



A G E N D A Amended **Special Meeting**

BOARD OF DIRECTORS
Wednesday, July 31, 2013, 8:00 a.m.
128 Sun Street, Suite 102, Salinas, California

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: Fernando Armenta, President
County: Louis Calcagno
Salinas: Gloria De La Rosa
Salinas: Jyl Lutes, Alternate Vice President
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: Joseph Gunter
Gonzales: Scott Funk
Soledad: Christopher Bourke
Greenfield: Raul Rodriguez
King City: Carlos Victoria

BOARD DIRECTOR AND STAFF 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.

PRESENTATION

1. BONDS REFINANCING STATUS REPORT

- A. Receive Report from Finance Manager Roberto Moreno
- B. Public Comment
- C. Board Discussion
- D. Recommended Action – None, Informational Only

*** CONSIDERATION OF ADDITION TO AGENDA**

Government Code Section 54954.2(b)(2)

Upon a determination by a two-thirds vote of the members of the board present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action, and that the need for action came to the attention of the district subsequent to the agenda being posted.

The board shall call for public comment prior to voting to add any item to the agenda after posting.

A. APPOINT TWO-BOARD MEMBER COMMITTEE TO DISCUSS COUNTY'S CONCERNS WITH WASTE DELIVERY AGREEMENT IN SUPERVISORIAL DISTRICT 2

- 1 Receive Report from General Manager Patrick Mathews
- 2 Public Comment
- 3 Board Vote to Add Item to Agenda
- 4 Recommended Action – Vote to Add Item and Provide Direction

CONSIDERATION

2. CITIZENS ADVISORY GROUP SELECTION CRITERIA

- A. Receive Report from General Manager/CAO R. Patrick Mathews
- B. Public Comment
- C. Board Discussion
- D. Recommended Action – Approve or Provide Direction

3. RESPONSE TO CITIES OF GILROY AND MORGAN HILL REQUEST FOR PROPOSALS FOR LANDFILL SERVICES

- A. Receive Report from Finance Manager Roberto Moreno
- B. Public Comment
- C. Board Discussion
- D. Recommended Action – Approve or Provide Direction

CLOSED SESSION

- 4. Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Finance Manager Roberto Moreno, and Legal Counsel Tom Bruen, concerning the possible terms and conditions of the disposition of landfill space/capacity at the Johnson Canyon Landfill located at 31400 Johnson Canyon Road, Gonzales, CA 93926. The Authority's negotiators will negotiate with the Cities of Gilroy and Morgan Hill.

RECONVENE TO OPEN SESSION

STRATEGIC PLANNING WORKSHOP (8:30)

- Welcome and Introductions
- SVSWA Mission, Vision, Core Values, and Three-Year Goals (2010-2013)
- Brief Review of Strengths, Weaknesses, Opportunities, and Threats
- Proposed 2013-16 Three-year Goals
 - Develop a Three-year Finance Plan to Fund 75% Diversion
 - Complete Development of Salinas Valley Area Station/Materials Recovery Center
 - Develop a Use Plan for Jolon Road/Crazy Horse/Lewis Road Landfills
 - Increase Public Involvement/Engagement
 - Develop Johnson Canyon Landfill Operations Plan (Post Recology)
- Develop Six-month Strategic Objectives
- Summary and Closing Remarks

ADJOURNMENT

.....
This amended 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, **Tuesday, July 30, 2013**. The Salinas Valley Solid Waste Authority Board will next meet in a regular session on **Thursday, August 22, 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.svswa.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.***



Report to the Board of Directors

Date: July 31, 2013
From: Roberto Moreno, Finance Manager
Title: Bonds Refinancing Status Report

ITEM NO. 1

N/A

Finance Manager/Controller-Treasurer

N/A

General Counsel

N/A

General Manager/CAO

**AN ORAL REPORT WILL BE GIVEN
AT THE MEETING**



SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM A

N/A

Finance Manager/Controller-Treasurer

T. Bruen by pm

General Counsel

General Manager/CAO

Date: July 31, 2013

From: Patrick Mathews, General Manager/CAO
Thomas Bruen, Authority Legal Counsel

Title: Appoint Two-Board Member Committee to
Discuss County's Concerns with Waste Delivery
Agreement in Supervisorial District 2

RECOMMENDATION

Staff recommends that the Board of Directors appoint a new two-member committee to meet with Supervisors Calcagno and Salinas regarding the County Notice of Intent to Withdraw.

STRATEGIC PLAN RELATIONSHIP

Understanding the County's reasons for issuing the notice of intent to withdraw from the Authority will allow the Authority to develop a clear path forward for refinancing and implementation of all the Board's strategic plan components.

FISCAL IMPACT

This action has no fiscal impact, but is essential to achieving timely resolution to allow the Authority to move forward on bond refinancing and strategic plan initiatives.

DISCUSSION & ANALYSIS & BACKGROUND

The attached letter from the County Board of Supervisors was received on the afternoon of July 30, 2012. Do to the urgency of this matter, staff is requesting the Board consider this late item during the brief Business meeting on July 31, 2013, prior to the Board's retreat. The County is requesting direct discussions with a two member delegation from our Board of Directors without staff or legal counsel. The purpose of the meeting is to discuss concerns and modification to the waste flow delivery agreement to facilitate the County's requested change in disposal designation for District 2 waste.

ATTACHMENTS

1. County letter of June 12, 2013, Conditions to Rescind Withdrawal
2. SVSWA letter of June 28, 2013, Response to County Conditions
3. SVSWA letter of July 19, 2013, Request to Rescind Withdrawal
4. County letter of July 30, 2013, Request to Meet

MONTEREY COUNTY

COUNTY ADMINISTRATIVE OFFICE

LEW C. BAUMAN
COUNTY ADMINISTRATIVE OFFICER

168 W ALISAL STREET 3RD FLOOR
SALINAS, CA 93901-2680
(831) 755-5115
FAX (831) 757-5792
www.co.monterey.ca.us



June 12, 2013

RECEIVED

Patrick Mathews, General Manager/CAO
Salinas Valley Solid Waste Authority
128 Sun Street, Suite 101
Salinas, CA 93901



JUN 14 2013

SVSWA

Re: Monterey County's Notices of Intent to Withdraw

Dear Mr. Mathews:

On behalf of the Monterey County Board of Supervisors I want to express our appreciation for a very informative and productive joint meeting of both boards on April 30, 2013. Staff of the Salinas Valley Solid Waste Authority (SVSWA) and County provided both boards with information that provided a foundation for discussion and analysis in assessing the solid waste system and rate structure within the SVSWA jurisdiction. The joint meeting highlighted our mutual efforts in providing residents of Monterey County in both the incorporated and unincorporated areas the best and most cost efficient solid waste management alternatives available through our collaborative efforts.

During these discussions the SVSWA board members expressed their concern regarding the County's July 12, 2012 letter of Intent to Withdraw from the SVSWA and the July 13, 2012 letter of Intent to Withdraw from the Monterey County Waste Delivery Agreement. The SVSWA board members called for the County to rescind these letters as they inhibit the SVSWA from obtaining a favorable bond rating and refinancing of the 2002 Revenue Bonds at current lower market interest rates that could generate up to \$5.4M (\$288K annually) in savings.

The Board of Supervisors acknowledge the importance of refinancing to lower debt payments, to lower "legacy cost," and in lowering of disposal cost to the customer base. The Board of Supervisors therefore is prepared to withdraw or rescind the letters of intent upon the SVSWA agreeing to the following conditions:

1. SVSWA shall immediately enter into good faith negotiations for an amendment to the Monterey County Waste Delivery Agreement that would carve out the unincorporated area in Supervisorial District 2 from the obligation to deliver waste to the Johnson Canyon landfill, such negotiations to be concluded no later than 45 days following the agreement of SVSWA to these conditions; the parties are not obligated to reach agreement with respect to the negotiations.

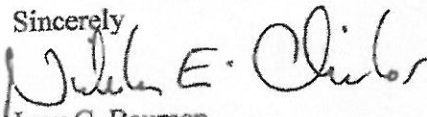
2. Any savings achieved as a result of a refinance of SVSWA's current debt (such savings estimated by SVSWA staff to be approximately \$288,000 per year) shall not be used directly or indirectly to fund current or future capital expenditures or for the purposes of issuing additional debt; it shall be used for operational costs or preserved in a reserve account, unless specifically agreed to in writing by the Monterey County Board of Supervisors or unless and until an agreement is reached regarding an amendment to the Waste Delivery Agreement as described above.

3. SVSWA shall cooperate with and participate in the regional study to be commissioned to assess the most efficient means to transport and dispose of solid waste in the County as a whole, and fund a fair share of the study.

4. Should the County determine to pursue withdrawal from SVSWA or the Waste Delivery Agreement the County shall be obligated to provide only 6 months notice of intent to withdraw rather than one year notice.

We understand that your board members will need to review and may wish to deliberate this proposal before we receive a response. Upon concurrence by your board, the Board of Supervisors will rescind or withdraw the notices of intent.

Sincerely



Lew C. Bauman

County Administrative Officer

cc: Monterey County Board of Supervisors
Salinas Valley Solid Waste Authority Board of Directors
Nicholas E. Chiulos, Assistant CAO, Monterey County
Charles J. McKee, County Counsel, Monterey County
Ray Bullick, Director of Health, Monterey County
John Ramirez, Environmental Health Bureau Director, Monterey County
Thomas Bruen, Esq., General Counsel



Mission

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

Vision

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

Innovation • Integrity • Public Education • Efficiency • Fiscal Prudence • Resourcefulness • Customer Service • Community Partnerships

June 28, 2013

Lew C. Bauman
County Administrative Officer
Monterey County
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901-2680

Subject: Monterey County's Notices of Intent to Withdraw

Dear Mr. Bauman:

On behalf of the Salinas Valley Solid Waste Authority (Authority) Board of Directors, I would like to thank you for your letter of June 12, 2013, sent to the Authority on behalf of the Board of Supervisors. The Authority Board appreciates the commitment of the Board of Supervisors to promptly consider the rescission of the County's Notices of Intent to Withdraw from the Authority and from the County's Waste Delivery Agreement. The County's prompt action to rescind its notice of intent to withdraw will allow for refinancing of our current bonds at a significant savings while interest rates are still at an all-time low. The Board deliberated on the County's request at its June 20, 2013 meeting and I have been asked by the Authority Board of Directors to respond to the four conditions in your letter.

1. The Authority Board believes that a mutually agreeable resolution of this issue can be reached that will address the concerns of the Board of Supervisors, District 2 (Cacagno), as well as of the Authority's other member agencies, bond holders and ratepayers in the Authority's unincorporated areas outside of District 2. As requested in your condition 1, the Authority will enter into good faith negotiations with the County as requested in this condition. In particular, development of a Salinas-area processing facility to reduce waste destined for landfilling is an important part of this discussion. By reducing wastes at the point of generation (80% of our waste comes from Salinas and North County), we address concerns raised by your Board and add benefits for the community:
 - a. Transfer of waste from District 2 to the Johnson Canyon Landfill would no longer be needed, as all waste would be consolidated in the Salinas area for processing and waste reduction. Only residue (30%) from this process would be sent for landfilling and could go to the Marina Landfill under contract, if the pricing structure proves advantageous to our rate payers.
 - b. Impacts (traffic, litter, noise,...) to residents, townships and Cities along landfill transportation routes (Authority and District) would be significantly reduced as waste volumes destined for landfilling are reduced.

www.svswwa.org

PO Box 2159, Salinas CA 93902-2159 • 128 Sun Street, Ste. 101, Salinas CA 93901
tel. (831) 775-3000 • fax (831) 755-1322

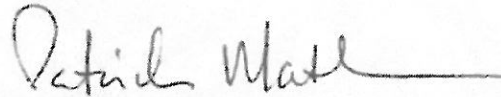
- c. Greenhouse gas reductions associated with the Salinas area processing facility will be beneficial to all our member agency's AB 32 goals and objectives.
 - d. The project provides for local economic development opportunities, jobs and private investment in new technology. A copy of the economic impact study for this project was transmitted to your Board prior to our April 30, 2013 joint meeting.
2. The Authority Board disagrees with this condition. It is the Board's unanimous opinion that this condition is onerous and seeks an unnecessary level of control over Board decisions and actions that is neither warranted nor constructive to this discussion. This condition is inappropriate and the Board cannot agree to this condition.
3. The Authority Board endorses a countywide regional study of the most efficient means to reduce, recycle, recover, transport and dispose of solid waste in the County as a whole, which would include how best to economically meet the new State mandated requirements for recycling of solid waste and diversion from landfilling. The Authority agrees to fund its fair share of the study, assuming Monterey County, all of its Cities and the Monterey Regional Waste Management District will agree to participate and fund their proportional share of the study. The Authority is also willing to consider alternatives to meet the same objectives (such as continuing direct collaboration with District) absent full commitment by all project participants.
4. Regarding the County's request that the Authority Board agree that if the County were to rescind its Notices of Intent to Withdraw from the Authority and from its Waste Delivery Agreement, the County could thereafter provide only 6 months' notice of its renewed intent to withdraw from these agreements, we do not believe this request can be feasibly honored. The Authority Board has expressed the Authority's need to have at least one year's advance notice if the County (or any member) were to withdraw from the Authority. Specifically, the requirement for a one year notice before any member agency of the Authority may withdraw from the JPA is set forth in the Joint Powers Agreement, which has been approved and executed by all of the member agencies and can only be amended by their unanimous consent.

In addition, the last amendment to the Joint Powers Agreement, which set an Authority record for the speed of processing an amendment to the Joint Powers Agreement, took eight months for the amendment to be prepared, circulated, heard and approved by all of the governing bodies of each member agency of the JPA. Without such unanimous approval, the Joint Powers Agreement could not be amended. By the time this process of amending the JPA agreement could reasonably be completed (assuming all member agencies would agree) we believe we will have addressed the County's concern. For these reasons, we would respectfully request that the Board of Supervisors reconsider the need for your condition number 4.

The intent of this letter is to communicate to your Board the Authority Board's response to conditions 1-4 of your June 12th letter. The Authority Board remains committed to good faith and transparent discussion of all the issues that have been raised, as well as participating in the regional solid waste study.

The Authority Board of Directors and staff look forward to our future discussions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Patrick Mathews", with a long horizontal flourish extending to the right.

Patrick Mathews, General Manager/CAO
Salinas Valley Solid Waste Authority

Attachments: County letter of June 12, 2013, Conditions to Rescind Withdrawal Notice

Copy to: Salinas Valley Solid Waste Authority Board of Directors
Monterey County Board of Supervisors
Monterey Regional Waste Management District
Thomas Bruen, SVSWA Chief Counsel
Charles McKee, County Counsel, Monterey County



Mission

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To eliminate the need for landfills.

Innovation • Integrity • Public Education • Efficiency • Fiscal Prudence • Resourcefulness • Customer Service • Community Partnerships

July 19, 2013

Dr. Lew Bauman, County Administrative Officer
County of Monterey
168 W. Alisal Street
Salinas, CA 93901

Subject: RESCISSION OF COUNTY NOTICE OF INTENT (NOI) TO WITHDRAW


Dear Dr. ^{Lew} Bauman,

Last week we were notified by our bond underwriters that bond interest rates have begun to climb. We requested an estimation of the lost interest savings associated with the increasing interest rates and were informed that the Authority has potentially lost up to \$1.7 million in interest savings. As a result of the ongoing and unresolved County threat of withdrawal, the Authority and its rate payers have been impacted.

On July 18, 2013, the Authority was notified by Standard and Poor's Rating Services that we are due for a periodic review of our 2002 revenue bonds. With the County threat of withdrawal still unresolved, the Authority is facing a potential downgrading of our credit rating once the rating process commences. We have requested a short delay in the rating process so that it may be conducted in parallel with our refinancing. However, if refinancing does not begin by August 2013, S&P will conduct their periodic review as planned. Refinancing of our 2002 revenue bonds cannot commence until the County withdraws its NOI. We are now faced with the possibility of losing all interest savings benefit (\$3.7 million estimate) as a result of the County's lack of progress on this matter. This would be a very unfortunate situation for the ratepayers in the Salinas Valley and our agency if the County were to allow this to happen through inaction.

We respectfully request the County immediately and unconditionally rescind its NOI to allow our bond refinancing to move forward in August to avoid further degradation of cost savings associated with refinancing of our bonds.

Sincerely,


Patrick Mathews

General Manager/Chief Administrative Officer

Copy to: Salinas Valley Solid Waste Authority Board of Directors
Monterey County Board of Supervisors

www.svswa.org

PO Box 2159, Salinas CA 93902-2159 • 128 Sun Street, Ste. 101, Salinas CA 93901
tel. (831) 775-3000 • fax (831) 755-1322

MONTEREY COUNTY



Board of Supervisors

FERNANDO ARMENTA, CHAIR, District 1
 LOUIS R. CALCAGNO, District 2
 SIMÓN SALINAS, District 3
 JANE PARKER, District 4
 DAVE POTTER, District 5

168 W. Alisal Street, Third Floor
 Salinas, CA 93901
 (831) 755-5011
 Fax: (831) 755-5876

July 30, 2013

Via Hand Delivery, Facsimile & Electronic Mail

Salinas Valley Solid Waste Authority Board of Directors
 128 Sun Street, Suite 101
 Salinas Valley, CA 93901

Re: County Notices of Intent to Withdraw

Honorable Chair and Members of the Board of Directors:

As you know, the County has tendered notices of intent to withdraw from the Authority and the associated waste delivery agreement. The Authority requested that the County rescind the notices of intent and the County replied by stating the notices would be rescinded subject to a number of conditions. One of those conditions was a request to negotiate in good faith for an amendment to the waste delivery agreement to address issues affecting the unincorporated area of Supervisorial District 2. The Authority rejected virtually all of the County's requested conditions, including negotiations regarding the waste delivery agreement.

On July 19, 2013, the County CAO received a letter from Authority General Manager Patrick Matthews requesting that the County immediately and unconditionally rescind its notices because the window for the Authority to refinance certain outstanding debt at favorable rates was closing.

The Board of Supervisors respectfully requests that a two Director delegation meet at the earliest convenient time with a two Supervisor delegation from the County, consisting of Supervisors Salinas and Calcagno. The meeting would be without staff present (including the CAO, General Manager or counsel) in order to engage in a frank discussion concerning the issues affecting Supervisorial District 2. The County believes these issues can be addressed by a modification of the waste delivery agreement without adversely affecting the Authority or its financial circumstances.

Thank you for your consideration of this request. The County delegation stands ready to meet as soon as possible. Please contact the Clerk of the Board's office at (831) 755-5066 to coordinate the meeting.

Sincerely,

Fernando Armenta,
 Chair, Monterey County Board of Supervisors

cc: Board of Supervisors

Lew Bauman, CAO

Patrick Matthews, Authority General Manager (Via Hand Delivery & Electronic Mail)

Charles J. McKee, County Counsel (Via Hand Delivery & Electronic Mail)


Thomas M. Bruen, Esq., Authority General Counsel (Via Facsimile Only 925-295-3132)



Report to the Board of Directors

ITEM NO. 2


Finance Manager/Controller-Treasurer

T. Bruen by pm
Legal Counsel

General Manager/CAO

Date: July 31, 2013
From: Patrick Mathews, General Manager/CAO
Title: Citizens Advisory Group Selection Criteria

RECOMMENDATION

Staff recommends the Board discuss and approve updated Citizen's Advisory Group (CAG) appointee selection characteristics and criteria.

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. On June 20, 2013, the Board considered appointments to the CAG and determined that the selection criteria needed additional detail to clarify the qualities and requirements for appointees. Staff was directed to return at the July 31 special Board meeting/retreat with additional qualification criteria for Board consideration. For any citizen's group to be successful, appointees must possess the following characteristics:

- Be open minded to new ideas and concepts
- Be willing to spend time educating themselves on local and national issues, governmental process, and trends in the industry
- Be willing to ask questions and provide constructive criticism
- Be a critical thinker
- Be willing to work collaboratively in a group setting with diverse individuals
- Be willing to develop and support collaborative recommendations from the CAG

To ensure that the citizens group represents the entire Salinas Valley Solid Waste Authority service area, staff recommends the following qualifying criteria:

1. The appointee should be a resident of the appointing Board member's jurisdiction.
2. The appointee should have no direct contractual relationship with the Authority.
3. The Board should have final approval of all nominee appointments.

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



Report to the Board of Directors

ITEM NO. 3

Finance Manager/Controller-Treasurer

T. Bruen by ez

Legal Counsel

General Manager/CAO

Date: July 31, 2013

From: Roberto Moreno, Finance Manager

Title: Proposal for Landfill Disposal Capacity for
Gilroy and Morgan Hill

RECOMMENDATION

Staff recommends the Board consider approval, revision, or withdrawal of the proposal.

STRATEGIC PLAN RELATIONSHIP

This action will benefit the Authority strategic plan goals to have a sustainable finance plan and to enhance existing facilities as it allows the Authority to have additional funding for capital improvements.

FISCAL IMPACT

Continued acceptance of solid waste from Gilroy and Morgan Hill will allow the Authority to increase the funds available for reserves and capital projects. The complete loss of this tonnage, while anticipated in future budgets and rate setting, will mean a \$2 million decrease in revenues.

DISCUSSION & ANALYSIS

On July 16 staff submitted a proposal for landfill disposal capacity in response to the Cities of Gilroy and Morgan Hill request for proposals (RFP) for landfill disposal capacity. The proposal was submitted subject to Board approval because there was no meeting during which the proposal could be approved prior to the deadline.

The Authority has already extended the agreement with Recology South Valley until December 31, 2014. The RFP states that disposal under the RFP would start no sooner than January 1, 2014 and no later than January 1, 2015. If the cities accept a proposal from another agency beginning on January 1, 2014 the Authority will lose the tonnage and revenue one year sooner than anticipated. The RFP also states that no "put or pay" or minimum guaranteed payment clause proposals will be considered. The Authority's current agreement for handling of this waste has a "put or pay" provision that requires a guaranteed minimum payment from Recology South Valley regardless of the tonnage.

The proposal was submitted with the following provisions:

Authority will continue to accept solid waste for landfill disposal until the Autoclave processing facility is operational. Thereafter the Authority would only accept the residue from the autoclave processing facility for landfill disposal. All incoming MSW would have to be processed through the autoclave at the then contracted rate for processing. The residue would be billed at the proposed disposal rate, plus annual CPI adjustments, beginning January 1, 2016.

Staff is seeking Board approval, revision, or withdrawal of the submitted proposal.

The issues before the Board are as follow:

- Should the Authority continue receiving garbage from Gilroy and Morgan Hill beyond the December 31, 2014 extension date?
- Should the Authority lower its competitive rate to continue receiving garbage from Gilroy and Morgan Hill?
- What conditions should the Authority place on this proposal?

If the Board is willing to approve the provisions stated above then the only remaining questions is how much should the Authority charge for this disposal capacity. This topic will be discussed in closed session.

BACKGROUND

05/28/13 - Informed by Recology South Valley that Gilroy and Morgan Hill hired a consultant to analyze their waste disposal issues

06/19/13 – Received RFP for Disposal Capacity

06/20/13 – Reviewed by the Board and directed staff to request a deadline extension

07/01/13 – Replied to RFP informing that Authority cannot meet the July 16 deadline due to not having a Board meeting to obtain approval prior to RFP deadline

07/03/13 – Cities replied that they are willing to accept a proposal subject to withdrawal or SVSWA Board approval

07/16/13 – Delivered proposal for landfill disposal capacity

07/16/13 – Notified that the following agencies submitted proposals:

1. Waste Connections/John Smith Road Landfill
2. Green Waste Recovery MRF/MRWMD Marina Landfill
3. WMI/Kirby Canyon Landfill
4. Republic Services/Newby Island Landfill
5. Salinas Valley Solid Waste Authority/Johnson Canyon Landfill

07/17/13 – Received request for clarifications on fees/taxes included in rates

07/18/13 – Responded to request for clarifications

Attached is a copy of the Request for Proposals received from the cities of Morgan Hill and Gilroy, the Authority's Tentative Proposal, and the response to request for clarifications.

The existing Waste Disposal and Capacity Guarantee Agreement with Recology South Valley for the disposal of Gilroy and Morgan Hill garbage commenced on November 1, 2003 and terminates on December 31, 2013. The Authority at its sole discretion may extend the term of the agreement for up to four (4) additional one year periods. On Board direction the Authority extended the agreement one year until December 31, 2014. Section 6.1(d) of the agreement has a provision that allows a jurisdiction to direct the contractor, Recology South Valley, to deliver any municipal solid waste to another location or facility other than the designated Authority facility.

ATTACHMENT(S)

1. Request for Proposals
2. Authority's Proposal
3. Authority's Response to request for clarifications

**CITIES OF MORGAN HILL & GILROY SAN MARTIN TRANSFER
STATION AGREEMENT FOR LANDFILL CAPACITY
REQUEST FOR PROPOSALS (Revised 7/1/13)**

ITEM 3
ATTACHMENT 1

A. OVERVIEW

The Cities of Morgan Hill and Gilroy are requesting proposals for long term (no less than 15 years, nor more than 25 year term) landfill capacity for their contracted municipal solid waste ("MSW") Garbage portion, and the self hauled public MSW tonnage received at the San Martin Transfer Station (14070 Llagas Ave., San Martin, California). This subject tonnage to be directed to the Proposer's permitted landfill facility starting no sooner than Jan 1, 2014 and no later than Jan 1, 2015. No "put or pay" or minimum guaranteed payment clause proposals will be considered. **Four (4)** copies of sealed proposals are to be received by 3 PM, Tuesday, July 16, 2013 at the City of Morgan Hill, Public Works office at 100 Edes Court, Morgan Hill, CA 95037.

B. ANNUAL TONNAGES DELIVERED FOR DISPOSAL

The Cities of Morgan Hill and Gilroy have comprehensive recycling and diversion programs in-place, and make no guarantees as to the any future tonnage amounts to be delivered to the Proposer. The following is a record of recent tonnages received at the San Martin Transfer Station that were transferred for landfill disposal.

Period (Fiscal Year)	Annual tonnage (by Generator)				Transfer Loads (21 tons/ea)
	Gilroy	Morgan Hill	Self Haul (Public)	TOTAL Tonnage	
2008-09	31,764	21,595	21,900	75,259	3,584
2009-10	29,995	20,773	23,780	74,548	3,550
2010-11	29,093	22,221	28,230	79,545	3,788
2011-12	27,432	22,272	19,116	68,820	3,277
2012-13 (10 mos.)	23,476	19,093	14,498	57,067	2,717

While all of these materials are currently hauled to the same landfill, the Cities of Morgan Hill and Gilroy will not be able to direct all of the "self haul" component to the selected landfill. While entirely possible that Recology will work to send all of this waste to the selected landfill, it is not certain at this time.

C. PROPOSER'S GENERAL INFORMATION REQUIRED TO BE SUBMITTED

1. Company information, ownership, structure, financial wherewithal, and contact information.
2. Representation, Guarantees, and Warranties of Proposer, including Guarantee of Term to provide landfill capacity. Proposer shall also be able to provide satisfactory indemnification of the Cities of Morgan Hill and Gilroy, and their Council and staff concerning this agreement.
3. Landfill disposal facility description, site drawings (plan and profiles), operational history, organizational chart, and site specific requirements.
4. Description of all facility permits, requirements, conditions, and contacts, plus details of any facility violations.
5. Description of current annual tonnage received at the landfill (past 3 years minimum), in-place densities, permitted capacity remaining (cubic yards, tonnage, and calculation detail), and remaining landfill life (including assumptions and calculations).
6. Discussion of any planned or future site expansion(s).
7. Describe any MSW landfill diversion activities which would be applied to the MSW this proposal would deliver.

D. PROPOSER'S COMPENSATION REQUIRED AND PROPOSAL CONDITIONS

1. Proposer shall respond by email to Anthony Eulo, City of Morgan Hill, Anthony.eulo@morganhill.ca.gov on or before 2 PM Thursday, June 27, 2013 expressing Proposer's intent to (or intent not to) submit a proposal. If no response firm will be considered non-responsive to this Request for Proposal, and any proposal received may be rejected.
2. Initial Base Tipping Fee per ton delivered.
3. Any adjustment formulae, or specific term(s) to be applied to Base Tipping Fee for life of agreement.
4. No "put or pay" or minimum guaranteed payment clause proposals will be considered.
5. Proposer shall demonstrate the ability to, and be able to provide guarantees and financial assurances to operate and provide the landfill capacity offered in a manner that meets all required regulations and permits.

CITIES OF MORGAN HILL & GILROY SAN MARTIN TRANSFER STATION
AGREEMENT FOR LANDFILL CAPACITY REQUEST FOR PROPOSALS (Revised 7.1.13)

6. Proposer shall not offer a term of agreement which exceeds the life of the Proposer's landfill for which capacity is offered. Proposer shall offer a stated length of term of agreement to provide landfill capacity for the described Cities of Morgan Hill and Gilroy's, and public self-haul tonnage at Proposer's landfill. Term(s) offered shall be no less than fifteen (15) years, and can be up to a maximum of 25 years).

7. Proposal terms shall remain valid for at least 120 calendar days after submittal.

E. Other

1. **Four (4)** copies of sealed proposals are to be received by 3 PM, Tuesday, July 16, 2013 at the City of Morgan Hill, Public Works office at 100 Edes Court, Morgan Hill, CA 95037.

2. Cities of Morgan Hill and Gilroy may choose to negotiate with any, all, or none of Proposers to develop an agreement for the subject long term landfill capacity desired.

3. Direct any questions concerning this Request for Proposals can be emailed to rickmauck@yahoo.com and copy to anthony.eulo@morganhill.ca.gov before 5 PM on July 10, 2013. Questions received and subsequent clarifications will be forwarded to all Proposers who have expressed intent to submit proposals.

4. Sealed proposals received will not be opened at 3 PM, Tuesday July 16, 2013, but all those who submitted proposals will be informed of who submitted proposals.

5. Those who submitted proposals may be requested to attend a follow up meeting to discuss, review, and answer questions concerning their proposal.

**SALINAS VALLEY SOLID WASTE AUTHORITY
PROPOSAL FOR LANDFILL DISPOSAL CAPACITY
IN RESPONSE TO THE
CITIES OF MORGAN HILL & GILROY SAN MARTIN TRANSFER
STATION AGREEMENT FOR LANDFILL CAPACITY
REQUEST FOR PROPOSALS (Revised 7/1/13)**

ITEM 3
ATTACHMENT 2

C. PROPOSER'S GENERAL INFORMATION REQUIRED TO BE SUBMITTED

1. Company information, ownership, structure, financial wherewithal, and contact information.

The Salinas Valley Solid Waste Authority (SVSWA) is a Joint Powers Agency. Attachment 1 is the JPA Agreement which provides a full description of SVSWA. Attachment 2 is the SVSWA audited financial statements for FYE 6-30-12. Attachment 3 is the SVSWA approved budget for FY 2013-14.

Contact information is as follows:

**R. Patrick Mathews, General Manager/CAO
Salinas Valley Solid Waste Authority
128 Sun Street
Salinas, CA 93901**

**(831) 775-3005
patrickm@svswa.org**

2. Representation, Guarantees, and Warranties of Proposer, including Guarantee of Term to provide landfill capacity. Proposer shall also be able to provide satisfactory indemnification of the Cities of Morgan Hill and Gilroy, and their Council and staff concerning this agreement.

Attachment 4 is a copy of the current agreement with Recology South Valley for the disposal of Gilroy and Morgan Hill garbage. Refer to Section 2 - Representations and Warranties of the Parties for a description of the current warranties that SVSWA is providing which will continue to be provided in response to this RFP. Refer to Section 7 - Insurance, Indemnity for a description of these items which SVSWA will continue to provide in response to this RFP.

SVSWA guarantees landfill disposal capacity for a 15 year term. However, once the autoclave process is put in place SVSWA will guarantee disposal capacity *only* for residue material from the autoclave process.

3. Landfill disposal facility description, site drawings (plan and profiles), operational history, organizational chart, and site specific requirements.

Attachment 5 is a CD of the JTD (Vol 1 and portions of Vol 3) of Johnson Canyon Landfill which provides all the information you would want to know concerning the landfill. The Johnson Canyon Landfill is a Class III landfill as noted in Volume 1, Section 1.2 of the JTD. The site plan is referenced in Volume 1, Figure 1-3A and 1-3B of the JTD. The ancillary facilities are noted in Volume 1, Section 3.5 of the JTD.

Attachment 6 is an organization chart of SVSWA.

Incoming tonnage is expected to be brought in in transfer trailers as is being done under the current agreement. The following sections of the attached disposal agreement with Recology South Valley will continue:

Section 3.2	Use of Transfer Vans and Tipper
Section 3.4	Inspection and Hazardous Waste Screening
Section 4.2.3	Designated Haul Route (as currently used)

4. Description of all facility permits, requirements, conditions, and contacts, plus details of any facility violations.

Attachment 5 is a CD which also contains the various permits for the facility. Please refer to Appendix A in the CD

There has been no violations in 2011 and 2012. As of July 1, 2013, there has been no violations.

5. Description of current annual tonnage received at the landfill (past 3 years minimum), in-place densities, permitted capacity remaining (cubic yards, tonnage, and calculation detail), and remaining landfill life (including assumptions and calculations).

Attachment 7 is a worksheet of the landfill tonnage history.

Attachment 8 shows the in-place densities.

At June 30, 2012 Johnson Canyon Landfill had a permitted remaining capacity of 8,534,621 cubic yards. At the current rate of disposal, which includes Morgan Hill and Gilroy tonnage the landfill has 28 years remaining landfill capacity.

Attachment 5 is a CD that also contains the permitted capacity remaining and the remaining landfill life information (See Volume 1, Table 3-2 and Volume 3, Appendix E).

6. Discussion of any planned or future site expansion(s).

There are no planned future expansions planned beyond the three remaining cells permitted for construction, which will provide a minimum 28 years of capacity with Gilroy and Morgan Hill waste included

7. Describe any MSW landfill diversion activities which would be applied to the MSW this proposal would deliver.

All waste received at JCL will be buried.

SVSWA is planning on developing a Autoclave process which will have approximately 200 tpd of capacity for Phase I

The Autoclave information is presented here as an additional option. It is not subject to the pricing offered for waste disposal at JCL.

D. PROPOSER'S COMPENSATION REQUIRED AND PROPOSAL CONDITIONS

1. Proposer shall respond by email to Anthony Eulo, City of Morgan Hill, Anthony.eulo@morganhill.ca.gov on or before 2 PM Thursday, June 27, 2013 expressing Proposer's intent to (or intent not to) submit a proposal. If no response firm will be considered non-responsive to this Request for Proposal, and any proposal received may be rejected.

2. Initial Base Tipping Fee per ton delivered.

Due to the short time frame for response and our Board's July recess, this price offer is contingent upon formal approval by the Board of Directors on August 22, 2013.

The initial per ton tipping fee would be \$[REDACTED] for the duration of the Recology operations contract for Johnson Canyon Landfill (12/31/2015, assuming one additional year extension), or until the Autoclave facility is operational, whichever comes first.. After which, all Gilroy and Morgan Hill waste would be redirected to the future Autoclave facility (in the Salinas area) for advanced processing at an estimated price of \$[REDACTED] plus refuse disposal of residues (not to exceed [REDACTED]) at initial price above plus CPI starting January 1, 2016. Once the Autoclave processing facility is operational the disposal tipping fee would increase by CPI-W as described below.

3. Any adjustment formulae, or specific term(s) to be applied to Base Tipping Fee for life of agreement.

Tipping fees would be increase by the percentage change in CPI-W San Francisco-Oakland-San Jose area for the year ended each February as published by the Bureau of Labor Statistics.

Attachment 9 is a copy of the effect of the above CPI for the past five years as published by BLS.

4. No "put or pay" or minimum guaranteed payment clause proposals will be considered.

This proposal has no put or pay provisions.

5. Proposer shall demonstrate the ability to, and be able to provide guarantees and financial assurances to operate and provide the landfill capacity offered in a manner that meets all required regulations and permits.

SVSWA has demonstrated the ability to handle all of the Morgan Hill, Gilroy and South Santa Clara tonnage since October 2003.

6. Proposer shall not offer a term of agreement which exceeds the life of the Proposer's landfill for which capacity is offered. Proposer shall offer a stated length of term of agreement to provide landfill capacity for the described Cities of Morgan Hill and Gilroy's, and public self-haul tonnage at Proposer's landfill. Term(s) offered shall be no less than fifteen (15) years, and can be up to a maximum of 25 years).

7. Proposal terms shall remain valid for at least 120 calendar days after submittal.



Working for a future without landfills...

July 18, 2013

Anthony Eulo
City of Morgan Hill
Public Works Office
100 Edes Court
Morgan Hill, CA 95037

RE: Clarifications of Proposal for Landfill Disposal Capacity

Dear Mr. Eulo:

We received your request for clarifications concerning the Salinas Valley Solid Waste Authority's (Authority) proposal to provide landfill disposal capacity to the Cities of Morgan Hill and Gilroy. This letter constitutes the Authority's response. We are providing the Authority's response directly below each of your questions.

1. (pg. 3) You did not provide the amounts of all the fees and taxes that are collected per ton that are included or are in addition to your Tip Fee(s). **Please provide a breakdown of all the current fees and taxes collected** and if they are included, or to be added per ton.

[SVSWA Response] The proposed tipping fee of \$[REDACTED] is all inclusive. We did not separately state the fees and taxes in the proposal because we did not see where that was asked for. The Authority pays \$1.40 per ton to the Board of Equalization for the CA Integrated Waste Management Fee and approximately \$0.87 per ton to Monterey County Environmental Health Division for the County's Regional Fee.

As is the case with current landfill disposal agreement with Recology South Valley, if there should be an increase in these fees, the increase would be passed on to the Cities of Morgan Hill and Gilroy by means of an increase in the tipping fee, exclusive of annual cost-of-living adjustments.

2. (pg. 3) Please **clarify if this summary is correct**, and answer questions:

- the initial Tipping Fee offered would be \$[REDACTED] per ton (and not subject to any adjustment formulae) until your Autoclave processing facility in Salinas is operational,
- Once your Autoclave processing facility in Salinas is operational all the MSW delivered would be redirected to this facility at an **estimated** price of \$[REDACTED] ton plus disposal of refuse (autoclaved) residues (not to exceed [REDACTED]), which would be subject to your proposed annual adjustment formulae starting 1/1/2016.

[SVSWA Response] The summary is correct. The \$[REDACTED] per ton rate will not increase while the Autoclave is being developed. Once it is operational then the proposed CPI increase would become effective.

The estimated Autoclave processing fee of \$39 would also be subject to the same CPI increase. The annual adjustment formulae starting date is approximate. It would be more accurate to say it would start a year after the Autoclave begins operation.

*** What is your Phase 1 Autoclave processing facility status and development/construction/ start up schedule?**

[SVSWA Response] The Authority's advanced waste recovery project, Steam Autoclave Separation of Paper Fiber and Organics in the MSW stream, is currently in the CEQA process. Work underway includes finalizing facility siting within the Salinas area, property procurement, final engineering design and testing of the Steam Autoclave system by Global Organics Energy (GOE), permitting of a commercial scale demonstration unit at the Johnson Canyon Landfill for final engineering studies, and final evaluation of material markets for output products.

A single commercial sized demonstration unit (300 tpd capacity)will be installed at Johnson Canyon Landfill in advance of full commercialization for the purpose of finalizing engineering inputs to the design and to demonstrate the technology at commercial scale for stakeholders and elected officials. This demonstration unit would be relocated to the final commercial plant site in the Salinas area after all demonstrations and study work is completed.

The existing small-scale pilot Steam Autoclave, located at the SVSWA's Crazy Horse Landfill since 2007, is currently in operation to support GOE's engineering studies and USDA demonstration of their proprietary Anaerobic Digestion System using the Steam Autoclave fiber and organic materials output for energy production. Study work on the USDA digestion system (in progress) is being conducted by the Authority under grant funding from the USDA. This study will conclude by the end of 2013. Currently, construction is anticipated to begin in mid 2015 with operation commencing by early to mid 2016 .

*** Your Autoclave Tipping Fee is "estimated" how and when would this be determined and audited?**

[SVSWA Response] The actual Autoclave tipping fee will be determined when an agreement with GOE is finalized. The Cities of Morgan Hill and Gilroy would get the same pricing that the Authority pays.

*** Your proposal indicates a 70% or more reduction in MSW (by weight) to be landfilled if Autoclaved, so what guarantees are offered for this success in reducing the landfilled amount by weight?**

[SVSWA Response] We cannot offer an absolute guarantee at this time. We are basing our statements on the results of testing performed by SVSWA and USDA over the last 6 years of research and development. USDA has consistently recorded 70% reduction in weight. We feel this is conservative because we have not yet factored in the additional capture and recovery of recyclables items in the post-autoclave residues. Waste characterization (and recovery potential) of post-autoclave residuals is set for August and September test runs.

We cannot accurately project the residual values for waste outside our jurisdictional control at this time. If Morgan Hill and Gilroy are interested in this partnership opportunity, we would schedule test runs of Gilroy and Morgan Hill waste in the pilot autoclave unit before the end of this year and later next year in the commercial demonstration unit for the purpose of defining the community specific residual values and post-autoclave residue recovery potential, to arrive at a firm residual guarantee

*** What is the address of the proposed Autoclave processing facility in Salinas, and what is the one-way haul distance to our San Martin Transfer Station?**

[SVSWA Response] The proposed Autoclave processing facility is expected to be located at the Authority's future transfer station to be located in the Salinas area. The location is yet to be finalized, but the current preferred site is located on Work Street in Salinas. We are working with the City of Salinas to finalize the site selection. The City owns the proposed Work Street property. The one-way haul distance from San Martin Transfer Station to Work Street in Salinas is 36 Miles.

A Green House Gas (GHG) reduction study is currently underway and will provide specific GHG reduction values for waste processed through the Steam Autoclave System. GHG reductions will be evaluated based on reductions in landfilling, reduced transfer costs by centralizing the facility in Salinas, elimination of overseas transport and sales of paper fiber, renewable energy production and plant power demand offsets, elimination of dedicated routes for collection of food waste, and increased recycling. We anticipate the GHG reduction values for this project will be significant.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Patrick Mathews", with a long horizontal flourish extending to the right.

R. Patrick Mathews
General Manager/CAO

**SALINAS VALLEY SOLID WASTE AUTHORITY
STRATEGIC PLANNING RETREAT
Wednesday, July 31, 2013 -- 128 Sun Street, Suite 102, Salinas**

7:30 Continental Breakfast

8:00 Business Meeting

**8:30 Welcome, Purpose of the Retreat, and Introduction of the Facilitator and Recorder
-- Fernando Armenta, Board President**

**Role of the Facilitator, Recorder, Group and Public; Strategic Planning Elements; Agenda –
Marilyn Snider, Facilitator – Snider and Associates**

Introductions of the Group

Salinas Valley Solid Waste Authority:

- **Mission/Purpose Statement**
- **Vision Statement**
- **Core Values/Guiding Principles**
- **Three-Year Goals (2010-2013)**

Briefly Identify (since the retreat time has been reduced from 4:00 to 1:00):

- **What Are the Salinas Valley Solid Waste Authority's Strengths and Major Accomplishments in the Last Three Years?**
- **What Are the Authority's Current Internal Weaknesses/Challenges?**
- **What Are the External Factors/Trends (e.g., economic, political, environmental, technological) that Will/Might Have an Impact on the SVSWA in the Coming Year:**
 - **Positively (opportunities)?**
 - **Negatively (threats)?**

Proposed Three-Year (2013-2016) Goals (what the SVSWA needs to accomplish) from the Management Team

- **Review Goals for Consensus**

Identify Six-Month Strategic Objectives (how the goals will be addressed initially –by when, who will be accountable for what specific, measurable results) for Each of the Three-Year Goals

Next Steps/Follow-Up Process (including setting a date in 6 months to update the strategic plan)

Summary of the Retreat

Closing Remarks

1:00 Adjourn (Box lunches will be provided for participants to take at the conclusion of the retreat.)

The meeting will begin promptly at 8:00 a.m. There will be a two brief breaks during the retreat. Please limit use of cell phones and tablets to the breaks.

PLEASE BRING YOUR CALENDAR.

S A L I N A S V A L L E Y S O L I D W A S T E A U T H O R I T Y

SIX-MONTH STRATEGIC OBJECTIVES

18 January 2013 through 15 July 2013

THREE-YEAR GOAL: DEVELOP AND IMPLEMENT A SUSTAINABLE FINANCE PLAN						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Jan. 29, 2013 Monterey County Board of Supervisors meeting	SVSWA Board President Fernando Armenta and Past President Gloria DeLaRosa	Request the County Board of Supervisors to have a joint meeting with the Salinas Valley Solid Waste Authority Board before the end of March 2013 to discuss the membership of the county in the JPA.	X			Meeting held on 4/30/13
2. At the Feb. 21, 2013 Board meeting	Finance Manager	Recommend to the Board for action how to use South Valley monies (e.g., capital projects, continue to build up, pay off debt).	X			Presented on 2/21/13.
3. At the Feb. 21, 2013 Board meeting	General Manager and Finance Manager	Review the Capital Improvement Plan, analyze the impact of different scenarios (e.g., Sun St. vs. Work St., conversion technology, operations status quo, the county remaining a member of the JPA) and report the results to the Board of the scenarios presented.	X			Board decided on 2/21/13 how to fund current needs. Waiting to refinance for funding unfunded projects..
4. At the Feb. 21, 2013 Board meeting	Finance Manager	Present to the Board for discussion options for a rate model.	X			Presented on 2/21/13.
5. At the April 18, 2013 Board meeting	Board of Directors	Determine the rate model for 2013-2014 (i.e., either status quo or new).	X			Board approved AB939 Fee on 5/16/13

**THREE-YEAR GOAL: *PROMOTE THE AUTHORITY'S ROLE AND VALUE AS
A RESOURCE RECOVERY AGENCY***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. June 30, 2013	Administrative Manager	Create a new TV and radio ad campaign to promote our new logo and name (Salinas Valley Recycles).	x			Aired on June 8, 2013
2. June 30, 2013	Administrative Manager	Create at least two news releases related to the Authority's role as a resource recovery agency.	x			Completed three: Rate Increase, Earth Day and Plug or Play Recycling Event
3. July 15, 2013	Administrative Manager	Post at least one post per week on Facebook with a tip or information related to the Authority's role as a resource recovery agency.	x			Ernesto is posting a weekly tip on Facebook.

THREE-YEAR GOAL: **ACHIEVE 75% DIVERSION BY 2015**

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. June 30, 2013	Diversion Manager	Ensure that GOE completes its engineering and at least 30% of the plans and specs studies for the Autoclave Project.			X	GOE formulating plans for a demonstration unit
2. June 30, 2013	Diversion Manager	Conduct six home composting public workshops.	X			Five of the six have been completed
3. July 15, 2013 Aug 2013	Operations Manager	Increase by at least 2% (over previous years) the amount of recycling and tonnage diverted at Authority facilities.			X	Polystyrene is the latest addition to items accepted at the Sun Street Materials Recovery Center
4. FUTURE OBJECTIVE Sept. 15, 2013	Diversion Manager	Ensure that the USDA Methane Basin Pilot Project is completed.		X		Anaerobic digester will be completed the week of May 13

THREE-YEAR GOAL: *ENHANCE EXISTING FACILITIES, EQUIPMENT AND PUBLIC SERVICES*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Sept. 30, 2013	General Manager and Authority Engineer	Complete the closure construction of the Crazy Horse Landfill.		X		The landfill cover leak detection work plan is being reviewed by the RWQCB. We anticipate this work be concluded by late summer 2013. Other items are nearing completion.
2. July 1, 2013 Dec 31, 2013	General Manager, working with the Board of Directors	Obtain a commitment for county, state and federal funding to reconstruct the Regional Landfill Truck Route.			X	Road improvement engineering study underway by Authority Engineer
3. July 15, 2013 August 2013	Operations Manager	Present to the Board of Directors for action a recommendation for an Equipment Replacement Program.			X	Develop an Excel list containing replacement dates
4. July 15, 2013 Dec 31, 2013	Operations Manager	Present to the Board of Directors for action an in-house ECS (Environmental Control System) Operations Plan, resulting in sufficient cost savings and including a budget.				Currently working with solid waste tech and Engineer to determine what portions of the ECS we can provide in house. (Currently waiting until department staff levels are filled)
5. July 15, 2013 March 1, 2014	Authority Engineer	Update the Stormwater Pollution Prevention Plan (SWPPP) for all landfills to comply with new regulations.			X	The new regulations are anticipated to be adopted later this year with plans revised a few months after regulations are adopted.
6. July 15, 2013	Contracts/Grants Analyst	Apply for a TDA (Tire Deferred Aggregate) grant for the Johnson Canyon Landfill (JLCF) Landfill Gas (LFG) Collection System.	X			Received \$85,208 grant from Cal Recycle
7. FUTURE OBJECTIVE Sept. 30, 2013	General Manager, Diversion Manager, Authority Engineer	Present to the Board for action the Salinas Area Material Recovery Center Siting and Land Swap/Acquisition Plan.		X		City currently reviewing. Held up at City. Draft agreement to Salinas 12/2012, no reply.
8. FUTURE OBJECTIVE _____	Management Team	Identify and recommend to the Board for direction how to use existing closed landfills for public benefit and potential revenue.		X		Work started on gathering some ideas.

- THREE-YEAR GOAL: *PROMOTE AND MAINTAIN A HIGH PERFORMANCE, EFFICIENT AND FLEXIBLE WORKFORCE*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Bimonthly, at the Employee Safety Committee meeting	Administrative Manager	Identify and present one new safety strategy to enhance the Safety Program for employees.	X			Working with Safety Committee Developed safety suggestion award program. Discuss safety action items monthly
2. April 30, 2013	Administrative Manager	Develop and present to the Board for action a formal succession policy to include career development.	X			Presented to Board in March
3. June 15, 2013	Clerk of the Board working with Business Services Supervisor	Implement and maintain an Authority-wide Enterprise Document Management System, including reviewing and updating, if needed, the Authority's record retention policies.	X			Purchased upgraded EDMS system. RRS revised.
4. July 15, 2013 September 2013	Administrative Manager	Create and distribute to field personnel a Field Personnel Training Plan.			X	Working with Field Supervisor for a schedule. It is difficult to bring entire group together for training.
5. July 15, 2013 December 2013	Administrative Manager, with input from legal counsel	Update and present to the Board for action, at its August 2013 meeting, the Administrative Procedural Manual.			X	Forward draft manual to legal in December 2013.
6. Within 30 days following each Strategic Planning Retreat	Administrative Manager	Align the Workforce Performance Objectives and training requirements with the Strategic Plan.	X			Ongoing. Managers should be incorporating the strategic plan objectives to Performance evals

S.W.O.T. ANALYSIS

Strengths – Weaknesses - Opportunities - Threats

STRENGTHS AND ACCOMPLISHMENTS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY (SVSWA) IN THE PAST YEAR

Brainstormed Perceptions:

- Great staff with a teamwork mentality and a drive to excel
- Increased education
- We're operating in a very lean fashion
- Completed the annual report internally at minimal cost
- No grievances in 2012
- We've almost completed the Crazy Horse Landfill Closure Project; we managed it ourselves and saved \$2.3 million
- Our workers come up with ideas and share them with us for cost savings
- Highly efficient transfer station
- The transfer station received a national award from the Solid Waste Assn. of North America for safety, cost effectiveness, customer service and efficiency
- The Solid Waste Assn. of North America asked us to host a webinar on our website about our transfer station's performance
- Earth work on the Crazy Horse Landfill Closure Project was done internally
- We have an internal process (suggestion box and focus groups) to get ideas from our employees for implementation
- Every year we have increased our public outreach and education
- We get calls to participate, nationally and internationally, in congresses related to our Plasco and GOE Project because of benefits to our industry
- 69% diversion
- Increase the knowledge of the community; they now know where the transfer station is
- Our innovative ways of bringing in new technology
- We effectively use local vendors to accomplish our work
- We have a good safety program
- We have only had one lost-time injury in 2012
- Implemented a Marketing Committee to develop marketing guidelines
- Neighbors like the look of the Crazy Horse Project
- We facilitated school districts to develop recycling programs – one at Gonzalez High School and one at Greenfield High School; the Greenfield HS program will result in cost savings of \$12,922 annually
- Through the Crazy Horse Project, we developed a lot of in-house expertise and technical skills in the field
- Received a USDA grant of \$66,000 for a biomethane basin
- Partnered with the county for customer service training to save money
- Received an unqualified opinion in our audit and no management letter
- Consolidation of reporting for AB 939 (the California Integrated Waste Management Act of 1989 – our management bible) compliance
- No voluntary turnover for 2012

- Submitted a lot of regulatory reports in a timely manner
- Implemented recycling in 17 multiple-family residences
- Our accounts receivables are out on the second day of the month
- We developed a local partnership with the community garden
- We created and are using the new logo
- We had three key vacant positions that were filled internally
- HHW (Hazardous Household Waste) has not had a violation in ten years in the annual inspection
- We submitted three permit documents last year; they are the main permit documents to operate our facilities
- The Tire Amnesty Program was successful – we collected 16,800 tires

THE AUTHORITY'S CURRENT WEAKNESSES/CHALLENGES

Brainstormed Perceptions:

- Not enough staff to do everything we want to do
- Liabilities impact our funding for public services
- Expending our reserve funds
- Do not have a sufficient break room
- Do not have a sustainable rate model
- Transfer station too small
- Have not replaced older equipment
- Lack of funds to hire consultants to keep up with permit requirements
- There is a conflict over the location of the transfer station which impacts the Authority in many ways
- Low morale due to criticism over the rate differential compared to Marina
- Suspension on Plasco Project
- Staff stretched too thin (burn-out)
- Not enough training for staff
- Do not have adequate room for the filing system
- Not enough staff to deal with the filing system
- Reliance on waste importation
- Frustration with misinformation in the public
- Running out of landfill capacity without new funding
- No contingency funds for unexpected events/circumstances
- Lack of participation by some Board members in the strategic planning retreats