



AGENDA Regular Meeting

BOARD OF DIRECTORS
Thursday, October 17, 2013, 6:00 p.m.
Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

CALL TO ORDER

TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: Louis Calcagno
County: Fernando Armenta, President
Salinas: Gloria De La Rosa
Salinas: Jyl Lutes, Alternate Vice President
Salinas: Tony R. 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-A. [Minutes of September 26, 2013 Meeting](#)
- 1-B. [Revised Minutes of April 30, 2013, Special Meeting with County of Monterey](#)
- 2. [August 2013 Claims and Financial Reports](#)
- 3. [September 2013 Quarterly Investments Report](#)
- 4. [2013-16 Strategic Plan Goals and Six-Month Objectives Monthly Progress Report](#)
- 5. [Monterey County Health Department, Environmental Health Bureau, FY 12-13 Annual Used Motor Oil and Filter Recycling Program Report](#)
- 6. [Supplemental Appropriation of \\$130,207 for CalRecycle's FY 2012-13 City/County Payment Program](#)

7. [A Resolution Authorizing the Execution of Amendment No. 5 to the Crazy Horse Landfill Gas Option Agreement with Crazy Horse Power Group L.L.C. \(CHPG\) for the Crazy Horse Landfill Gas Power Project](#)
8. [Citizens Advisory Group Additional Appointment\(s\)](#)

PRESENTATIONS

9. [Businesses Recycling Video](#)
 - A. Receive a Presentation from Diversion Manager Susan Warner
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – None, Informational Only
10. [2002 Revenue Bond Refinance Documents - Update](#)
 - A. Receive a Presentation from Finance Manager Roberto Moreno
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – None, Informational Only

CONSIDERATION

11. [Audited Financial Statements for the year ended June 30, 2013](#)
 - A. Receive Report from Finance Manager Roberto Moreno
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Accept Report
12. [A Resolution Authorizing the Release of a Request for Proposals for Landfill Operation and Diversion Services at the Johnson Canyon Landfill](#)
 - A. Receive Report from Operations Manager Cesar Zuñiga
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Adopt Resolution
13. [A Resolution Approving the Regular Board of Directors and Executive Committee Meetings Calendar for 2014](#)
 - A. Receive Report from General Manager/CAO Patrick Mathews
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Adopt Resolution

FUTURE AGENDA ITEMS

14. [Agenda Items – View Ahead](#)

CLOSED SESSION

15. 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.
16. 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.

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, October 11, 2013**. The Salinas Valley Solid Waste Authority Board will next meet in special session on **Thursday, November 21, 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.salinavalleyrecycles.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
SEPTEMBER 26, 2013**

DRAFT

CALL TO ORDER

President Armenta called the meeting to order at 6:10 p.m.

ROLL CALL

The following Board Directors were present:

County of Monterey	Fernando Armenta, President
County of Monterey	Simon Salinas (Alternate)
City of Salinas	Gloria De La Rosa
City of Salinas	Tony Barrera
City of Salinas	Jyl Lutes, Alternate Vice President
City of Gonzales	Elizabeth Silva, Vice President
City of King	Robert Cullen
City of Soledad	Richard Perez

The following Board Directors were absent:

County of Monterey	Louis Calcagno
City of Greenfield	Annie Moreno

Staff Members Present:

Patrick Mathews, General Manager/CAO
Roberto Moreno, Finance Manager
Susan Warner, Diversion Manager
Cesar Zuñiga, Operations Manager
Dave Meza, Authority Engineer
Rose Gill, Administrative Manager
Elia Zavala, Clerk of the Board

Ernesto Natera, Administrative Asst. II
Manuel Alderete, Diversion Worker II
Oscar Garcia, Diversion Worker I
Eric Amaral, Solid Waste Technician I
Netza Ruiz, Diversion Worker I
Michael Silva, Field Operations Supervisor I
Scott Gordon, General Counsel

GENERAL MANAGER COMMENTS

(6:11) General Manager/CAO Mathews announced that the Authority received an award from Monterey County Business Council for One of the Best Places to Work in Monterey County in 2012. He also acknowledged that the Authority received second place for its float in the 2013 Colmo del Rodeo Parade.

DEPARTMENT MANAGER COMMENTS

(6:13) Administrative Manager Gill showed the new English and Spanish television commercials promoting recycling that will be airing in September and October.

Diversion Manager Warner commented on the current tire-recycling program in progress, and announced that CalRecycle will be considering the Authority's regional agency designation for AB939 reporting purposes.

INTRODUCTION OF NEW EMPLOYEES

Operations Manager Zuñiga introduced employees hired and promoted in the Authority within the last year:

Manuel Alderete, promoted from Diversion Worker I to a II

ITEM NO. 1-A

Agenda Item

S. Gordon by ez

General Counsel Approval



General Manager/CAO

Oscar Garcia, Diversion Worker I (starred in the new recycling commercial)
Eric Amaral, Solid Waste Technician I
Netza Ruiz, Diversion Worker I
Michael Silva, promoted from Solid Waste Technician to Field Operations Supervisor I

BOARD DIRECTOR COMMENTS

None

PUBLIC COMMENT

(6:17) None

CONSENT AGENDA (6:17)

1. Minutes of August 22, 2013 Meeting
2. July 2013 Claims and Financial Reports
3. Resolution No. 2013-26 Approving the Revised Personnel Allocation and Salary Schedule Changing the Titles of Administrative Manager to Human Resources/Organizational Development Manager and Human Resources Technician to Human Resources Generalist
4. Supplemental Appropriation of \$76,747 for CalRecycle's FY 13-14 Local Government Waste Tire Amnesty Grant
5. Capital Improvements Budget Adjustments
6. Three-Year Regulatory Compliance Report
7. Resolution No. 2013-27 Approving Amendment No. 1 to the Professional Services Agreement for the RecycleRama School Assembly Program Authorizing the Assignment of the Agreement to Contreras Productions

Public Comment: None

Board Comments: None

Motion: Alternate Director Salinas made a motion to approve the consent agenda. Vice President Silva seconded the motion.

Votes: Motion carried 8, 0

Ayes: Armenta, Barrera, Cullen, De La Rosa, Lutes, Perez, Salinas (alt), Silva

Noes: None

Abstain: None

Absent: Calcagno, Moreno

PRESENTATIONS

8. Recognition to Community Action Partnership of San Luis Obispo (CAPSLO) for Successful Implementation of Recycling Programs

(6:18) Diversion Manager Warner presented certificates of recognition to CAPSLO representatives Erica Valtierra, representing the northern county centers, and Grace Gonzales, representing the southern county centers, for partnering with the Authority and implement comprehensive recycling programs at all nine of their pre-school centers in the Salinas Valley.

Public Comment: None

Board Comments: None

9. Strategic Plan Monthly Progress Report

(6:21) Human Resources/Organizational Development Manager Gill provided an update on the accomplishments on the Strategic Plan Goals and Objectives.

Public Comment: None

Board Comments: Alternate Director Salinas asked if the 75% Diversion Goal was a State mandate. Staff responded that it was a State goal but not a mandate yet. Alternate Vice President Lutes inquired about the refinancing timeline and the County's rescission of its notice of intent to withdrawal. Staff responded that refinancing should occur as soon as possible before interest rates start to rise. Staff plans to bring the bond documents to the Authority Board for approval at its October 17 meeting. All member Cities have already scheduled the bond documents for approval, and staff will be meeting with County representatives to work to schedule it on their agenda soon, including the rescission of its notice.

10. Steam Autoclave Project Update

(6:30) Diversion Manager Warner provided an update and next steps on the project and stated that the project has been delayed until a Memorandum of Understanding for a property exchange is approved with the City of Salinas. A meeting between the Authority and City of Salinas was held September 11 and issues were clarified.

Public Comment: None

Board Comments: None

11. Authority Annual Report Fiscal Year 2012-13

(6:40) Administrative Assistant II Natera presented the Annual Report highlighting the agency's accomplishments.

Public Comment: None

Board Comments: Alternate Director Salinas inquired about the 71% diversion rate and who determines that number. Staff responded that it is an average of the rates for the Salinas Valley cities based on a formula provided by the State. The Board commended Mr. Natera for an excellent report.

12. Standard & Poor's Rating Services Affirms Authority's A+ Rating

(6:52) Finance Manager Moreno reported that S&P affirmed an A+ credit rating for the Authority and a stable outcome due to strong liquidity, the adoption of a significant rate increase that includes revenue and debt service coverage, and controlled waste flow. One of the weaknesses considered was the rate resistance from the County and unresolved notice of intent to withdraw. He added that if the Authority is not able to refinance the 2002 bond issuance in about six months, it will likely have to be re-rated again which would jeopardize the A+ rating.

Public Comment: None

Board Comments: Alternate Director Salinas inquired about the assessment frequency. Staff responded that it occurs every few years; the last rating occurred in 2010. Alternate Vice President Lutes acknowledged the significance of passing the recent rate increase.

CONSIDERATION

13. Appointments to the Citizens Advisory Group

(6:56) General Manager/CAO Mathews listed the five nominees received to date that meet appointment qualifications:

By Vice President Silva: *Robert Brandt*

By Alternate Vice President Lutes: *John Fair*

By Director De La Rosa: *Joel Hernandez*

By Director Barrera: *Victor Hernandez*

By Robert Cullen: *Daniel Raquinio*

Staff will continue to work with the remaining Board Directors on their nominations and will work to schedule the first Group meeting in October. He commented that Paul Schiveley, a resident of the Boronda Community is interested in participating.

Public Comment: None

Board Comments: None

Motion: Director Barrera made a motion to appoint the nominees to the Citizens Advisory Group. Director De La Rosa seconded the motion.

Votes: Motion carried 8, 0

Ayes: Armenta, Barrera, Cullen, De La Rosa, Lutes, Perez, Salinas (alt), Silva

Noes: None

Abstain: None

Absent: Calcagno, Moreno

FUTURE AGENDA ITEMS

14. AGENDA ITEMS – VIEW AHEAD

(7:01) The Board reviewed the future agenda items.

CLOSED SESSION

(7:02) General Manager/CAO Mathews announced that there was nothing to discuss in closed session as Authority staff is working with City of Salinas staff and everything is in review at this time.

ADJOURN

(7:03) President Armenta adjourned the meeting.

APPROVED: _____
Fernando Armenta, President

Attest:

Elia Zavala, Clerk of the Board

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
and MONTEREY COUNTY BOARD OF SUPERVISORS
SPECIAL JOINT MEETING
APRIL 30, 2013**

ITEM NO. 1-B

Agenda Item

T. Bruen by ez

General Counsel Approval



General Manager/CAO

CALL TO ORDER

President Armenta called the meeting to order at 4:04 p.m.

ROLL CALL

SVSWA Board Directors - Present

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

County Board of Supervisors - Present

District 1 Fernando Armenta, Chair
District 2 Louis R. Calcagno, Vice Chair
District 3 Simon Salinas
District 4 Jane Parker
District 5 Dave Potter

SVSWA Board Directors - Absent

Gonzales: Annie Moreno

SVSWA Staff - Present

Patrick Mathews, General Manager/CAO
Susan Warner, Diversion Manager
Rose Gill, Administrative Manager
David Meza, Authority Engineer
Cesar Zuniga, Operations Superintendent
Thomas Bruen, General Counsel
Elia Zavala, Clerk of the Board

County Staff - Present

Lew Bauman, CAO
John Ramirez, Environmental Health Director
Teresa Rios, Environmental Health
Management Analyst III
Charles McKee, County Counsel
Gail Borkowski, Clerk of the Board

BOARD MEMBER COMMENTS

SVSWA President/County Chair Armenta announced that Supervisors Salinas and Calcagno may need to leave the meeting early.

PUBLIC COMMENT

(4:06) Thelma McIntosh spoke about her son and concerns with the conservatorship.

LeVonne Stone, Director of Fort Ord Environmental Justice Network, asked for a special meeting to discuss employment and vocational training skills for the community.

Hans Jongens commented on his opinion concerning President Obama.

Translation services were announced. No member of the public required the service.

President/Chair Armenta acknowledged the presence of elected officials: Mayor of Salinas Joe Gunter, Mayor of Gonzales Maria Orozco, Bill Ritz, and representative for Senator Anthony Cannella.

CONSIDERATION

1. MONTEREY COUNTY MEMBERSHIP IN THE JOINT POWERS AUTHORITY

A. RECEIVE A REPORT FROM COUNTY OF MONTEREY ENVIRONMENTAL HEALTH BUREAU ON COUNTY'S NOTICE OF INTENT TO WITHDRAW FROM JOINT POWERS AGREEMENT AND WASTE DELIVERY AGREEMENT

(4:15) Environmental Health Director John Ramirez and Unified Franchise Contract Administrator Teresa Rios provided a report that outlined the concerns that lead the County to issue a Notice of Intent to Withdraw (NIW) from the Joint Powers Authority Agreement and the Waste Delivery Agreement. They recommended support for conducting an independent study on behalf of all Cities and Unincorporated County to determine the most cost-effective and efficient solid waste management options for the entire county. The concerns were listed as follows:

- Inefficiencies of waste flow within Monterey County
- Growing disparity in disposal rates
- SVSWA key strategic plan impact on disposal rates
- Additional risks that could further impact disposal rates

Public Comment: LeVonne Stone expressed concern with the public process and questioned why public health was not addressed in the presentation.

Jose Martinez Saldana, Executive Director of Salinas United Business Association (SUBA), concurred with the concerns raised by County staff.

David Brown, President of SUBA concurred with the concerns raised by County staff and raised environmental injustice concerns with the Authority's Sun Street facility.

B. RECEIVE A REPORT FROM SALINAS VALLEY SOLID WASTE AUTHORITY

(4:40) Diversion Manager Susan Warner provided a report that outlined SVSWA's formation and its accomplishments, explained the agency's finances and existing debt, and emphasized that no new debt is proposed. She stated that according to SVSWA General Counsel, the Joint Powers Agreement indicates that the County cannot withdraw from the SVSWA without arranging for full repayment of the current bonds, and it must continue to honor its Waste Delivery Agreement until the 2002 Bond issue and the Installment Purchase Agreement for the Crazy Horse Landfill are paid in full. SVSWA recommended that the County rescind its Notice of Intent to Withdraw so that the SVSWA can refinance its existing debt that would result in significant savings. She added that SVSWA staff is supportive of the Monterey Bay Area Managers proposal for a solid waste study as long as it has the opportunity to review the scope of work.

Public Comment: Janet Barnes, former SVSWA Board Director and former City of Salinas Council member, expressed concern with the significant cost to the County if it were to withdraw from the SVSWA and how that would be passed on to all Monterey County residents. She suggested that the existing feasibility studies by various agencies be reviewed.

David Brown spoke against having two solid waste agencies in the County. He felt that SVSWA should be closed due to its financial state. He did not support having a transfer station in

Salinas, specifically at Sun Street because it affects the development of the Alisal Market Place under consideration by the City of Salinas.

LeVonne Stone was concerned with hazardous waste emissions and asked about buffer zones.

Hans Jongens suggested looking into using biofuel to reduce transfer costs and selling the garbage to China.

(5:17) General Manager/CAO Patrick Mathews reflected on the SVSWA's inherited liabilities at formation and on the efforts the agency has taken to operate with extreme efficiency. He spoke on the environmental hazards and regulatory mandates around landfills. He acknowledged that landfilling is the lowest cost option in the near term but not over the long term due to the ongoing costs of maintaining closed landfill sites, and it has been the SVSWA Board's goal to look at ways to do things better in a cost effective and more responsible manner.

C. RECEIVE A REPORT FROM MONTEREY BAY AREA MANAGERS GROUP SUBCOMMITTEE

(5:21) City of Gonzales City Manager Rene Mendez spoke about the draft Request for Proposals developed by the Monterey Bay Area Managers Group (MBAMG) to conduct an independent study to look at the entire county's solid waste management system and provide recommendations for improvements. They recommended that the Boards direct their respective staffs to work with the MBAMG to undertake an evaluation and analysis of the solid waste management system of Monterey County, which will look at the work done independently by the Salinas Valley Solid Waste Authority, Monterey Regional Waste Management District, and the County of Monterey and provide recommendations.

BOARDS Comments: Supervisor Salinas asked if the intent of the study was to look at the current solid waste system, its efficiencies, and provide recommendations for improvement. Mr. Mendez affirmed. President/Chair Armenta stated that some of the Board of Supervisors did not receive the MBAMG proposal in their packets.

Supervisor Parker questioned how long the process would take. City Manager Mendez responded it would take about six to eight months.

Alternate Vice President Lutes stated that it would be irresponsible for the County not to rescind its NIW because it will cost all the County residents millions of dollars. She inquired about the financial impact of the withdrawal notice to South County Cities and asked if MBAMG would recommend that the County rescind its notice to allow the Authority to refinance. Mr. Mendez stated that financial impact to South County cities was not mentioned to avoid "clouding" the participation and results of the county-wide study, but stated that that the South County Cities would recommend the rescission of the County's notice. MBAMG's recommendation includes a short-term course of action that includes the County's rescission of its NIW. MBAMG also recommended that issues such as the County's intent to withdraw and the Salinas area transfer station be dealt

separate from the RFP process but that the study would be addressed those as possible scenarios.

Director Barrera asked about the financial impact to the rate payers should the study move forward. Mr. Mendez stated that the governing bodies could consider rate adjustments depending on the results of the study.

Supervisor/Director Calcagno stated that millions of dollars could be saved in the long term if an independent study is completed. He added that since the formation of the Authority in 1997, there have been changes in the economy and the solid waste system that it is time to reevaluate how better to handle garbage. He did not support rescinding the County's NIW because it could stop to the independent study. He expressed support for reducing one governmental agency. He made reference to mergers of two agencies, where one agency has the debt and the other does not, and it works out through negotiations that the agency with the debt pays for it.

Supervisor Salinas expressed support for the MBAMG recommendation and stated it would be irresponsible not to look at future impacts. He also supported the Authority's refinancing efforts and expressed support for rescinding the County's NIW as long as the Authority commits not to take on more debt until the study is completed. He expressed interest in knowing the cost impact of the two different philosophies of both solid waste agencies.

Public Comment: (5:42) Jose M. Saldana expressed support for the majority of MBAMG's recommendations except rescinding the NIW.

LeVonne Stone spoke about the mistrust of local government and the need for jobs to help offset all utility increases.

Janet Barnes expressed support for Supervisor Salinas comments for rescinding the NIW.

Amit Pandya, President of Salinas Old Town Association, expressed support for the MBAMG recommendation.

Maria Orozco, Mayor of City of Gonzales, on behalf of the residents she represents strongly supported Supervisor Salinas' comments on this item.

COUNTY 1st Motion: Supervisor Salinas made a motion to support the MBAMG proposal to look at the study and set a 90-day time period for staff to come back to rescind the Notice of Intent to Withdraw, with the commitment to within 90 days rescind the Notice of Intent to Withdraw.

AMENDMENT to Motion: Supervisor Potter seconded the motion with the amendment that County Counsel will present conditions for the rescission of the Notice of Intent to Withdraw to the County Board of Supervisors prior to its rescission, such as the Authority should not incur more debt.

Comments on Motion: Supervisor Calcagno supported the motion and the amendment under the assumption that if the County were to rescind its NIW, the Authority will have to agree to no further

capitalization transactions until the final report is completed by the consultants.

Alternate Vice President Lutes was concerned that holding the rescission of the notice for 90 days will jeopardize millions of dollars in savings if interest rates start to rise. She reiterated that the Authority is not planning to incur more debt.

Director Barrera expressed support for resolving the issue.

Supervisor Parker expressed support for the direction this was heading and suggested that part of conditions to rescind the NIW could be that with the Authority's ability to refinance its debt, that the realized savings could be used to avoid the need to increase rates while the study is being completed. She asked if the MBAMG proposal would be addressed at the same time as the rescission of the notice of intent to withdrawal.

Chair/President Armenta asked the maker of the motion to clarify the motion and the amendments.

RESTATED Motion: County Counsel stated that, based on his understanding, the motion was to support in general the proposal made by the MBAMG, and that County Counsel will work with the County Administrative Officer, Health Department, MBAMG, all the Cities involved, Salinas Valley Solid Waste Authority, and Monterey Regional Waste Management District (MRWMD) to promptly look at the issues surrounding the withdrawal and the legal and operational issues with that, and look at working through the potential Request For Proposals that the Managers are contemplating, the funding of the study, any contract issues, and bring that back as promptly as possible but no later than 90 days.

CONCURRENCE on Motion: Supervisor Salinas concurred with the restated motion and added that the sooner it can be done the better to take advantage of the low interest rates. Supervisor Potter also concurred and supported resolving the terms of the rescission in two weeks, or as expeditiously as possible, understanding the issues of increasing interest rates.

Other Comments: Supervisor Parker suggested that if the MBAMG proposal moves forward that it look at fairness and affordability of rates. She suggested revising the proposal's descriptive language in reference to MRWMD's strategies and approaches.

Supervisor/Director Calcagno stated that his acceptance of the report is dependent on an independent study that does not take major input from an interested party. He did not want any agency having veto power if a proposal comes forward.

Director Barrera supported obtaining input from the executive managers from the various governmental agencies to work together in the best interest of all residents.

President/Chair Armenta expressed concerns with the proposed direction because the study includes MRWMD and it is not represent or part of the current discussion. He stated that he was the only Supervisor that voted against the NIW and expressed opposition to the motion. He spoke about the

formation of SVSWA and how it was a joint decision by all member Cities and the County that this agency be formed and that it be responsible for these liabilities. He expressed support for looking at different approaches but in a fair and balance direction. He felt the current motion was not balanced; it would be balanced if it were to accept the MBAMG proposal and rescind the NIW.

Director/Supervisor Calcagno commented that Supervisors Potter and Parker represent MRWMD and he has 30-40% of its jurisdiction in that District.

County Roll Call VOTE: Motion passed 4, 1

Ayes: Potter, Parker, Salinas, Calcagno

Noes: Armenta

SVSWA Motion: Director De La Rosa made a motion to support the MBAMG proposal and support the County's rescission of the Notice of Intent to Withdraw. She expressed disappointment that the County did not rescind its NIW at this meeting.

Amendment to Motion: Director Perez seconded the motion with the comment that because the County is conditioning the rescission of its Notice of Intent to Withdraw to halting the Authority from any further capital expenditures, the County should commit to the use of the Rossi Road extension for use of the alternate site at Madison Lane for the relocation of the Sun Street Transfer Station, since it has issues with the preferred site on Work Street. Director De La Rosa accepted the amendment.

BOARDS Comments: Alternate Vice President Lutes suggested that the proposed Request for Proposals cost sharing agreement be based on assessed valuation and not on population and that it address specific issues, such as long-term costs, landfill closure liabilities, and debt responsibilities.

Director/Supervisor Calcagno expressed concern with tying the MBAMG Request for Proposals for the independent study with legal issues such as bonds and liabilities, because it could result in a lengthy dispute.

Alternate Vice President Lutes stated that it would not be possible to look at the study in an unbiased way if it does not address the financial impacts.

President Armenta stated that the independent study will automatically provide the cost of implementing the recommendations.

County Chief Administrative Manager Lew Bauman stated that MBAMG intends to include all twelve Cities in the County, the County of Monterey, and both solid waste agencies. The study will include a fair and equitable cost sharing formula and can include the liability costs without a separate legal analysis.

Director De La Rosa and Director Perez restated the motion and amendment.

Director Cullen stated he supported the original motion but was apprehensive to provide any more direction than was needed on the Request for Proposals as stated in the amendment.

General Counsel Bruen asked Director Perez if his amendment to the motion was for the independent study to examine the issues that he identified. Director Perez concurred.

SVSWA Vote: Motion passed 8, 0

Ayes: Armenta, Calcagno, Cullen, Barrera, De La Rosa, Lutes, Perez, Silva

Noes: None

Absent: Moreno

ADJOURN

(6:27) 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: October 17, 2013
From: Roberto Moreno, Finance Manager
Title: August 2013 Claims and Financial Reports

RECOMMENDATION

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

DISCUSSION & ANALYSIS

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

Results of Operations

For the month of August 2013, operating expenditures exceeded revenue by \$1,513,371 due to the \$2,100,213 paid for principal and interest payments on bonds and installment purchase agreement.

Revenues

Revenues for the month of August totaled \$1,554,655. The monthly Tipping Fees totaled \$1,000,884 and year to date totaled \$2,050,869 or 18.41% of the forecasted total of \$11,141,800. As of August 31, after two months of the fiscal year (16.67% of the fiscal year) revenues total \$3,142,805 or 17.51% of the total annual revenues forecast of \$17,953,100.

Operating Expenditures

As of August 31 (16.67% of the fiscal year) year-to-date operating expenditures total \$3,661,442. This is 22.72% of the operating budget of \$16,112,747. As is mentioned above, most of the expenditures to date were principal and interest payments.

Capital Project Expenditures

For the month of August 2013, capital project expenditures totaled \$65,579. August capital projects expenditures are low because the Crazy Horse Canyon Landfill closure program is finishing and no substantial capital improvement projects have started for this fiscal year.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of August 2013 is attached for review and acceptance. The August checks issued total \$1,228,637.39 of which \$300,675.81 was paid from the payroll checking account for payroll and payroll related benefits. Selected major payments to vendors are listed below. Electronic Funds Transfers in the amount of \$1,907,664.38 were made for the Revenue Bonds principal and interest payment.

Name	Service	Amount
COAST OIL CO LLC	BIO-DIESEL & DIESEL FUEL 7-8/13	\$ 30,344.54
AON RISK INS SVCS WEST INC	JPA INS ANNUAL RENEWAL	222,657.30
RECOLOGY WASTE SOLUTIONS INC	JCLF OPS & EXTENDED HRS 7/13	163,034.00
	JCLF DIV ASST, MATERIAL FEES & MISC	12,150.60
SALINAS VALLEY FORD	2013 F350 TRUCK	49,333.32
WASTE MANAGEMENT INC	ALLIED WASTE DELIVERED TO MLTS 7/13	23,303.29
	JRTS OPS 7/13	57,779.10
CITY OF SALINAS	IPA INT DUE 09/01/13	130,032.03
	IPA PRINCIPAL DUE 09/01/13	62,516.54
REVENUE BONDS EFT	INT DUE 8/1/13	872,664.38
	PRIN DUE 8/1/2013	1,035,000.00

Cash Balances

The Authority's cash position decreased \$1,294,354.11 during August to \$12,304,851.49 primarily due to the \$2.1 million paid for debt service. Most of the cash balance is restricted as shown below:

Restricted by Legal Agreements:

Crazy Horse Closure Fund	\$ 61,566.28
Johnson Canyon Closure Fund	2,814,877.57
Bond Debt Service Reserve	2,820,700.00
State & Federal Grants	172,126.80

Restricted by Board policy:

Expansion Fund (South Valley Revenues)	6,355,221.38
Salinas Transportation Surcharge	216,777.33
Salinas Rate Stabilization Fund	47,415.03

Funds Held in Trust:

Central Coast Media Recycling Coalition	108,233.92
Employee Unreimbursed Medical Claims	1,503.50

Unrestricted - Assigned:

Operations and Capital Projects	(293,570.32)
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\$ 12,304,851.49

ATTACHMENTS

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



Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending August 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	11,141,800	1,000,884	2,050,869	18.41%	9,090,931	-	9,090,931
Tipping Fees - Surcharge	1,034,000	90,823	186,967	18.08%	847,033	-	847,033
AB939 Service Revenues	2,176,000	158,302	312,456	14.36%	1,863,544	-	1,863,544
Tipping Fees - Recycling	897,800	99,837	185,064	20.61%	712,736	-	712,736
Tipping Fees - South Valley	2,318,800	203,375	406,751	17.54%	1,912,049	-	1,912,049
Charges for Services	117,000	-	-	0.00%	117,000	-	117,000
Sales of Materials	187,500	-	-	0.00%	187,500	-	187,500
Investment Earnings	80,200	1,208	472	0.59%	79,728	-	79,728
Miscellaneous/Other	-	227	227		(227)	-	(227)
Total Revenue	<u>17,953,100</u>	<u>1,554,655</u>	<u>3,142,805</u>	17.51%	<u>14,810,295</u>	<u>-</u>	<u>14,810,295</u>
<u>Expense Summary</u>							
Administration	2,166,000	172,841	326,783	15.09%	1,839,217	173,662	1,665,556
Resource Recovery	2,433,847	91,492	183,406	7.54%	2,250,441	1,070,385	1,180,056
Scalehouses Operations	372,430	29,109	49,092	13.18%	323,338	4,596	318,742
Transfer Stations Operations	2,633,540	284,391	360,149	13.68%	2,273,391	970,314	1,303,078
Landfills Operations	3,714,950	225,010	436,196	11.74%	3,278,754	2,389,076	889,678
Postclosure Maintenance	942,770	119,423	131,872	13.99%	810,898	251,498	559,400
Environmental Control Systems	430,410	20,368	22,939	5.33%	407,471	177,730	229,742
Debt Service - Interest	1,979,200	1,002,696	1,002,696	50.66%	976,504	976,419	85
Debt Service - Principal	1,162,600	1,097,517	1,097,517	94.40%	65,083	64,989	94
Closure Set-Aside	277,000	25,179	50,793	18.34%	277,000	-	277,000
Total Expense	<u>16,112,747</u>	<u>3,068,026</u>	<u>3,661,442</u>	22.72%	<u>12,502,098</u>	<u>6,078,668</u>	<u>6,423,430</u>
Revenue Over/(Under) Expenses	<u>1,840,353</u>	<u>(1,513,371)</u>	<u>(518,637)</u>	-28.18%	<u>2,308,197</u>	<u>(6,078,668)</u>	<u>8,386,866</u>



Salinas Valley Solid Waste Authority
Consolidated CIP Expenditure Report
For Period Ending August 31, 2013

Fund	CIP	Description	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	9301	CH Closure Preparation	5,793	-	-	0.00%	5,793	-	5,793
131	9306	CH PH 1E Liner Placement	1,785	-	-	0.00%	1,785	-	1,785
131	9307	CH PH 1F Winterization	1,245	-	-	0.00%	1,245	-	1,245
131	9312	CH PH 2E Complete Liner Work	8,942	-	-	0.00%	8,942	-	8,942
131	9314	CH Closure Quality Assurance	16,105	1,485	1,485	9.22%	14,620	-	14,620
131	9315	CH Closure Contingency	122,831	-	-	0.00%	122,831	-	122,831
131	9316	CH Corrective Action Program	174,720	-	-	0.00%	174,720	-	174,720
Total Fund 131 - Crazy Horse Closure Fund			331,421	1,485	1,485	0.45%	329,936	-	329,936
Fund 180 - Expansion Fund									
180	9003	USDA Autoclave Studies	124,315	12,458	16,784	13.50%	107,531	11,676	95,855
180	9021	Autoclave CEQA	576,564	1,649	1,781	0.31%	574,783	141,635	433,148
180	9801	Ameresco JCL LFG Equipment	37,600	-	-	0.00%	37,600	37,600	-
Total Fund 180 - Expansion Fund			738,479	14,107	18,565	2.51%	719,914	190,911	529,003
Fund 211 - State Grants									
211	9201	HHW - HD20 Cycle Grant	63,444	88	88	0.14%	63,356	-	63,356
Total Fund 211 - State Grants			63,444	88	88	0.14%	63,356	-	63,356
Fund 800 - Capital Improvement Projects Fund									
800	9010	JC Roadway Improvements	1,510,214	-	-	0.00%	1,510,214	16,646	1,493,569
800	9012	Work St Transfer Station	27,130	566	566	2.09%	26,564	-	26,564
800	9101	Equipment Replacement	49,400	49,333	49,333	99.87%	67	-	67
800	9317	CH SCADA System	30,000	-	-	0.00%	30,000	-	30,000
800	9318	CH 401/404 Improvements	150,000	-	-	0.00%	150,000	-	150,000
800	9501	JC LFG System Improvements	75,000	-	-	0.00%	75,000	-	75,000
800	9502	JC Flare Station Improvements	200,000	-	-	0.00%	200,000	-	200,000
800	9503	JC Module 1 Horizontal Wells	310,000	-	-	0.00%	310,000	-	310,000
800	9504	JC Module 456B Liner Improvements	30,000	-	-	0.00%	30,000	-	30,000
800	9701	SSTS Equipment Replacement	110,000	-	-	0.00%	110,000	110,439	(439)
800	9702	SSTS NPDES Improvements	48,100	-	-	0.00%	48,100	-	48,100
800	9703	SSTS Improvements	55,000	-	-	0.00%	55,000	-	55,000
800	9913	CH LFG to Energy Project	5,295	-	-	0.00%	5,295	-	5,295
Total Fund 800 - Capital Improvement Projects Fund			2,600,139	49,899	49,899	1.92%	2,550,240	127,085	2,423,155
Total CIP Expenditures			3,733,483	65,579	70,037	1.88%	3,663,446	317,996	3,345,450

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
11074	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION - HR IPMA-HR MEMBERSHIP DUES	8/28/2013	(149.00)	(149.00)
11587	ASSURED AGGREGATES CO., INC SS TS 10 TRASH BLOCKS	8/5/2013	801.90	801.90
11588	AT&T SERVICES INC HHW TELEPHONE SERVICES THRU 07.23.13	8/5/2013	252.54	252.54
11589	BECKS SHOE STORE, INC. SAFE SHOES FOR TD SAFETY SHOES FOR NR	8/5/2013	169.83 169.83	339.66
11590	COAST COUNTIES TRUCK & EQUIPMENT CO. 17125 1 EA 3 LEAF SRPING 3 5/8 LOW-ARCH	8/5/2013	93.97	93.97
11591	COAST OIL COMPANY, LLC EQUIPMENT BIO-DIESEL FUEL 07.24.13 EQUIPMENT BIO-DIESEL FUEL 07.26.13	8/5/2013	4,956.50 1,540.22	6,496.72
11592	CSC OF SALINAS/YUMA 17235 2 EA 11" BLACK TIE WRAPS	8/5/2013	24.65	24.65
11593	ELIA ZAVALA 7/31/13 BD Meeting Refreshments	8/5/2013	21.42	21.42
11594	GAIL K. TSUBOI Tsuboi Design SERVICES FOR BOARD RETREAT	8/5/2013	1,530.90	1,530.90
11595	GOLDEN STATE TRUCK & TRAILER REPAIR 17127 REMOVED OLD & INSTALLED NEW LEAF SPRING 17127 X4 R/X & X5 L/X HANGERS REINFORCED & PLATED 17236 PUT NEW TARP ON TOP OF OLD, WELD HANGER 950K SUBFRAME ON TINK BUCKET REPAIRED CH SCALE FOR GOE TRK 001/003 11 NEW TIRES TRK001 7 EA LOW AIR SWITCHES TRK001 REPLACED BAD LIGHT FUSE TRK003 HYDRAULIC FILETER REPLACED TRK003 PTO PUMP & SHAFT REPLACED TRK003 REPLACED CLUTCH BRAKE TRK004 REPAIRED X3 L/S INNER TIRE TRK004 TLR 002 HOLES PATCHED ON TARP TRKS 1, 2, 3, 4 AIR, OIL, FUEL & OTHER FILTERS	8/5/2013	285.84 266.00 346.00 1,898.00 1,040.00 4,322.55 188.85 92.00 140.00 1,809.56 178.80 78.23 185.00 1,061.87	11,892.70
11596	**Void**	8/5/2013		
11597	GREENWASTE RECECOVERY INC. Carpet Recycling	8/5/2013	500.00	500.00
11598	HRN PERFORMANCE SOLUTIONS PERFORMANCE PRO USER LICENSES 2 ADD'L	8/5/2013	89.00	89.00
11599	MARILYN M. SNIDER Snider & Associates Board Retreat Services 7.31.13	8/5/2013	2,701.47	2,701.47
11600	MONTEREY BAY UNIFIED AIR POLLUTION CONTROL BOARD CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14 CH, JC, LR PERMIT & TOXIC FEES FY 2013-14	8/5/2013	144.00 75.00 1,669.00 75.00 286.00 75.00 430.00 75.00 215.00 75.00 6,773.48	9,892.48
11601	MONTEREY COUNTY AGRICULTURAL COMMISSIONER CH, JR, & LR RODENT BAIT - DIPHACINONE	8/5/2013	159.84	

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
	CH, JR, & LR RODENT BAIT - DIPHACINONE		159.84	
	CH, JR, & LR RODENT BAIT - DIPHACINONE		159.84	
				479.52
11602	MONTEREY REG WATER POLLUTION CON PYMT FOR ANALILIA SPEIRS SENT TO US IN ERROR	8/5/2013	37.30	
				37.30
11603	NETPIPE INTERNET SERVICES INTERNET SERVICES AUGUST 2013	8/5/2013	300.00	
				300.00
11604	PACIFIC GAS AND ELECTRIC COMPANY ADM ELECTRICAL SERVICES THRU 07.23.13 CH ELECTRICAL SERVICES THRU 07.24.13 CH ELECTRICAL SERVICES TRHU 07.24.13	8/5/2013	1,175.41 133.72 3,063.33	
				4,372.46
11605	SALINAS CALIFORNIAN #1078 Notices - CONCRETE THRUST BLOCK W Pub Notice: Refuse Walking Floor Trailer	8/5/2013	108.90 99.82	
				208.72
11606	AON RISK INSURANCE SERVICES WEST, INC BUSINESS AUTO COVERAGE RENEWAL COMBINED SPECIALTY INSURANCE RENEWAL COMMERCIAL PROPERTY RENEWAL CRIME INSURANCE RENEWAL ENVIRONMENTAL UMBRELLA RENEWAL EQUIPMENT FLOATER RENEWAL GENERAL LIABILITY INSURANCE RENEWAL POLLUTION LIAB/ENVIRONMENTAL RENEWAL	8/8/2013	25,199.00 16,643.00 19,691.00 5,115.00 34,662.82 8,585.00 39,603.00 73,158.48	
				222,657.30
11607	MONTEREY BAY UNIFIED AIR POLLUTION CONTROL BOARD CH TITLE V ANNUAL RENEWAL FEES	8/8/2013	(817.00)	
				(817.00)
11607	MONTEREY BAY UNIFIED AIR POLLUTION CONTROL BOARD CH TITLE V ANNUAL RENEWAL FEES	8/8/2013	817.00	
				817.00
11608	MONTEREY BAY UNIFIED AIR POLLUTION CONTROL BOARD CH TITLE V ANNUAL RENEWAL FEES	8/8/2013	817.00	
				817.00
11609	A-1 SWEEPING SWEEP YARD & EXTERIOR STREET JULY 2013	8/14/2013	774.00	
				774.00
11610	BC LABORATORIES, INC LR GRDWTR ANALYTICAL SERVICES 07.08.13 LR GRDWTR ANALYTICAL SERVICES 07.10.13	8/14/2013	583.00 921.00	
				1,504.00
11611	BRIAN E. SOUZA SR. SS SHSE REMOVE/REPLACE DUTCH DOOR & JAM WITH NEW	8/14/2013	700.00	
				700.00
11612	CALIFORNIA HIGHWAY ADOPTION CO. HIGHWAY 101 LITTER ABATEMENT JULY 2013	8/14/2013	550.00	
				550.00
11613	COAST COUNTIES TRUCK & EQUIPMENT CO. 16096 1 QT ATF D/M TES-389 FLUID	8/14/2013	13.06	
				13.06
11614	COAST OIL COMPANY, LLC VEHICLE DIESEL FUEL USAGE JULY 2013	8/14/2013	8,174.73	
				8,174.73
11615	CSC OF SALINAS/YUMA 16096 PARKER PUSH LOCK HOSE, WORM GEAR CLAMPS TRK003 FILTER ELEMENTS	8/14/2013	24.90 81.15	
				106.05
11616	ERNESTO NATERA Reimbursement for Publications	8/14/2013	48.60	
				48.60
11617	FERGUSON ENTERPRISES INC #588 GALV NIP, RED COUP, FLUX PASTE, ACID BRUSH	8/14/2013	15.81	
				15.81
11618	GOLDEN STATE TRUCK & TRAILER REPAIR TRL 001 WELD HOLE INSIDE OF TRAILER	8/14/2013	221.00	
				221.00
Check #	Name	Check Date	Amount	Check Total
11074	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION - HR	8/28/2013		

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
				34.71
11620	GUERITO JC & SS PORTABLE TOILET SERVICES AUGUST 2013 JC & SS PORTABLE TOILET SERVICES AUGUST 2013	8/14/2013	110.00 220.00	330.00
11621	HOPE SERVICES SS MATTRESS/BOX SPRING HAULING SERVICE 07.26.13 SS TS LITTER ABATEMENT & DIVERSION JULY 2013 SS TS LITTER ABATEMENT & DIVERSION JULY 2013	8/14/2013	390.00 6,704.88 4,641.84	11,736.72
11622	HYDROTURF, INC JC ECS SOLVENT,PRIMER, PVC COUPLINGS COTTON SWAB	8/14/2013	255.44	255.44
11623	JOSE RAMIRO URIBE CS433 COMPACTOR FROM QRS-SALINAS TO SSTS & RETURN	8/14/2013	(125.00)	(125.00)
11623	JOSE RAMIRO URIBE CS433 COMPACTOR FROM QRS-SALINAS TO SSTS & RETURN	8/14/2013	125.00	125.00
11623	JOSE RAMIRO URIBE CS433 COMPACTOR FROM QRS-SALINAS TO SSTS & RETURN	8/14/2013	(125.00)	(125.00)
11623	JOSE RAMIRO URIBE CS433 COMPACTOR FROM QRS-SALINAS TO SSTS & RETURN TRK 002 FRONT LEFT TIRE REPAIRED	8/14/2013	125.00 109.55	234.55
11623	JOSE RAMIRO URIBE TRK 002 FRONT LEFT TIRE REPAIRED	8/14/2013	(109.55)	(109.55)
11624	JULIO GIL Door logo on F350 superduty truck	8/14/2013	190.40	190.40
11625	LUMBERMENS INC 12 OZ KRYLON BLK, HEX BOLTS, NUTS, FLAT WASHERS	8/14/2013	25.21	25.21
11626	MALLORY CO. INC 1 CA M & 7 CA XL MICROMAX NS CVRALLS 10 DZ EA S & M GLV STR K2 BLEACHED 12 BX EA L & XL POWDER FREE NITRILE GLOVES (100) 20 EA PH PAPER STRIP 0-14 100/31	8/14/2013	693.70 115.65 288.65 346.54	1,444.54
11627	MANUEL TINAJERO SS TS GROUNDS MAINTENANCE - 6 MOS JAN - JUN 2013	8/14/2013	1,380.00	1,380.00
11628	NEXTEL OF CALIFORNIA, INC Cell Phone Service JULY 2013 Cell Phone Service JULY 2013 Cell Phone Service JULY 2013 Cell Phone Service JULY 2013	8/14/2013	45.00 53.08 225.66 125.21	448.95
11629	OFFICE DEPOT 1 PK MAX 11 ALKALINE BATTERIES DESK PAD, LAM POUCH, 2 EA LASER CARTRIDGES Office Supplies & Scalehouse receipt paper PENS, CD/DVD LABELS, DUSTERS, PAPER TOWELS Office Supplies & Scalehouse receipt paper SPONGES, CERT SEALS, LABELING TAPE USB CABLE, HEADSET, EXPO 2 DRY ERASE KITS	8/14/2013	14.10 776.25 97.24 111.25 472.07 51.49 69.67	1,592.07
11630	ONE STOP AUTO CARE Dodge Caravan MAINTENANCE	8/14/2013	252.58	252.58
11631	ORCHARD SUPPLY HARDWARE LLC 4-SHELF RACK, 6PK 6"x1/2" ROLLER, 6" ROLLER FRAME 6EA 24" LEAF RAKES, EZ REACHERS, 2EA GLAD TRASH BG CH PUMP REPAIR SUPPLIES FOR GOE CH PUMP REPAIR SUPPLIES RETURNED	8/14/2013	62.07 259.05 93.25 (46.87)	

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
	PUMP REPAIR SUPPLIES FOR GOE		66.38	
	SS TS REPAINT CURBS & SPEED BUMP SUPPLIES		361.83	
	Supplies for Colmo del Rodeo Parade Float		86.11	
				881.82
11632	PHILIP SERVICES CORP	8/14/2013		
	HHW HAULING/DISPOSAL SERVICES JUNE 2013		12,217.68	
	HHW HAULING/DISPOSAL SUPPLIES JUNE 2013		2,450.00	
				14,667.68
11633	PITNEY BOWES - POSTAGE	8/14/2013		
	Postage RESERVE ACCOUNT 08.08.13		1,000.00	
				1,000.00
11634	PURE WATER BOTTLING	8/14/2013		
	ADM BOTTLED WATER DELIVERY SERVICE 08.01.13		56.25	
	JC BOTTLED WATER DELIVERIES 08.01.13		33.50	
	SS TS BOTTLED WATER DELIVERIES 08.01.13		96.59	
				186.34
11635	QUINN COMPANY	8/14/2013		
	SS TS VEHICLE SUPPLIES - RING		2.57	
				2.57
11636	RECOLOGY WASTE SOLUTIONS, INC	8/14/2013		
	ADJUSTED BILLING RATE JAN - JUN 2013		876.00	
				876.00
11637	REPUBLIC SERVICES #471	8/14/2013		
	96 GALLON GARBAGE CART SERVICE AUG 2013		64.87	
				64.87
11638	SALINAS VALLEY FORD	8/14/2013		
	2013 F350 SC UTILITY VIN: 1FD8X3FT8DEA27341		49,333.32	
				49,333.32
11639	SHARPS SOLUTIONS, LLC	8/14/2013		
	3 38-GAL REGULATED WASTE CONTAINER		120.00	
				120.00
11640	STURDY OIL COMPANY	8/14/2013		
	3 TRK/TRLR WASH & 1 STEAM		295.00	
				295.00
11641	THOMAS M BRUEN	8/14/2013		
	LEGAL SERVICES RENDERED, JULY 2013		82.50	
	LEGAL SERVICES RENDERED, JULY 2013		775.00	
	LEGAL SERVICES RENDERED, JULY 2013		67.90	
	LEGAL SERVICES RENDERED, JULY 2013		2,805.00	
				3,730.40
11642	VALLEY PACIFIC PETROLEUM SERVICES, INC.	8/14/2013		
	DIESEL FUEL USAGE THRU 07.31.13		928.97	
				928.97
11643	VERIZON WIRELESS SERVICES, LLC	8/14/2013		
	Cell Phone Service JULY 2013		119.05	
				119.05
11644	VISION RECYCLING INC	8/14/2013		
	C & D MISC SERVICES 07.31.13		200.00	
				200.00
11645	WASTE MANAGEMENT INC	8/14/2013		
	BFI WASTE DELIVERED TO MADISON JULY 2013		23,303.29	
	JOLON ROAD OPERATIONS JULY 2013		57,779.10	
				81,082.39
11646	WESTERN EXTERMINATOR COMPANY	8/14/2013		
	JC SHOP RODENT CONTROL JULY 2013		51.00	
	JC STORAGE CONTAINER RODENT CONTROL JULY 2013		53.00	
	SS TS RODENT CONTROL JULY 2013		221.00	
				325.00
11647	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION	8/14/2013		
	Vehicle Fuel JULY 2013		838.05	
	Vehicle Fuel JULY 2013		329.41	
	Vehicle Fuel JULY 2013		94.09	
	Vehicle Fuel JULY 2013		174.70	
				1,436.25
11648	ADMANOR, INC	8/21/2013		
	BRANDING JULY 2013		687.50	
	RECYCLING OUTREACH/EDUCATION JULY 2013		325.00	
				1,012.50
11649	AT&T SERVICES INC	8/21/2013		
	ADM INTERNET SERVICES 07.13.13 - 08.12.13		337.86	
	ADM TELEPHONE 07.15.13 - 08.14.13		334.07	
	CH TELEPHONE SERVICES 07.11.13 - 08.10.13		106.78	

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
				778.71
11650	CALIFORNIA DEPARTMENT OF JUSTICE DOJ BACKGROUND - NETZA RUIZ	8/21/2013	32.00	32.00
11651	CALIFORNIA WATER SERVICE SS WATER SERVICES THRU 08.13.13 SS WATER SERVICES THRU 08.13.13	8/21/2013	144.71 479.58	624.29
11652	CITY OF GONZALES GONZALES HOSTING FEES AUGUST 2013	8/21/2013	20,833.33	20,833.33
11653	COAST COUNTIES TRUCK & EQUIPMENT CO. 10 EA WASH-CLEANER/BRIGHT SS/ALUM	8/21/2013	178.20	178.20
11654	COAST OIL COMPANY, LLC EQUIPMENT BIO-DIESEL FUEL 08.06.13 VEHICLE DIESEL FUEL USAGE 08.09.13	8/21/2013	1,563.49 12,649.86	14,213.35
11655	DON CHAPIN INC CH AUTOCLAVE WATER & WATER TRUCK	8/21/2013	504.00	504.00
11656	FERGUSON ENTERPRISES INC #588 CH DIGESTER 42 EA 7/8 ID X 1/2 PIPE INSUL SLF-SEAL	8/21/2013	27.22	27.22
11657	GOLDEN STATE TRUCK & TRAILER REPAIR 16096 LF SIDE BUMPER BRACKET WELDED BACK ON 16096 REPLACED POWER STEERING HOSES 17127 REWELD CENTER CROSS MEMBER 17127 WASHED TRAILER TRK002 6 TIRE MOUNTS/DISMOUNTS TRK004 NEW TIRES ON X3 LEFT & RIGHT SIDE TRK004 X3 R/S INNER TIRE REPAIR & VALVE CORE TRL002 REWELD TARP & CRACKS ON TARP	8/21/2013	218.32 183.00 170.00 640.00 276.80 774.00 122.46 222.50	2,607.08
11658	GRAINGER CH DIGESTER 1 CARBON STEEL DRUM 20 GAL CAP CH SWITCH FOR WATER SUPPLY PUMP FOR GOE	8/21/2013	157.31 29.10	186.41
11659	HOPE SERVICES JC MATTRESS/BOX SPRING HAULING SERVICE 08.05.13 SS MATTRESS/BOX SPRING HAULING SERVICE 08.02.13 SS MATTRESS/BOX SPRING HAULING SERVICE 08.09.13	8/21/2013	330.00 348.00 276.00	954.00
11660	JOSE RAMIRO URIBE 16094 RR INNER TIRE REPAIR RO001 CENTER AXLE PASSENGER TIRE REPAIR TRK002 F/L TIRE REPAIR	8/21/2013	158.66 85.00 109.55	353.21
11661	JUAN C. RUIZ 310 JD BACKHOE SS TS TO CH SOIL COMPACTOR TO SSTS RETURN TO QRS SALINAS	8/21/2013	200.00 250.00	450.00
11662	MICHAEL SILVA Per Diem AND mileage M.S. NATIONAL SEMINARS	8/21/2013	73.31	73.31
11663	MONTEREY COUNTY HEALTH DEPARTMENT SS TS ANUAL VEHICLE/YARD INSPECTION	8/21/2013	1,222.00	1,222.00
11664	NEXIS PARTNERS, LLC RENT & COMMON AREAS ADM BLDG SEPTEMBER 2013 RENT & COMMON AREAS ADM BLDG SEPTEMBER 2013	8/21/2013	1,515.00 7,194.00	8,709.00
11665	PACIFIC GAS AND ELECTRIC COMPANY JC ELECTRICAL SERVICES ECS THRU 08.16.13 JC ELECTRICAL SERVICES THRU 08.15.13	8/21/2013	1,069.90 44.29	1,114.19
11666	PACIFIC MUNICIPAL CONSULTANTS CH LANDFILL CLOSURE CEQA JULY 2013	8/21/2013	1,484.61	1,484.61
11667	QUINN COMPANY SS TS SOIL COMPACTOR CS433E	8/21/2013	461.55	461.55

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
11668	R. PATRICK MATHEWS Per Diem PM SWANA'S WASTECON	8/21/2013	155.00	155.00
11669	RICHGELS ENVIRONMENTAL SERVICES CH PREPARE LCRS HYDRAULICS CALCS & LETTER	8/21/2013	402.94	402.94
11670	SALINAS CALIFORNIAN HHW Tech 1 Position Recruitment	8/21/2013	329.50	329.50
11671	SALINAS GOLF & COUNTRY CLUB DEPOSIT-end of the year dinner 12/7/13	8/21/2013	500.00	500.00
11672	SCS FIELD SERVICES CH CAP MONITORING MONTHLY JULY 2013 CH LEACHATE SYS MONITORING MONTHLY JULY 2013 CH LFG OM&M MONTHLY JULY 2013 CH NR LFG OM&M, JULY 2013 JC AB32 SURFACE MONITORING QTRLY JULY 2013 JC LEACHATE SYSTEM MONITORING MO JULY 2013 JC LFG OM&M MONTHLY JULY JC NR LFG OM&M, JULY 2013 LR LFG OM&M, AB32 SEM MONTHLY JULY 2013 LR NR LFG OM&M, JULY 2013	8/21/2013	1,344.00 1,400.00 4,712.00 875.00 4,850.00 2,195.00 3,539.00 194.50 3,691.00 945.05	23,745.55
11673	STURDY OIL COMPANY 10 5 GAL SP A/W 68 HYDRAULIC OIL 16094/17127 1 WASH/2 STEAM CLEANING	8/21/2013	94.09 130.00	224.09
11674	US DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH SERVICE CH DIGESTER TRAVEL EXPENSES FOR MR BOZZI MAY/JUN CH DIGESTER TRAVEL EXPENSES FOR MR BOZZI JULY 2013	8/21/2013	5,254.45 2,631.88	7,886.33
11675	VALLEY PACIFIC PETROLEUM SERVICES, INC. DIESEL FUEL USAGE 08.13.13	8/21/2013	397.77	397.77
11676	ADMANOR, INC CCRMCMEDIA & MARKETING SERVICES JULY 2013	8/27/2013	1,295.00	1,295.00
11677	COAST OIL COMPANY, LLC EQUIPMENT BIO-DIESEL FUEL 08.15.13	8/27/2013	1,459.74	1,459.74
11678	DAVE J. DEERING SS TS Custodial Services 08.20.13 ADM Custodial Services 08.20.13	8/27/2013	790.00 655.00	1,445.00
11679	FEDEX overnight shipments AUG 2013	8/27/2013	41.20	41.20
11680	FERGUSON ENTERPRISES INC #588 SS TS 100 EA 12X20 AASHTO W/TITE HDPE PIPE SS TS 40 EA 12X20 AASHTO W/TITE HDPE PIPE	8/27/2013	895.10 358.04	1,253.14
11681	GOLDEN STATE TRUCK & TRAILER REPAIR 17127 TIRE REPAIR 17127 TOP BACK PLATE WELDED BACK ON 17235 SWAPPED INNER/OUTER TIRES X5 RT SIDE 17236 BOLTED DOWN PIECES ALUMINUM TO COVER HOLES RO001 FITTING ON BACK OF TRUCK REPLACED RO001 LUBED, 76 MULTIPLEX EP#2 GREASE & 15W-40 OIL TR002 REPAIRED X5 LF SIDE INNER/OUTER TIRES TRK002 REPAIRED X2 RT SIDE INNER TIRE TRL001 BROKEN TARP FRAME WELDED BACK TOGETHER TRL001 PICK UP & INSTALL NEW TIRES X5 INNER/OUTER	8/27/2013	116.46 165.00 112.16 215.00 150.00 363.82 115.23 39.31 165.00 108.24	1,550.22
11682	GRAINGER SS TS 3 EA 22CX25 DANGER SIGNS	8/27/2013	35.37	35.37
11683	GREEN RUBBER - KENNEDY AG, LP SS TS 2 EA 2" 150# COMPANION FLANGES, 1 1/4" BRASS	8/27/2013	74.43	74.43
11684	HERTZ EQUIPMENT RENTAL CORPORATION	8/27/2013		

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
	CH BKHOF, BKT, 12" TRENCH RENTAL 08.19 - 08.23.13		85.32	
11685	HOPE SERVICES	8/27/2013		85.32
	MATRESS/BOX SPRING HAULING SERVICE 08.20.13		420.00	
11686	LUMBERMENS INC	8/27/2013		420.00
	SS TS 25 1X2-48" WOOD STAKES		12.69	
	JC 84 EA 8PG308 8' POSTS, 5 EA 2X2 WELD FAB 16 GA		1,423.01	
11687	MALLORY CO. INC	8/27/2013		1,435.70
	4 CASES MICROMAX NS CVRALLS - M		349.02	
11688	MONTEREY COUNTY HEALTH DEPARTMENT	8/27/2013		349.02
	JR 2013 TPR UPDATE		1,627.00	
Check #	Name	Check Date	Amount	Check Total
11074	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION - HR	8/28/2013		
	IPMA-HR MEMBERSHIP DUES		(149.00)	
11587	ASSURED AGGREGATES CO., INC	8/5/2013		(149.00)
	SS TS 10 TRASH BLOCKS		801.90	
11588	AT&T SERVICES INC	8/5/2013		801.90
	HHW TELEPHONE SERVICES THRU 07.23.13		252.54	
11589	BECKS SHOE STORE, INC.	8/5/2013		252.54
	SAFE SHOES FOR TD		169.83	
	SAFETY SHOES FOR NR		169.83	
11590	COAST COUNTIES TRUCK & EQUIPMENT CO.	8/5/2013		339.66
	17125 1 EA 3 LEAF SRPING 3 5/8 LOW-ARCH		93.97	
11591	COAST OIL COMPANY, LLC	8/5/2013		93.97
	EQUIPMENT BIO-DIESEL FUEL 07.24.13		4,956.50	
	EQUIPMENT BIO-DIESEL FUEL 07.26.13		1,540.22	
11592	CSC OF SALINAS/YUMA	8/5/2013		6,496.72
	17235 2 EA 11" BLACK TIE WRAPS		24.65	
11593	ELIA ZAVALA	8/5/2013		24.65
	7/31/13 BD Meeting Refreshments		21.42	
11594	GAIL K. TSUBOI	8/5/2013		21.42
	Tsuboi Design SERVICES FOR BOARD RETREAT		1,530.90	
11595	GOLDEN STATE TRUCK & TRAILER REPAIR	8/5/2013		1,530.90
	17127 REMOVED OLD & INSTALLED NEW LEAF SPRING		285.84	
	17127 X4 R/X & X5 L/X HANGERS REINFORCED & PLATED		266.00	
	17236 PUT NEW TARP ON TOP OF OLD, WELD HANGER		346.00	
	950K SUBFRAME ON TINK BUCKET REPAIRED		1,898.00	
	CH SCALE FOR GOE		1,040.00	
	TRK 001/003 11 NEW TIRES		4,322.55	
	TRK001 7 EA LOW AIR SWITCHES		188.85	
	TRK001 REPLACED BAD LIGHT FUSE		92.00	
	TRK003 HYDRAULIC FILETER REPLACED		140.00	
	TRK003 PTO PUMP & SHAFT REPLACED		1,809.56	
	TRK003 REPLACED CLUTCH BRAKE		178.80	
	TRK004 REPAIRED X3 L/S INNER TIRE		78.23	
	TRK004 TLR 002 HOLES PATCHED ON TARP		185.00	
	TRKS 1, 2, 3, 4 AIR, OIL, FUEL & OTHER FILTERS		1,061.87	
11596	**Void**	8/5/2013		11,892.70
11597	GREENWASTE RECECOVERY INC.	8/5/2013		
	Carpet Recycling		500.00	
11598	HRN PERFORMANCE SOLUTIONS	8/5/2013		500.00
	PERFORMANCE PRO USER LICENSES 2 ADD'L		89.00	
11599	MARILYN M. SNIDER	8/5/2013		89.00
	Snider & Associates Board Retreat Services 7.31.13		2,701.47	
				2,701.47

Salinas Valley Solid Waste Authority
Checks Issued Report for 8/1/2013 to 8/31/2013

Check #	Name	Check Date	Amount	Check Total
	FSA MONTHLY ADMIN FEES JUL 2013		6.00	
	FSA MONTHLY ADMIN FEES JUL 2013		6.00	
	FSA MONTHLY ADMIN FEES JUL 2013		12.00	
				50.00
	Subtotal			927,961.58
	Payroll Disbursements			300,675.81
	Total			<u>1,228,637.39</u>

Electronic Funds Transfers

EFT Date



SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 3

A handwritten signature in black ink, likely of Roberto Moreno, the Finance Manager/Controller-Treasurer.

Finance Manager/Controller-Treasurer

N/A

General Counsel

A handwritten signature in black ink, likely of R. Patel, the General Manager/CAO.

General Manager/CAO

Date: October 17, 2013
From: Roberto Moreno, Finance Manager
Title: September 2013 Quarterly Investments Report

RECOMMENDATION

Staff recommends acceptance of the September 2013 Quarterly Investments Report.

STRATEGIC PLAN RELATIONSHIP

This agenda item is a routine operational item and does not relate to the Board's strategic plan.

FISCAL IMPACT

None.

DISCUSSION & ANALYSIS

State law requires quarterly reporting of all investments within 30 days following the end of the quarter.

The vast majority, \$5,588,921.44 (45.3%), of the Authority's investment portfolio is invested in the State's Local Agency Investment Fund (LAIF). At the end of August the LAIF effective yield was .271%. LAIF is invested as part of the State's Pooled Money Investment Account (PMIA) of \$52.5 Billion as of August 31, 2013. September data was not available when the staff report was printed. Attached is a printout summarizing the PMIA portfolio at the end of August. The Authority's LAIF investment of \$5,588,921.44 represents .011% of the PMIA.

The Authority has diversified its investment pool as part of a strategy to not keep all our eggs in one basket and as part of an effort to maximize investment returns with minimal if any risk.

ATTACHMENT(S)

1. September 2013 Cash and Investments Report
2. August 2013 PMIA Portfolio Composition and Average Monthly Yields

SALINAS VALLEYSOLID WASTE AUTHORITY

Cash and Investments Report

September 30, 2013

Issuer/Investment	Rate	Balance	Maturity	Moody's Rating
Investments Managed by Trustee - Bank of New York:				
JP Morgan US Treasury Plus Premier # 3920	0.00%	\$ 2,820,700.00	N/A	Aaa
		<u>\$ 2,820,700.00</u>		
Investments Managed by Authority Treasurer:				
Petty Cash	-	1,500.00	N/A	N/A
General Checking Account	-	1,013,794.82	Same day	Aaa
General Deposit Account	-	108,958.69	Same day	Aaa
Payroll Checking account	-	24,484.59	Same day	Aaa
Scalehouse Deposit Account	-	16,051.71	Same day	Aaa
Aflac Checking account	-	2,084.18	Same day	Aaa
L.A.I.F	0.271%	5,588,921.44	Same day	N/A
Rabobank CD - 9328050144	1.100%	\$ 250,000.00	6/20/2018	Aaa
Rabobank CD - 9741914065	1.100%	500,000.00	6/20/2014	Aaa
Rabobank CD - 9702905679	1.100%	1,000,000.00	6/30/2018	Aaa
Rabobank PIMMA 9608512906	0.270%	1,003,589.87	N/A	N/A
JP Morgan US Treasury Plus Premier # 3920	0.000%	9,005.38	N/A	Aaa
		<u>\$ 9,518,390.68</u>		
		<u><u>\$ 12,339,090.68</u></u>		

The above investments are in compliance with the Authority's Investment policy.

The Authority has sufficient liquidity to meet expenditure requirements for the next 6 months.



Roberto Moreno, Authority Treasurer

Bill Lockyer, State Treasurer



Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

LAIF CONFERENCE INFORMATION

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
9/12/2013	0.26	0.27	264
9/13/2013	0.26	0.27	264
9/14/2013	0.26	0.27	264
9/15/2013	0.26	0.27	264
9/16/2013	0.26	0.27	257
9/17/2013	0.26	0.27	252
9/18/2013	0.25	0.27	249
9/19/2013	0.25	0.27	251
9/20/2013	0.25	0.27	250
9/21/2013	0.25	0.27	250
9/22/2013	0.25	0.27	250
9/23/2013	0.25	0.27	245
9/24/2013	0.25	0.27	246
9/25/2013	0.25	0.27	246

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

Quarter ending 06/30/2013

Apportionment Rate: 0.24%
Earnings Ratio: .00000667321954799
Fair Value Factor: 1.000273207
Daily: 0.25%
Quarter To Date: 0.25%
Average Life: 278

PMIA Average Monthly Effective Yields

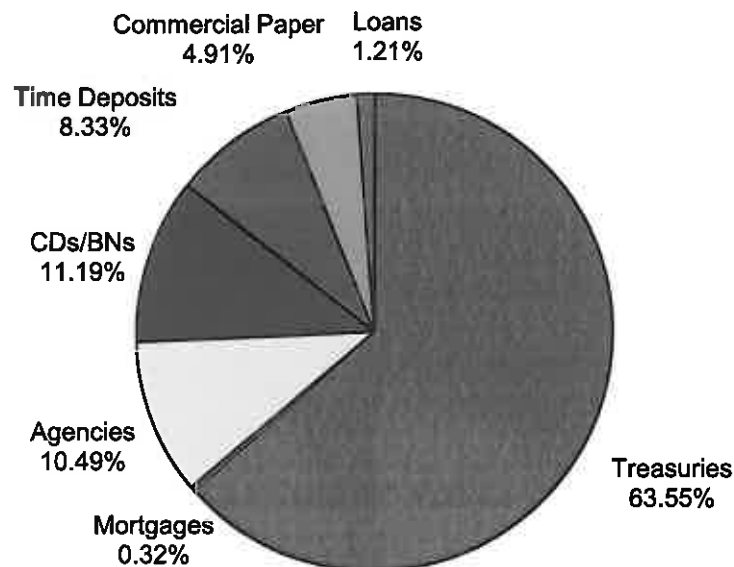
AUG 2013 0.271%
JULY 2013 0.267%
JUNE 2013 0.244%

Pooled Money Investment Account

Portfolio Composition

\$52.5 Billion

08/31/13





SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 4

N/A

Finance Manager/Controller-Treasurer

N/A

General Counsel

General Manager/CAO

Date: October 17, 2013

From: Patrick Mathews, General Manager/CAO

Title: Update to the 2013-16 Strategic Plan Goals and Six-Month Objectives

RECOMMENDATION

This report reflects the current updates to the 2013-16 Strategic Plan Goals and Six-month Objectives as recommended at the July 31, 2013, Strategic Planning Board Retreat.

STRATEGIC PLAN RELATIONSHIP

SVSWA Strategic Plan affects the next three years with specific measurable six-month objectives that will be reported to the Board each month.

FISCAL IMPACT

Funding for the implementation of the specific goals (3 year) and objectives (6 month) is allocated as part of the budget process.

DISCUSSION & ANALYSIS

The Board met on July 31, 2013 to review the Authority's Strategic Plan Goals and Objectives. Most of the goals from the 2010-13 Strategic Plan were completed. A new set of Goals were developed collaboratively by the Board and staff at the July 31st Retreat.

Progress reports on the 2013-16 Strategic Plan six-month "objectives" will be provided monthly to the Board. These will be reviewed and re-evaluated at the next Board retreat which is recommended to be scheduled on February 13, 2014.

BACKGROUND

In 2007 the Board adopted short and long term goals for the Authority. In 2009, the Board adopted a Mission, Vision and Core Values. In 2010, the Board adopted a three year Strategic Plan (2010-2013) with new short term objectives every 6 months. The Board agreed that new goals would be established every three years along with 6-month objectives. The July 31st retreat represented the start of a new Strategic Planning period.

ATTACHMENT(S)

1. Exhibit A – 2013-2016 Strategic Plan and Six-month Objectives

SALINAS VALLEY SOLID WASTE AUTHORITY

SIX-MONTH STRATEGIC OBJECTIVES

31 July 2013 through 1 February 2014

THREE-YEAR GOAL: <i>FUND AND IMPLEMENT 75% DIVERSION OF WASTE FROM LANDFILLS</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Oct. 1, 2013 Dec. 1, 2013	Diversion Manager	Develop and report to the Board a plan to increase construction and demolition diversion (i.e., keeping construction and demolition materials out of the landfill).			X	Additional time is needed to review C&D ordinance in effect, Green Building Codes, and AB341 implementation plans.
2. By the January 2014 Board meeting	General Manager	Obtain Global Organics Energy's commitment to provide funding for the commercial autoclave as part of the MRC (materials recovery center).			X	Delayed 90 days until City and Authority land swap agreement in place. Negotiations are in progress.
3. Jan. 31, 2014	Diversion Manager	Determine if the USDA Digester Process can contribute to the 75% diversion and report the results to the Board.		X		The 90 day fermentation process is scheduled to begin the week of October 21, 2013.
4. Feb. 1, 2014	Finance Manager	Complete the bond financing.		X		All member cities are scheduled to approve this action in Oct.
5. Feb. 1, 2014	Diversion Mgr., working with private recyclers, cities and the county	Request diversion data from countywide private recyclers to be able to include it in the SVSWA diversion rate and report the results to the Board.		X		Diversion staff is identifying all the major businesses participating in direct recycling efforts and will be requesting annual data for this study.

**THREE-YEAR GOAL: *COMPLETE DEVELOPMENT OF THE SALINAS AREA STATION
AND MATERIAL RECOVERY CENTER (MRC)***

WHEN	WHO	WHAT	STATUS			COMMENTS
1. At the Oct. 17, 2013 Board meeting	General Manager, working with the City of Salinas staff	Determine and present to the Board final Salinas area station and material recovery center site(s) to be studied.			X	Delayed 30 days. Staff to present site options study at November Board meeting.
2. At the Oct. 17, 2013 Board meeting	General Manager	Present to the Board for action an agreement with the City of Salinas to facilitate relocation of the Sun Street Transfer Station through a possible exchange of property.			X	Delayed 30 days. Pending City review of draft MOU
3. At the Nov. 21, 2013 Board meeting	General Manager	Prepare and present to the Board for deliberation a Salinas Area and MRC Project Implementation Schedule.			X	See above comments

**THREE-YEAR GOAL: *UTILIZE JOLON ROAD, CRAZY HORSE AND LEWIS ROAD
CLOSED LANDFILLS TO GENERATE REVENUE***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Dec. 19, 2013 Board meeting	General Manager	Complete and present to the Board for action a draft lease agreement with Monterey County Emergency Services to site a cell tower(s) at Lewis Road and other possible uses for the property.		X		County working on completing site design and permit application.
2. At the Dec. 19, 2013 Board meeting	General Manager	Provide a status report to the Board on the Landfill Gas-to-Energy Project at the Crazy Horse Landfill as a revenue generator.		X		Met with consultant to review project options, amendment to Board Oct 17, 2013
3. At the Jan. 16, 2014 Board meeting	General Manager	Present a report to the Board on the possible utilization of the pavement and turf area at the Crazy Horse Landfill to generate revenue.		X		Met with consultant to review some options
4. At the Jan. 16, 2014 Board meeting	General Manager	Provide a status report to the Board on current and future potential uses for the 400 acres at the Jolon Road Landfill for revenue generation.		X		Met with consultant to review some options
5. At the Jan. 16, 2014 Board meeting	Authority Engineer	Provide a report to the Board on other potential uses of 40 acres (currently used by the archery club) at the Crazy Horse Landfill for revenue generation.		X		Met with consultant to review some options

**THREE-YEAR GOAL: *INCREASE PUBLIC ACCESS, INVOLVEMENT AND AWARENESS
OF SVSWA ACTIVITIES***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Beginning in Dec. 2013 and quarterly thereafter	Administrative Mgr.	Ensure SVSWA participation in live or recorded radio station interviews to talk about the Authority's Mission, Vision and public message.		X		Working with Sandy Manor to develop and implement
2. Feb. 1, 2014	Citizens Advisory Committee, working with the Gen Mgr. and Admin. Mgr.	Hold at least three meetings and report its progress to the Board.		X		Meetings schedule is being developed. First meeting is tentatively scheduled for late October early November
3. Feb. 1, 2014	General Manager, working with the Asst. GM and Admin. Mgr.	Develop and hold two community forums to educate the public about SVSWA's Strategic Plan Goals and Objectives.		X		Three meetings planned for North County, Salinas and South County. Venues are currently being scheduled
4. Feb. 1, 2014	Administrative Mgr., working with the Marketing Team	Present to the Board for its review a new SVSWA public message and the current TV ad messages.		X		Working with Sandy Manor to develop and implement
5. Feb. 1, 2014	Administrative Mgr.	Create at least two news releases related to the Authority's role as a resource recovery agency.		X		1. Strategic Plan PR 2. Best Place to Work
6. Feb. 1, 2014	Administrative Mgr.	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		This is ongoing

THREE-YEAR GOAL: *REDUCE COSTS AND IMPROVE SERVICES AT THE JOHNSON CANYON LANDFILL*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Oct. 17, 2013 Board meeting	Operations Manager and Authority Engineer	Present to the Board for action an RFP (request for proposal) for a services contractor to operate the landfill.		X		Draft RFP routing for internal comments. Draft Contract being developed
2. Nov. 15, 2013	Diversion Manager	Determine the viability of a compost operation at the Johnson Canyon Landfill.		X		Preliminary site plans and cost analysis under review.
3. At the Dec. 19, 2013 Board meeting	General Manager, Authority Engineer and Board of Directors	Request a commitment for county, regional agency, state and federal funding to reconstruct the Regional Landfill Truck Route (i.e., Gloria Road, Iverson Road, Johnson Canyon Rd.) and report the results to the Board.		X		URS completed pavement site evaluation. Next step, pavement design recommendation. This will allow us to determine the project cost.
4. At the Jan. 16, 2014 Board meeting	Operations Manager and Authority Engineer	Compare the results of a private services contractor operating the Johnson Canyon Landfill vs. in-house operations and report the results to the Board for action.		X		Operations Manager will complete a proposal for in house operations of the JCLF



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SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 5


Finance Manager/Controller-Treasurer

N/A
General Counsel


General Manager/CAO

Date: October 17, 2013
From: Mandy Brooks, Recycling Coordinator
Title: Monterey County Health Department,
Environmental Health Bureau, FY 12-13 Annual
Used Motor Oil and Filter Recycling Program
Report

RECOMMENDATION

Staff recommends that the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

The recommended action will assist the Authority in supporting the Strategic Plan Goal to Fund and Implement 75% Diversion of Waste from Landfills by continuing to partner with the County to educate the public and commercial customers on how and where to properly recycle used motor oil and oil filters.

FISCAL IMPACT

There is no fiscal impact to the Authority for the County to provide these services. A total of \$133,191 was available in the CalRecycle 3rd Cycle of the Used Oil Payment Program (OPP), funding. This funding was allocated to the County of Monterey to administer the program as the Lead Agency. The County uses these payment funds to provide the agreed upon used oil and oil filter recycling services and education.

DISCUSSION & ANALYSIS

When the member cities assigned their funds to the County of Monterey, the Authority Board required a series of goals and objectives from the County of Monterey including an annual report for the Authority Board. The attached report covers the period of July 1, 2012 through June 30, 2013.

The purpose of the report is to describe the tasks and accomplishments performed in order to maintain and refine existing used motor oil and used oil filter recycling services available to the residents located within the Salinas Valley Solid Waste Authority's service area. A highlight of the program during this reporting period was the establishment of a 3rd Agricultural Used Oil & Filter Collection Center in North Monterey County. This center will serve the smaller farmers in the region as a convenient and free drop-off site.

BACKGROUND

Since 1994, the Monterey County Health Department, Environmental Health Bureau has provided a comprehensive countywide Used Motor Oil & Filter Recycling Program. Utilizing the Used Oil Payment Program (OPP) funding from the California Department of

Resources Recycling and Recovery, (CalRecycle) the County has established services and developed programs to serve the needs of the residential, agricultural and marina communities in Monterey County. The County of Monterey maintains these services on an ongoing basis. By acting as the Lead Agency and combining funding from each jurisdiction, an economy of scale is created which greatly benefits the Cities and County, allowing for uniform promotion of the programs through various media outlets.

The OPP is a non-competitive payment process in which CalRecycle calculates and allocates payment to recipients on a per capita basis using the Department of Finance's population statistics. Each funding cycle is a 2 year term that must be applied for annually. The application process requires the County to submit an adopted Resolution or Letter of Commitment stating that it is applying as a Regional Lead. Each of the Cities must also submit a Letter of Authorization that authorizes the County to apply for the OPP, implement the program, and administer the OPP funds on its behalf. A new Letter of Authorization is required from each City each year in order to receive the funding allocated for the specific payment cycle. Each City can choose to manage the program or allocate it to the County of Monterey or another agency it may choose to designate.

ATTACHMENTS

1. FY 12-13 Monterey County Annual Used Oil Report and CY 2012 Program Highlights

MONTEREY COUNTY



DEPARTMENT OF HEALTH Ray Bullick, Director

ANIMAL SERVICES
BEHAVIORAL HEALTH
CLINIC SERVICES

EMERGENCY MEDICAL SERVICES
ENVIRONMENTAL HEALTH

PUBLIC HEALTH
PUBLIC ADMINISTRATOR/PUBLIC GUARDIAN

September 24, 2013

President Fernando Armenta
Salinas Valley Solid Waste Authority
P.O. Box 2159
128 Sun Street, Suite 101
Salinas, CA 93901

Dear President Armenta:

The Monterey County Health Department, Environmental Health Bureau is pleased to submit a Used Motor Oil & Filter Recycling Program status report to the Salinas Valley Solid Waste Authority for the period of July 1, 2012 through June 30, 2013.

If you have any questions regarding the contents of this report or the Used Motor Oil & Filter Recycling Program, please do not hesitate to contact Gabriela Carbajal at (831) 755-8909. Thank you for the opportunity to share this information with your Board.

Sincerely,

Mark Diás
Solid Waste & Recycling Services Supervisor

Enclosures:

Salinas Valley Used Oil & Outreach Annual Report FY 2012 – 2013
Monterey County Used Oil & Filter Recycling Program Highlights FY 2012-2013

cc: John Ramirez, MPA, REHS, Director of Environmental Health Bureau

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
July 1, 2012 – June 30, 2013**

Background

Since 1994, the Monterey County Health Department, Environmental Health Bureau (MCHD) has administered the Countywide Used Oil & Filter Recycling Program on behalf of all the cities and unincorporated areas of the County. The program provides various outlets for proper disposal of used motor oil and filters through residential drop-off centers, residential curbside collection, agricultural and marine drop-off centers.

This report includes data and activities conducted during the period of July 1, 2012 – June 30, 2013 (FY 12 – 13). Data for residential drop off centers (Section 1) is reported by calendar year. Additional information regarding the trends seen in oil and filter collection is included in the attached Annual Report Program Highlights submitted to CalRecycle. This report compares data by calendar year.

Section 1 Residential Drop-off Centers/Certified Collection Centers – Calendar Year 2012

The data used was collected from Certified Collection Centers (CCCs) by MCHD staff through center corporate administration contacts.

Table 1 includes data collected by MCHD staff from 19 CCCs in the SVSWA area. 58,260 gallons of used oil and 4,010 oil filters were collected. There are a total of 30 residential drop-off centers in Monterey County that collected a total of 72,030 gallons of oil and 6,311 filters. This data show that 81% of used oil and 63% of used oil filters are collected from drop-off centers in the SVSWA area.

Table 1- Residential Drop-off Collection Data by Calendar Year

Drop-off Center	City/Area	Gallons of Oil			# of Filters		
		2010	2011	2012	2010	2011	2012
Alcala's Automotive Machine Shop	Chualar	0	0	0	0	0	0
*AutoZone #5509	Gonzales	1,890	4,403	4,330	N/A	N/A	N/A
*AutoZone #5510	King City	1,570	3,358	3,450	N/A	N/A	N/A
*AutoZone #5512	Salinas	3,970	8,761	7,900	N/A	N/A	N/A
*AutoZone #5513	Prunedale	2,040	3,777	3,570	N/A	N/A	N/A
*AutoZone # 5514	Salinas	3,550	8,691	8,450	N/A	N/A	N/A
*AutoZone #3744	Salinas	6,435	7,695	7,870	N/A	N/A	N/A
Bridgestone Firestone Store	Salinas	0	192	0	0	45	0
Jiffy Lube #2330	Salinas	0	0	0	0	0	10
Kragen Auto Parts #1004	Salinas	4,405	4,498	4,400	1,250	1000	750
Kragen Auto Parts #1445	Salinas	3,365	4,455	4,180	1,250	750	1000
Kragen Auto Parts #1660	King City	2,612	3,567	2,680	1,750	1500	500
Kragen Auto Parts #209	Salinas	2,820	2,450	2,230	750	1250	500
Kragen Auto Parts #4129	Salinas	6,420	4,790	4,680	750	750	250
Kragen Auto Parts #4162	Soledad	4,545	4,557	4,520	750	750	1000
Oil Can Henry's	Salinas	0	0	0	0	0	0
Ownes Chevron	King City	0	0	0	0	0	0
Pajaro Auto Center	Pajaro	0	0	0	0	0	0
Prunedale Lube & Auto Car	Prunedale	0	0	0	0	0	0
Total		43,622	61,194	58,260	6,500	6,045	4,010

*Filters are now collected at this site but data was not available at the time of reporting.
Oil filter totals were calculated using a State approved formula for converting drums to number of filters.
(55-gallon drum crushed filters=750 filters & 55-gallon drum uncrushed filter=250 filter).

Chart 1a. Gallons of used oil collected from residential drop-off centers in SVSWA

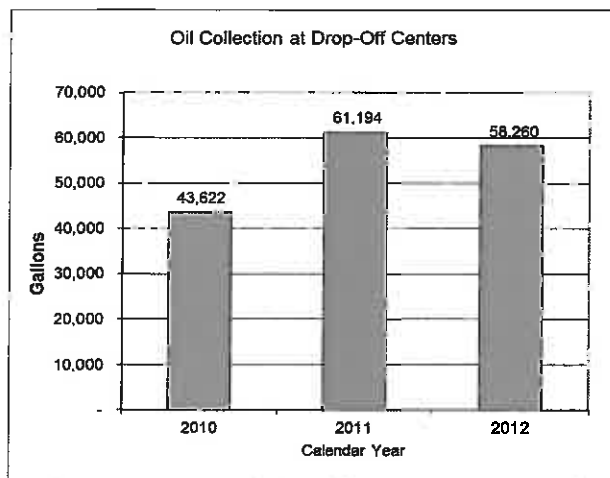
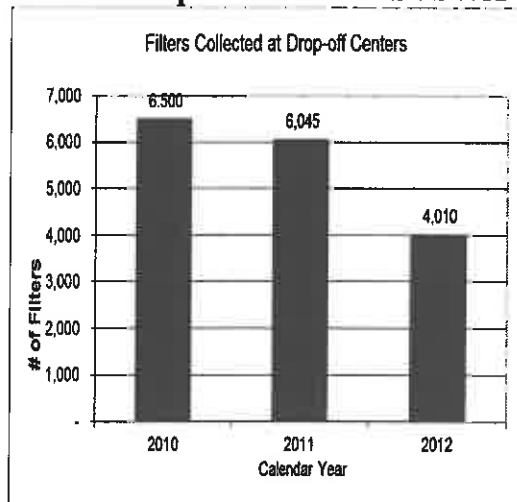


Chart 1b. Number of filters collected from residential drop-off centers in SVSWA



The data shows a 4.8% decrease in used oil and a 34% decrease in used oil filters collected in the SVSWA area compared to the 2011 calendar year. AutoZone, added the collection of filters, but has not been able to provide MCHD staff with filter collection numbers. AutoZone stores make up 6 out of the 19 collection centers in the SVSWA area and account for approximately 61% of used oil collected by drop-off centers in 2012 within the Salinas Valley. In addition, if a collection center listed above does not or has not submitted a claim for incentive payment, the oil collected at the site is not reported to CalRecycle and therefore never reported to MCHD.

Section 2 Residential Curbside Collection Program: Fiscal Year 2012 – 2013

MCHD staff requests oil and filter collection data from all haulers in Monterey County twice a year. Table 2 includes data reported to MCHD from the three solid waste haulers in SVSWA area – Republic Services of Salinas, Tri-Cities Disposal and Waste Management. A grand total of 15,505 gallons of used oil and 10,341 filters were collected throughout Monterey County, representing 87% of used oil and 71% of filters collected through the curbside program come from residents in the SVSWA.

Table 2 Curbside Oil & Filter Collection in SVSWA area by Fiscal Year

Hauler	City/Area	Gallons of Oil			# of Filters		
		FY 10-11	FY 11-12	FY 12-13	FY 10-11	FY 11-12	FY 12-13
Republic Services of Salinas	Salinas	6,270	6,034	6,624	1,500	4,250	3,500
Tri-Cities Disposal	Soledad	1,558	1,428	1,482	1,695	1,670	1,482
Tri-Cities Disposal	Gonzales	1,339	945	1,537	1,253	1,501	1,537
Tri-Cities Disposal	Greenfield	3,102	3,297	3,443	3,364	3,739	3,443
Tri-Cities Disposal	CSD of Spreckles	0	0	0	5	0	0
Waste Management, Inc.	King City	595	406	568	202	69	121
Waste Management, Inc.	Unincorporated County	2,334	1,583	1,851	408	359	258
Total		15,198	13,693	15,505	8,427	11,588	10,341

Oil filters totals were calculated using a State approved formula for converting drums to number of filters. (55-gallons drums crushed filters= 750 filters & 55-gallons drum uncrushed filters=250 filters).

Chart 2a. Gallons of used oil collected through residential curbside in SVSWA area

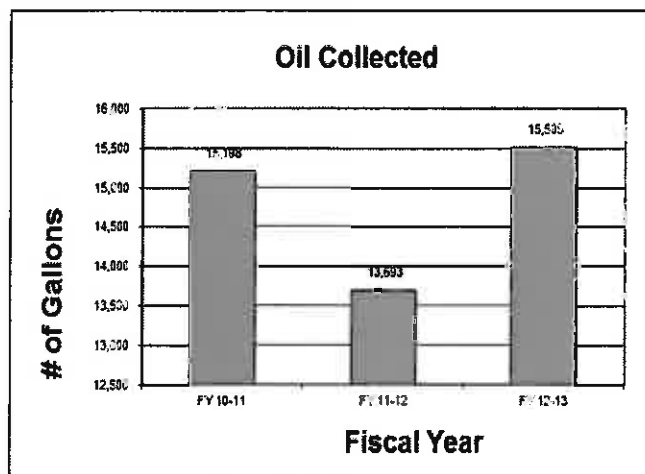
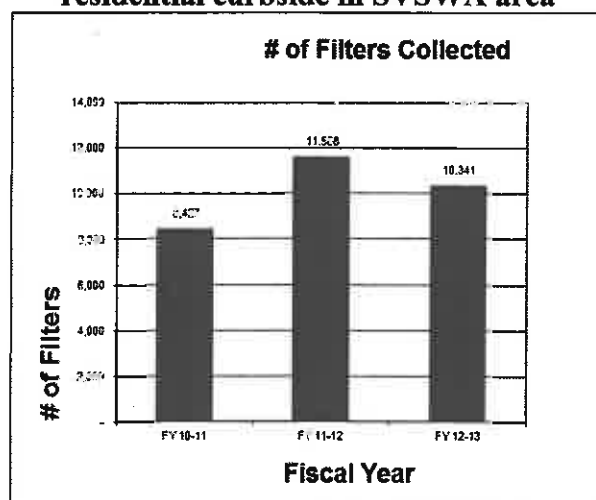


Chart 2b. Number of filters collected through residential curbside in SVSWA area



The data above shows a 13% increase in used oil and 11% decrease in used oil filters collected in the SVSWA area compared to FY 11-12. During the 2012 calendar year, MCHD hosted two filter exchange events. The events in the City of Salinas and Gonzales drew 65 attendees and MCHD gave out 68 filters through a partnership with AutoZone. During these events, customers were educated on the curbside used oil and filter recycling service and given an approved used oil container and filter bag.

Section 3 Agricultural Oil and Filter Collection Centers: Fiscal Year 2012 – 2013

Table 3 includes data from the three Ag Centers serving small farmers in Monterey County.

Table 4 Marine Oil & Filter Collection FY 2012 – 2013

Ag Center	Gallons of Oil			# of Filters		
	FY 10-11	FY 11-12	FY 12-13	FY 10-11	FY 11-12	FY 12-13
Sturdy Oil, Salinas	1,710	16,040	11,855	15,000	22,250	18,750
Monterey County Ag Commissioner, King City	0	1,122	220	500	0	
Mo.Co. Public Works Yard	0	-	200	0	0	0
Total	1,710	17,162	12,275	15,500	22,250	18,750

Oil filter totals were calculated using a State approved formula for converting drums to number of filters. (55-gallon drum crushed filters=750 filters & 55 gallons drum uncrushed filters=250 filters).

Chart 3a- Gallons of used oil collected from agricultural centers

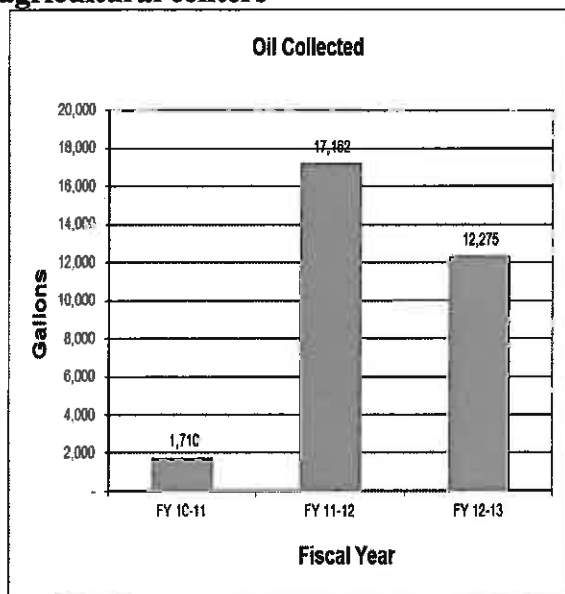
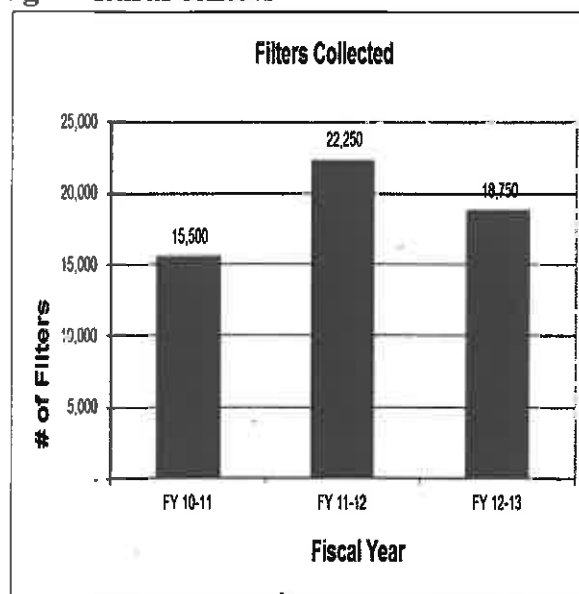


Chart 3b- Number of filters collected from agricultural centers



The data above shows a 28% decrease in used oil and a 16% decrease in used oil filters collected compared to FY 11-12. During the 2012-2013 fiscal year, MCHD maintained the same level of advertisement for this program. The program is advertised in the all South County newspapers once a week and through the radio on KRKC 1490 AM and KC 102 FM. The program also promoted the new Ag Collection site in north county through ads with the Salinas Californian. MCHD also directly provides outreach to the Agricultural Community at the Agricultural Expo which over 200 growers attend.

Section 4 Marine Oil and Filter Collection Program: Fiscal Year 2012- 2013

Table 4 includes data from the two Marine Centers serving boaters in Monterey County.

Table 4 Marine Oil & Filter Collection FY 2012 – 2013

Marine Center	Gallons of Oil			# of Filters		
	FY 10-11	FY 11-12	FY 12-13	FY 10-11	FY 11-12	FY 12-13
Moss Landing Harbor	-	700	870	250	250	250
Monterey Harbor (Monterey Bay Breakwater Cove)	515	425	1,275	55	1,250	500
Total	515	1,125	2,145	305	1,500	750

Oil filter totals were calculated using a State approved formula for converting drums to number of filters. (55-gallon drum crushed filters=750 filters & 55 gallons drum uncrushed filters=250 filters).

Chart 4a- Gallons of used oil collected from marine centers

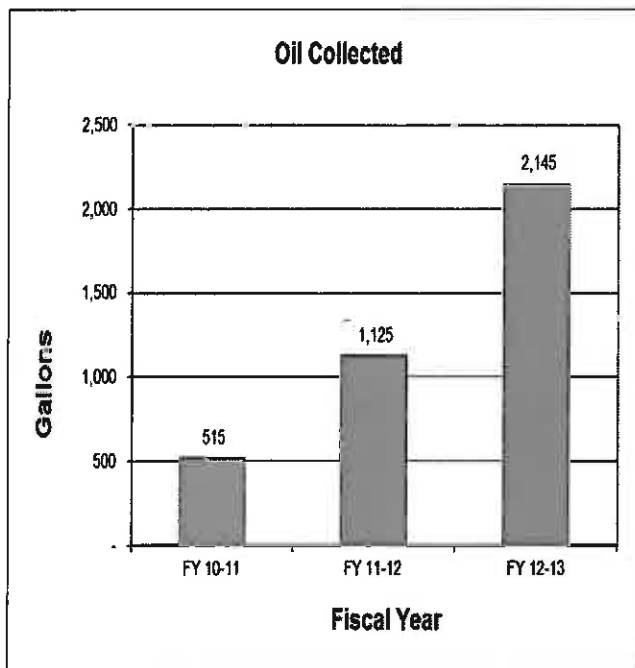
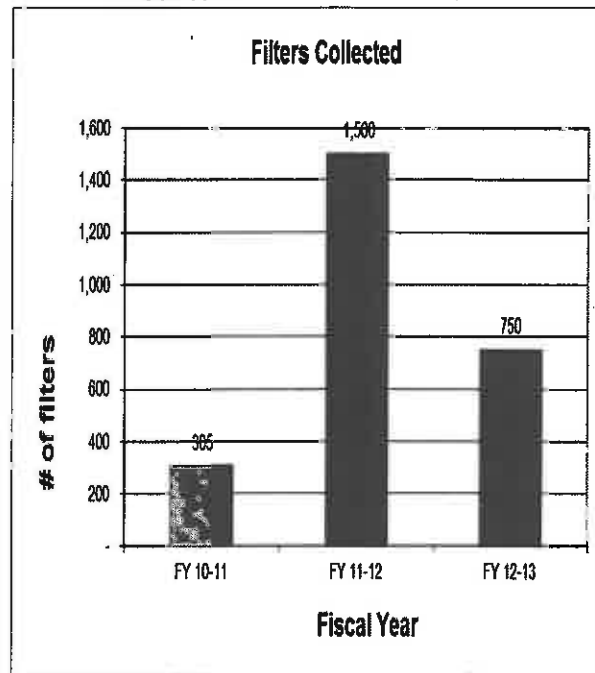


Chart 4b- Number of filters collected from marine centers



The data shows an increase of 90% of used oil and a 50% decrease of used oil filter collected from Marine Centers. MCHD has worked closely with Marine Centers to upgrade oil & bilge equipment to ensure safe disposal of oil, oil filters and used oil absorbent pads. A new 500 gallon double wall steel tank was installed at Monterey Bay Boatworks to upgrade the system and avoid any leaks before they occur. We also continue to purchase oil absorbent pads for boaters through our oil recycling contractor.

Section 5 Education and Outreach

5a. Used Oil & Filter Recycling Community Outreach in SVSWA Area

Date	Event	Location
9/12/2012	Gonzales Health & Safety Fair	City of Gonzales
10/20/2012	Salinas Filter Exchange Event	1488 Main Street, Salinas
10/21/2012	Greenfield Harvest Festival	City of Greenfield
3/19/2013	Agricultural Expo	Salinas Sports Complex, Salinas
6/29/2013	Gonzales Clean Up Day and Filter Exchange Event	Gonzales Shopping Center, Gonzales
May-June 2012	Certified Collection Center (CCC) Visits	19 CCCs in the SVSWA are - Chualar, Gonzales, King City, Soledad, Salinas and Prunedale

5b.School Outreach

Community Outreach time by Calendar Year

Event Date	School Location	Attendance	Grade Level	Summary of Presentation
July 1, 2011 - June 30, 2012	Monterey Regional Water Pollution Control Agency	684	K-12	The MRWPCA presented information on pollution prevention and used oil and filter recycling to students prior to tours of the waste treatment plant

MCHD also purchased rags, filter wrenches, and funnels to be given out to do-it-yourselfers during outreach events.

5c- Media during this Reporting Period

MCHD placed print advertisement with the following newspapers to promote used oil and filter recycling for the Agricultural Used Oil Program:

Print advertisements

- Soledad Bee – 48 ads
- King City Rustler – 48 ads
- Greenfield News – 48 ads
- Gonzales Tribune – 48 ads
- Salinas Californian – advertisement of new Ag Collection Center in North County with 2 print ads and online banner

Radio advertisements promoting the Ag Used Oil and Filter Recycling program in South County.

- KRKC - 936 Radio ads- Spanish and English ads on KRKC 1490AM and KC 102
- Radio Tri-Color in March 2013, MCHD began using Radio Tri-Color to promote the used oil programs including the curbside program in the Spanish speaking community. During the months of February through June, 156 spots including an online banner was accessible on rotating spot that appeared on the website www.ksmstv.com. These radio ads promote the curbside recycling program to Spanish listeners throughout the Salinas Valley.

5d. Work to be Completed During the Next Reporting Period – FY 13-14

In FY 13-14 the program will continue to support the residential, agricultural and marine do-it-yourselfers programs through outreach and education. In addition to the continued advertising campaign, the program has reestablished a contract with Save Our Shores to conduct a survey among boaters and hold outreach events, continue to organize and host filter exchange events community areas and attend community events whenever possible.

**Monterey County Health Department
Environmental Health Bureau
Used Oil & Filter Recycling Program Highlights**

Theme: One of the main activities of the Used Oil Program is to promote/increase used oil filter collection. What activities did you conduct to increase used oil filter collection?

The Used Oil & Filter Recycling Program in Monterey County outreach and education efforts have always stressed the importance of capturing both used oil and used oil filters. During calendar year the County of Monterey, continued its efforts in educating our residents about the importance of the recycling used oil and used oil filters.

2. Hosted two (2) Used Oil and Filter Collection events in the following cities
 - a. Salinas – AutoZone, 1488 Main Street Salinas
 - i. 40 attendees,
 - ii. 38 filters given out,
 - iii. 30 containers given out
 - b. Gonzales – AutoZone, 851-R Fifth Street, Gonzales, CA 93926
 - i. 25 attendees,
 - ii. 30 filters given out,
 - iii. 30 containers given out
3. Place print advertisement with the following newspapers to promote used oil and filter recycling for the Agricultural Used Oil Program
 - a. Soledad Bee – 48 ads
 - b. King City Rustler – 48 ads
 - c. Greenfield News – 48 ads
 - d. Gonzales Tribune – 48 ads
 - e. Salinas Californian – advertisement of new Ag Collection Center in North County with 2 print ads and online banner
4. Placed radio advertisement with the following radio stations
 - a. KRKC - 936 Radio ads- Spanish and English ads on KRKC 1490AM and KC 102
 - i. These radio advertisements promoted the Agricultural Used Oil and Filter Recycling program in South County.
5. Opened a 3rd Agricultural Used Oil Collection Center in North Monterey County – The Center was officially opened on May 13, 2012. The center is equipped with a 1,000 gallon capacity storage tank, containment cabinet, pump out system equipped with an air compressor; overfill alarm system and combustible gas detector. The staff at this location has been fully trained in detecting oil contamination and proper use of the equipment.
6. Additional used oil and filter recycling program outreach was provided by the Monterey Regional Water Pollution Control Agency who provided school presentations, tours of wastewater treatment plant, orations and career presentations.
7. Maintained an inventory of Used Oil Containers and filter bags for the curbside program
 - a. 9600 of containers were prepped for use with a proper label and filter bag.
8. Provided outreach to Residents at the following four events
 - a. Agricultural Expo (Spanish speaking attendees) – Promotion of the Agricultural Used Oil Program. During this expo, MCEH staffed a booth and offered participants

information on locations where used oil recycling is accepted for free, answered questions and provided used oil funnels in a larger size. There were over 200 hundred participants who attended this event.

- b. Marina Earth Day – Promotion of the Curbside Used Oil Collection and Certified Collection Centers (CCC). MCEH staffed a booth. Participants drove up to our booth and were able to enter a tail pipe exhaust contest and learned about used oil and filter recycling information. Participants were also offered a used oil container and filter bag, a funnel and filter drainer. There were over a hundred participants at this event.
- c. Gonzales Health & Safety Fair (Spanish speaking attendees) – Promotion of the Curbside Used Oil Collection and Certified Collection Centers. Participants staffed a booth where participants were offered, a used oil container and filter bag, funnel, filter drainer and information on the closest certified center and information on our curbside used oil recycling program. More than a hundred participants attended this event.
- d. Greenfield Harvest Festival (Spanish speaking attendees) – Promotion of the Curbside Used Oil Collection and Certified Collection Centers. Participants staffed a booth where participants were offered a used oil container and filter bag, funnel, filter drainer and information on the closest certified center and information on our curbside used oil recycling program. More than a hundred participants attended this event. Participants at this event were predominantly Spanish speaking.

Did you increase or decrease used oil and filter collection compared to last year? How much and why?

Overall:

- Total gallons of used oil collected: 120,572
- 1% increase in used oil collection compared to the 2011 calendar year
- Total number of used oil filters collected: 60,912
- 25.18% increase in used oil filters compared to the 2011 calendar year

Total collection of used oil and filters has increased in 2012 compared to 2011. Specifically, used oil from the Agricultural and marina programs increased while curbside, CCC and HHW/ABOP decreased. Non-certified collection centers are not advertised as part of our used oil recycling program and therefore don't receive the same amount of publicity. HHW/ABOP sites within Monterey County are located at transfer stations and at landfills and patrons to these sites maybe making less frequent trips and therefore resulting in less oil being collected. Collection trends for each collection type are detailed below.

Certified Collection Centers: 31 during 2012

- Total gallons of used oil collected: 72,030
- 5.38% decrease in used oil collection compared to the 2011 calendar year
- Total number of used oil filters collected: 6,311
- 21.55% decrease in used oil filters collected compared to the 2011 calendar year

In FY 12-13, the amount of used oil collected at certified sites decreased by 5.38%. Nine (9) collection centers did not submit oil reimbursement claims. Through site visits, MCEH has learned that these

locations find it difficult to fill out the claim forms because they are not easily accessible or they are only available in English. Furthermore some of these locations, particularly the service bays receive a significant amount of abandoned used oil and filters but due to time constraints fail to log the oil as DIY.

MCEH staff also continues to encourage reuse of containers by DIYers by making available special flyers that encourage the reuse of containers at certified collection centers.

Oil filter collection is listed as a decrease but this figure is not accurate because AutoZone does not provide their recycling data for filter collection. AutoZone operates 7 stores in Monterey County and used oil collected through their stores makes up 59% of total oil collected at CCC's.

PHHW and ABOPs

- Total gallons of used oil collected: 12,644
- 4.47% decrease in used oil collected compared to the 2011 calendar year
- Total number of used oil filters collected: 17,803
- 202% increase in used oil filters collected compared to the 2011 calendar year

The HHW/ABOP operated by Salinas Valley Solid Waste Authority (SVSWA) which operates three out of the four HHW and ABOPs in Monterey County experienced a decrease of 19.63% in the total used oil collected. Conversely, there was a dramatic increase of 247% in used oil filters within the Salinas Valley. Comparison of each site reveals that both Johnson Canyon and Sun Street HHW sites decreased oil by 45.21% and 24.89% respectively, while the Jolon Road ABOP experienced an increase in used oil by 6.76%. Jolon Road ABOP and Sun Street both had an increase in filter collection at 150.4% and 310% respectively while Johnson Canyon ABOP received 50% less filters in comparison to the 2011 calendar year.

The Monterey Regional Waste Management District (MRWMD) owns and operates the HHW located at the Marina Landfill. This location had an increase in both used oil and used oil filters, 6.76% and 36.69% respectively. The difference in collection between the SVSWA and MRWMD might be due to the difference in tipping fees between both locals. Residents who are disposing of waste might choose to also drop off used oil and filters all in one trip at the MRWMD which offers a lower tipping fee. This data was self-reported by the SVSWA and MRWMD. The data provided by the SVSWA for used filters was originally given in pounds. A calculation was used to quantify the number of filters per drum.

Agricultural Collection

- Total gallons of used oil collected: 16,072
- 58.34% increase in used oil collected compared to the 2011 calendar year
- Total number of used oil filters collected: 21,500
- 10.26% increase in used oil filters collected compared to the 2011 calendar year

During the 2012 calendar year, MCEH increased advertisements and publicity to these centers. The advertisement included radio announcements and newspaper print. In addition MCEH staff provided direct outreach to members of the agricultural community at the annual Ag Expo and the Sustainable Ag Expo.

Non-certified Centers

No oil or filters data was collected from these locations

Residential

Overall:

- Total gallons of used oil collected: 17,781
- 5.71% decrease in used oil collected compared to the 2011 calendar year
- Total number of used oil filters collected: 14,548
- 0.22% increase in used oil filters collected compared to the 2011 calendar year

Residential curbside collection is supported by the oil payment program and the haulers. The program provides uniform containers and filter bags to residents with cart service. However this service works differently from hauler to hauler and is dependent on the haulers practices. For instance most of the trucks in Waste Management's fleet are equipped with a collection box that allows the driver to carry and pickup containers while on their route. Republic Services on the other hand requires their customers to stop by their local office to pick-up a container. The breakdown of curbside collection is as follows:

Republic Services – serves the City of Salinas

- Total used oil collected: 6,369
- 2.05% increase in used oil collected compared to 2011 calendar year
- Total number of used oil filters collected: 5,000
- 5.26% increase in used oil filters collected compared to the 2011 year

Monterey City Disposal – serves the City of Monterey and Spreckles Community Service District

- Total used oil collected: 1,599
- 23.95% increase in used oil collected compared to 2011 calendar year
- Total number of used oil filters collected: 1,720
- 7.84% increase in used oil filters collected compared to the 2011 year

Tri-Cities Disposal – serves the Cities of Soledad, Gonzales and Greenfield

- Total used oil collected: 5,842
- 3.27% increase in used oil collected compared to 2011 calendar year
- Total number of used oil filters collected: 6,958
- 3.79% increase in used oil filters collected compared to the 2011 year

Waste Management

- Total used oil collected: 3,972
- 29.97% decrease in used oil collected compared to 2011 calendar year
- Total number of used oil filters collected: 870
- 40.7% decrease in used oil filters collected compared to the 2011 year

Collectively, curbside collection was down but Tri- Cities, Republic Services and Monterey City Disposal all increased used oil and filter collection. Monterey County will continue to partner with haulers to provide them with the standardized container and filter bag the keeps the program uniform and consistent throughout the County of Monterey.

Marinas

- Total used oil collected: 2,045
- 101.48% increase in used oil collected compared to 2011 calendar year
- Total number of used oil filters collected: 1,750
- 16.67% increase in used oil filters collected compared to the 2011 year

This is the second year in a row that oil collection at our local marinas is up. This may be due to the continuing economic recovery in the Monterey Bay Area. During the 2012 calendar year, MCEH has continued to work with both Marinas by providing used oil and filter collection as well as to providing oil absorbent pads and recovery service.

Were there any program changes from this year to last year?

Agricultural – As previously mentioned, a new Agricultural Center collection center was open during 2012.

Marina – MCEH began to provide absorbent pads and collection of used pad pickup.

If you dropped a program or method, why do you think it didn't work?

No programs were dropped during this reporting year.

What program or method has worked best for you?

Monterey County Environmental Health increased the number of ads placed in Spanish language media and has seen an increase the amount of used oil collected in South County (Tri-Cities Disposal- City of Gonzales, Soledad and Greenfield) and in the Agricultural Program. Furthermore, continuing to work with our 2 marinas to develop a consistent and effective outreach and education program has been a success as evidence by the increase in oil collection. The partnership will continue to develop with the integration of a contract with Save Our Shores in the 2013-2014 fiscal year.

Did you develop any best practices or techniques to share with other grantees?

Not at this time.

What can CalRecycle do to help you? Or what would you like to see modified to better assist you?

During our site visits to our small, independently owned centers we continue to receive comments from managers who don't have a dedicated staff to submit recycling claims and some locations are strictly Spanish speaking and need the claim forms to be available in Spanish. MCEH would like to be trained to be able to assist our small centers in submitting these claims.



Report to the Board of Directors

Date: October 17, 2013

From: Jenny Mitchell, Contracts & Grants Analyst

Title: Supplemental Appropriation of \$130,207 for CalRecycle's FY 2012-13 City/County Payment Program

ITEM NO. 6


Finance Manager/Controller-Treasurer

N/A
Legal Counsel


General Manager/CAO

RECOMMENDATION

Staff recommends that the Board approve this item.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports the Authority's Strategic Goal: *Fund and Implement 75% Diversion of Waste from Landfills* by providing collaborative beverage container recycling and litter abatement projects with member agencies.

FISCAL IMPACT

This grant funding is provided in advance and does not require matching funds. Funds not expended within the term of the grant are rolled over into the next fiscal year's budget.

The FY 2013-14 Budget was adopted prior to notification of this grant award, therefore; the budget needs to be amended to include expenditures, which will be used as follows:

Grant Budget Items	Remaining Funds from Prior Years	FY 12-13 Grant Amount (Current)	FY 2013-14 Budget
Personnel Costs	\$ 5,143	\$ 2,500	\$ 7,643
Recycled Content Products	31,369	8,876	40,245
Litter Clean Up	0	8,680	8,680
Recycling Education	27,384	12,500	39,884
Beverage Container Collection Programs	(9,329)	11,500	2,171
Advertising/Promotional	12,372	19,212	31,584
Total Grant Funding	\$ 66,939	\$ 63,268	\$ 130,207

Beginning September 2013 and over the next year, the funding will be used to assist member agencies in implementing recycling programs, outreach and education, provide litter abatement services and supplies, and continue to contribute to the Central Coast Recycling Media Coalition.

DISCUSSION & ANALYSIS

Every year, Resource Recovery staff work with each city to identify recycling and waste reduction needs and then utilize the pooled beverage container funding to provide necessary recycling infrastructure, services, and/or outreach and education materials.

Last year, staff purchased recycling bins and a storage trailer for the King City Fairground's CRV program; six Cart Corral recycling stations for the City of Gonzales; and an exhibit booth that is used at all outreach events. Funds were also used to begin implementation of the BagSpeak K-12 Environmental Education Project in Gonzales, Greenfield, King City and Soledad and to assist the City of Salinas in educating the restaurant community about the recently adopted polystyrene ban.

This year, staff will utilize funds to continue implementation of the BagSpeak K-12 Environmental Education Project in Salinas' schools and to create a school recycling video that can be used by all schools within the Authority's jurisdiction. In addition, funds will be used to purchase indoor recycling bins for businesses and additional Cart Corral recycling stations for member agencies. The Authority will also continue to sponsor highway cleanups and litter abatement efforts throughout the region.

BACKGROUND

The Authority annually submits the on-line City/County Payment Program application on behalf of the cities. Depending on whichever is greater, each city is eligible to receive a minimum of \$5,000 or an amount calculated on a per capita basis by CalRecycle.

For FY12-13, the cities each received the following funding:

Gonzales	\$ 5,000
Greenfield	5,000
King City	5,000
Soledad	7,323
Salinas	40,945
TOTAL	\$ 63,268

The State's Controller's Office sends the payments directly to the City Managers and then the funds are remitted to the Authority.

In order to create economies of scale, the Authority has administered the CalRecycle City/County Payment Program funds on behalf of the member cities for the past 12 years. The funds have provided critical public education on the importance of bottle and can recycling through our school programs, mass advertising, and numerous outreach events. In addition, funds have been used to provide recycling containers and park benches/tables (made from recycled materials) for member cities, and to sponsor regional litter abatement programs.

ATTACHMENT(S)

None



SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors/EC

ITEM NO. 7


Finance Manager/Controller-Treasurer

PM for TB
Legal Counsel


General Manager/CAO

Date: October 17, 2013

From: Patrick Mathews, General Manager/CAO

Title: A Resolution Authorizing the Execution of Amendment No. 5 to the Crazy Horse Landfill Gas Option Agreement with Crazy Horse Power Group L.L.C. (CHPG) for the Crazy Horse Landfill Gas Power Project

RECOMMENDATION

Staff recommends approval of the proposed amendment to the Landfill Gas Purchase Agreement with Crazy Horse Power Group LLC (Ameresco).

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support our 2013-2016 Strategic Goal to utilize our closed landfills to generate revenue.

FISCAL IMPACT

Acceptance of Ameresco's proposal results in a net decrease in the previous royalty projections. As previously discussed, the cost of interconnecting to PGE's electrical distribution grid has become a major obstacle for this project. In order to derive a stable revenue from this project, it needs to be reduced in size to avoid the major interconnection costs that have held up progress to-date. The revised project will have two fiscal benefits: 1) an escalating annual revenue stream starting at \$72,000 per year topping out at a projected maximum of \$88,000 by year 7 of the project, and 2) an estimated on-site savings of \$30,000 per year due to CHPGs offer to provide blower capacity at the power plant to transfer all excess gas to our flare for treatment. The latter savings is a result of dramatically reducing the cost of SVSWA flare blower operations (except for plant down time) by eliminating an estimated \$30,000 in annual electric utility costs.

DISCUSSION & ANALYSIS

Due to excessively high and unexpected interconnection costs from Pacific Gas and Electric (PGE) necessary to transmit electricity from the project, CHPG is faced with a significant financial burden that cannot be supported under the current financial structure. PGE provided a \$4.8 million cost estimate in May 2011 and has since added other costs increasing the interconnection costs to \$5.53 million. The Authority previously approved amendments to this agreement, sharing some of these costs in the form of a reduction to the royalty rate and price escalation for gas delivery.

The net increase in PGE interconnection costs were unanticipated by both the Authority and CHPG, due to added measures that have not previously been required on similar

projects, according to project engineers. One of two available tax credits for this project was not extended by Congress. Long delays associated with PGE negotiations has resulted in the power purchase agreement with Palo Alto expiring. CHPG is now anticipating sale of electricity directly to PGE as the most economical option to pursue. A copy of the revised project royalty projections is included for your information.

By lowering the project output to allow interconnection without the major electrical line upgrades, the Authority can still realize over \$100,000 in new revenue from the reduced project. Staff is continuing to work closely with peer organizations to address the inequities in the interconnection process that continue to drive project costs up around state. This advocacy work will hopefully result in new regulatory reforms to allow easier and less costly access to the electrical grid for new renewable energy projects that are key to the State's new energy policies.

No Action Alternative

The Authority could elect to not accept the reduction in project royalties, but CHPG has stated that they cannot meet the project's economic goals without this adjustment. Absent an executed interconnection agreement between CHPG and PGE, the Authority would have no choice but to terminate the agreement and reissue a Request for Proposal for another vendor or project. Due to expiring tax credits and other federal incentives at the end of this calendar year, we think it unlikely the Authority will receive a higher royalty from a new landfill gas power project vendor. Other potential project options exist for use of the excess gas such as production of Compressed Natural Gas (CNG) for fueling, or selling the landfill gas directly to a commercial entity that can use this fuel to displace pipeline natural gas. However, this is a very limited option due to the geographical location of the Crazy Horse Landfill, natural decline of landfill gas production from a closed landfill and there is no certainty that a project of this nature can come to fruition.

BACKGROUND

On August 19, 2010, the Board approved an option agreement with Ameresco Crazy Horse LLC for the future development of the Crazy Horse Landfill Gas Power Project. Since that time, both staff and Ameresco (now CHPG) have been working cooperatively to address the various permitting and development issues required to bring this project on line next year. Air permits for the project have been received and the final County permits are pending approval.

ATTACHMENT(S)

1. Resolution
2. Amendment No. 5
3. Revised Project Royalty Projections for Crazy Horse Landfill Gas Power Project

RESOLUTION NO. 2013 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY AUTHORIZING THE
EXECUTION OF AMENDMENT NO. 5 TO THE CRAZY HORSE LANDFILL GAS OPTION AGREEMENT
WITH CRAZY HORSE POWER GROUP L.L.C. (CHPG) FOR THE CRAZY HORSE LANDFILL GAS
POWER PROJECT**

WHEREAS, the Salinas Valley Solid Waste Authority entered into an Option Agreement with Ameresco Crazy Horse L.L.C. on August 19, 2010, for the Crazy Horse Landfill Gas Purchase Agreement and Site Lease; and,

WHEREAS, on August 18, 2011, the term of the Option Agreement was administratively extended through December 31, 2011, as Ameresco and its successor SCE Crazy Horse LLC (now CHPG) has encountered unanticipated interconnection requirements from Pacific Gas and Electric which have added substantial time and costs to the project; and,

WHEREAS, CHPG has offered several options for mitigating the additional project costs; and,

WHEREAS, the Authority has agreed to assist with the unanticipated project costs through project size reduction that reduces interconnection costs;

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 enter into an Amendment to the Landfill Gas Option Agreement which among other changes provides for a reduction of the project output to 1.6 MW and adds the provision for flare blower support by CHPG to reduce the costs of Authority on-site electrical demand, and

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 17th day of October 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

FIFTH AMENDMENT TO OPTION AGREEMENT

This Fifth Amendment to Option Agreement (this "Fifth Amendment") is made and entered into as of October 17, 2013 ("Effective Date"), by and between Salinas Valley Solid Waste Authority, a joint powers authority under the laws of the State of California with offices located at 128 Sun Street, #101, Salinas, California 93901 (the "Authority"), and Crazy Horse Power Group LLC, a Washington limited liability company with principal offices located at 1363 Down River Drive, Woodland, WA 98674 ("Crazy Horse PG"). Each of the Authority and Crazy Horse PG is sometimes referred to herein as a "Party" and collectively as the "Parties".

RECITALS:

- A. WHEREAS, the Authority entered into that certain Option Agreement dated August 19, 2010, with Ameresco Crazy Horse, LLC, a Delaware limited liability company with principal offices located at 111 Speen Street, Framingham, Massachusetts 01701 ("Ameresco Crazy Horse") as amended by the First Amendment To Option Agreement dated as of August 18, 2011 and the Second Amendment To Option Agreement dated as of September 15, 2011, and the Third Amendment To Option Agreement dated as of December 22, 2011;
- B. WHEREAS, the Authority and SCE Crazy Horse LLC, a Delaware limited liability company with principal offices located at 1363 Down River Drive, Woodland, Washington 98674 ("SCE") executed the Fourth Amendment To Option Agreement dated as of August 16, 2012.
- C. WHEREAS, Crazy Horse PG purchased the issued and outstanding equity interests, membership interests, warrants, units, stocks, options and all ownership interests of any kind or nature whatsoever in SCE;
- D. WHEREAS, the circumstances the Parties relied on in negotiating the Option Agreement have changed significantly, necessitating changes to the Option Agreement in order for the Parties to move forward with the currently contemplated landfill gas to electric power generating ("LFGTE") project which is expected to have a nameplate capacity of 1.6 MW, which is less nameplate capacity for the LFGTE project than was originally completed by Ameresco Crazy Horse, LLC;
- E. WHEREAS, the Pacific Gas & Electric Company ("PG&E") estimated electrical interconnection cost for a LFGTE project with a nameplate capacity of about 4.2 MW was \$5,531,000 as of the date of the execution of the Fourth Amendment To Option Agreement (the "Electrical Interconnection Costs");
- F. WHEREAS, SCS Engineers performed a study of the landfill gas recovery potential evaluation for the Crazy Horse Landfill, which indicated significantly less landfill gas flow rates than prior projections (the "Unanticipated LFG Flow Reduction");
- G. WHEREAS, based on the Unanticipated LFG Flow Reduction, the Electrical Interconnection Costs being excessive in comparison to other similarly situated LFGTE projects and the projected electric power revenues to be derived from the then contemplated LFGTE project, all of which taken together will prevent the LFGTE project from moving forward as previously contemplated.
- H. WHEREAS, Kupper Engineering, Inc. analyzed the currently contemplated LFGTE project and determined that the Electrical Interconnection Costs should be able to be

reduced significantly (the "Reduced Interconnection Costs") by reducing the amount of reconductoring with a smaller gauge wire, and using the Caterpillar ISO switchgear to eliminate direct transfer trips and other such protection devices from previously contemplated interconnection work;

- I. WHEREAS, the Reduced Interconnection Costs should allow the currently contemplated 1.6 MW LFGTE project to move forward, and therefore the Parties desire to delete the Second Amendment To Option Agreement, which currently obligates Crazy Horse PG to pay the Authority the amount equal to the difference between the Estimated Interconnection Costs and the Actual Interconnection Costs;
- J. WHEREAS, reconductoring the existing interconnection will likely not permit excess capacity for use by a to-be-determined solar photovoltaic ("PV") project ("Solar Project") and thus the Parties are not relying on such use; and
- K. WHEREAS, the Parties wish to further clarify the date upon which Crazy Horse PG must begin purchasing power from the Authority and the method for calculating the Authority Compensation.

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Crazy Horse PG, intending to be legally bound, do hereby agree as follows:

AGREEMENT

1. Amendment to the Initial Paragraph of the Option Agreement. Delete the entire initial paragraph of the Option Agreement and replace it with the following:

"THIS OPTION AGREEMENT (this "Option Agreement") is made and entered into this 19th day of August, 2010 (the "Effective Date") by and between Salinas Valley Solid Waste Authority, a joint powers authority under the laws of the State of California with offices located at 128 Sun Street, #101, Salinas, California 93901 (the "Authority"), and Crazy Horse Power Group LLC, a Washington limited liability company with principal offices located at 1363 Down River Drive, Woodland, Washington 98674 ("Crazy Horse PG"). The Authority and Crazy Horse PG may be referred to individually as a "Party" or collectively as the "Parties" or "Parties to this Option Agreement."
2. Amendment to the Entire Option Agreement. The entire Option Agreement and all other associated agreements and exhibits contemplated by the Parties shall be amended, such that the words "Ameresco" and "SCE" shall be replaced with "Crazy Horse PG."
3. Amendment to Exhibit B of the Option Agreement. Exhibit B (the form of the Landfill Gas Purchase Agreement) of the Option Agreement shall be amended as follows:
 - a. The "Authority Compensation" equation contained in Exhibit C (Compensation and Billing Procedures) to the form of the Landfill Gas Purchase Agreement is hereby deleted along with the defined variables "A" through "L" found on pages 41 through 43 of the Option Agreement, and are replaced by the following:

"In consideration of all the LFG transferred to Crazy Horse PG during each Accounting Period pursuant to the terms of this Agreement, Crazy Horse PG shall

pay to Authority five percent (5%) of the gross Power Purchase Agreement Revenues as they are received by Crazy Horse PG."

4. Deletion of Second Amendment To Option Agreement. The Second Amendment To Option Agreement is hereby deleted in its entirety.
5. Deletion of Paragraph 2 of the Third Amendment To Option Agreement. Paragraph 2 of the Third Amendment To Option Agreement is hereby deleted in its entirety.
6. Amendment to Exhibit B of the Option Agreement. Exhibit B (the form of Landfill Gas Purchase Agreement) is hereby amended as set forth below.

- a. Article VI.B(v) is hereby deleted and replaced with the following:

Achieve Operations Date: Crazy Horse PG shall achieve the Operations Date and begin purchasing LFG from the Authority not later than the date of completion of the electric interconnection of the LFGTE project and the satisfaction of all of the in-service date requirements set forth in the currently contemplated LFGTE project's power purchase agreement or comparable off-take agreement.

7. Addition of Paragraph 20 to the Option Agreement.

Paragraph 20. Crazy Horse PG shall incorporate a blower into its design that is capable of collecting all available landfill gas and delivering any excess gas that is not consumed by its generator, to the Authority's flare. Crazy Horse PG shall design, furnish, and install the blower and the pipeline from the blower to its generator. The Authority shall design, furnish and install the pipeline and all associated equipment and connections from the point of connection downstream from the blower to the flare. Crazy Horse PG and the Authority will coordinate this effort during the design process.

8. Execution of Landfill Gas Purchase Agreement. The Parties hereby acknowledge that as of this Fifth Amendment To Option Agreement, that the original Option Agreement has been amended five (5) times and underlying circumstances have changed substantially. The Parties shall proceed in good faith to amend the Landfill Gas Purchase Agreement to carry out the intent of the Parties as evidenced in the Option Agreement and its various amendments.
9. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Option Agreement.
10. Counterparts. This Fifth Amendment shall be effective as of the Effective Date. This Fifth Amendment may be executed in counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Executed copies of this Fifth Amendment may be delivered by, among other ways, personal delivery, overnight courier, any form of United States Mail (including without limitation express mail or first class mail), e-mail or facsimile.
11. Ratification. The Authority and Crazy Horse PG hereby reaffirm all of the covenants, agreements, terms, conditions, and other provisions of the Option Agreement except as expressly modified herein.

IN WITNESS WHEREOF, the Authority and Crazy Horse PG have duly executed this Third Amendment as of the day and year first written above.

THE AUTHORITY:

CRAZY HORSE PG:

**SALINAS VALLEY SOLID
WASTE AUTHORITY**

CRAZY HORSE POWER GROUP LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electric Generation in Megawatt-hours (MWh) @ 90% production efficiency, excluding the first year (contingency factor allows for possible start-up in power that might reduce production for the first year to 80%).	12314	13316	12315	13316	13316	13316	13316	13315	13316
Rate (cents/kWh from (PG&E) (per rate sheet)	\$ 105.00	\$ 105.50	\$ 112.12	\$ 115.57	\$ 119.55	\$ 123.56	\$ 127.40	\$ 131.50	\$ 131.60
Hour Delivery Payment Rate Change = 1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004
Total Revenue/Year	\$ 1,290,999	\$ 1,407,390	\$ 1,381,157	\$ 1,535,989	\$ 1,598,451	\$ 1,656,879	\$ 1,712,118	\$ 1,748,394	\$ 1,758,603
SVWA Royalty @ 5% of Total Yearly Revenue Earned (Rate schedule derived from PG&E Power Purchase Agreement for small generators)	\$ 65,349.93	\$ 72,897.82	\$ 75,307.83	\$ 77,784.97	\$ 80,322.53	\$ 82,933.94	\$ 85,605.76	\$ 88,344.72	\$ 88,344.72

Total Estimated Royalty Revenue for 20 years	\$ 1,615,672.17
PPA Source Document: PPA rates obtained from Revised Cal. P.U.C. Sheet No. 30268-E effective Jan. 3, 2012	

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
13316	13316	13315	13315	13316	13316	13316	13316	13315	13315	13315
\$ 131.60	\$ 105.00	\$ 105.50	\$ 112.12	\$ 115.57	\$ 119.55	\$ 123.56	\$ 127.40	\$ 131.50	\$ 131.60	\$ 131.60
1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004	1.00004
\$ 1,785,994	\$ 1,416,984	\$ 1,407,085	\$ 1,381,157	\$ 1,535,989	\$ 1,598,451	\$ 1,656,879	\$ 1,712,118	\$ 1,748,394	\$ 1,748,394	\$ 1,748,394
\$ 88,344.72	\$ 70,548.22	\$ 72,897.82	\$ 75,307.83	\$ 77,784.97	\$ 80,322.53	\$ 82,933.94	\$ 85,605.76	\$ 88,344.72	\$ 88,344.72	\$ 88,344.72



SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

Date: October 17, 2013

From: Patrick Mathews, General Manager/CAO

Title: Citizens Advisory Group Additional Appointments

ITEM NO. 8

N/A

Finance Manager/Controller-Treasurer

N/A

Legal Counsel

Patrick Mathews

General Manager/CAO

RECOMMENDATION

Staff recommends that the Board appoint Paula Getzelman to the Citizens Advisory Group, as nominated by County of Monterey Alternate Director Salinas.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the following Strategic Plan Goal/Objective:

Goal D: Increase Public Access, Involvement, and Awareness of SVSWA Activities

Objective No. 2: By February 1, the Citizens Advisory Group to hold at least three meetings and report its progress to the Board.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION & ANALYSIS

Staff received one more nomination for CAG appointment consideration. The submitting jurisdiction, County of Monterey, has nominated Paula Getzelman. Staff reviewed the application and the nominee meets all qualifying criteria.

If the Board approves the new appointment, the CAG will have a total of six members for its first meeting tentatively scheduled for late October/early November.

Appointing Director	Jurisdiction	Nominee	Staff Comments
Salinas (alt)	County of Monterey	Paula Getzelman	Meets all qualifying criteria.

The remaining appointments to be made are listed below:

Armenta or Calcagno	County of Monterey	TBD	Paul Schiveley submitted an application & is pending nomination by a County representative.
Perez	City of Soledad	TBD	An advertisement will be run in the Soledad Bee on 10/16 to solicit interested applicants.
Moreno	City of Greenfield	TBD	Director is in discussions with potential candidate.

BACKGROUND

At the September 26 Board meeting, the Board appointed the following five members to the Citizens Advisory Group:

	Appointing Director	Jurisdiction	Appointee
1	Vice President Silva	City of Gonzales	Robert Brandt
2	Alternate Vice President Lutes	City of Salinas	John Fair
3	Director De La Rosa	City of Salinas	Joel Hernandez
4	Director Barrera	City of Salinas	Victor Hernandez
5	Director Cullen	City of King	Daniel Raquinio

ATTACHMENT(S)

None



SalinasValleyRecycles.org

SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

Date: October 17, 2013
From: Rose Gill, Administrative Manager
Title: Business Recycling Video

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

Date: October 17, 2013
From: Roberto Moreno, Finance Manager
Title: Bond Refinancing Documents Update

ITEM NO. 10

N/A

Finance Manager/Controller-Treasurer

N/A

General Counsel

N/A

General Manager/CAO

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



Report to the Board of Directors

ITEM NO. 11

Finance Manager/Controller-Treasurer

General Manager/CAO

Board President

Date: October 17, 2013
From: Roberto Moreno, Finance Manager
Title: Audited Financial Statements for the year ended June 30, 2013

RECOMMENDATION

The Executive Committee recommends acceptance of this item.

STRATEGIC PLAN RELATIONSHIP

This agenda item is a routine annual operational item.

FISCAL IMPACT

This item has no fiscal impact. It reports the results of the fiscal year's operations.

DISCUSSION & ANALYSIS

The Authority's financial statements were audited by McGilloway, Ray, Brown & Kaufman. The auditors provided an "unqualified opinion", meaning that they took no exception to any of the numbers. The auditors also informed us that there is no management letter for this past fiscal year, meaning that our financial operations met all internal controls requirements. This is the fourth year in a row that we did not receive a management letter. Typically a management letter is issued when the auditors feel that internal controls could be improved.

The Basic Financial Statements (copy attached) contain a wealth of information about the Authority's finances in accordance with Governmental Accounting Standards. We highly encourage the Board to read the Management Discussion and Analysis which provides a concise summary of the Authority's finances. In this staff report we wish to address the two most important numbers from the financial statements, the Net Position and the Change in Net Position. Staff will review the financial statements at the Board meeting.

Deficit Unrestricted Net Position of \$4,939,775

The deficit in unrestricted net position exists primarily because of the \$13,796,385 in Post-closure Payable. Were it not for the post-closure payable, the Unrestricted Net Position would be a positive \$8,856,610. Postclosure maintenance liability is a pre-existing liability that the Authority assumed when it was formed. No post-closure funding was provided by the County of Monterey or the City of Salinas when their landfills were transferred to the Authority. The post-closure liability continues to accrue without being funded. Under the Pledge of Revenue Agreement with CalRecycle the Authority is allowed for pay for this liability on a pay-as-you-go basis from current year revenues when the actual postclosure maintenance work takes place.

Deficit Change in Net Position (Net Loss) of \$185,073

The deficit change in net position (net loss) occurs primarily because of the \$1,289,903 in depreciation expense which is not funded within the rates.

Per the Authority's financial policies, the Authority does not fund depreciation within the rates. Thus, the Authority shows a slight net operating deficit since depreciation expense of \$1,289,903 had no revenue to cover it.

Based on accounting rules for landfills, depreciation is calculated on the capacity used. The permit expansion of Johnson Canyon Landfill has kept depreciation relatively low, but in the year ending June 30, 2013 depreciation has increased and should remain stable.

BACKGROUND

The Authority's financial statements are presented on a full accrual basis similar to a business, not like a typical government agency that presents governmental funds. Effective with the year being reported the Statement of Net Assets is now called the Statement of Net Position. This used to be called the Balance Sheet. The Statement of Changes in Net Assets is now called the Statement of Changes in Net Position, another name for an old-fashion Income Statement.

ATTACHMENT(S)

1. Governance letter from McGilloway, Ray, Brown & Kaufman
2. Basic Financial Statements for the fiscal year ended June 30, 2013 (as a separate document)

McGILLOWAY, RAY, BROWN & KAUFMAN

Accountants & Consultants

2511 Garden Road, Suite A180
Monterey, CA 93940-5301
831-373-3337 Fax 831-373-3437
Toll Free 866-373-2511

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

October 10, 2013

To the Board of Directors
Salinas Valley Solid Waste Authority

We have audited the basic financial statements of Salinas Valley Solid Waste Authority for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 9, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Salinas Valley Solid Waste Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of depreciation is based on the straight-line method over the estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical collections and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

*Daniel M. McGilloway, Jr., CPA, CVA, Gerald C. Ray, CPA, Clyde W. Brown, CPA, Patricia M. Kaufman, CPA,
Larry W. Rollins, CPA, Helen Grace H. Rodriguez, CPA, CFE*

*Sarita C. Shannon, CPA, Deanna Lozano, CPA, Whitney Ernest, CPA, Devlyn MacBeth, CPA,
Nancy H. Rimberg, CPA, Jesus Montemayor, CPA, Smriti Shrestha, CPA*

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of Salinas Valley Solid Waste Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


McGilloway, Ray, Brown & Kaufman

SALINAS VALLEY SOLID WASTE AUTHORITY

Salinas, California



BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2013

SALINAS VALLEY SOLID WASTE AUTHORITY

BASIC FINANCIAL STATEMENTS For the Fiscal Year Ended June 30, 2013



PREPARED BY

THE AUTHORITY'S FINANCE DIVISION

Roberto Moreno
Finance Manager/Treasurer

J.D. Black, Accountant
Ray Hendricks, Business Services Supervisor
Christine Casey, Accounting Technician

AUDITORS

McGilloway, Ray, Brown & Kaufman
Accountants and Consultants
379 W. Market Street
Salinas, CA 93901

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

October 10, 2013

President and Board of the Salinas Valley Solid Waste Authority:

We are pleased to submit the Salinas Valley Solid Waste Authority's (Authority) Basic Financial Statements for the fiscal year ended June 30, 2013. These statements combined with other information are analyzed in the narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the Authority.

This report consists of management's representations concerning the financial position of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Authority's financial statements have been audited by McGilloway, Ray, Brown & Kaufman, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2013, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

Reporting Entity

On January 1, 1997, the Salinas Valley Solid Waste Authority was created through a joint powers agreement among the cities of Salinas, Gonzales, Greenfield, King City, and Soledad, and the unincorporated area of the eastern portion of Monterey County, to provide solid waste disposal services to the member cities and the unincorporated area in the eastern and southern portion of the county. The Authority is governed by a nine-member board consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one City Council member each from the cities of Gonzales, Greenfield, King City, and Soledad.

Operating Results

Generally Accepted Accounting Principles require that depreciation, estimated closure costs and estimated postclosure maintenance costs be charged as a current expense. These expenses are allocated over the estimated remaining capacity of the landfills within the Authority's disposal system. Based on these requirements, the Salinas Valley Solid Waste Authority reports operating income of \$1,784,242 and a decrease in net position of \$185,073 for the fiscal year ended June 30, 2013.

As part of its adopted policy, the Authority does not set aside funds for postclosure maintenance. Per agreement with the California Integrated Waste Management Board, dated June 19, 1998, the Authority has pledged future revenue to cover the cost of postclosure maintenance. Authority tipping fees are not expected to cover the accrual of postclosure expenses in the current period. At June 30, 2013 the Authority has accrued postclosure liabilities totaling \$13,796,385 which will be paid out of future revenues over the next 30 years.

The Authority's policy is to set aside funds for closure costs. Closure liabilities of \$2,399,481 are fully funded at June 30, 2013.

The Authority's tipping fees are set at an amount sufficient to provide for operations, closure set-aside requirements, postclosure maintenance on a pay-as-you-go basis, capital requirements and debt service on bonds issued for capital replacement. Authority's tipping fees are not expected to recover depreciation expense.

The Statement of Cash Flows for the fiscal year ended June 30, 2013, provides a detailed reconciliation of the Authority's decrease in cash of \$832 to \$8,576,010.

Cash Management Policies and Practices

The Authority invests all idle funds daily. In accordance with the provisions of California Government Code Section 53600 et seq, an investment and cash management policy is adopted annually by the Board of Directors of the Salinas Valley Solid Waste Authority.

Investment income includes changes in the fair value of investments. Calculation of gains and losses in fair value of investments is unrealized and only measures the fair value at a point in time. Decreases in fair value of \$12,627 during the current year, however, do not necessarily represent trends that will continue. During the fiscal year ended June 30, 2013 the Authority's investment earnings were \$57,989, an increase of \$6,782 from the previous year.

Risk Management

The Authority purchases commercial insurance for general liability, automobile liability, pollution liability, public official's bonds and property damage. Additional information on the Agency's risk management activity can be found in Note 15 of the financial statements.

Financial Management

The Authority carefully monitors its gate rates. On July 1, 2012, the tipping fee increased \$3.00 to \$67.00 per ton which was necessary to keep up with operating expenses. The decreases in tonnage experienced in the past appear to be leveling off. Effective July 1, 2013 the Board adopted an AB939 Fee which will generate \$1.7 million regardless of tonnage received. This will reduce the impact on revenue due to changes in tonnage.

Bond Issue 2002

On May 15, 2002, the Salinas Valley Solid Waste Authority issued Revenue Bonds, Series 2002 in the amount of \$39,845,000. The bonds were sold to pay off the Authority's existing 1997 Revenue Bonds, payoff a portion of the Crazy Horse installment purchase agreement, provide for the cost of bond issuance, capitalized interest and a bond reserve, and to finance various capital projects at the landfill sites, including the completion of the Regional Environmental Impact Report. Maximum annual debt service is \$2,756,524, including interest at 5.56% for thirty (30) years. Management is working on refunding this bond issue at a lower interest rate which should achieve at least \$1.5 million in savings. The refunding is expected to take place before the end of calendar year 2013.

Expansion Fund

The "Expansion Fund" was established to collect proceeds from the sale of outside waste, pay costs associated with increased tonnage generated by outside waste and pay the costs related to locating and permitting a new landfill site and other long-term expansion costs. Over the ten-year term of the revised agreement with South Valley Disposal, revenue from the sale of outside waste is estimated at \$23.3 million, with costs estimated at \$4.9 million to operate Crazy Horse, \$1.8 million for liners at Johnson Canyon, \$2.2 million in closure set-asides, \$1.8 million in taxes and fees and \$0.8 million on conversion technology projects with the balance to be used for locating and permitting a new landfill site. In order to avoid tipping fee increases during the Great Recession the Board of Directors decided to use these funds for a couple of years for operations. At June 30, 2013, the Expansion Fund had unrestricted net position of \$6,186,756.

Summary

The Authority's operating expenses have been reduced to their lowest point. However, due to decreasing tonnage leading to decreased revenues, the Authority has not been able to benefit from the reduced operating expenses.

The deficit Net Position is expected to diminish over time as the Postclosure Payable and Bonds Payable are paid down with future revenues.

With the adoption of the AB939 fee for FY 2013-14 the Authority will have a more stable revenue base.

Acknowledgements

I would like to take this opportunity to thank the members of the Salinas Valley Solid Waste Authority's Board of Directors for their interest and support in the financial operations of the Authority. It is the responsible and progressive manner in which business is conducted that makes the Authority successful. I would also like to extend special recognition to the Authority staff for their day-to-day involvement in the operations. In addition, I would like to offer special thanks to J. D. Black, Accountant, Ray Hendricks, Business Services Supervisor, and Christine Casey, Accounting Technician, without whom this presentation would not be possible. I would also like to thank the Authority's auditors McGilloway, Ray, Brown & Kaufman. It is the combined effort of all participants that resulted in the issuance of this document in October, the earliest the audit has ever been produced since the Authority was formed.

Respectfully submitted,



Roberto Moreno
Finance Manager/Treasurer

SALINAS VALLEY SOLID WASTE AUTHORITY



List of Principal Officials

As of June 30, 2013

Fernando Armenta, County of Monterey
President

Elizabeth Silva, City of Gonzales
Vice President

Gloria De La Rosa, City of Salinas
Board Member

Lou Calcagno, County of Monterey
Board Member

Tony Barrera, City of Salinas
Board Member

Robert Cullen, City of King City
Board Member

Annie Moreno, City of Greenfield
Board Member

Jyl Lutes, City of Salinas
Board Member

Richard Perez, City of Soledad
Board Member

R. Patrick Mathews
General Manager/CAO

David Meza
Engineering Manager

Thomas M. Bruen
General Counsel

Susan Warner
Division Manager

Roberto Moreno
Finance Manager/Treasurer

Cesar Zuniga
Operations Manager

Rose Gill
Administrative Manager

McGILLOWAY, RAY, BROWN & KAUFMAN

Accountants & Consultants

2511 Garden Road, Suite A180
Monterey, CA 93940-5301
831-373-3337 Fax 831-373-3437
Toll Free 866-373-2511

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

INDEPENDENT AUDITOR'S REPORT

The Honorable Board
of the Salinas Valley Solid
Waste Authority
Salinas, California

We have audited the accompanying basic financial statements of Salinas Valley Solid Waste Authority (Authority), as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*Daniel M. McGilloway, Jr., CPA, CVA, Gerald C. Ray, CPA, Clyde W. Brown, CPA, Patricia M. Kaufman, CPA,
Larry W. Rollins, CPA, Helen Grace H. Rodriguez, CPA, CFE*

*Sarita C. Shannon, CPA, Deanna Lozano, CPA, Whitney Ernest, CPA, Devwyn MacBeth, CPA,
Nancy H. Rimberg, CPA, Jesus Montemayor, CPA, Smriti Shrestha, CPA*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2013, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

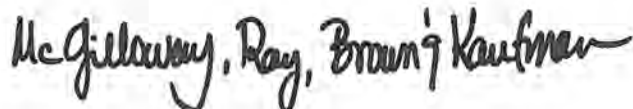
Required Supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedules of Funding Progress on pages 32 and pages 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Salinas, California
October 10, 2013

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

This analysis of the Salinas Valley Solid Waste Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

Financial Highlights

- The Authority's deficit net position increased by \$185,073 to a deficit of \$10,264,459.
- Operating revenues increased \$707,153 (4.6%), as the result of \$3.00 (4.7%) increase in tipping fees.
- Landfill tonnage increased 273 tons (0.1%) during the year from 236,248 tons in fiscal year 2011-12 to 236,521 tons in fiscal year 2012-13.
- Operating expenses increased \$944,287 (7.1%) to \$14,196,703 due primarily to increases of \$774,843 in depreciation for Johnson Canyon Landfill.
- The Authority's total liabilities decreased by \$3,114,172 to \$55,413,286 due to debt principal payments of \$1,089,724 and the balance was the continued construction of the Crazy Horse Landfill closure which is carried as a liability until completed.
- The closure of Crazy Horse Landfill is underway and expected to be completed by December 2013. This is the single largest project of the Authority since being formed in 1997.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of three components: 1) Management Discussion and Analysis (this document), 2) Basic Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements for further information and analysis.

Basic Financial Statements

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. This statement measures the success of the Authority's operations over the past year and can be used to determine the Authority's credit worthiness and whether the Authority has successfully recovered all its costs through its user fees and other charges.

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to such questions as where did the cash come from, what was the cash used for, and what was the change in the cash balance during the reporting period.

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain Required Supplementary Information that presents the funding progress of the Authority's retirement plan.

FINANCIAL STATEMENTS ANALYSIS

Statement of Net Position

Net position is a good indicator of the Authority's financial position. At the end of this fiscal year, the Authority had a deficit net position of \$10,264,459 which is a decrease in net position of \$185,073.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2013 and 2012:

Salinas Valley Solid Waste Authority Condensed Statement of Net Position June 30, 2013 and 2012				
	2013	2012	Change	% Change
Assets				
Current Assets	\$ 10,465,344	\$ 13,021,243	\$ (2,555,899)	-19.6%
Other Assets	6,904,589	6,709,526	195,063	2.9%
Capital Assets, Net	<u>27,778,894</u>	<u>28,717,303</u>	<u>(938,409)</u>	-3.3%
 Total Assets	 <u>45,148,827</u>	 <u>48,448,072</u>	 <u>(3,299,245)</u>	 -6.8%
Liabilities				
Current Liabilities	4,229,899	7,275,202	(3,045,303)	-41.9%
Long-term Liabilities	<u>51,183,387</u>	<u>51,252,256</u>	<u>(68,869)</u>	-0.1%
 Total Liabilities	 <u>55,413,286</u>	 <u>58,527,458</u>	 <u>(3,114,172)</u>	 -5.3%
Net Position				
Invested in Capital Assets				
Net of Related Debt	(8,341,693)	(8,493,008)	151,315	-1.8%
Restricted	3,419,936	3,438,482	(18,546)	-0.5%
Unrestricted	<u>(5,342,702)</u>	<u>(5,024,860)</u>	<u>(317,842)</u>	6.3%
 Total Net Position (Deficit)	 <u>\$ (10,264,459)</u>	 <u>\$ (10,079,386)</u>	 <u>\$ (185,073)</u>	 1.8%

The change in Current Assets is the result of restricted cash being used to pay the Crazy Horse closure project. Unrestricted net position is a deficit of \$5,342,702. This deficit is due in large part to the postclosure maintenance liability of \$13,796,385 that is not funded. The Authority assumed the postclosure liability when it was formed. It is to be paid from current rates when the actual maintenance activities take place. The deficit of \$8,341,693 in Invested in Capital Assets, Net of Related Debt is the result of capital assets depreciating at a faster rate than the related debt is being paid.

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Statement of Revenues, Expenses and Changes in Net Position

The following is the Condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2013 and 2012.

Salinas Valley Solid Waste Authority
Condensed Statement of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues	\$ 15,980,945	\$ 15,273,792	\$ 707,153	4.6%
Operating Expenses	<u>(14,196,703)</u>	<u>(13,252,416)</u>	<u>(944,287)</u>	7.1%
Operating Income/(Loss)	1,784,242	2,021,376	(237,134)	-11.7%
Non-operating Revenues	56,799	221,151	(164,352)	-74.3%
Non-operating Expenses	<u>(2,026,114)</u>	<u>(2,085,322)</u>	<u>59,208</u>	-2.8%
Change in Net Position	(185,073)	157,205	(342,278)	-217.7%
Net Position - Beginning	<u>(10,079,386)</u>	<u>(10,236,591)</u>	<u>157,205</u>	-1.5%
Net Position - Ending	<u><u>\$ (10,264,459)</u></u>	<u><u>\$ (10,079,386)</u></u>	<u><u>\$ (185,073)</u></u>	1.8%

The Authority's activities increased the net deficit by \$185,073. Key elements of this change are as follows:

Operating revenues increased \$707,153 (4.6%) primarily due to a \$3 increase in tipping fees.

Operating expenses increased \$944,287 (7.1%) primarily due to a \$661,255 (105.2%) increase in depreciation.

The single biggest expense for the year was the \$2,913,601 paid to Recology Waste Systems for operation of the Johnson Canyon landfill, diversion services and air space conservation adjustment.

The \$2,026,114 in non-operating expenses is interest paid on the Authority's long term debt.

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year, the Authority had \$27,778,894 invested in capital assets, primarily in landfills as summarized below. During this fiscal year the Authority added \$351,494 in capital assets and recorded depreciation expense of \$1,289,903. Additional information on the Authority's capital assets can be found in Note 6 on page 18 of this report.

Salinas Valley Solid Waste Authority
Condensed Statement of Capital Assets
For the years ended June 30, 2013 and 2012

	2013	2012
Land	\$ 42,600	\$ 42,600
Building	456,484	456,484
Improvements other than building	53,773,249	53,421,755
Equipment	2,799,196	2,799,196
Construction in progress	281,864	281,864
	57,353,393	57,001,899
Accumulated Depreciation	(29,574,499)	(28,284,596)
Total	<u>\$ 27,778,894</u>	<u>\$ 28,717,303</u>

Long-Term Debt

At the end of this fiscal year, the Authority had \$36.1 million in long-term debt as shown below. No new debt was incurred during this fiscal year. Principal payments of \$1,102,987 were paid on the debt. Additional information on the Authority's long-term debt can be found in Note 8 on page 18 of this report.

Standard & Poor's Corporation (S&P) assigned the revenue bonds a rating of "AAA". Moody's Investors Service assigned the same bonds a rating of "Aaa". The Authority's credit rating was recently affirmed by Standard & Poors as "A+" with a stable outlook.

Salinas Valley Solid Waste Authority
Condensed Statement of Long-Term Debt
For the years ended June 30, 2013 and 2012

	2013	2012
Revenue Bonds, Series 2002	\$ 33,085,000	\$ 34,070,000
Bond Discount	(252,002)	(265,265)
Installment Purchase Agreement	3,287,588	3,405,575
Total	<u>\$ 36,120,586</u>	<u>\$ 37,210,310</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The Authority's operations are dependent on the amount of solid waste that is received at the landfills. For FY 2013-14 management is anticipating tonnage to remain constant. The tipping fees remain at \$67.00 per ton. However, the Authority implemented an AB939 Service Fee which generates \$1.7 million regardless of tonnage received.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, grantors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Authority's Finance Department, at the Salinas Valley Solid Waste Authority, P.O. Box 2159, Salinas, California 93902-2159.

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2013
With Comparative Totals as of June 30, 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash and Investments	\$ 8,576,010	\$ 8,576,842
Restricted Cash	225,734	2,992,471
Accounts Receivable, Net	1,659,316	1,441,464
Interest Receivable	4,284	10,466
Total Current Assets	<u>10,465,344</u>	<u>13,021,243</u>
Noncurrent Assets		
Unamortized Bond Issuance Costs	1,320,640	1,390,148
Restricted Cash	5,583,949	5,319,378
Capital Assets, Net	27,778,894	28,717,303
Total Noncurrent Assets	<u>34,683,483</u>	<u>35,426,829</u>
Total Assets	<u>45,148,827</u>	<u>48,448,072</u>
Liabilities		
Current Liabilities		
Accounts Payable	1,629,204	1,482,684
Wages Payable	97,938	74,245
Accrued Leave	343,881	350,960
Interest Payable	803,891	828,103
Closure Payable	34,202	3,198,605
Postclosure Payable - Current	171,540	250,880
Installment Purchase Agreement	127,506	117,988
Bonds Payable - Current	1,021,737	971,737
Total Current Liabilities	<u>4,229,899</u>	<u>7,275,202</u>
Long Term Liabilities		
OPEB Liability	221,920	159,000
Closure Payable	2,365,279	1,637,919
Postclosure Payable	13,624,845	13,334,752
Installment Purchase Agreement	3,160,082	3,287,587
Bonds Payable, Net	31,811,261	32,832,998
Total Long Term Liabilities	<u>51,183,387</u>	<u>51,252,256</u>
Total Liabilities	<u>55,413,286</u>	<u>58,527,458</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	(8,341,693)	(8,493,008)
Restricted for Debt Service	2,820,700	2,820,700
Restricted for Grant	196,309	112,906
Restricted for Closure Reserve	402,927	504,876
Unrestricted	<u>(5,342,702)</u>	<u>(5,024,860)</u>
Total Net Position (Deficit)	<u>\$ (10,264,459)</u>	<u>\$ (10,079,386)</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2013
With Comparative Totals for fiscal year ended June 30, 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues		
Charges for Services	\$ 15,438,514	\$ 14,654,565
Sales of Materials	392,958	419,613
Operating Grants and Contributions	<u>149,473</u>	<u>199,614</u>
Total Operating Revenues	<u>15,980,945</u>	<u>15,273,792</u>
Operating Expenses		
Personnel Services	3,763,121	3,593,200
Contractual Services	1,454,029	1,390,036
Operating Contracts	4,783,575	4,804,124
Supplies	454,034	382,533
Insurance	219,004	220,868
Building Rent	104,508	99,606
Taxes and Permits	728,267	742,681
Utilities	137,788	133,416
Depreciation	1,289,903	628,648
Amortization	69,508	69,508
Closure/Postclosure Maint.	712,257	897,535
Hazardous Waste	192,176	173,359
Other	<u>288,533</u>	<u>116,902</u>
Total Operating Expenses	<u>14,196,703</u>	<u>13,252,416</u>
Operating Income (Loss)	<u>1,784,242</u>	<u>2,021,376</u>
Non-Operating Revenues (Expenses)		
Investment Earnings	39,180	52,658
Other Non-Operating Revenue	17,619	168,493
Interest Expense	<u>(2,026,114)</u>	<u>(2,085,322)</u>
Total Non-Operating Revenues (Expenses)	<u>(1,969,315)</u>	<u>(1,864,171)</u>
Change in Net Position	<u>(185,073)</u>	<u>157,205</u>
Total Net Position - Beginning	<u>(10,079,386)</u>	<u>(10,236,591)</u>
Total Net Position - End of Year	<u><u>\$ (10,264,459)</u></u>	<u><u>\$ (10,079,386)</u></u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2013
With Comparative Totals for fiscal year ended June 30, 2012

	2013	2012
Cash Flows from Operating Activities:		
Receipts from Customer and Users	\$ 15,763,071	\$ 15,527,496
Payments to Suppliers	(11,153,925)	(15,246,156)
Payments to Employees	(3,683,581)	(3,621,968)
Net Cash Provided (Used) by Operating Activities	<u>925,565</u>	<u>(3,340,628)</u>
Cash Flows from Non-Capital Financing Activities:		
Other Non-Operating Revenue/(Expense)	<u>17,619</u>	<u>90,976</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(351,494)	(660,687)
Principal paid on Capital Debt	(1,102,987)	(1,049,180)
Interest paid on Capital Debt	(2,037,063)	(2,090,476)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,491,544)</u>	<u>(3,800,343)</u>
Cash Flows from Investing Activities:		
Interest Received	57,989	51,207
Increase (Decrease) in Fair Value of Investments	(12,627)	14,945
Transfer (to) from Restricted Cash	<u>2,502,166</u>	<u>6,891,686</u>
Net Cash Provided (Used) by Investing Activities	<u>2,547,528</u>	<u>6,957,838</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(832)	(92,157)
Cash and Cash Equivalents at Beginning of Year	<u>8,576,842</u>	<u>8,668,999</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 8,576,010</u></u>	<u><u>\$ 8,576,842</u></u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	<u>\$ 1,784,242</u>	<u>\$ 2,021,376</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	1,289,903	628,648
Amortization	69,508	69,508
(Increase) Decrease in Accounts Receivable	(217,852)	253,696
Increase (Decrease) in Accounts Payable	146,520	282,713
Increase (Decrease) in Wages Payable	23,693	(117,726)
Increase (Decrease) in Accrued Leave	(7,079)	27,855
Increase (Decrease) in OPEB Payable	62,920	61,100
Increase (Decrease) in Closure/Postclosure Payable	(2,226,290)	(6,567,798)
Total Adjustments to Net Income	<u>(858,677)</u>	<u>(5,362,004)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 925,565</u></u>	<u><u>\$ (3,340,628)</u></u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. **Summary of Significant Accounting Policies:**

Financial Reporting Entity: The Salinas Valley Solid Waste Authority (Authority) is a joint exercise of powers authority, created pursuant to an agreement dated as of January 1, 1997, (the "Authority Agreement") among the County of Monterey, and the cities of Salinas, Gonzales, Greenfield, Soledad, and King City (the "Members"). The Authority was established to acquire and manage the landfill assets of each member, ensure long-term landfill capacity of the Authority service area, and provide unified and coordinated solid waste management for the member agencies.

The Authority is governed by a nine member governing board, consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one City Council member each from the cities of Gonzales, Greenfield, King City and Soledad. Pursuant to the Authority Agreement, the affirmative vote of at least one member of the Authority Board who is a member of the Salinas City Council is required to approve Board actions.

Basis of Presentation: The financial activities of the Authority are accounted for in a single enterprise fund that reports the operations of the solid waste system, which is financed primarily by tipping fees. The solid waste system includes landfills, transfer stations and resource recovery facilities located in Monterey County. Solid waste collection services are provided by local municipalities and private companies.

Basis of Accounting: The Authority's single enterprise fund is accounted for using the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when they are incurred.

Measurement Focus: The Authority's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total assets. The financial statements distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to residents and customers for waste collection and disposal and the revenues from the sale of processed waste materials. Operating expenses include the cost of waste disposal and recycling services, administrative expenses, closure and post closure maintenance and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Budgets: The Authority adopts an annual, operating budget as a financial plan for the year, pursuant to the legal requirements of the Authority's bond documents. The budget is adopted by the governing Board as an operating plan and budgetary basis financial statements are not presented because there is no legal requirement to report budgetary basis financial information.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. **Summary of Significant Accounting Policies (continued):**

Accounting Changes: The Authority applies all applicable GASB pronouncements for certain accounting and financial reporting guidance.

In December, 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This included pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedures, unless those pronouncements conflict or contradict with GASB pronouncements. This statement became effective for period effective beginning after December 15, 2011 and did not have a significant impact on the Authority's financial statements for 2012.

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirement of this statement standardizes the presentation of deferred inflows and outflows of resources, and their effect on a government's net position. This statement became effective for period beginning after December 15, 2011. The implementation of this statement to the Authority is limited to renaming of "Net Assets" to Net Position".

GASB has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflow of resources, certain items that were previously reported as assets and liabilities. The statement is effective for periods beginning after December 15, 2012. The Authority is evaluating the impact of this standard on the financial statements.

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement is effective for periods beginning after June 15, 2014. The Authority is evaluating the impact of this standard on the financials.

Cash and Cash Equivalents: Cash and cash equivalents consist of petty cash, deposits in non-interest bearing checking accounts, money market mutual funds, and investments with Local Authority Investment Fund (LAIF) managed by the State of California. Deposits in LAIF are generally available for withdrawal by the Authority on a next day basis and are therefore considered cash equivalents.

For purposes of determining cash equivalents, the Authority has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. **Summary of Significant Accounting Policies (continued):**

Investments: Investments consisted of deposits in open end, money market mutual funds and deposits with the LAIF, an investment pool with restricted withdrawals, and BNY, which is restricted for debt service. All investments are stated at fair value.

Accounts Receivable: Accounts receivable are composed primarily of monthly billings for tipping fees, services and contractual amounts receivables. All accounts receivable are uncollateralized.

The Authority sets aside an allowance for uncollectible accounts based on an analysis of those accounts considered to be uncollectible at year-end. Accounts receivable are reported net of the allowance for uncollectible accounts.

Capital Assets: Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or, if donated, fair value at the date of donation. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the increase in net position. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, which are summarized as follows:

Buildings	20-40 years
Other Improvements	4-50 years
Equipment	5-10 years

Depletion and depreciation of the Authority's landfill sites has been provided over the estimated remaining capacity of its landfills. By the time a landfill stops accepting waste that landfill must be fully depreciated. This may lead to larger amounts of depreciation charged at the end of the landfill's life for projects capitalized in those latter years.

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Restricted Cash: Restricted cash of the Authority represent bond proceeds legally required by the Authority's bond covenants and trust indenture to be set aside for debt service and funds required to be set-aside for the eventual closure of the landfills under state law. Restricted resources are used first to fund expenses incurred for restricted purposes.

Net Position: The statement of net position reports all financial and capital resources. The difference between assets and liabilities is net position. There are three components of net position.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

1. **Summary of Significant Accounting Policies (continued):**

Invested in Capital Assets, Net of Related Debt - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent, related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no net positions restricted by enabling legislation.

Unrestricted - This component of net position consists of net position that do not meet the definition of *Invested in Capital Assets, Net of Related Debt* or *Restricted*.

Revenue Recognition: Revenue from tipping fees is recognized when the service is provided for customers using the Authority's facilities. Credit customers are billed monthly and non-credit customers pay at the transfer station, landfill or resource recovery facility.

Amortization: Premium, discount and issue costs on long-term debt are amortized on the straight-line method over the life of the related debt issues.

Landfill Expenses: Landfill expenses include the cost to design and construct landfill "cells" on property permitted and approved as a landfill site. The design and construction costs for each cell are recorded as capital assets and amortized to expense based on the cell capacity used in each year. Landfill expenses also include accruals for landfill closure and postclosure care costs based on the landfill capacity used in each year.

Compensated Absences: Authority employees accumulate Paid Time Off (PTO) which is payable to employees upon termination or retirement at the pay rate on that date. The Authority accrues unused PTO and related taxes and benefits on the statement of net position as current liabilities.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

2. Cash and Investments:

Cash and Cash Equivalents: The bank balance and carrying value of the Authority's cash and cash equivalents, including restricted balances, at June 30, 2013 were as follows:

Cash and Investments	\$ 8,576,010
Restricted Cash	5,809,683
	<hr/>
Total	\$ 14,385,693
	<hr/>

The Authority's cash and investments at June 30, 2013, were held as follows:

Cash managed by the Authority's Treasurer	\$ 316,106
	<hr/>
Investments managed by the Authority's Treasurer	11,239,882
Investments managed by the Fiscal Agent	2,829,705
	<hr/>
Investments Subtotal	14,069,587
	<hr/>
Total	\$ 14,385,693
	<hr/>

The Authority follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures. The Authority's investment policy conforms to state law (Government Code Sections 53601 through 53659). The investment of bond proceeds is governed by the specific Indenture of Trust. The investment policy is reviewed annually. Investments shown at fair value are for information only to assess the actual value if the Authority were to liquidate the investments before maturity. The Authority intends to hold all investments to maturity.

The Authority participates in the Local Authority Investment Fund (LAIF), an investment pool managed by the State of California. At June 30, 2013, LAIF had invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. These Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 3. According to the investment policy investment of bond proceeds are restricted by the provisions of relevant bond documents. Funds held by Bank of New York (BNY) the Fiscal Agent of the 2002 Revenue Bonds are held in the Trustee's name, BNY, for the benefit of the Authority. This custodial credit risk exists due to the requirements of the bond indenture.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

2. Cash and Investments (continued):

The Local Agency Investment Fund (LAIF) managed by the State Treasurer, representing 65.0% of the investment portfolio, is not rated. Investments in money market funds are limited by Government Code Section 53601 to those that have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in LAIF and those made by Bank of New York (BNY). The investment in LAIF and the Public Investment Money Market Account, representing 60.3% and 7.1%, respectively, of the portfolio are not considered a concentrated risk. The BNY investment, the bond reserve represents 20.1% of the investment portfolio and exceeds 5% of the Authority's investment portfolio. The investment is made in accordance with the Indenture of Trust of the 2002 Revenue Bonds and is invested in U.S. Treasuries Money Market Fund and, therefore, does represent a concentration of credit risk. The Rabobank Certificates of Deposit represents 12.5% of the portfolio. They are fully collateralized at 110% of value.

The Authority was in compliance with these limitations at June 30, 2013. At June 30, 2013 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

Investment Type	Investment Maturities				% of Total
	Fair Value	0-6 Mths	6-12 Mths	1-5 years	
State of California Local Agency Investment Fund	\$ 8,486,955	\$ -	\$ 8,486,955	\$ -	60.3
Bank of New York JP Morgan US Treasury Plus Premier #3920	2,829,705	2,829,705			20.1
Public Investment Money Market Account	1,002,927	1,002,927			7.1
Rabobank Certificates of Deposit	1,750,000			1,750,000	12.5
	<u>\$ 14,069,587</u>	<u>\$ 3,832,632</u>	<u>\$ 8,486,955</u>	<u>\$ 1,750,000</u>	<u>100.0</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

3. Accounts Receivable:

Accounts receivable and the related allowance for doubtful accounts at June 30, 2013 are summarized as follows:

Billed Receivables:

Tipping Fee Accounts Receivable	\$ 1,333,231
Recology - Tonnage Band	127,351
Intergovernmental Grants Receivable	69,402
Sales of Recycling Materials	58,026
Franchise Administration	33,405
LFG Gas Royalties	32,696
ECS - Sales of E-Waste	9,457
Employees' Flexible Spending Account	6,075
PG&E Rent	2,000
Vision Recycling Fuel Purchase	711
Refund - Safety Program	294
Total Accounts Receivable	1,672,648
Allowance for Doubtful Accounts	(13,332)
	<u>\$ 1,659,316</u>

4. Unamortized Bond Issuance Costs:

The Authority incurred bond issuance costs of \$2,085,228 in connection with the issuance of the Revenue Bonds, Series 2002. The issuance costs are being amortized over 30 years, the life of the 2002 Revenue Bonds, at an annual amortization expense of \$69,508. The following is a summary of unamortized bond issuance costs at June 30, 2013, reported on the Statement of Net Position as deferred charges:

	<u>2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>2013</u>
Revenue Bonds, Series 2002	\$ 1,390,148	\$ -	\$ (69,508)	\$ 1,320,640

5. Restricted Cash:

Cash and investments of \$5,809,683 are recorded as restricted assets at June 30, 2013.

Cash and investments of \$2,848,013 are restricted by the California Integrated Waste Management Board for the eventual closure of the landfills.

Cash and investments of \$2,820,700 held by the fiscal agent are restricted to cover expenses of debt service.

Cash and investments of \$74,889 are restricted for the California Department of Conservation grant for recycling activities and \$66,081 are restricted for the United States Department of Agriculture grant for the 2 anaerobic basins at Crazy Horse landfill.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

6. Capital Assets:

The changes in capital assets of the Authority for the year ended June 30, 2013 are summarized as follows:

	2012	Increases	Decreases	2013
Business-type activities				
Nondepreciable assets:				
Land	\$ 42,600	\$ -	\$ -	\$ 42,600
Construction in Progress	281,864	-	-	281,864
Total nondepreciable assets	324,464	-	-	324,464
Depreciable Assets:				
Buildings	456,484	-	-	456,484
Other Improvements	53,421,755	351,494	-	53,773,249
Machinery and Equipment	2,799,196	-	-	2,799,196
Total depreciable assets	56,677,435	351,494	-	57,028,929
Less Accumulated Depreciation	(28,284,596)	-	(1,289,903)	(29,574,499)
Total Depreciable Assets, Net	28,392,839	351,494	(1,289,903)	27,454,430
Total Capital Assets, Net	<u>\$ 28,717,303</u>	<u>\$ 351,494</u>	<u>\$ (1,289,903)</u>	<u>\$ 27,778,894</u>

Construction in progress at June 30, 2013, consists of \$281,864 in costs associated with various landfill projects.

7. Accrued Leave:

Employees are eligible to receive their entire unused paid time off upon termination, or can elect to be paid annually for a maximum of fifteen days of annual leave, depending on years of service. At June 30, 2013, the liability for this accrued leave is \$343,881.

8. Long Term Liabilities:

The following is a summary of long term liabilities for the fiscal year ended June 30, 2013:

	June 30, 2012	Increases	Decreases	June 30, 2013	Due Within One year
Long Term Debt:					
2002 Revenue Bonds	\$ 34,070,000	\$ -	\$ 985,000	\$ 33,085,000	\$ 1,035,000
Bond Discount	(265,265)	-	(13,263)	(252,002)	(13,263)
Installment Purchase Agreement	3,405,575	-	117,987	3,287,588	127,506
Long term Debt Subtotal	37,210,310	-	1,089,724	36,120,586	1,149,243
Other Long Term Liabilities:					
Post Employment Benefits	159,000	62,920	-	221,920	-
Closure Payable	4,836,524	-	2,437,043	2,399,481	34,202
Postclosure Payable	13,585,632	210,753	-	13,796,385	171,540
Total Long Term Liabilities	<u>\$ 55,791,466</u>	<u>\$ 273,673</u>	<u>\$ 3,526,767</u>	<u>\$ 52,538,372</u>	<u>\$ 1,354,985</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

8. Long Term Liabilities (continued):

Revenue Bonds, Series 2002

On May 15, 2002, the Authority issued Revenue Bonds, Series 2002 in the amount of \$39,845,000 to finance capital improvement projects, refund the Authority's 1997 Revenue Bonds, payoff a portion of the Crazy Horse installment purchase agreement and provide capitalized interest and a debt service reserve fund. Maximum annual debt service is \$2,756,524, including interest at 5.56% for 30 years. The annual debt service requirements are as follows:

<u>Fiscal year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,035,000	\$ 1,721,524	\$ 2,756,524
2015	1,085,000	1,667,203	2,752,203
2016	1,150,000	1,604,344	2,754,344
2017	1,215,000	1,537,828	2,752,828
2018	1,285,000	1,467,516	2,752,516
2019-2023	7,570,000	6,196,600	13,766,600
2024-2028	9,815,000	3,948,394	13,763,394
2029-2032	9,930,000	1,076,775	11,006,775
	<u>\$ 33,085,000</u>	<u>\$ 19,220,184</u>	<u>\$ 52,305,184</u>

Installment Purchase Agreement

The Authority purchased Crazy Horse Sanitary Landfill from the City of Salinas for \$8,000,000. On August 12, 1997, the Authority and the City entered into an installment purchase agreement. The installment payments to the City were \$701,244 per year, including interest at 7.91% for 30 years.

On August 28, 2002, principal of \$3,470,438 was paid to the City reducing the outstanding balance on the installment purchase agreement to \$4,168,269. The installment payments to the City are reduced to \$385,097 per year, including interest at 7.91% for the remaining 27 years. At June 30, 2013, the remaining balance due was \$3,287,588. The annual debt service requirements are as follows:

<u>Fiscal year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 127,506	\$ 257,591	\$ 385,097
2015	137,792	247,306	385,098
2016	148,907	236,190	385,097
2017	160,919	224,178	385,097
2018	173,901	211,197	385,098
2019-2024	1,103,976	821,509	1,925,485
2025-2027	1,434,587	298,350	1,732,937
	<u>\$ 3,287,588</u>	<u>\$ 2,296,321</u>	<u>\$ 5,583,909</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

9. Unamortized Bond Discount:

The 2002 Revenue Bonds were sold at a discount of \$397,895. The discount is being amortized over the life of the bond issue (30 years) at an annual rate of \$13,263. The following is a summary of the 2002 Revenue Bonds unamortized discount at June 30, 2013:

	2012	Increases	Decreases	2013
Revenue Bonds, Series 2002	\$ 265,265	\$ -	\$ (13,263)	\$ 252,002

Total bonded debt outstanding at June 30, 2013 net of the unamortized bond discount is as follows:

Bonds payable	\$ 33,085,000
Less unamortized bond discount	(252,002)
Net bonds payable	<u>\$ 32,832,998</u>

10. Landfill Closure and Postclosure Requirements:

The Salinas Valley Solid Waste Authority operates a solid waste disposal system serving the waste shed of the cities of Salinas, Gonzales, Greenfield, Soledad and King City, and the eastern and southern portions of the unincorporated area of the County. The system currently consists of one active landfill (Johnson Canyon), two transfer stations (Sun Street and Jolon Road) and three closed landfills (Lewis Road, Jolon Road and Crazy Horse).

The landfills are regulated by the California Department of Resources, Recycling, and Recovery (CalRecycle) which requires the Authority to set-aside funds annually for landfill closure and to fund postclosure maintenance for at least 30 years after closure. On June 19, 1998, the CalRecycle, approved the Authority's financial assurance mechanisms for closure and postclosure maintenance for the Authority's four landfills. Since then, the CalRecycle and the Authority have agreed to the financial assurance mechanism for corrective action for the Jolon Road, Johnson Canyon and Crazy Horse Landfills. The State found that the Enterprise Fund and Pledge of Revenue Agreement met the requirements of Title 27 of the California Code of Regulations and Federal Title 40 regulations. Under the terms of these agreements the Authority is to annually set-aside funds for the closure of the landfills. The postclosure maintenance and corrective action costs will be funded on a pay-as-you go basis when they are actually incurred and are secured by a pledge of revenue.

Closure costs are determined and funded annually based on landfill capacity used. Although postclosure maintenance costs will be paid near or after the date that the landfills stop accepting waste, the Authority reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Postclosure maintenance costs are based on the level of service required to protect the environment during the postclosure period. These include the cost of equipment and facilities, such as leachate collection systems and final cover maintenance. Postclosure care costs extend over a 30 year period of time. For this reason, it is likely there will be unforeseen repair or replacement costs during the postclosure period. Some of these variances are due to changes in technologies, changes in operational conditions and physical changes at the landfills. Estimated current costs of closure and postclosure care are evaluated annually as required by Generally Accepted Accounting Principles (GAAP). The results of the annual evaluation can increase or decrease closure and postclosure costs depending on the various components here described.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

10. Landfill Closure and Postclosure Requirements (continued):

The system estimated capacity at June 30, 2013 is presented as follows:

	<u>Johnson Canyon</u>	
Permitted Capacity (cu. yd.)	10,512,141	100.0%
Cumulative Capacity Used (cu. yd.)	<u>(2,310,648)</u>	22.0%
Remaining Capacity (cu. yd.)	<u><u>8,201,493</u></u>	78.0%

System Capacity

As of June 30, 2013, the Authority has 78.0% of its system capacity remaining. System capacity is based on the capacity of the one active landfill, Johnson Canyon. During the fiscal year ended June 30, 2013, the Authority landfilled a total of 236,521 tons of solid waste. As of June 30, 2013 the Authority has 29 years remaining landfill capacity.

Johnson Canyon Landfill

On February 1, 2008 Johnson Canyon was granted a revised permit by the California Integrated Waste Management Board increasing its landfill capacity. It has capacity to the year 2040 based on the assumption that the goal of 75% is reached by the year 2015. The site capacity estimates and closure and postclosure costs were revised as part of the permit process.

Closed Landfills

Crazy Horse Landfill closed on May 31, 2009. It is now undergoing the closure process.

Jolon Road Landfill is accepting waste only as a transfer station. The landfill was closed in October 2007. No refuse is being landfilled on this site.

Lewis Road Landfill is a closed landfill. No refuse is being landfilled on this site.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

10. Landfill Closure and Postclosure Requirements (continued):

Closure and Postclosure Maintenance Costs

Estimated closure and postclosure maintenance costs and amounts set-aside for closure as of June 30, 2013, are presented as follows:

	June 30, 2013				
	Total	Crazy Horse	Johnson Canyon	Lewis Road	Jolon Road
Estimated:					
Closure Cost	\$ 9,315,521	\$ 451,076	\$ 8,864,445	\$ -	\$ -
Postclosure Maintenance Cost	\$ 16,249,079	\$ 10,963,269	\$ 3,143,673	\$ 957,999	\$ 1,184,138
Expense (Income):					
Closure	\$ 368,061	\$ 57,575	\$ 310,486	\$ -	\$ -
Postclosure Maintenance	344,196	193,850	110,110	18,769	21,467
Total Expense (Income)	\$ 712,257	\$ 251,425	\$ 420,596	\$ 18,769	\$ 21,467
Outstanding Liability:					
Closure	\$ 2,399,481	\$ 451,076	\$ 1,948,405	\$ -	\$ -
Postclosure Maintenance	13,796,385	10,963,269	690,979	957,999	1,184,138
Total Liability	\$ 16,195,866	\$ 11,414,345	\$ 2,639,384	\$ 957,999	\$ 1,184,138
Assets Set-Aside for Closure-Cash	\$ 2,848,013	\$ 84,764	\$ 2,763,249	\$ -	\$ -
Cash over/(under) Closure Liability	\$ 448,532	\$ (366,312)	\$ 814,844	\$ -	\$ -

Johnson Canyon Landfill estimated closure costs increased \$156,739 as a result of the CalRecycle inflation factor of 1.8%. After taking into account the capacity used at the landfill, the Authority recognized a closure expense of \$310,486 for Johnson Canyon.

Johnson Canyon Landfill estimated postclosure costs increased \$55,586 as a result of the CalRecycle inflation factor of 1.8%. After taking into account the remaining capacity of the landfill, the Authority recognized a postclosure expense of \$110,110.

The postclosure maintenance liability of \$13,796,385 will be funded from future revenues as expenditures take place.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

11. Deferred Compensation Plan:

Effective July 1, 2004, the Authority established a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Small Business Job Protection Act of 1996 requires the establishment of a trust or similar vehicle to ensure that the assets of the deferred compensation plans under the Internal Revenue Code Section 457 are protected and used exclusively for the benefit of plan participants and/or their beneficiaries. All employees are eligible to participate through voluntary salary reduction. The Authority's adopted Plan Document includes the provision for such a Trust. The existence of the trust does little to change the Plan structure except to add a layer of protection for money set aside for the employee against claims of the Employer's creditors.

The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The ICMA Deferred Compensation plan has a balance of \$465,037 as of June 30, 2013. Since these funds are held by the ICMA Retirement Corporation under a trust arrangement for the benefit of the employees, these funds are not reported on the financial statements.

12. Retirement Programs:

Effective July 1, 2004, the Authority entered into a contract with the California Public Employees' Retirement System (CalPERS) for the provision of retirement benefits under the Public Employees' Retirement Law. The total pension expense for the fiscal year was \$426,483 which included normal costs, annual amortization of prior service costs and Employer Paid Member Contributions.

Public Employees Retirement System

Plan Description The Authority's defined benefit pension Miscellaneous Plan, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. Menus of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 Q Street – Sacramento, CA 95811.

The Authority entered into a contract with CalPERS effective July 1, 2004, to provide 2% at 55 for Local Miscellaneous Members. All CalPERS participant benefits vest after five years of service. Miscellaneous employees under CalPERS who retire at or after age 55 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount that varies from 2% at age 55 to a maximum 2.418% at age 63, of the single highest year's salary for each year of credited service.

Funding Policy Active plan members are required to contribute 7% of their annual covered salary. Effective January 1, 2010 the Authority began contributing the 7% as Employer Paid Member Contributions. The Authority is also required to contribute an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-13 was 10.152% for miscellaneous employees of annual covered payroll. The contribution requirements of the plan members are established by State statute and employer contribution rate is established and may be amended by CalPERS.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

12. Retirement Programs (continued):

Annual Pension Cost For fiscal year 2012-13, the Authority's annual pension cost of \$426,483 was equal to the Authority's required and actual contributions of \$251,378 and \$175,105 as Employer Paid Member Contributions. The required contribution for fiscal year 2012-13 was determined as part of the original actuarial valuation using the Entry Age Actuarial Cost Method with the contributions determined as a percent of pay. The actuarial assumption included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.55% to 14.45% for miscellaneous members, and (c) 3.25% payroll growth.

Both (a) and (b) include an inflation component of 3.0%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short term volatility in the market value of investments spreading the unrealized and realized gain/(loss) over a 15 year period (smoothed market value). CalPERS unfunded actuarial accrued liability is being amortized as a level percentage of assumed future payroll on a closed basis. All pension costs are paid upon receipt of invoices.

Trend Information – Following is the three-year trend information for CalPERS:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 383,979	100%	\$ -
6/30/2012	388,253	100%	-
6/30/2013	426,483	100%	-

The Authority has less than 100 active members; therefore, it is required to participate in a risk pool.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents the risk pool multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Plan Description and Funding Policy

The Authority participates in an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. Employees who retire directly from the Authority under the California Public Employee's Retirement System (CalPERS) at the minimum age of 50 with at least 5 years of CalPERS service (or disability) are eligible to receive up to \$105/month for medical insurance premiums paid to CalPERS. This same benefit may continue to a surviving spouse depending on the retirement plan election. Currently, there is one retiree from the Authority. This retiree declined this benefit. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, P.O. Box 942701, Sacramento, CA 94229-2701.

Annual OPEB Costs and Net OPEB Obligation

The Authority funds the payment of current retirees health costs on a pay-as-you go basis. For the fiscal year ended June 30, 2013, the Authority's pay-as-you-go contributions for health care benefits for retirees are \$580. There was 1 retiree on the health insurance.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

13. Postemployment Healthcare Plan:

The Authority's annual Other Post Employment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Authority's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation (NOO) for the year ended June 30, 2013 and June 30, 2012 are as follows:

	June 30, 2013	June 30, 2012
Annual required contribution	\$ 63,600	\$ 56,900
Interest on net OPEB obligation	6,800	4,200
Adjustments to net OPEB obligation	<u>(6,900)</u>	<u>-</u>
Annual OPEB expense	63,500	61,100
Contribution under "pay-as-you-go"		
Payment for CalPers	<u>(580)</u>	<u>-</u>
Increase in OPEB obligation	62,920	61,100
Net OPEB obligation - beginning of year	<u>159,000</u>	<u>97,900</u>
Net OPEB obligation - end of year	<u><u>\$ 221,920</u></u>	<u><u>\$ 159,000</u></u>

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$234,100. The covered payroll (annual payroll of active employees covered by the plan) was \$2,252,000 and the ratio of the UAAL to the covered payroll was 10.4%. The plan has no segregated assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

13. Postemployment Healthcare Plan (continued):

Actuarial Methods and Assumptions

In the June 30, 2012 actuarial valuation, the actuarial cost method used is Entry Age Normal (EAN) cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll throughout the participants' working lifetime. Entry age is based on current age minus years of service. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior Normal Cost. For the retirees, the AAL is the present value of all projected benefits. The Unfunded AAL is being amortized as a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at June 30, 2013 for 27 years. GASB 45 requires the interest rate to represent the underlying expected return for the source of funds used to pay benefits. The actuarial methods and assumptions included 4.5% interest rate, representing the long term expected rate of return on the Authority's pooled investments. Annual inflation assumed to increase at 3% per annum and Aggregate Payroll assumed to increase at 3.25% per annum. The study also used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality withdrawal, and disability based on CalPERS 1997-2007 Experience Study. Retirement assumption was also based on CalPERS 1997-2002 Experience Study of the Miscellaneous Plan 2.0% at 55 years, with expected retirement age of approximately 62.78.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

14. Concentrations

The Authority received 78.8% of its Charges for Services (tipping fees) from three haulers: Republic Services, Waste Management and Recology South Valley. These three haulers comprised approximately as \$1,024,317 (76.8%) of accounts receivable balances at June 30, 2013. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the Authority, however this is very unlikely.

Under the Waste Delivery Agreements that support the Revenue Bonds and under the Joint Powers Agreement, establishing the Authority, each member agency is required to direct all garbage to Authority facilities. They do this by means of the Franchise Agreements with their respective haulers. Republic Services, serving the City of Salinas, and Waste Management, serving Unincorporated Monterey County and the City of King City, are required to bring their garbage and yard waste to Authority facilities.

Recology South Valley brings their waste to Johnson Canyon Landfill, under the Waste Disposal and Capacity Guarantee Agreement approved in 2003. This agreement has a termination date of December 31, 2013, but can be extended for up to four 1-year extensions at the Authority's sole discretion. Their revenue is guaranteed for as long as the agreement is in place.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

15. Commitments and Contingencies:

Recology Waste Systems Long-Term Contract

On October 23, 2003, the Authority entered into a revised long-term contract with Norcal Waste Systems (Norcal) for the operation of scalehouses Sun Street Transfer Station and diversion services. Norcal has since become Recology Waste Systems (Recology). All services are provided based on a minimum flat monthly fee along with additional fees based on tonnages/quantities processed at each of the sites and landfill compaction. The Authority has taken over several of the operations. The basic contract terms, at June 30, 2013, were as follows:

Contract Ending Date	Service	Basic Annual Fee	Future Minimum Contractual Amount
12/31/2014	Johnson Canyon Landfill Basic Facility Fee	\$ 1,988,880	\$ 2,983,320

For the fiscal year ended June 30, 2013, the Authority paid Recology Waste Systems \$2,913,601 for operations of Johnson Canyon landfills, diversion services, excess tonnage, and air space conservation adjustment.

USA Waste Long-Term Contract

As part of the Settlement Agreement and Release on the Jolon Road litigation, the Authority entered into an Amended and Restated Operating Agreement for the Jolon Road Transfer Station. The initial term of this Amended Agreement commenced on June 3, 2004 and ends on September 1, 2016, however, it may be extended for up to three (3) additional one-year renewal terms. Effective June 1, 2013, the base compensation consists of a fuel component of \$2,874 and a non-fuel component of \$54,905. The base compensation is adjusted annually on the anniversary date of the Amended Agreement based on changes in the Retail On-Highway Diesel Prices and Consumer Price Index. The basic contract terms at June 30, 2013, were as follows:

Contract Ending Date	Service	Basic Annual Fee	Future Minimum Contractual Amount
9/1/2016	Jolon Road Transfer Station	\$ 680,736	\$ 2,195,602

Lease Obligations

On October 19, 2006, the Authority entered into a ten year lease commencing January 1, 2007, for office space at 128 Sun Street in Salinas. Effective January 1, 2012, the monthly lease payments were \$7,194. The lease has an option to extend for two five-year periods.

The future minimum lease payments through December 2016 are as follows:

<u>Ended June 30</u>	<u>Amount</u>
2014	\$ 86,328
2015	86,328
2016	86,328
2017	43,165
	<u>\$ 302,149</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

15. Commitments and Contingencies (continued):

Risk Management

The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Effective July 1, 2009 the Authority has purchased worker's compensation insurance through the Zurich American Insurance Company for its employees. The Authority has the following commercial insurance policies:

Coverage	Detail	Limits	Deductible
Environmental impairment liability	Per occurrence	\$ 10,000,000	\$ 25,000
Additional pollution liability limited occurrence		1,000,000	10,000
General liability	Aggregate	1,000,000	-
Automobile liability	Per accident	1,000,000	1,000
Property damage	Per occurrence	3,530,565	5,000
Public officials/employment practices	Each act	1,000,000	10,000
Excess liability	Each act	2,000,000	-
Crime	-	1,000,000	5,000
Equipment Floater	-	10,000,000	5,000

There have been no significant reductions in any insurance coverage, nor have there been any insurance related settlements that exceeded insurance coverage during the past three fiscal years.

Corrective Action Plan

The California Code of Regulations requires landfill owners and operators to demonstrate the availability of financial resources to conduct corrective action activities for all known or reasonably foreseeable releases from the disposal facility affecting water quality.

The Authority has conducted studies to determine the site remediation cost to mitigate those releases. These cost estimates are incorporated into the Final Closure and Postclosure Maintenance Plan for each of the landfills. These amounts have been reviewed and approved by CalRecycle and the Regional Water Quality Control Board.

The estimated cost of capital improvements and operations and maintenance costs to mitigate a potential release at the Authority landfills is estimated as follows:

Landfill - Action	Capital Improvements	Maintenance	Total	Contingency
Johnson Canyon	\$ 385,106	\$ 377,220	\$ 762,326	\$ -
Crazy Horse	2,908,200	6,583,500	9,491,700	-
Jolon Road	-	1,302,000	1,302,000	-
Lewis Road	122,700	226,000	348,700	35,000
Total Corrective Actions	<u>\$ 3,416,006</u>	<u>\$ 8,488,720</u>	<u>\$ 11,904,726</u>	<u>\$ 35,000</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

15. Commitments and Contingencies (continued):

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 19 years for Lewis Road to 57 years for Johnson Canyon. If there should be a release at one of the landfill sites the Authority would have to spend up to the amounts shown on capital improvements. If the capital improvements have to be made, the Authority would be obligated to spend the maintenance amounts shown on the table for maintenance of the improvements.

These amounts have not been recorded as a liability because while some releases are possible, they are not considered probable or if they are considered probable, they are not sufficiently measureable.

16. Restricted Net Position:

At June 30, 2013, the statement of net position reports restricted net position of \$3,419,936. None of the net positions are restricted by enabling legislation. This consists of \$2,820,700 for the debt service reserve which cannot be used until the bonds are paid in full in 2031, \$196,309 of unspent grant monies, and \$402,927 for closure reserve.

17. Net Position:

Deficit Invested in Capital Assets, Net of Related Debt

The deficit of \$8,341,693 Invested in Capital Assets, Net of Related Debt is the result of the Authority issuing 30-year debt to purchase and improve assets that depreciated at a much faster rate than the debt is being repaid. Three of the Authority's landfills are closed and fully depreciated, however, the debt associated with those assets will not be paid in full until 2032.

Unrestricted Net Deficit

The deficit of \$5,342,702 in Unrestricted Net Deficit is the result of accrued operating expenses such as postclosure that will be paid from future revenues. Per Board policy tipping fees are set at an amount such that postclosure maintenance is funded on a pay-as-you-go basis. Thus far \$13,796,385 in operating expenses has been accrued as a long term liability which will be funded over the next 30 years from tipping fees. This is in accordance with the Pledge of Revenue that is part of the Financial Assurances agreement between the Authority and CalRecycle.

18. Bond Rate Covenant:

Pursuant to the Master Indenture of the Revenue Bonds, Series 2002, the Authority has agreed to at all times while any of the Bonds remain Outstanding to set fees and charges and manage operations so as to yield Net Revenues during the fiscal year equal to at least one hundred fifteen percent (115%) of the bond's annual debt service for the fiscal year.

This calculation is based on Net Revenues as described in the Master Indenture. The calculation is based on operating income increased by investment earnings on all funds other than bond project funds and reduced by postclosure expense, depreciation and amortization, all non-cash items. At June 30, 2013, the calculation is 123%.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

18. Bond Rate Covenant (continued):

Net revenue available for debt service for the year ended June 30, 2013 is determined as follows:

Revenues	
Operating revenues	\$ 15,980,945
Interest not on Project funds	39,180
Revised Revenues	<u>16,020,125</u>
Maintenance & Operations Costs	
GAAP Operating Expenses	14,196,703
Less the following items per Master Indenture	
Postclosure maintenance	(344,196)
Closure	
Depreciation	(1,289,903)
Amortization	(69,508)
Add Postclosure liability being paid	
Lewis Road	103,497
Jolon Road	<u>29,946</u>
Revised Maintenance and Operations Expenses per Master Indenture	<u>12,626,539</u>
Net Revenues	<u><u>\$ 3,393,586</u></u>
Annual Debt Service	
Debt service on 2002 bonds	\$ 2,754,954
Use of capitalized interest	-
Revised Annual Debt Service	<u><u>\$ 2,754,954</u></u>

19. Reclassification:

Certain amounts reported at June 30, 2012 have been reclassified to reflect information and assumptions existing at June 30, 2013. These reclassifications had no effect on net position or the change in net position as previously reported.

20. Subsequent Events:

Refunding of Revenue Bonds, Series 2002

On August 16, 2012 the Authority Board of Directors authorized staff to pursue the refunding of the Revenue Bonds, Series 2002. It is expected to take place in the early part of 2013.

County of Monterey Notice of Intent to Withdraw from the Joint Powers Agreement

On August 16, 2012 the Authority Board of Directors received the County's Notice of Intent to Withdraw from the Authority and to terminate its Waste Delivery Agreement. The Notice begins a one-year period at the end of which the County could withdraw if the existing bonds and other Authority debts are paid off or alternative arrangements are made. The County would also continue to be responsible for its share of postclosure maintenance and corrective action plans for Authority facilities.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

20. Subsequent Events (continued):

Date of Management Review

Management has evaluated subsequent events through October 2, 2013, the date which these financial statements were available to be issued.

SALINAS VALLEY SOLID WASTE AUTHORITY
 REQUIRE SUPPLEMENTARY INFORMATION
 JUNE 30, 2013

California Public Employees' Retirement System
 Schedule of Funding Progress

Miscellaneous 2% at 55 Risk Pool

Actuarial Valuation Date	(a) Actuarial Accrued Liability- (AAL) Entry Age	(b) Actuarial Value of Assets	(a-b) Unfunded AAL (UAAL)	(b/a) Funded Ratio	© Covered Payroll	[(a-b)/c] UAAL as a Percentage of Covered Payroll
6/30/2005	\$ 2,891,460,651	\$ 2,588,713,000	\$ 302,747,651	89.5%	\$ 755,046,679	40.1%
6/30/2006	\$ 2,754,396,608	\$ 2,492,226,176	\$ 262,170,432	90.5%	\$ 699,897,835	37.5%
6/30/2007	\$ 2,611,746,790	\$ 2,391,434,447	\$ 220,312,343	91.6%	\$ 665,522,859	33.1%
6/30/2008	\$ 2,780,280,768	\$ 2,547,323,278	\$ 232,957,490	91.6%	\$ 688,606,681	33.8%
6/30/2009	\$ 3,104,798,222	\$ 2,758,511,101	\$ 346,287,121	88.8%	\$ 742,981,488	46.6%
6/30/2010	\$ 3,309,064,934	\$ 2,946,408,106	\$ 362,656,828	89.0%	\$ 748,401,352	48.5%

Since the Authority has less than 100 active members, it is required to participate in a risk pool. The above data is for the Miscellaneous 2% at 55 Risk Pool which the Authority participates in.

Prior to July 1, 2004, the Authority's employees were covered with the City of Salinas under a separate contract with the California Public Employees' Retirement System (CALPERS). There is no outstanding liability from that plan to the Authority.

SALINAS VALLEY SOLID WASTE AUTHORITY
 REQUIRE SUPPLEMENTARY INFORMATION
 JUNE 30, 2013

Postemployment Health Insurance Benefits Plan
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) - Entry Age (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
6/30/2009	\$ 84,600	\$ -	\$ 84,600	0.00%	\$ 2,096,000	4.04%
6/30/2012	\$ 234,100	\$ -	\$ 234,100	0.00%	\$ 2,252,000	10.40%

Note: Fiscal year 2010 was the year of implementation of GASB No. 45 and the Authority elected to implement prospectively, therefore, prior year comparative data is not available. The Authority is required to have a valuation triennially.



SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 12

Finance Manager/Controller-Treasurer

N/A

Legal Counsel

General Manager/CAO

Date: October 17, 2013
From: Cesar Zuñiga, Operations Manager
Title: A Resolution Authorizing the Release of a Request for Proposals for Landfill Operation and Diversion Services at the Johnson Canyon Landfill

RECOMMENDATION

Staff recommends that the Board adopt the Resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Strategic Plan Goal to "Reduce Cost and Improve Services at the Johnson Canyon Landfill."

FISCAL IMPACT

The Request for Proposals has been developed and will be managed in house with no impact to the 2013-2014 Budget.

The cost of the Johnson Canyon Landfill Operating and Diversion agreement will be included in the 2014-2015 budget.

DISCUSSION & ANALYSIS

The Johnson Canyon Landfill Operation and Diversion Services contract is and will continue to be the Authority's single largest contract and expense. It's anticipated that the annual cost will range between \$2.25 million to \$3 million. Staff will also prepare a comparative proposal to take the landfill operations in-house, and this proposal will be evaluated against the private sector proposals

BACKGROUND

At the July 31, 2013, Board Retreat, staff was directed to develop and present a Request for Proposals for Operation and Diversion Services at the Johnson Canyon Landfill for board action. The RFP is one of its 6-month strategic objectives. The objective will help reduce cost and improve services at the Johnson Canyon Landfill.

ATTACHMENT(S)

1. Resolution

RESOLUTION NO. 2013 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
AUTHORIZING THE RELEASE OF A REQUEST FOR PROPOSALS FOR LANDFILL OPERATION AND
DIVERSION SERVICES AT THE JOHNSON CANYON LANDFILL**

WHEREAS, the Salinas Valley Solid Waste Authority landfill operations and diversion services at the Johnson Canyon Landfill are currently under contract with Recology Waste Solutions for a term ending December 31, 2014, with a possible one year extension; and,

WHEREAS, the Salinas Valley Solid Waste Authority 2013-16 Strategic Plan Goals and Objectives calls for the development of a Request for Proposals document for operation of the Johnson Canyon Landfill; 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 release a Request for Proposals for Landfill Operation and Diversion Services at the Johnson Canyon Landfill.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 17th day of October 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



SalinasValleyRecycles.org
SALINAS VALLEY SOLID WASTE AUTHORITY

Report to the Board of Directors

ITEM NO. 13

N/A

Finance Manager/Controller-Treasurer

N/A

Legal Counsel

Patrick Mathews

General Manager/CAO

Date: October 17, 2013

From: Patrick Mathews, General Manager/CAO

Title: A Resolution Approving the Regular Board of Directors and Executive Committee Meetings Calendar for 2014

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

This is a routine operational item and does not relate to the Board's strategic plan.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION & ANALYSIS

The proposed 2014 Meetings Calendar takes into account holidays, the League of California Cities Annual Conference, and the one-month meetings recess that has been past practice for the past few years. Although there may be other meetings besides the League of California Cities Annual Conference that may conflict with one or more Board members schedules, it is not likely that these would result in a lack of quorum.

The meetings of January and September are proposed to be held one week later than regularly scheduled due to the holidays and the League of California Cities.

BACKGROUND

On December 15, 2005, the Board established the regular Board meeting date as the 3rd Thursday of each month at 6:00 p.m. in the City Council Chambers of the City of Gonzales.

The Executive Committee meetings, while convened on an "as needed" basis, have an established meeting schedule, which is the Wednesday two weeks prior to each Board meeting at 4:00 p.m. This schedule enables staff to ensure that issues which need Executive Committee review are considered on a timely basis and to allow enough time to prepare the report(s) for the upcoming Board Meeting.

ATTACHMENT(S)

1. 2014 Events for League of California Cities & California State Association of Counties
2. Resolution
3. Exhibit A - 2014 Meetings Calendar

2014 CALENDAR – LEAGUE OF CALIFORNIA CITIES

DATE	EVENT	Location
January 22 – 24	New Mayors & Council Members Academy	Sacramento
February 5 – 7	City Managers Department Meeting	Long Beach
March 26 – 28	Public Works Officers Institute	Sacramento
March 26 – 28	Planning Commissioners Academy	San Francisco
May 7 – 9	City Attorneys' Spring Conference	Indian Wells
September 3 – 5	2014 Annual Conference & Expo	Los Angeles

2014 CALENDAR – California State Association of Counties

January 16	CSAC Executive Committee Meeting	Sacramento County
February 20	CSAC Board of Directors Meeting	Sacramento County
February 27 – March 1	CSAC Institute Executive Leadership Symposium	TBD
March 1 – 5	NACo Legislative Conference	Washington, D.C.
April 17	CSAC Executive Committee Meeting	Sacramento County
April 23	CalTRUST Board of Trustees Meeting	Riverside County
April 24 – 25	CSAC Finance Corporation Board of Directors Mtg	Riverside County
May 14 – 15	CSAC Legislative Conference	Sacramento County
May 15	CSAC Board of Directors Meeting	Sacramento County
July 11 – 15	NACo Annual Conference	New Orleans, LA
August 7	CSAC Executive Committee Meeting	Sacramento County
September 4	CSAC Board of Directors Meeting	Sacramento County
September 17	CalTRUST Board of Trustees Meeting	San Diego County
September 18 – 19	CSAC Finance Corporation Board of Directors Mtg	San Diego County
October 8 – 10	CSAC Executive Committee Retreat	TBD
November 18 – 21	CSAC 120th Annual Meeting	Anaheim, Orange County
December 3 – 5	CSAC Officers Retreat	TBD

California Rodeo Week: July 17 – 20

RESOLUTION NO. 2013-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY DESIGNATING THE DATE, TIME AND PLACE FOR REGULAR BOARD AND EXECUTIVE COMMITTEE MEETINGS FOR CALENDAR YEAR 2014

WHEREAS, Section 2.02.010 (a) of the adopted Authority Code provides for the establishment by resolution of the date, time and place for regular Board meetings, and Section 2.06.010 establishes the Executive Committee meeting schedule;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that Board of Director meetings shall be held, unless otherwise noticed, at 6:00 p.m. on the third Thursday of each month in the Gonzales City Council Chamber located at 117 Fourth Street Gonzales, California, in accordance with "Exhibit A" attached hereto, and

BE IT FURTHER RESOLVED that Executive Committee meetings shall be held, unless otherwise noticed, at 4:00 p.m. on the Wednesday two weeks prior to a scheduled Board of Directors meeting at 128 Sun Street, Suite 101, Salinas, California, in accordance with "Exhibit A" attached hereto.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 17th day of October 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

*** January**

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

*** September**

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- ▲ Executive Committee Meeting | Regularly Wednesday (2 weeks before BD mtg) at 4:00 p.m., 128 Sun Street, Suite 101, Salinas, CA 93901 (unless otherwise noticed)
- Board of Directors Meeting | Regularly 3rd Thursday of month at 6:00 p.m., 117 Fourth Street, Gonzales, CA 93926 (unless otherwise noticed)
- Proposed Special Meeting/Strategic Planning Session
- * Meetings Scheduled 1 Week later from Regular Schedule

SVSWA Agenda Items - View Ahead

Item No. 14

2013			2014			
	21-Nov	19-Dec	Jan	13-Feb	Feb	Mar
1	Minutes	Minutes	Election of Officers	RETREAT STRATEGIC PLAN REVIEW GOALS & 6-MONTH OBJECTIVES	Minutes	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)	Minutes		Claims/Financials (EC)	Claims/Financials (EC)
3	QTE Sept. Tonnage & Diversion Report	Strategic Plan Monthly Progress Report	Claims/Financials (EC)		QTE December Tonnage & Diversion Report	Strategic Plan Monthly Progress Report
4	PSA w/___ for Groundwater Lab Services	2013 Officers Nominating Committee	QTE December Cash & Investments		Award Bid for Tire Derived aggregate	
5	CH Closure Project Completion (sp1)	Lease w/MoCo for Cell Towers @ LR (sp)	Strategic Plan Monthly Progress Report		Award bid for LFG Pipe	
6	Richard Casey Lease Amendment	CH Gas Power Project Revenue Status (sp)	Employee Survey Results		Award contract for JC flare replacement	
7	Strategic Plan Monthly Progress Report	Regional Landfill Truck Route Funding Rpt (sp)	Review Expanded Outreach Efforts		Updated Strategic Plan Approval	
8	JC Roadway Improvement Update	Admin Procedures Manual (sp1)	Preliminary Budget FY14-15		CAG 3-Meetings Report (sp)	
9	Fund Balance/Reserves Allocation	Increased C&D Diversion Plan (sp)	GOE Funding Commitment for Autoclave (sp)		Diversion Report Including Private Recyclr data (sp)	
10	Bond Refinance Documents (sp)		CH Turf/Pavmt Area Revenue Options (sp)		Review New & Current Public Messages (sp)	
11	Salinas Area MRC Project Schedule (sp)		CH Acreage Area Revenue Options (sp)		USDA Digester Process Diversion Report (sp)	
12	Final Salinas Area MRC site(s) to study (sp)		JR Acreage Revenue Options (sp)		Completion of Bond Refinancing (sp)	
13	SSTS Property Exchange MOU w/City of Salinas (sp)				JC Landfill Ops Private vs. Public (sp)	

Consent
Presentation
Consideration
Closed Session

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

(EC) Executive Committee

(sp) Strategic Plan Item