589.00
11037	GOLDEN STATE TRUCK & TRAILER REPAIR LOADER CUTTING EDGES REPLACED SS FABRICATED 4 SHAKERS TRK003 HOLD DOWN BRACKET OF ACCUMULATOR WELDED	3/27/2013	300.00 3,030.00 2,881.46	6,211.46
11038	GRAINGER HHW SUPPLIES -CORLDESS TELEPHONE	3/27/2013	95.96	95.96
11039	GUERITO JC & SS TS PORTABLE TOILET SERVICE MAR 2013	3/27/2013	330.00	330.00
11040	HOPE SERVICES SS MATTRESS/BOX SPRING RECYCLING 03.01.13	3/27/2013	943.75	943.75
11041	IVY CONTRERAS Recyclerama THRU 03.15.13	3/27/2013	1,988.75	1,988.75
11042	JOSEPH A. FRAUSTO RecycleRama THRU 03.15.13	3/27/2013	311.13	311.13
11043	L. A. HEARNE COMPANY CH CIP 9307 SUPPLIES 397 BALED STRAW	3/27/2013	200.00	200.00
11044	LUMBERMENS INC 10 4X6 20' DF 2BTR, 10 PT 6X8 6' DF 2BTR 20 60LB RPAID SET CONCRETE, ETC	3/27/2013	1,356.55 443.83	1,800.38

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2013 to 3/31/2013

Check #	Name	Check Date	Amount	Check Total
11045	MONICA AMBRIZ FRED PRYOR SEMINAR IN MONTEREY PER DIEM	3/27/2013	18.00	18.00
11046	MONTEREY COUNTY TREASURER/TAX COLLECTOR CH 125-271-058-000 2012-13 PYMT #2 CH 125-271-063-000 2012-13 PYMT #2 CH 125-491-012-000 2012-13 PYMT #2 JC 223-042-017-000 2012-13 PYMT #2 JC 223-042-018-000 2012-13 PYMT #2 JR 420-081-015-000 2012-13 PYMT #2 JR 420-081-016-000 2012-13 PYMT #2 LR 412-102-006-000 2012-13 PYMT #2 SS 003-051-086-000 2012-13 PYMT #2 SS 003-051-087-000 2012-13 PYMT #2	3/27/2013	34.25 869.10 21.50 2,527.78 7,652.56 17.25 17.25 1,081.19 11.25 13.25	12,245.38
11047	NEXTEL OF CALIFORNIA, INC Cellphone Service FEB 2013	3/27/2013	358.04	358.04
11048	OFFICE DEPOT 8 CASES OF PAPER	3/27/2013	339.98	339.98
11049	PACIFIC GAS AND ELECTRIC COMPANY JC & JC ECS ELECTRICAL SERVICE THRU 03.19.13	3/27/2013	1,926.48	1,926.48
11050	PACIFIC MUNICIPAL CONSULTANTS CH CLOSURE CEQA 01.26.13 - 02.22.13	3/27/2013	3,117.62	3,117.62
11051	PITNEY BOWES GLOBAL Postage Machine Lease MAR-JUN 2013	3/27/2013	298.48	298.48
11052	R. PATRICK MATHEWS Patrick Mathews - Per Diem SWANA WESTERN REGIONAL SYM	3/27/2013	87.00	87.00
11053	ROBERT B GOMEZ Recyclerama THRU 03.15.13	3/27/2013	363.16	363.16
11054	ROBERTO MORENO GFOA ANNUAL CONF RM'S PER DIEM TYLER CONNECT 2013 PER DIEM	3/27/2013	118.00 178.00	296.00
11055	ROSE GILL HR WEST 2013 RG PER DIEM	3/27/2013	86.00	86.00
11056	SALINAS CALIFORNIAN #1078 Pub Notice: Fees Public Hearing 3/13	3/27/2013	163.36	163.36
11057	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARI CH CIP 9312 SUPPLIES AS OF 02.20.13	3/27/2013	94,505.14	94,505.14
11058	**Void**	3/27/2013	0.00	0.00
11059	**Void**	3/27/2013		

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2013 to 3/31/2013

Check #	Name	Check Date	Amount	Check Total
			0.00	0.00
11060	SOUTH COUNTY NEWSPAPER Pub Notice: Fees Public Hearing 3/13	3/27/2013	349.80	349.80
11061	URS CORPORATION JC Roadway Project Eng Services THRU 02.15.13 MRC/AUTOCLAVE ENG SERVICES THRU 02.15.13	3/27/2013	3,642.50 1,017.10	4,659.60
11062	VALLEY PACIFIC PETROLEUM SERVICES, INC. SS TS VEHICLE & EQUIP FUEL THRU 03.15.13	3/27/2013	1,057.61	1,057.61
11063	WESTERN EXTERMINATOR COMPANY JC STORAGE CONTAINER RODENT CONTROL FEB 2013	3/27/2013	53.00	53.00
11064	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION Fuel Expenses FEB 2013	3/27/2013	2,145.37	2,145.37
DFT201379	WAGEWORKS FSA MONTHLY ADMIN FEES FEB 2013	3/25/2013	50.00	50.00
			-	50.00
	Subtotal		<u>967,056.86</u>	967,056.86
	Payroll Disbursements			<u>340,963.27</u>
	Grand Total			<u><u>1,308,020.13</u></u>





SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 3


Finance Manager/Controller-Treasurer

N/A
Legal Counsel

General Manager/CAO

Date: May 16, 2013
From: Roberto Moreno, Finance Manager
Title: Tonnage and Diversion Report for the Quarter Ended March 31, 2013

RECOMMENDATION

Staff recommends that the Board accept this report.

STRATEGIC PLAN RELATIONSHIP

This is a routine information item.

FISCAL IMPACT

For the quarter ended March 31, 2013, the Authority paid Recology \$497,221 for landfilling 35,871 tons of solid waste. This is an average of \$13.86 per ton.

DISCUSSION & ANALYSIS

Total Tons Landfilled

Total tons landfilled decreased by 1.0% for the quarter ended March 31, 2013 as shown below:

	<u>1Q 2013</u>	<u>1Q 2012</u>	<u>Change in</u>	
<u>Service Area</u>	<u>Tonnage</u>	<u>Tonnage</u>	<u>Tonnage</u>	<u>% Change</u>
Authority Service Area	35,870	36,430	(560)	-1.5%
South Santa Clara Valley	16,445	16,377	68	0.4%
Out of District	<u>1</u>	<u>13</u>	<u>(12)</u>	<u>100.0%</u>
Total Landfilled	52,317	52,821	(504)	-1.0%

For the quarter ended March 31, 2013, the Authority landfilled 35,870 tons of solid waste generated from the Authority's service area. This is a decrease of 1.5% over the same quarter of the previous year's total of 36,430.

As of March 31, 2013, the Authority landfilled a total of 52,317 tons for the quarter including 16,445 from South Santa Clara Valley. This represents a 1% decrease over the same period in the previous year's total landfilled tonnage of 52,821.

South Valley Tonnage

The total tonnage delivered from outside of the County by Recology South Valley Disposal and Recycling during this quarter was 16,445 tons or 31% of all landfilled tonnage. This is a 0.4% increase over the same quarter of 2012. The revenue earned for the guaranteed minimum importation of waste from Recology South Valley Disposal during this quarter was \$585,241.

As of March 31, 2013, the Authority has received 50,656 tons or 65% of the guaranteed 78,286 tons for the fiscal year per the agreement with Recology South Valley Disposal & Recycling.

Authority Service Area Tonnage Analysis

The following table analysis is for the Authority Service Area tonnage only as accepted at the Johnson Canyon Landfill:

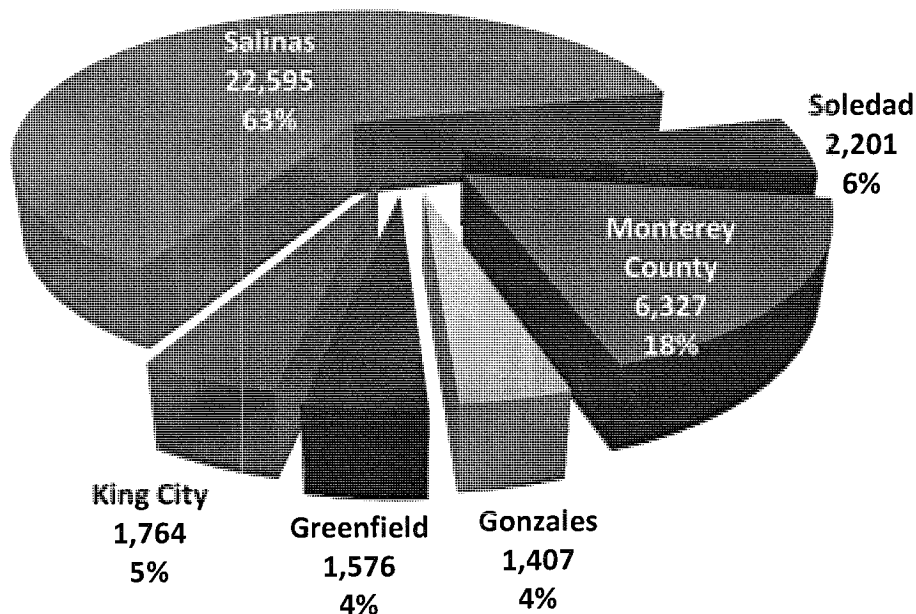
	Jan-Mar 2013		Jan-Mar 2012		Change in	%
	Tonnage	%	Tonnage	%	Tonnage	Change
Total Tons Accepted	45,019	100%	45,989	100%	(969)	-2.1%
<i>Less Diverted Materials</i>	9,149	20%	9,559	21%	(410)	-4.3%
Total Landfilled	35,870	80%	36,430	79%	(560)	-1.5%

Compared to the corresponding quarter in 2012, the total tons accepted for the quarter ending March 31, 2013 decreased by 2.1% and diverted material decreased by 4.3%, resulting in a net decrease of 1.5% in tons landfilled. The decrease in diverted materials coincides with the decrease in tons accepted.

Waste Origin

Of the 35,870 tons landfilled from the Authority's service area, the City of Salinas accounts for 63% of the waste and the County accounts for 18%.

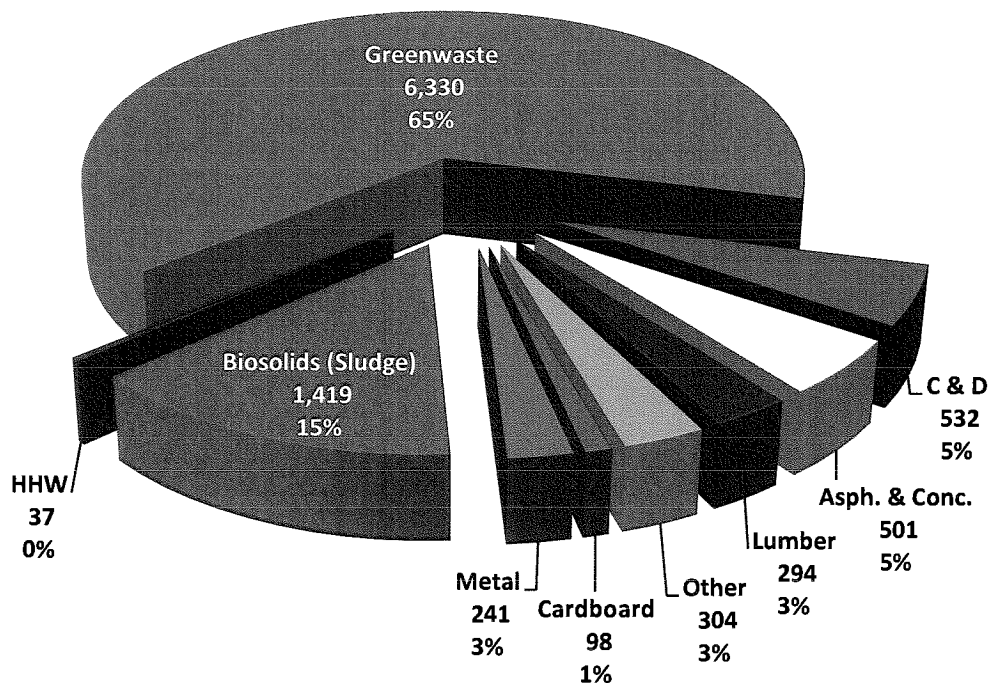
QUARTER ENDED March 31, 2013 AUTHORITY LANDFILLED WASTE ORIGIN- 35,870 TONS



Diverted Materials

The Diverted Tonnage chart below shows the Authority received a grand total of 9,756 tons of diverted materials for the quarter ended March 31, 2013. In addition to the 9,149 tons of diverted materials received at Johnson Canyon, as shown in the *Authority Service Area Tonnage* table, the Authority sent 570 tons of recyclable materials to market directly from the Sun Street Transfer Station. The Authority also diverted approximately 37 tons of Household Hazardous Waste (HHW) materials*. Total tons of diverted materials for the quarter ended March 31, 2013 has resulted in a net decrease in recycling of 535 tons or 5% over the same quarter of the previous year.

QUARTER ENDED March 31, 2013 DIVERTED MATERIALS - 9,756 TONS



*HHW tonnage is estimated, due to pending data.

ATTACHEMENTS


None



SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 4


Finance Manager/Controller-Treasurer

N/A

Legal Counsel


General Manager/CAO

Date: May 16, 2013

From: Mandy Brooks, Recycling Coordinator
Cesar Zuniga, Operations Manager

Title: A Resolution Approving a Three-Year Services Agreement with Hope Services for Hauling and Recycling of Mattresses and Box Springs Not to Exceed \$35,000 each year

RECOMMENDATION

Staff recommends that the Board adopt the resolution authorizing a three-year contract.

Hope Services provides necessary hauling and recycling of mattresses and box springs at the Sun Street Transfer Station in Salinas as well as the Johnson Canyon Landfill outside of Gonzales. This agreement will allow the Authority to continue our working relationship with a local community partner.

STRATEGIC PLAN RELATIONSHIP

The recommended action will assist the Authority in supporting the Strategic Plan Objective to Achieve 75% Diversion by 2015 and compliance with AB939 mandates.

FISCAL IMPACT

The proposed 2013-14 budget includes \$35,000 for handling and recycling services of box springs and mattresses in account 106-6-2600-63631.

In addition, staff time is required to load the mattresses in trailers for pickup and direct or assist customers in unloading and loading. The current fee charged for mattresses and box springs of \$15.00 each reflects the full cost to handle, process, and recycle each unit.

Hope Services has also agreed to decrease their current fee from \$6.25 to \$6.00 per unit with no additional transportation cost. This will be an estimated annual cost savings of over \$900 based on current mattress and box spring counts for this past year. The maximum amount of the services contract for fiscal year 2013-2014 will be \$35,000.

DISCUSSION & ANALYSIS

The current agreement with Hope Services will terminate on June 30, 2013. Staff requested quotes for this service and HOPE Services submitted the lowest cost to the Authority.

The Authority provides mattress and box spring collection at Johnson Canyon Landfill and Sun Street Transfer Station. During FY 2011-12 Hope Services picked up

approximately 3,060 mattresses/box springs at a cost of \$19,283. During this current fiscal year to present, Hope Services has picked up 2,575 mattresses at a cost of \$16,031, which represents more than 77 tons of diversion from the landfill. Additionally, Hope Services is a local non-profit company which reduces the Authority's carbon footprint in accordance with AB 32, and it employs local people.

BACKGROUND

The Board of Directors set the goal to divert 75% of landfill waste from the waste stream by 2015. To this end, the Authority established a mattress recycling program in June of 2009 to divert mattresses and box springs from the waste stream. The Board approved the current Service Agreement with Hope Services at the June 18, 2009 meeting as a result of a competitive Request for Proposals for mattresses and box springs recycling and hauling services. The agreement allowed for two optional one-year extensions, and it was extended for one year on May 20, 2010 and again on April 21, 2011.

The Authority and Hope Services have an excellent working relationship and Hope is able to provide a unique service based on its in-depth knowledge of Authority operations and the surrounding community. In addition, Hope has consistently lowered or kept the same fee schedule for the past four years.

ATTACHMENTS

1. Resolution
2. Exhibit A –Service Agreement
3. Exhibit B – Scope of Work
4. Exhibit C – Fee Schedule

RESOLUTION NO. 2013 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A THREE-YEAR SERVICES AGREEMENT WITH HOPE SERVICES FOR HAULING AND RECYCLING OF MATTRESSES AND BOX SPRINGS IN AN AMOUNT NOT TO EXCEED \$35,000 EACH YEAR

WHEREAS, in the case of professional services, qualifications and experience to the benefit of the Authority shall receive first consideration; and,

WHEREAS, Hope Services, has been the Authority's Mattress Recycler since 2009 and has an in-depth knowledge of Authority operations; and,

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute a three-year Professional Services Agreement with Hope Services for mattress and box spring hauling and recycling services in an amount not to exceed \$35,000 each year as attached hereto and marked "Exhibit A."

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 16th day of May 2013, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Fernando Armenta, President

ATTEST:

Elia Zavala, Clerk of the Board



EXHIBIT A

AGREEMENT FOR SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND HOPE SERVICES FOR HAULING AND RECYCLING OF MATTRESSES AND BOX SPRINGS IN AN AMOUNT NOT TO EXCEED \$35,000

This agreement, made and entered into this 16TH day of May, 2013, by and between the Salinas Valley Solid Waste Authority, a joint powers authority organized under the laws of the State of California (hereinafter "Authority"), and Hope Services, a registered 501C nonprofit corporation, (hereinafter "Contractor").

WHEREAS, Contractor represents that Hope Services is specially trained, experienced, and competent to perform the services which will be required by this agreement; and

WHEREAS, Contractor is willing to render such services, as hereinafter defined, on the following terms and conditions,

NOW, THEREFORE, Contractor and Authority agree as follows:

1. Scope of Service

The project contemplated and the Contractor's services are described in Exhibit "B," attached hereto and incorporated herein by reference.

2. Completion Schedule

Contractor shall complete the services described in Exhibit "B" by June 30, 2016.

3. Compensation

Authority hereby agrees to pay Contractor for services rendered to Authority pursuant to this agreement in an amount not to exceed the amount indicated in the payment schedule in, and in the manner indicated and in accordance with, Exhibit "C."

4. Billing

Contractor shall submit to Authority an itemized invoice, prepared in a form satisfactory to Authority, describing its services and costs for the period covered by the invoice. Except as specifically authorized by Authority, Contractor shall not bill Authority for duplicate services performed by more than one person. Contractor's bills shall include the following information to which such services or costs pertain:

- A. Brief description of services performed;
- B. The date the services were performed;
- C. The number of hours spent and by whom;

- D. A brief description of any costs incurred;
- E. The Contractor's signature; and
- F. Reference to Authority's Purchase Order Number

In no event shall Contractor submit any billing for an amount in excess of the maximum amount of compensation provided in Section 3, unless authorized pursuant to Section 5 herein.

All such invoices shall be in full accord with any and all applicable provisions of this agreement.

Authority shall make payment on each such invoice within forty-five (45) days of receipt, provided, however, that if Contractor submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this agreement, Authority shall not be obligated to process any payment to Contractor until forty-five (45) days after a correct and complying invoice has been submitted by Contractor.

5. Additional Services

It is understood by Authority and Contractor that it may be necessary, in connection with the project, for Contractor to perform or secure the performance of consulting and related services other than those set forth in Exhibit "B." Authority has listed those additional services that could be anticipated at the time of the execution of the agreement as shown in Exhibit "B." If said additional services are requested by the Authority, Contractor shall advise Authority in writing of the need for additional services, and the cost of, and estimated time to perform, the services. Contractor shall not proceed to perform any such additional service until Authority has determined that such service is required beyond the scope of the basic services to be provided by the Contractor, and has given its written authorization to perform. Written approval for performance and compensation for additional services may be granted by the Authority's General Manager/CAO or his designee.

Except as hereinabove stated, any additional service not shown on Exhibit "B" shall require an amendment to this agreement and shall be subject to all of the provisions of this agreement.

6. Additional Copies

If Authority requires additional copies of reports, or any other material which Contractor is required to furnish in limited quantities as part of the services under this agreement, Contractor shall provide such additional copies as are requested, and Authority shall compensate Contractor for the actual costs of duplicating such copies.

7. Responsibility of Contractor

- A. By executing this agreement, Contractor agrees that Contractor is apprised of the scope of work to be performed under this agreement and Contractor agrees that said work can and shall be performed in a fully competent manner. By executing this agreement, Contractor further agrees and warrants to Authority that the Contractor possesses, or shall arrange to secure from others, all of the necessary capabilities, experience, resources, and facilities necessary to provide the Authority the services contemplated under this agreement and that Authority relies upon the skills and experience of Contractor to do and perform Contractor's work. Contractor further agrees and warrants that Contractor shall follow the current, generally accepted practices of the Contractor's business or trade to make findings, render opinions, prepare factual presentations, and provide advice and recommendations regarding the project for which

the services are rendered under this agreement.

- B. Contractor has assigned John Bell to have overall responsibility for the execution of this agreement. John Bell is hereby designated as the Project Manager for Contractor. Any change of the Project Manager shall be subject to the prior written acceptance and approval of the Authority's General Manager/CAO or designee.

8. Responsibility of Authority

To the extent appropriate to the project contemplated by this agreement, Authority shall:

- A. Make provisions for Contractor to enter upon public and private property as required by Contractor to perform required services.
- B. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Contractor, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- C. The Authority authorized designee, shall act as Authority's representative with respect to the work to be performed under this agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret, and define Authority's policies and decisions with respect to the materials, equipment, elements, and systems pertinent to Contractor's services. Authority may unilaterally change its representative upon notice to the Contractor.
- D. Give prompt written notice to Contractor whenever Authority observes or otherwise becomes aware of any defect in the project.
- E. Furnish approvals and permits from all governmental authorities having jurisdiction over the project and such approvals and consents from others as may be necessary for completion of the project.

9. Acceptance of Work Not a Release

Acceptance by the Authority of the work performed under this agreement does not operate as a release of Contractor from responsibility for the work performed.

10. Indemnification and Hold Harmless

Contractor shall indemnify, defend and hold Authority and its officers, employees, or agents harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to any property, or any violation of any federal, state, or municipal law or ordinance, or other cause in connection with the negligent or intentional acts or omission of Contractor, its employees, subcontractors, or agents, or on account of the performance or character of the work, except for any such claim arising out of the sole active negligence or willful misconduct of the Authority, its officers, employees or agents. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code, and that Contractor shall at its own expense, upon written request by the Authority, defend any such suit or action brought against the Authority, its officers, agents, or employees.

Acceptance of insurance certificates and endorsements required under this agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Contractor shall reimburse the Authority for all costs and expenses (including, but not limited to, fees and charges of architects, engineers, attorneys, and other professionals, and court costs) incurred by the Authority in enforcing the provisions of this section.

Contractor's obligations in this section shall survive termination of this Agreement.

11. **Insurance**

A. Contractor shall, throughout the duration of this agreement, maintain comprehensive general liability and property insurance covering all operations of the Contractor, its agents and employees, performed in connection with this agreement including, but not limited to, premises and automobile.

B. Contractor shall maintain the following limits:

General Liability

Combined Single Limit Per Occurrence..... \$1 million

General Aggregate..... \$1.5 million

(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)

Automobile Liability:

Combined Single Limit Per Occurrence..... \$1 million

(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)

Workers Compensation..... Full Liability Coverage

(Contractor shall not disclaim responsibility or avoid liability for the acts or omissions of its subcontractors or other contractors. The retroactive date of the policy must be shown and must be before the date of the agreement.)

- C. All insurance companies with the exception of Worker's Compensation affording coverage to the Contractor shall be required to add the Salinas Valley Solid Waste Authority, its officers, employees, and agents, as "additional insureds" by endorsement under the insurance policy and shall stipulate that this insurance policy will operate as primary insurance for the work performed under this agreement and that no other insurance affected by the Authority or other named insured will be called upon to contribute to a loss covered thereunder. The policy shall contain no special limitations on the scope of protection afforded to Authority, its officers, employees, or agents.
- D. All insurance companies affording coverage to the Contractor shall be insurance organizations authorized by the Insurance Commissioner to transact the business of insurance in the State of California.
- E. All insurance companies affording coverage shall issue an endorsement to their policy, committing them to provide thirty (30) days written notice by certified or registered mail to the Salinas Valley Solid Waste Authority should the policy be canceled or reduced in coverage before the expiration date. For the purposes of this notice requirement, any material change prior to expiration shall be considered cancellation.
- F. Contractor shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the Authority concurrently with the submittal of this agreement. A statement on the insurance

certificate which states that the insurance company will endeavor to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" does not satisfy the requirements of subsection (E) herein. The Contractor shall ensure that the above-quoted language is stricken from the certificate by the authorized representative of the insurance company. The insurance certificate shall also state the unpaid limits of the policy.

- G. Contractor shall provide substitute certificate of insurance no later than thirty (30) days prior to the policy expiration date. Failure by the Contractor to provide such a substitution and extend the policy expiration date shall be considered default by Contractor.
- H. Maintenance of insurance by the Contractor as specified in the agreement shall in no way be interpreted as relieving the Contractor of any responsibility whatever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

12. Access to Records

Contractor shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for Authority under this agreement on file for at least three (3) years following the date of final payment to Contractor by Authority. Any duly authorized representative(s) of Authority shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Contractor's usual and customary business hours. Contractor shall provide proper facilities to Authority's representative(s) for such access and inspection.

13. Assignment

It is recognized by the parties hereto that a substantial inducement to Authority for entering into this agreement was, and is, the reputation and competence of Contractor. This agreement is personal to Contractor and shall not be assigned by it without the prior express written approval of the Authority. If the Contractor is a corporation or other business entity, a change of control (meaning a transfer of more than 20% of the voting stock or equity interest in the entity) shall constitute an assignment requiring the Authority's prior consent.

Authority may assign this agreement, and its assignee shall have all of the rights, and be subject to all of the obligations, of Authority hereunder, and whenever an officer of Authority is referred to in this agreement, then the representative of the assignor exercising similar duties shall be deemed to be the person referred to.

14. Changes to Scope of Work

Authority may at any time and, upon a minimum of ten (10) days written notice, seek to modify the scope of basic services to be provided under this agreement. Contractor shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify Authority in writing. The rate of compensation shall be based upon the hourly rates shown in Exhibit "C" of this agreement. Upon agreement between Authority and Contractor as to the extent of said impacts to time and compensation, an amendment to this agreement shall be prepared describing such changes.

Execution of the amendment by Authority and Contractor shall constitute the Contractor's notice to proceed with the changed scope.

15. Compliance with Laws, Rules, and Regulations

Services performed by Contractor pursuant to this agreement shall be performed in accordance and full compliance with all applicable federal, state, and local laws and any rules or regulations promulgated thereunder.

16. Licenses

If a license of any kind, which term is intended to include evidence of registration, is required of Contractor, its employees, agents, or subcontractors by federal or state law, Contractor warrants that such license has been obtained, is valid and in good standing, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

17. Fiscal Considerations

The parties to this Agreement recognize and acknowledge that Authority is a political subdivision of the entities in which it represents. As such, Authority is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of Authority business, Authority will adopt a proposed budget prior to a given fiscal year.

In addition to the above, should the Authority during the course of a given year for financial reasons reduce, or order a reduction, in the budget for which services were agreed to be performed, pursuant to this paragraph in the sole discretion of the Authority, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

18. Interest of Public Official

No official or employee of Authority who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of Authority have any interest, direct or indirect, in this agreement or the proceeds thereof.

19. Withholding (Form 730)

In accordance with changes in Internal Revenue Law, OASDI (Old Age, Survivors, & Disability Insurance) and income taxes may be withheld from any payments made to Contractor under the terms of this Agreement if Contractor is determined by the Authority not to be an independent contractor.

20. California Residency (Form 590)

All independent Contractors providing services to the Authority must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certifying that they have a permanent place of business in California. The Contractor will be required to submit a Form 590 prior to execution of this agreement or Authority shall withhold seven (7) percent of each payment made to the Contractor during the term of this agreement. This requirement applies to any agreement/contract exceeding \$600.

21. Tax Payer Identification Number (Form W-9)

All independent Contractors or Corporations providing services to the Authority must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

22. Independent Contractor

It is expressly understood and agreed by both parties that Contractor, while engaged in carrying out and complying with any of the terms and conditions of this agreement, is an independent contractor and not an employee of the Authority. Contractor expressly warrants not to represent, at any time or in any manner, that Contractor is an employee, agent, or servant of the Authority.

23. Exhibits Incorporated

All exhibits referred to in this agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of the agreement and any of the terms of any exhibit to the agreement, the terms of the agreement shall control the respective duties and liabilities of the parties.

24. Integration and Amendment

This agreement represents the entire understanding of Authority and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or affect with respect to those matters contained herein. No prior oral or written understanding shall be of any force or affect with respect to those matters covered in it. This agreement may not be modified or altered except by amendment in writing signed by both parties.

25. Jurisdiction

This agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this agreement shall be in the State of California in the County of Monterey.

26. Severability

If any part of this agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void in so far as it is in conflict with said laws, but the remainder of the agreement shall continue to be in full force and effect.

27. Notice to Proceed; Progress; Completion

Upon execution of this agreement by both parties, Authority shall give Contractor written notice to proceed with this work. Such notice may authorize Contractor to render all of the services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, Authority shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the work. Upon receipt of such notices, Contractor shall diligently proceed with the work authorized and complete it within the agreed time period specified in said notice.

28. Ownership of Documents

Title to all documents, drawings, specifications, data, reports, summaries, correspondence, photographs, computer software, video and audio tapes, and any other materials with respect to

work performed under this agreement shall vest with Authority at such time as Authority has compensated Contractor, as provided herein, for the services rendered by Contractor in connection with which they were prepared. Authority agrees to hold harmless and indemnify the Contractor against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Contractor.

29. Subcontractors

Contractor shall be entitled, to the extent determined appropriate by Contractor, to subcontract any portion of the work to be performed under this agreement. Contractor shall be responsible to Authority for the actions of persons and firms performing subcontract work. The subcontracting of work by Contractor shall not relieve Contractor, in any manner, of the obligations and requirements imposed upon Contractor by this agreement. All subcontractors shall comply with the insurance requirements in Section 11 as if they were the Contractor.

30. Dispute Resolution

A. MEDIATION

In the event of any dispute, claim, or controversy among the parties arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, the parties shall submit the dispute to the Judicial Arbitration and Mediation Service (JAMS) for non-binding mediation. The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals, and in promptly scheduling the mediation proceedings. The mediation shall take place in Salinas, California. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are and shall be, confidential, privileged, and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the dispute is not resolved within 30 days from the date of the submission of the dispute to mediation (or such later date as the parties may mutually agree in writing), either party may submit the dispute, claim or controversy to binding arbitration as provided in this Agreement. The mediation may continue, if the parties so agree, after the appointment of the arbitrators. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The pendency of a mediation shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that a mediation is pending.

B. ARBITRATION

Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by binding arbitration in Salinas, California before three arbitrators. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The provisions of California Code of Civil Procedure, section

1283.05, as well as, any amendments or revisions thereto, are incorporated into this agreement. Depositions may be taken and discovery may be obtained in any arbitration under this agreement in accordance with said statute or any amendment thereto. Judgment on the arbitrator's award may be entered in any court having jurisdiction. This clause shall not preclude any of the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrators may, in the award, allocate to the prevailing party all or part of the costs of the arbitration, including the fees of the arbitrator, the reasonable attorneys' fees and expert witness fees of the prevailing party. This arbitration clause is subject to the limitation in subsection C below.

C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS

Any claims for relief against the Authority shall be subject to the claims requirements of Government Code Section 905 *et seq.* and the Authority's Ordinance Code Article 3.04 and must be submitted to arbitration within the applicable statutes of limitations governing civil actions against local agencies in California, or will otherwise be barred. The arbitrators shall be without jurisdiction to hear or determine claims barred by the statute of limitations. This provision shall be enforced by the Superior Court of Monterey County or any other court of competent jurisdiction.

31. Termination

- A. In the event that it is determined by the Authority to terminate this agreement, the Authority:
 - 1. Shall give Contractor written notice that in the Authority's opinion the conduct of the Contractor is such that the interests of the Authority may be impaired or prejudiced, or
 - 2. Upon written notice to Contractor, may for any reason whatsoever, terminate this agreement.
- B Upon termination, Contractor shall be entitled to payment of such amount as fairly compensates Contractor for all work satisfactorily performed up to the date of termination based upon rates shown in Exhibit "C," except that:
 - 1. In the event of termination by the Authority for Contractor's default, Authority shall deduct from the amount due Contractor the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Contractor are made to compensate Authority for its actual additional cost incurred in securing satisfactory performance of the terms of this agreement, including but not limited to, costs of engaging other Contractors for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay Authority the full amount of such expense. In the event that this agreement is terminated by Authority for any reason, Contractor shall:
 - a. Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by Authority; and
 - b. Deliver to Authority all documents, data, reports, summaries, correspondence, photographs, computer software, video, and audiotapes, and any other materials provided to Contractor or prepared by or for Contractor or the Authority in connection with this agreement. Such material is to be delivered to Authority

whether in completed form or in process; however, notwithstanding the provisions of Section 23 herein, Authority may condition payment for services rendered to the date of termination upon Contractor's delivery to the Authority of such material.

- C. In the event that this agreement is terminated by Authority for any reason, Authority is hereby expressly permitted to assume this project and complete it by any means, including but not limited to, an agreement with another party.
- D. The rights and remedy of the Authority provided by under this section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this agreement.

32. Audit and Examination of Accounts

- A. Contractor shall keep and will cause any assignee or subcontractor under this agreement to keep accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this agreement.
- B. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.
- C. Contractor hereby agrees to disclose and make available any and all information, reports, or books of records or accounts pertaining to this agreement to Authority and any local, State or Federal government that provides support funding for this project.
- D. Contractor hereby agrees to include the requirements of subsection (B) above in any and all contracts with assignees or Contractors under his agreement.
- E. All records provided for in this section are to be maintained and made available throughout the performance of this agreement and for a period of not less than three (3) years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals, or claims shall be maintained and made available for a period of not less than three (3) years after final resolution of such disputes, litigation, appeals, or claims.

33. Extent of Agreement

This agreement represents the entire integrated agreement between Authority and Contractor and supersedes all prior negotiations, representations, understandings, or agreements between the parties either written or oral.

34. Notices

- A. Written notices to the Authority hereunder shall, until further notice by Authority, be addressed to:

Via Mail

Salinas Valley Solid Waste
Authority
Attn: Mr. R. Patrick Mathews,
General Manager/CAO
P.O. Box 2159
Salinas, CA 93902-2159

Hand Delivered

Salinas Valley Solid Waste Authority
Attn: Mr. R. Patrick Mathews,
General Manager/CAO
128 Sun Street Ste 101
Salinas, CA 93901

B. Written notices to the Contractor shall, until further notice by the Contractor, be addressed to:

Hope Services
Attn: John Bell
546 Brunken Avenue
Salinas, CA 93901

- C. The execution of any such notices by the General Manager/CAO or designee of the Authority shall be as effective to Contractor as if it were by resolution or order of the Authority Board, and Contractor shall not question the authority of the General Manager/CAO or designee to execute any such notice.
- D. All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

35. Nondiscrimination

During the performance of this agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years), or disability. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years), or disability.

36. Conflict of Interest

Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this agreement a violation of any applicable state, local, or federal law. Contractor further declares that, in the performance of this agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify Authority of the existence of such conflict of interest so that Authority may determine whether to terminate this agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 *et seq.*) that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this agreement.

37. Headings

The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this agreement.

38. Multiple Copies of Agreement

Multiple copies of this agreement may be executed but the parties agree that the agreement on file in the office of the Clerk of the Authority Board is the version of the agreement that shall take precedence should any differences exist among counterparts of the documents.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement on the date first above written.

SALINAS VALLEY SOLID WASTE AUTHORITY:

APPROVED AS TO FORM:

R. Patrick Mathews
General Manager/CAO

Thomas M. Bruen
Authority General Counsel

Dated: _____

Dated: _____

ATTEST:

Elia Zavala
Clerk of the Board

Dated: _____

CONTRACTOR:

Hope Services

Dated: _____

Signature

Printed Name & Title

Attachments:

- Exhibit B Scope of Services
- Exhibit C Contractor's Fee Schedule

Exhibit B

Scope of Services

Hope Services will provide the following services to the Salinas Valley Solid Waste Authority:

- A. Hope Services will pick up all mattresses and box springs 2 or 3 times a week or as needed from the Sun Street Transfer Station and Johnson Canyon Landfill.
- B. There will be no minimum shipment requirements.
- C. Hope will recycle all mattresses received from SVSWA; however, the Authority is not obligated to provide all mattresses received at their Facilities to Hope.
- D. Hope will recycle 93% of all mattress material with 7% going back to the landfill (the 7% is comprised of non-recyclable batting and materials).
- E. Hope will provide a count of mattresses received at their facility (from events and self-haul) by origin for diversion reporting.
- F. Hope will participate in community clean-ups and mattress collection by providing a truck and staff in outlying communities and will invoice the City directly for services.
- G. Hope will recycle or reuse any clothing or household goods given to or collected by the SVSWA, at the discretion of the SVSWA.
- H. Hope will continue to work on a plan to recycle used furniture.
- I. Hope will provide, on an annual basis, electronic waste tonnages and other commodities collected or processed at their drop-off locations to SVSWA (by place of origin- i.e. City) for reporting purposes.

Frequency

As needed, when contacted.

Exhibit C

Fee Schedule

- A. The cost for hauling and recycling mattresses and box springs will be \$6.00 ea.
- B. There will be no additional cost for transportation.
- C. There are no other associated costs.
- D. Hope Services will continue to supply mattress and box spring collection and recycling for clean-up events in the Authority's member jurisdictions at no additional cost to the Authority.




SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 5


Finance Manager/Controller-Treasurer

N/A

Legal Counsel


General Manager/CAO

Date: May 16, 2013

From: Mandy Brooks, Recycling Coordinator
Cesar Zuniga, Operations Manager

Title: A Resolution Approving a Services Agreement with Hope Services Inc. for Materials Processing and Litter Abatement at the Sun Street Transfer Station for an Amount not to Exceed \$125,000

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action will assist the Authority in supporting the Strategic Plan Objective to Promote Authority's Role and Value as a Resource Recovery Agency and Achieve 75% Diversion by 2015.

FISCAL IMPACT

The proposed FY 2013-14 Budget has \$65,000 in account 170-6-3730-63636 (Sun St. Recycling Operations - Diversion Assistance) for diversion services and \$60,000 in account 170-6-5700-63597 (Sun St. ECS - Litter Abatement) for litter abatement to cover these services. The hourly rate will increase from \$72.59 per hour to \$73.68 per hour, which represents 1.5% increase over last year.

DISCUSSION & ANALYSIS

The Authority and Republic Services of Salinas continue to increase efforts to identify loads rich in recycling. This coordination has resulted on higher volumes of diverted materials and revenues for the Authority. The Hope Services crew has been an integral part of this on-going successful recovery of these materials. The service agreement with Hope Services Inc., requires a crew of five (5) workers (3 full-time and 2 part-time) and one (1) trained supervisor.

The Authority is committed to partner with Hope Services to provide employment to individuals with developmental disabilities from the Salinas Valley. This collaborative effort has earned several awards over the past couple of years.

Hope Services is a non-profit agency in Monterey County fully dedicated to serving the disabled community by providing job skill development and job placement. The Salinas Valley Solid Waste Authority's partnership with Hope Services supports the sustainability goal of providing green job opportunities to all citizens of the Salinas Valley. As a unique community based service, staff is recommending that the Board make the finding that

under Authority Code Section 3.01.130 (3), this continuing service is an exception to competitive bidding requirements.

BACKGROUND

The mission of Hope Services, Inc. is to assist people with developmental disabilities to live and participate in their communities. Hope Services offers developmentally disabled adults the opportunity to participate in meaningful community work and develop job related skills. Since April 2007, the Authority has been working with Hope Services Inc., to provide litter abatement and diversion services at the Sun Street Transfer Station, thereby assisting the Authority in continuing to be environmentally responsible and a good neighbor.

Hope Services also assists in providing expanded recycling drop-off services to the self-haul and small commercial customers at Sun Street Transfer Station by allocating a 0.5 client to assist an Authority Diversion Worker with customer services and to help unload recycling materials.

ATTACHMENTS

1. Resolution
2. Exhibit A –Service Agreement
3. Exhibit B- Scope of Service & Fee Schedule

RESOLUTION NO. 2013 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A SERVICES AGREEMENT WITH HOPE SERVICES, INC. FOR MATERIALS PROCESSING AND LITTER ABATEMENT SERVICES AT SUN STREET TRANSFER STATION FOR AN AMOUNT NOT TO EXCEED \$125,000

WHEREAS, Hope Services has provided litter abatement and diversion services for the Authority since April 2007 and has unique, in-depth knowledge of the Authority's operations; and,

WHEREAS, the Salinas Valley Solid Waste Authority values Community Partnerships and finds that Hope Services, Inc. provides a unique commodity to the Authority and the community by providing employment to individuals with disabilities in the Salinas Valley; and,

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that under Authority Code Section 3.01.130 (3) this service is an exception to competitive bidding requirements; and,

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to enter into an agreement with Hope Services, Inc. for Materials Processing and Litter Abatement Services at Sun Street Transfer Station for an amount not to exceed \$125,000, as attached hereto and marked "Exhibit A."

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th of May of 2013, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Fernando Armenta, President

ATTEST:

Elia Zavala, Clerk of the Board



EXHIBIT A

AGREEMENT FOR SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND

HOPE SERVICES, INC.

FOR MATERIALS PROCESSING AND LITTER ABATEMENT AT THE SUN STREET TRANSFER STATION

This agreement, made and entered into this 16th day of May of 2013, by and between the Salinas Valley Solid Waste Authority, a joint powers authority organized under the laws of the State of California (hereinafter "Authority"), and Hope Services, Inc. (hereinafter "Contractor").

WHEREAS, Contractor represents that Hope Services, Inc. is specially trained, experienced, and competent to perform the services which will be required by this agreement; and

WHEREAS, Contractor is willing to render such services, as hereinafter defined, on the following terms and conditions,

NOW, THEREFORE, Contractor and Authority agree as follows:

1. Scope of Service

The project contemplated and the Contractor's services are described in Exhibit "B," attached hereto and incorporated herein by reference.

2. Completion Schedule

Contractor shall complete the services described in Exhibit "B" by June 30, 2014.

3. Compensation

Authority hereby agrees to pay Contractor for services rendered to Authority pursuant to this agreement in an amount not to exceed the amount indicated in the payment schedule in, and in the manner indicated and in accordance with, "Exhibit B."

4. Billing

Contractor shall submit to Authority an itemized invoice, prepared in a form satisfactory to Authority, describing its services and costs for the period covered by the invoice. Except as specifically authorized by Authority, Contractor shall not bill Authority for duplicate services performed by more than

one person. Contractor's bills shall include the following information to which such services or costs pertain:

- A. Brief description of services performed;
- B. The date the services were performed;
- C. The number of hours spent and by whom;
- D. A brief description of any costs incurred;
- E. The Contractor's signature; and
- F. Reference to Authority's Purchase Order Number

In no event shall Contractor submit any billing for an amount in excess of the maximum amount of compensation provided in Section 3, unless authorized pursuant to Section 5 herein.

All such invoices shall be in full accord with any and all applicable provisions of this agreement.

Authority shall make payment on each such invoice within forty-five (45) days of receipt, provided, however, that if Contractor submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this agreement, Authority shall not be obligated to process any payment to Contractor until forty-five (45) days after a correct and complying invoice has been submitted by Contractor.

5. Additional Services

It is understood by Authority and Contractor that it may be necessary, in connection with the project, for Contractor to perform or secure the performance of consulting and related services other than those set forth in Exhibit "B." Authority has listed those additional services that could be anticipated at the time of the execution of the agreement as shown in Exhibit "B." If said additional services are requested by the Authority, Contractor shall advise Authority in writing of the need for additional services, and the cost of, and estimated time to perform, the services. Contractor shall not proceed to perform any such additional service until Authority has determined that such service is required beyond the scope of the basic services to be provided by the Contractor, and has given its written authorization to perform. Written approval for performance and compensation for additional services may be granted by the Authority's General Manager/CAO or his designee.

Except as hereinabove stated, any additional service not shown on Exhibit "B" shall require an amendment to this agreement and shall be subject to all of the provisions of this agreement.

6. Additional Copies

If Authority requires additional copies of reports, or any other material which Contractor is required to furnish in limited quantities as part of the services under this agreement, Contractor shall provide such additional copies as are requested, and Authority shall compensate Contractor for the actual costs of duplicating such copies.

7. Responsibility of Contractor

- A. By executing this agreement, Contractor agrees that Contractor is apprised of the scope of work to be performed under this agreement and Contractor agrees that said work can and shall be performed in a fully competent manner. By executing this agreement, Contractor further agrees and warrants to Authority that the Contractor possesses, or shall arrange to secure from others, all of the necessary capabilities, experience, resources, and facilities necessary to provide the Authority the services contemplated under this agreement and that Authority relies upon the skills and experience of Contractor to do and perform Contractor's work. Contractor further agrees and warrants that Contractor shall follow the current, generally accepted practices of the Contractor's business or trade to make findings, render opinions, prepare factual presentations, and provide advice and recommendations regarding the project for which the services are rendered under this agreement.

- B. Contractor has assigned Pam Smith to have overall responsibility for the execution of this agreement. Pam Smith is hereby designated as the Project Manager for Contractor. Any change of the Project Manager shall be subject to the prior written acceptance and approval of the Authority's General Manager/CAO or designee.

8. Responsibility of Authority

To the extent appropriate to the project contemplated by this agreement, Authority shall:

- A. Make provisions for Contractor to enter upon public and private property as required by Contractor to perform required services.
- B. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Contractor, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- C. The Authority authorized designee, shall act as Authority's representative with respect to the work to be performed under this agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret, and define Authority's policies and decisions with respect to the materials, equipment, elements, and systems pertinent to Contractor's services. Authority may unilaterally change its representative upon notice to the Contractor.
- D. Give prompt written notice to Contractor whenever Authority observes or otherwise becomes aware of any defect in the project.
- E. Furnish approvals and permits from all governmental authorities having jurisdiction over the project and such approvals and consents from others as may be necessary for completion of the project.

9. Acceptance of Work Not a Release

Acceptance by the Authority of the work performed under this agreement does not operate as a release of Contractor from responsibility for the work performed.

10. Indemnification and Hold Harmless

Contractor shall indemnify, defend and hold Authority and its officers, employees, or agents harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to any property, or any violation of any federal, state, or municipal law or ordinance, or other cause in connection with the negligent or intentional acts or omission of Contractor, its employees, subcontractors, or agents, or on account of the performance or character of the work, except for any such claim arising out of the sole active negligence or willful misconduct of the Authority, its officers, employees or agents. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code, and that Contractor shall at its own expense, upon written request by the Authority, defend any such suit or action brought against the Authority, its officers, agents, or employees.

Acceptance of insurance certificates and endorsements required under this agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Contractor shall reimburse the Authority for all costs and expenses (including, but not limited to, fees and charges of architects, engineers, attorneys, and other professionals, and court costs) incurred by the Authority in enforcing the provisions of this section.

Contractor's obligations in this section shall survive termination of this Agreement.

11. Insurance

A. Contractor shall, throughout the duration of this agreement, maintain comprehensive general liability and property insurance covering all operations of the Contractor, its agents and employees, performed in connection with this agreement including, but not limited to, premises and automobile.

B. Contractor shall maintain the following limits:

General Liability

Combined Single Limit Per Occurrence..... \$1 million

General Aggregate..... \$1.5 million

(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)

Automobile Liability:

Combined Single Limit Per Occurrence..... \$1 million

(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)

Workers Compensation..... Full Liability Coverage

(Contractor shall not disclaim responsibility or avoid liability for the acts or omissions of its subcontractors or other contractors. The retroactive date of the policy must be shown and must be before the date of the agreement.)

- C. All insurance companies with the exception of Worker's Compensation affording coverage to the Contractor shall be required to add the Salinas Valley Solid Waste Authority, its officers, employees, and agents, as "additional insureds" by endorsement under the insurance policy and shall stipulate that this insurance policy will operate as primary insurance for the work performed under this agreement and that no other insurance affected by the Authority or other named insured will be called upon to contribute to a loss covered thereunder. The policy shall contain no special limitations on the scope of protection afforded to Authority, its officers, employees, or agents.
- D. All insurance companies affording coverage to the Contractor shall be insurance organizations authorized by the Insurance Commissioner to transact the business of insurance in the State of California.
- E. All insurance companies affording coverage shall issue an endorsement to their policy, committing them to provide thirty (30) days written notice by certified or registered mail to the Salinas Valley Solid Waste Authority should the policy be canceled or reduced in coverage before the expiration date. For the purposes of this notice requirement, any material change prior to expiration shall be considered cancellation.
- F. Contractor shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the Authority concurrently with the submittal of this agreement. A statement on the insurance certificate which states that the insurance company will endeavor to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" does not satisfy the requirements of subsection (E) herein. The Contractor shall ensure that the above-quoted language is stricken from the certificate by the authorized representative of the insurance company. The insurance certificate shall also state the unpaid limits of the policy.
- G. Contractor shall provide substitute certificate of insurance no later than thirty (30) days prior to the policy expiration date. Failure by the Contractor to provide such a substitution and extend the policy expiration date shall be considered default by Contractor.

- H. Maintenance of insurance by the Contractor as specified in the agreement shall in no way be interpreted as relieving the Contractor of any responsibility whatever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

12. Access to Records

Contractor shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for Authority under this agreement on file for at least three (3) years following the date of final payment to Contractor by Authority. Any duly authorized representative(s) of Authority shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Contractor's usual and customary business hours. Contractor shall provide proper facilities to Authority's representative(s) for such access and inspection.

13. Assignment

It is recognized by the parties hereto that a substantial inducement to Authority for entering into this agreement was, and is, the reputation and competence of Contractor. This agreement is personal to Contractor and shall not be assigned by it without the prior express written approval of the Authority. If the Contractor is a corporation or other business entity, a change of control (meaning a transfer of more than 20% of the voting stock or equity interest in the entity) shall constitute an assignment requiring the Authority's prior consent.

Authority may assign this agreement, and its assignee shall have all of the rights, and be subject to all of the obligations, of Authority hereunder, and whenever an officer of Authority is referred to in this agreement, then the representative of the assignor exercising similar duties shall be deemed to be the person referred to.

14. Changes to Scope of Work

Authority may at any time and, upon a minimum of ten (10) days written notice, seek to modify the scope of basic services to be provided under this agreement. Contractor shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify Authority in writing. The rate of compensation shall be based upon the hourly rates shown in Exhibit "B" of this agreement. Upon agreement between Authority and Contractor as to the extent of said impacts to time and compensation, an amendment to this agreement shall be prepared describing such changes.

Execution of the amendment by Authority and Contractor shall constitute the Contractor's notice to proceed with the changed scope.

15. Compliance with Laws, Rules, and Regulations

Services performed by Contractor pursuant to this agreement shall be performed in accordance and full compliance with all applicable federal, state, and local laws and any rules or regulations promulgated thereunder.

16. Licenses

If a license of any kind, which term is intended to include evidence of registration, is required of Contractor, its employees, agents, or subcontractors by federal or state law, Contractor warrants that such license has been obtained, is valid and in good standing, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

17. Fiscal Considerations

The parties to this Agreement recognize and acknowledge that Authority is a political subdivision of the entities in which it represents. As such, Authority is subject to the provisions of Article XVI,

Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of Authority business, Authority will adopt a proposed budget prior to a given fiscal year.

In addition to the above, should the Authority during the course of a given year for financial reasons reduce, or order a reduction, in the budget for which services were agreed to be performed, pursuant to this paragraph in the sole discretion of the Authority, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

18. Interest of Public Official

No official or employee of Authority who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of Authority have any interest, direct or indirect, in this agreement or the proceeds thereof.

19. Withholding (Form 730)

In accordance with changes in Internal Revenue Law, OASDI (Old Age, Survivors, & Disability Insurance) and income taxes may be withheld from any payments made to Contractor under the terms of this Agreement if Contractor is determined by the Authority not to be an independent contractor.

20. California Residency (Form 590)

All independent Contractors providing services to the Authority must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certifying that they have a permanent place of business in California. The Contractor will be required to submit a Form 590 prior to execution of this agreement or Authority shall withhold seven (7) percent of each payment made to the Contractor during the term of this agreement. This requirement applies to any agreement/contract exceeding \$600.

21. Tax Payer Identification Number (Form W-9)

All independent Contractors or Corporations providing services to the Authority must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

22. Independent Contractor

It is expressly understood and agreed by both parties that Contractor, while engaged in carrying out and complying with any of the terms and conditions of this agreement, is an independent contractor and not an employee of the Authority. Contractor expressly warrants not to represent, at any time or in any manner, that Contractor is an employee, agent, or servant of the Authority.

23. Exhibits Incorporated

All exhibits referred to in this agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of the agreement and any of the terms of any exhibit to the agreement, the terms of the agreement shall control the respective duties and liabilities of the parties.

24. Integration and Amendment

This agreement represents the entire understanding of Authority and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or affect with respect to

those matters contained herein. No prior oral or written understanding shall be of any force or affect with respect to those matters covered in it. This agreement may not be modified or altered except by amendment in writing signed by both parties.

25. Jurisdiction

This agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this agreement shall be in the State of California in the County of Monterey.

26. Severability

If any part of this agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void in so far as it is in conflict with said laws, but the remainder of the agreement shall continue to be in full force and effect.

27. Notice to Proceed; Progress; Completion

Upon execution of this agreement by both parties, Authority shall give Contractor written notice to proceed with this work. Such notice may authorize Contractor to render all of the services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, Authority shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the work. Upon receipt of such notices, Contractor shall diligently proceed with the work authorized and complete it within the agreed time period specified in said notice.

28. Ownership of Documents

Title to all documents, drawings, specifications, data, reports, summaries, correspondence, photographs, computer software, video and audio tapes, and any other materials with respect to work performed under this agreement shall vest with Authority at such time as Authority has compensated Contractor, as provided herein, for the services rendered by Contractor in connection with which they were prepared. Authority agrees to hold harmless and indemnify the Contractor against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Contractor.

29. Subcontractors

Contractor shall be entitled, to the extent determined appropriate by Contractor, to subcontract any portion of the work to be performed under this agreement. Contractor shall be responsible to Authority for the actions of persons and firms performing subcontract work. The subcontracting of work by Contractor shall not relieve Contractor, in any manner, of the obligations and requirements imposed upon Contractor by this agreement. All subcontractors shall comply with the insurance requirements in Section 11 as if they were the Contractor.

30 Dispute Resolution:

A. MEDIATION

In the event of any dispute, claim, or controversy among the parties arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, the parties shall submit the dispute to the Judicial Arbitration and Mediation Service (JAMS) for non-binding mediation. The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals, and in promptly scheduling the mediation proceedings. The mediation shall take place in Salinas, California. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and

attorneys, and by the mediator or any JAMS employees, are and shall be, confidential, privileged, and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the dispute is not resolved within 30 days from the date of the submission of the dispute to mediation (or such later date as the parties may mutually agree in writing), either party may submit the dispute, claim or controversy to binding arbitration as provided in this Agreement. The mediation may continue, if the parties so agree, after the appointment of the arbitrators. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The pendency of a mediation shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that a mediation is pending.

B. ARBITRATION

Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by binding arbitration in Salinas, California before three arbitrators. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The provisions of California Code of Civil Procedure, section 1283.05, as well as, any amendments or revisions thereto, are incorporated into this agreement. Depositions may be taken and discovery may be obtained in any arbitration under this agreement in accordance with said statute or any amendment thereto. Judgment on the arbitrator's award may be entered in any court having jurisdiction. This clause shall not preclude any of the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrators may, in the award, allocate to the prevailing party all or part of the costs of the arbitration, including the fees of the arbitrator, the reasonable attorneys' fees and expert witness fees of the prevailing party. This arbitration clause is subject to the limitation in subsection C below.

C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS

Any claims for relief against the Authority shall be subject to the claims requirements of Government Code Section 905 *et seq.* and the Authority's Ordinance Code Article 3.04 and must be submitted to arbitration within the applicable statutes of limitations governing civil actions against local agencies in California, or will otherwise be barred. The arbitrators shall be without jurisdiction to hear or determine claims barred by the statute of limitations. This provision shall be enforced by the Superior Court of Monterey County or any other court of competent jurisdiction.

31 **Termination**

A. In the event that it is determined by the Authority to terminate this agreement, the Authority:

1. Shall give Contractor written notice that in the Authority's opinion the conduct of the Contractor is such that the interests of the Authority may be impaired or prejudiced, or
2. Upon written notice to Contractor, may for any reason whatsoever, terminate this agreement.

B Upon termination, Contractor shall be entitled to payment of such amount as fairly compensates Contractor for all work satisfactorily performed up to the date of termination based upon the rate as shown in "Exhibit B," except that:

1. In the event of termination by the Authority for Contractor's default, Authority shall deduct from the amount due Contractor the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Contractor are made to compensate Authority for its actual additional cost incurred in securing satisfactory

performance of the terms of this agreement, including but not limited to, costs of engaging other Contractors for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay Authority the full amount of such expense. In the event that this agreement is terminated by Authority for any reason, Contractor shall:

- a. Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by Authority; and
 - b. Deliver to Authority all documents, data, reports, summaries, correspondence, photographs, computer software, video, and audiotapes, and any other materials provided to Contractor or prepared by or for Contractor or the Authority in connection with this agreement. Such material is to be delivered to Authority whether in completed form or in process; however, notwithstanding the provisions of Section 23 herein, Authority may condition payment for services rendered to the date of termination upon Contractor's delivery to the Authority of such material.
- C. In the event that this agreement is terminated by Authority for any reason, Authority is hereby expressly permitted to assume this project and complete it by any means, including but not limited to, an agreement with another party.
- D. The rights and remedy of the Authority provided by under this section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this agreement.

32 Audit and Examination of Accounts

- A. Contractor shall keep and will cause any assignee or subcontractor under this agreement to keep accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this agreement.
- B. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.
- C. Contractor hereby agrees to disclose and make available any and all information, reports, or books of records or accounts pertaining to this agreement to Authority and any local, State or Federal government that provides support funding for this project.
- D. Contractor hereby agrees to include the requirements of subsection (B) above in any and all contracts with assignees or Contractors under his agreement.
- E. All records provided for in this section are to be maintained and made available throughout the performance of this agreement and for a period of not less than three (3) years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals, or claims shall be maintained and made available for a period of not less than three (3) years after final resolution of such disputes, litigation, appeals, or claims.

33 Extent of Agreement

This agreement represents the entire integrated agreement between Authority and Contractor and supersedes all prior negotiations, representations, understandings, or agreements between the parties either written or oral.

34 Notices

- A. Written notices to the Authority hereunder shall, until further notice by Authority, be addressed to:

Via Mail

Salinas Valley Solid Waste Authority
Attn: Mr. R. Patrick Mathews,
General Manager/CAO
P.O. Box 2159
Salinas, CA 93902-2159

Hand Delivered

Salinas Valley Solid Waste Authority
Attn: Mr. R. Patrick Mathews,
General Manager/CAO
128 Sun Street Ste 101
Salinas, CA 93901

Written notices to the Contractor shall, until further notice by the Contractor, be addressed to:

Pam Smith, Business Manager
Hope Services, Inc.
546 Brunken Avenue
Salinas, CA 93901

- C. The execution of any such notices by the General Manager/CAO or designee of the Authority shall be as effective to Contractor as if it were by resolution or order of the Authority Board, and Contractor shall not question the authority of the General Manager/CAO or designee to execute any such notice.
- D. All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

35 Nondiscrimination

During the performance of this agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years), or disability. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years), or disability.

36 Conflict of Interest

Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this agreement a violation of any applicable state, local, or federal law. Contractor further declares that, in the performance of this agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify Authority of the existence of such conflict of interest so that Authority may determine whether to terminate this agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 *et seq.*) that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this agreement.

37 Headings

The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this agreement.

38 Multiple Copies of Agreement

Multiple copies of this agreement may be executed but the parties agree that the agreement on file in the office of the Clerk of the Authority Board is the version of the agreement that shall take precedence should any differences exist among counterparts of the documents.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement on the date first above written.

SALINAS VALLEY SOLID WASTE AUTHORITY:

APPROVED AS TO FORM:

R. Patrick Mathews
General Manager/CAO

Thomas M. Bruen
Authority General Counsel

Dated: _____

Dated: _____

ATTEST:

Elia Zavala
Clerk of the Board

Dated: _____

CONTRACTOR:

Hope Services Inc.

Dated: _____

Signature

Printed Name & Title

Attachments:

Exhibit B Scope of Services and Fee Schedule

EXHIBIT B

Scope of Services & Fee Schedule

Scope of Services

Hope Services Inc., will provide five (5) clients and one (1) supervisor for the following tasks:

1. Cleaning of contaminants from refuse loads containing high amounts of recycling materials such as cardboards, plastics, metals and other recycling materials including organics.
2. Loading of recycling materials into designated containers for shipping.
3. Baling or preparation of recycling commodities to increase storage efficiency and market value.
4. Litter abatement in and around Sun Street Transfer Station property as needed.
5. Providing a client to assist a Diversion Worker to manage the Materials Recycling drop off Area.


Fee Schedule

1. Rate is \$73.68 per hour
2. The operating schedule will be seven hours (7 hours), Monday through Friday except when the transfer station is closed due to holidays and/or holidays observed by Hope Services, Inc.
3. The Salinas Valley Solid Waste Authority will provide all necessary employee safety protection gear and supplies.




Report to the Board of Directors

ITEM NO. 6


Finance Manager/Controller-Treasurer

N/A
General Counsel


General Manager/CAO

Date: May 16, 2013
From: David B. Meza, Authority Engineer
Title: A Resolution Authorizing the Release of a Request for Bids for the Johnson Canyon Landfill Gas Well Installation Project

RECOMMENDATION

Staff recommends adoption of the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Authority's Goal to Enhance Existing Facilities, Equipment and Public Services, Objective No. 4, environmental control system work.

FISCAL IMPACT

This project is identified in the FY2013/2014 budget - Johnson Canyon Landfill Gas System Improvements. The engineer's estimate for this project is \$65,000. Total project cost, in addition to this well installation project, includes construction quality assurance monitoring during the project. Therefore, the total project cost is \$75,000.

DISCUSSION & ANALYSIS

Fill operations will soon allow landfill gas wells be installed in Module 456B. The project would consist of the construction of eight (8) landfill gas wells.

With the Board's authorization to solicit bids, the competitive bidding process will start with bid advertisement and conclude with recommending the lowest responsible bidder to the Board for contract approval. Following the award of the construction contract, construction is scheduled to be completed in August 2013.

BACKGROUND

Per Section 20925 of Title 27 of the California Code of Regulations governing landfill gas (LFG) monitoring and control for active disposal sites, landfill gas extraction wells are required to control the off-site migration of landfill gas. The proposed landfill gas extraction wells would be integrated into the existing LFG system for proper collection and destruction of the methane gas.

ATTACHMENT(S)

1. Resolution

RESOLUTION NO. 2013 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
AUTHORIZING A RELEASE FOR REQUEST FOR BIDS FOR THE
JOHNSON CANYON LANDFILL GAS WELL INSTALLATION PROJECT**

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to solicit bids for the Johnson Canyon Landfill Gas Well Installation Project.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 16th of May of 2013 by the following vote:

AYES: BOARD MEMBER:

NOES: BOARD MEMBER:

ABSENT: BOARD MEMBER:

ABSTAIN: BOARD MEMBER:

Fernando Armenta, President

ATTEST:

Elia Zavala, Clerk of the Board




SalinasValleyRecycles.org

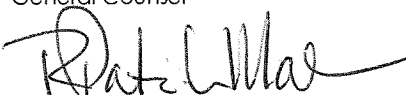
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 7


Finance Manager/Controller-Treasurer

N/A
General Counsel


General Manager/CAO

Date: May 16, 2013
From: Patrick Mathews, General Manager/CAO
Title: Monterey Bay Area Managers Group (MBAMG) Proposal for a Comprehensive Study of Solid Waste Management in Monterey County

RECOMMENDATION

The staff recommends acceptance of this report.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports a portion of the Board's Mission Statement promoting an integrated system of waste reduction, reuse, and recycling; however it delays progress on the Salinas Area Materials Recovery Center and our 75% diversion goal for 2015.

FISCAL IMPACT

The April 30, 2013 draft proposal submitted by MBAMG proposes a cost allocation of \$37,500 each to the Authority and the Monterey Regional Waste Management District (MRWMD). At this time there is no allocation or funding source for this proposed expenditure within the Authority budget. Also, staff has not heard if the other cities and the MRWMD have budget allocations for this work or are planning to budget for this work in the coming fiscal year. Until all cities and the MRWMD have fully committed to participation and funding for this study, the final cost impact to the Authority and its member cities is not certain.

DISCUSSION & ANALYSIS

The Board is requested to review the draft as presented and provide additions/deletions or amendment to the existing language. Staff will be compiling comments for submittal to MBAMG by late May or early June 2013.

Staff's understanding is that conditions for agency support of the study are that it look impartially at the entire Monterey County solid waste system (Authority, MRWMD and County systems), it must be unbiased and independent, and the study must be inclusive of all cities.

Staff will provide periodic updates on the study as work progresses

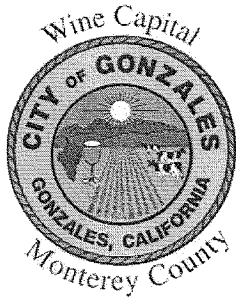
BACKGROUND

The concept of a Request for Proposals to complete a Countywide Solid Waste Management study was first introduced to the Authority Board at its February 21, 2013

Board meeting by the Monterey Bay Area Managers Group. An update was provided to the Authority Board at its March 21 meeting by the Managers' Group representative City Manager Rene Mendez. The draft text of an agreement between all Monterey County cities, the County of Monterey, the Authority and the Monterey Regional Waste Management District was provided for the joint meeting between the Board of Supervisors and the Authority Board and is attached for your review. The Authority Board's action was to support the study with an opportunity to review and comment on the Scope of Work and Request for Proposals.

ATTACHMENTS

1. April 30, 2013 letter and draft resolution



City of Gonzales

P.O. BOX 647
PHONE: (831) 675-5000

147 FOURTH ST.
FAX: (831) 675-2644

GONZALES, CALIFORNIA 93926
www.ci.gonzales.ca.us

DATE: April 30, 2013

TO: Chairperson Armenta, and Board Members
Monterey County Board of Supervisors

Maria Orozco
Mayor

President Armenta and Board of Directors
Salinas Valley Solid Waste Authority

FROM: René Mendez, City Manager
City of Gonzales

Scott Funk
Mayor Pro Tem

RE: **Countywide Proposed Rate Increase and Integrated Waste Management Opportunity**

Liz Silva
Councilmember

Dear Chairperson and President Armenta and Board members:

Thank you for the opportunity to address your joint meeting. As a member of the Monterey Bay Area Managers Group (MBAMG), we welcome the opportunity to work with you to evaluate and analyze the Solid Waste Management System within Monterey County.

As Managers, we recognize the fiscal challenges faced by the County, Cities, Special Districts and Agencies, such as the Salinas Valley Solid Waste Authority (SVSWA) and the Monterey Regional Waste Management District (MRWMD), and the difficult decisions that need to be made to remain fiscally solvent. At the same time, we realize that it is important to consider the impacts of our decisions on the people that we serve. It is this balancing act that highlights one of the most important aspects of our jobs, which is to present our Councils and/or Boards with the potential impacts resulting from the actions being considered, and to recommend a process and/or approaches, to improve all aspects of government for the betterment of our residents.

Countywide Solid Waste Management: *Opportunity or Business as Usual*

As we all know, several issues have come together that have presented us with an opportunity to take a comprehensive look at solid waste management countywide. While this issue has had many starts and stops in the past, many times these types of issues do not fail because of what was or was not tried, but they fail because it was simply "*just not the right time*".

These issues include, but are not limited to, the:

- Proposed AB 939 rate increase by the SVSWA;
- Pending withdrawal from the SVSWA by the County;
- Impacts to SVSWA participating agencies if the County withdraws;
- Economic/infrastructure issues between the City of Salinas and SVSWA;
- The impact to our local economies resulting from the cost of solid waste;
- The interest of the County of Monterey City Managers and County Administrator to take a leadership role, and look at ways to recommend to our respective elected

Gonzales will continue to be a safe, clean, family-friendly community, diverse in heritage, and committed to working collaboratively to preserve and retain its small town charm

officials the benefits of adopting a sustainability approach to solid waste management to increase efficiencies, reduce costs, and stimulate the economy;

- The changing dynamics in solid waste; and
- The overall state of our local economy, pressures on local government budgets, and the public's expectation, which simply put is to do/get better.

Moving forward in the short-term, we hope to agree on a joint course of action that results in:

1. The County withdrawing their Notice to Withdraw from the Authority to allow the Authority to refinance existing debt, and to permit an agreeable period of time to engage a consultant to evaluate the future of solid waste within the County, and to determine and implement the most cost effective sustainable approach to regional solid waste management;
2. Providing the time necessary for the SVSWA to work with all its member agencies and the City of Salinas, to address the economic/infrastructure issues surrounding Salinas and the Authority; and
3. Minimizing and/or eliminating short-term the proposed rates increase by the SVSWA, to reduce the financial impact to residential and commercial customers.

A subcommittee of the MBAMG has been working diligently to develop a Cooperative Agreement between the County, Cities and both Waste Agencies, and a Request for Proposal (RFP) and funding model, which are attached. While there is still a little more time needed to finalize all documents, *it is our recommendation that you direct your staffs to work with MBAMG to bring back the final documents for your approval at your next respective meetings.*

In the Agreement, it is our goal to keep it straightforward and have the County, all its Cities and both the SVSWA and MRWMD, participate in the evaluation and analysis of the Solid Waste System in Monterey County. In addition, in order to maintain objectivity, the Agreement calls for this process to be overseen and managed by the MBAMG.

At this early stage, it is hard to tell you with any certainty what the costs would be, but our conservative estimate is a not to exceed amount of \$150,000. In order to maximize the participation and ownership of this effort, we recommend that it be funded by all the participants; as a result the proposed model reflects 50% of this effort funded by the County and Cities, and 50% by the SWSWA and MRWMD. For the County and City portion, to maintain it as equitable as possible, the formula calls for a blended allocation using population, solid waste generated, and assessed valuation.

As for the RFP, it was drafted to provide the necessary information in a neutral manner to generate the best proposals.

As Managers, we believe that the time has come to take a comprehensive look at integrated waste management countywide; and please rest assured, that we stand ready to work with you to improve the management of our solid waste system countywide.

Gonzales will continue to be a safe, clean, family-friendly community, diverse in heritage, and committed to working collaboratively to preserve and retain its small town charm

**AGREEMENT AMONG THE COUNTY OF MONTEREY
AND THE CITIES OF DEL REY OAKS, CARMEL, GONZALES, GREENFIELD, KING
CITY, MARINA, MONTEREY, SALINAS, SAND CITY, SEASIDE, SOLEDAD, PACIFIC
GROVE, THE SALINAS VALLEY SOLID WASTE AUTHORITY AND THE
MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT TO EVALUATE AND
ANALYZE THE SOLID WASTE MANAGEMENT SYSTEM IN MONTEREY COUNTY**

THIS AGREEMENT is entered into on this ____ day of _____, 2013 (the "Effective Date") by and between the County of Monterey (the 'COUNTY'), a political subdivision of the State of California, the Cities of Del Rey Oaks, Carmel, Gonzales, Greenfield, King City, Marina, Monterey, Salinas, Sand City, Seaside, Soledad, and Pacific Grove (the 'CITIES'), municipal corporations, and the Salinas Valley Solid Waste Authority ('SVSWA') and the Monterey Regional Waste Management District ('MRWMD') (the 'Agencies') together referred to herein as the Parties.

RECITALS

WHEREAS, the Parties realize that an opportunity has presented itself to take a comprehensive look at the Solid Waste Management System within Monterey County; and

WHEREAS, the Parties realize that improving the Solid Waste Management System within Monterey County has the potential to improve efficiencies, reduce costs, and stimulate the local economy; and

WHEREAS, it is in the best interest of the Parties to work together to evaluate, analyze and ultimately implement a Solid Waste Management System that best serves all the residential, commercial, industrial sectors in Monterey County; and

WHEREAS, the Parties agree to participate in a comprehensive process to evaluate and analyze the Solid Waste Management System of Monterey County to determine and implement the most cost effective, sustainable, and economically viable approach to a regional solid waste management system.

NOW, THEREFORE, in mutual consideration of the covenants, terms and conditions set forth herein, the Parties agree as follows:

1. AGREEMENT

The Parties agree to work together in good faith to evaluate and analyze the Solid Waste Management System within Monterey County.

Furthermore the Parties agree:

- A. To maintain transparency;
- B. That this effort will be overseen by the Monterey Bay Area Managers Group (MBAMG); and
- C. That the MBAMG have appointed a Solid Waste Subcommittee comprised of the County Administrator and the City Managers of Gonzales, Greenfield, Monterey and Salinas to manage the process; and

- D. That the City of Gonzales, as a member of the MBAMG, will serve as the lead for purposes of retaining consultants and/or experts in the field of solid waste to evaluate and analyze the Solid Waste Management System within Monterey County as and if needed; and
- E. To support the Request for Proposal (RFP) included as Attachment 'A' , which purpose and goal *"...is to obtain a thorough analysis that will produce actionable recommendations that if and once implemented will result in Monterey County constituents receiving the most economical and effective solid waste management services available."* and
- F. All efforts will be made to assure maximum participation by all interested parties and that the Boards and Councils receive status reports;

2. Cost Sharing Plan

The Parties agree to collectively fund the comprehensive process to evaluate and analyze the Solid Waste Management System in Monterey County per the funding formula included as Attachment 'B'; and

Parties agree to remit their payment of all invoices received from the lead agency within 30 days of receipt.

3. Term of the Agreement

This Agreement shall begin on the Effective Date and shall remain in effect until the delivery of the Final Report described in Attachment A (Scope of Services), including any presentation described therein, and a decision by the Parties whether to implement any of the recommendations set forth in the Final Report. This Agreement shall be automatically extended if the Parties collectively agree to implement some or all of the recommendations set forth in the Final Report, and shall stay in effect until the full implementation of those recommendations undertaken by the Parties.

IN WITNESS WHEREOF, this Agreement is made on that date first written above between the Cities of Monterey County, the County of Monterey, the Salinas Valley Solid Waste Authority and the Monterey Regional Waste Management District

**Request for Proposals
Scope of Work
To
Evaluate and Analyze
Monterey County's Solid Waste Management System**

I. Introduction

The solid waste landfills in the County of Monterey are owned and operated by two separate special districts. The Salinas Valley Solid Waste Authority ("SVSWA"), also referred to as "the Authority") serves the eastern portion of the County and operates the Johnson Canyon Landfill. Additionally, the SVSWA operates the Sun Street Transfer Station and the Jolon Transfer Station. The Authority is also responsible for the maintenance of three closed landfills (i.e., Crazy Horse Landfill, Lewis Road Landfill, and the Jolon Road Landfill). The Monterey Regional Waste Management District ("MRWMD"), also referred to as "the District") serves the western portion of the County and operates the Marina Landfill. The purpose of SVSWA and MRWMD is to provide secure long-term solid waste disposal, diversion and education services to all of its members in an environmentally sound and cost-effective manner.

II. Project Background

There is a disparity between the basic tipping fees for waste disposal charged by SVSWA (current tipping fee \$67.00) and MRWMD (current tipping fee \$48.25). Based on the information provided by the SVSWA, its rates are higher for two major reasons: 1) SVSWA has a large debt of \$37.5 million which was used to purchase and fix the old landfills (Crazy Horse, Lewis Road, and Jolon Road) that it inherited and to develop landfill capacity, and 2) SVSWA provides transfer station services that reduce landfill traffic, which are not provided by MRWMD.

In addition to the disparities in tipping fees, due to the boundaries and flow control restrictions of these two special districts, the way waste is transported also may impact the disparity in rates and results in some inefficiency. For example, waste collected by the franchise hauler in Pajaro, Elkhorn, and the City of Salinas is transported to the Madison Lane Transfer Station near the City of Salinas for consolidation and then transported to the Johnson Canyon Landfill. At least on the face of it appears that it would be more efficient to transport waste collected in these communities directly to the nearby Marina Landfill. As a result, because of some of the reasons mentioned above, businesses and residents located within the boundaries of the SVSWA generally pay higher waste collection rates for than for those located within the MRWMD.

In addition, the SVSWA and the MRWMD's have different strategic outlooks. The MRWMD's strategic outlook follows a more traditional approach in which it seeks to monetize the significant amount of excess capacity at the Marina Landfill. The SVSWA's strategic outlook follows a more progressive approach in which it seeks to eliminate land filling as the preferred long term management strategy for non-recyclable waste.

Given the distinct strategic goals and financial positions of the two JPAs, it is projected that the disparity in tipping fees will continue to grow over time.

All the Cities of Monterey County including the County of Monterey are requesting proposals from qualified firms or individuals interested in conducting an evaluation of the current solid

waste management system in Monterey County and exploring alternatives for creating a more efficient solid waste management system for the County as a whole that is more responsive to the needs of the community.

III. Project Purpose/Goals

The purpose of this request for proposals is to obtain a thorough analysis that will produce actionable recommendations. The recommendations once implemented will result in Monterey County constituents receiving the most economical and effective solid waste management services available.

IV. Scope of Services

The information being sought by the Cities, County and Agencies will require the accomplishment of the following tasks: (In responding, please identify the order for completing these tasks and any other tasks that may be necessary to complete the Scope of Work.)

- Evaluate the best long and short term use of the existing and projected countywide system of landfills, including an analysis of capacity.
- Evaluate the best use of existing transfer stations, municipal recycling facilities, and other waste recycling and reuse systems within the county.
- Identify an appropriate cost model that could equalize and stabilize and ideally lower fee structures within the entire County taking into consideration debt structures, physical assets and revenue streams.
- Review the establishment of a cost of service rate structure that accounts for differential District and Authority system debt and liability and the viability of establishing a county-wide solid waste disposal rate irrespective of landfill location.
- Evaluate the initiatives, goals and objectives of both agencies to determine similarities and differences and how these policies impact the projected cost of operations and waste disposal.
- Assess advantages/disadvantages of removing current flow control measures (e.g., waste routes efficiency, carbon footprint reduction).

The selected consultant shall utilize the information gathered in the above described process to develop scenarios which would objectively identify a countywide structure for managing solid waste that would create the most effective model possible for managing waste in Monterey County. At least one scenario should include evaluation of private sector operations or a mix of public and private partnerships.

The selected consultant shall also develop recommendations that:

- Identify best practices and performance measures that should be adopted which will most effectively utilize future landfill capacity and reduce cost for all existing and future residents and business in the county.
- Identify an optimal organizational model and/or Agency model that will reduce administrative cost, improve operations and establish a uniform solid county-wide waste management strategy.
- Provide for streamlining procedures and processes for current and required functions

- regarding landfill operations and establishing future cost of service user fees users.
- Provide an evaluation of financial viability and long term sustainability of operating two independent solid waste management organizations.
- Provide for streamlining the transportation and delivery system of waste countywide to both districts.
- Identify the most effective organizational structure and identify preferred alternative

V. Working Relationships

This RFP is being issued by the Cities, County of Monterey, SVSWA and MRWMD and it is expected that the successful prime Consultant and any Sub-Consultants will report to a Subcommittee of City Managers and the County of Monterey and work with designated County, Cities and Agency staff for data gathering and review of data information.

VI. Deliverables

At the conclusion of the operational, organizational reviews and financial reviews, the consultant shall, as described in the Scope of Work: 1) provide a summary of findings that effectively summarizes and communicates the information reviewed 2) identify key issues and opportunities, and 3) formulate recommendations and preferred alternative.

A Draft Report with an Executive Summary shall be issued to the Cities, County and Agency staff. The document shall include the summary of findings and recommendations as identified in the Scope of Work. Any spreadsheets or other documentation prepared by the Consultant shall be provided to the Cities and County in electronic format.

A Final Report shall be issued following staff comments on the draft. In addition, the Cities, County and Agency staff may require a PowerPoint presentation to the Cities and/or County Manager and possibly to the City Councils, the County Board of Supervisors or a Subcommittee and to the SVSWA and MRWMD, as appropriate. The report should provide sufficient information for policy decisions regarding operational and service options. Twenty-five (25) copies of the Final Report will be required along with an electronic copy.

Cost Sharing Plan

The Parties agree to share in the overall costs which are estimated to not exceed \$150,000 as follows:

- Districts = 50% (25% each)
- Cities and County = 50% (pursuant to the formula in the following table)

The Parties understand that all efforts will be made by the Solid Waste Management Study Subcommittee of MBAMG to keep costs as low as possible.

The Parties agree that the City of Gonzales will invoice each participant their percentage share of the costs pursuant to the payment schedule negotiated with any retained consultants or experts.

ATTACHMENT B (continued)

Cost Sharing Criteria for the Evaluation and Analysis of the Monterey County Solid Waste System

Allocated by Percentage of Population

	Population Estimates 1/1/2012	% of Total Population in the County*	% of Solid Waste Generated Countywide**	% of Assessed Valuation Countywide***	\$75,000 Est Cost Share
County/City Total Population	420,668				
Carmel-By-The-Sea	3,763	0.89%	2.65%	6.24%	\$ 2,448.09
Del Rey Oaks	1,642	0.39%	0.44%	0.46%	322.31
Gonzales	8,269	1.97%	1.40%	0.87%	1,059.29
Greenfield	16,510	3.92%	1.69%	0.98%	1,649.47
King City	13,028	3.10%	2.07%	1.31%	1,619.75
Marina	19,996	4.75%	4.75%	2.94%	3,112.05
Monterey	28,460	6.77%	11.19%	9.01%	6,740.31
Pacific Grove	15,219	3.62%	4.15%	5.23%	3,248.01
Salinas	152,401	36.23%	25.52%	17.24%	19,745.21
Sand City	337	0.08%	0.66%	0.46%	299.85
Seaside	33,160	7.88%	7.78%	3.53%	4,797.71
Soledad	26,393	6.27%	2.36%	1.30%	2,483.76
Pebble Beach		0.00%	3.41%	0.00%	853.54
Balance of Monterey County	101,644	24.16%	31.93%	50.42%	26,629.81
Subtotals	420,668	1.0004	100.00%	100.00%	\$ 75,009.15
Agencies					
Salinas Valley Solid Waste Authority					\$ 37,500.00
Monterey Regional Waste Management					37,500.00
Subtotal					\$ 75,000.00
Total Estimated Budget					\$ 150,009.15

*Department of Finance Demographic Research Unit (5/1/12)

**Information from the 2011-2012 Annual Reports of the SVSWA and MRWMD.

***Information Provided by the Monterey County Assessor

Cost Sharing Criteria for the Evaluation and Analysis of the Monterey County Solid Waste System
Allocated by Percentage of Population

	Total Tonnage per 2011-2012 Annual Reports	% of total tonnage	Total Est Cost = \$150,000 \$75,000 Share for each District Area	Total Est Cost = \$175,000 \$87,500 Share for each District Area	Total Est Cost = \$200,000 \$100,000 Share for each District Area
Salinas Valley Cost Breakdown					
Salinas	103,604	62.1%	\$ 46,544.63	\$ 54,302.07	\$ 62,059.51
Monterey County	32,792	19.6%	14,731.97	17,187.30	19,642.63
Soledad	9,586	5.7%	4,306.56	5,024.32	5,742.08
King City	8,409	5.0%	3,777.79	4,407.42	5,037.05
Greenfield	6,855	4.1%	3,079.64	3,592.92	4,106.19
Gonzales	5,697	3.4%	2,559.41	2,985.97	3,412.54
Total Tonnage	166,943				
Monterey Regional Waste Management District					
Monterey County	96,870	40.5%	\$ 30,385.57	\$ 35,449.83	\$ 40,514.09
City of Monterey	45,421	19.0%	14,247.37	16,621.93	18,996.50
Seaside	31,583	13.2%	9,906.76	11,557.88	13,209.01
Marina	19,289	8.1%	6,050.45	7,058.86	8,067.27
Pacific Grove	16,839	7.0%	5,281.95	6,162.28	7,042.60
Pebble Beach	13,863	5.8%	4,348.46	5,073.20	5,797.94
Carmel	10,779	4.5%	3,381.09	3,944.60	4,508.12
Sand City	2,679	1.1%	840.33	980.39	1,120.44
Del Rey Oaks	1,779	0.7%	558.03	651.03	744.03
Total Tonnage	239,102				



SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 8

[Signature]
Finance Manager/Controller-Treasurer

T. Bruen by pm
Legal Counsel

[Signature]
General Manager/CAO

Date: May 16, 2013
From: Patrick Mathews, General Manager/CAO
Title: Citizen's Advisory Group Implementation Plan

RECOMMENDATION

Staff recommends Board approval of the implementation plan for the Citizen's Advisory Group (CAG) and directs staff to assist Board members with appointee selection process, if requested.

STRATEGIC PLAN RELATIONSHIP

This action will benefit the Authority strategic plan goals to promote the Authority as a Resource Recovery Agency and to improve public communications, education and awareness of Authority activities and goals.

FISCAL IMPACT

The fiscal impact for these actions will be minimal and can be accommodated within the existing staff and budget structure. There will be modest amount of staff time required to coordinate and participate in the CAG.

DISCUSSION & ANALYSIS

On February 21, 2013, the Board directed the formation of a citizen group to provide for additional public input and feedback on Authority projects, plans and activities.

CAG Implementation plan and objectives

1. *Objectives:* provide feedback to staff and Board on Strategic Planning, review and comment on projects which require review under the California Environmental Quality Act, and evaluation of public services.
2. *Committee make-up:* 1 citizen appointee from each Board member, 2 year term
3. *Appointee characteristics:* Open minded, un-biased, willing to commit time to fully understand complexities of solid waste and recycling systems and think critically, minimum 2 year commitment to periodic meetings
4. *Appointment process:* If requested, staff can assist Board members with outreach and notices seeking interested applicants, and facilitating selection interviews
5. *Time Commitment:* 1.5 to 2 hours for regular meetings, plus reading and document review assignments
6. *Schedule:*

May-June 2013	Individual Board member selection of appointees
June 20, 2013	Deadline for Appointments
July 2013(date tbd)	First group meeting, SVSWA overview, goals and objectives review, establish meeting schedules

Aug-Dec 2013	Education and training modules: a) Strategic Planning, b) Regulations, c) Finance, Budgeting and Rate Setting, d) Operations, Collections and Recycling Systems, e) Facility Tours, and f) Technology Review
Jan 2014-June 2015	With Board input, develop topics list for review and CAG comment (ongoing)
June 2015	Board evaluation of CAG activities

7. *Semi-Annual Reports (or as needed for specific projects)*: Joint presentations of findings and recommendations from CAG and staff on current issues and topics of Board interest

BACKGROUND

While the Authority has gone above and beyond minimum State standards for community outreach, staff believes that the formation of a citizen's advisory group can provide added valuable input into Authority decisions and how they may benefit or impact our community.

ATTACHMENT(S)

1. None



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SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

Date: May 16, 2013
From: Rose Gill, Administrative Manager
Title: Strategic Plan Progress Report

ITEM NO. 9

N/A

Finance Manager/Controller-Treasurer

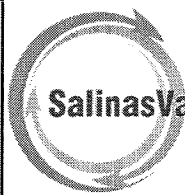
N/A

General Counsel

N/A

General Manager/CAO

**A PRESENTATION WILL BE GIVEN
AT THE MEETING**



SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 10

Finance Manager/Controller-Treasurer

N/A

General Counsel

General Manager/CAO

Date: May 16, 2013

From: Roberto Moreno, Finance Manager

Title: Next Steps for Refinancing of 2002 Revenue Bonds and Installment Purchase Agreement

RECOMMENDATION

Staff recommends Board accept the report. At the May 1 Executive Committee meeting, staff was directed to provide a request to the County of Monterey to expedite rescission of the Notice to Withdraw from the Joint Powers Agreement and the Waste Delivery Agreement.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports the Board's highest priority Goal to: Develop and Implement a Sustainable Finance Plan.

FISCAL IMPACT

The refinancing of the 2002 Revenue Bonds is expected to generate annual savings of \$288,000 over the remaining life of the bonds for total savings of \$5.4 million. The savings can also be taken upfront as cash generating \$3.7 million that can be used for capital improvements.

DISCUSSION & ANALYSIS

On August 16, 2012 the Board directed staff to proceed with the refinancing of the 2002 revenue bonds without assuming additional debt or extending the time frame. It also authorized including the refinancing of the Crazy Horse Installment Purchase Agreement. Unfortunately, due to the County's Notice of Intent to Withdraw we have not been able to refinance. Now that the County is willing to rescind their Notice of Intent to Withdraw we would like to proceed with the refinancing.

Since refinancing is a one-time opportunity staff would like to obtain the lowest rate possible. To that end we asked our bond underwriter, John Kim with De La Rosa and Co to prepare a memo outlining what steps need to be taken in order to obtain the lowest rate possible. His memo is attached.

As outlined in the memo the Authority needs to take the following steps:

1. Adopt rate increases to maintain a minimum 1.40x debt coverage ratio
2. Obtain a rescission of the County's Notice of Withdrawal
3. Reapprove Waste Delivery Agreements (WDA) with each member agency and execute similar representations and warranties as under the 2002 bond issuance

John Kim will be in attendance at the Board meeting to discuss each of these points with the Board and answer any questions the Board may have.

Adopt rate increases to maintain a minimum 1.40x debt coverage ratio

Approval of the AB939 Fee, will generate \$1.7 million in additional revenue, providing a 1.64x debt coverage ratio for FY 2013-14. This is a very favorable debt coverage ratio while the Recology South Valley (RSV) revenues continue to be received.

If the RSV contract is terminated on December 31, 2014, the debt coverage ratio for FY 2014-15 would be down to about 1.60x. FY 2015-16 would see the full impact of the \$2.3 million RSV revenue loss, bring the debt coverage ratio to 1.49x. At this point staff believes an annual CPI increase in rates along with reduced expenses from the termination of the Recology contract to operate the Johnson Canyon Landfill will be sufficient to maintain a 1.40x coverage ratio going forward.

Approval of a financial policy stating that the Authority will maintain revenues at a level that will provide for 1.40x debt service coverage would help strengthen the Authority's ability to retain an A+ rating.

Obtain a rescission of the County's Notice of Withdrawal

In order to proceed with the refinancing, the County first needs to rescind their Notices of Withdrawal. We are waiting for their Rescission Notices so that the next steps for refinancing can take place.

Prepare and Approve Bond Refinancing documents

Provide for Board and Council consideration all documents required by the bond underwriters to accomplish the refinancing.

BACKGROUND

The Revenue Bonds, Series 2002 were issued in 2002 for \$39,845,000 at an interest rate of 5.25%. The bonds can be refinanced at an interest rate of 3.46% based on the Authority's current A+ rating from Standard and Poor's rating agency. If the Authority's rating should change by the time the bonds are issued the estimated savings would change. As of August 2, 2012, the outstanding principal on the bond issue is \$33,085,000.

The Installment Purchase Agreement (IPA) was executed on August 12, 1997 for the purchase of Crazy Horse Landfill and all its assets at a price of \$8 million. It was partially paid off as part of the 2002 Revenue Bonds. It has an interest rate of 7.91%. As of March 2, 2013 the outstanding principal on the IPA is \$3,287,588. The IPA can also be refinanced at an interest rate of 3.46%.

On August 16, 2012 the Board authorized using De La Rosa & Co as underwriter and Stradling Yocca Carlson & Rauth as bond counsel.

ATTACHMENTS

1. Memo from De La Rosa & Co, Underwriters – Preconditions to refinancing
2. Standard & Poor's Rating Upgrade Report

MEMORANDUM

TO: Salinas Valley Solid Waste Authority

FROM: De La Rosa & Co.

DATE: May 6, 2012

SUBJECT: **Factors to Facilitate the Refinancing of the Authority's 2002 Revenue Bonds**

De La Rosa & Co. is providing the information in this document for discussion purposes in anticipation of serving as an underwriter to you. In our capacity as underwriter, we will be acting as a principal in a commercial, arms-length transaction and not as a municipal advisor, financial advisor or fiduciary to you. The information we provide is not intended to be and should not be construed as "advice" within the meaning of the Securities Exchange Act of 1934. We encourage you to consult with your own legal, accounting, tax, financial and other advisors, as applicable, to the extent you deem appropriate. Pursuant to MSRB Interpretive Notice 2012-25 of its Rule G-17, if hired by you as an underwriter, we would be required to seek your written acknowledgement of receipt of certain of these and other disclosures.

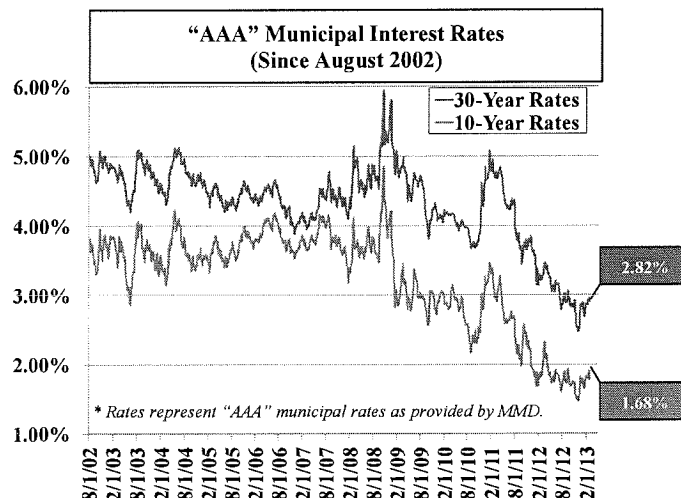
Executive Summary

As noted below, municipal bond interest rates are near historical lows. To make a refinancing of the Authority's 2002 Revenue Bonds more marketable to investors, the Authority may consider reaffirming its "A+" credit rating with Standard & Poor's ("S&P"). S&P will evaluate the Authority's current credit profile relative to its prior review of the Authority in March 2010. The Authority (and its members) may consider taking the following actions to maintain the same credit rating: (1) adopt rate increases to maintain a minimum 1.40x debt coverage ratio and (2) obtain a rescission of the County's Notice of Withdrawal. As the refinancing progresses, the Authority (and its members) may also consider reapproving waste delivery agreements and executing similar representations & warranties required under the 2002 Bond issuance. Each of these actions would need to be taken prior to requesting an updated credit rating from S&P. The Authority can maximize the potential savings from the bond refinancing by securing the highest rating possible from S&P.

Current Interest Rates & Refinancing Savings

The slow economic recovery and continued global uncertainties have caused municipal interest rates to drop to historically low rates. 10-year and 30-year interest rates in the "AAA" municipal bond index (shown in the chart to the right) have been higher 98% of the time compared to today's levels. The "AAA" municipal bond index is indicative of overall interest rate conditions for municipal borrowers like the Authority.

Assuming the Authority maintains its "A+" rating, refinancing the 2002 Bonds at today's rates will produce an estimated \$288,000 in



annual savings (total savings of over \$5.4 million). Alternatively, the Authority has the option to structure the savings upfront which would amount to about \$3.7 million over the next four years.

Authority's Current Credit Rating

In March 2010, S&P upgraded the Authority's credit rating from "A-" to "A+". In their 2010 rating review of the Authority's finances and operations, S&P noted the following characteristics which led to the rating upgrade: (1) stable and steady waste flow assisted by deliveries from South Santa Clara Valley, (2) good overall financial performance, including good cash reserves and (3) an expectation that the Authority will collect a steady flow of waste into the future leading to adequate debt service coverage.

"With rate increases and an increase in tonnage, revenues were in excess of \$16.4 million and provide coverage of annual debt service of 1.42x in fiscal 2008."

"The stable outlook reflects Standard & Poor's expectation that the solid waste enterprise will collect a steady flow of waste, enabling consistently adequate debt service coverage."

**- Standard & Poor's Rating Rationale
March 11, 2010**

If the Authority pursues a rating update, S&P will focus on the Authority's past/projected financial performance and its current/projected waste flow. Like in 2010, S&P will expect to see "adequate debt service coverage" of at least 1.40x and a "steady flow of waste". The Authority's declining waste flow and the Board's intent to eliminate future waste deliveries from South Santa Clara Valley will put significant pressure on the

Authority's financial position. These financial pressures can be mitigated if the Authority's rates are raised to maintain coverage levels of at least 1.40x.

Timely and sufficient rate increases are an important consideration in S&P's rating process for utilities. Over the past two years, S&P has reviewed or issued 272 ratings for California utility issuers. Over 96% of these ratings have resulted in affirmations or upgrades. There have been 11 downgrades during that period of time. The majority of these downgrades were due to a lack of rate increases, insufficient rate increases and/or growing operating costs.

S&P's rating process for utilities suggest that the Authority will put itself in best position to maintain its "A+" rating and maximize its savings by adopting rate increases to make up for declining tonnages and to meet its historical financial performance as noted by S&P.

Estimated Savings Will Vary Based on the Authority's Credit Rating

The Authority can maximize the potential savings from the bond refinancing by securing the highest rating possible from S&P. The table shows the impact of the credit rating on projected savings.

Credit Rating	Interest Rate ¹	Annual Savings (Est.)	Total Savings (Est.)
"A+"	3.46%	\$288,000	\$5.4 million
"A" to "A-"	3.76% - 3.96%	\$217,000 - \$169,000	\$4.1 - \$3.2 million
"BBB+" or lower	4.32% or higher	\$85,000 or lower	\$1.6 million

¹ Based on estimated interest rates in today's market.

Factors to Facilitate the Refinancing of the 2002 Bonds

Prior to moving forward with the refinancing, the following actions would allow us as underwriters to assist the Authority in maximizing its bond rating and to present the strongest possible credit story to investors prior to the bond sale.

(1) Adopt Rate Increases at a Minimum 1.40x Debt Coverage Level – As discussed earlier in the memo, S&P will evaluate the Authority's current financial position in light of its declining waste stream and intent to eliminate future waste deliveries from Santa Clara Valley. To maintain the 1.40x coverage referenced in S&P's prior review, the Authority would need to adopt rate increases to make up for the future loss of Santa Clara Valley waste deliveries. To maximize the Authority's debt coverage, the Authority should consider rate increases that are: (a) large enough to fully offset the loss of future revenues from Santa Clara Valley waste deliveries, (b) sufficient to maintain a minimum of 1.40x coverage, (c) implemented as quickly as possible to maximize revenue for the Authority in fiscal year 2013-14, and (d) approved by the Authority Board prior to seeking a S&P rating.

(2) County Rescission of Its Notice of Withdrawal – As discussed at the 4/30 joint meeting, the Authority should consider obtaining an effective rescission from the County of its Notice of Withdrawal from the Authority. S&P and bond investors will evaluate the terms of the County's rescission carefully, particularly to judge the stability of the Authority's future waste stream. The County's rescission should be approved in a manner that will not restrict the Authority's ability to carry out its operations to meet its bond covenants.

The Authority and its members should consider taking additional actions later in the refinancing process which are generally required as part of a utility bond financing. These actions include:

Approve Waste Delivery Agreements – As is typical with other solid waste financings, the Authority should consider having each JPA member reaffirm its waste delivery agreements with the Authority. If reaffirmed, the terms of these agreements should be similar to the ones adopted in connection with the 2002 Bonds. In particular, each waste delivery agreement generally would include a provision that would prohibit a member from withdrawing from the Authority until the 10th anniversary after the refunding bonds are issued (i.e. the first date when the refunding bonds can be prepaid at no penalty). The prohibition from withdrawal was 15 years from the formation of the JPA under the 2002 Bonds. The reapproval of the waste delivery agreements generally is accomplished before the Authority requests a new credit rating.

Execution of Similar Warranties and Agreements Required Under the 2002 Bonds - The Authority and its members would be expected to make similar representations and warranties which were provided in connection with the issuance of the 2002 Bonds. These representations are required so that bond counsel can provide unqualified bond and tax-exemption opinions which can be relied upon by bond investors who purchase the refunding bonds. Among other representations, each JPA member will need to deliver legal opinions stating that the adoption of the original JPA agreement, member waste delivery agreements and any other agreements represent legal and binding obligations of each member.

If you have any questions about the information contained in this memorandum, please feel free to contact us.

John Kim	(415) 999-4779
John Phan	(310) 207-1975

**STANDARD
& POOR'S**

Global Credit Portal[®]

RatingsDirect[®]

March 11, 2010

Summary:

Salinas Valley Solid Waste Authority, California; Solid Waste/Resource Recovery

Primary Credit Analyst:

Edward R McGlade, New York (1) 212-438-2061; edward_mcglade@standardandpoors.com

Secondary Credit Analyst:

Ian Carroll, San Francisco (1) 415-371-5060; ian_carroll@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Research

Summary:

Salinas Valley Solid Waste Authority, California; Solid Waste/Resource Recovery

Credit Profile

Salinas Vly Solid Waste Auth Solid Waste

Unenhanced Rating

A+(SPUR)/Stable

Upgraded

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services raised its underlying rating (SPUR) on Salinas Valley Solid Waste Authority, Calif.'s revenue bonds to 'A+' from 'A-'. The outlook is stable.

Rating factors include our view of the city's:

- Somewhat limited economic base that remains substantially agricultural,
- Stable flow of solid waste that leads to budgetary stability; and
- Good overall financial performance, including good cash reserves.

The bonds are secured by net operating revenues of the solid waste system.

The authority is a joint powers authority of Monterey County, Salinas, Gonzales, Greenfield, Soledad, and King City. The authority was established to look after the service area's waste disposal needs, including ownership of disposal assets such as landfills and transfer stations.

The city of Salinas is the economic hub of the service area, located 100 miles south of San Francisco and 17 miles inland from the Pacific Ocean. The Salinas Valley has about 415,000 residents. In our view, there is still considerable economic concentration in the valley in agricultural production, as the valley is a leader in several crops. Tempering this concentration somewhat is the valley's increasing participation in the Bay Area economy, with some residents in the northern portion of the valley making the commute to Silicon Valley in order to take advantage of high-paying jobs and the lower cost of living the Salinas area offers.

Economic stability and waste deliveries from South Santa Clara Valley have helped to maintain a steady waste flow at the authority's Crazy Horse, Johnson Canyon, and Lewis Road landfill and transfer facilities.

System finances are stable. With rate increases and an increase in tonnage, revenues were in excess of \$16.4 million and provide coverage of annual debt service of 1.42x in fiscal 2008. The systems cash position continues to grow from what we consider a strong \$7.7 million in cash available for operations in 2004, equal to 223 days of operating expenditures, to \$10.68 million in fiscal 2008 (324 days).

Outlook

The stable outlook reflects Standard & Poor's expectation that the solid waste enterprise will collect a steady flow of waste, enabling consistently adequate debt service coverage. If the regional economy was to expand and diversify further and if the financial performance of the enterprise is enhanced by a resulting increase in revenues, then we think that credit quality could be improved.

Related Research

USPF Criteria: Solid Waste System Financings, June 15, 2007

Complete ratings information is available to RatingsDirect on the Global Credit Portal subscribers at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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McGRAW-HILL



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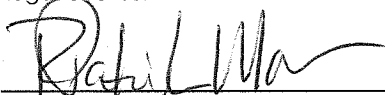
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 11


Finance Manager/Controller-Treasurer

T. Bruen by rm
Legal Counsel


General Manager/CAO

Date: May 16, 2013
From: Roberto Moreno, Finance Manager
Title: A Resolution Approving Service Fees Effective July 1, 2013 for Recycling, Resource Recovery, and Disposal at Authority Landfills and Transfer Stations and Administrative Services

RECOMMENDATION

Staff recommends Board adoption of the proposed rates, which will end the unsustainable reliance on importing waste into our landfill to fund daily operations.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports Goal A - Develop and Implement a Sustainable Finance Plan by:

1. Ending reliance on importing waste into the Salinas Valley to balance the budget;
2. Temporarily re-instating the capital reserve contributions to support relocation to the Salinas Area Materials Recovery Center and closure of the Sun Street Facilities;
3. Improving the Authority's financial position for refinancing the 2002 Revenue Bonds

FISCAL IMPACT

Approval of the proposed AB939 Fee will increase revenues by \$1.7 million annually. This will in turn increase the Expansion Fund reserves by \$1.7 million until the imported waste delivery contract expires or jurisdictions redirect waste elsewhere. This action supports relocation of the Sun Street Transfer Station without issuing new debt.

The monthly impact on a typical residential customer will range from \$0.49 to \$1.42 depending on their location and level of service (attachment 4). The monthly impact on a 1-cubic yard commercial customer will range from \$2.08 to \$7.09 (attachment 5).

DISCUSSION & ANALYSIS

In order for Republic Services and Tri-Cities Disposal to obtain approval from the local governing bodies in time for a July 1 rate increase the Board needs to approve the rates for FY 2013-14 at this meeting.

This item was first presented on February 21, at which time the Board decided to move the rate approval to March 21 to allow sufficient time for franchise haulers to obtain rate approvals from their franchising agencies. It was presented at a noticed public hearing on March 21 at which meeting action was delayed for an additional 30 days in response to a request from the Monterey Bay Area Managers Group. It was again presented on

April 18 at which time action was further delayed until after the joint meeting with the Board of Supervisors on April 30.

Attached is the April 18 staff report (agenda item no. 9) providing a full analysis and discussion for the proposed rates.

AB939 Fees and No increase to tipping fees

The implementation of an AB939 fee on franchise haulers/member agencies will raise \$1.7 million which will not be subject to fluctuations in landfilled tonnage. The Authority is allowed to impose an AB939 fee under state law. *Up to now, the Authority has funded all AB939 services out of the tipping fee, so this is not a new fee but a different collection method.* Since the Authority must generate additional revenue, it is logical to raise replacement revenue from a source that is not subject to fluctuations in landfilled tonnage.

While an AB939 fee will not raise the full \$2M which will be lost when the RSV contract ends, it will nonetheless move the Authority away from tipping fees as its sole funding source. Staff hired a consultant to assist in optimizing the Authority's operations and thus make up the remaining \$300,000 needed to fully replace the \$2M of RSV revenues.

The total AB939 fee is the amount needed to cover the full cost of the Authority's AB939 services. The AB939 fee is based on the Authority's budgeted AB939 services less any offsetting revenue (attachment 2). Each franchise hauler's share is based on the previous years' landfilled tonnage (attachment 3).

The AB939 fee would generate \$1,731,980 in additional revenue. The table below shows the impact to each franchise hauler of the proposed AB939 Fee.

Franchise Hauler	FY 2011-12	Percent	Annual	Monthly
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>	1.9%	<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>

The impact on the ratepayer would be equivalent to a \$12/ton tipping fee increase or an AB939 fee. It is always up to the franchise hauler and the member agency to decide how to pass on any Authority fee increases.

Consequences of not increasing revenue

If the Board chooses not to raise the additional \$1.7M in revenue, the implications are as follow:

- The Authority will have only \$6 million for supplemental capacity/relocation and development of the Materials Recovery Center (MRC). This is not enough to move from Sun Street to the proposed Work Street MRC.
- \$2M will still need to be raised when the RSV contract ends or the generating jurisdictions redirect their waste to another landfill offering lower fees. This would just be kicking the can down the road that will inevitably end with a \$2 million revenue shortfall.

- May lower Authority's credit rating due to unwillingness to increase rates to necessary levels. This could impact the amount of savings opportunity from refinancing the 2002 Revenue Bonds.
- When the RSV revenue ends, the required bond debt coverage ratio of 115% will drop to 50% causing a default since the Authority will not have sufficient revenue to meet operating expenses and pay the bond debt.

Benefits of increasing revenue by means of AB939 fee

If the Board chooses to implement an AB939 fee of \$1.7M, the benefits are as follow:

- Expansion Fund will increase by \$1.7 million for supplemental capacity/relocating the Sun Street Transfer Station. For every additional year that the RSV contract stays in place it could add up to \$2M to the Expansion Fund.
- Authority will achieve fiscal sustainability – the Board's highest Strategic Plan Priority for the last three years. When RSV contract is terminated in the near future, the Authority does not need to be reactive.
- Will improve the Authority's credit worthiness due to willingness to increase rates to necessary levels. This will impact the amount of savings from refinancing the 2002 Revenue Bonds.
- Begins to move the Authority away from landfill tipping fees to a revenue model that is more consistent with the current situation of operating expenses that are financed from a declining revenue base (landfill tonnage).
- Provides a stable revenue source to accomplish our many unfunded State and Federal mandates.

BACKGROUND

Refer to the attached April 18 staff report for the full background on this item.

ATTACHMENT(S)

1. Resolution and Fee Schedule
2. April 18 Staff Report on Proposed Rates for FY 2013-14

RESOLUTION NO. 2013 –

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING SERVICE FEES EFFECTIVE JULY 1, 2013 FOR RECYCLING, RESOURCE RECOVERY, AND DISPOSAL AT AUTHORITY LANDFILLS AND TRANSFER STATIONS AND ADMINISTRATIVE SERVICES

WHEREAS the Board of Directors of the Salinas Valley Solid Waste Authority held a public hearing on March 21, 2013 to review the Disposal Fees and Rates for FY 2013-14; and

WHEREAS a \$3.00 per ton increase in the Salinas Transportation Surcharge is necessary to cover the cost of transporting Republic Services waste from Salinas to Johnson Canyon Landfill; and

WHEREAS instead of increasing tipping fees, the Authority prefers to impose an AB939 Fee on franchise haulers to cover the net cost of Authority AB939 Services; and

WHEREAS said AB 939 Fee will be calculated as the full cost of AB 939 services, less offsetting revenue and will be allocated to franchise haulers based upon their proportionate share of landfilled tonnage in the previous fiscal year;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Salinas Valley Solid Waste Authority that the Disposal Fees and Rates Schedule attached hereto as "Exhibit A" is hereby approved to become effective July 1, 2013.

BE IT FURTHER RESOLVED that the General Manager/CAO is hereby authorized to make adjustments to the Disposal Fees and Rates Schedule on a case by case basis for recyclable/diverted materials where there is a clear benefit to the Authority or when there is an instance of a situation not covered by the Disposal Fees and Rates Schedule. In such instances, the Board will be notified at the next scheduled meeting.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th day of May 2013, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Fernando Armenta, President

Elia Zavala, Clerk of the Board

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>LANDFILLED MATERIALS</u>		
<u>Franchise Haulers (Class III Solid Waste)</u>	\$ 67.00	Per Ton
<u>Self Haul Loads at all Sites</u>		
Minimum charge per load (up to 500 lbs.)	\$ 15.00	Per Load
Loads weighing between 501 and 999 lbs.	\$ 30.00	Per Load
Loads weighing 1,000 lbs. and above	\$ 67.00	Per Ton
<u>Fumigation or Mulch Plastic/Drip Tape - Johnson Canyon only</u>		
Loads weighing 500 lbs. or less	\$ 18.75	Per Load
Loads weighing between 501 and 999 lbs.	\$ 37.50	Per Load
Loads weighing 1,000 pounds and above	\$ 75.00	Per Ton
<u>Nonfriable Asbestos</u>	\$ 90.00	Per Ton
Up to 1 cubic yard w/o pre-approval) wetted and double bagged		
Note: Usefulness and suitability of materials is subject to scale house personnel's discretion.		
<u>Special Handling Charge (in addition to cost per ton) - Johnson Canyon only</u>		
Remediated Soil Handling	\$ 100.00	Each
Certified Burials (under 20' trailer)	\$ 105.00	Each
Certified Burials (20' and over trailer)	\$ 210.00	Each
<u>Tarps</u>	\$ 10.00	Each
Untarped Loads	Additional 50% of the Required Fee	
<u>Compost Bins</u>	\$ 49.95	Each
<u>*Soil (Loaded by the Customer) - Johnson Canyon</u>	\$ 1.00	Per Cubic Yard Up to 500 C.Y.

AB939 Fees (new for FY 2013-14)

AB939 Fees Total	\$ 1,731,980	Annual
Total fee is calculated based on proposed budget of \$2,175,980		
less offsetting revenue of	\$ 444,000	
AB 939 Fees Net Revenue Requirement	\$1,731,980	

Fee is charged to franchise haulers based on prior year tonnage: Fee allocation is as follows:	2011-12 Tons	Percent			
	Landfilled				
Republic Services of Salinas	91,753	63.3%	\$ 1,096,269	\$ 91,356	
Waste Management - Unincorporated area	30,930	21.3%	\$ 369,550	\$ 30,796	
Tri-Cities - Soledad	6,147	4.2%	\$ 73,450	\$ 6,121	
Waste Management - King City	7,627	5.3%	\$ 91,133	\$ 7,594	
Tri-Cities - Greenfield	5,702	3.9%	\$ 68,124	\$ 5,677	
Tri-Cities - Gonzales	2,800	1.9%	\$ 33,454	\$ 2,788	
	144,959	100%	\$ 1,731,980	\$ 144,332	

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>SOURCE SEPARATED DIVERTIBLE MATERIALS</u>		

<u>Cardboard</u>	No Charge	
<u>Recyclable plastic and glass containers, aluminum and paper</u>	No Charge	
<u>Metal</u>	No Charge	
<u>Construction and Demolition materials</u>		
Mixed Dirty	\$ 58.00 Per Ton	
Minimum charge per load (up to 500 lbs.)	\$ - Per Load	\$ 14.50
Loads weighing between 501 and 999 lbs.	\$ - Per Load	\$ 29.00
Loads weighing 1,000 lbs. and above	\$ 58.00 Per Ton	\$ 58.00
<u>Mattresses and box springs</u>	\$ 15.00 Each	
<u>Greenwaste and Wood</u>		
Minimum charge up to 500 lbs.	\$ 10.00 Per Load	
Loads weighing between 501 and 999 lbs.	\$ 15.00 Per Load	
Loads weighing 1,000 lbs. and above	\$ 36.00 Per Ton	
Wood Stumps (3 feet and over in diameter) & Tree limbs	\$ 67.00 Per Ton	
<u>Soil and Aggregate (Johnson Canyon Landfill only)</u>		
Clean Fill Dirt (up to 10 c.y. without pre-approval)	\$ 10.00 Per Ton	
Asphalt (suitable for road base)	\$ 1.00 Per Ton	
Concrete (suitable for road base - no rebar)	\$ 1.00 Per Ton	
Concrete with rebar/pipe	\$ 10.00 Per Ton	
<u>Biosolids - subject to pre-approval (Johnson Canyon Landfill only)</u>	\$ 28.00 Per Ton	
<u>Tires (without rims only)</u>		
Auto/Light Truck Tires less than 42"	\$ 2.00 Each	
Auto/Light Truck Tires more than 42"	\$ 10.00 Each	
Commercial Tires	\$ 75.00 Each	
Equipment Tires	\$ 150.00 Each	
Altered Tires (split, sliced, quartered)	\$ 67.00 Per Ton	

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
 Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>HOUSEHOLD HAZARDOUS WASTE AT COLLECTION FACILITIES</u>		

All commercial customers
 Households outside the Authority's service area
Minimum charge \$1.50 per lb.

Absorbent	\$ 1.50	Per Lb.
Acids/Bases	\$ 1.50	Per Lb.
Aerosols	\$ 1.25	Per Can
Antifreeze	\$ 1.50	Per Lb.
Environmentally Hazardous Substances (Reactive and Solvents)	\$ 5.00	Per Lb.
Flammable Liquids	\$ 1.50	Per Lb.
Flammable Sludge	\$ 1.50	Per Lb.
Motor Oil - contaminated	\$ 1.50	Per Lb.
Oil Filters (autos and small trucks)	\$ 1.50	Each
Oil Filters (trucks and equipment)	\$ 10.00	Each
Oxidizers	\$ 1.50	Per Lb.
Paint and Paint Related Materials	\$ 1.50	Per Lb.
Pesticides	\$ 1.50	Per Lb.
HHW Clean-up Service Fee	\$ 75.00	Hour
HHW Sorting Fee	\$ 25.00	Per customer

Appliances and Air Conditioners

Without refrigerant	No Charge	
With refrigerant	\$ 15.00	Each

Gas Cylinders (Propane, helium, fire extinguishers only)

Must be empty with valve open

1 liter	\$ 1.50	Each
5 gallons	\$ 8.00	Each

Sharps Disposal (non-commercial only)

Used needles and lancets (not in an approved container)	\$ 3.00	Per Lb.
Used needles and lancets (in an approved container)	No Charge	

Sharps Containers (non-commercial only)

1 Quart Container	\$ 2.00	Each
3 Quart Container	\$ 5.00	Each

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
 Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>UNIVERSAL WASTE AT HHW COLLECTION FACILITIES</u>		

Minimum charge \$1.50 per pound

Batteries		
Alkaline or Rechargeable A, AA, AAA, B, C, D and 6 volt	\$	1.50 Per Lb.
Nickel-Cadmium, Lithium, Silver Oxide-Hydride Cells,		
Lead Gel Cells, Nickel-Metal, and Lithium		
UPS/Automobile and Light Truck Batteries		No Charge
CRT (televisions and computer monitors)		No Charge
Cell Phones		No Charge
Computers, keyboard and printers		No Charge
Copiers, mimeographs, facsimile machines		No Charge
Compact Fluorescent Bulbs	\$	1.50 Per Lb.
Fluorescent Lamps	\$	1.50 Per Lb.
Halogen, High Pressure Sodium Tubes	\$	1.50 Per Lb.
Fluorescent Ballasts (PCB)	\$	2.00 Per Lb.
Kitchen appliances: microwaves, toaster, toaster ovens		No Charge
Mercury	\$	7.00 Per Lb.
Mercury thermostats, thermometers or switches	\$	1.00 Each
Toner, developer, ink cartridges (office use)	\$	1.00 Per Lb.
Toner and developer (industrial use)	\$	1.50 Per Lb.

ADMINISTRATIVE & SPECIAL FEES

Salinas Transportation Surcharge	\$	8.00 Per Ton	\$	11.00
(applies only to Salinas Franchise Waste)				
Agenda Packets for Board or Executive Committee	\$	116.00 Annually		
Agendas Only	\$	26.00 Annually		
Agendas Only for Public Agencies	\$	18.00 Annually		
Reproduction of Public Records	\$	0.10 Per Page		
Copies of Weight Tags	\$	20.00 Each		
Returned Check Fee	\$	25.00 Each		
Finance Charge on accounts 30+ Days Past Due	1.5% per mo.,	18% annually		
Media duplication for disks, cds, tapes	Actual Cost	Each		
	\$5.00 Min.			
Plans & Specifications for Construction Projects	Actual Cost	Per Set		
	\$15.00 Min.			
Full Size Plans for Construction Projects	Actual Cost	Per Set		
	\$15.00 Min			

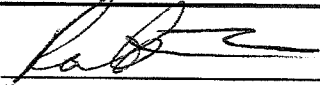



SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

Date: April 18, 2013
From: Roberto Moreno, Finance Manager
Title: A Resolution Approving Service Fees Effective July 1, 2013 for Recycling, Resource Recovery, and Disposal at Authority Landfills and Transfer Stations and Administrative Services

ITEM NO. 9


Finance Manager/Controller-Treasurer

T. Bruen by rm
Legal Counsel

General Manager/CAO

RECOMMENDATION

Staff recommends Board adoption of the proposed rates, which will end reliance on importing waste into our landfill to fund operations.

This item was presented at a noticed public hearing on March 21 at which meeting action was delayed for 30 days.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports Goal A - Develop and Implement a Sustainable Finance Plan by:

1. Ending reliance on importing waste into the Salinas Valley to balance the budget;
2. Increasing the Expansion Fund for the relocation of Sun Street Transfer Station;
3. Improving the Authority's financial position for refinancing the 2002 Revenue Bonds

FISCAL IMPACT

Approval of the proposed AB939 Fee will increase revenues by \$1.7 million annually. This will in turn increase the Expansion Fund reserves by \$1.7 million until the imported waste delivery contract expires or jurisdictions redirect waste elsewhere. This action supports relocation of the Sun Street Transfer Station and creation of the Materials Recovery Center (MRC) needed to achieve our long standing sustainability goal, as well as CalRecycle's goal of 75% diversion, without issuing new debt.

The monthly impact on a typical residential customer will range from \$0.49 to \$1.42 depending on their location and level of service (attachment 4). The monthly impact on a 1-cubic yard commercial customer will range from \$2.08 to \$7.09 (attachment 5).

During the public hearing at the March 21 meeting, Monterey County Environmental Health proposed that the County's portion of AB939 fees be reduced because Environmental Health and Waste Management are responsible for providing all outreach and education in unincorporated areas of County. The amount of the requested reduction is estimated to be \$41,703 based on 2011-12 tonnage attributable to the County. However, staff does not agree that the County is entitled to this reduction. The Board received a presentation from County Environmental Health on June 17, 2010, which outlined the County's use of its "Regional Fee" which is assessed against the tonnage

disposed at the two county regional landfills (Marina and Johnson Canyon). In attachment 8 are two slides from a presentation by County staff to the Board that explains how this funding is used to support County AB939 Administration and Recycling and Diversion programs. Based on this presentation, the County is already being provided a subsidy for the portion off the AB 939 services they provide independently of the Authority and the Monterey Regional Waste Management District efforts.

DISCUSSION & ANALYSIS

The need to replace \$2 million in revenue

The Authority must take steps to replace the \$2 million of Recology South Valley (RSV) revenue being used for operations with revenue generated within the service area. This action is necessary so that when the RSV contract is terminated or waste is directed elsewhere by the generating jurisdictions, the Authority will be in a position to absorb that loss of revenue. The revenue received in the remaining short-term, until either of those two scenarios occur, would be redirected to its original purpose to build capital for supplemental capacity.

Without the increase in revenues, when the Recology South Valley contract ends the Authority will be in default on its bonds and more importantly the Authority will not have sufficient revenue to pay for operating expenses and debt service. The Authority will have a revenue shortfall of \$1.7.

Replacing \$2 million in revenue the traditional way

The traditional way to increase revenue for a landfill operation is to increase franchise waste tipping fees. In order to raise \$2M based on 166,500 of anticipated landfilled tons, it would require a \$12.00 per ton tipping fee increase. This would increase tipping fees from \$67 to \$79, a 17.9% increase. While this will raise the necessary \$2M, it will still leave the Authority subject to fluctuations in landfill tonnage, which continues to be the source of revenue instability for most solid waste agencies.

A better way to increase revenue (AB939 fees and No increase to tipping fees)

The implementation of an AB939 fee on franchise haulers/member agencies would raise \$1.7 million which would not be subject to fluctuations in landfilled tonnage. The Authority is allowed to impose an AB939 fee under state law. *Up to now, the Authority has funded all AB939 services out of the tipping fee, so this is not a new fee but a different collection method.* Since the Authority must generate additional revenue, it is logical to raise replacement revenue from a source that is not subject to fluctuations in landfilled tonnage. That being the case, increasing tipping fees knowing that tonnage will decrease does not provide revenue stability and is not sustainable into the future as landfill disposal across the State continues to decline. While an AB939 fee will not raise the full \$2M, it will nonetheless move the Authority away from tipping fees as its sole funding source.

Staff hired a consultant to assist in optimizing the Authority's operations and thus make up the remaining \$300,000 needed to fully replace the \$2M of RSV revenues.

The total AB939 fee is the amount needed to cover the full cost of the Authority's AB939 services. The AB939 fee is based on the Authority's budgeted AB939 services less any offsetting revenue (attachment 2). Each franchise hauler's share is based on the previous years' landfilled tonnage (attachment 3).

The AB939 fee would generate \$1,731,980 in additional revenue. The table below shows the impact to each franchise hauler of the proposed AB939 Fee.

Franchise Hauler	FY 2011-12	Percent	Annual	Monthly
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
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TCD - Gonzales	2,800	1.9%	\$ 33,454	\$ 2,788
Total	144,959	100.0%	\$ 1,731,980	\$ 144,332

The impact on the ratepayer would be equivalent to a \$12/ton tipping fee increase or an AB939 fee. It is always up to the franchise hauler and the member agency to decide how to pass on any Authority fee increases.

Consequences of not increasing revenue

If the Board chooses not to raise the additional \$1.7M in revenue, the implications are as follow:

- The Authority will have only \$6 million for supplemental capacity/relocation and development of the Materials Recovery Center (MRC). This is not enough to move from Sun Street to the proposed Work Street MRC.
- \$2M will still need to be raised when the RSV contract ends or the generating jurisdictions redirect their waste to another landfill offering lower fees. This would just be kicking the can down the road that will inevitably end with a \$2 million revenue shortfall.
- May lower Authority's credit rating due to unwillingness to increase rates to necessary levels. This could impact the amount of savings opportunity from refinancing the 2002 Revenue Bonds.
- When the RSV revenue ends the required bond debt coverage ratio of 115% will drop to 50% causing a default since the Authority will not have sufficient revenue to meet operating expenses and pay the bond debt.

Benefits of increasing revenue by means of AB939 fee

If the Board chooses to implement an AB939 fee of \$1.7M, the benefits are as follow:

- Expansion Fund will increase by \$1.7 million for supplemental capacity/relocating the Sun Street Transfer Station. For every additional year that the RSV contract stays in place it could add up to \$2M to the Expansion Fund (or for Work Street MRC development).
- Authority will achieve fiscal sustainability – the Board's highest Strategic Plan Priority for the last three years. When RSV contract is terminated in the near future, the Authority does not need to be reactive.
- Will improve the Authority's credit worthiness due to willingness to increase rates to necessary levels. This could impact the amount of savings from refinancing the 2002 Revenue Bonds.
- Begins to move the Authority away from landfill tipping fees to a revenue model that is more consistent with the current situation of operating expenses that are financed from a declining revenue base (landfill tonnage).
- Provides a stable revenue source to accomplish an unfunded mandate.

Reduction in AB939 fee for Monterey County

On December 3, 1996 the County signed the Joint Powers Agreement which includes the following provisions:

"The Parties find that it would be to their mutual advantage and benefit to work together and share costs to plan and implement source reduction, recycling, composting, public education, household hazardous waste management, and other solid waste management programs, facilities, landfills and collection services." (Recital E).

".... Formed for the purpose of demonstrating a commitment to, and facilitation of, the development of the most efficient and cost-effective strategies for source reduction, achieving recycling goals, expanding composting and encouraging the establishment of markets for recycled products and recycling industries." (Section 1c).

"Powers and Functions: Provision of comprehensive solid waste management services, including, but not limited to, collection, transfer, disposal, source reduction, recycling, composting and household hazardous waste programs." (Section 12c).

"Provision of public education and market development programs in support of the diversion programs." (Section 12e).

In accordance with portions of Section 13 of the agreement, the Authority would not assume responsibility for the following programs unless assigned by a Party to the Agreement: Collection, preparation of annual reports or integrated waste management plans, diversion goals, regional diversion projects, public education, household hazardous waste programs, or billing.

When the work plan for AB939 compliance was completed and presented to the Authority Board and each member agency in 1999, all member cities adopted an amendment to the JPA Agreement to provide these services. The County did not approve the amendment. It provides public outreach to unincorporated County in conjunction with its waste hauler and prepares its own AB939 compliance reports which are funded by a \$520,000 annual payment from Waste Management and approximately \$135,000 from the regional fee paid by the Authority yearly. The Authority provides the balance of the services requested, which are now proposed to be funded by the AB939 service fee.

Authority staff views public education as the best example of "All for One and One for All." The waste reduction goal to fulfill AB939 compliance is common to all outreach whether conducted by the Authority, the County, G³ staff in Gonzales, Waste Management, Republic Services, Tri Cities Recycling, or the Monterey Regional Waste Management District. Television, radio, websites, newspaper articles and ads reach all residents and businesses equally. Booths staffed by both Authority and County at events disseminate information to everyone interested regardless of their residency. Any inquiry specific to service in the unincorporated County is referred to Waste Management or Environmental Health as appropriate, and cooperation between all staff who accomplish waste reduction has been abundant.

The Authority has provided outreach services to unincorporated areas not offered by the County such as Recycle Rama school presentations, additional contribution to the Central Coast Recycling Media Coalition, tours of the transfer station and landfill, monthly recycling newspaper articles, television advertisements on other forms of Authority wide outreach, compost workshops, recycling curriculum for the Salinas Adult School and promotion of recycling centers.

Public outreach on proposed rate increase

The Board directed staff to reach out to the public and the stakeholders to provide information on the proposed rate increase. In response, staff mailed 90,000 flyers to every business and resident in the Salinas Valley by means of bulk rate delivery. Each flyer was customized to the particular community.

Staff continues to seek out other stakeholders interested in discussing the proposed rate increase. To-date, staff has held the following meetings with stakeholders:

03/04/13 – Tri-Cities Disposal

03/06/13 – Republic Services of Salinas

03/06/13 – Waste Management and County Health Department for the Unincorporated Monterey County

03/07/13 – SUBA, Jose Martinez-Saldana & David Brown

03/11/13 – Michael Powers, City Manager, King City

03/11/13 – Don Wilcox, Public Works Director, Soledad

03/13/13 – Rene Mendez, City Manager, Gonzales

03/21/13 – John Ramirez and Teresa Rios, Monterey County EHB

BACKGROUND

Staff presented the FY 2013-14 proposed budget on February 21. The operating expenditures increased only 1.6%. This increase is covered by a proposed \$3.00 per ton increase to the Salinas Transportation Surcharge for use of the Sun Street facility for transfer of Salinas garbage to Johnson Canyon.

In February 2011, staff recommended a \$15,938,950 strategic plan operating budget that would cover increases in operating expenses and begin to fund changes in the Authority's financial policies. The increase was to be funded by means of an AB939 Service Fee per customer and the proposed service-level based rate model whereby everyone would pay for disposal based on the level of service they receive. Instead of the recommended proposal, the Board chose to start using the Recology South Valley Revenue for operations in order to defer rates increases.

In January 2012, staff recommended implementation of a three-tier rate structure that would generate \$3 Million over a three year period. The proposed rate structure included 1) an AB939 Fee based on a charge per customer; 2) a legacy liability component based on a charge per customer type; and 3) a Cubic yard charge for franchise residential and commercial waste. In the end, none of the recommended rates were imposed. Instead, tipping fees were raised \$3 per ton, the Salinas Transportation Surcharge was raised \$3.00 per ton, the operating budget was further reduced to the minimum required amount, \$1.6 million of Recology South Valley revenues continued to be used for operations, and an additional \$.5 million of Recology South Valley revenue was appropriated for operations expenses. Currently all the Recology South Valley revenue is being used for operations.

Recology South Valley Agreement

The Authority nets \$2 million in revenue from importing waste from Recology South Valley (RSV). This revenue was never intended to be used for operations. As a result of the "Great Recession" the Authority began to lose tonnage which meant an increase in tipping fees. The Board chose to not increase rates, but instead use the RSV revenue to subsidize rates.

The RSV contract has a termination date of 12/31/13 at the earliest or 12/31/17 at the latest. The Board decided to extend the agreement for at least one year through 12/31/14. RSV has informed The Authority that it has received unsolicited proposals from another landfill to take their garbage at a lower rate. The Cities of Morgan Hill and Gilroy have also informed RSV that they would like for the carbon footprint of their garbage to be reduced by not hauling it so far away to Johnson Canyon Landfill.

While the Authority has a contract with RSV, state law allows the local government to direct their waste to the landfill of their choice. It is imperative that the Authority take steps to replace the RSV revenue being used for operations with revenue generated within the service area. When the RSV contract is terminated or waste is redirected the Authority will not have to react with drastic measures.

If this revenue source had been left to its intended purpose there would be no need to replace it since it would never have been used for operations. We would already have adequate funds accrued this year to fund the Work Street MRC.

ATTACHMENT(S)

1. Resolution and Fee Schedule
2. AB 939 Services Net Revenue Requirement
3. AB939 Fee Allocation to Franchise Haulers
4. Estimated Impact on Residential Customers
5. Estimated Impact on Commercial Customers
6. Flyers delivered in all of the Salinas Valley zip codes
7. April 3 Executive Committee Staff Report – Response to Rate Increase Public Hearing Questions and Comments
8. Environmental Health presentation on "Regional Fee" uses, June 17, 2010

RESOLUTION NO. 2013 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING SERVICE FEES EFFECTIVE JULY 1, 2013 FOR RECYCLING, RESOURCE
RECOVERY, AND DISPOSAL AT AUTHORITY LANDFILLS AND TRANSFER STATIONS AND
ADMINISTRATIVE SERVICES**

WHEREAS the Board of Directors of the Salinas Valley Solid Waste Authority held a public hearing on March 21, 2013 to review the Disposal Fees and Rates for FY 2013-14; and

WHEREAS a \$3.00 per ton increase in the Salinas Transportation Surcharge is necessary to cover the cost of transporting Republic Services waste from Salinas to Johnson Canyon Landfill; and

WHEREAS instead of increasing tipping fees, the Authority prefers to impose an AB939 Fee on franchise haulers to cover the net cost of Authority AB939 Services; and

WHEREAS said AB 939 Fee will be calculated as the full cost of AB 939 services, less offsetting revenue and will be allocated to franchise haulers based upon their proportionate share of landfilled tonnage in the previous fiscal year;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Salinas Valley Solid Waste Authority that the Disposal Fees and Rates Schedule attached hereto as "Exhibit A" is hereby approved to become effective July 1, 2013.

BE IT FURTHER RESOLVED that the General Manager/CAO is hereby authorized to make adjustments to the Disposal Fees and Rates Schedule on a case by case basis for recyclable/diverted materials where there is a clear benefit to the Authority or when there is an instance of a situation not covered by the Disposal Fees and Rates Schedule. In such instances, the Board will be notified at the next scheduled meeting.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 18th day of April 2013, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Fernando Armenta, President

ATTEST:

Elia Zavala, Clerk of the Board

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>LANDFILLED MATERIALS</u>		
<u>Franchise Haulers (Class III Solid Waste)</u>	\$ 67.00 Per Ton	
<u>Self Haul Loads at all Sites</u>		
Minimum charge per load (up to 500 lbs.)	\$ 15.00 Per Load	
Loads weighing between 501 and 999 lbs.	\$ 30.00 Per Load	
Loads weighing 1,000 lbs. and above	\$ 67.00 Per Ton	
<u>Fumigation or Mulch Plastic/Drip Tape - Johnson Canyon only</u>		
Loads weighing 500 lbs. or less	\$ 18.75 Per Load	
Loads weighing between 501 and 999 lbs.	\$ 37.50 Per Load	
Loads weighing 1,000 pounds and above	\$ 75.00 Per Ton	
<u>Nonfriable Asbestos</u>	\$ 90.00 Per Ton	
Up to 1 cubic yard w/o pre-approval) wetted and double bagged		
Note: Usefulness and suitability of materials is subject to scale house personnel's discretion.		
<u>Special Handling Charge (in addition to cost per ton) - Johnson Canyon only</u>		
Remediated Soil Handling	\$ 100.00 Each	
Certified Burials (under 20' trailer)	\$ 105.00 Each	
Certified Burials (20' and over trailer)	\$ 210.00 Each	
<u>Tarps</u>	\$ 10.00 Each	
Untarped Loads	Additional 50% of the Required Fee	
<u>Compost Bins</u>	\$ 49.95 Each	
<u>*Soil (Loaded by the Customer) - Johnson Canyon</u>	\$ 1.00 Per Cubic Yard Up to 500 C.Y.	

AB939 Fees (new for FY 2013-14)

AB939 Fees Total	\$ 1,731,980 Annual
Total fee is calculated based on proposed budget of \$2,175,980	
less offsetting revenue of	\$ 444,000
AB 939 Fees Net Revenue Requirement	\$1,731,980

Fee is charged to franchise haulers based on prior year tonnage: Fee allocation is as follows:	2011-12 Tons				
	Landfilled		Percent	Annual	Monthly
Republic Services of Salinas	91,753		63.3%	\$ 1,096,269	\$ 91,356
Waste Management - Unincorporated area	30,930		21.3%	\$ 369,550	\$ 30,796
Tri-Cities - Soledad	6,147		4.2%	\$ 73,450	\$ 6,121
Waste Management - King City	7,627		5.3%	\$ 91,133	\$ 7,594
Tri-Cities - Greenfield	5,702		3.9%	\$ 68,124	\$ 5,677
Tri-Cities - Gonzales	2,800		1.9%	\$ 33,454	\$ 2,788
	144,959		100%	\$ 1,731,980	\$ 144,332

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>SOURCE SEPARATED DIVERTIBLE MATERIALS</u>		

Cardboard

No Charge

Recyclable plastic and glass containers, aluminum and paper

No Charge

Metal

No Charge

Construction and Demolition materials

Mixed Dirty	\$ 58.00	Per Ton	
Minimum charge per load (up to 500 lbs.)	\$ -	Per Load	\$ 14.50
Loads weighing between 501 and 999 lbs.	\$ -	Per Load	\$ 29.00
Loads weighing 1,000 lbs. and above	\$ 58.00	Per Ton	\$ 58.00

Mattresses and box springs

\$ 15.00 Each

Greenwaste and Wood

Minimum charge up to 500 lbs.	\$ 10.00	Per Load	
Loads weighing between 501 and 999 lbs.	\$ 15.00	Per Load	
Loads weighing 1,000 lbs. and above	\$ 36.00	Per Ton	
Wood Stumps (3 feet and over in diameter) & Tree limbs	\$ 67.00	Per Ton	

Soil and Aggregate (Johnson Canyon Landfill only)

Clean Fill Dirt (up to 10 c.y. without pre-approval)	\$ 10.00	Per Ton	
Asphalt (suitable for road base)	\$ 1.00	Per Ton	
Concrete (suitable for road base - no rebar)	\$ 1.00	Per Ton	
Concrete with rebar/pipe	\$ 10.00	Per Ton	

Biosolids - subject to pre-approval (Johnson Canyon Landfill only) \$ 28.00 Per Ton

Tires (without rims only)

Auto/Light Truck Tires less than 42"	\$ 2.00	Each	
Auto/Light Truck Tires more than 42"	\$ 10.00	Each	
Commercial Tires	\$ 75.00	Each	
Equipment Tires	\$ 150.00	Each	
Altered Tires (split, sliced, quartered)	\$ 67.00	Per Ton	

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>HOUSEHOLD HAZARDOUS WASTE AT COLLECTION FACILITIES</u>		

All commercial customers
Households outside the Authority's service area
Minimum charge \$1.50 per lb.

Absorbent	\$ 1.50	Per Lb.
Acids/Bases	\$ 1.50	Per Lb.
Aerosols	\$ 1.25	Per Can
Antifreeze	\$ 1.50	Per Lb.
Environmentally Hazardous Substances (Reactive and Solvents)	\$ 5.00	Per Lb.
Flammable Liquids	\$ 1.50	Per Lb.
Flammable Sludge	\$ 1.50	Per Lb.
Motor Oil - contaminated	\$ 1.50	Per Lb.
Oil Filters (autos and small trucks)	\$ 1.50	Each
Oil Filters (trucks and equipment)	\$ 10.00	Each
Oxidizers	\$ 1.50	Per Lb.
Paint and Paint Related Materials	\$ 1.50	Per Lb.
Pesticides	\$ 1.50	Per Lb.
HHW Clean-up Service Fee	\$ 75.00	Hour
HHW Sorting Fee	\$ 25.00	Per customer

Appliances and Air Conditioners

Without refrigerant	No Charge	
With refrigerant	\$ 15.00	Each

Gas Cylinders (Propane, helium, fire extinguishers only)

Must be empty with valve open

1 liter	\$ 1.50	Each
5 gallons	\$ 8.00	Each

Sharps Disposal (non-commercial only)

Used needles and lancets (not in an approved container)	\$ 3.00	Per Lb.
Used needles and lancets (in an approved container)	No Charge	

Sharps Containers (non-commercial only)

1 Quart Container	\$ 2.00	Each
3 Quart Container	\$ 5.00	Each

EXHIBIT A
SALINAS VALLEY SOLID WASTE AUTHORITY

DISPOSAL FEES AND RATES
Effective July 1, 2013

	Current Fee or Rate	Proposed Changes
<u>UNIVERSAL WASTE AT HHW COLLECTION FACILITIES</u>		

Minimum charge \$1.50 per pound

Batteries		
Alkaline or Rechargeable A, AA, AAA, B, C, D and 6 volt Nickel-Cadmium, Lithium, Silver Oxide-Hydride Cells, Lead Gel Cells, Nickel-Metal, and Lithium	\$ 1.50	Per Lb.
UPS/Automobile and Light Truck Batteries	No Charge	
CRT (televisions and computer monitors)	No Charge	
Cell Phones	No Charge	
Computers, keyboard and printers	No Charge	
Copiers, mimeographs, facsimile machines	No Charge	
Compact Fluorescent Bulbs	\$ 1.50	Per Lb.
Fluorescent Lamps	\$ 1.50	Per Lb.
Halogen, High Pressure Sodium Tubes	\$ 1.50	Per Lb.
Fluorescent Ballasts (PCB)	\$ 2.00	Per Lb.
Kitchen appliances: microwaves, toaster, toaster ovens	No Charge	
Mercury	\$ 7.00	Per Lb.
Mercury thermostats, thermometers or switches	\$ 1.00	Each
Toner, developer, ink cartridges (office use)	\$ 1.00	Per Lb.
Toner and developer (industrial use)	\$ 1.50	Per Lb.

ADMINISTRATIVE & SPECIAL FEES

Salinas Transportation Surcharge (applies only to Salinas Franchise Waste)	\$ 8.00	Per Ton	\$ 11.00
Agenda Packets for Board or Executive Committee	\$ 116.00	Annually	
Agendas Only	\$ 26.00	Annually	
Agendas Only for Public Agencies	\$ 18.00	Annually	
Reproduction of Public Records	\$ 0.10	Per Page	
Copies of Weight Tags	\$ 20.00	Each	
Returned Check Fee	\$ 25.00	Each	
Finance Charge on accounts 30+ Days Past Due	1.5% per mo., 18% annually		
Media duplication for disks, cds, tapes	Actual Cost \$5.00 Min.	Each	
Plans & Specifications for Construction Projects	Actual Cost \$15.00 Min.	Per Set	
Full Size Plans for Construction Projects	Actual Cost \$15.00 Min.	Per Set	

**Salinas Valley Solid Waste Authority
AB939 Services Net Revenue Requirement
FY 2013-14**

<u>Expenditures</u>	
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>243,514</u>
Total AB939 Expenditures	2,175,980
Less AB939 Related Revenues	<u>(444,000)</u>
Net Revenue Requirement	<u><u>\$ 1,731,980</u></u>

Salinas Valley Solid Waste Authority
AB939 Fee Allocation to Franchise Haulers
FY 2013-14

Net Revenue Requirement \$1,731,980

Allocation Based on 2011-12 Actual Franchise Tons Landfilled

Franchise Hauler	2011-12 Tons Landfilled	Percent	AB939 Fee	
			Annual	Monthly
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	2,800	1.9%	33,454	2,788
Total	<u>144,959</u>	100.0%	<u>\$ 1,731,980</u>	<u>\$ 144,332</u>

WM = Waste Management

TCD = Tri-Cities Disposal

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



¿Quién es Salinas Valley Solid Waste Authority?

SVSWA provee servicios de reciclaje y basurero a todos los negocios y residentes del valle de Salinas. SVSWA opera las estaciones de transferencia Sun Street y Jolon Road y el basurero Johnson Canyon. Proporciona mantenimiento a los basureros cerrados de Crazy Horse, Jolon Road, y Lewis Road.

¿Seré afectado por el aumento?

Todos los clientes de recolección de basura residencial y comercial en el área de servicio de SVSWA recibirán un aumento en su factura. SVSWA no envía facturas directamente a los clientes residenciales y comerciales. SVSWA cobra a la compañía de recolección de basura, quien después pone el cobro en su factura mensual para los servicios descritos abajo.

¿Cuánto será el aumento?

Clientes residenciales pueden esperar un aumento de \$0.37 a \$0.73 al mes, mientras que los clientes comerciales pueden esperar un aumento de \$2.08 por cada metro cúbico en su contenedor de basura actual.

¿Cuándo iniciará el aumento?

Si se aprueba, la nueva tarifa del basurero entrará en vigencia el 01 de julio del 2013. Clientes de King City Disposal no verán un aumento en su tarifa hasta enero del 2013.

Para más información visite
www.SalinasValleyRecycles.org/tarifaclm

¿Por qué es necesario un aumento a la tarifa del basurero?

SVSWA actualmente depende de basura que es importada del sur del Condado de Santa Clara para ayudar a cubrir los gastos de operaciones. Para poner fin a esta dependencia en basura importada, SVSWA debe cubrir los gastos de operación con ingresos de basura local.




Las operaciones se han simplificado y los gastos se han reducido lo más posible. Más recortes no son posibles y aun seguir manteniendo todos los requisitos reglamentarios. Un aumento a la tarifa del basurero permitirá que SVSWA siga proveyendo los servicios del basurero y reciclaje al público, y asegurar la salud ambiental y seguridad pública.

La cantidad de reciclaje sigue aumentando, mientras la cantidad de basura que se lleva al basurero y los ingresos que se obtienen de ella siguen disminuyendo. Aunque esto es consistente con la visión de SVSWA para un futuro sin basureros, se requiere un cambio en la estrategia de ingresos. De uno que se basa en las tarifas de la basura que se lleva al basurero, a una que genera ingresos del reciclaje y convirtiendo la basura en nuevos productos o energía. Hasta que este cambio se realice completamente, un aumento en la tarifa del basurero ayudará a mantener los servicios básicos a la comunidad.

¿Cómo puedo reducir mi factura?

Muchos residentes y negocios han podido reducir sus facturas de basura al incrementar su reciclaje y utilizando un contenedor de basura más pequeño. Para más información sobre como incrementar su reciclaje llame a SVSWA al (831) 775-3000.

¿Qué servicios aporta mi tarifa del basurero?

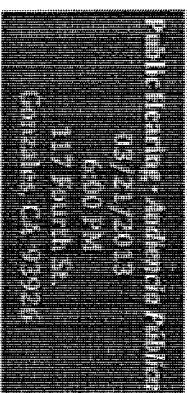
	Operaciones	58%	Manejo del Centro de Recuperación de Materiales Sun Street, el basurero Johnson Canyon, el programa de desechos peligrosos, el programa de reciclaje de desechos de jardín, educación
	Obligaciones	26%	Devolución de préstamo utilizado para cerrar basureros y realizar mejoras necesarias a los sistemas ambientales cuando se creó SVSWA, y mantenimiento de basureros cerrados Crazy Horse, Jolon Road, y Lewis Road.
	Transferir Basura	16%	Transferencia de basura recibida en las estaciones de transferencia Sun Street y Jolon Road al basurero Johnson Canyon.

Salinas Valley Solid Waste Authority
PO BOX 2159
Salinas, CA 93902

Attachment 6

Proposed Increase to Landfill Fee

Propuesta de Aumento a la Tarifa del Basurero



SALINAS VALLEY
SOLID WASTE AUTHORITY

Promoting A Future Without Landfills
www.SalinasValleyRecycles.org
(831) 775-3000

Who is the Salinas Valley Solid Waste Authority (SVSWA)?

The SVSWA provides recycling and landfill services for all businesses and residents in the Salinas Valley. The SVSWA operates the Sun Street and Jolon Road Transfer Stations and the Johnson Canyon Landfill, and it maintains the Crazy Horse, Jolon Road, and Lewis Road closed landfills.

Am I affected by the increase?

All residential and commercial garbage service customers in the SVSWA service area would see an increase in their garbage bill. The SVSWA does not bill customers directly. The SVSWA bills the customer's garbage collection company, who then places the fee on their monthly bill for the services described below.

What is the increase amount?

Residential customers can expect an increase of \$0.83 to \$2.22 per month for landfill services, while commercial customers can expect an increase of \$3.12 per cubic yard on their current disposal container per month.

When will the increase take effect?

If approved, the new landfill fee will be effective July 01, 2013.

How can I reduce my garbage bill?

Many residents and businesses have been able to reduce their garbage bills by increasing recycling and utilizing a smaller disposal container. For assistance to increase your recycling call SVSWA at (831) 775-3000.

Why is an increase to the landfill fee necessary?

The SVSWA currently relies on imported waste from South Santa Clara County to help fund operating expenses. To end this dependence on imported waste, the SVSWA must cover operating expenses with local landfill fees.

Operations have been streamlined and expenses have been cut as much as possible. Further cuts are not possible while meeting all regulatory requirements. An increase to the landfill fee will allow SVSWA to continue providing landfill and recycling services while ensuring environmental health and public safety.

As garbage disposal decreases and recycling increases, revenue from garbage decreases. While this is consistent with the SVSWA vision for a future without landfills, it requires a change in revenue strategy. From one that relies on disposal rates, to one that generates revenue from recycling and converting garbage into new products or energy. Until this transition in revenue source is fully realized, a rate increase will help maintain basic services to the community.



What services does my landfill fee provide?

	Operations 58%	Operating the Sun Street Materials Recovery Center, Johnson Canyon Landfill, Household Hazardous Waste Collection Program, Yard Waste Recycling Program, Public Education, Diversion and Administrative Services.
	Legacy Liabilities 26%	Repayment of bonds used to close landfills and perform needed environmental improvements when SVSWA was formed; and maintaining the Crazy Horse, Jolon Road, and Lewis Road closed landfills.
	Transfer of Waste 16%	Transferring the Waste received at the Sun Street and Jolon Road Transfer Stations to the Johnson Canyon Landfill.

How will I be impacted by an increase to the landfill fee? ¿Cómo se verá impactado por el aumento a la tarifa del basurero?

The increase in landfill fee will only impact the disposal portion of your garbage bill. The City of Salinas and garbage collection company may have additional increases. **Example:** using a typical residential 32-gallon weekly pickup in Salinas a customer could anticipate an increase of \$0.98 in their monthly bill for landfill services.

El aumento a la tarifa del basurero afectará solamente la porción de disposición de su factura. La ciudad de Salinas y la compañía de recolección de basura podrían tener aumentos adicionales. **Ejemplo:** utilizando un cliente residencial en Salinas que utiliza un contenedor de 32 galones semanalmente podría anticipar un aumento de \$0.98 en su factura mensual para los servicios del basurero.

Example Ejemplo	Residential Customer Cliente Residencial	Commercial Customer Cliente Comercial
Level of Service Nivel de Servicio	32 Gallon Weekly Pickup 32 Galones Cada Semana	For Each Cubic Yard of Weekly Pickup Por Cada Metro Cubico de Colection Semanal
Rate Tarifa	Monthly Rate Tarifa Mensual	Monthly Rate Tarifa Mensual
Republic Services Rate	\$10.54	\$168.40
Tarifa de Republic Services	TBD	TBD
SVSWA Landfill Fee	\$ 4.90	\$ 15.58
Tarifa del Basurero de SVSWA	\$0.98	\$3.12
Salinas Franchise Fee	\$ 5.43	\$ 64.64
Tarifa de Franquicia de Salinas	TBD	TBD
Monthly Bill Factura Mensual	\$20.87	\$248.62
Total	TBD	TBD

Recycling & Disposal Locations

Sitios de Reciclaje y Basura

Sun Street Transfer Station

139 Sun Street
Salinas, CA 93902
Mon - Fri 7am - 5pm
Saturday 8am - 4pm

Johnson Canyon Landfill

31400 Johnson Canyon Rd.
Gonzales, CA 93926
Mon - Fri 7am - 4pm
Saturday 8am - 4pm

Jolon Road Transfer Station

52654 Jolon Rd.
King City, CA 93930
Mon - Fri 8am - 4pm
Saturday 8am - 12pm

Subject to annual contract adjustment by Republic Services. (Not within SVSWA control)
*TBD
Sujeto a ajuste anual por el contrato con Republic Services. (No está bajo el control de SVSWA)



How can I comment?

¿Cómo puedo comentar?

Mail: P.O. Box 2159
Correio: Salinas, CA 93902
E-mail: publichearing@svswa.org
In Person: Attending Public Hearing
En Persona: Asistiendo a la Audiencia Publica

Who is the Salinas Valley Solid Waste Authority (SVSWA)?

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Am I affected by the increase?

All residential and commercial garbage service customers in the SVSWA service area would see an increase in their garbage bill. The SVSWA does not bill customers directly. The SVSWA bills the customer's garbage collection company, who then places the fee on their monthly bill for the services described below.

What is the increase amount?

Residential customers can expect an increase of \$0.51 to \$1.22 per month for landfill services, while commercial customers can expect an increase of \$3.93 per cubic yard on their current disposal container per month.

When will the increase take effect?

If approved, the increased landfill fee goes into effect on July 01, 2013. Waste Management customers will not see an increase on their bill until January 2014.

How can I reduce my garbage bill?

Many residents and businesses have been able to reduce their garbage bills by increasing recycling and utilizing a smaller disposal container. For assistance to increase your recycling call SVSWA at (831) 775-3000.

Why is an increase to the landfill fee necessary?




The SVSWA currently relies on imported waste from South Santa Clara County to help fund operating expenses. To end this dependence on imported waste, the SVSWA must cover operating expenses with local landfill fees.

Operations have been streamlined and expenses have been cut as much as possible. Further cuts are not possible while meeting all regulatory requirements. An increase to the landfill fee will allow SVSWA to continue providing landfill and recycling services while ensuring environmental health and public safety.

As garbage disposal decreases and recycling increases, revenue from garbage decreases. While this is consistent with the SVSWA vision for a future without landfills, it requires a change in revenue strategy. From one that relies on disposal rates, to one that generates revenue from recycling and converting garbage into new products or energy. Until this transition in revenue source is fully realized, a rate increase will help maintain basic services to the community.



What services does my landfill fee provide?

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	Legacy 26%	Repayment of bonds used to close landfills and perform needed environmental improvements when SVSWA was formed; and maintaining the Crazy Horse, Jolon Road, and Lewis Road closed landfills.
	Transfer of waste 16%	Transferring the Waste received at the Sun Street and Jolon Road Transfer Stations to the Johnson Canyon Landfill.

How will I be impacted by an increase to the landfill fee? ¿Cómo se ve impactado por el aumento a la tarifa del basurero?

COUNTY

The increase in landfill fee will only impact the disposal portion of your garbage bill. The County of Monterey and garbage collection company may have additional increases. Example: using a typical residential 35-gallon weekly pickup incorporated Monterey County, a customer could anticipate an increase of \$0.62 in their monthly bill for landfill services.

El aumento a la tarifa del basurero afecta solamente la porción de disposición de su factura. El Condado de Monterey y la compañía de recolección de basura podrían tener aumentos adicionales. Ejemplo: utilizando un cliente residencial en el área no incorporado del Condado de Monterey que utiliza un contenedor de 35 galones semanalmente podría anticipar un aumento de \$0.62 en su factura mensual para los servicios del basurero.

Example Ejemplo	Residential Customer Cliente Residencial	Commercial Customer Cliente Comercial
Level of Service Nivel de Servicio	35 Gallon Weekly Pickup 35 Galones Cada Semana	For Each Cubic Yard of Weekly Pickup Por Cada Metro Cubico de Coleccion Semanal
Rate Tarifa	Monthly Rate Tarifa Mensual	Monthly Rate Tarifa Mensual
Waste Management Rate Tarifa de Waste Management	\$19.05	\$116.13
SVSWA Landfill Fee Tarifa del Basurero de SVSWA	\$ 5.22	\$ 21.95
County Franchise Fee Tarifa de Franquicia del Condado	\$ 2.70	\$ 15.34
Monthly Bill Factura Mensual	\$26.96	\$153.42
Total	TBD	TBD

Recycling & Disposal Locations Sitios de Reciclaje y Basura

Sun Street Transfer Station
139 Sun Street
Salinas, CA 93902
Mon - Fri 7am - 5pm
Saturday 8am - 4pm

Johnson Canyon Landfill
31400 Johnson Canyon Rd.
Gonzales, CA 93926
Mon - Fri 7am - 4pm
Saturday 8am - 4pm

Jolon Road Transfer Station
52654 Jolon Rd.
King City, CA 93930
Mon - Fri 8am - 4pm
Saturday 8am - 12pm



How can I comment? ¿Como puedo comentar?

Mail: P.O. Box 2159
Correo: Salinas, CA 93902
E-mail: publichearing@svswa.org
In Person: Attending Public Hearing
En Persona: Asistiendo a la Audiencia Publica

Subject to annual contract adjustment by Waste Management. (Not within SVSWA control)
*TBD
Sujeto a ajuste anual por el contrato con Waste Management. (No esta bajo el control de SVSWA)

Who is the Salinas Valley Solid Waste Authority (SVSWA)?

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Am I affected by the increase?

All residential and commercial garbage service customers in the SVSWA service area would see an increase in their garbage bill. The SVSWA does not bill customers directly. The SVSWA bills the customer's garbage collection company, who then places the fee on their monthly bill for the services described below.

What is the increase amount?

Residential customers can expect an increase of \$1.42 to \$4.25 per month for landfill services, while commercial customers can expect an increase of \$7.09 per cubic yard on their current disposal container per month.

When will the increase take effect?

If approved, the new landfill fee will be effective July 01, 2013.

How can I reduce my garbage bill?

Many residents and businesses have been able to reduce their garbage bills by increasing recycling and utilizing a smaller disposal container. For assistance to increase your recycling call SVSWA at (831) 775-3000.

Why is an increase to the landfill fee necessary?




The SVSWA currently relies on imported waste from South Santa Clara County to help fund operating expenses. To end this dependence on imported waste, the SVSWA must cover operating expenses with local landfill fees.

Operations have been streamlined and expenses have been cut as much as possible. Further cuts are not possible while meeting all regulatory requirements. An increase to the landfill fee will allow SVSWA to continue providing landfill and recycling services while ensuring environmental health and public safety.

As garbage disposal decreases and recycling increases, revenue from garbage decreases. While this is consistent with the SVSWA vision for a future without landfills, it requires a change in revenue strategy. From one that relies on disposal rates, to one that generates revenue from recycling and converting garbage into new products or energy. Until this transition in revenue source is fully realized, a rate increase will help maintain basic services to the community.



What services does my landfill fee provide?

	Operations 58%	Operating the Sun Street Materials Recovery Center, Johnson Canyon Landfill, Household Hazardous Waste Collection Program, Yard Waste Recycling Program, Public Education, Diversion and Administrative Services.
	Legacy Liabilities 26%	Repayment of bonds used to close landfills and perform needed environmental improvements when SVSWA was formed; and maintaining the Crazy Horse, Jolon Road, and Lewis Road closed landfills.
	Transfer of waste 16%	Transferring the waste received at the Sun Street and Jolon Road Transfer Stations to the Johnson Canyon Landfill.

How will I be impacted by an increase to the landfill fee? ¿Cómo será impactado por el aumento a la tarifa del basurero?

GONZALES

The increase in landfill fee will only impact the disposal portion of your garbage bill. The City of Gonzales and garbage collection company may have additional increases. **Example:** using a typical residential 48-gallon weekly pickup in Gonzales, a customer could anticipate an increase of \$1.42 in their monthly bill for landfill services. El aumento a la tarifa del basurero afectará solamente la porción de disposición de su factura. La ciudad de Gonzales y la compañía de recolección de basura podrían tener aumentos adicionales. **Ejemplo:** utilizando un cliente residencial en Gonzales que utiliza un contenedor de 48 galones semanalmente podría anticipar un aumento de \$1.42 en su factura mensual para los servicios del basurero.

Example Ejemplo		Residential Customer Cliente Residencial	Commercial Customer Cliente Comercial
Level of Service Nivel de Servicio		48 Gallon Weekly Pickup 48 Galones Codo Semano	For Each Cubic Yard of Weekly Pickup Por Codo Metro Cubico de Coleccion Semanal
Rate Tarifa		Monthly Rate Tarifa Mensual	Monthly Rate Tarifa Mensual
Tri-Cities Disposal Rate Tarifa de Tri-Cities Disposol		\$11.61	TBD
SVSWA Landfill Fee Tarifa del basurero de SVSWA		\$ 7.91	\$ 39.59
Gonzales Franchise Fee Tarifa de Franquicia de Gonzales		\$ 3.83	TBD
Total Factura Mensual		\$23.35	\$141.84

Recycling & Disposal Locations

Sitios de Reciclaje y Basura

Sun Street Transfer Station

139 Sun Street
Salinas, CA 93902
Mon - Fri 7am - 5pm
Saturday 8am - 4pm

Johnson Canyon Landfill

31400 Johnson Canyon Rd.
Gonzales, CA 93926
Mon - Fri 7am - 4pm
Saturday 8am - 4pm

Jolon Road Transfer Station

52654 Jolon Rd.
King City, CA 93930
Mon - Fri 8am - 4pm
Saturday 8am - 12pm



Subject to annual contract adjustment by Tri-Cities
Disposol. (Not within SVSWA control)
*TBD
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What is the increase amount?

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When will the increase take effect?

If approved, the new landfill fee will be effective July 01, 2013.

How can I reduce my garbage bill?

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	Transfer of waste	16%	Transferring the waste received at the Sun Street and Jolon Road Transfer Stations to the Johnson Canyon Landfill.

How will I be impacted by an increase to the landfill fee? ¿Cómo será impactado por el aumento a la tarifa del basurero?

GREENFIELD

The increase in landfill fee will only impact the disposal portion of your garbage bill. The City of Greenfield and garbage collection company may have additional increases. **Example:** using a typical residential 48-gallon weekly pickup in Greenfield, a customer could anticipate an increase of \$1.42 in their monthly bill for landfill services.

El aumento a la tarifa del basurero afectará solamente la porción de disposición de su factura. La ciudad de Greenfield y la compañía de recolección de basura podrían tener aumentos adicionales. **Ejemplo:** utilizando un cliente residencial en Greenfield que utiliza un contenedor de 48 galones semanalmente podría anticipar un aumento de \$1.42 en su factura mensual para los servicios del basurero.

Example Ejemplo	Residential Customer Cliente Residencial	Commercial Customer Cliente Comercial
Level of Service Nivel de Servicio	48 Gallon Weekly Pickup 48 Galones Cada Semana	For Each Cubic Yard of Weekly Pickup Por Cada Metro Cúbico de Colección Semanal
Rate Tarifa	Monthly Rate Tarifa Mensual	Monthly Rate Tarifa Mensual
Tr-Cities Disposal Rate Tarifa de Tr-Cities Disposal	\$11.61	\$ 78.91
SVSWA Landfill Fee Tarifa del Basurero de SVSWA	\$ 27.91	\$ 39.59
	+\$1.42	+\$7.09
Greenfield Franchise Fee Tarifa de Franquicia de Greenfield	\$ 3.90	\$ 23.70
Monthly Bill Facturo Mensual	\$23.42	\$142.20
Total	TBD	TBD

Recycling & Disposal Locations

Sitios de Reciclaje y Basura

Sun Street Transfer Station

139 Sun Street
Salinas, CA 93902
Mon - Fri 7am - 5pm
Saturday 8am - 4pm

Johnson Canyon Landfill

31400 Johnson Canyon Rd.
Gonzales, CA 93926
Mon - Fri 7am - 4pm
Saturday 8am - 4pm

Jolon Road Transfer Station

52654 Jolon Rd.
King City, CA 93930
Mon - Fri 8am - 4pm
Saturday 8am - 12pm

Subject to annual contract adjustment by Tr-Cities Disposal. (Not within SVSWA control)
*TBD
Sujeto a ajuste anual por el contrato con Tr-Cities Disposal. (No está bajo el control de SVSWA)



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Why is an increase to the landfill fee necessary?

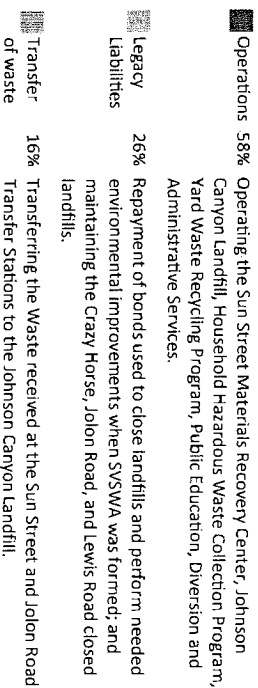
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What services does my landfill fee provide?



How will I be impacted by an increase to the landfill fee? ¿Cómo se verá impactado por el aumento a la tarifa del basurero?

SOLEDAD

The increase in landfill fee will only impact the disposal portion of your garbage bill. The City of Soledad and garbage collection company may have additional increases. **Example:** using a typical residential 48-gallon weekly pickup in Soledad, a customer could anticipate an increase of \$1.42 in their monthly bill for landfill services.

El aumento a la tarifa del basurero afectará solamente la porción de disposición de su factura. La ciudad de Soledad y la compañía de recolección de basura podrían tener aumentos adicionales. Ejemplo: utilizando un cliente residencial en Soledad que utiliza un contenedor de 48 galones semanalmente podría anticipar un aumento de \$1.42 en su factura mensual para los servicios del basurero.

Example Ejemplo		Residential Customer Cliente Residencial	Commercial Customer Cliente Comercial
Level of Service Nivel de Servicio		48 Gallon Weekly Pickup 48 Galones Cada Semana	For Each Cubic Yard of Weekly Pickup Por Cada Metro Cubico de Coleccion Semanal
Rate Tarifa		Monthly Rate Tarifa Mensual	Monthly Rate Tarifa Mensual
Tri-Cities Disposal Rate Tarifa de Tri-Cities Disposol		Increase Aumento	Increase Aumento
SVSWA Landfill Fee Tarifa del Basurero de SVSWA			
Soledad Franchise Fee Tarifa de Franquicia de Soledad			
Total	Monthly Bill Factura Mensual		

Recycling & Disposal Locations

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139 Sun Street
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What is the increase amount?

Residential customers can expect an increase of \$0.37 to \$0.73 per month for landfill services, while commercial customers can expect an increase of \$2.08 per cubic yard on their current disposal container per month.

When will the increase take effect?

If approved, the increased landfill fee goes into effect on July 01, 2013. King City Disposal customers will not see an increase on their bill until January 2014.

How can I reduce my garbage bill?

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	Transfer of waste 16%	Transferring the waste received at the Sun Street and Jolon Road Transfer Stations to the Johnson Canyon Landfill.

How will I be impacted by an increase to the landfill fee? ¿Cómo se verá impactado por el aumento a la tarifa del basurero?

KING CITY

The increase in landfill fee will only impact the disposal portion of your garbage bill. The City of King and garbage collection company may have additional increases. **Example:** using a typical residential 35-gallon weekly pickup in **King City**, a customer could anticipate an increase of **\$0.49** in their monthly bill for landfill services. El aumento a la tarifa del basurero afectará solamente la porción de disposición de su factura. La Ciudad de King y la compañía de recolección de basura podrían tener aumentos adicionales. **Ejemplo:** utilizando un cliente residencial en King City que utiliza un contenedor de 35 galones semanalmente podría anticipar un aumento de **\$0.49** en su factura mensual para los servicios del basurero.

Example Ejemplo	Residential Customer Cliente Residencial	Commercial Customer Cliente Comercial
Level of Service Nivel de Servicio	35 Gallon Weekly Pickup 35 Galones Coda Semano	For Each Cubic Yard of Weekly Pickup Por Cada Metro Cubico de Coleccion Semanal
Rate Tarifa	Monthly Rate Tarifa Mensual	Monthly Rate Tarifa Mensual
Increase Aumento	Increase Aumento	Increase Aumento
King City Disposal Rate Tarifa de King City Disposal	\$ 9.10	TBD
SVSWA Landfill Fee Tarifa del Basurero de SVSWA	\$ 7.29	\$ 50.06
King City Franchise Fee Tarifa de Franquicia del King City	\$ 2.34	\$ 9.84
Monthly Bill Factura Mensual	\$18.73	TBD
Total	TBD	\$ 78.74

Recycling & Disposal Locations

Stios de Reciclaje y Basura

Sun Street Transfer Station

139 Sun Street
Salinas, CA 93902
Mon - Fri 7am - 5pm
Saturday 8am - 4pm

Johnson Canyon Landfill

31400 Johnson Canyon Rd.
Gonzales, CA 93926
Mon - Fri 7am - 4pm
Saturday 8am - 4pm

Jolon Road Transfer Station

52654 Jolon Rd.
King City, CA 93930
Mon - Fri 8am - 4pm
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Report to the Executive Committee

Date: April 3, 2013

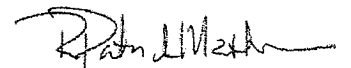
From: Roberto Moreno, Finance Manager

Title: Response to Rate Increase Public Hearing Questions & Comments

ITEM NO. 5


Finance Manager/Controller-Treasurer

N/A
Legal Counsel


General Manager/CAO

RECOMMENDATION

Staff recommends the Executive Committee receive the report and provide further direction, if necessary.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports Goal A - Develop and Implement a Sustainable Finance Plan by clearing up any confusion that exists concerning the Authority's proposed rate increase for FY 2013-14.

FISCAL IMPACT

This report in itself has no fiscal impact. The fiscal impact will be based on the approval of the proposed rate increase.

DISCUSSION & ANALYSIS

At the March 21 Board meeting the Board decided to delay for 30 days the approval of the Authority rates for FY 2013-14. The proposed rates prepare the Authority for the end of waste importation and the associated revenues. The 30-day delay was granted at the request of Rene Mendez, Gonzales City Manager, representing the city managers/county administrative officer. The Board granted the 30 day delay to allow time to clear up any misunderstandings concerning the Authority's proposed rate increase.

The rest of this report is devoted to providing a response to all questions and comments presented at the public hearing. The questions and comments along with staff's response are grouped by topic.

Questions about the numbers

1. John Ramirez, Director of the Monterey County Environmental Health Bureau, asked for an explanation of the difference between the County tonnage of 33,050 out of the 147,700 total tons projected to be received by the SVSWA shown on 2/21/13 and the 30,930 out of the 144,959 shown on the 3/21/13 presentation, and the 166,500 estimated tons mentioned in the staff report.

Staff Response:

The slide presented on 2/21/13 showing 147,700 tons referred to Projected Franchise Tonnage for FY 2013-14. The 144,959 tons shown on 3/21/13 refer to Actual FY 2011-12 Franchise Tonnage. Staff decided that if an allocation was to be made it had to be based on Actual tons received not Projected tons which would make the allocation process subject to arguments. The

166,500 represents the total projected landfill tons for FY 2013-14 which includes Franchise tons of 147,700 along with self-haul tons.

2. Felipe Melchor, Soledad resident and Waste Management employee, stated that he noted a discrepancy in the numbers displayed by the Authority presentation on slide 6 (attachment 1) and actual costs being billed on his garbage bill in Soledad. He is billed for Garbage Collection \$13.93 and Garbage Disposal \$9.49.

Staff Response:

Mr. Melchor's garbage bill of \$13.93 for collection and \$9.49 for disposal equals \$23.42, which is the total monthly bill shown on the presentation. The \$9.49 that shows on his garbage bill for disposal includes the City of Soledad's 20% franchise fee (\$1.58) on top of the \$7.91 collected for disposal. The difference is clearly demonstrated in the official rate schedule approved by the Soledad City Council, a copy of which is attached (attachment 2).

The presentation stated that \$7.91 represented only the Disposal portion of the rate. Staff explained there is a Collection Cost and a Franchise Fee that is different for each jurisdiction and which is added to the disposal cost.

It appears that the questions concerning the accuracy of the numbers presented are the result of misunderstandings. The Authority numbers are correct as presented. The Authority is addressing only the disposal costs since the Authority is not responsible for collection or franchise fees.

Questions about future rate increases

Mr. Ramirez referred to the projected tip fee increases presented at the February 21 Board meeting (attachment 3). What would cause the tipping fee to decrease in 2015 and how much revenue is the SVSWA projecting to generate with the future tip fee increases?

Staff Response:

The estimated tipping fee decrease in FY 2014-15 is due to the fact that the proposed increase of \$3/ton on the Salinas Transportation Surcharge in FY 2014-15 would more than offset the estimated 3% CPI increase in Authority operations.

The reason for the estimated increases in tipping fees in FY 2015-16 and 2016-17 is to cover the estimated additional cost of the Autoclave processing. Bear in mind that this is a very rough estimate. No contracts have been signed. There are a lot of steps that need to take place before the Authority will proceed with the autoclave processing. These numbers were put out there in response to a Board request to see what the future may look like. The future rate increases are all rough estimates.

Future revenue projections are based on tipping fees and estimated tons. Based on FY 2013-14 estimated total tons of 166,500 a \$1.00 per ton increase would generate \$166,500.

Questions and Comments about AB939 Fees

1. Mr. Ramirez stated that the waste hauler provides public education services to unincorporated area customers; therefore, the County's portion of the proposed AB939 Fee should be adjusted accordingly.

Staff Response:

All of the waste haulers provide public education funding and in some cases a public outreach plan to the communities they serve as a requirement of their respective franchise agreements. The Joint Powers Agreement includes the provision of AB939 services to achieve compliance for all members. Any member may elect to augment those services by utilizing funding from waste haulers, such as the City of Gonzales' sustainability and Gonzales Grows Green (G3) initiative.

AB939 costs have always been part of the tipping fee, yet no single jurisdiction paid more or less based on the contributions made by waste haulers.

When the Authority Board and each of the member cities agreed to AB939 Enhanced Services in 2000, the County declined because it wanted to complete its annual compliance reporting and did not wish assistance with franchise agreement enforcement. No consideration was given to increasing the tip fee for the cities or lowering the County's portion because the Authority's policy is to have equalized tipping fees.

2. Felipe Melchor asked what is the intent of billing the hauler and not the jurisdiction for AB939 services?

Staff Response:

The reason for billing the hauler instead of the jurisdiction is that the AB939 services have been part of the tipping fee up to now and as such the franchise hauler has been billing the customers for AB939 services. The franchise haulers already have a billing mechanism in place for the majority of customers, whereas the jurisdictions do not.

Monterey Regional Waste Management District is proposing the same approach in their regional franchise agreement (attachment 4) with the hauler paying the fee. This is an approach being used by many jurisdictions in California already.

3. Felipe Melchor asked what happens if a flat fee is implemented and hauler brings in more or less tons than estimated.

Staff Response:

We view the haulers liability for an AB939 fee no different than their liability for the tipping fee. Whereas the franchise haulers pay the Authority a specific amount per ton delivered they do not collect from the franchise customer based on actual tons received. Each hauler develops an estimate of how much tonnage they think each customer class will generate and create their rates based on that. Then, depending on how much garbage customers actually throw away, they either make some extra money or they try to be more efficient in order to be more profitable. It is a cost of doing business. We view the AB939 fee the same way.

If the haulers are hesitant to take on the AB939 fee and they want to be made whole (ensure no risk to them) the Authority could agree to a true-up calculation at the end of each year for a minimum of three years while the haulers adjust to the new fee. The true-up methodology would have to be the same for all franchise haulers. In order for this to work the haulers would have to provide all necessary information so that the Authority can ensure the accuracy of any under collected or over collected amounts.

4. Felipe Melchor stated that it is tough to digest the loss of revenue from South Santa Clara County cities and to put burden on AB939 when AB939 has been around for several years and everybody has been dealing with it.

Staff Response:

The loss of revenue from imported waste has been a long standing issue discussed by the Board for the last three years. Therefore the rate setting actions should not be unexpected. The expected loss of revenue from South Santa Clara County must be recovered. The two choices are an increase in tipping fees (which includes funding for AB939 services as it has been since the Authority's inception), or a separate AB939 Services Fee which makes up most of the loss of revenue and is the first step toward the Authority's financial sustainability. The AB939 Services Fee provides a stable funding source for the Authority to assist its member agencies in compliance with both AB939 and the AB341 mandates, which are not dependent on incoming tonnage.

5. Doug Kenyon stated that AB939 services are not services that the Hauler provides, but are being asked to include in rate structure, bill the customer and become the collection agent for Hauler, Authority and City. Will it be attached to Hauler's portion of the bill, or just the disposal portion of the bill? If services benefit the community as a whole, the jurisdiction should pay the costs.

Staff Response:

Staff agrees it is not the hauler's responsibility to comply with the provisions of AB939. By statute it is the responsibility of each city and county to comply. However, the hauler has been providing the revenue for these services in the tipping fees. All haulers working in California should be aware of the AB 939 fee structures that exist in most communities. It is precisely because the hauler already bills and collects from the customers that the Authority is proposing to charge the AB939 Fee to them.

Ideally, the AB939 Service Fee should stand out as a line item on the customer's bill along with disposal fees, franchise fees and collection services. It is our hope that in the future this will be done by all franchise haulers so that customers understand exactly what they are paying for. At this point we envision the AB939 fee as being part of the disposal portion of the bill. Should a jurisdiction choose to pay for the AB939 services directly that would be fine, but that is not a decision that Authority Board can make. We are willing to work with any jurisdiction that may wish to do this. In the meantime the plan is to bill the franchise haulers.

Questions about the Salinas Transportation Surcharge

Gary Petersen stated he does not clearly understand the \$3.00 per ton surcharge to city of Salinas. He would like to have a clear understanding.

Staff Response:

The Salinas Transportation Surcharge came about as an attempt to balance the Authority's budget while keeping tipping fee increases to a minimum amount. Attached is page 5 of the Path Report (attachment 5) presented to the Board at the Board Retreat on 10/15/12, which briefly explains the reason for the surcharge and staff's proposal to increase it gradually until it covers the entire cost of transporting Republic garbage to the landfill, or until a new Materials Recovery Center is completed to serve all member jurisdictions, whichever comes first. A more detail response with a lengthy history has been provided to Mr. Petersen.

Other Questions/Comments

1. John Ramirez asked that all requests regarding recycling in the unincorporated area be directed to Environmental Health.

Staff Response:

All requests received during this outreach campaign have been forwarded to the appropriate agency depending on the area where the person lives. All requests for recycling service within unincorporated areas are always forwarded to Waste Management. Waste assessments have been collaborative based on direction from Environmental Health staff. Requests for RecycleRama performances are honored regardless of where the school is located within the Authority's jurisdiction.

2. Felipe Melchor stated that the Board has been challenged various times to consider 3rd party operation of landfill and transfer stations.

Staff Response:

The Authority's history shows that the Authority has always opted for the most cost effective operations. As such, of the three existing open facilities, two are operated by third parties. Waste Management is contracted to operate the Jolon Road transfer station and Recology operates the Johnson Canyon landfill. Recology also operated the Sun Street Transfer Station for three years, but staff felt that an in-house operation would be more efficient and cost effective, and that has been the case. Due to lack of permitted capacity at Sun Street Transfer Station the Authority also contracts with Waste Management for use of the Madison Lane Transfer Station to handle overflow tonnage from Republic Services. The Authority has always believed that a mix of public and private operations and partnerships provide the best level of service to the public.

While Waste Management has brought up the use of Madison Lane Transfer Station as the next Salinas Transfer Station several times, no concrete proposals have been presented for Board consideration. The siting concerns and environmental impacts that resulted in the Authority abandoning this option in 2002 have not changed.

3. Felipe Melchor commented that the Presentation shows Madison Lane closing in 2016. Waste Management has no intent of closing Madison lane.

Staff Response:

The February 21 rates presentation stated on one slide that in 2016 "County rates could be reduced if Madison Lane is no longer used as a transfer station". This statement did not refer to any plans to close Madison Lane. It had reference to the fact that if the Autoclave Process is to be established in 2016 and all waste would be delivered to the Autoclave in Salinas, then there would be no need for the County to pay for the use of Madison Lane as a transport facility since the garbage would be direct hauled to Salinas. The transfer of residual material would be an Authority-wide cost to be paid by all ratepayers. The County could then save the approximately \$15-\$16 per ton it pays for the use of Madison Lane for the transfer of franchise waste to the landfill. The Authority supports the continued operation of Madison Lane at this time.

4. Gary Petersen stated that he has contacted Republic and City's finance department to try and determine final curbside cost to citizens. He has not yet been able to arrive at that number.

Staff Response:

Determining the garbage rate for the customer is a multi-step process which begins with the Authority setting its rates. The franchise haulers will then use the Authority rates to calculate how much they need to collect from the customers to pay the Authority. In addition to the Authority's cost they also calculate the amount of any additional increases they are entitled to

under the franchise agreement and present that to the governing body of their jurisdiction for consideration. There may be some negotiations involved before the final rates are agreed to. It all begins with the Authority first setting its rates.

Doug Kenyon with Republic Services has requested many times that the Authority set its rates earlier in the process so he can provide the final service cost calculations (including Republic's annual cost-of-living adjustments) to the City and Authority by April 1. Based on Mr. Kenyon's comments from the February budget discussion, the Board directed staff to move up the rate approval hearing to support his request.

5. Gary Petersen City of Salinas is deeply invested in relocation of Sun Street transfer station. He noted that it was brought up in various discussions in the February meeting, but not at today's meeting.

Staff Response:

The relocation of the Sun Street Transfer Station (SSTS) was not brought up because staff did not want the discussion to be sidetracked from the main purpose of replacing the \$2 million in revenue from Recology South Valley contract that will be lost in the near future. This action is critical to the Authority, regardless of any project considerations. However, the relocation of SSTS is very much a part of the reason for wanting to replace the \$2 M in revenue right now, so that these funds can be accumulated for the relocation of SSTS. Without the additional revenue there may not be enough funds to relocate.

The Recology South Valley monies were never meant for operations. They were dedicated by Board action for landfill expansion. The Authority accumulated \$6 million before the funds started to be used for operations. If that revenue continues to be spent on operations instead of being saved for capital improvements, such as a location for the autoclave system which would negate landfill expansion, there will not be adequate funding for relocation to Work Street without a supplemental source such as bond financing.

Request for 30 day extension by Rene Mendez, city manager's representative

Mr. Mendez requested 30 days to allow the City Managers and County Administrative Officer to "recommend a framework, basically an RFP and an approach, to take a good hard look at solid waste county-wide".

Staff Response:

The Authority welcomes input from the City manager/CAO group on how the Authority can be improved to better serve its member agencies, especially if there is a revenue source previously unrecognized. The Authority has hired a consultant to assist in identifying areas where revenues and/or programs can be modified to improve financial performance and public services. As the Authority looks to the future it is good to keep in mind how it got here. The background section below provides a brief history of how the Authority arrived at this point in time.

BACKGROUND

The solid waste authority was formed to solve several problems. The Crazy Horse Landfill was reaching capacity and Salinas needed more landfill capacity; the County had three landfill sites that had landfill capacity, but were underfunded resulting in a subsidy at levels between \$1 and \$2 million dollars per year from the County General Fund. The South County cities had no influence on how the landfills were operated or what rate was charged. The Authority followed a logical path to develop a long term solid waste management plan, which commenced with approval of the Regional Facilities EIR in 2002 and the Project Description in 2003. This strategy was also in alignment with the County's

Siting Plan 2002 General Plan to make Johnson Canyon the regional landfill site. To further preserve capacity and to accomplish the 75% diversion from landfills goal established in 2005, alternatives to landfilling were studied leading to the Board's decision to focus on non-combustion technologies to create energy from solid waste. At this time staff is working to complete the necessary technical and environmental planning to allow a steam autoclave for advanced recovery of paper fiber and organics (60-70% of landfilled waste) to be located at the future Work Street transfer station, and the Plasco plasma gasification project has been suspended at Plasco's request.

In 2000, the Authority entered into a contract with Norcal (now Recology) to operate the landfill and transfer stations. When this contract was restated in 2003, it included the importation of waste from South Santa Clara County at a reduced tipping fee. The initial term of the contract for imported waste ends December 31, 2013, and has been extended to December 2014. Recology will continue to operate the Johnson Canyon landfill as long as the imported waste contract is in place, up to a final expiration date at the end of 2017.

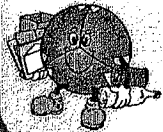
The decision to cease using the \$2 million in revenue from this imported waste has been made. What remains is how to recover the revenue, either by a \$12 per ton tipping fee increase or the imposition of an AB 939 fee assessed to franchise haulers in the amount of \$1,731,980 annually. The very real possibility that this revenue will be lost to the Authority before the terminate date exists based on two factors. The first is the letter received by Recology indicated it has received unsolicited quotes from landfill sites closer than Johnson Canyon at a lesser cost; and the expiration of the Morgan Hill franchise agreement at the end of 2015. The city may direct its waste to any destination and is not constrained by an agreement between a franchise hauler and a landfill site.

ATTACHMENT(S)

1. Slide 6 from 3/21/13 Rate presentation – Estimated Impact on Residential Customers
2. City of Soledad Garbage Collection and Disposal Rates for FY 2012-2013
3. Estimated Impact on Residential Disposal Portion of Rates
4. MRWMD Model Franchise Agreement AB939 Fees
5. Page 5, Path to a Sustainable Future Without Landfills report

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



ATTACHMENT 2

Garbage Collection and Disposal Rates for FY 2012-2013

Description of Service	TCDR Service Fees	Franchise Fee (City) 20%	Total Collection Fee	Landfill Disposal Fee	Franchise Fee (City) 20%	Total Disposal Fee	Total Garbage Fee	2011 Garbage Fee	% Increase Vs. 2011
Residential Weekly Cart Service									
48 Gallon Cart	\$11.61	\$2.32	\$13.93	\$7.91	\$1.58	\$9.49	\$23.42	\$22.36	4.74%
64 Gallon Cart	\$15.12	\$3.02	\$18.14	\$15.84	\$3.17	\$19.01	\$37.15	\$35.54	4.53%
96 Gallon Cart	\$18.64	\$3.73	\$22.37	\$23.75	\$4.75	\$28.50	\$50.87	\$48.71	4.43%
Residential Cart Service -Additional Charges									
Bulky Goods (per Pick-up)(1)	\$17.72	\$3.54	\$21.26	TBD	20%	TBD	TBD	\$20.62	3.10%
Call Back (per trip)	\$5.90	\$1.18	\$7.08				\$7.08	\$6.86	3.21%
Overloaded Cart	\$5.90	\$1.18	\$7.08				\$7.08	\$6.86	3.21%
Extra Can or Bag (each)	\$11.82	\$2.36	\$14.18	\$1.22	\$0.24	\$1.46	\$15.64	\$15.15	3.23%
Cart Replacement (each)	\$23.62	\$4.72	\$28.34				\$28.34	\$28.87	-1.84%
Commercial & Multiple Dwelling Weekly Cart Service (2)(3)									
48 Gallon Cart	\$10.85	\$2.17	\$13.02	\$7.91	\$1.58	\$9.49	\$22.51	\$21.48	4.80%
64 Gallon Cart	\$14.01	\$2.80	\$16.81	\$15.84	\$3.17	\$19.01	\$35.82	\$34.24	4.61%
96 Gallon Cart	\$17.21	\$3.44	\$20.65	\$23.75	\$4.75	\$28.50	\$49.15	\$47.04	4.49%
Commercial Cart Service -Additional Charges									
Long Walk Service (4)	\$15.00	\$3.00	\$18.00				\$18.00	N/A	New
Enclosure or Key/Lock Charge	\$12.18	\$2.44	\$14.62				\$14.62	\$14.17	3.18%
Call Back (Cart Service)(per trip)	\$5.90	\$1.18	\$7.08				\$7.08	\$6.86	3.21%
Extra Can or Bag (each)	\$11.82	\$2.36	\$14.18	\$1.22	\$0.24	\$1.46	\$15.64	\$15.15	3.23%
Commercial & Multiple Dwelling Bin Service (5)									
One Cubic Yard Bin									
1 Pickup Per Week (1cy)	\$78.91	\$15.78	\$94.69	\$39.59	\$7.92	\$47.51	\$142.20	\$132.60	7.24%
2 Pickup Per Week (1cy)	\$149.73	\$29.95	\$179.68	\$79.20	\$15.84	\$95.04	\$274.72	\$256.45	7.12%
3 Pickup Per Week (1cy)	\$213.62	\$42.72	\$256.34	\$118.78	\$23.76	\$142.54	\$398.88	\$376.61	5.91%
Extra Pick-Up (1cy) (each)	\$20.68	\$4.14	\$24.82	\$9.13	\$1.83	\$10.96	\$35.78	\$34.51	3.68%
Two Cubic Yard Bin									
1 Pickup Per Week (2cy)	\$113.07	\$22.61	\$135.68	\$79.20	\$15.84	\$95.04	\$230.72	\$215.83	6.90%
2 Pickup Per Week (2cy)	\$215.58	\$43.12	\$258.70	\$158.38	\$31.68	\$190.06	\$448.76	\$420.17	6.80%
3 Pickup Per Week (2cy)	\$307.96	\$61.59	\$369.55	\$237.59	\$47.52	\$285.11	\$654.66	\$613.28	6.75%
Extra Pick-Up (2cy) (each)	\$29.60	\$5.92	\$35.52	\$18.27	\$3.65	\$21.92	\$57.44	\$55.37	3.74%
Three Cubic Yard Bin									
1 Pickup Per Week (3cy)	\$160.00	\$32.00	\$192.00	\$118.78	\$23.76	\$142.54	\$334.54	\$313.21	6.81%
2 Pickup Per Week (3cy)	\$304.76	\$60.95	\$365.71	\$237.59	\$47.52	\$285.11	\$650.82	\$609.74	6.74%
3 Pickup Per Week (3cy)	\$435.53	\$87.11	\$522.64	\$356.37	\$71.27	\$427.64	\$950.28	\$890.77	6.68%
Extra Pick-Up (3cy) (each)	\$41.70	\$8.34	\$50.04	\$27.40	\$5.48	\$32.88	\$82.92	\$79.90	3.78%
Four Cubic Yard Bin									
1 Pickup Per Week (4cy)	\$205.41	\$41.08	\$246.49	\$158.38	\$31.68	\$190.06	\$436.55	\$408.91	6.76%
2 Pickup Per Week (4cy)	\$390.85	\$78.17	\$469.02	\$316.77	\$63.35	\$380.12	\$849.14	\$795.89	6.69%
3 Pickup Per Week (4cy)	\$560.47	\$112.09	\$672.56	\$475.14	\$95.03	\$570.17	\$1,242.73	\$1,165.32	6.64%
Extra Pick-Up (4cy) (each)	\$53.75	\$10.75	\$64.50	\$36.56	\$7.31	\$43.87	\$108.37	\$104.42	3.78%
Six Cubic Yard Bin									
1 Pickup Per Week (6cy)	\$278.77	\$55.75	\$334.52	\$237.59	\$47.52	\$285.11	\$619.63	\$596.38	3.90%
2 Pickup Per Week (6cy)	\$532.23	\$106.45	\$638.68	\$475.14	\$95.03	\$570.17	\$1,208.85	\$1,163.50	3.90%
3 Pickup Per Week (6cy)	\$761.00	\$152.20	\$913.20	\$712.72	\$142.54	\$855.26	\$1,768.46	\$1,701.93	3.91%
Extra Pick-Up (6cy) (each)	\$66.40	\$13.28	\$79.68	\$54.82	\$10.96	\$65.78	\$145.46	\$140.07	3.85%

Estimated Impact on Residential Disposal Portion of Rates

FYE June 30,	Changes to Customer Disposal Rate			
	Republic 32 Gal.	Tri-Cities 48 Gal.	Unincorp. 35 Gal.	King City Disp. 35 Gal.
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 0.98	\$ 1.42	\$ 0.81	\$ 1.13
2015	\$ 0.13	\$ (0.12)	\$ (0.07)	\$ (0.09)
2016	\$ -	\$ 1.65	\$ 0.95	\$ 1.32
2017	\$ 0.79	\$ 1.42	\$ 0.81	\$ 1.13
2018	\$ 0.13	\$ 0.24	\$ 0.14	\$ 0.19
2019	\$ 0.13	\$ 0.24	\$ 0.14	\$ 0.19

2014 - Rate increase due to ending Recology South Valley revenues to fund operations \$2M

2016 - Rate increase necessary to fund use of Autoclave to achieve 75% diversion goal.

2016 - County rates could be reduced if Madison Lane is no longer used as a transfer station.

2016 - Republic rate reflects elimination of transportation surcharge for use of Salinas transfer station.



670 **7.3 AB 939 FEE**

671 The Contractor shall pay an AB 939 Fee to Agency each quarter. The amount of the AB 939 Fee shall be
672 ~~XXXX,XXX~~ in Rate Period One and shall be paid in equal quarterly installments. Agency shall use the AB
673 939 Fee to offset expenses for Agency and/or the MRWMD programs, pilot studies, education and
674 outreach campaigns, reporting, compliance, or other activities involved in compliance with the Act. The
675 Agency shall retain the sole right to set priorities for the use of its AB 939 Fee. This fee shall be a pass-
676 through cost.

677 **7.4 HHW FEE**

678 The Contractor shall pay an HHW Fee to Agency each quarter in the amount of ~~\$X,XX~~ per month per
679 Residential dwelling unit served under this Agreement. This fee shall only be included in the calculation
680 of Single-Family and Multi-Family Residential Rates. Agency shall use the HHW Fee to offset expenses
681 for Household Hazardous Waste programs and facilities which benefit all Residents of Agency.

682 **7.5 VEHICLE IMPACT FEE**

683 Contractor shall pay a Vehicle Impact Fee to Agency each quarter. The amount of the Vehicle Impact Fee
684 shall be ~~XXXX,XXX~~ in Rate Period One and shall be paid in equal quarterly installments. This fee is to
685 reimburse the Agency for street maintenance costs incurred because of Collection vehicles traveling on
686 Agency streets.

687 **7.6 LITTER ABATEMENT FEE**

688 Contractor shall pay a Litter Abatement Fee to Agency each quarter. The amount of the Litter
689 Abatement Fee shall be ~~XXXX,XXX~~ in Rate Period One and shall be paid in equal quarterly installments
690 This fee is to reimburse the Agency for the cost of street sweeping, servicing public litter and Recycling
691 Containers, and other activities related to minimizing or abating litter within Agency or complying with
692 Agency's National Pollutant Discharge Elimination System permit requirements regarding eliminating
693 Solid Waste from storm water run-off.

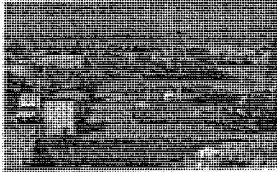
694 **7.7 ADJUSTMENT TO FEES**

695 Agency may set other fees or adjust the fees established in this Article from time-to-time during the
696 Term of this Agreement and such adjustments shall be included in the adjustment of Rates as described
697 in Exhibit E.

698 The amounts of the Administrative Fee, AB 939 Fee, Vehicle Impact Fee, and Litter Abatement Fee for
699 subsequent Rate Periods shall be adjusted annually in accordance with the adjustment method
700 described in Exhibit E, or shall be the amount specified by the Agency.

701 **7.8 PAYMENT SCHEDULE AND LATE FEES**

702 Within thirty (30) calendar days of the end of each calendar quarter, during the Term of this Agreement,
703 Contractor shall remit to Agency all fees as described in this Article. Such fees shall be remitted to
704 Agency and sent or delivered to the Agency Contract Manager. If such remittance is not paid to Agency



Scalehouse, recycling and greenwaste areas at Sun Street Transfer Station

3 Implementing a New Revenue Structure

As is evident by the need for increasing rates, the Authority must take a look at developing a new methodology for generating revenue that fairly apportions the costs of operations among the various users. Before implementing a new methodology, the Authority first should determine whether it should continue paying for certain items not directly related to its mission.

3.1 Stop Subsidizing Transportation of Franchise Waste to the Landfill

The first step the Authority can take to reduce or minimize rate increases is to stop paying for the transportation of franchise waste to the landfill. The Authority subsidizes the transportation of Republic Services waste to Johnson Canyon Landfill. It also funds operation of the Jolon Road Transfer Station which is used primarily by Waste Management to move South County and King City refuse to Johnson Canyon Landfill. Currently 88% of all the waste received at Jolon Road is Waste Management franchise waste.

Tri-Cities Disposal customers pay for the direct hauling of waste from Greenfield, Soledad and Gonzales to Johnson Canyon Landfill. Waste Management imposes a surcharge of approximately \$15.00 per ton on waste delivered to Madison Lane Transfer station to cover the cost of handling and transferring the waste to Johnson Canyon Landfill.

Republic Services pays a transportation surcharge of \$8.00 per ton on all franchise waste to cover part of the cost of transferring their waste. Five dollars is to pay for Madison Lane Transfer Station and \$3.00 is for Sun Street Transfer Station. Waste Management charges the Authority \$19.40 per ton for Republic Services waste that they handle and transport at Madison Lane because the Authority does not have the permit capacity at Sun Street to accommodate all of their tonnage. In order to cover the full cost of handling Republic Services waste at Sun Street, staff recommends increasing the transportation surcharge by \$3.00 per ton per year for each of the next three years to bring their surcharge to \$17.00 per ton in FY 2015-16. The Authority's cost to handle waste at Sun Street in 2011-12 was \$18.70.

To the left is a table showing the proposed transportation surcharge. Every \$1.00 increase in tipping fees, results in approximately a 10 cent increase per month on Salinas 32 gallon cart customers.

Additionally, staff proposes that effective September 1, 2016, when the Agreement with Waste Management for Jolon Road Transfer Station comes to an end, the Authority convert Jolon Road Transfer Station into a Convenience Station for self-haul customers only. Waste Management may continue to use the Jolon Road Transfer Station under a lease agreement.

The two changes discussed above would save the Authority \$1.5 million (\$9.00 per ton), \$900,000 at SSTS and \$600,000 at Jolon Road. All franchise haulers would then be responsible for hauling or paying to have their waste delivered to the landfill, or future Materials Recovery Facility. The Authority could then concentrate all its resources on its core mission – providing waste disposal capacity, not transporting garbage.

Republic Services
Transportation Surcharge

Fiscal Year	Surcharge Rate
2009-10	\$ 6.00
2010-11	\$ 5.00
2011-12	\$ 5.00
2012-13	\$ 8.00
2013-14	\$ 11.00
2014-15	\$ 14.00
2015-16	\$ 17.00

SVSWA Regional Fee Portion \$135, 947

The remainder of the Regional Fee is used to supplement a portion of the total cost of these programs:

- AB 939 Administration
- Legislative Development
- Diversion/Recycling Programs



Basis for Regional Fee

- Environmental Health has always administered all recycling and diversion programs and AB 939 administration within the unincorporated area while SVSWA staff have focused on incorporated cities.
- As long as the unincorporated County is divided between two separate JPAs, Monterey County will continue to maintain its own effective and standardized diversion programs that also align with its franchise agreement.



SVSWA Agenda Items - View Ahead

Item No. 12

2013

	20-Jun	TBD - Retreat	22-Aug	26-Sep	17-Oct	21-Nov
1	Minutes	RETREAT STRATEGIC PLAN GOALS & 6-MONTH OBJECTIVES REVIEW	Minutes	Minutes	Minutes	Minutes
2	Claims/Financials (EC)		Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	FY Investment Policy (EC)		Updated Strategic Plan Approval	Strategic Plan Monthly Progress Report	QTE Sept. Cash & Investments	QTE Sept. Tonnage & Diversion Report
4	Management MOU (CalPers Pension Reform)		QTE June Tonnage & Diversion Report	MRC Siting/Land Swap/Acquisition Plan (sp)	Annual County Used Oil Report	Authority Annual Report
5	Non-management MOU (CalPERS Pension Reform)		QTE June Cash & Investments (EC)			Audit Report (EC)
6	CIWMB Grant Submittal Authorization		Regulatory Compliance Status			2014 Meetings Calendar (EC)
7	HHW		CH Closure Project Completion (sp)			
8	Safety Committee Update		2011 Franchise Haulers Performance Rept			
9	Equipment Replacement Program (sp)		Annual SSTS Report			
10	FY 2013-14 Budget Document (EC)		Admin Procedures Manual (sp)			
			Intro Ord No. 10 Local Suppliers Preference			

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

[Other] (Public Hearing, Recognition, Informational, etc.)

(EC) Executive Committee

(sp) Strategic Plan Item