



AGENDA Regular Meeting

BOARD OF DIRECTORS

April 21, 2016, 6:00 p.m.

Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: Fernando L. Armenta
County: Simon Salinas, **Vice President**
Salinas: Gloria De La Rosa
Salinas: Jyl Lutes, **President**
Salinas: Tony R. Barrera
Gonzales: Elizabeth Silva
Soledad: Richard J. Perez, **Alternate Vice President**
Greenfield: Avelina T. Torres
King City: Robert S. Cullen

Alternate Directors

County: John M. Phillips
Salinas: Joseph D. Gunter
Gonzales: Scott Funk
Soledad: Christopher K. Bourke
Greenfield: Raul C. Rodriguez
King City: Darlene Acosta

TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

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.

NEW EMPLOYEE INTRODUCTIONS

A. Brian Kennedy, Engineering and Environmental Compliance Manager

CONSENT AGENDA:

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

1. [Minutes of March 17, 2016, Special Meeting](#)
2. [February 2016 Claims and Financial Reports](#)
3. [April 2016 Member and Interagency Activities Report and Upcoming Events](#)
4. [2013-16 Strategic Plan Goals and Six-Month Objectives Update](#)
5. [March 2016 Quarterly Investments Report](#)
6. [March 2016 Quarterly Customer Service Survey](#)
7. [A Resolution Approving a Professional Services Agreement with TWDC Industries, Inc. dba Vision Recycling for Green and Wood Waste Processing at the Johnson Canyon Landfill and Sun Street Transfer Station](#)
8. [A Resolution Rejecting All Bids Received for the Johnson Canyon Landfill Concrete Leachate Tank Pad](#)
9. [Report on Landfill Gas Flare Stations Replacement/Repair Plan](#)

PRESENTATION

10. RECOGNITION OF EARTH DAY

- A. Receive Report from Asst. General Manager/Diversion Manager Susan Warner
- B. Public Comment
- C. Board Discussion
- D. Recommended Action – None; Informational Only

11. MONTEREY BAY COMMUNITY POWER - COMMUNITY CHOICE AGGREGATION ENERGY PROJECT

- A. Receive Report from Gine Johnson, Monterey Bay Community Power
- B. Public Comment
- C. Board Discussion
- D. Recommended Action – None; Informational Only

CONSIDERATION

12. A RESOLUTION APPROVING AUTHORITY STAFF TO PROVIDE OPERATIONS AND DIVERSION SERVICES AT THE JOLON ROAD TRANSFER STATION AND APPROVING THE REVISED PERSONNEL ALLOCATION EFFECTIVE SEPTEMBER 1, 2016

- A. Receive Report from Operations Manager Cesar Zuñiga
- B. Public Comment
- C. Board Discussion
- D. Recommended Action – Adopt Resolution

13. COLLABORATIVE DISCUSSIONS BETWEEN SALINAS VALLEY RECYCLES AND MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

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

FUTURE AGENDA ITEMS

14. AGENDA ITEMS – VIEW AHEAD SCHEDULE

ADJOURNMENT

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This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun St., Ste 101, Salinas, and on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, **Friday, April 15, 2016**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on **Thursday, May 19, 2016**. Staff reports for the Authority Board meetings are available for review at: ► Salinas Valley Solid Waste Authority: 128 Sun Street, Ste. 101, Salinas, CA 93901, Phone 831-775-3000 ► Web Site: www.salinasvalleyrecycles.org ► Public Library Branches in Gonzales, Prunedale and Soledad ► City Halls of Salinas, Gonzales, Greenfield, King City & Soledad. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Elia Zavala, Clerk of the Board at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II). Spanish interpretation will be provided at the meeting. *Se proporcionará interpretación a Español.*

**DRAFT MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
MARCH 17, 2016**

CALL TO ORDER

President Lutes called the meeting to order at 6:00 p.m.

ROLL CALL

The following Board Directors were present:

County of Monterey	Fernando Armenta
County of Monterey	Simon Salinas, <i>Vice President</i>
City of Salinas	Gloria De La Rosa
City of Salinas	Jyl Lutes, <i>President</i>
City of Salinas	Tony Barrera
City of Gonzales	Elizabeth Silva
City of Soledad	Richard Perez, <i>Alt. Vice President</i>
City of Greenfield	Avelina Torres
City of King	Robert Cullen

Staff Members Present:

Patrick Mathews, General Manager/CAO	Cesar Zuniga, Operations Manager
Susan Warner, Asst. GM/Diversion Manager	Erika Trujillo, Acting Clerk of the Board
Ray Hendricks, Finance Manager	Thomas Bruen, General Counsel
Dave Meza, Authority Engineer	

MEETING ANNOUNCEMENTS

(6:00) President Lutes announced the availability of translation services. No member from the public requested the service.

GENERAL MANAGER COMMENTS

(6:01) General Manager/CAO Mathews made the following comments:

- Monterey Bay Community Power Project's feasibility study has been completed and it looks very positive. A presentation will be given by the project committee to this Board in April. The decision process to move the project forward will begin in the fall.
- He will be absent from the May Board meeting due to his son's graduation.

DEPARTMENT MANAGER COMMENTS


(6:03) Operations Manager Zuniga reported that March 29 is the deadline for proposals for the Jolon Road operations. Waste Management has still not provided a proposal. A recommendation will be scheduled on the April meeting. Finance Manager Hendricks commented on Authority Engineer Meza's retirement. General Manager/CAO Mathews stated that Mr. Meza will be retiring soon and will be assisting with the new employee transition for the next couple of months. Diversion Manager Warner mentioned that several community clean up events will be taking place in April, and commented on the current tire collection events.

BOARD DIRECTORS COMMENTS

(6:05) Director De La Rosa thanked staff for providing reusable bags for the events in her district. She requested more bags for another event. President Lutes also requested bags for a clean-up event at her district as well.

ITEM NO. 1

Agenda Item



General Manager/CAO

T. Bruen by EZ

General Counsel Approval

President Lutes reported that her and Vice President Salinas met with County Administrator Lew Bauman and City of Salinas City Manager Ray Corpus to discuss their concerns with one of the Authority's proposed project sites at Sala Road (unanimously selected by the Board in fall 2015). She also mentioned that County Supervisor John Phillips was at that meeting and he stated that Monterey Regional Waste Management District is considering eliminating its importation of waste and he recommended that the two executive bodies discuss sending all waste from Salinas to the District landfill and keeping the Johnson Canyon Landfill for South County cities. Director Armenta expressed concerns with the discussions happening without any Board discussion or direction. President Lutes stated that these were preliminary discussions to see whether there is interest from the District to even consider the City Manager's Solid Waste Study Scenario 7. General Manager/CAO Mathews requested clear direction as he and the General Manager from the District are already having the discussions per Board direction and stated that the District has already indicated interest in accepting Authority waste under contract. The question on process was deferred to legal counsel. General Counsel Bruen advised that representatives of the Board need to be appointed for any discussion, however, any member of the Board can have a discussion with another elected official, so long that they make clear that they are not representing the entire Board. Director Armenta asked about the opinions rendered at the meeting held. President Lutes stated that Supervisor Phillips, Salinas Mayor Gunter, and the Councilmember from the closest district all expressed concerns with a transfer station at the Sala Road location. Vice President Salinas added that concerns were expected from that community, however, at the end of the day it is one option under consideration if the Authority is required to leave Sun Street. Director Barrera expressed frustration with the delay in forming a decision and the impact to accountability to the residents. Director Silva emphasized the importance of educating others on the proposed materials recovery center and not as an open transfer station or dump. After advice from General Counsel Bruen, President Lutes requested adding an item to the next agenda to consider appointing representative of the Authority Board to meet with representatives of the District Board to discuss the potential of a disposal agreement between both agencies.

PUBLIC COMMENT

(6:24) Chris Steinbruner, resident and land/business owner of Salinas, spoke in opposition to the Sala Road project. He commented on the City of Salinas' economic development plan for the area. He stated that a business-industrial development is being planned and a transfer station in that area would be a discouragement to business. His family currently owns property around the area and they will not support the proposed transfer station.

CONSENT AGENDA (6:27)

- 1-A.** Minutes of February 18, 2016, Regular Meeting
- 1-B.** Minutes of February 29, 2016, Special Meeting
- 2.** January 2016 Claims and Financial Reports
- 3.** March 2016 Member and Interagency Activities Report and Upcoming Events
- 4.** Resolution No. 2016-05 Approving the 2013-16 Strategic Plan Goals and Six-Month Objectives through July 2016
- 5.** Monterey Bay Community Power Project Update
- 6.** Resolution No. 2016-06 Rejecting All Bids Received for the Johnson Canyon Landfill Gas Flare System Interconnection Project
- 7.** Resolution No. 2016-07 Authorizing Amendment No. 6 to the Revised and Restated Agreement Between the Salinas Valley Solid Waste Authority and R. Patrick Mathews for Services as General Manager/Chief Administrative Officer (GM/CAO)
- 7-B.** Resolution No. 2016-08 Authorizing the Submittal of Applications to the California Department of Resources Recycling and Recovery (CalRecycle) for All Grants for which the Salinas Valley Solid Waste Authority is Eligible

Public Comment: None
Board Comments: None
Motion: Vice President Salinas made a motion to approve the consent agenda. Alternate Vice President Perez seconded the motion.
Votes: Motion carried 9, 0
Ayes: Armenta, Barrera, Cullen, De La Rosa, Lutes, Perez, Salinas, Silva, Torres
Noes: None
Abstain: None
Absent: None

PUBLIC HEARING & CONSIDERATION

- 8. RESOLUTION NO. 2016-09 APPROVING SERVICE FEES EFFECTIVE JULY 1, 2016 FOR RECYCLING, RESOURCE RECOVERY, AND DISPOSAL AT AUTHORITY LANDFILLS AND TRANSFER STATIONS AND ADMINISTRATIVE SERVICES**
- 9. RESOLUTION NO. 2016-10 APPROVING THE OPERATING BUDGET, PERSONNEL ALLOCATION, AND SALARY SCHEDULE FOR FISCAL YEAR 2016-17**

(6:28) General Counsel Bruen recommended opening both Item Nos. 8 and 9 concurrently, taking public comment on both items and then making a decision on both items by separate action. The Board concurred. Finance Manager Hendricks provided a report with five alternative budget reduction options and rate savings scenarios.

Item 8

Public Hearing: The public hearing was opened at 6:50 p.m. No member from the public spoke on the item. The public hearing was closed.

Item 9

Public Comment: None

Board Comments: The Board discussed each of the scenarios and the potential impacts on the budget. Director Cullen thanked staff for the options presented and expressed support for eliminating a portion of the allocation for the potential increase in the landfill tonnage fees paid to the State Board of Equalization on behalf of CalRecycle. Vice President Salinas concurred.

Item 8

Motion: Director De La Rosa made a motion to adopt Resolution No. 2016-09, with a reduction of the increase to solid waste disposal and wood stump fees from the proposed \$2.00 to \$1.50. Cullen seconded the motion. The motion passed.

Votes: Motion carried 8, 1
Ayes: Armenta, Barrera, Cullen, De La Rosa, Lutes, Salinas, Silva, Torres
Noes: Perez
Abstain: None
Absent: None

Item 9

Motion: Vice President Salinas made a motion to adopt Resolution No. 2016-10 approving the 2016-17 Budget, with a reduction of \$85,000 to the proposed budget in both revenues and expenditures, as it is unknown at this time if, when, or by how much the State Board of Equalization will increase its CalRecycle fees. De La Rosa seconded the motion. The motion passed.

Votes: Motion carried 8, 0 (1 abstention)
Ayes: Armenta, Barrera, Cullen, De La Rosa, Lutes, Salinas, Silva, Torres

Noes: None
Abstain: Perez
Absent: None

FUTURE AGENDA ITEMS

10. AGENDA ITEMS – VIEW AHEAD SCHEDULE

(6:52) The Board reviewed the future agenda items.

CLOSED SESSION

(6:55) General Manager announced that there was no need to enter into closed session.

ADJOURN

(6:55) President Lutes adjourned the meeting.

APPROVED: _____
Jyl Lutes, President

Attest: _____
Elia Zavala, Clerk of the Board

**ITEM NO. 2**

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: April 21, 2016

From: Ray Hendricks, Finance Manager

Title: February 2016 Claims and Financial Reports

RECOMMENDATION

Staff recommends acceptance of the February 2016 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of February for a summary of the Authority's financial position as of February 29, 2015. Following are highlights of the Authority's financial activity for the month of February.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of February 2016, FY 2015-16 operating expenditures exceeded revenue by \$602,545. Year to Date operating revenues exceeded expenditures by \$1,808,804.

Revenues (Consolidated Statement of Revenues and Expenditures)

After eight months of the fiscal year (66.67% of the fiscal year), revenues total \$11,807,089 or 70.9% of the total annual revenues forecast of \$16,657,600. February Tipping Fees totaled \$914,202 and for the year to date totaled \$7,872,347 or 71.2% of the forecasted total of \$11,055,800.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

Expenditures for the semiannual debt service payments were recorded in February in the amount of \$1,191,930. As of February 29 (67.67% of the fiscal year), year-to-date operating expenditures total \$9,998,285. This is 63.20% of the operating budget of \$15,822,599.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of February 2016, grant and capital project expenditures totaled \$97,117. The option to purchase property on Harrison Road in Salinas accounts for \$78,750 of the total.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of February 2016 is attached for review and acceptance. February disbursements total \$936,056.61 of which \$400,482.59 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of February 2016.

Vendor	Service	Amount
WASTE MANAGEMENT INC	01/2016 JRTS OPS & MLTS TRANSFERS	74,673.78
SCS FIELD SERVICES	ROUTINE & NON-ROUTINE ENVIRON SVS	51,760.10

Cash Balances

The Authority's cash position decreased \$767,963 during February to \$16,233,417. Most of the cash balance is restricted, committed, or assigned as shown below:

Restricted by Legal Agreements:

Johnson Canyon Closure Fund	\$ 3,420,011.84
State & Federal Grants	39,064.46
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-
BNY - Sub Pmt Cap One 2014 Eq Lease	-

Funds Held in Trust:

Central Coast Media Recycling Coalition	99,294.05
Employee Unreimbursed Medical Claims	4,763.77

Committed by Board Policy:

Expansion Fund (South Valley Revenues)	8,098,814.11
Designated for Capital Projects Reserve	763,581.08
Designated for Operating Reserve	254,527.02
Designated for Environmental Impairment Reserve	254,527.02
Salinas Rate Stabilization Fund	28,907.77

Assigned by Budget

Assigned for Capital Projects	2,259,577.92
Assigned for OPEB	179,500.00

Available for Operations

	830,847.96
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Total	<u>\$ 16,233,417.00</u>
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ATTACHMENTS

1. February 2016 Consolidated Statement of Revenues and Expenditures
2. February 2016 Consolidated Grant and CIP Expenditures Report
3. February 2016 Checks Issued Report



Salinas Valley Solid Waste Authority

Consolidated Statement of Revenues and Expenditure

For Period Ending February 29, 2016

	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	11,055,800	914,202	7,872,347	71.2 %	3,183,453	0	3,183,453
Tipping Fees - Surcharge	1,560,600	117,485	1,011,902	64.8 %	548,698	0	548,698
Tipping Fees - Diverted Materials	1,189,400	132,995	1,085,442	91.3 %	103,958	0	103,958
AB939 Service Fee	2,166,100	180,508	1,444,064	66.7 %	722,036	0	722,036
Charges for Services	124,500	0	70,460	56.6 %	54,040	0	54,040
Sales of Materials	309,500	16,099	150,718	48.7 %	158,782	0	158,782
Gas Royalties	220,000	65,203	132,753	60.3 %	87,247	0	87,247
Investment Earnings	31,700	787	29,143	91.9 %	2,557	0	2,557
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	245	10,261	0.0 %	(10,261)	0	(10,261)
Total Revenue	16,657,600	1,427,525	11,807,089	70.9 %	4,850,511	0	4,850,511
<u>Expense Summary</u>							
Executive Administration	472,680	22,805	195,158	41.3 %	277,522	252	277,270
Administrative Support	485,450	37,774	276,176	56.9 %	209,274	36,300	172,973
Human Resources Administration	360,600	25,707	227,229	63.0 %	133,371	4,070	129,302
Clerk of the Board	178,300	10,987	99,430	55.8 %	78,870	2,175	76,695
Finance Administration	572,320	46,709	334,863	58.5 %	237,457	3,473	233,984
Operations Administration	376,700	38,110	218,979	58.1 %	157,721	11,412	146,309
Resource Recovery	747,650	38,942	403,096	53.9 %	344,554	21,395	323,158
Marketing	75,000	0	41,784	55.7 %	33,216	29,946	3,270
Public Education	188,500	9,688	62,086	32.9 %	126,414	33,721	92,693
Household Hazardous Waste	713,300	54,270	372,266	52.2 %	341,034	28,146	312,888
C & D Diversion	160,000	0	115,697	72.3 %	44,303	0	44,303
Organics Diversion	642,100	0	244,806	38.1 %	397,294	341,292	56,001
Diversion Services	23,250	710	15,286	65.7 %	7,964	3,300	4,664



Salinas Valley Solid Waste Authority

Consolidated Statement of Revenues and Expenditure

For Period Ending February 29, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Scalehouse Operations	416,950	30,898	262,019	62.8 %	154,931	3,508	151,423
JR Transfer Station	755,600	74,674	460,091	60.9 %	295,509	0	295,509
ML Transfer Station	166,500	0	106,847	64.2 %	59,653	3,248	56,405
SS Disposal Operations	798,350	48,961	527,461	66.1 %	270,889	64,510	206,378
SS Transfer Operations	1,051,100	86,298	689,848	65.6 %	361,252	3,279	357,973
SS Recycling Operations	325,000	34,806	172,477	53.1 %	152,523	20	152,503
JC Landfill Operations	2,429,250	149,497	1,282,468	52.8 %	1,146,782	106,768	1,040,015
JC Recycling Operations	260,950	19,246	114,566	43.9 %	146,384	31	146,353
Crazy Horse Postclosure Maintenance	660,200	36,157	300,107	45.5 %	360,093	55,573	304,519
Lewis Road Postclosure Maintenance	236,500	11,771	111,795	47.3 %	124,705	21,114	103,590
Johnson Canyon ECS	324,100	41,188	158,605	48.9 %	165,495	60,728	104,767
Jolon Road Postclosure Maintenance	190,350	7,776	122,119	64.2 %	68,231	3,180	65,051
Sun Street ECS	153,600	11,167	94,368	61.4 %	59,232	0	59,232
Debt Service - Interest	1,686,000	839,027	1,700,833	100.9 %	(14,833)	0	(14,833)
Debt Service - Principal	1,183,099	352,903	1,168,188	98.7 %	14,911	0	14,911
Closure Set-Aside	189,200	0	119,636	63.2 %	69,564	0	69,564
Total Expense	15,822,599	2,030,070	9,998,285	63.2 %	5,824,314	837,443	4,986,871
Revenue Over/(Under) Expenses	835,001	(602,545)	1,808,804	216.6 %	(973,803)	(837,443)	(136,360)



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report

For Period Ending February 29, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 180 - Expansion Fund</u>							
180 9023 Salinas Area MRC	21,415	0	16,607	77.5 %	4,808	5,915	(1,107)
180 9024 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
180 9804 Long Range Facility Needs EIR	543,488	386	1,811	0.3 %	541,677	543,488	(1,811)
180 9805 Harrison Road	80,000	78,750	78,750	98.4 %	1,250	0	1,250
Total Fund 180 - Expansion Fund	744,903	79,136	97,168	13.0 %	647,735	549,403	98,332
<u>Fund 211 - State Grants</u>							
211 2610 Tire Amnesty Grant	25,669	(11,835)	3,250	12.7 %	22,418	2,300	20,118
211 2620 Cal Recycle - CCP	96,433	0	32,132	33.3 %	64,301	849	63,452
211 9206 HHW HD25-15-0003	95,523	0	64,683	67.7 %	30,840	0	30,840
211 9208 Tire Amnesty 2015-16	52,535	12,950	12,950	24.7 %	39,585	18,900	20,685
211 9248 Cal Recycle - 2014-15 CCP	62,809	550	2,200	3.5 %	60,609	4,400	56,209
Total Fund 211 - State Grants	332,969	1,666	115,216	34.6 %	217,753	26,449	191,304
<u>Fund 216 - Reimbursement Fund</u>							
216 9802 Autoclave Demonstration Unit	143,101	58	2,881	2.0 %	140,219	0	140,219
216 9804 Long Range Facility Needs EIR	267,688	0	0	0.0 %	267,688	267,688	0
Total Fund 216 - Reimbursement Fund	410,789	58	2,881	0.7 %	407,907	267,688	140,219
<u>Fund 221 - USDA Grant</u>							
221 9003 USDA Autoclave Studies	6,370	0	6,370	100.0 %	0	0	0
Total Fund 221 - USDA Grant	6,370	0	6,370	100.0 %	0	0	0
<u>Fund 800 - Capital Improvement Projects Func</u>							
800 9010 JC Roadway Improvements	1,854,726	0	789	0.0 %	1,853,937	0	1,853,937
800 9102 Segunda Vida (Second Life) Start Up	6,989	0	5,842	83.6 %	1,147	390	758
800 9103 Closed Landfill Revenue Study	32,222	0	0	0.0 %	32,222	0	32,222
800 9254 JC Leachate Handling Sys	73,000	0	0	0.0 %	73,000	0	73,000
800 9316 CH Corrective Action Program	50,000	0	0	0.0 %	50,000	0	50,000



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report

For Period Ending February 29, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9501 JC LFG System Improvements	120	0	120	100.0 %	0	0	0
800 9502 JC Flare Station Improvements	508,730	16,106	93,395	18.4 %	415,335	225,747	189,588
800 9504 JC Module 456B Liner Improvements	10,181	152	8,009	78.7 %	2,173	0	2,173
800 9526 JC Equipment Replacement	30,900	0	0	0.0 %	30,900	0	30,900
800 9701 SSTS Equipment Replacement	213,888	0	134,027	62.7 %	79,861	78,601	1,260
800 9702 SSTS NPDES Improvements	12,062	0	0	0.0 %	12,062	0	12,062
Total Fund 800 - Capital Improvement Projects	2,792,819	16,258	242,182	8.7 %	2,550,637	304,738	2,245,899
Total CIP Expenditures	4,287,848	97,117	463,816	10.8 %	3,824,032	1,148,278	2,675,755

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2016 to 2/29/2016

Check #		Check Date	Amount	Check Total
15737	OLD REPUBLIC TITLE COMPANY PURCHASE AGREEMENT INITIAL DEPOSIT	2/8/2016	5,000.00	5,000.00
15738	ADMANOR, INC TIRE AMNESTY MEDIA & MARKETING	2/11/2016	4,010.00	4,010.00
15739	ALEXANDRA BRISTOW RECYCLERAMA PERFORMANCES	2/11/2016	365.63	365.63
15740	ALLEN BROTHERS OIL II, INC. VEHICLE MAINTENANCE	2/11/2016	400.40	400.40
15741	AMERIC MACHINERY CORPORATION SKIP LOADER PURCHASE	2/11/2016	28,298.88	28,298.88
15742	AON RISK INSURANCE SERVICES WEST, INC . VEHICLE AUTO INSURANCE - ISUZU BOX TRUCK	2/11/2016	604.00	604.00
15743	ASBURY ENVIRONMENTAL SERVICES HHW DISPOSAL & HAULING SERVICES	2/11/2016	185.00	185.00
15744	ASSURED AGGREGATES CO., INC SSTS FACILITY MAINTENANCE CREDIT MEMO	2/11/2016	1,768.05 (678.67)	1,089.38
15745	AT&T MOBILITY FINANCE INTERNET	2/11/2016	41.50	41.50
15746	AT&T SERVICES INC ALL SITES TELEPHONE SERVICE	2/11/2016	3,048.66	3,048.66
15747	BARTEL ASSOCIATES, LLC OPEB VALUATION	2/11/2016	950.00	950.00
15748	BC LABORATORIES, INC ALL SITES STORMWATER TESTING	2/11/2016	1,270.00	1,270.00
15749	BECKS SHOE STORE, INC. EMPLOYEE UNIFORMS	2/11/2016	1,078.74	1,078.74
15750	BRANDY ELLEN ACEVEDO RECYCLERAMA PERFORMANCES AND PRODUCTION	2/11/2016	1,867.82	1,867.82
15751	CA STATE BOARD OF EQUALIZATION BOE PERMIT OLPP	2/11/2016	317.00	317.00
15752	CALIFORNIA WATER SERVICE SS TS MONTHLY WATER SERVICE	2/11/2016	685.30	685.30
15753	CARDLOCK FUELS SYSTEM, INC. SSTS EQUIPMENT FUEL CREDIT ADJUSTED INVOICES JCLF EQUIPMENT FUEL	2/11/2016	3,626.24 (6,500.18) 5,741.74	2,867.80
15754	CDW GOVERNMENT REPLACEMENT EQUIPMENT	2/11/2016	1,023.93	1,023.93
15755	CLARK PEST CONTROL, INC PEST-AWAY SERVICE	2/11/2016	88.00	88.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 2/1/2016 to 2/29/2016

Check #		Check Date	Amount	Check Total
15756	CLINTON HENDRICKS TUITION REIMBURSEMENT	2/11/2016	1,250.00	1,250.00
15757	COAST COUNTIES TRUCK & EQUIPMENT CO. SS & JC EQUIPMENT MAINTENANCE RETURN	2/11/2016	4,613.64 (135.33)	4,478.31
15758	**VOID**	2/11/2016	-	-
15759	**VOID**	2/11/2016	-	-
15760	COMCAST MONTHLY INTERNET SERVICE	2/11/2016	182.26	182.26
15761	COSTCO WHOLESALE ADMINISTRATION SUPPLIES OFFICE SUPPLIES	2/11/2016	30.98 7.99	38.97
15762	CSC OF SALINAS/YUMA SS & JC EQUIPMENT MAINTENANCE	2/11/2016	440.33	440.33
15763	D & D COMPRESSOR SERVICES, INC, ROTARY SCREW AIR COMPRESSOR	2/11/2016	14,032.71	14,032.71
15764	DESIREE LIZZETTE VALADEZ RECYCLERAMA PERFORMANCES	2/11/2016	261.76	261.76
15765	ELIA ZAVALA CONFERENCE PER DIEM	2/11/2016	33.00	33.00
15766	ERNEST BELL D. JR JANUARY JANITORIAL SERVICES	2/11/2016	2,100.00	2,100.00
15767	EXPRESS SAFETY INC SSTS SAFETY SUPPLIES	2/11/2016	261.90	261.90
15768	FEDEX ADMIN OVERNIGHT MAILING	2/11/2016	45.49	45.49
15769	FULL STEAM STAFFING LLC JCLF & SSTS TEMP LABOR	2/11/2016	7,026.61	7,026.61
15770	GC ENVIRONMENTAL, INC JCLF ENGINEERING SERVICES	2/11/2016	8,192.25	8,192.25
15771	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT MAINTENANCE	2/11/2016	18,301.15	18,301.15
15772	**VOID**	2/11/2016	-	-
15773	**VOID**	2/11/2016	-	-
15774	**VOID**	2/11/2016	-	-
15775	GONZALES CHAMBER OF COMMERCE ANNUAL MEMERSHIP FEE	2/11/2016	75.00	75.00

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15776	GRAINGER SSTS FACILITY IMPROVEMENTS	2/11/2016	2,611.97	2,611.97
15777	GREEN RUBBER - KENNEDY AG, LP ALL SITES EQUIPMENT MAINTENANCE	2/11/2016	695.44	695.44
15778	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS EQUIPMENT MAINTENANCE	2/11/2016	24.64	24.64
15779	GREENWASTE RECOVERY INC. CARPET RECYCLING	2/11/2016	710.35	710.35
15780	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 SSTS FACILITY SUPPLIES	2/11/2016	136.41	136.41
15781	HOME DEPOT SITE MAINTENANCE SUPPLIES	2/11/2016	1,128.12	1,128.12
15782	**VOID**	2/11/2016	-	-
15783	HYDROTURF, INC JCLF REPAIRS AND MAINTENANCE	2/11/2016	25.40	25.40
15784	IVY CONTRERAS RECYCLERAMA PERFORMANCES AND PRODUCTION	2/11/2016	1,659.78	1,659.78
15785	JOHN DAVID ACEVEDO II RECYCLERAMA PERFORMANCES	2/11/2016	800.44	800.44
15786	JOSE RAMIRO URIBE SSTS EQUIPMENT MAINTENANCE	2/11/2016	109.70	109.70
15787	LINDA VASQUEZ CONFERENCE TRAVEL PER DIEM	2/11/2016	33.00	33.00
15788	MICHAEL BAKER RECYCLERAMA PERFORMANCES	2/11/2016	199.86	199.86
15789	MICHAEL DAVID ACEVEDO RECYCLERAMA PERFORMANCES	2/11/2016	515.32	515.32
15790	MONTEREY AUTO SUPPLY INC JCLF EQUIPMENT MAINTENANCE	2/11/2016	40.75	40.75
15791	MONTEREY COUNTY HEALTH DEPARTMENT SSTS ANNUAL WASTE TRUCK INSPECTION	2/11/2016	815.00	815.00
15792	MONTEREY COUNTY TREASURER/TAX COLLECTOR 2015-16 PROPERTY TAXES	2/11/2016	13,212.10	13,212.10
15793	MONTEREY SANITARY SUPPLY, INC. ADM JANITORIAL SUPPLIES	2/11/2016	179.08	179.08
15794	NEXTEL OF CALIFORNIA, INC CELL PHONE SERVICE	2/11/2016	276.21	276.21
15795	OFFICE DEPOT DEPARTMENT OFFICE SUPPLIES	2/11/2016	2,978.59	2,978.59

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15796	ONE STOP AUTO CARE/V & S AUTO CARE, INC VEHICLE MAINTENANCE	2/11/2016	759.10	759.10
15797	PACIFIC MUNICIPAL CONSULTANTS CHLF PROFESSIONAL SERVICES	2/11/2016	183.75	183.75
15798	PINNACLE MEDICAL GROUP NEW HIRE PHYSICAL - BENJAMIN	2/11/2016	120.00	120.00
15799	PURE WATER BOTTLING POTABLE WATER SERVICE	2/11/2016	72.50	72.50
15800	QUINN COMPANY JCLF EQUIPMENT MAINTENANCE OPS EQUIPMENT ANNUAL EMS SUBSCRIPTION FEES RETURN	2/11/2016	13,219.33 1,350.00 (2,330.13)	12,239.20
15801	**VOID**	2/11/2016	-	-
15802	RONNIE G. REHN HHW EQUIPMENT SUPPLIES JCLF FACILITY MAINTENANCE	2/11/2016	7.09 392.85	399.94
15803	SALINAS CALIFORNIAN EMPLOYMENT RECRUITMENT	2/11/2016	2,212.16	2,212.16
15804	SCALES UNLIMITED SSTS SCALES MAINTENANCE	2/11/2016	1,369.40	1,369.40
15805	SCS FIELD SERVICES CH AND LR DATA ALL SITES ROUTINE ENVIRONMENTAL SERVICES JCLF & CHLF LFG NON ROUTINE ENVIRONMENTAL SERVICE	2/11/2016	375.00 15,934.50 14,031.60	30,341.10
15806	**VOID**	2/11/2016	-	-
15807	STATE WATER RESOURCES CONTROL BOARD JR ANNUAL WD PERMIT	2/11/2016	7,424.00	7,424.00
15808	STURDY OIL COMPANY SSTS EQUIPMENT MAINTENANCE	2/11/2016	436.39	436.39
15809	SUTTON AGRICULTURAL ENTERPRISES, INC JCLF FACILITY SUPPLIES	2/11/2016	441.96	441.96
15810	US BANK CORPORATE PAYMENT SYSTEM HARBOR FREIGHT: TOOLS HARBOR FREIGHT TOOLS CALCHAMBER: ANNUAL MEMBERSHIP ORCHARD SUPPLY: SSTS MATTRESS PROGRAM SUPPLIES ELPOLLOCO: BOARD MEETING SUPPLIES MCMASTER-CARR: FACILITY MAINTENANCE ORCHARD: BUCKET LIDS VISTA PRINT: BUSINESS CARDS BUSINESS OUTFITTERS: ADMIN WORK GEAR EL POLLO LOCO: CAG MEETING MEALS SMART&FINAL: CAG MEETING MEALS FILTERWATER: WATER SURVEYMONKEY: EMPLOYEE SURVEY ORCHARD SUPPLY: SSTS FACILITY MAINTENANCE	2/11/2016	34.91 23.98 215.64 10.90 50.65 144.06 556.52 34.33 300.35 47.23 7.98 341.00 26.00 15.80	

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Check #		Check Date	Amount	Check Total
	MONSTER.COM: JOB POSTING		1,202.00	
	ALAMEDA ELECTRICAL DISTRIBUTORS: EVERLINK PANEL		303.06	
	DR ASAP UTILITIES: EXCEL ADD-IN		55.95	
	KELLY MOORE PAINTS: JCLF FACILITY MAINTENANCE		205.11	
	IKEBANA: FINANCE PLANNING RETREAT		58.74	
	LA PLAZA BAKERY: CLEANUP REFRESHMENTS		101.50	
	TRACTOR SUPPLY: GATE FOR FACILITY		134.05	
	LOGMEIN:HAMACHI ANNUAL SUBSCRIPTION		29.00	
	HOLIDAY INN EXPRESS: LODGING		493.66	
	VALERO:SSTS STORM WATER TESTING		6.69	
	HUGHESNET.COM: JC INTERNET		91.60	
	ORCHARD:JCLF SCALEHOUSE SUPPLIES		16.84	
	JOHN STEINBECK POST OFFICE: POSTAGE		17.80	
	ORCHARD SUPPLY; HHW DEPARTMENT SUPPLIES		117.86	
	AMAZON: OUTREACH & EDUCATION- FLOAT SUPPLIES		22.45	
	TRACTOR SUPPLY COMPANY: EQUIPMENT SUPPLIES		37.49	
	INTERMEDIA:MONTHLY EMAIL EXCHANGE HOSTING		251.77	
	MICROSOFT: MONTHLY OFFICE 365 SUBSCRIPTION		10.00	
	SHAREFILE SUBSCRIPTION		32.95	
	BOLSA KNOLLS GAS STATION: CHLF FLARE MAINTENANCE		21.51	
	SMART&FINAL: DECEMBER BOARD MTG REFRESHMENTS		16.53	
	ORCHARD SUPPLY: SSTS FACILITY MAINTENANCE		35.94	
	IPMA-HR:TRAINING MATERIALS		64.55	
	IPMA-HR:WEBINAR REGISTRATION		79.00	
	UPS.COM: LAMINATOR RETURN		134.93	
	UPS.COM: LAMINATOR RETURN PICKUP		7.05	
	US POSTAL SERVICE: CERTIFIED MAIL		7.89	
	NGWA:WEBINAR REGISTRATION		70.00	
				5,435.27
15811	**VOID**	2/11/2016	-	-
15812	**VOID**	2/11/2016	-	-
15813	**VOID**	2/11/2016	-	-
15814	**VOID**	2/11/2016	-	-
15815	WEST COAST RUBBER RECYCLING, INC TIRE AMNESTY RECYCLING	2/11/2016	1,100.00	1,100.00
15816	MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY JC FLARESTATION PERMIT	2/11/2016	4,105.20	4,105.20
15817	MARVIN MARTINS REVOCABLE TRUST CA FTB WITHHOLDING HARRISON ROAD OPTION AGREEMENT PAYMENT	2/11/2016	(1,250.00) 37,500.00	36,250.00
15818	OLD REPUBLIC TITLE COMPANY HARRISON ROAD OPTION AGREEMENT PAYMENT	2/11/2016	37,500.00	37,500.00
15819	AT&T SERVICES INC MONTHLY TELEPHONE SERVICE	2/18/2016	2,998.38	2,998.38
15820	BC LABORATORIES, INC LR & SSTS STORMWATER TESTING	2/18/2016	413.00	413.00

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15821	CALIFORNIA HIGHWAY ADOPTION CO. LITTER ABATEMENT SERVICES	2/18/2016	550.00	550.00
15822	CARDLOCK FUELS SYSTEM, INC. SSTS EQUIPMENT FUEL	2/18/2016	10,547.63	10,547.63
15823	CITY OF GONZALES JC LF WATER JC HOSTING FEE	2/18/2016	86.00 20,833.33	20,919.33
15824	CLARK PEST CONTROL, INC PEST-AWAY SERVICE	2/18/2016	88.00	88.00
15825	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS EQUIPMENT MAINTENANCE	2/18/2016	51.27	51.27
15826	COSTCO WHOLESALE ADMINISTRATION SUPPLIES	2/18/2016	89.94	89.94
15827	CSC OF SALINAS/YUMA JCLF FACILITY SUPPLIES	2/18/2016	72.32	72.32
15828	DAVE MEZA CONFERENCE TRAVEL	2/18/2016	176.00	176.00
15829	ERIKA TRUJILLO TRAINING PER DIEM	2/18/2016	62.00	62.00
15830	FULL STEAM STAFFING LLC JCLF & SSTS TEMP LABOR JCLF TEMP LABOR	2/18/2016	1,901.22 1,123.12	3,024.34
15831	GOLDEN STATE TRUCK & TRAILER REPAIR JCLF EQUIPMENT MAINTENANCE	2/18/2016	8,433.49	8,433.49
15832	**VOID**	2/18/2016	-	-
15833	**VOID**	2/18/2016	-	-
15834	GREEN RUBBER - KENNEDY AG, LP FACILITY SUPPLIES	2/18/2016	957.86	957.86
15835	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS FACILITY MAINTENANCE JCLF VEHICLE SUPPLIES	2/18/2016	38.67 201.43	240.10
15836	HOPE SERVICES JANUARY SSTS DIVERSION SERVICES	2/18/2016	10,715.81	10,715.81
15837	ID CONCEPTS, LLC ID CONCEPTS - NEW HIRE	2/18/2016	57.25	57.25
15838	JOHNSON ASSOCIATES SSTS EQUIPMENT MAINTENANCE	2/18/2016	12.41	12.41
15839	KELLY-MOORE PAINT COMPANY INC. SSTS FACILITY MAINTENANCE	2/18/2016	10.41	10.41

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Check #		Check Date	Amount	Check Total
15840	MONTEREY AUTO SUPPLY INC JCLF EQUIPMENT MAINTENANCE PARTS RETURN	2/18/2016	317.03 (21.60)	295.43
15841	MONTEREY BAY UNIFIED AIR POLLUTION CONTROL BOARD CH AIR BOARD FEES	2/18/2016	7,769.44	7,769.44
15842	NEW PIG CORPORATION JCLF SITE SPECIAL SUPPLIES	2/18/2016	38.51	38.51
15843	NEXIS PARTNERS, LLC ADMIN BUILDING RENT	2/18/2016	8,709.00	8,709.00
15844	OFFICE DEPOT DEPARTMENT OFFICE SUPPLIES	2/18/2016	133.45	133.45
15845	PACIFIC GAS AND ELECTRIC COMPANY SS TS STREET SWEEPER FUEL	2/18/2016	175.54	175.54
15846	PACIFIC WASTE SERVICES JCLF FACILITY MAINTENANCE	2/18/2016	4,463.95	4,463.95
15847	PENINSULA MESSENGER LLC BANK COURIER SERVICES	2/18/2016	360.00	360.00
15848	PHILIP SERVICES CORP NOVEMBER HHW DISPOSAL AND SUPPLIES	2/18/2016	15,346.71	15,346.71
15849	PROBUILD COMPANY LLC SSTS EQUIPMENT MAINTENANCES	2/18/2016	247.67	247.67
15850	PURE WATER BOTTLING POTABLE WATER SERVICE	2/18/2016	221.62	221.62
15851	QUINN COMPANY SSTS EQUIPMENT MAINTENANCE PARTS RETURN	2/18/2016	4,596.17 (750.83)	3,845.34
15852	SALINAS FALSE ALARM REDUCTION PROGAM FALSE ALARM REDUCTION PROGRAM RENEWAL	2/18/2016	42.00	42.00
15853	STURDY OIL COMPANY SSTS EQUIPMENT MAINTENANCE	2/18/2016	700.00	700.00
15854	TOYOTA MATERIAL HANDLING HHW EQUIPMENT MAINTENANCE	2/18/2016	478.09	478.09
15855	TRI-COUNTY FIRE PROTECTION, INC. SSTS SAFETY SUPPLIES	2/18/2016	44.74	44.74
15856	US BANK CORPORATE PAYMENT SYSTEM AMERICAN AIRLINES: CONFERENCE TRAVEL ISSP: ANNUAL MEMBERSHIP BUSINESS MGT: TRAINING MATERIALS CHILI'S GRILL BAR: NEW HIRE ORIENTATION PROGRAM CONSTRUCTION & DEMOLITION: CDRA MEMBERSHIP RENEWAL WATER U WANT: CHLF MAINTENANCE GINOS:ANNUAL COMMUNICATIONS DINNER EL POLLO LOCO: NEW HIRE ORIENTATION PROGRAM ACME CAR WASH CO: VEHICLE MAINTENANCE PURNDAL AUTO SUPPLY: CHLF SITE MAINENANCE HOLIDAY INN: CONFERENCE LODGING	2/18/2016	1,260.76 120.00 127.00 40.00 245.00 10.82 200.00 40.00 38.99 6.82 580.05	

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	HOLIDAYINN: CONFERENCE LODGING		610.05	
	EAST MARKET SHELL: CHLF STORM WATER TESTING		6.69	
	EAST MARKET SHELL: WATER SAMPLE TESTING SUPPLIES		6.69	
	WALMART: SSTS STORM WATER TESTING		17.33	
	EAST MARKET SHELL: LRLF STORM WATER TESTING		8.02	
	EAST MARKET SHELL: STORM WATER ICE		6.69	
	EAST MARKET SHELL: WATER SAMPLES TESTING		7.48	
	7-ELEVEN: STORM WATER TESTING ICE		5.43	
	SURVEYMONKEY: EMPLOYEE SURVEY		26.00	
	HIGHESTNET.COM		91.60	
	BLR SAFETY: OPERATIONS EMPLOYEE TRAINING		127.00	
	LBCONVENTIONCENTER: CONFERENCE PARKING		30.00	
	LA PLAZA BAKERY:QUARTERLY FRANCHISE MEETING		96.85	
	INTERMEDIA:MONTHLY EMAIL EXCHANGE HOSTING		251.77	
	MICROSOFT: MONTHLY OFFICE 365 SUBSCRIPTION		10.00	
	SHAREFILE SUBSCRIPTION		32.95	
	EL POLLO LOCO: NEW HIRE ORIENTATION PROGRAM		80.00	
	HARBOR FREIGHT TOOLS: SMALL TOOLS		60.01	
	SHELL: JCLF SPECIAL DEPARTMENT SUPPLIES		8.04	
	ORCHARD SUPPLY: SSTS SUPPLIES		34.90	
	SMART & FINAL: SUPPLIES		8.00	
	SMART&FINAL: JANUARY EC MTG REFRESHMENTS		17.87	
	SOLEDAD MISSION CHAMBER: MEETING REGISTRATION		44.00	
	ORCHARD SUPPLY: FACILITY MAINTENANCE		43.64	
	ORCHARD SUPPLY: SSTS FACILITY MAINTENANCE		22.19	
	SV CHAMBER OF COMMERCE: PREMIUM MEMBERSHIP		1,250.00	
	HARBOR FREIGHT TOOLS: SSTS FACILITY SUPPLIES		32.73	
	ORCHARD SUPPLY HARDWARE: HHW SITE IMPROVEMENTS		35.87	
	CVS PHARMACY: CHLF FACILITY MAINTENANCE		4.35	
				5,645.59
15857	**VOID**	2/18/2016	-	-
15858	**VOID**	2/18/2016	-	-
15859	**VOID**	2/18/2016	-	-
15860	**VOID**	2/18/2016	-	-
15861	WASTE MANAGEMENT INC	2/18/2016		
	JANUARY JR TRANSFER OPERATIONS		60,233.16	
	JANUARY MADISON TRANSFERS		14,440.62	
				74,673.78
15862	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION	2/18/2016		
	FUEL PURCHASES		1,727.70	
				1,727.70
15863	AT&T SERVICES INC	2/25/2016		
	FACILITY TELEPHONE SERVICES		314.56	
				314.56
15864	BAKER CORP	2/25/2016		
	JCLF FACILITY MAINTENANCE		3,931.19	
				3,931.19
15865	BANK OF NEW YORK	2/25/2016		
	BONDS ADMIN FEE		5,300.00	
				5,300.00
15866	BARTEL ASSOCIATES, LLC	2/25/2016		
	OPEB VALUATION		2,380.00	
				2,380.00

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Check #		Check Date	Amount	Check Total
15867	BC LABORATORIES, INC STORMWATER TESTING	2/25/2016	2,411.00	2,411.00
15868	CARDLOCK FUELS SYSTEM, INC. JCLF EQUIPMENT FUEL	2/25/2016	556.97	556.97
15869	CLINTON HENDRICKS TRAVEL REIMBURSEMENT	2/25/2016	409.85	409.85
15870	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS EQUIPMENT MAINTENANCE	2/25/2016	2,915.44	2,915.44
15871	**VOID**	2/25/2016	-	-
15872	COMCAST MONTHLY INTERNET SERVICE	2/25/2016	177.51	177.51
15873	CSC OF SALINAS/YUMA SSTS & JCLF EQUIPMENT MAINTENANCE	2/25/2016	5,247.65	5,247.65
15874	EAGLE STAR SECURITY FACILITY SECURITY SERVICES	2/25/2016	2,812.00	2,812.00
15875	EDWARDS TRUCK CENTER, INC SSTS EQUIPMENT MAINTENANCE	2/25/2016	252.18	252.18
15876	EXPRESS SAFETY INC SSTS SAFETY SUPPLIES	2/25/2016	570.23	570.23
15877	FULL STEAM STAFFING LLC JCLF & SSTS TEMP LABOR	2/25/2016	8,217.26	8,217.26
15878	GERALD A. GRAEBE AND ASSOCIATES INC JCLF ENGINEERING CONSULTING SERVICES	2/25/2016	756.00	756.00
15879	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS EQUIPMENT MAINTENANCE	2/25/2016	8,287.01	8,287.01
15880	**VOID**	2/25/2016	-	-
15881	GRAINGER SSTS VEHICLE SUPPLIES JCLF SPECIAL DEPARTMENT SUPPLIES PARTS RETURN JCLF FACILITY MAINTENANCE	2/25/2016	403.77 139.13 (198.81) 59.85	403.94
15882	HERTZ EQUIPMENT RENTAL CORPORATION CHLF FACILITY MAINTENANCE	2/25/2016	544.50	544.50
15883	JULIO GIL SSTS EQUIPMENT MAINTENANCE	2/25/2016	265.97	265.97
15884	KELLY-MOORE PAINT COMPANY INC. SSTS FACILITY MAINTENANCE SSTS FACILITY MAINTENANCE	2/25/2016	229.69 467.36	697.05
15885	MONTEREY SANITARY SUPPLY, INC. JANITORAL SUPPLIES	2/25/2016	91.85	91.85

Salinas Valley Solid Waste Authority
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Check #		Check Date	Amount	Check Total
15886	OFFICE DEPOT ADMIN OFFICE SUPPLIES	2/25/2016	73.63	73.63
15887	OLD TOWN DELI 8-HOUR HAZWOPER TRAINING	2/25/2016	152.00	152.00
15888	OLIVIA A. TOSTADO WALLY WASTENOT AWARD - CESAR CHAVEZ SCHOOL	2/25/2016	1,000.00	1,000.00
15889	PHILIP SERVICES CORP DECEMBER HHW DISPOSAL AND SUPPLIES	2/25/2016	1,685.00	1,685.00
15890	PITNEY BOWES - POSTAGE POSTAGE METER REFILL	2/25/2016	208.99	208.99
15891	QUINN COMPANY JCLF EQUIPMENT MAINTENANCE	2/25/2016	599.57	599.57
15892	REPUBLIC SERVICES #471 TRASH DISPOSAL SERVICE	2/25/2016	69.98	69.98
15893	SCALES UNLIMITED JCLF SCALE MAINTENANCE	2/25/2016	1,156.00	1,156.00
15894	SCS FIELD SERVICES CH AND LR DATA ALL SITES ROUTINE ENVIRONMENTAL SERVICES ALL SITES NON ROUTINE ENVIRONMENTAL SERVICE	2/25/2016	375.00 20,094.50 949.50	21,419.00
15895	**VOID**	2/25/2016	-	-
15896	STURDY OIL COMPANY SSTS EQUIPMENT MAINTENANCE	2/25/2016	826.27	826.27
15897	TOYOTA MATERIAL HANDLING HHW EQUIPMENT MAINTENANCE	2/25/2016	565.88	565.88
15898	VERIZON WIRELESS SERVICES CELL PHONE SERVICE	2/25/2016	119.03	119.03
15899	WESTERN EXTERMINATOR COMPANY FACILITY VECTOR CONTROL	2/25/2016	364.50	364.50
	SUBTOTAL:			535,574.02
	PAYROLL DISBURSEMENTS			400,482.59
	GRAND TOTAL			936,056.61



Report to the Board of Directors

ITEM NO. 3

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: April 21, 2016

From: Susan Warner, Diversion Manager/Assistant
General Manager

Title: Member and Interagency Activities Report for
March 2016 and Upcoming Events

RECOMMENDATION

Staff recommends the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

This report relates to the 3-year goal to increase public access, involvement and awareness of Salinas Valley Recycles activities and is intended to keep the Board apprised of communication with our member agencies and regulators.

City of Salinas

Staff met with Doug Yount from Applied Development Economics in March to provide details relating to the proposed Salinas Area Material Recovery Center and the potential site on Harrison Road near Sala Road. There was also discussion about the Uni-Kool development and parameters or prohibitions for the uses allowed. Staff requested Mr. Yount and the Salinas Economic Development department provide any other site options they see as viable alternatives that could be added to the ongoing due diligence process.

Monterey County Environmental Health Bureau (CalRecycle's Local Enforcement Agency)

The LEA was notified on March 16 that the tonnage limit was exceeded at the Sun Street transfer station by close to 16 tons. This is likely attributable to the amount of construction and demolition material received, hopefully as a result of implementation of the construction and demolition ordinances prohibiting landfilling in place in all the Valley cities. The permitted 296 vehicle trips per day was exceeded on March 19 (333 trips) and March 21 (307 trips).

On March 3, 2016 an application was submitted to revise the current Solid Waste Facilities Permit at the Sun Street transfer station to increase the vehicle trips limit at the Sun Street transfer station to an estimated maximum 570 vehicle trips per day based on the traffic associated with receipt of 400 tons of waste per day from previous traffic studies. Copies were provided to the Regional Water Quality Control Board, CalRecycle and the City of Salinas.

The monthly inspection at Crazy Horse and Lewis Road closed landfills were conducted on March 15. Erosion control and drainage into the sedimentation basins were scrutinized at each of the sites. There were no areas of concern or violations reported.

It was noted during the March 30 inspection at the Johnson Canyon Landfill that the litter fence was doing a good job keeping windblown debris from neighboring properties.

Regional Water Quality Control Board

An inspector from the Central Coast Water Quality Control Board visited the Lewis Road and Crazy Horse Canyon Landfills on March 11. Some of the comments received included ensuring positive drainage flow from the top level of both of the closed landfills and to keep sand on the edge of the closure turf at Crazy Horse where it meets the paving. The inspector indicated he would be finalizing the closure plan for Crazy Horse in the next two months.

Future Events

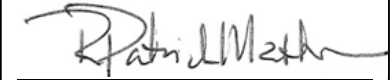
Gonzales:	4/4	through 4/30 Free Passenger Tire Collection at Johnson Canyon
	4/19	Earth Day Bag GiveAway – Basic Foods and Jalisco Market
	4/24	Dia del Nino Celebration, Central Park, noon
	6/12	Recycling and E-waste event at Johnson Canyon Landfill
	6/25	Composting Workshop, Fairview School, 10-11 am
	6/25	and 6/26 Recycling and Clean Up Event, Fairview School
	10/8	and 10/9 Weekend Clean Up Event
Greenfield:	4/6	Recycling and compost presentation, Mary Chapa Academy
	4/22	Earth Day Bag GiveAway – Rancho San Miguel market
	5/23	through 5/28 Clean Up Week
	8/28	Dia del Trabajador Agricola
	10/22	Recycling and Clean Up Event
King City:	4/4	through 4/30 Free Passenger Tire Collection at Jolon Road Station
	4/13	Mee Memorial Hospital health fair
	4/21	Earth Day Bag GiveAway – La Princesa Market and Safeway
	6/26	Through 7/2 Beautification Week
Salinas:	4/4	through 4/30 Free Passenger Tire Collection at Sun Street Station
	4/7	and 4/8 Lincoln School tours of Sun Street
	4/9	District 2 Clean Up Event
	4/16	Natividad Creek Park Clean Up Event
	4/18	Earth Day Bag GiveAway Mi Pueblo Market, Smart & Final, El Super, and Safeway-Constitution Blvd.
	4/21	Earth Day Mixer, McShane's Nursery
	4/30	District 6 Clean Up Event
	5/7	Salinas Rotary Crapper Derby
	5/28	Composting Workshop, Natividad Creek Park, 10-11 am
	6/25	District 1 Clean Up Event
	8/13	District 5 Clean Up Event
	9/10	District 4 Clean Up Event
	10/22	Citywide Clean Up Events
Soledad:	4/9	Composting Workshop, location TBA, 10-11 am
	4/20	Earth Day Bag GiveAway – Foods Co and El Pueblo Market
	5/16	through 5/21 Clean Up Week
	10/1	Recycling and Clean Up Event
Monterey County:	4/16	Earth Day Clean Ups (locations tbd)
Sacramento:	4/12	Hearing of the Environmental Safety and Toxic Materials Committee regarding AB2039; a bill to reduce disposal related needle stick accidents amount solid waste, wastewater, hotel, parks and recreation, police and fire workers
	4/19	Workshop of Organics Grant Criteria

UPDATED as of April 14, 2016

SALINAS VALLEY RECYCLES
SIX-MONTH STRATEGIC OBJECTIVES
February 29, 2016 – July 25, 2016

ITEM NO. 4

Agenda Item



General Manager/CAO

THREE-YEAR GOAL: <i>FUND AND IMPLEMENT 75% DIVERSION OF WASTE FROM LANDFILLS</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By June 1, 2016	Diversion Manager and Operations Manager	Report to the General Manager, the outcome of a study to determine how much gypsum board (sheet rock) is collected and if it can be economically processed and marketed.		X		Currently determining volume of gypsum board received.
2. By July 1, 2016	Engineering Manager and Diversion Manager	Submit for review by the Local Enforcement Agency a compost site permit for Johnson Canyon to potentially include food waste.		X		Preparation of the application and supporting documents is underway
3. By July 1, 2016	General Manager	Present an overview of the Clean Fiber and Organics Recovery Demonstration Project to each of the Valley City Councils and Board of Supervisors.		X		Requests to agenda presentations to all member jurisdictions have been made.
4. By July 1, 2016	Diversion Manager	Consult with existing food pantries in the Salinas Valley to determine the feasibility of developing a Clothing Closet Store in their community, and make a recommendation to the General Manager.		X		Outreach to other potential partners is underway

UPDATED as of April 14, 2016

THREE-YEAR GOAL: <i>COMPLETE FACT FINDING PROCESS FOR SALINAS AREA MATERIALS RECOVERY CENTER (SAMRC)</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Beginning May 1, 2016 and at least quarterly thereafter	Diversion Manager	Provide a status report to the Board regarding progress on the fact-finding process for the Salinas Area Materials Recovery Center and Clean Fiber and Organics Recovery System.		X		First report scheduled for May Board agenda.
2. By June 1, 2016	Finance Manager	Complete the RFP process and select vendors for the Long-Range Financial Study and Economic Impacts/Benefits Study for all selected CEQA project scenarios.		X		RFPs were released at the end of March 2016 and proposals are due on April 28 th .
3. At the June 16, 2016 Board meeting	Diversion Manager	Present to the Board a Public Outreach Plan for each location to be studied in the Long-Range Facilities environmental review.		X		Draft plan to be reviewed by Citizens Advisory Group at its May meeting

UPDATED as of April 14, 2016

THREE-YEAR GOAL: <i>UTILIZE CLOSED JOLON ROAD, CRAZY HORSE AND LEWIS ROAD LANDFILLS TO GENERATE REVENUE</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By June 1, 2016	Finance Manager	Determine the feasibility of leasing excess property for agriculture uses and make a recommendation to the General Manager.		X		List of potential agricultural interests is being developed
2. At the June 17, 2016 Board meeting	Engineering Manager	Present an update to the Board on solar projects at closed landfills.		X		Work continues with our selected vendor ISM to develop possible solar installation on close landfills
3. At the June 17, 2016 Board meeting	Engineering Manager	Present an update to the Board on commercial leases for cell towers.		X		Work in progress
4. At the June 17, 2016 Board meeting	Engineering Manager	Present a report to the Board on the process for selling excess property at closed landfills.		X		Work in progress
5. At the June 17, 2016 Board meeting	Engineering Manager	Present an update to the Board on developing a wind turbine at Johnson Canyon.		X		Work in progress

UPDATED as of April 14, 2016

THREE-YEAR GOAL: <i>INCREASE PUBLIC ACCESS, INVOLVEMENT AND AWARENESS OF SVR ACTIVITIES</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By July 25, 2016	Recycling Coordinator	Review current how-to videos for home composting to determine whether to use one or develop a new video, and post it on the SVR website.		X		Work in progress
2. At the June 16, 2016	HR Manager and General Manager	Survey customers to determine where the customers would go if there was no Sun Street Transfer Station (e.g., to Johnson Canyon or Marina Landfills) and report the results to the Board.		X		Staff is surveying customers.
FUTURE: By _____	Diversion Manager and Contracts Grants Analyst	Present to the General Manager ideas for developing a transportation grant for educational tours of SVR facilities and make recommendations to the Board regarding funding and what age or grade level to target.				Grant opportunity research is ongoing

UPDATED as of April 14, 2016

THREE-YEAR GOAL: <i>REDUCE COSTS AND IMPORVE SERVICES AT SVR FACILITIES</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. On or before the April 21, 2016 Board meeting	Operations Manager	Prepare and present to the Board for action, operation of the Jolon Road Transfer Station by SVR personnel at the end of the Waste Management contract on September 1, 2016.		X		The proposed operations will be presented to the board for their consideration at the April 21, 2016 meeting.
2. At the April 21, 2016 Board meeting	Operations Manager and Engineering Manager	Develop and present to the Board a plan to replace or repair landfill gas flare stations.		X		The proposed plan will be presented to the Board of Director on April 21, 2016.
3. At the June 16, 2016 Board meeting	General Manager and Engineering Manager	Present to the Board an update on the Ameresco contract and determine their interest in installing another power generation unit at Johnson Canyon.		X		Evaluation of current landfill gas generation rate is underway in conjunction with new flare installation.
4. At the June 16, 2016 meeting	General Manager and Operations Manager	Prepare and present to the Board a cost benefit analysis for processing Construction and Demolition by SVR or Monterey Regional Waste Management District.		X		Letter to District requesting data and rate information for various processing options is included in the April 2016 agenda

UPDATED as of April 14, 2016

THREE-YEAR GOAL: <i>PROMOTE AND MAINTAIN A HIGH PERFORMANCE, EFFICIENT AND FLEXIBLE WORKFORCE</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By May 1, 2016, contingent upon Board approval	Human Resources Manager	Begin the staff recruitment process for Jolon Road operations.		X		Met with Operations Manager on the logistics. Recruitments are ready to start pending Board approval of Jolon Road operations plan at the April 2016 meeting
2. At the May 19, 2016 Board meeting	Human Resources Manager	Present to the Board an update on the Employee Mentor Program.		X		Staff will present program in May.
3. At the June 16, 2016 Board meeting	Human Resources Manager	Present to the Board an update on the Job Shadowing Program for new hires.		X		Staff will present program in May.
4. By July 25, 2016	Human Resources Manager	Develop and begin implementation of a cross training program for all interested employees.		X		Staff developing program.
5. By July 25, 2016	Human Resources Manager and Operations Manager, working with staff	Identify and implement at least two teambuilding activities during regular business hours to promote communication and employee morale.		X		Conducted one agency-wide team building training focused on communication.



Report to the Board of Directors

ITEM NO. 5

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: April 21, 2016
From: Ray Hendricks, Finance Manager
Title: March 2016 Quarterly Investments Report

RECOMMENDATION

Staff recommends that the Board accept the March 2016 Quarterly Investments Report.

State law requires quarterly reporting of all investments within 30 days following the end of the quarter. Due to time constraints, this information is being presented directly to the Board of Directors.

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

The vast majority, \$12,987,359.97 (79.1%), of the Authority's investment portfolio is invested in the State's Local Agency Investment Fund (LAIF). For the month ended March 31, 2016, the LAIF effective yield was .506%. LAIF is invested as part of the State's Pooled Money Investment Account (PMIA) with a total of \$64.20 Billion as of March 31, 2016. Attached is a summary of the PMIA portfolio as of March 31, 2016. The Authority's LAIF investment of \$12,987,359.97 represents .020% of the PMIA.

ATTACHMENT(S)

1. March 31, 2016 Cash and Investments Report
2. March 31, 2016 PMIA Portfolio Composition and Average Monthly Yields

SALINAS VALLEYSOLID WASTE AUTHORITY
Cash and Investments Report
March 31, 2016

Issuer/Investment	Rate	Balance	Maturity	Moody's Rating
Investments Managed by Authority Treasurer:				
Petty Cash	-	\$ 1,500.00	N/A	N/A
General Checking Account	-	513,106.23	Same day	Aaa
General Deposit Account	-	862.64	Same day	Aaa
Payroll Checking account	-	140,513.71	Same day	Aaa
Scalehouse Deposit Account	-	14,758.19	Same day	Aaa
Aflac Checking account	-	5,139.44	Same day	Aaa
L.A.I.F	0.506%	12,987,359.97	Same day	N/A
Rabobank CD - 9328050144	0.350%	250,000.00	6/20/2017	Aaa
Rabobank CD - 9741914065	0.450%	500,000.00	6/20/2017	Aaa
Rabobank CD - 9702905679	0.350%	1,000,000.00	6/30/2017	Aaa
Rabobank PIMMA 9608512906	0.200%	1,000,157.57	N/A	N/A
		<u>\$ 16,413,397.75</u>		

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



C. Ray Hendricks, Authority Treasurer



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
03/29/16	0.51	0.47	152
03/30/16	0.51	0.47	146
03/31/16	0.51	0.47	146
04/01/16	0.52	0.52	153
04/02/16	0.52	0.52	153
04/03/16	0.52	0.52	153
04/04/16	0.52	0.52	153
04/05/16	0.52	0.52	153
04/06/16	0.52	0.52	154
04/07/16	0.52	0.52	153
04/08/16	0.52	0.52	153
04/09/16	0.52	0.52	153
04/10/16	0.52	0.52	153
04/11/16	0.52	0.52	151

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

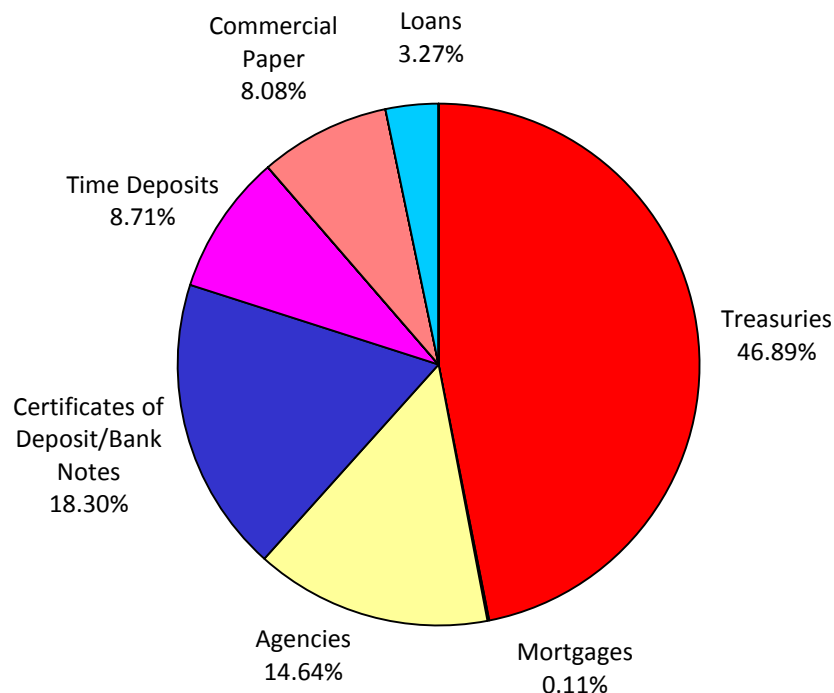
Quarter Ending 12/31/15

Apportionment Rate: 0.37%
 Earnings Ratio: 0.00001006140492611
 Fair Value Factor: 0.999186963
 Daily: 0.43%
 Quarter to Date: 0.38%
 Average Life: 179

**PMIA Average Monthly
Effective Yields**

MAR 2016 0.506%
 FEB 2016 0.467%
 JAN 2016 0.446%

**Pooled Money Investment Account
Portfolio Composition
2/29/16
\$64.2 billion**





Report to the Board of Directors

ITEM NO. 6

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: April 21, 2016

From: Rose Gill, HR/OD Manager

Title: April 2016 Quarter Customer Service Survey

RECOMMENDATION

Staff recommends that the Board accept the fourth quarterly customer service report.

STRATEGIC PLAN RELATIONSHIP

This item evolved into a routine report after the February-July 2015 six-month period of the current 2013-16 Strategic Plan, under the Goal to "Increase public access, involvement and awareness of SVR activities." This item also reflects on one of the Authority's key core value "Customer Service."

FISCAL IMPACT

No fiscal impact.

DISCUSSION & ANALYSIS

As demands for service grow, it is imperative that SVR continue to measure customer service in order to achieve greater efficiency and effectiveness. SVR is focused on whether customers' needs are being met satisfactorily and what modifications in service may be needed to support the community and SVR Mission and Vision.

BACKGROUND

In 2010, a customer service survey was conducted. It was redone in 2014 and in 2015, and is now routinely scheduled on a quarterly basis.

The purpose of the Sun Street Transfer Station survey is to document:

- where the customers come from
- the quality of service provided by SVR
- how often customers use our services, whether it's weekly, monthly or yearly
- marketing and public outreach communication efforts
- per Board direction, customer understanding of where they would go if there were no Salinas area facility in the future (City Manager Study recommendation)

The questions asked:

1. Is this your first time at the Sun Street Transfer Station?
2. If yes, how did you hear about the Sun Street Transfer Station?
3. If no, how often do you visit the Sun Street Transfer Station?
4. What services do you use?
5. Are you pleased with our services?
Comments: 100% Customers in the 1st Quarter.
6. Would you like to see any improvements? What type? **No improvements.**
7. What district are you recycling from?
8. If this facility was to close down, where would you take your trash and recycling? Sample comments:
 - Madison Lane. It's closer. Gonzales is too far.
 - I hope Sun Street doesn't close down. Madison Lane's prices are way too high.

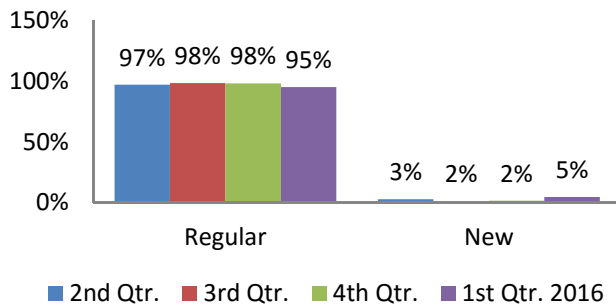
- I love it here! Please don't shut down. I would probably go to Madison Lane.
- I can bring more to Sun Street for free than the one on Boronda.
- I've been coming here for years. Why would you guys want to do that? I don't know where I would go.
- You guys are cheaper than Madison Lane.
- You guys better not shut down. What would I do?
- I love the service here. The staff is great. Now why would you guys want to shut down? I don't know where I would go.
- Are you guys thinking of shutting down? I hope not. I don't know where I would go.

In conclusion:

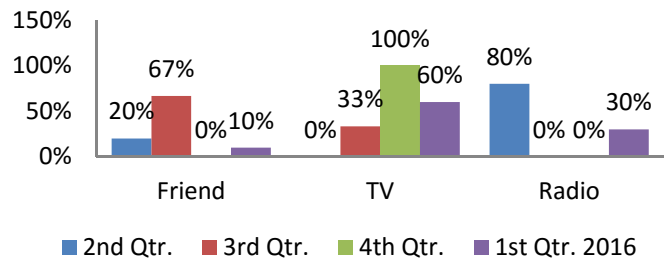
Although Madison Lane's prices are higher, it is still located in the Salinas area. If SVR were to close down, many do not know what their local options are, but Madison Lane was a common answer for some being more conveniently located. SVR customers do not want Sun Street to close down. SVR prices are cheaper and it offers a better Materials Recovery Center.

SUN STREET MATERIALS RECOVERY CENTER 2016 1st Quarter Customer Service Survey Results

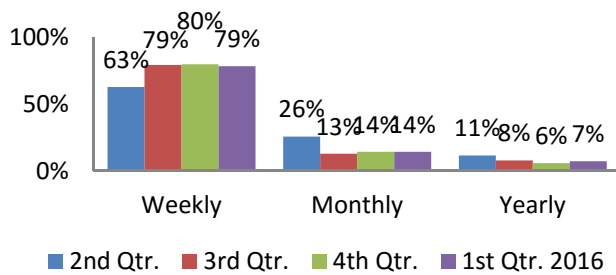
1. Is this your first time at the Sun Street Transfer Station?



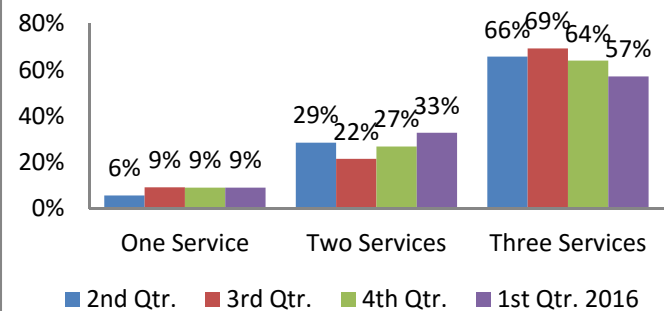
2. How did you (new customer) hear about the Sun Street Transfer Station?



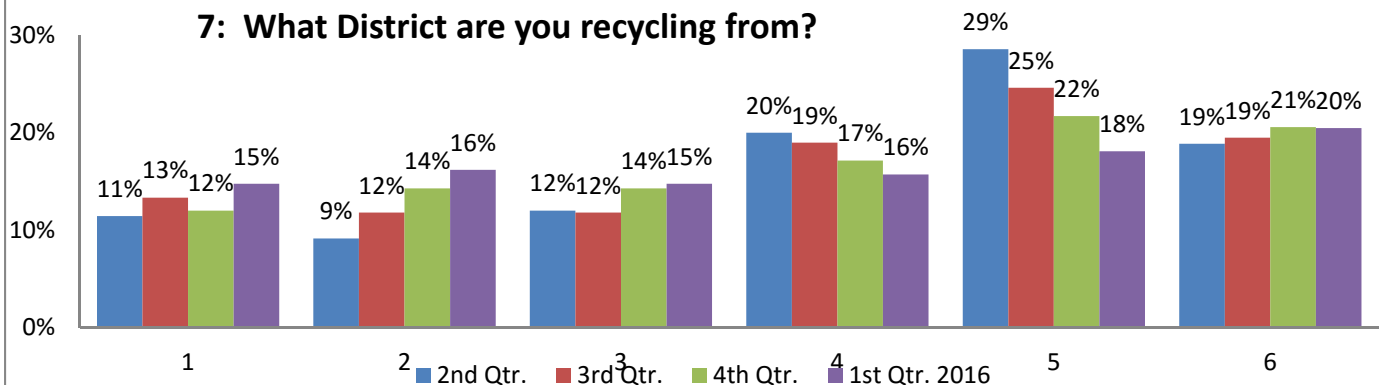
3. How often do you visit the Sun Street Transfer Station?



4. How many services do you use?



7: What District are you recycling from?





Report to the Board of Directors

ITEM NO. 7

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: April 21, 2016

From: Susan Warner, Diversion Manager/Assistant General Manager

Title: A Resolution Approving a Professional Services Agreement with TWDC Industries, Inc. dba Vision Recycling for Green and Wood Waste Processing at the Johnson Canyon Landfill and Sun Street Transfer Station

RECOMMENDATION

Staff recommends the Board approve the resolution authorizing a one-year agreement with up to four one-year extension, with Vision Recycling for ongoing organics processing at the Johnson Canyon Landfill and Sun Street transfer station.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support Goal A – 75% diversion from landfills.

FISCAL IMPACT

The proposed contract increases the per ton cost by \$4 to \$24.65 per ton. This is the first increase Vision has requested since its initial contract in July 2011. There are CPI escalators to the per ton cost in July of 2018 and 2019. With the estimated 29,000 tons to be received in fiscal year 2016-17, the annual expenditure would be \$724,710. Revenue to sustain this program is generated by the \$33.50 per ton tipping fee and AB939 fees.

DISCUSSION & ANALYSIS

Green waste is the Authority's largest recycling activity accounting for 55% of total diversion during the last quarter of 2015. The agreement as proposed continues the current practice of chipping and grinding green and wood waste and creating a minimal amount of compost on site instead of shipping the material to a composter for finishing.

Another significant and unfortunate change to the contract is the use of unmarketable products left over after grinding as alternative daily cover for the landfill. Due to the closure or reduced activity of 22 of the 50 biomass plants in California, composters can no longer economically deliver these leftovers as fuel for the biomass burn plants. The contract allows for up to 8,000 tons of the materials to be used as daily cover or possibly erosion control if the material is suitable. Any amount in excess of the 8,000 tons would be charged at the current tipping fee. (See Section 6G, page 26). Staff and Vision will continue to seek out alternatives for better use of this process byproduct, and promote legislative actions that will promote the revitalization of the biomass industry that is so critical to the solid waste and agricultural industries.

Both SVR and Vision would like to pursue a larger composting facility with the addition of food waste that is currently delivered to the Marina Landfill's anaerobic digester. Vision has submitted a proposal to operate a compost facility with a capacity of 30,000 tons per year utilizing a progressive aerated static pile system suitable to the amount of space available at the Johnson Canyon Landfill. The addition of food waste and method of composting is contingent upon issuance of a new compost permit, as well as amendment to the agreement in both scope and cost, and funding of improvements to the site.

BACKGROUND

SVR initiated green waste processing at the Johnson Canyon Landfill in May 2005 while still contracting with Norcal (now Recology) and in conjunction with landfill operations. To ensure an uninterrupted flow of green waste, contracts were secured with BFI Waste Systems (now Republic) and Waste Management for delivery of green waste to either the Sun Street Transfer Station or Johnson Canyon Landfill at a reduced tipping fee. The amount of curbside green waste anticipated was 18,000 tons per year. The Waste Management agreement had a specific termination date of June 30, 2015 because it was part of a delivery agreement pertaining to transporting self-hauled tonnage from the Madison Lane Transfer Station to Johnson Canyon.

The Republic Services agreement had no specific termination date and is effective throughout the term of the franchise agreement. In 2005, the Republic franchise agreement had an expiration date of June 2010. The agreement has since been restated to expire 6/30/2025.

As a result of a request for proposals process in advance of the Recology contract expiration in June 2011, Vision Recycling was selected as the vendor to manage organics at the Sun Street Transfer Station and process green and wood waste into a pre compost material at the Johnson Canyon Landfill. With extensions, the agreement will expire on June 30, 2016.

ATTACHMENTS

1. Resolution Authorizing Agreement
2. Exhibit A – Professional Services Agreement
3. Exhibit B – Scope of Work
4. Exhibit C – Johnson Canyon Site Map
5. Exhibit D – Sun Street Site Map

RESOLUTION NO. 2016-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH TWDC INDUSTRIES, INC. DBA VISION RECYCLING FOR GREEN WASTE AND WOOD WASTE PROCESSING AT THE JOHNSON CANYON LANDFILL AND THE SUN STREET TRANSFER STATION

WHEREAS, on March 17, 2011, the Salinas Valley Solid Waste Authority Board of Directors adopted Resolution No. 2011-07 approving a contract with Vision Recycling as the processor for yard trimmings, untreated wood and plant material at the Johnson Canyon Landfill and Sun Street Transfer Station; and

WHEREAS, the contract was extended for a one-year period on June 18, 2015; and

WHEREAS, on the contract for services will terminate on June 30, 2016; and

WHEREAS, the Authority wishes to enter into a multiple year professional services agreement with Vision Recycling; and

WHEREAS, the agreement allows for four (4) one (1) year extensions to the contract; and,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to execute a professional services agreement with TWDC Industries, Inc. dba Vision Recycling for organics processing, attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority this 21st day of April 2016 by the following votes:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Jyl Lutes, President

ATTEST:

Elia Zavala, Clerk of the Board



EXHIBIT A

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND TWDC INDUSTRIES, INC. DBA VISION RECYCLING TO PROVIDE ORGANICS PROCESSING AT THE JOHNSON CANYON LANDFILL AND SUN STREET TRANSFER STATION

This agreement, made and entered into this 21st day of April, 2016 by and between the Salinas Valley Solid Waste Authority, a joint powers authority organized under the laws of the State of California (hereinafter "Authority"), and TWDC Industries, Inc., a California Corporation, DBA Vision Recycling (hereinafter "Consultant").

WHEREAS, Consultant represents that it is specially trained, experienced, and competent to perform the special services which will be required by this agreement; and

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

NOW, THEREFORE, Consultant and Authority agree as follows:

1. Scope of Service

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

2. Completion Schedule

Consultant shall complete the consulting services described in Exhibit "B" by June 30, 2020. This schedule may be extended by mutual agreement of both parties for four (4) one (1) year extensions.

3. Compensation

Authority hereby agrees to pay Consultant for services rendered to Authority pursuant to this agreement in an amount not to exceed \$24.65 per ton of organic material processed. Effective July 1, 2018 and July 1, 2019, the per ton amount will increase by the change in the Consumer Price Index, All Urban Consumers, for the San Francisco-Oakland-San Jose Metropolitan Area for the previous twelve (12) months based on the February index.

Authority hereby agrees to pay Consultant a Sanitation Fee to remove contamination from incoming loads, in accordance with the process documented in the Scope of Services, Item 3C, as follows:

Level O, Minimal	\$.00 per load
Level 1, Modest	\$125.00 per load
Level 2, Moderate	\$210.00 per load
Level 3, Excessive	\$255.00 per load

All wage scales shall be in accordance with applicable determinations made by the Director of the Department of Industrial Relations of the State of California, as provided by Article 2, Chapter 1, Division 2, Part 7 of the Labor Code of the State of California, commencing with Section 1771. In accordance with Section 1773.2 of said Labor Code, copies of the aforesaid determinations of the Director of the Department of Industrial Relations are to be on file at the Consultant's principal office. It shall be mandatory for any Contractor or Consultant to whom a contract is awarded to pay not less than the applicable prevailing wage rate to all workers employed for the execution of the Contract.

4. Billing

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

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

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

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

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

5. Additional Services

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

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

6. Additional Copies

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

7. Responsibility of Consultant

- A. By executing this agreement, Consultant agrees that Consultant is apprised of the scope of work to be performed under this agreement and Consultant agrees that said work can and shall be performed in a competent manner. By executing this agreement, Consultant further agrees that the Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the Authority the services contemplated under this agreement and that Authority relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees that Consultant shall follow the current, generally accepted professional

standard of care to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the project for which the services are rendered under this agreement. Consultant shall have the right to reasonably rely on all information provided by Authority without independent verification.

- B. Consultant shall assign a single project director to have overall responsibility for the execution of this agreement for Consultant. Tamotsu Yamamoto is hereby designated as the project director for Consultant. Any changes in the project director designee shall be subject to the prior written acceptance and approval of the Authority's General Manager or designated representative.
- C. Recent changes in State law expand the definitions of work, including testing and survey work, for which prevailing wages may need to be paid on construction projects paid for with public funds. It is the Consultant's responsibility to inform itself of, and to comply at its sole expense with, all State law requirements governing the payment of prevailing wages.

8. Responsibility of Authority

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

- A. Assist Consultant by placing at his disposal all available information pertinent to the project, including but not limited to, previous reports, and any other data relative to the project. Nothing contained herein shall obligate Authority to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of Authority.
- B. Make provisions for Consultant to enter upon public and private property as required by Consultant to perform his services.
- C. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.
- D. The Chief Administrative Officer or authorized designee shall act as Authority's representative with respect to the work to be performed under this agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret, and define Authority's policies and decisions with respect to the materials, equipment, elements, and systems pertinent to Consultant's services. Authority may unilaterally change its representative upon notice to the Consultant.

- E. Give prompt written notice to Consultant whenever Authority observes or otherwise becomes aware of any defect in the project.
- F. Furnish approvals and permits from all governmental authorities having jurisdiction over the project and such approvals and consents from others as may be necessary for completion of the project.

9. Acceptance of Work Not a Release

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

10. Indemnification and Hold Harmless

Contractor shall indemnify and hold harmless and defend Authority, its directors, officers, employees, or authorized volunteers, and each of them from and against:

- a. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever for, but not limited to, injury to or death of any person including the Authority and/or Contractor, or any directors, officers, employees, or authorized volunteers of the Authority or Contractor, and damages to or destruction of property of any person, including but not limited to, the Authority and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, to the extent caused by the negligence, recklessness and willful misconduct of the Consultant, its employees or subcontractors, and except the negligence or willful misconduct or active negligence of the Authority or its directors, officers, employees, or authorized volunteers;
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Contractor;
- c. Any and all losses, expenses, damages (including damages to the work itself), reimbursement of reasonable attorneys' fees, and other costs, which any of them may incur to the extent caused by the negligent failure of Contractor to faithfully perform the work and all of the Contractor's obligations under the Contract.

With regard to any claim alleging Contractor's negligent performance of professional services, Contractor's defense obligation under this indemnity

paragraph means only the reimbursement of reasonable defense costs to the proportionate extent of its actual indemnity obligation hereunder.

Contractor shall pay and satisfy any judgment, award, or decree that may be rendered against the Authority or its directors, officers, employees, or authorized volunteers, in any such suit, action or other legal proceeding that relates to indemnified acts to the extent of Contractor's responsibility therefor, and to the extent they are not covered by Contractor's insurance.

11. Insurance

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 or equivalent form covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
2. Automobile Liability: Insurance Services Office Form Number CA 0001 or equivalent form covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate per project site.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Authority, its officers, officials, employees, and volunteers are to be covered as additional insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and on the CGL policy with respect to liability arising out of work or operations

performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the Consultant's insurance coverage (except professional liability) shall be primary insurance as respects the Authority, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Authority, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to the Authority and its indemnified parties. All policies referenced herein shall include primary and non-contributory coverage in favor of SVSWA, either within the policy form or via endorsement."

Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the Authority. All insurance companies affording coverage shall issue an endorsement to their policy; committing them to provide thirty (30) days written notice by mail to the Salinas Valley Solid Waste Authority should the policy be canceled before the expiration date, or ten (10) days for cancellation for non-payment of premium. .

Waiver of Subrogation

Consultant hereby grants to Authority a waiver of any right to subrogation which any insurer of said Consultant (except the professional liability insurer) may acquire against the Authority by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Authority has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Consultant shall be solely responsible for any and all deductibles and self-insured retentions.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VI, unless otherwise acceptable to the Authority.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

Verification of Coverage

Consultant shall furnish the Authority with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. A statement on the insurance certificate which states that the insurance company will endeavor to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" does not satisfy the requirements of herein. The Consultant shall ensure that the above-quoted language is stricken from the certificate by the authorized representative of the insurance company. The insurance certificate shall also state the limits of coverage required hereunder.

Consultant shall provide substitute certificate of insurance no later than ten (10) days after to the policy expiration date. Failure by the Consultant to provide such a substitution and extend the policy expiration date shall be considered default by Consultant.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

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

The insurer (except the professional liability carrier) shall waive all rights of subrogation against the Authority, its directors, officers, employees, or authorized volunteers.

12. Access to Records

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

during Consultant's usual and customary business hours. Consultant shall provide proper facilities to Authority's representative(s) for such access and inspection.

13. Assignment

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

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

14. Changes to Scope of Work

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

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

15. Compliance with Laws, Rules, and Regulations

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

16. Licenses

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

17. Fiscal Considerations

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

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

18. Interest of Public Official

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

19. Withholding (Form 730)

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

20. California Residency (Form 590)

All independent Consultants providing services to the Authority must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certifying that they have a permanent place of business in California. The Consultant will be required to submit a Form 590 prior to execution of this agreement or Authority shall withhold seven (7) percent of each payment made to the Consultant during the term of this agreement. This requirement applies to any agreement/contract exceeding \$600.00.

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

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

22. Independent Contractor

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

23. Exhibits Incorporated

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

24. Integration and Amendment

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

25. Jurisdiction

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

26. Severability

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

27. Notice to Proceed; Progress; Completion

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

28. Ownership of Documents

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

29. Subcontractors

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

30. Dispute Resolution

A. MEDIATION

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

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

B. ARBITRATION

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

C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS

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

31. Termination

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

1. Shall give Consultant written notice that in the Authority's opinion the conduct of the Consultant is such that the interests of the Authority may be impaired or prejudiced, or
 2. Upon written notice to Consultant, may for any reason whatsoever, terminate this agreement.
- B. Upon termination, Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination based upon the per ton rate shown in Section 3 "Compensation," except that:
1. In the event of termination by the Authority for Consultant's default, Authority shall deduct from the amount due Consultant the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Consultant are made to compensate Authority for its actual additional cost incurred in securing satisfactory performance of the terms of this agreement, including but not limited to, costs of engaging other consultants for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay Authority the full amount of such expense, but only to the extent caused by its negligence. In the event that this agreement is terminated by Authority for any reason, Consultant shall:
 - (a) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by Authority; and
 - (b) Deliver to Authority all documents, data, reports, summaries, correspondence, photographs, computer software, video, and audiotapes, and any other materials provided to Consultant or prepared by or for Consultant or the Authority in connection with this agreement. Such material is to be delivered to Authority whether in completed form or in process; however, notwithstanding the provisions of Section 23 herein, Authority may condition payment for services rendered to the date of termination upon Consultant's delivery to the Authority of such material.
- C. In the event that this agreement is terminated by Authority for any reason, Authority is hereby expressly permitted to assume this project and complete it by any means, including but not limited to, an agreement with another party.
- D. The rights and remedy of the Authority provided by under this section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this agreement.

- E. Consultant may terminate this Agreement upon 30 days' notice in the event of non-payment or other material breach by Authority.

32. Audit and Examination of Accounts

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

33. Extent of Agreement

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

34. Notices

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

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

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

Vision Recycling
Tamotsu Yamamoto, General Manager
41900 Boscell Road
Fremont, CA 94538

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

35. Nondiscrimination

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

36. Conflict of Interest

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

37. Headings

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

38. Multiple Copies of Agreement

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

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

SALINAS VALLEY SOLID WASTE AUTHORITY:

APPROVED AS TO FORM:

R. Patrick Mathews
General Manager/CAO

Thomas M. Bruen
General Counsel

ATTEST:

Elia Zavala
Clerk of the Board

TWDC INDUSTRIES, INC., DBA VISION RECYCLING

Tom Del Conte, President

Attachments:

Exhibit B Scope of Services

Exhibit C Johnson Canyon Site Map

Exhibit D Sun Street Site Map

EXHIBIT B

SCOPE OF SERVICES

1. GENERAL

These standards shall govern the operation of the Organics Collection and Processing Facilities located at the Johnson Canyon Landfill and the Sun Street Transfer Station. The Contractor agrees to take delivery of and process Green Waste and Wood Waste received at the Authority's Johnson Canyon Landfill and market finish end-products for retail sale at the Sun Street Transfer Station in the quantity, of the quality, and on the terms and conditions stated herein.

The work to be done by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the Services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others, as may be required, whether enumerated or not.

The work to be done by Contractor pursuant to this Agreement shall be accomplished in a thorough and professional manner so that the Authority's landfill and transfer station facilities are provided with efficient, reliable, courteous, and high-quality operations at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this Agreement, whether such other aspects are enumerated or not.

The Contractor's operations at the landfill and/or transfer station shall comply with all Applicable Laws, regulations and ordinances, as now existing or as they may be later adopted, modified or amended, and shall further comply with all approved plans and applicable regulatory permits, including but not limited to, any applicable land use permits, Waste Discharge Requirements, Air Pollution Control Board and Solid Waste Facility Permits. In addition, Contractor shall comply with the provisions, conditions and requirements of all operating plans permit applications, and all other future permit applications, operating plans and other documents for the landfill and transfer station hereafter approved by the Authority.

2. OBLIGATIONS OF THE PARTIES

A. Authority Obligations:

1. The Authority shall provide to the Contractor exclusive right to the use of a pre-defined, mutually-agreed-upon area for stockpiling and processing of Green Waste and Wood Waste at the Johnson Canyon Sanitary Landfill and the Sun Street Transfer Station as defined as Attachments to this document.
2. The Authority agrees to direct incoming source separated Green Waste and Wood Waste entering the Sites available to the Contractor as defined and under restrictions of Section 2. The Authority has complete operational control of all facilities within the landfill/transfer station Sites and may, at its discretion, reject loads from entering the Site.
3. The Authority shall retain records documenting material entering the Sites and provide monthly totals to the Contractor, as required under Section 9, Reporting.
4. The Authority shall maintain a winter accessible access road to the drop off Sites.
5. The Authority shall assume responsibility for all clean-up, removal, disposal, fines and other related costs associated with handling hazardous materials deposited at the Sites, if it is

determined that the Contractor made all reasonable and responsible attempts to prevent such materials from being deposited at the Sites.

6. The Authority shall provide a refuse drop box at both Sites for incidental refuse or contaminants removed from Green Waste or Wood Waste in accordance with Section 6. F. and empty as necessary.

B. Contractor's Obligations:

1. The Contractor shall manage operations on Sites in a safe and diligent manner in accordance with Authority, State and Federal ordinances, rules, regulations and policies.
2. The Contractor shall provide all necessary equipment including wood chipper/grinder, screening units, and loader at its own expense, to perform Green Waste and Wood Waste processing and composting.
3. The Contractor shall furnish trained heavy equipment operators at both Authority facilities during all regular hours of public access. The Contractor shall perform load checking duties for all loads of Green Waste and Wood Waste directed to the stockpiling area and maintain representatives at both Authority facilities during all regular hours of public access to perform said duties.
4. Upon termination or expiration of the Agreement, the Authority shall remit all payments and obligations due the Contractor. The Contractor shall process and remove all accumulated Green Waste and Wood Waste, processed or unprocessed, and transfer all waste residues to local vendors and unprocessable materials to the Johnson Canyon Landfill's active dumping face at the current posted gate rate. The Contractor shall remove all operations equipment, and clean work areas to a condition acceptable to the Authority within thirty (30) days of termination or expiration of the Agreement.
5. The Contractor shall assume responsibility for all clean-up, removal, disposal, fines and other related costs associated with handling hazardous materials deposited at the Site, if the Contractor is found to be negligent in its duties to inspect and manage incoming Green Waste and Wood Waste.
6. The Contractor shall provide water for use in dust control during processing and stockpiling operations in accordance with Section 7. B.
7. The Contractor shall provide utility services in accordance with Section 7.C.

3. QUALITY

Green Waste and Wood Waste as used herein is defined as and shall consist of tree and plant trimmings, grass cuttings, dead plants, weeds, leaves, branches, clean recyclable wood waste and residue, consisting of construction wood waste, pallets, brush, cable spools, manufactured residue, green waste and residues, logs, and like materials meeting the following specifications:

- A. Green Waste and Wood Waste provided to the Contractor shall be collected at the Authority's Johnson Canyon Sanitary Landfill, 31400 Johnson Canyon Rd, Gonzales 93926. Green Waste and Wood Waste collected at the Authority's Sun Street Transfer Station, 139 Sun St, Salinas CA 93901, shall be stockpiled by the Contractor and then transported by the Authority to the Johnson Canyon Site for processing by the Contractor.
- B. The Contractor and/or their designated representative is authorized by the Authority under the terms of this Agreement to inspect and prescreen all loads of Green Waste and Wood Waste directed to the Johnson Canyon Landfill and Sun Street Transfer Station stockpiling/processing areas, hereinafter called the "Sites", and to take appropriate action as necessary

to maintain the standards. The Contractor and/or their designated representative may reject all or any portion of a load not meeting the conforming standards set herein, and redirect to the appropriate location at the Sites, but the Contractor shall make a reasonable effort to accept and process the maximum amount of Green Waste and Wood Waste diverted to the Sites. If a load is redirected the Contractor's representative on site will immediately communicate this information to the Authority's scale house cashier.

- C. The Contractor is authorized to separate and clean incoming loads from franchised haulers which have been contaminated with non-processable material on the following levels:

Level 0 – Minimal	Route truck: Less than 2 yards of contamination Transfer truck: Less than 7 yards of contamination
Level 1 – Modest	Route truck: 2 to 4 yards of contamination Transfer truck: 7 to 9 yards of contamination
Level 2 – Moderate	Route truck: 4.1 to 6 yards of contamination Transfer truck: 9.1 to 11 yards of contamination
Level 3 – Excessive	Route truck: Greater than 6 yards of contamination Transfer truck: Greater than 11 yards of contamination

Contractor shall invoice Authority for each occurrence including photo documentation of each load at the rates identified in Section 3 of the Agreement.

- D. The Contractor is authorized to salvage organic materials (such as wood pallets) from the Construction and Demolition pile, adjacent to the processing areas at the Sites, as part of processing Wood Waste and marketing end-products, in accordance with Section 2.
- E. For the purpose of optimizing marketability and providing Authority specified market end-products the Contractor shall at all times segregate and separate stockpiles of Green Waste and Wood Waste into two grades consisting of:
- i. Green Waste, Green Waste, brush and small dimensional tree materials.
 - ii. Dimensional lumber, pallets, construction debris, large dimension logs and plywood.
- F. The Authority agrees to transfer each of the stockpiles separately from the Sun Street Transfer Station to the Johnson Canyon Landfill.
- G. The Contractor shall retail finished end-products for residential and landscaping purposes including wood chips, compost, mulch (natural or colored), and soil amendments at the Sun Street Transfer Station, 139 Sun St, Salinas, CA.
- H. At such time as the Authority's permit allows, and in addition to the Green Waste and Wood Waste processing the Contractor shall also receive and process Food Waste as used herein is defined as all source separated originally acquired for animal or human consumption included but not limited to: vegetable waste, fruit waste, grain waste, dairy waste, meat or fish waste; and non-recyclable paper.

The Contractor shall process the Food Waste in accordance with the Authority's composting permit requirements.

The Contractor may send clean, source separated food waste to an off-site local composter that is permitted to process such a feedstock at no cost to the Authority.

4. QUANTITY

The Contractor shall take delivery of all Green Waste and Wood Waste diverted from disposal at the Johnson Canyon Landfill, Sun Street and Jolon Road Transfer Stations during the term of this Agreement.

The Contractor shall market and retail all end-products to consumers of the Authority's jurisdiction area. The consumers include, but not limited to: local composters, landscapers, commercial developers, government agencies, and citizens. Only left-over end-product materials or materials without local markets can be marketed outside the Authority's service area.

5. PROCESSING/STOCKPILING SITE AND ACCESS

- A. The Johnson Canyon Organic Processing area was designed with a minimum of 6" of Class II baserock. The area is graded to drain to a channel south of the site along the perimeter access road. As a requirement of the landfill's operational permits the integrity of the Site shall not be compromised by this operation in any manner. Drainage grades from the stockpiling/processing area shall be maintained at all times and no ponding of water can occur anywhere within organics processing pad.

The Sun Street Site has been designed as a 400 ton per day transfer station. An area to the right of the entrance on the Site is for staging of the retail area to sell finished end-product to public. As a requirement of the transfer station permits the integrity of the Site shall not be compromised by this operation in any manner.

No vehicular traffic or stockpiling of processed or unprocessed Green Waste and Wood Waste shall occur outside of the prepared Sites. It will be the Contractor's responsibility to maintain operations occurring at the Sites in accordance with the provisions of this Agreement and any and all Federal, State, Local or operationally mandated requirements or regulations in effect during the term of this Agreement.

- B. A perimeter access road encircling the stockpiling/processing area, 15 foot minimum width, shall be maintained by the Contractor for emergency vehicle, transfer truck and other vehicular return routing to the main access roads. These roads shall not exceed the boundaries of the prepared area. The main public access road shall be maintained at a minimum width of 30 feet to facilitate ingress and egress for offloading Green Waste and Wood Waste by the public in the stockpiling areas. Convenient public access and two-way traffic flow shall be maintained on the main access roads at all times the Sites are receiving Wood Waste. The Authority shall be responsible for providing road dust control on all access and perimeter roads.
- C. The Contractor shall install a temporary 6 foot high, fine mesh litter fence along the inside of the perimeter access roads adjacent to each Site and in any other areas as directed by the Authority requiring additional litter control for each Site. All litter fences shall be cleared of debris on a daily basis.
- D. Once per quarter, Contractor will access neighboring property immediately south of the landfill, with permission, to remove accumulated litter.

6. STOCKPILING AND MAXIMUM ACCUMULATION OF GREEN WASTE AND WOOD WASTE

- A. The Johnson Canyon Site, as defined in Exhibit "C", shall consist of a designated processing area and up to four (4) stockpiles not to exceed 100 feet in length, 40 feet in width, and 12 feet in height each. Each stockpile shall be separated by a minimum 15 foot wide fire break. Stockpiles of processed and unprocessed Green Waste and Wood Waste shall be arranged in such a way as to provide a minimum offset of 100 feet at all times between the active public drop off area and processing operations.
- B. The Sun Street Site, as defined in Exhibit "D", shall consist of a designated bunker area for the retail sale of end-product adjacent to the designated area of unprocessed Green Waste and Wood Waste. Each stockpile of end-products shall not exceed the Materials Recovery Center wall height and shall be fully contained in the bunker. Each stockpile shall be

separated in the designated individual bunker space. Stockpiles of end-product shall be arranged in such a way as to provide a minimum offset of 50 feet at all times between the active public drop off area for Green Waste and Wood Waste and other processing operations.

- C. The Contractor shall provide a full time spotter at both Sites during all Landfill and Transfer Station operational hours to inspect and manage the stockpiling operations, as provided for under Section 2.C. above, at no additional cost to the Authority. The Contractor shall provide the spotters and the Landfill and Transfer Station gatehouses with two way radios for the purpose of Green Waste and Wood Waste quality control, at no additional cost to the Authority.
- D. The Contractor may install a small office trailer/portable building and portable restrooms for staff use only at both sites.
- E. The Contractor shall provide a loader or other acceptable equipment and a trained operator at the Johnson Canyon Site as needed for the processing operation, at no cost to the Authority. The Contractor shall provide for and perform all operation and maintenance of Contractor's onsite equipment.
- F. The Authority shall arrange and provide for refuse drop boxes for use by the Contractor to remove incidental refuse and contaminants, as defined under Section 2 above, during processing, at no cost to the Contractor. These boxes shall be provided for the Contractor's use only and it shall be the Contractor's responsibility to minimize acceptance of heavily contaminated loads and to deter the public from using the drop boxes for disposal purposes. The Authority shall be responsible for maintenance and transfer of drop boxes when boxes are full. The Authority shall waive disposal fees for contaminants removed by the Contractor up to 5% of total incoming Green Waste and Wood Waste weight.
- G. The Contractor shall make all reasonable efforts to process all Green Waste and Wood Waste stockpiled on the Sites. If after the Contractor's best efforts Green Waste and Wood Waste and/or processing by-products remain that cannot be economically processed to meet specifications and quality criteria contained in Section 2 or alternatively marketed, the Contractor shall notify the site supervisor at Johnson Canyon Landfill and arrange for delivery of no more than 8,000 tons per year to be used as Alternative Daily Cover or for erosion control. Any amount in excess of the 8,000 tons shall be charged to the Contractor at the current disposal fee. Use of the material for erosion control is subject to the approval of the Johnson Canyon Landfill site supervisor based on quantity and cleanliness. If used for erosion control at the Lewis Road, Jolon Road or Crazy Horse Landfill sites, Contractor shall arrange for delivery of the material at no cost to the Authority. It shall be the sole responsibility of the Contractor to minimize acceptance of contaminated Green Waste and Wood Waste and to process and manage the Sites in a manner which maximizes marketability and prevents contamination of otherwise acceptable Green Waste and Wood Waste.

7. PROCESSING, GENERAL CONDITIONS

- A. Processing of Green Waste and Wood Waste at the Johnson Canyon Site shall only be permitted Monday through Friday, between the hours of 7:00 a.m. and 4:00 p.m. and Saturday through Sunday, between the hours of 8:00 a.m. and 4:00 p.m. Marketing and managing of Green Waste and Wood Waste at the Sun Street Site shall only be permitted Monday through Saturday 8:00 a.m. and 5:00 p.m. The Sites will be closed five (5) days each year in observance of the following four (4) holidays; New Year's Day, Easter, Independence Day (July 4), Thanksgiving Day, and Christmas Day. Extensions in daily hours of operation or operation on holidays may only be granted upon written approval of the Authority. The Contractor shall be permitted access for equipment maintenance from 6:30 a.m. to 6:30 p.m. and only during daylight hours. Absolutely no heavy

equipment operation or excessive noise shall occur before or after the prescribed processing hours. Should the facility days or hours change, the Contractor will be notified and site access may be amended accordingly.

- B. Water is not available to the Contractor at the Johnson Canyon Site. The Contractor shall be responsible to provide water for the purpose of processing dust control as required by the local Air District. It shall be the Contractor's responsibility to provide adequately sized storage tanks for dust control water.
- C. Utility services are not available to the Contractor at the Johnson Canyon Site. The Contractor shall be responsible for establishing and paying for any utility services needed for Contractor's operations on the Site.
- D. The Contractor shall be allowed reasonable space to store processing equipment needed for operations on the Site at all times during the term of the Agreement. Security for the Contractor's equipment will be the Contractor's sole responsibility.
- E. The Contractor may install above ground double contained temporary fuel tanks or trailers for its own use. Other fuels, oils, fluids or waste products may be temporarily stored on site in a secondarily contained and secured area, not to exceed six (6) 55 gallon drums. The Contractor shall be responsible for obtaining all necessary permits, licenses and documentation relevant to said fuel tank/trailer and other fluids storage. All hazardous materials and/or fluid spills resulting from any operation and/or maintenance of the Contractor's equipment or vehicles shall be the sole responsibility of the Contractor including, but not limited to fines, clean-up, and disposal of clean-up wastes.
- F. The Contractor shall be responsible for obtaining operational permits from the local Air District for all processing equipment, at no cost to the Authority. All other equipment or operations pertaining to these Green Waste and Wood Waste Processing Service Standards requiring permits, authorizations or approvals during the term of the Agreement shall also be the sole responsibility of the Contractor, unless the permits, authorizations or approvals are mandated under the Authority's Operating Permits or Waste Discharge Orders. The Authority requires copies of all current permits on July 1st of each year this agreement is effective.
- G. The entire Contractor's work performed on the Sites shall be by properly qualified and trained employees. Work performed shall be in compliance with all applicable Federal, State and Local regulations in existence during the term of this Agreement including, but not limited to:
 - i. Conformance with all operating provisions of Authority's Operating Permits, Discharge Orders and other regulatory permits and authorizations; and
 - ii. Conformance with all applicable local Air District rules, regulations and permit requirements.
 - iii. Should any local, state or federal law require the Contractor to provide permits or plans independent of those for the Landfill or Transfer Station Sites, or to supplement the Authority's regulatory requirements, Contractor will provide the document(s) no later than sixty (60) days after requested by the Authority. These documents may include, but are not limited to, a Business Response Plan, Spill Prevention Control Measures, Storm Water Pollution Prevention Program, Report of Compost Site Information, and Odor Mitigation Plan.
- H. All the Contractor's employees and sub-contractors shall be required to wear appropriate safety equipment at all times while operating on Site. The minimum required equipment

shall be: steel toed and shanked safety shoes, orange or yellow safety vest, ANSI approved hard hat, safety glasses and heavy duty gloves.

- I. The Contractor shall ensure that best management practices are used to minimize employee and public exposure to *Aspergillus Fumigatus* and other bioaerosols produced by the processing operation, to include, but not be limited to: 1) a general health examination given prior to employing individuals and annual follow-up health examination to screen for susceptible individuals; 2) dust masks for workers potentially exposed to high concentrations of dust of fungal spores; 3) equipment operating in high dust areas fitted with air filtering systems; 4) unpaved areas sprayed with water or the use of other dust suppression agents to minimize dust; 5) use of misting when needed to minimize dust when grinding or screening excessively dry material; 6) health fact sheet or manual covering various health aspects dealing with handling of waste and good hygienic practices; and 7) training session on occupational health and safety in relation to the processing operation.

8. DELIVERY

The Contractor shall arrange for transport of processed Green Waste and Wood Waste at no cost to the Authority. The Contractor shall provide the Authority with proof of insurance from all trucking firms involved in the transport of the Contractor's processed Green Waste and Wood Waste, or shall itself carry such sub-contractor insurance. The Contractor agrees that if a load of processed Green Waste and Wood Waste is rejected as unacceptable by the end user the Contractor shall locate other markets for the processed Green Waste and Wood Waste.

The Contractor shall be responsible for locating and contracting with local vendors to manage residual wastes, fines, or overs that result from the initial and/or final grinding and screening of the Green Waste and Wood Waste.

The Authority shall provide one-way, back-haul transportation of end-product materials from Johnson Canyon Site to the Sun Street Site's retail area at no cost to the Contractor. The Contractor shall be responsible for loading and unloading of the materials at each Site.

9. WEIGHTS AND REPORTING

All reporting weights shall be the result of scale tickets produced by the Authority's scales and will be determined in U.S. pounds for individual loads by weighing the loaded truck/truck-trailer or equipment and deducting the tare weight. The resulting weight divided by two thousand (2,000) shall determine the number of tons delivered.

- A. The Authority will provide the following reports based on a calendar month, no later than the 15th of the following month:
 - i. Total of all Green Waste, Wood Waste and salvaged construction and demolition materials separated by the Contractor, received at the Sun Street site delivered to the Johnson Canyon Landfill processing area by the Authority based on the Johnson Canyon scale net weight per truck.
 - ii. Total of all Green Waste and Wood Waste received at the Johnson Canyon Landfill, not delivered by the Authority, based on the incoming scale net weight per vehicle.
 - iii. Total of all construction and demolition material received at the Johnson Canyon Landfill salvaged on the Site by the Contractor based on scale net weight per load.
- B. The Contractor shall keep a record of all deliveries by date, load, weight and destination. Contractor shall forward to the Authority a monthly statement setting forth the net delivered weight of all processed material separated by type of product and destination, as follows:

biomass fuel, compost feedstock, mulch, soil amendment, recycled wood, erosion control product and any other end use.

The Authority and Contractor scale records shall be compared on a monthly basis with the submittal of the Contractor's monthly statement.

- C. Contractor will provide temperature logs on a weekly basis to designated Authority personnel.

10. ADDITIONAL SERVICES

DIVERSION SERVICES

The Contractor shall assist self-haul customers at both Sites by directing them to the Material Recovery Centers (MRC) or other appropriate locations for source separation of the following common recyclable items:

- Mix Paper
- Cardboard
- Metal
- Electronic and universal waste
- Plastics
- Glass
- Mattresses
- Anti-freeze, oil and paint
- Household hazardous waste
- Construction and demolition material

The Contractor shall be responsible for load checking and diverting those loads brought to the Green Waste and Wood Waste stockpile and process areas that contain any of the materials listed above to the MRC or appropriate locations at no cost to the Authority.

The Authority or designee, shall be responsible for staffing the MRC areas, emptying and replacing the drop boxes, marketing the non-organic recycling materials, and earn the revenue generated from the sale of those materials.

11. SITE CONTROL

The Authority's General Manager or his/her designated representative, as the responsible agent for administration and operation of the Johnson Canyon Sanitary Landfill and Sun Street Transfer Station, shall have complete authority to modify operating procedures of the Contractor at the Sites as it pertains to the efficient operation and safety of the Sites. The decision of the Authority shall be the final decision in any matter of dispute.

12. PERFORMANCE REVIEW

The Authority, at its sole discretion, may require up to two times a "Performance Review" of the Contractor during the Term of the Agreement and optional additional extensions. The Performance Review shall be conducted as set forth below.

The Performance Review shall:

1. Be performed by a qualified firm under contract to the Authority. The qualified firm shall be selected by the Authority with input from the Contractor.

2. The costs to the Authority of the Performance Review shall be reimbursed by the Contractor, provided that such reimbursement shall not exceed \$5,000 per review. However, if the Performance Review finds a material breach or default in the Contractor's performance, the Contractor shall in a timely manner reimburse the Authority the total cost of the Performance Review.
3. Address all appropriate areas which may include, but are not limited to, the following areas and shall provide specific recommendations, as appropriate, for improvement in each area, namely:
 - i. Compliance with the terms of this Agreement and Applicable Laws.
 - ii. Overall organizational structure and management systems and procedures.
 - iii. Efficiency of material processing operations.
 - iv. Staffing practices, including the deployment of management and supervisory personnel.
 - v. Financial management practices, including the Contractor's billing and collection system.
 - vi. Employee job and safety training, and management of Hazardous Waste.
 - vii. Procedures for receiving and resolving nuisance complaints registered by the public.
 - viii. Procedures for the acquisition, maintenance, safety check, and replacement of equipment.
 - ix. Utilization and management of facilities, equipment and personnel.

The Contractor shall cooperate fully with the Performance Review, and provide within thirty (30) days of request, all operational, financial and other information deemed reasonable or convenient by Authority or the firm selected by the Authority for purposes of conducting the Performance Review. The Contractor's failure to cooperate or provide all requested information shall be considered an event of Default of this Agreement.

13. LIQUIDATED DAMAGES

- A. General. The Parties find that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by the Authority as a result of a breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) damages and penalties may result to the Authority, its member agencies, and members of the public who are denied recycling services or denied quality or reliable service or where Authority permits are violated; (ii) such breaches may cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to the Authority, its member agencies, and individual members of the general public for whose benefit this Agreement exists, which are incapable of measurement in precise monetary terms; (iii) the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means

of future correction and not remedies which make the Authority, its member agencies and the public whole for past breaches.

- B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards. The Parties further acknowledge that consistent, reliable service is of utmost importance to the Authority and the Authority has considered and relied on Contractor's representations as to its quality of service commitment in awarding the Agreement to it. The Parties recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, Authority, its member agencies, and members of the public will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which the Authority and its member agencies will suffer. Therefore, without prejudice to the Authority's right to treat such non-performance as an event of default under this Agreement, the Parties agree that the Liquidated Damages amounts established herein represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the Effective Date of this Agreement, including the relationship of the sums to the range of harm to the Authority, its member agencies and the public that reasonably could be anticipated and that proof of actual damages would be costly or impractical.

The Authority may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or third parties.

Before assessing Liquidated Damages, the Authority shall give Contractor written notice of Contractor's alleged breach of this Agreement for which Liquidated Damages might be assessed by the Authority and a reasonable opportunity to cure said breach, in not less than three calendar days, before Contractor's breach may become eligible for the imposition of Liquidated Damages. The notice will include a brief description of the incident(s) and non-performance.

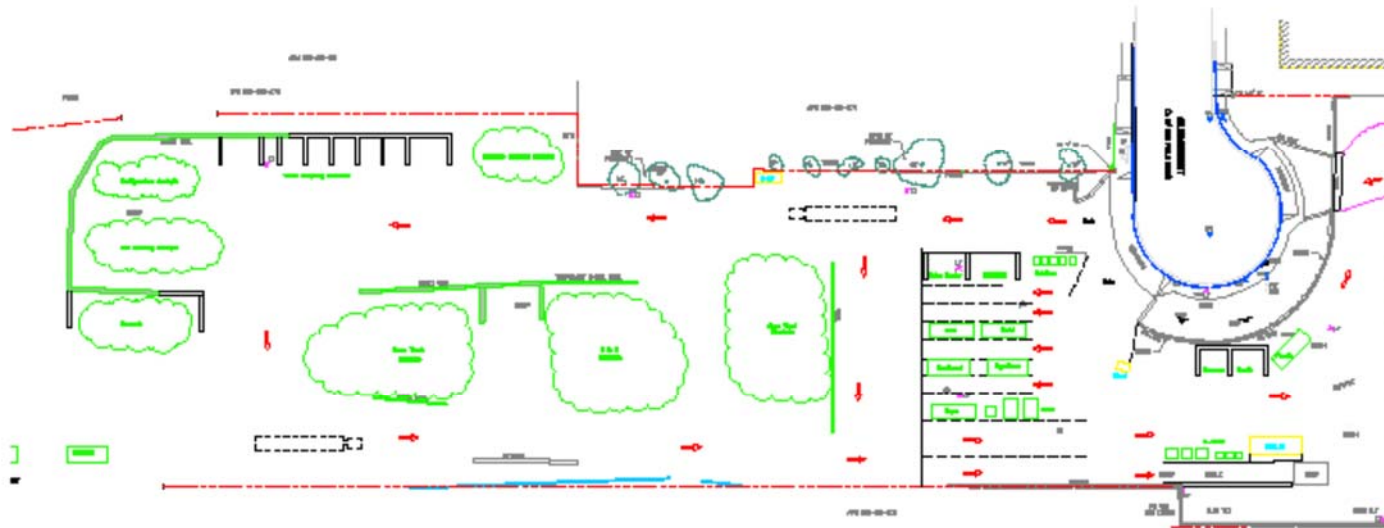
Upon written notice to the Contractor, the Authority may impose the following liquidated damages upon the Contractor, in addition to any other available remedies the Authority may have.

1. Failure to maintain permit or regulatory compliance of all applicable and required State and local permits: \$100.00 per day or the fee imposed by the regulatory agency, whichever is higher.
2. Failure to monitor and document required temperature of materials: \$100 per occurrence; each additional 24-hour working day period: \$100.00.
3. Failure to move or dispose of material within seven (7) days of the material reaching 122 degrees Fahrenheit: \$100.00 per occurrence; each additional 24-hour working day period: \$100.00.
4. Failure to set up litter fences and clean up litter surrounding the contractor area or as a result of Contractor's activities: \$100.00 per occurrence.
5. Failure to maintain or submit documents and reports as required under the terms of this Agreement after ten (10) days' notice: \$100.00 per incident per day.

Exhibit C – Johnson Canyon Site Plan



Exhibit D – Sun Street Transfer Station Site





Report to the Board of Directors

ITEM NO. 8

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: April 21, 2016

From: Brian Kennedy – Engineering and Environmental Compliance Manager

Title: A Resolution Rejecting All Bids Received for the Johnson Canyon Landfill Concrete Leachate Tank Pad

RECOMMENDATION

Staff recommends rejecting all bids received for the Johnson Canyon Concrete Leachate Tank Pad

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support Strategic Objective No. 5 to reduce cost and improve services, by assuring the construction bids will fall within the construction budget.

FISCAL IMPACT

Funding for this item is included in the FY 2015-16 Budget for the Johnson Canyon Landfill Flare Interconnection Project.

DISCUSSION & ANALYSIS

On March 18, 2016, the construction bids for the Johnson Canyon Landfill Leachate Tank Concrete Pad were opened with the following results:

Contractor	Bid Schedule Total
CNW Construction, Inc.	\$49,000.00
Golz Construction, Inc.	\$47,130.00

Staff reviewed the bids and found them to be significantly higher than the Engineer's Estimate of \$33,000. Staff will redistribute the work which will result in a combination of using SVR employees, consultants, and requesting bids for individual components of the work needed to install the flare.

BACKGROUND

The landfill gas (LFG) generation at the Johnson Canyon Landfill has been steadily increasing with the increased tonnage buried there since the closure of Crazy Horse in May 2009. To remain in compliance with the air board regulations and projected future increase in LFG generation, additional flare capacity is required. While the Board of Directors approved the flare manufacturing portion of the project, this work was related to preparing the location in anticipation of the flare installation.

ATTACHMENT(S)

1. Resolution

RESOLUTION NO. 2016 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
REJECTING ALL BIDS RECEIVED FOR THE
JOHNSON CANYON LANDFILL CONCRETE LEACHATE TANK PAD**

WHEREAS, the bids received for the Johnson Canyon Landfill Concrete Leachate Tank Pad Project were higher than the Engineer's Estimate; and,

WHEREAS, the construction work will be reorganized using a combination of Authority personnel, consultants, and contractors; 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 reject all bids received on March 18, 2016 for the Johnson Canyon Landfill Concrete Leachate Tank Pad.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 21st day of April 2016, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Jyl Lutes, President

ATTEST:

Elia Zavala, Clerk of the Board



Report to the Board of Directors

ITEM NO. 9

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: April 21, 2016

From: Brian Kennedy, Engineering and Environmental Compliance Manager

Title: Report on Landfill Gas Flare Stations Replacement/Repair Plan

RECOMMENDATION

Staff recommends that the Board accept this report.

STRATEGIC PLAN RELATIONSHIP

At the February 29, 2016 Board Retreat, staff was asked to *Develop and Present to the Board a plan to replace or repair landfill gas flare stations*. The recommended action helps support SVR's Goal to *Reduce Costs and Improve Services at SVR Facilities*.

FISCAL IMPACT

No fiscal impact at this time.

DISCUSSION & ANALYSIS

Salinas Valley Recycles operates landfill gas (LFG) flares at three of its four landfills in accordance with State and Federal mandates. The flare stations are part of our environmental mitigation program and are instrumental in maintaining compliance by restricting offsite LFG migration and release of methane (a potent greenhouse gas) into the atmosphere. The stations typically consist of two blowers, two air compressors, a flare stack, and the related control systems. The blowers collect the gas and deliver it to the flare for the destruction of the LFG. The following are the proposed plans for repair and/or replacement of each of our flare facilities.

Johnson Canyon Landfill

The existing flare and Landfill Gas to Energy (LFGTE) plant on site are no longer providing enough capacity for the increasing amount of LFG generated by the active landfill. In addition, the site must have enough total flare capacity to process all landfill gas when the LFGTE plant is down for repairs or maintenance. As previously approved by the Board, a new flare station to provide the additional capacity required has been ordered. The permits are in place, and site work has commenced with full installation of the flare slated for later this summer. The addition of the new flare, combined with current (and potentially future) LFGTE plant(s) will allow SVR to capture and consume the projected LFG generation of the site to full build out. The life span of the new flare station is dependent on variables such as future alternative uses of the LFG on and off site, but the potential is for it to be in service for decades. Funding for this flare is included in the 2015-2016 Budget within CIP Project budget.

Lewis Road Landfill

Lewis Road generates relatively small amounts of LFG due to the small volume and older composition of the waste in place. We do have a low flow rate ground flare in place which operates around the clock, however the gas volume and quality have been steadily declining and will continue to decline as the landfill ages. At some point the LFG quality be reduced to a point that combustion cannot be supported full time with the current flaring system. As required by the State, we are still obligated to collect and combust LFG even at the reduced levels.

Before a determination is made regarding our options with the flaring equipment, the plan is to verify the condition of the well field to ensure that we are effectively collecting all the LFG that is available. This is accomplished by inspecting the wells externally and internally, to ensure that they are in sound condition. If it is determined that there is more gas available for capture, we will maximize the collection of gas from the well field and continue to operate with the same equipment as long as feasible.

Depending on the outcome of the above, a decision will be made if the existing flare can be modified or programmed to run on lower flows or operate on a part time basis. It is possible that we can effectively continue to use the existing equipment and still prevent off site migration and achieve required LFG destruction and emission standards. The final option is to procure new equipment designed to accommodate the necessary destructive efficiencies at lower flow rates. It is likely that we would need to just replace the flare stack component, as the blowers and control systems are still viable. The CIP budget for the next two fiscal years has expenditures proposed that would be able to accomplish this option if necessary, or make some simple restorative repairs to extend the life of the existing equipment.

Crazy Horse Landfill

There are two LFG flares at Crazy Horse landfill. The smaller of the two flares was not of sufficient size to manage the gas field and was taken out of service in 2005 when the newer, larger flare was installed. The newer flare has proven to be very reliable and effective, and there are no current plans or budget to replace this flare. However, some of the support equipment for the flare system (blowers, compressors, ...) will need rebuilding or repairs over time and may warrant a new CIP allocation within the next 1-5 years. The smaller flare that we removed from service remains in place and can be placed back into service if needed. This could occur if another LFGTE plant is sited at this location, or in the future when the landfill has aged and the gas quality and production is too low for the current, larger flare to effectively consume effectively. Funding for this is not budgeted, as this contingency is outside of the current CIP projections.

BACKGROUND

On March 17, 2016, the SVR Board approved new objectives for its strategic plan goals. One of the objectives under the goal to reduce costs and improve services was for staff to present to the Board a plan to replace or repair landfill gas flare stations.

ATTACHMENT(S)

None



Report to the Board of Directors

Date: April 21, 2016

From: Susan Warner, Assistant General Manager/
Diversion Manager

Title: Recognition of Earth Day

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**

**ITEM NO. 11**

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: April 21, 2016**From:** Patrick Mathews, General Manager/CAO**Title:** Monterey Bay Community Power Project Updates**RECOMMENDATION**

Staff recommends that the Board accept this update report.

STRATEGIC PLAN RELATIONSHIP

Potential development of the Monterey Bay Community Power (MBCP) project would support Goal 3 to “generate new revenues from our closed landfills” by supporting potential new local markets and demand for renewable energy.

FISCAL IMPACT

All MBCP project work is currently funded through grants and outside fund sources. There is no cash contribution from SVR, only dedication of a small amount of the General Manager’s time each month to participate as a member of the Project Development Advisory Committee (PDAC), review consultant work products and assist with member agency presentations and community outreach efforts.

DISCUSSION & ANALYSIS

The Board will be receiving a presentation for the MBCP group at it April 21, 2016 meeting. The presentation will update the Board on the outcomes of the due diligence work recently completed. This information will be used to assist each jurisdiction in the tri-county region in deciding whether to participate in the formation of a new community based, energy procurement organization. Attached you will find PDAC’s April 21, 2016 agenda, which includes PDAC recommendations, community Outreach Plan, presentation materials, project due diligence information, and the March 10, 2016 meeting highlights, for your information and reference during the presentation.

It is very important that elected officials and their respective city managers and senior staff begin to discuss the importance of this comprehensive regional effort in order to be adequately prepared and educated on the decisions to come this calendar year. We encourage you to reach out to your staff participating in the MBCP project development and become familiar with this new community choice for energy purchases and how it could benefit your jurisdiction.

BACKGROUND

All cities and counties in the tri-county region, along with several regional agencies such as SVR and the Monterey Regional Waste Management District all signed on to participate the Phase I feasibility study to determine the viability of creating a regional

entity to pool electric loads and purchase power for resale, also known as Community Choice Energy. These entities may form under State Law, AB 117 (2002) in order to: buy and sell power locally, design power portfolios that further support renewable energy development and demand, and provide more local input over energy supplies for the community.

This project, if implemented, would provide local residents and businesses with another choice in their decision to purchase more renewable and cost competitive green electricity. Community Choice Energy projects such as this are considered by many to be the single most important local action that could significantly reduce greenhouse gas generation and assist local jurisdictions in compliance with AB 32.

ATTACHMENT(S)

1. April 14, 2016 MBCP Project Development Advisory Committee Agenda, which includes:
 - March 10, 2016 Meeting Highlights
 - Agenda Presentation Materials
 - Project Due Diligence Materials
 - Community Outreach Plan
 - MBCP PDAC Recommendations

**Monterey Bay Community Power
Phase 1 Technical Study Project
Project Development Advisory Committee
Agenda**

**April 14, 2016 - 9:00am to 12:15pm
Santa Cruz County Board of Supervisors Chambers
701 Ocean Street – Santa Cruz, CA- 5th Floor**

Estimated time allotment	Item Recommended Outcome Action Item	Lead Person --or-- Presenter
9:00am 5 minutes	1. Welcome, Introductions & Revisions to the Agenda <ul style="list-style-type: none"> ■ Start the meeting. ■ Roundtable introductions as needed. ■ Discuss/approve revisions to the agenda, if any. 	Nancy Gordon, Chair
5 min.	2. Minutes of the 3.10.16 PDAC Meeting <ul style="list-style-type: none"> ■ Review toward approval the meeting minutes <i>Attached – 2 pages. Action Item.</i> ■ Meeting highlights attached as an info item. <i>Attached- 1 page. No action.</i> 	Nancy Gordon
5 min.	3. Status- Investigative Phase 1 Outreach Activities <ul style="list-style-type: none"> ■ Receive an update regarding Ambassador presentations since the last PDAC meeting. <p><i>Attached- 3 pages. No action.</i></p>	<i>Gine Johnson, Project Team Manager & Julia Holl, Project Team Member</i>
45 min.	4. Presentation – Proposed Community Outreach Plan <ul style="list-style-type: none"> ■ Introduction by Patrick Mathews, member of the PDAC's Communications ad hoc Subcommittee that designed the draft plan with Miller/Maxfield. ■ Presentation from Miller/Maxfield. ■ Discussion, Q & A, revisions to the plan. <p><i>Attached- Committee Report – 1 page See pdf Draft Outreach Plan – 15 pages Action Item.</i></p>	<i>Patrick Mathews, ad hoc Committee Member & Bill Maxfield & J.M. Brown, Miller/Maxfield</i>
15 min.	5. Presentation – Peer Review Results & PEA Response <ul style="list-style-type: none"> ■ Report from Santa Cruz County Planning lead staff David Carlson regarding the independent peer review of the Technical Study. <p><i>Peer Review & PEA Response will be presented at the meeting</i></p>	<i>David Carlson, SCC Planning & Project Team Member</i>

10:15am 45 min.	<p>6. Continued Discussion & Final Revisions - Technical Study</p> <ul style="list-style-type: none"> ■ Follow up discussion with additional Q & A and input from the PDAC members and public. ■ Final revisions to the study. <p><i>The full tech study document has been posted on the website since 3/4/16. montereybaycca.org</i> <i>Action Item</i></p>	David Carlson & Pacific Energy Advisors
45 min.	<p>7. Continued discussion & Final Revisions Info Packet</p> <ul style="list-style-type: none"> ■ Continued discussion of previous sections. ■ Presentation on net new sections of the packet. ■ Additional Q & A and input from the PDAC & public. ■ Final revisions to the info packet, including final PDAC recommendations to the MCBP partners. <p><i>Attached – See pdf Key Sections- 23 pages</i> <i>The full draft information packet is also posted to the website as separate pdfs for each section. Hard copy binders will be provided at the PDAC meeting.</i> <i>Action Item.</i></p>	Gine Johnson & David Carlson
15 min.	<p>8. Confirm Upcoming Meetings:</p> <p>PDAC- Hosted Special Study Sessions: <u>June 9 – 9:30am to 12:00pm</u> Santa Cruz County Board of Supervisors Chambers</p> <p><u>June 9th- 3:00pm to 5:30pm-</u> San Benito County Board of Supervisors Chambers</p> <p><u>May 24th- 9:30am to noon –</u> Monterey County Board of Supervisors Chambers</p> <p>Next Regular PDAC Meeting: August 11th, 9am-noon- MRWMD Board Chambers Updates and strategy discussion regarding next steps:</p> <ul style="list-style-type: none"> ■ Implementation of Phase 2 Outreach Plan ■ County & City partner decision-making process ■ Future PDAC meetings and agendas 	Nancy Gordon
15 min.	<p>9. Public Comment</p> <p>Receive input from the public on items not on today's agenda. Depending on the number of speakers, each speaker may be limited to 3 minutes. The PDAC cannot take action on any item, but may choose to place items on a future agenda.</p>	Nancy Gordon

Monterey Bay Community Power
Phase 1 Technical Study Project
Project Development Advisory Committee
Meeting Minutes
March 10th, 2016 - 9:00am to 2:00pm
Monterey Regional Waste Management District
14201 Del Monte Blvd., Marina, CA

1. Welcome, Introductions, Attendance Noted

- Nancy Gordon, Chair, called the meeting to order at 9:05 am.
- A quorum was present and attendance noted:

PDAC Members:

County of Santa Cruz- Nancy Gordon
Monterey Regional Waste Management District- Tim Flanagan
Salinas Valley Recycles- Patrick Mathews
Monterey County - Dan Bertoldi
City of Santa City- Ross Clark
City of Watsonville- Nancy Lockwood

MBCP Project Team Members:

Team Manager- Gine Johnson
Team Manager- Carol Johnson
SCC Planning Lead - David Carlson
Project Team Member- Kris Damhorst
Project Team Members- Martin Carver

Gine Johnson requested Agenda Item #6, MBCP Governance be moved to the May PDAC meeting.

2. Minutes of the 2.11.16 PDAC Meeting

Action: Approved the draft minutes.

Motion by Patrick Mathews, 2nd by Tim Flanagan. All ayes.

3. Status Report- Investigative Phase Outreach Activities

- Gine Johnson reviewed schedule of CCE presentations and ad hoc meetings. A presentation will also be given to City of Greenfield.
- The draft technical study will be presented to the County of Santa Cruz BOS on either the 4/12/16 or 4/19/16 agenda.

4. Presentation, Discussion & Revisions-1st Draft of Information Packet

- Gine Johnson presented the Table of Contents and Summary Report and Recommendations.
- Discussion ensued regarding additions to Table of Contents including example of PGE bill, moving Technical Study to an Appendix item and adding explanation of "exit fees". It was recommended that another meeting be scheduled after 4/14/16 meeting to discuss final layout of these items.

5. Presentation, Discussion & Revisions to Draft Technical Study <ul style="list-style-type: none"> • Power Point Presentation made by Pacific Energy Advisors, Inc. (PEA) • Follow up Q & A and input from PDAC members and the public
6. Presentation & Discussion – MBCP Governance moved to 5/12/16 meeting
7. & 8. Lunch Hosted by the MRWMD and Reconvene
9. Phase 2-Communications and Outreach Plan Design <ul style="list-style-type: none"> • Presentation given by Bill Maxfield and J.M. Brown of Miller Maxfield, Inc. • Discussion followed regarding core elements of outreach plan, additional meetings with key partners • Miller Maxfield will provide sequencing of outreach at the next meeting.
Confirmed the April 14th PDAC meeting and agenda: Location: Santa Cruz County Board Chambers 701 Ocean Street, 5 th Floor 9am-1:00pm with lunch <ul style="list-style-type: none"> ■ Introductions, Agenda Revisions, Minutes ■ Presentation-Peer Review Results ■ Revised Draft-Technical Study ■ Draft-Phase 2 Communications/Outreach Plan ■ Revised Draft-Information Packet ■ Additional revisions to all documents ■ Consideration of final PDAC recommendations ■ Confirm May through August 2016 PDAC meeting agendas and special study sessions ■ Public Comment Time (15 minutes)
Public Comment was heard on items not on today's agenda.

Meeting adjourned by consensus at 1:30 pm.

Monterey Bay Community Power Project | Phase 1 Technical Study
Project Development Advisory Committee (PDAC)
March 10, 2016 Meeting Highlights

Status of the Technical Study:

The PDAC received a second presentation from Pacific Energy Advisors (PEA) and Santa Cruz County Planning staff regarding the technical study, which was posted on the project website for review on 3/4/16. PEA presented a more detailed overview of their analysis and fielded questions from PDAC members and the public. Lead SCC Planning staff indicated their intent to engage the independent peer reviewer to evaluate PEA's work and to present the results at the April 14, 2016 PDAC meeting. Final discussion and revisions to the study will also occur at the April 14 meeting.

CPUC Regulatory Activities & State Legislation:

There was no significant activity to report that would affect the region's ability to pursue CCE.

PDAC Report, Findings and Recommendations to the MBCP County and City partners:

The PDAC continued their discussion regarding anticipated "findings" and "recommendations" to be included in the information packet that will be forwarded to the Monterey Bay Community Power (MBCP) county and city partners. The first draft of the PDAC report was discussed, as was the contents to be included in the packet that will summarize information presented and discussed by the PDAC over the past year, with an overview of best practices regarding governance, start-up financing, executive recruitment and program formation.

Investigative Phase 1 Community Outreach Status Report and Phase 2 Outreach Plan Design:

The PDAC reviewed a list of recent community presentations given by Ambassadors trained to educate interested stakeholder groups regarding the project. The PDAC also received a presentation from the outreach and communications consultant selected through a competitive process, Miller-Maxfield. The firm offered an overview of the main components of the Phase 2 outreach plan that they will design and implement. A meeting was scheduled with the consultants and the PDAC ad hoc committee appointed to assist in the plan's design. The first draft of the Phase 2 plan will be presented to the PDAC on April 14.

Remaining 2016 PDAC Meetings were affirmed:

April 14, 2016 | 9:00 am- 12:15 pm – Santa Cruz County Board Chambers – 701 Ocean Street, Santa Cruz.

May 12 – June 9 – July 14 – August 11 | 9:30 am- 12 pm

PDAC-hosted Special Study Sessions for MBCP elected officials, executive staff and the public.

Venues and content to be reviewed at the April 14 PDAC meeting.

Please register on the project website for automatic updates: www.montereybaycca.org

Monterey Bay Community Power- 2016 Presentations			
Organization/ Community Affiliation	Ambassador	Audience	Date of presentation
Progressive Christian Forum Climate Change Conference	Laurie Talcott	Conference Attendees	2/5/16
Santa Cruz Area Chamber Community Affairs Committee	Gine Johnson	Bill Tyselling, CEO & 25 Community Leaders	2/11/16
Sorrento Oaks mobile home park	Laurie Talcott	Pete Stuart - stuart3a@yahoo.com	2/18/16
2016 Climate Science and Policy Conference at UCSC	Laurie Talcott	Sarah Glommen, Executive Assistant to the Dean of UCSC Division of Social Sciences	2/26/16 & 2/27/16
Regional City Managers Luncheon	Gine Johnson	All City Managers within the tri-county region	2/19/16
San Benito County Supervisor Jerry Muenzer & Capitola Mayor Ed Bottroff adhoc	Gine Johnson & Bruce McPherson	Supervisor Muenzer & Mayor Bottroff	3/9/16
Monterey Regional Waste Management District Board	Gine Johnson	Tim Flanagan, General Manager & Board of Directors	3/18/16
Santa Cruz County Business Council	Gine Johnson & Bruce McPherson	Casey Beyer- ED- 35 of the largest businesses & employers within Santa Cruz County	3/17/16
Santa Cruz Area Chamber Business Fair	Gine Johnson, Laurie Talcott, Kris Damhorst, Matt Farrell	Chamber Business Members	3/16/16

City of Capitola- City Manager, Finance Director, Director of Community Development, 2 Councilmembers	Gine Johnson & Bruce McPherson	Jamie Goldstein, Rich Grunow, Mike Termini, Ed Bottroff	3/23/16
County of Monterey AEE Committee	Gine Johnson & Bruce McPherson Patrick Mathews & Tim Flanagan	Supervisors Salinas & Parker	3/25/16
County of Santa Cruz Commission on the Environment	David Carlson & Gine Johnson	Commission Chair, Greg Pepping & Commissioners	3/23/16
County of Santa Cruz Board of Supervisors	David Carlson, Gine Johnson, Nancy Gordon	Board of Supervisors	4/19/16
Monterey Bay Unified Air Quality Control Board	Gine Johnson & Bruce McPherson	Rich Stedman, Chief Officer, & Board of Directors	4/20/16
Salinas Valley Solid Waste Authority Board	Gine Johnson	Patrick Mathews, CAO & General Manager & Board of Directors	4/21/16
AMBAG Regional Planning Directors Forum	Gine Johnson	Maura Twomey, ED and Heather McAdams, Senior Planner, & all County/City Planning Directors in the tri-county region	To be confirmed
Electronic Auto Association	Beverly DesChaux	14 attendees - workshop sponsored by the EAA	3/26/16

Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)

Workshop on electricity choices plugs into Santa Cruz County residents

Residents learn about tri-county electricity entity

By Calvin Men, Santa Cruz Sentinel

Saturday, March 26, 2016



APTOS >> A new era of electricity is coming to the Santa Cruz County and the Monterey Bay Area.

Municipalities in Santa Cruz, Marin and Monterey counties have come together to form Monterey Bay Community Power, a entity aimed at offering residents a choice beyond Pacific Gas and Electric Co. The organization is the culmination of more than three years of work and is coming to fruition this year with community presentations.

The entity aims to create a community choice aggregation energy that puts the energy supply decisions in the hands of local government.

“The purpose of us doing it is it will have local control,” said Beverly DesChaux, an ambassador for Monterey Bay Community Power and president of the Electronic Auto Association. “Any profits will go back into the community for renewable projects and energy efficient projects.”

The organization hosted one presentation at the Community Foundation of Santa Cruz County Building on Saturday, drawing 14 people eager to learn about the plan. PG&E mostly buys electricity and redistributes it to the community, DesChaux told the crowd. With the formation of the Community Power organization, municipalities involved can buy their own electricity and distribute it to the community themselves.

The infrastructural electrical grid owned and operated by PG&E will still be included in the cost but communities will have more of a say, according to DesChaux.

Marin County has had the structure in place for six years and has 175,000 customers, which is about 80 percent of the community, DesChaux said. San Francisco, Los Angeles and San Diego counties are also looking into implementing community choice aggregation energy.

During the presentation, DesChaux fielded questions about how the system would benefit individual homes, how it would be structured and when it could be implemented.

The new system could give residents more credits for using solar power and profits could go toward renewable energy products, DesChaux said. A technical study was submitted to the 21 municipalities interested in the project and the organization aims to be up and running by the fall of 2017.

Project Development Advisory Committee Communications ad hoc Subcommittee Report

Background:

On February 11, 2016, the PDAC approved forming an ad hoc subcommittee to work with the communications consultant selected through a competitive bid process, Miller/Maxfield. The subcommittee members included PDAC representatives Patrick Mathews, Tim Flanagan, Nancy Gordon, and Larry Pearson. Assisting the subcommittee were Project Team members Gine Johnson, Carol Johnson, David Carlson, Kris Damhorst, Matt Farrell, and Martin Carver.

Process:

- March 3rd – The consultants met with the subcommittee and project team members to discuss basic elements of the plan and the Strategic Growth Council grant requirements. The consultants received input regarding the format of their “design” presentation and discussion with the full PDAC to take place on March 10.
- March 10th – At a regular monthly meeting of the PDAC, members engaged with Miller/Maxfield in reviewing the overall plan elements, giving input into the final design.
- March 23rd – Miller/Maxfield submitted a draft plan to the subcommittee and project team members via email.
- March 25th – The subcommittee and project team met with the consultants to discuss the proposed plan and make appropriate revisions.
- April 14th – The PDAC to review and discuss the draft proposed plan with the consultant, members of the subcommittee and the project team.

Recommendation:

Review and discuss the attached proposed Community Outreach Plan toward final approval.



Powering Our Future & Energizing Our Regional Economy Through Community Choice Energy



Partners

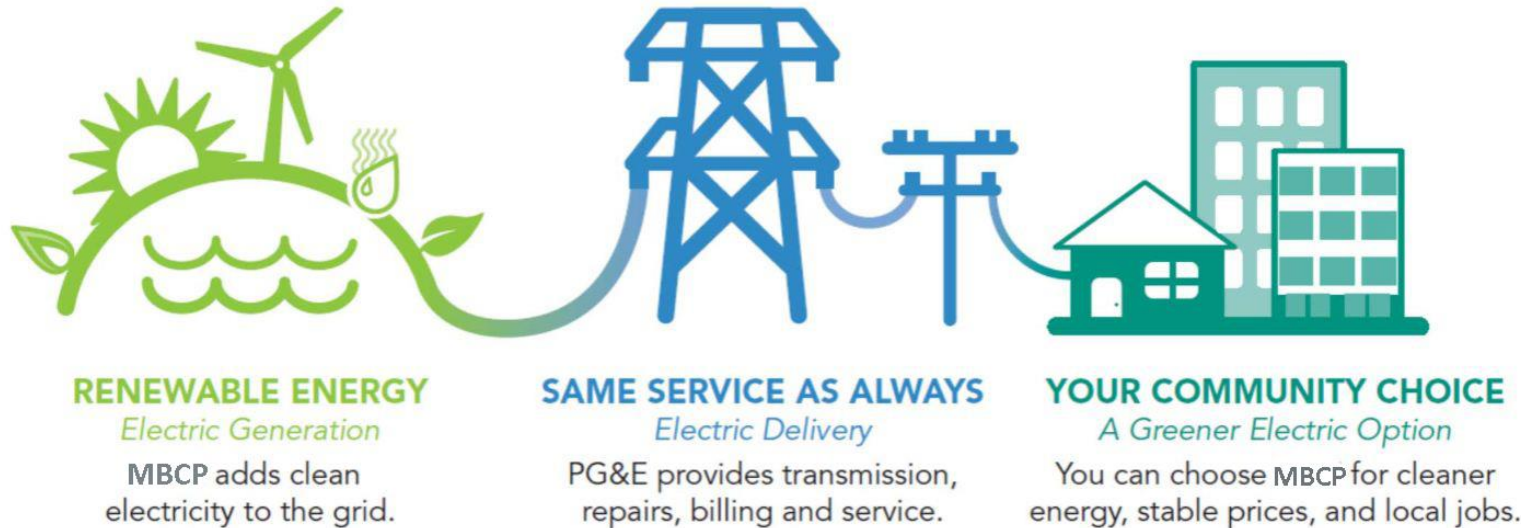
All Monterey Bay Regional Local Governments



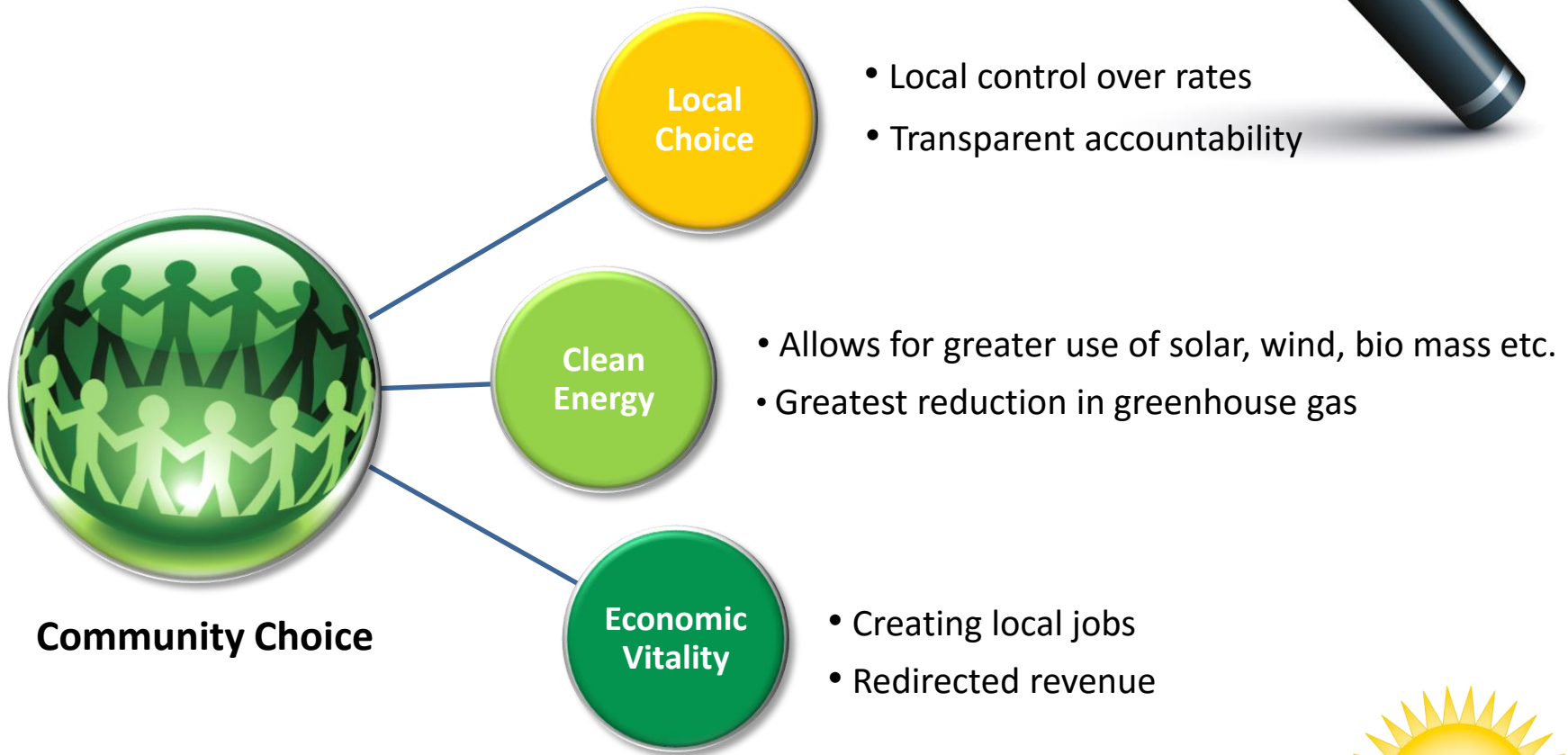
What is Community Choice Aggregation?

Community Choice Aggregation (CCA)

- Puts control of energy purchasing and pricing into local hands
- Allows the community to determine what type of energy mix best serves their needs
- Energy transmission, billing, line maintenance and customer service remains the responsibility of PG&E
- Community Choice is not a utility company, it is an energy procurement company



Why Investigate Community Choice?



Real World Results: 2 Years



Serves 196,206 customers
(89% of the total customers)

Annual Budget \$165,495,000
Net assets forecasted to increase to
\$30,000,000
by end of the fiscal year (March 31, 2016)

36% renewable portfolio versus 30% from
PG&E with 8% lower rates
80% Carbon Free

\$1.3 million left of start up costs
to pay off



Summary of Scenario Results: Year 1

Key Considerations	Scenario 1	Scenario 2	Scenario 3
General Environmental Benefits	59% Renewable 70% GHG-Free	71% Renewable 71% GHG-Free	28% Renewable 72% GHG-Free
Rate Competitiveness	≈rate parity relative to PG&E projections	≈rate parity relative to PG&E projections	Average 3% <u>savings</u> relative to PG&E rate projections
Assumed MBCP Participation	85% customer participation or 250,000 across all customer groups	85% customer participation or 250,000 across all customer groups	85% customer participation or 250,000 across all customer groups
Annual energy usage, cost and contribution to the CCE agency reserve funds to support local renewable and energy efficiency projects	Energy =3.2 million MWh Cost= \$250 million Reserve Funds = \$9.6m	Energy =3.2 million MWh Cost= \$250 million Reserve Funds = \$9.6m	Energy =3.2 million MWh Cost= \$250 million Reserve Funds = \$8.5m
Comparative GHG Emissions Impacts	0.126 metric tons CO ₂ /MWh emissions rate; ≈35,660 metric ton <u>GHG emissions reduction</u> in Year 1 (≈20% reduction)	0.126 metric tons CO ₂ /MWh emissions rate; ≈36,301 metric ton <u>GHG emissions reduction</u> in Year 1 (≈20% reduction)	0.119 metric tons CO ₂ /MWh emissions rate; ≈44,575 metric ton <u>GHG emissions reduction</u> in Year 1 (≈25% reduction)



Project Status

April 30, 2016:

- Project Development Advisory Committee will finalize the information packet with recommendations and form two subcommittees, Governance and Finance.



**May through
August:**

- Regional outreach program will be deployed, including public workshops and presentations.
- PDAC subcommittees will meet to determine final structure of the CCE agency.



October 31, 2016:

- Final formation decisions by early adoptive county and city partners.

**September/
October 2017:**

- CCE agency starts providing power to customers.

QUESTIONS?



**Interested in Learning more?
Please join our email list at
montereybaycca.org**

Like or follow us at:



Gine Johnson

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COMMUNITY OUTREACH PLAN

APRIL 2016



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COMMUNITY OUTREACH PLAN • APRIL 2016

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INTRODUCTION

Following the passage of AB 117, which enabled local governments to aggregate the residential, business and municipal electricity loads within their jurisdictions, Monterey Bay Community Power formed for the purposes of exploring the feasibility for generating electricity as an alternative for customers to PG&E. The top benefits of an eventual formation of a Community Choice Energy agency include establishing local control over rates, creating rate parity with PG&E, reducing greenhouse gasses by sourcing green energy, and redirecting revenue from PG&E to the local economy through projects and initiatives to be developed by the new agency, with input and direction from the community.

Organized by the County of Santa Cruz as the lead partner, and with support from the Community Foundation of Santa Cruz County, the project is managed by a Project Development Advisory Committee (PDAC) with representation from three counties and 18 cities, all of whose governing bodies passed resolutions to investigate the feasibility of creating a Community Choice Energy project.

They are:

- | | | |
|-------------------------|----------------------|-----------------------------|
| • Santa Cruz County | • City of Salinas | • City of Pacific Grove |
| • Monterey County | • City of Monterey | • City of Marina |
| • San Benito County | • City of Carmel | • City of King City |
| • City of Santa Cruz | • City of San Jose | • City of Del Ray Oaks |
| • City of Scotts Valley | • City of Soledad | • City of Hollister |
| • City of Capitola | • City of Seaside | • City of San Juan Bautista |
| • City of Watsonville | • City of Greenfield | • City of Gonzales |

Key partner agencies include:

- Monterey Regional Waste Management District
- Salinas Valley Solid Waste Authority
- Monterey Bay Unified Air Pollution Control Board

The PDAC has met since 2013 to oversee the exploration of a Community Choice Energy agency, including the impact on the local economy, the ability to produce energy, and the ability to provide that energy at rates that are similar to PG&E's. The Technical Feasibility Study, which will undergo peer review, identified three supply scenarios that seek rate parity or cost savings with PG&E under various combinations of renewable and regionally produced energy products.

From April-September 2016, the Outreach Plan will be implemented across the region with the goal of early adoptive county and city partners taking action by the end of September toward formation of a Community Choice Energy agency. The agency could begin providing energy to residential and commercial customers within the early adopter jurisdictions by October 2017.



TRI-COUNTY REGION & DEMOGRAPHICS

The region covered by the Monterey Bay Community Power Project includes Santa Cruz, Monterey and San Benito counties, which represent a total estimated population of about 761,415 people and 285,000 PG&E customer accounts. About a third (36%) of the total electricity delivered by PG&E in the project area is consumed by the residential sector, whereas 48% and 18 %, respectively, represent commercial and agricultural consumption.

The three counties span a combined 5,100 square miles on the Central Coast of California, and reflect great diversity in their individual populations, top sectors of industry, urban and rural geography, and political landscape. Each county, and including the communities within each county, will require customized public outreach designed to address unique sets of interests and questions.

MONTEREY COUNTY

Monterey County covers 3,280 square miles with an estimated population of 431,344 people, which is estimated to have grown 4 percent since 2010. The largest city in Monterey County is the city of Salinas, which is the county seat and the largest city in the tri-county region. The largest ethnic group in Monterey County is Hispanic/Latino at 57.4%, followed by whites at 31.2%. Asians make up 6.9% of the population, while African-Americans make up 3.5%. More than half of residents, or 52.8%, speak a language other than English at home and nearly a third of residents, or 30.1%, were born outside the U.S. About a quarter of the population (26.4%) is made up of people under the age of 18, while 12% of residents are 65 or older.

There are more than 125,000 households in Monterey County and about 140,000 housing units, with nearly 50% being owner occupied. The median household income is the lowest in the three-county region, at \$58,582 and Monterey County has the highest poverty rate at 17%.

Nearly three-quarters of residents (71.2%) 25 years or older have a high school degree and nearly a quarter (23.1%) of those residents have a bachelor's degree or higher.

Top industries in Monterey County include agriculture, tourism and government.

SAN BENITO COUNTY

San Benito County covers 1,388 square miles. San Benito County has the smallest population of the tri-county area, with 58,267 residents and a growth rate of 5.4% since 2010. The largest city in San Benito County is Hollister, which serves as the county seat. Hispanic/Latino residents represent the largest ethnic group (58.3%), followed by whites (36%), Asians (2.6%) and African-Americans (1.3%). A language other than English is spoken at home by 39.2% of residents age 5 or older, and a fifth of the population (20.5%) was born outside the U.S.

Compared to its overall population, San Benito County has the highest percentage of children in the tri-county area (26.8%) and the smallest percentage (11.4%) of people over 65. There are more than 17,000 households in the county with about 18,000 housing units. The median household income is the highest in the tri-county area at \$67,874 and the poverty rate is the lowest (14.1%). More than three-quarters of residents age 25 and older (77.9%) have high school degrees or higher, but the county has the lowest percentage within that age group in the region for having bachelor's degrees or higher.

Top industries include agriculture and health care.



SANTA CRUZ COUNTY

Santa Cruz County covers 590 square miles with an estimated population of about 271,804 people, a figure that has estimated to have grown 3.6% since 2010. The largest city in Santa Cruz County is Santa Cruz, which is the county seat.

The ethnic makeup of Santa Cruz County is 58.2% white, 33.2% Hispanic or Latino, 4.8% Asian and 1.4% African-American. About a third of residents (31.6%) speak a language other than English at home. Nearly one-fifth (18.2%) of the population is foreign born. The percentage of the population under age 18 is 20.1%, while residents over 65 represent 13.5%.

There are more than 94,000 households in Santa Cruz County and about 105,000 housing units, nearly 60% of which are owner occupied. The median household income is \$66,923. Most residents over the age of 25 have high school degrees or higher (85.5%) and about a third, or 37.5%, have bachelor's degrees or higher. About 16% of residents are estimated to live in poverty.

Top industries in Santa Cruz County include tourism, agriculture and education.



OUTREACH PLAN

Development and implementation of a communications outreach plan that reaches a three-county region in a relatively short time frame requires excellent research, strategy, planning and execution. The most effective and compelling communication channels must be prioritized in order to maximize communication and education goals to reach audiences.

It will be imperative that the MBCP narrative, and its value proposition including features and benefits, be compelling, understandable and attractive to residents.

To reach target audiences where they live, work and play, MBCP outreach must be tailored to resonate in the various cultural/political “microclimates” that exist throughout the region.

TARGET AUDIENCES

For Phase 2 (April 15-October 31), which represents implementation of the plan, a two-track approach will be implemented:

1. Education and consensus-building among elected officials, public sector staff and key community leaders through presentations and one-on-one meetings, backed by essential support materials that will tell the MBCP story, features and benefits.
2. Awareness-building with the general public across the region through compelling collateral materials, social media, earned media coverage and participation in community events.

Direct engagement coupled with outreach to community members and constituents will help position the project for future success.

In addition to the public at large, the following audiences have been identified as key targets:

- Elected Officials & Senior Staff
- Business Groups
- Environmental Groups
- Agriculture-Related Organizations
- Community Service Groups
- Neighborhood Groups
- Congregations
- Latino Organizations
- Senior Groups

COMMUNICATION STRATEGY

SURVEY OF KEY STAKEHOLDERS

- Survey to target a well-balanced group of 30-50 key influencers representing various constituencies, organizations and sectors across the region.
- Input to be requested from city managers.
- Survey instrument to be electronic and based on a “Survey Monkey” model, with targets to be secured via email and phone before receiving the survey via email.
- Will fulfill grant requirement.
- Results will inform messaging and strategy.



DEVELOPMENT OF MESSAGING

Messaging serves as the framework around which all public outreach and communication activities are built. Identifying MBCP key messages is an essential component of the Community Outreach Plan.

- The MBCP narrative and messaging must be compelling and accessible to a wide range of target audiences.
- Messaging will be able to be tailored to resonate in the various cultural/political “microclimates” that exist throughout the region.
- Existing messaging will be evaluated and evolved for use moving forward.
- Messaging will reflect input from Stakeholder Surveys.
- A standardized “boilerplate” description of MBCP will be developed for use in press releases, etc. in order to ensure consistency in how MBCP is described.

OUTREACH TOOLS

MBCP BRANDING

The existing MBCP name and logo will be retained for the outreach project. Other branding strategies include:

Tagline

A tagline will be developed to succinctly describe MBCP. The tagline will complement the logo and will be included on all external communications.

Identity Package

A MBCP identity package will be developed, including business cards for five people, digital letterhead and Word templates for a press release, backgrounder and fact sheet.

Presentations

Two existing PowerPoint presentations will be updated.

Brochure

A brochure will be produced to be used as a leave behind at one-on-one meetings, community events and tabling opportunities. Content may include elements such as key messages, background, timeline, infographics, quotes from key influences and early adopters, timeline, contact info, photos. Proposed design is an accordion-fold brochure that includes English and Spanish content – six panels for each language.

Signage

Banners: Two vertical pull-up banners and two horizontal vinyl banners will be produced for use at events.

Tablecloth Banners: Two tablecloth banners will be produced for use at tabling events.

Poster Boards: To be produced as needed for events for use at entrance areas, etc.

Information Kit

Information kits will be produced in English and Spanish for use as a leave-behind for one-on-one meetings, as well as other meetings (such as with reporters) as needed. Recommended kit components include: fact sheet, backgrounder, Q&A/FAQ, list of supporters, brochure, sample of a customer bill and press releases.



Website

The MBCP current website will be updated, including redirection to a more intuitive URL, layout and content. The goal for the website is to provide the public and decision makers with essential news and information about the past, present and future of the CCE project. Additional CCE agency names will be proposed and related URLs reserved for the future JPA's consideration.

OUTREACH ACTIVITIES

MBCP-HOSTED EVENTS

Community Meetings/Study Sessions/Workshops

The study sessions will provide attendees with an in-depth look at Monterey Bay's proposed Community Choice Energy program. The study sessions will be presentation format and be approximately 2.5 hours long. The events will provide an overview of the project and will cover the mechanics of CCE, how it would work in the Monterey Bay region, results from the recently completed technical study and plans for moving forward. In addition to promotional activities targeting the general public, direct outreach will take place with senior staff from relevant local jurisdictions. Presenters will include CCE experts and staff.

The following dates, which are aligned with currently scheduled PDAC meetings, are proposed:

- May 24, 9:30 to 12 p.m. at the Monterey County Board Chambers
- June 9, 9:30 to 12 p.m. at the Santa Cruz County Board Chambers
- June 9, 3 to 5:30 p.m. at the San Benito County Board Chambers
- July 14, 1:30 to 4 p.m. at the Santa Cruz County Board Chambers

For the May 24 event, Monterey County-based AMP Media will be asked to record the event in English and Spanish (including translation services) for use on community TV and other potential outlets, as well as online. Video content may be segmented for use as shorter, downloadable videos.

Two additional, smaller community study sessions are envisioned for western and southern Monterey County. Dates are to be determined.

DRAFT PROGRAM

Welcome – Identify who for each meeting (15 minutes)

Monterey Bay Community Power regional collaborative process and program goals.

Introduce elected officials & Project Development Advisory Committee members.

Community Choice Energy – Shawn Marshall, Director, Local Energy Aggregation Network
Board member TBD – SCP or MCE (20 minutes)

How Community Choice Energy works.

Successes of existing California CCEs.

Results of the Technical Study – Pacific Energy Advisors (45 minutes)

Next Steps – MBCP Team (30 minutes)

Key Elements of CCE start up and Operations.

Monterey Bay Community Power partnership - Planning Timeline.

How to participate/stay informed.

Networking with Presenters (30 minutes)



Tabling Opportunities

Tabling opportunities provide a chance for MBCP representatives to engage directly with the public at events hosted by other organizations. MBCP materials will be available for the public and the table/booth will have MBCP branding (banner).

Target Events

- Monterey Bay Economic Partnership Regional Summit (April 26, 2016)
- Santa Cruz County Fair (Sept. 14-18, 2016)
- San Benito County Fair (Sept. 29-Oct. 2)
- Monterey County Fair (Aug. 31-Sept. 5)

Others events such as Farmer's Markets, Open Streets events, etc. may be considered.

EARNED MEDIA (PRESS)

Media relations, publicity or "earned media" is an essential vehicle by which to deliver MBCP's key messages because it provides third-party validation of MBCP mission and goals, and establishes confidence by the public. A primary strategy will to engage with local and regional media to tell the MBCP story. Initially we recommend one-on-one meetings to (re)introduce the concept of CCE, MBCP and answer questions.

Press Releases

Press releases will be written, distributed and pitched to the media to generate press coverage of events, milestones, etc. Earned media opportunities supported by press releases include news and feature stories (print & online); radio and TV interviews; and calendar listings.

Media Protocol & Response

A media protocol will be created for use by PDAC members and associated staff and leadership in order to ensure message consistency, responsiveness and to prevent confusion. Elements of the media relations protocol will include:

- Identification of primary and secondary spokespersons
- A rapid response policy for incoming reporter calls
- Commitment to relationship-building and honest dealing with reporters
- Monitoring of comments for online stories

Letter to the Editor

Individuals who have a positive view of MBCP may be asked to submit a letter-to-the-editor as a low-cost, high-impact way to deliver key messages in a personalized way. Goal will be at least two letters per month. Letter-writers will be supported with access to MBCP information as needed, as well as instructions for how to submit letters.

Op-Eds & Editorial Boards

Op-eds authored by MBCP representatives and experts will be pursued with local news outlets. Editorials boards present a unique opportunity to meet with news editors to increase understanding and clarifies key issues, with the goal of securing a positive editorial about MBCP. These opportunities will be pursued.



PSAs (Public Service Announcements)

PSAs offer an opportunity to deliver messages primarily via radio, and to some degree TV, per FCC requirements. PSAs will be written and submitted to stations. Stations are not obligated to run the PSA, but may choose to do so.

Media Outlets

The following news outlets, as well as others, will be the focus of news, letters-to-the-editor, op-ed, editorial board and PSA strategies:

Monterey County-Based

Monterey County Herald
Monterey County Weekly
Salinas Californian
Salinas Valley Chamber Business Journal
Regional Small Biz Monterey Bay
Carmel Pine Cone
Cedar Street Times
KION TV
KSBW TV
Carmel Magazine
Gonzales Tribune
Greenfield News
KDRH-FM
King City Rustler
KRKC-FM
Soledad Bee

South County Newspapers
KCDC-FM/The Beach
KHIP-FM/The Hippo
KKHK-FM/BOB
KLOK-FM
KWAV-FM
KDON-FM
KSEA-FM
KTOM-FM
El Sol
KAZU-FM
KRAY La Buena
KTGE Radio Tigre
KMJV Radio Lobo
KSE La Campesina
Univision

San Benito County-Based

Hollister Freelance/San Benito Today

BenitoLink

Santa Cruz County-Based

Aptos Times, Capitola/Soquel, Scotts Valley Times
Aptos Community News
Boulder Creek Insider
Cabrillo Voice
City on a Hill Press
Good Times
Growing Up in Santa Cruz
Hilltromper
KZSC-FM
KSCO-AM
KUSP-FM

KPIG-FM
My Scotts Valley
Santa Cruz Life
Santa Cruz Mountain Bulletin
Santa Cruz Parent
Scott Valley Press Banner
Santa Cruz Sentinel
TechBeat
La Ganga
Register Pajaronian



SOCIAL MEDIA

Social media platforms will be utilized to raise awareness and visibility for MBCP and support the goal to reach residents in the tri-county region. Platforms will include:

Facebook

Task 1: Optimize Page

- Work with graphic designer to re-size cover photos to fit dimensions
- Ensure consistent “likes” with like-minded organizations, media etc.
- Update all content (including “About” section with updated MBCP messages).
- Refresh photos.
- Connect Facebook page to Twitter and YouTube accounts

Task 2: Monthly Content Calendar

- Create ongoing content plan/pattern of posts (upcoming events, relevant news coverage, factoids, etc.)
- Research MBCP materials for 3 posts per week
- Identify photos to accompany posts (possibly from existing MBCP resources)
- Coordinate edits/approvals from MBCP for scheduled posts using Google docs or other platform

Task 3: Facebook Cross-Promotion with Affinity/Partner Facebook pages

- Direct outreach with MBCP partner sites for sharing posts/links (essential for building support).

Topics for Facebook posts will include: news, facts, events and content from other MBCP social media platforms.

YouTube

Videos will be posted as available and can be shared on Facebook, Twitter, Google+ and in an email newsletter. Appropriate videos for posting could include community media, educations/explanatory videos and MBCP promotional videos.

Twitter

- Auto-populate Facebook posts to Twitter account.
- Live tweet from community meetings.
- Provide login credentials to interested MBCP team members who would like to participate in sharing information on Twitter.
- Topics for Twitter posts could include news, facts, events and retweeted posts from like-minded organizations.

Google+

- Content can be sourced from all other MBCP social media channel.
- Topics may include news, facts and event information.

Nextdoor

- Content to focus on news and information of interest at a neighborhood level.



Social Media Protocol & Additional Strategies

A monthly content calendar will be created, with posts to be scheduled primarily between 9am-12pm Monday thru Friday. User comments will receive a same-day response whenever possible. Controversial comments that require a response from MBCP will be subject to a collaborative process involving the project team. MBCP will like pages and posts by like-minded/affinity/stakeholder organizations including other non-profits, government, media, for-profit partners.

Additional Strategies

- MBCP will invite participation on website and through e-news
- MBCP will include Facebook icon on all digital and printed materials
- A budget of \$75/month will be used to promote the page, boost posts and promote event pages
- Video will be featured in posts, i.e. English and Spanish recordings of the May 12 MBCP event to be held in Monterey County

EMAIL NEWSLETTERS (E-NEWS)

Based on the existing platform and distribution list, a monthly email newsletter will include news, factoids, event details, commitments of support, upcoming events/news, policy updates, etc. Sign-ups for the newsletter can be promoted and gathered from a variety of sources including community events in order to build the distribution list.

Task 1: Optimize Newsletter

- Create a template for the newsletter that fits with the look and feel of other MBCP materials.
- Encourage newsletter signups via the website, Facebook, events and other outreach.

Task 2: Newsletter Publication Calendar

- Create an ongoing content plan for the email newsletter, including proposed publication dates and suggested content.
- Identify topics and content for newsletter articles, and photos to accompany the articles.

VIDEO

A video will be produced to bring MBCP to life in an engaging, compelling way. The video will be 2-3 minutes long, with two shorter "snippet" versions produce for use on social media. An additional mobile phone-based strategy will be explored, through which short (15-30 seconds), simple vignettes would be created to present testimonials about renewable energy. Intended uses for the videos, in addition to social media, include presentations, website content and public television. The lead video is envisioned to include a simplified and clear explanation of CCE and a humanized approach to explaining the benefits of CCE, while featuring footage shot in the MBCP region.



ADVERTISING

A modest investment in advertising is planned as a strategy to supplement other outreach strategies and deliver messages to a broader audience of the general public. Advertising will consist of two investments:

- Facebook advertising to promote the page and “boost” specific posts. Facebook advertising allows targeting based on geography and Facebook user interests (i.e. environmental causes, etc.).
- KAZU underwriting to promote the summit that is tentatively scheduled for September 1. KAZU is the public radio NPR affiliate for the Monterey Bay Area and includes a listening audience that will likely be interested in and receptive to the MBCP project.

WEBINAR

A webinar will be conducted to cover best practices from the outreach effort. Target audiences will include interested parties from throughout California, as well as local government staff and members of the public. The webinar will be offered as a “brown bag,” 1-hour online program and will include two speakers.

OUTREACH TIMELINE

April

- Finalize outreach plan
- Stakeholder surveys
- Messaging
- Video start

May

- Collateral materials and information kits produced
- Social media, website and email optimized
- Monterey County community meeting/study session (May 24)
- Community presentations
- Media/press outreach

June

- Santa Cruz County community meeting/study session (June 9)
- San Benito County community meeting/study session (June 9)
- Additional Monterey County study sessions
- Community presentations
- Media/press outreach
- Social media push
- Video completion

July

- Santa Cruz community meeting/study session (July 14)
- Community presentations
- Media/press outreach
- Social media push

August

- Community presentations
- Media/press outreach
- Social media push
- KAZU underwriting

September

- Offset Project Annual Summit (Sept. 1)
- Media/press outreach
- Social media push

October

- Community presentations
- Media/press outreach
- Social media push

November

- Best practices webinar



ESTIMATED BUDGET

Total Budget: \$91,000.00

Activity	% of Budget
MBCP-hosted events	18%
Branding and collateral materials	17%
Earned media	16%
Tabling opportunities	9%
Video	9%
Presentations to community groups	8%
Social media and email outreach	6%
Stakeholder survey and messaging	5%
Advertising	4%
Website	2%
Webinar	2%
Contingency	4%
	100%

SECTION I

REGIONAL PROJECT DEVELOPMENT ADVISORY COMMITTEE

Summary Report & Recommendations

Background

Formed in 2013, the Monterey Bay Community Power project is a region-wide collaborative partnership comprised of all 21 local governments within the greater Monterey Bay area, including the Counties of Santa Cruz, Monterey, San Benito and all 18 cities located within. The partnership also includes Monterey Bay Unified Air Pollution Control District, Salinas Valley Solid Waste Authority, and Monterey Regional Waste Management District. The purpose of the project has been to investigate the viability of establishing a local community choice energy (CCE) joint powers agency (JPA) within the region. Authorized by California legislation (AB 117 in 2001, amended by SB 790 in 2011), CCE allows counties and cities to pool their electricity load in order to purchase electricity or invest in energy projects and programs for local residents and businesses as an alternative to the existing utility provider, (PG&E.) Formal resolutions to participate in the project were passed by every jurisdiction during 2013, with each given the option of appointing a representative to the Project Development Advisory Committee overseeing the investigation.

Regional Project Development Advisory Committee (PDAC) Work and Process

After initial formation, the PDAC approved the County of Santa Cruz as the lead agency on behalf of the partnership to raise the funds and provide staffing. The 15-member PDAC hosted 26 public meetings from 2013 to the present, providing guidance and making key decisions with input from the Project Team and consultants. To ensure that the entire region had access to PDAC deliberations, the meetings have been rotated between the Monterey Regional Waste Management District Board Chambers in Marina and the Santa Cruz County Board of Supervisors Chambers in Santa Cruz. A project website was established in early 2013 to provide information, answers to frequently asked questions and post PDAC meeting materials and updates, montereybaycca.org.

By the middle of 2014, \$404,846 had been raised to conduct a Phase 1 Technical Feasibility Study, an analysis of the benefits and risks associated with creating a local CCE agency and a comparison of that information with the current rates and services provided by PGE. The study was completed in March 2016 and is included here in Section III and Appendix 4 of this information packet. The study reveals several favorable environmental and economic outcomes. These include local control over electricity rates and complimentary programs, a significant increase in procuring and generating renewable electricity for the region and the potential value of redirected revenue to benefit the local economy and create green jobs.

It is worth noting that the project funds raised were from private community and state resources, not from local government general budgets. The project's non-profit partner, the Community Foundation of Santa Cruz County (CFSCC), graciously accepted private donations for the project totaling \$25,607. The PDAC worked collaboratively with the CFSCC to provide oversight and accountability regarding how these funds have been spent. The remaining funds came from grants procured and managed by Santa Cruz County as the lead project partner. The grants awarded were from the California Strategic Growth Council (\$344,239), the World Wildlife Fund (\$30,000), and the UC Santa Cruz Carbon Fund (\$5,000).

The PDAC has collaborated with the Project Team on all elements of Phase 1 investigative work as outlined below. Members of the PDAC and Project Team and their affiliations are listed under "Acknowledgements" at the end of this report.

- Provided regular public meeting opportunities for community members to learn about CCE and have input into PDAC discussions and decisions;
- Developed a Phase 1 work and Project Team plan with goals and objectives;
- Assisted with the development of grant proposals and oversaw the CFSCC budget and expenditures;
- Tracked State legislative and regulatory activities affecting CCE investigation;
- Created the content, goals and objectives of the project website, community group educational presentations and regular update reports to county and city partners;
- Developed the scope and assumptions of the Technical Feasibility Study, the independent peer review and the qualifications and criteria for hiring the appropriate consultants;
- Gathered expert information, options and best practices regarding the phased formation work tasks, governance, executive staffing, and start-up financing;

- Scoped the qualifications and criteria for a professional consultant to develop a region-wide outreach communications program and designed the plan with the firm hired;
- Reviewed the contents of the Technical Feasibility Study and all other information and recommendations contained in this packet; and
- Guided the next steps to complete Phase 1 work and assisted the MBCP county and city partners in their deliberations regarding CCE-JPA formation.

This packet is a culmination of the PDAC's work over the past few years, providing each county and city partner the information needed to decide whether to participate with partners in the next steps toward forming a regional CCE-JPA. The PDAC has assembled a complete public record of all committee deliberations, which are posted on the website, montereybaycca.org. The PDAC will continue to meet during 2016 until Phase 1 work is concluded and a CCE ordinance has been considered or approved by interested county and city partners.

Phase 1 Project Status, Next Steps and Phase 2 Formation Work

Phase 1 Project Status and Next Steps:

To recap, in this first phase, the PDAC has conducted an initial exploration of CCE program viability and has overseen the development of a technical study. Community engagement strategies have been implemented, and will continue, to educate the affected energy customers and lay the foundation for Phase 2 formation work. Over the next 6 months, the PDAC will steer completion of Phase 1 that will include hosting a series of public workshops and special study sessions to be attended by PDAC representatives, elected officials, county and city executive staff, project staff and CCE experts from around the State. The PDAC has also formed two subcommittees that will meet on an ad hoc basis to discuss governance, executive staff and start-up financing options. The end result of Phase 1 will be the decision to form a CCE-JPA governing Board after start-up financing has been determined and recruitment has begun to hire a chief executive to manage Phase 2 work. The next steps and timeframe to complete Phase 1 work are:

- April 30, 2016: All MBCP county and city partners will receive this information packet with PDAC recommendations regarding best practices and next steps.
- May 24 and June 9th: The PDAC will host three special public study sessions for county and city electeds and executive staff to review and discuss the technical study with the consultants as well as options regarding governance, start-up financing, and formation:
 - May 24- 9:30 am to noon – Monterey County Board Chambers- Salinas
 - June 9- 9:30am to noon – Santa Cruz County Board Chambers – Santa Cruz
 - June 9- 3:00 pm to 5:30pm- San Benito County Board Chambers- Hollister

- County and cities interested in forming a CCE-JPA may join an ad hoc subcommittee comprised of executive staff who will develop a formation proposal for Board of Supervisors and City Councils' consideration on or before September 15, 2016, (target date.) Professionals who have experience in retail electricity services, program design, finance, wholesale purchasing and renewable resource development will assist this work.
- May through October: A comprehensive regional outreach and communications program to engage and educate the community at large will be implemented by a professional consulting firm.
- August through October: County and city governing Boards will consider the ad hoc subcommittee formation proposal and adopt ordinances and agreements with other early adoptive partners.
- October 31, 2016: A regional CCE agency joint powers governing Board will be seated and a final selection for the CEO position is made. The CEO hires staff and Phase 2 begins.

Phase 2 Formation Work:

This phase involves program design, soliciting energy procurement services, seeking CPUC approval of an implementation plan, executing a service agreement with PG&E, and expanding community engagement. Agency staff will also complete all remaining legal requirements, enroll customers and prepare to launch an independent operation. Appendix 5 has a more detailed proposed formation work plan for the Monterey Bay Community Power partnership. The end result of Phase 2 work will be to launch (i.e., provide power to customers) no later than September/October, 2017. Note that all start-up costs are reimbursable with interest after program launch through ratepayer revenues.

PDAC Recommendations- Feasibility, Formation and CCE Best Practices

Feasibility Recommendation:

The prospects for CCE programs in California have improved significantly in recent years as a result of many factors:

- The success of Marin Clean Energy and Sonoma Clean Power in providing their communities with greener power at prices competitive with PG&E while investing considerable surplus funds into local renewable energy and energy efficiency projects that created local jobs;
- Favorable wholesale energy market conditions, resulting in relatively low cost power;

- Recognition that a CCE program can be self-supporting for meeting climate action plan objectives and other local public policy goals;
- The reduced market costs of renewable power and improvements in renewable technologies; and
- The development of expertise, best practices and an expanded vendor base to serve CCE programs.

The Monterey Bay Community Power (MBCP) partnership formed in 2013 as the first tri-county/18 city effort in the State. Since then, two CCE agencies have launched (Sonoma Clean Power and the City of Lancaster) and many more communities are actively pursuing CCE formation, including the counties of Alameda, Butte, Contra Costa, Humboldt, Lake, Los Angeles, Mendocino, San Bernardino, San Diego, San Luis Obispo, San Francisco, San Mateo, Santa Barbara, Santa Clara, Venture and Yolo, as well as the cities of Davis and San Diego.

The analysis and outcomes from the technical feasibility study as well as all of the Phase 1 investigative work undertaken for the past three years indicate that establishing a successful CCE agency within the Monterey Bay Region is highly feasible with a wide range of options.

Formation Recommendations:

(1) Next Steps – All MBCP counties and cities are strongly encouraged to participate in one or more of these next steps to determine their interest in becoming an early adoptive partner in forming a regional CCE-JPA agency:

- Attend the public special study sessions hosted by the PDAC starting in May and continuing through June that will focus on the technical study results, governance, executive staffing and start-up financing options and best practices. At these meetings, executive staff from successful CCE agencies and other experts will be in attendance to assist interested county and city representatives. (See page 3 of this report for the schedule.)
- Request a Board or Council general presentation to determine further interest. For more information or to schedule a meeting, contact Gine Johnson, Office of Santa Cruz Supervisor Bruce McPherson, at (831) 454-2200, gine.johnson@santacruzcounty.us.
- Send a Board representative and/or executive staff member to the PDAC's ad hoc subcommittee meetings. Two subcommittees, Governance and Finance, will meet in parallel with the public special study sessions to develop a formation proposal. Recommendations to the governing Boards of early adoptive county and city partners will be forwarded on or before September 15. To attend these meetings, contact the PDAC Chair, Nancy Gordon at (831) 454-2714, nancy.gordon@santacruzcounty.us.

(2) Decision Deadline: Once a formation determination has been made, the PDAC recommends that the CCE-JPA agency be established on or before October 31, 2016 for several important reasons:

- The best window of opportunity to launch a CCE agency (i.e., actually provide power to customers) has proven to be between April and October as a “best practice.” Even after a CCE-JPA is established, additional formation tasks must ensue which may take up to 12 months, so to make the recommended “launch window”, interested partners should form no later than one year in advance.
- Efforts to undermine the ability of local governments to justify forming CCE agencies are continual through the legislative and regulatory processes. Even though these efforts have not succeeded so far, it may just be a matter of time. If these efforts are eventually successful, CCE agencies that have already been formed will be able to continue unimpeded.
- In order to form a CCE agency, county and city partners must first agree on governance, start-up financing and executive staff recruitment. This process typically took California’s established CCE agencies three to four months to accomplish. The deadline of October 31 gives early adoptive partners up to six months to make a final decision. County and city partners that do not make a decision by October will still have the option to join the CCE-JPA at a later date.

CCE Best Practices Recommendations: New CCEs can mitigate risk and ensure best practices by learning from the experiences of operational CCE agencies. In addition to the technical study, Section III of this information packet includes an overview of regulations as well as information and lessons learned from other multi-jurisdictional CCE agencies regarding structure, governance, financing and program phasing. The PDAC spent countless hours reviewing and discussing this information with statewide CCE experts and recommends the following best practices be considered by MBCP county and city partners as they contemplate formation:

- Structure – The PDAC recommends a regional agency that includes as many of the MBCP county and city partners as possible. The economy of scale relative to procurement buying power, start-up and long-term financing and other operational considerations makes a compelling case for a regional agency. Given the nature and technical complexity of running the business of a CCE program, the PDAC also recommends that the agency not be embedded in an existing government entity, but be formed as a stand-alone joint powers agency. Further, the PDAC does not recommended that an existing CCE-JPA be joined for a fee as the economic and job creation benefits to the Monterey region would be considerably diminished. However, “back-end” turn- key administrative services that have a proven operational track record are readily available to newly formed CCEs and should be accessed to streamline start-up and operational tasks and costs.

- Governance – It is recommended that the governing Board be between 11 and 15 primary appointees, plus the same number of alternates, comprised of members who have an appropriate level of technical/functional expertise. If the early adoptive governing Board is formed without all of the 21 county and city partners, serious consideration needs to be given to how the Board will scale to the maximum number. *Selection criteria for representative expertise and community stakeholder groups to be considered for board appointment will be developed by the PDAC with CCE experts before the end of May and submitted to all county and city partners.*
- Start-up Financing & Payback Period – There are many options to providing the capital for Phase 2 formation work, but the most straight forward path is for one of the main partners to provide all of the funding, or guarantee a private loan, which can be paid back with interest (up to 3%) once the CCE agency begins to generate revenue from ratepayers. Although a cost-share strategy is often used in starting a joint powers agency, this requires additional time and contractual work in what is already a complex formation process. However the start-up is financed, the CCE governing Board should aim to pay it back with interest within two years of full operations.
- Guiding Principles– The PDAC recommends strategic and operational alignment with these principles:
 - Serve community goals and local policy objectives, including greenhouse gas reductions and increased statewide and local renewable energy supply.
 - Control and safeguard customer revenues to ensure long-term financial viability and local government ownership, even when power supply costs fluctuate.
 - Offer competitive rates and choice in customer electricity services that does not include the use of unbundled renewable energy credits, coal or nuclear resources.
 - Pursue long-term power procurement strategies and local power ownerships that hedge future market risk and incorporate diversity of energy suppliers, technologies and products.
 - Plan for long-term financial viability through integrated resource planning, in-house fiscal management, transparent rate setting and policies that build program reserves. Building robust reserves enhances the agency’s credit rating, lowers the cost of procurement and increases the viability of issuing future bonds for projects.
 - Maintain a firewall between the assets and liabilities of the CCE agency and those of municipal general funds.
 - Adhere to applicable statutory and regulatory compliance requirements.

- Implement effective risk management practices and ensure transparency and accountability to the local community and oversight agencies.
- Offer complementary programs that serve community interests such as feed and tariff, net-metering, comprehensive energy efficiency retrofits, demand response, community solar, electric vehicle charging and battery storage.
- Establish criteria for the use of surplus revenues that ensures geographic equity and adheres to economic justice principles.
- Define criteria for selecting energy procurement vendor(s) that aligns with the region's sustainability and economic vitality goals.
- Develop a long-term strategic goal of regional energy self-sufficiency by building out local renewable generation projects using local workers making prevailing wages. Establish a definition of "the use of local workers" and adhere to established local government definitions of "prevailing wages."

ACKNOWLEDGEMENTS

The Project Development Advisory Committee would like express tremendous gratitude to the respective County Boards, City Councils and Joint Powers Agencies within the Monterey tri-county region for participating in this project and embracing regional collaboration on an initiative that holds such significant potential for meeting economic and environmental goals.

Thank you to the PDAC members, lead partner Santa Cruz County, the Project Team and Ambassadors as well as the professional consultants who worked tirelessly for more than three years to investigate community choice energy and provide education to stakeholder groups. We express our thanks and appreciation as well to the two working groups of local volunteer experts and stakeholders who assisted the Project Team (see Appendix 1.)

This project would not have been possible without the fiscal sponsorship of the Community Foundation of Santa Cruz County (CFSCC) accepting donations from generous members of the community. Our sincere thanks to the CFSCC Board and executive staff, and especially to all of the *Monterey Bay CCA Fund* donors (see Appendix 1.)

Grant support from the California Strategic Growth Council, the World Wildlife Fund, and the UC Santa Cruz Carbon Fund was critical to completing this project, for which the committee is sincerely appreciative.

Finally, to the staff of Marin Clean Energy and Sonoma Clean Power, thank you for your technical assistance, generosity and for paving the way for the rest of the California to follow in your footsteps.

Project Development Advisory Committee Members

Nancy Gordon, Chair, Santa Cruz County

Richard Stedman, Vice-Chair, Monterey Bay Unified Air Pollution Control District

Daniel Bertoldi, Monterey County

Ross Clark, City of Santa Cruz

Tim Flanagan, Monterey Regional Waste Management District

Rich Grunow, City of Capitola

Chris Khan, City of Salinas

Nancy Lockwood, City of Watsonville

Patrick Mathews, Salinas Valley Solid Waste Authority

Larry Pearson, Pacific Cookie Company, Business Sector Representative

Adam Goldstone, San Benito County

Taylor Bateman, City of Scotts Valley

Jim Bogart, Grower-Shipper Association- Central CA, Ag Sector Representative

Ray Friend, City of Hollister

Roger Grimsley, City of San Juan Bautista

Project Team Members and Ambassadors

Gine Johnson, Office of Santa Cruz Supervisor Bruce McPherson

David Carlson, Santa Cruz County Planning Department

Carol Johnson, Santa Cruz County General Services Department

Julia Holl, Office of Assembly Member Mark Stone

Kris Damhorst, Volunteer Project Team Member/Ambassador

Matt Farrell, Volunteer Project Team Member/Ambassador

Brennen Jensen, Volunteer Project Team Member/Ambassador

Joel Kauffman, Volunteer Project Team Member/Ambassador

Martin Carver, Volunteer Project Team Member/Ambassador

Marc Adato, Volunteer Project Team Member/Ambassador

Abby Young, Volunteer Project Team Member

Laurie Talcott, Volunteer Ambassador

Beverly DesChaux, Volunteer Ambassador

Jackson Damhorst, Volunteer Ambassador

Consultants

Local Energy Aggregation Network (LEAN) – General Strategy & Assistance

Miller Maxfield – Communications and Outreach

Pacific Energy Advisors - Technical Feasibility Study

MRW Associates - Independent Peer Reviewer

SECTION II

INTRODUCTION TO COMMUNITY CHOICE ENERGY

How Local Energy Aggregation Works

Enabled by California legislation (AB 117 and SB 790), community choice energy (CCE) allows cities and counties to pool their residential, business and municipal electricity loads, and to purchase power (or generate it) on their behalf. In this model, the current investor owned utility, PG&E, remains an essential partner. Energy transmission, distribution, repair, and customer service functions remain with PG&E, which also continues to provide customer billing. CCE customers are automatically enrolled over time unless they wish to opt out and continue to buy their electricity from PG&E. CCE charges appear as a new section on the current PG&E customer bill (see APPENDIX 10.) All other charges are the same and beneficial programs continue (i.e., CARE, Medical Baseline, and other low-income programs.)

A regional CCE joint powers agency (CCE-JPA) leverages the market power of group purchasing and local control. It can be designed to achieve a number of economic vitality and environmental public policy and program objectives, such as contributing millions of dollars to the local economy, creating local jobs, increasing renewable resources in the community's energy portfolio, reducing greenhouse gas emissions, promoting local development of renewable energy installations and offering comprehensive energy efficiency programs.

In short, a regional CCE-JPA purchases green electricity on the open market and PG&E delivers the energy, maintains the lines and bills the customers. The customers benefit from affordable rates, local control and cleaner energy. CCE offers a choice of service providers, where no choice exists now. By establishing a CCE-JPA, local governments choose to give choice to their constituents.

Why Investigate Community Choice Energy?

Local Control: Community choice energy puts control of electricity purchasing and pricing into local hands and allows the community to determine what type of energy mix best serves the needs of the region. Right now, consumers do not have these choices. The CCE's local governing Board significantly increases transparent accountability because consumers have direct access to the decision makers as well as the deliberation process. CCE agencies are funded through CCE customers paying their electricity bills, not by taxes. Creating and maintaining a local public agency that is well managed, financially self-sustaining and provides clean locally produced energy strengthens the capacity and resilience of the entire region.

Economic Vitality: Local ratepayer money stays local. Surplus revenues that would normally flow to the investor owned utility will stay in the community to help fund renewable energy projects, create jobs, and stimulate the local economy. The value of redirected revenue over time is millions of dollars. The opportunity to use that revenue to build local renewable energy generation facilities, EV charging stations, energy storage capacity as well as increase the energy efficiency of our buildings is significant and key to the success of a local CCE agency. Surplus revenues may also be used to stabilize or lower consumer rates.

Meeting Local Climate Action Plan Goals: Establishing a regional CCE agency is the single most impactful strategy for meeting state and regional climate goals. In the Monterey Bay Region, roughly half of the greenhouse gas emissions are caused by energy use. Of all the beneficial initiatives identified in the region's 21 climate action plans, CCE is the one that will result in the highest reduction of emissions within just a few years of establishing the agency. It is the one program that we can implement that will make the biggest difference before the "tipping point" of carbon emissions is reached worldwide.

Creating Market Competition: Market competition drives down costs, which has happened in two other regions within California.

Providing Cleaner Energy with the Same Rates: Community choice energy agencies can deliver more renewable energy than the investor owned utility at the same rate. Supply autonomy allows for the greater use of renewable sources (solar, wind, wave, biomass) The two well-established CCEs in California have significantly increased the renewables in their portfolios without charging more than PG&E and, in some cases, are offering meaningful rate savings. The Monterey Bay Community Power technical study indicates we can more than double the renewables in the regional portfolio at the same rate charged by the investor owned utility. That increase could result in a portfolio with 59% renewable energy as compared to the current 27% provided by PG&E.

Maintaining the Same Reliable Service from PG&E: Energy transmission, line maintenance and customer service remains the responsibility of PG&E. PG&E will continue to handle all customer service and support of the grid. Current low-income programs remain available to customers, (i.e., CARE, Medical Baseline, etc.)

Stimulating Private Sector Innovation and Workforce Development:

A regional CCE agency has the ability to create policy and financial incentives that support private sector entities as well as work force development initiatives. Private sector businesses and non-profits focused on developing innovative energy technologies, products and services could be incentivized to locate or expand their business here. The region's educational institutions, apprenticeship programs and job placement programs already provide green jobs training and careers which could receive significant support from a regional CCE-JPA.

Basic Risks and Mitigations

Establishing a regional CCE-JPA offers many opportunities for the Monterey Bay region but presents some risk. Building solid governance and operational capacity as an organization within the first few years is the first and foremost strategy in mitigating those risks. Following the best practices and principles as recommended by the regional Project Development Advisory Committee and outlined in the cover report can ensure that appropriate capacity is built and a strong foundation is established to serve the region for many successful years.

The other main risks relate to market price fluctuations and regulatory uncertainty. California's energy markets have been stable for several years and prices for electricity from renewable and conventional energy resources are low. The current buyer's market is expected to continue for the next several years because of the excess energy supplies. A local CCE agency can protect itself from future market shifts by forecasting with conservative rates as well as using diverse portfolios that include longer-term energy supplies and investments in local power projects and programs that lower the load needed and help fix the cost of the region's supply. A long-term goal of regional self-sufficiency that aims to provide 100% of our electricity supply from local renewable sources is a highly effective mitigation strategy that addresses future market fluctuations and ensures an abundant supply of clean, affordable energy for future generations. By partnering with other CCEs from around the State and proactively engaging in proceedings with the State legislature and regulatory Boards, regulatory issues may be effectively managed. Here is an outline of short-term and long-term risks:

Governance and Operational Risks:

- Governing Board with too many members without the appropriate expertise, lowering flexibility and timeliness in decision making
- Not aligning with best practices based on other CCE experiences
- Opt-out rate uncertainty
- Credit availability for power supply

Market Risks:

- PG&E rate uncertainty (generation rates and exit fees)
- Length of current favorable wholesale energy prices
- Availability of large hydro resources to meet carbon-free content goals

Political and Regulatory Uncertainties:

- Future CCE-specific State legislation
- Regulatory changes around renewable and capacity mandates
- Rulings that adversely affect the establishment and operations of CCEs from the California Public Utilities Commission (CPUC) in response to requests from the investor owned utilities

Snapshots of Success - Marin Clean Energy & Sonoma Clean Power

The Project Development Advisory Committee and Project Team have been inspired and guided by the proven models of the two established multi-jurisdictional CCE programs in California. Marina Clean Energy and Sonoma Clean Power are offering their customers greener power with a mix that features more renewable sources at competitive rates, and for some plans, lower rates. Both are offering enhanced programs for energy efficiency and locally sourced solar while performing well financially and operationally.

Marin Clean Energy – Results after six years of full operations

- Serving 170,500 customers, 80% of the total customer meters
- Annual Budget - \$145,993,097
- Reserves- Forecasted to increase to \$16,696,319 by the end of the current fiscal year (March 31, 2016)
- Regular customer plan – 50% renewable portfolio at comparable rates versus 27% renewables from PG&E
- 100% renewable energy customer plan- \$5/more per month than PG&E rates
- 100% Local Solar customer plan- 20% more than PG&E rates
- Key accomplishments - Has created 2400 jobs and has 10 renewable projects completed are under way
- Start-up costs completely paid off

Sonoma Clean Power – Results after two years of full operations

- Serving 196,206 customers, 89% of the total customer meters
- Annual Budget - \$165,495,000
- Reserves - Forecasted to increase to \$30,000,000 by the end of the current fiscal year (March 31, 2016).
- Regular customer plan – 80% Carbon Free with 36% renewables, 44% hydro energy and 8% less than PG&E rates, versus 27% renewables from PG&E
- EverGreen customer plan - 100 % local renewable energy at 12% more than PG&E rates
- Key Accomplishments - Saved customers \$13 million in its first year of operations and has met California's 2020 renewable energy targets
- \$1.3 million remaining of start-up costs to pay off

Elements of the Technical Feasibility Study

The technical study was conducted for the purpose of describing the potential benefits and liabilities with forming a CCE agency, including the overall size of the program, forecasted future demand, resource availability, and the ability to be rate competitive. The study analyzed different possible power supply scenarios and the impact on greenhouse gas emissions, as well as the potential for local job creation and surplus

revenues. Estimated CCE-JPA start-up costs were identified and a risk assessment completed. For the Monterey Bay Community Power partnership, the analysis was conducted two ways:

- For the entire tri-county region inclusive of all 18 cities; and
- Each individual county inclusive of the cities within its boundaries.

The executive summary of the technical study (Section IV) describes in greater detail each of these elements. The full study is in APPENDIX 4 with proformas for each scenario for the entire tri-county region as well as for the individual counties. Also included in APPENDIX 4 is an independent peer evaluation of the technical study as well as responses to the peer's comments. The final version of the technical study will incorporate input from the PDAC and will address issues identified by the peer reviewer.

SECTION III

OVERVIEW & LESSONS LEARNED

MULTI-JURISDICTIONAL CCE AGENCIES

Structure & Governance

Per statute, CCE programs may be initiated and administered by a single municipality (i.e. city or county) or a group of them on a cooperative, inter-jurisdictional basis. Like similar municipally sponsored services, such as municipal power or water agencies, program governance typically remains in the public domain whether through elected or appointed representation of the communities served. This section will focus on governance, financing and program phasing options and best practices for a potentially large regional program that could eventually include all 21 of the Monterey Bay Community Power county and city partners.

Legal Structure:

AB 117 does not specify a required legal structure for multi-jurisdictional CCE programs. However, established CCE programs and many of those currently in progress are operating under California's Joint Powers Authority (JPA) Act, which allows for inter-agency cooperation and the provision of common services while maintaining legal and financial separation between the operations, assets and liabilities of the JPA and its county and city members. This latter issue of financial and legal separation has been especially important to cities and counties interested in offering the benefits and choice inherent in a CCE program without burdening municipal staff with program administration or in any way putting their government's general funds at risk through program participation.

It should be noted that there is a new, as yet untested, operational structure for CCEs that relies on commercially outsourced services offered to multiple jurisdictions under private contract. This commercially outsourced model does not use the JPA structure and it is unclear to what extent program operations, revenues, and governance remain within local, municipal control. It is also unknown how the "legal and financial firewall" protections afforded by the JPA structure are offered in privately managed models, and how those are supported (or not) by existing case law. Still, it is a model that is garnering some interest, especially in areas that are remote, financially burdened or lacking in available professional talent to run a local or regional CCE program.

Joint Powers Agencies in California are established by a joint powers agreement (“the constitution”) that defines, codifies and governs the way the JPA will operate on behalf of its member jurisdictions (or agencies). The JPA Agreement is passed by resolution of its member agencies and may also be augmented by operating guidelines, bylaws and/or program policies if the Board of the JPA so chooses. While the JPA as a legal structure has many different applications in the State of California (transportation, housing, planning, public policy, etc.), CCEs serve a utility function and are considered “load serving entities.” Thus, they are more similar to a municipal utility providing a commodity service rather than a regional planning or policy setting association – think “Solid Waste Management Authority” rather than an “Association of Local Governments”, for example. This utility business and customer-serving focus will be an important consideration in both the staffing and leadership composition of the MBCP CCE agency.

The Project Development Advisory Committee (PDAC) reviewed several governance options including those of current CCE programs, large regional JPAs operating in California and existing JPAs currently serving the Monterey Bay region. Three models were identified:

1. Traditional CCE- JPA Approach:

- 1 Board seat per member jurisdiction (primary plus alternate).
- All elected representatives.
- Alternate can be elected or appointee.
- Meetings are monthly.
- Examples include the two well-established CCEs in California, Marin Clean Energy and Sonoma Clean Power.

2. Multi-County/Regional Approach:

- Combines elected officials with appointed representatives with technical/functional industry expertise.
- Allocates a certain number of seats by category: county, cities and “at large” technical/function experts.
- Assumes a primary and alternate for each seat.
- County and city reps assumed to be elected representatives; their alternates can be municipal staff or technical/functional experts without a conflict of interest.

- At large technical/functional expert seats are selected by application per criteria established by the governing Board.
 - Meetings are usually monthly, but can also be every-other-month or even quarterly if there is a robust committee structure.
 - Examples include Metropolitan Transportation Commission, Golden Gate Bridge District, CalTrain, Monterey Bay Unified Air Pollution Control District, Central CA Alliance for Health, and the recently formed Santa Cruz Mid-County Groundwater Management Agency.
3. Existing JPA Approach:
- Adopt/use an existing JPA's governance structure and administrative capacity, either one within the Monterey Bay region or an established CCE outside the Monterey region.
 - Joining an existing JPA within the region means that the CCE program would not be the primary focus of the agency as it would be a business line within a broader scope and mission. The complexity of running the business of a CCE program does not make this the best option.
 - Joining an existing CCE-JPA outside the region is a simple path, but it significantly dilutes the economic benefits of keeping the program local. Local decision-making and interaction with the region's ratepayers would also be greatly diminished. This is the least attractive option.

After extensive discussion, the PDAC recommends option two – forming a multi-county JPA as a stand alone agency- as the structure that makes the most sense for the MBCP partnership. The table on pages 18 and 19 outlines other specific recommendations relative to additional key structural elements.

CCE JPA Agreements:

The CCE programs that include multiple jurisdictions and operate under a JPA structure are governed by intergovernmental agreements that have evolved over the last few years. New CCEs in the process of formation in San Mateo and Santa Clara counties have been the most recent to draft these agreements, (see APPENDIX 6 for examples.)

In addition to standard JPA language, there are several elements that need to be considered by the MBCP partners. These are listed below, including a description of current practices from successfully established CCEs and the Project Development Advisory Committee's recommendations:

Element	Currently practices of CCEs	PDAC Recommendation
Agency Purpose	CCE and energy related programs only.	CCE and energy related programs only.
Municipal Membership	Municipalities as full members. (Marin Clean Energy-MCE) Municipalities as participants. (Sonoma Clean Power-SCP)	Investigate further the pros and cons of each approach.
Board Composition	1 member per jurisdiction. (MCE & SCP) Primary Board member is an elected official. (MCE & SCP) Alternate is elected (MCE) or may be appointed (SCP).	Board of 11 to 15 members that combines elected officials and “at large” technical/functional experts <i>with no conflict of interest</i> . Should be “scalable” to accommodate county & city members who do not initially join the CCE/JPA. Possible technical expert categories: energy procurement/industry experience; utility background; finance; environmental, clean tech or related policy and/or operational experience.
Board Voting	Majority vote with an option to call for a weighted vote (SCP). Majority and weighted vote combined (MCE).	Majority vote with an option to call for a weighted vote. Investigate further some element of scalability (or voting allocation) based on load size or population.
Joint Powers	Power to contract, employ, acquire and maintain public works, incur debt and issue bonds, invoke eminent domain under certain conditions, adopt rules and regulations.	Power to contract, employ, acquire and maintain public works, incur debt and issue bonds, invoke eminent domain under certain conditions, adopt rules and regulations.

Withdrawal of Membership	<p>MCE – Municipal accounts only; may be a fee for departing load due to stranded costs.</p> <p>SCP- Option to remove all accounts with negotiated timing and payout agreement to cover stranded costs.</p>	Option to remove all accounts with negotiated timing and payout agreement to cover stranded costs.
JPA Administration: Self-administered or outsourced?	MCP & SCP: Self-administered with option to contract for certain JPA functions.	Self-administered with outsourcing for certain “turn key” administrative functions that are readily available within the industry.
New county/city members joining the JPA after initial launch	Modest cost or no cost at the discretion of the JPA Board.	Modest cost or no cost at the discretion of the JPA Board.
JPA Committees: Permissive or Required?	<p>MCE- Permissive at discretion of the Board.</p> <p>SCP – Operations and Rate Setting Committees included in JPA agreement.</p>	Permissive at the discretion of the Board after the need is identified and each committee’s function is defined. Do not specify committee structure in the JPA agreement.
Cost Recovery for Advanced Start-Up Funds	Full cost recovery of start-up costs.	Full cost recovery of start-up costs, including all <i>unfunded</i> remaining Phase 1 activities as well as all Phase 2 formation work.
Board meeting frequency and location	Monthly meetings in one central location.	Bi-monthly meetings in one central location during Phase 2 formation work, then revert to monthly meetings with a central or rotating location.

Financing

Financing for multi-jurisdictional CCEs generally falls into three categories that cover initial planning and implementation (seed capital), program launch/initial energy contract (short term working capital), and longer-term agency operations (term debt/line of credit). To date, financing for CCE programs has come from a variety of sources including grants, private investors, municipalities and banks. More recent offerings have included vendor financing and deferred compensation in exchange for multi-year contracts that typically carry a five-year term. Types of capital required are:

Start-Up/Seed Capital: Seed capital covers early start-up costs prior to program revenue, (i.e. before paying customers.) The amount of seed capital needed to launch a new CCE program will be influenced by the size and complexity of the program. However, there are a number of fixed costs associated with program implementation as well. Seed capital requirements for existing and soon-to-launch CCE programs have ranged from \$1.5M - \$2.5M and cover the period from initial planning and study to program design, implementation and launch. Depending on how much seed capital is available, it may also cover initial JPA staffing and the utility bond requirement, although these expenses are often covered through the initial working capital loan. (See Section IV- Technical Study Executive Summary for a more detailed estimate of start-up costs for the MBCP CCE-JPA.)

To date, start-up capital has come from a combination of grants and municipal loans. Banks have traditionally not provided seed capital as it is considered high-risk capital until JPA commitments are made, ordinances are passed, and the program is closer to having revenue-generating customers. The exception to this rule is a loan that has a credit backing from a municipality, or vendor sponsored financing that will carry minimum contract terms in exchange for the credit.

A few notes regarding seed capital:

- All start up costs may be repaid through the early operating customer revenues of the CCE program.
- A municipality may lend funds to cover start-up, as a zero-interest loan or for a small fee.
- Seed capital may also be privately funded through grants or private investors. The key is to use the least cost financing available so as not to burden the JPA with high debt at launch.

Working Capital: CCE's will typically require working capital approximately six months prior to program launch, depending on how much seed capital remains in the coffers. This type of credit covers negative cash flow in the early stages of program launch and is intended to get the CCE "over the hump" from pre-launch to early operations until it reaches more stable revenues and operations. The amount of early working capital

needed is entirely dependent on the CCE's phasing plans, early staffing/operations expenses, and the size and cost of the energy contract. It can range from a low of \$2M to a high of \$15M or more depending on the program size at initial launch. This debt is usually short term and is often provided by a lender, although it can be municipally or vendor financed as well. It also requires a credit guaranty, which is usually provided by the sponsoring municipality(s) of the CCE program. The guaranty is released soon after revenues begin flowing (usually within 12-24 months) and the CCE-JPA is ready for longer-term debt and larger lines of credit.

Some notes regarding early working capital:

- This type of finance requires a guaranty that will be released when the CCE is stable and generating solid revenues.
- This debt will provide the credit backing required for the initial energy supply contract and early operating expenses.
- During the time the CCE is seeking working capital, it will also want to consider other banking services such as deposit accounts, lockbox services and the like. Generally, these services are provided by the lender as a bundled package with the loan.

Longer Term Debt/Lines of Credit: Once the program is launched and revenues have commenced, the CCE will want to consider longer-term debt and lines of credit to support agency operations and an expanded portfolio of energy contracts. Typically, this debt is used to refinance early working capital and pay off any start-up loans. It often carries a stable, fixed rate that can be repaid over time and may be accompanied by a separate line of credit to serve as backing for power contracts.

When it comes to a CCE banking partner, size matters. Make sure the bank is large enough to finance your program over the long term. CCE's can be very large with significant capital requirements, especially as the program matures. Banks need to live within their loan-deposit caps so make sure it has enough credit capacity for long-term needs of the CCE-JPA.

Underwriting Considerations: When a bank considers lending to a new CCE, it will consider a number of factors including the management team. Examples:

- Does the Chairman, CEO, and other management team members demonstrate political savvy?
- Does the team have a combination of experience and entrepreneurship?
- Does it have knowledge of energy markets and energy contracting?
- Does it have a robust marketing program?
- Does the team understand the complexities of operating a customer-service focused utility service along with the complimentary energy programs?

The bank will also consider the program's financial modeling which provides a detailed forecast of program expenses and revenues over a period of years. The knowledge and credibility of the author of the financial proforma will be important as well. Finally, the bank will also consider community support, level of local government commitments, and Board/governance structure.

Program Phasing

In the world of CCE, program phasing is part of the program planning process and is influenced by a number of factors including availability of credit and capital, seasonal economics, and level of operational capacity to run the program. There are generally three elements to the phasing discussion, all of which will need to be reviewed with the governing Board and articulated in the CCE's implementation plan that must be certified by the California Public Utilities Commission:

- Program size (energy usage and customer count)
- Municipal/geographic representation
- Customer classes (e.g. residential, municipal, commercial)

Program Size: The first element that will be considered is the overall program size in terms of energy usage, load size/shape, and number of customer accounts. To date, the operational CCE's have all started service with only a small portion of their load and customer base (as little as 10-20%), enrolling customers and adding load over a period of time (~ 8 months – 2 years). A few things influence the size of initial enrollment:

- Organizational capacity and level of readiness to enroll customers;
- Utility capacity to switch customers over in batches; and
- Availability of credit to cover the cost of the initial energy contract and staffing to service the initial customers.

Municipal and Geographic Representation:

This element of phasing has to do with which municipalities join the JPA as founding members and those that choose to join later. In order to commence service, local governments must pass a CCE ordinance and in the case of MBCP, pass a JPA resolution to approve their participation in the agency. Once the CCE knows "who's in" it will be able to better ascertain overall program size, credit needs and appropriate phasing strategy. It should be noted that second and third round cities that join later are subject to the approval of the JPA Board and may have to wait until all initial customers are enrolled before joining the agency. This could be a year or even two after the initial program launch.

Customer Classes: This element of phasing refers to the types of customers that will be enrolled at each phase. Although there are hundreds of rate classes and corresponding tariffs, typical customer classes include residential, small and large commercial, municipal and agricultural. Large commercial customers served by Direct Access will not be enrolled in a CCE program unless they choose to do so.

Phasing Strategy: Once the size, municipal representation and credit needs are known, the technical team can design a phasing strategy that will best serve the MBCP program. As noted above, the phasing strategy will be articulated in the Implementation Plan that must be submitted and certified by the CPUC prior to launch. Phasing in of customers can occur in several phases (usually three) over a period of 12-24 months depending on the desire of the CCE Board to build up slowly or quickly.

To date, it has been a common practice among CCEs to launch with their commercial load sometime in the summer tariff season with a small percentage of residential accounts if desired. This is because of the strong economics and lower customer count that allows the agency to build revenues and stabilize operations before rolling out to the larger customer base of municipal and residential customers. While this strategy is not required, it is now considered a best practice relative to program launch.

In conclusion, there are a number of steps and factors to be considered prior to determining the program phasing strategy. The first is to understand which counties and cities want to participate as initial JPA members and the size of their load and number of accounts. Once that is determined, a clearer sense of credit needs will emerge and more precise modeling can be done to inform customer phasing.



Report to the Board of Directors

ITEM NO. 12

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: April 21, 2016

From: Cesar Zuniga, Operations Manager

Title: A Resolution Approving Authority Staff to Provide Operations and Diversion Services at the Jolon Road Transfer Station and Approving the Revised Personnel Allocation effective September 1, 2016

*** RECOMMENDATION (Revised)**

Revised Staff recommends adoption of the [revised](#) Resolution approving the Authority staff to provide the operation and diversion services at the Jolon Road Transfer Station [by September 1, 2016, along with a Revised Personnel Allocation effective August 22, 2016, in order to complete employee orientation, safety training, and operational training for all new hires before assuming operations.](#)

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Authority's Goal to *Reduce Costs and Improve Services at SVR Facilities.*

FISCAL IMPACT

The Fiscal Year 2016-17 Budget includes \$585,800 for operations at the Jolon Road Transfer Station. The budget accounts for two months of operations by Waste Management at the current cost of \$60,233/month and ten months of SVR operations at a net cost of \$37,043/month. The approval of the in-house operations will result in an annual net savings of \$278,280 as compared to the existing agreement. See Attachment 1 for a cost comparison.

*** Added** [The Jolon Road Equipment Purchase Capital Improvement Project in the amount of \\$600,000 was approved as part of the Fiscal Year 2016-17 Budget. In order to facilitate purchase of needed equipment, staff is requesting that this be funded in Fiscal Year 2015-16. Sufficient funds are available for this purpose.](#)

DISCUSSION & ANALYSIS

The approval of Authority operations at the Jolon Road Transfer Station includes the following major tasks:

Hiring Process – June 2016 to July 2016

Staff cost proposal included the addition of four new employees as part of the Jolon Road Transfer Station operation and diversion services. The Authority will be hiring one Loader Operator / Driver, one Diversion Worker II, and two Diversion Worker I. Under our current staffing levels, a fourth scale attendant is currently used to cover three shifts within the scale house schedules and work the Sun Street MRC two days a week. The operations of

the Jolon Road Transfer Station will require the use of all current scale attendants and adding a Diversion Worker I to cover the Sun Street Transfer Station MRC shift that will be left vacant by the shifting of staff. The four new positions are included in the cost proposal provided by staff and in Attachment 2, the revised Personnel Allocation schedule for consideration.

If the revised Personnel Allocation is approved, staff will initiate the employee recruitment process. The process will be the same as when the Authority took over operations at Sun Street Transfer Station on January 1, 2008, the Scale House operations on September 1, 2009, and the Johnson Canyon Landfill operations on December 22, 2014. That process includes holding a Job Fair to promote the Authority as a local employer and assist candidates from Waste Management with the application and hiring process to make sure they fully understand the Authority benefits and how to make the best impression during our recruitment process. The process includes having the Authority's Human Resources/Organizational Development Manager available to answer questions and assist with the application process to all existing Waste Management employees that want the opportunity to apply for work with the Salinas Valley Solid Waste Authority. The Authority hiring process also includes an initial internal recruitment for qualified individuals.

* All new hires will begin employment no earlier than August 22, 2016. This will allow the Authority to complete employee orientation, safety training, and operational training required for all new hires before assuming the operations of the Jolon Road Transfer Station on September 1, 2016.

Equipment Procurement Process – May 2016 to August 2016

The most expensive part of assuming the transfer station operation is the initial purchase of required equipment. The \$600,000 CIP will be funded through FY 2016-17 operation revenues and a loan from our undesignated Capital Projects Reserves. While the gross equipment costs could be up to \$600,000, by utilizing a combination of new and high quality used equipment, and re-payment of the loan over a four-year period, (beginning FY 2017-18) the annual payments are estimated to be \$130,720 per year. This is included in the \$444,512 estimated net Authority budget for the transfer station operations.

BACKGROUND

On January 21, 2016, staff presented options for the operation of the Jolon Road Transfer Station to the Board. The presentation included the cost for the Authority to operate the facility. After some discussion, the Board of Directors instructed staff to request a cost proposal from the existing operator Waste Management. Waste Management did not submit a written proposal for the operation of the Jolon Road Transfer Station, but did verbally inform the SVR they would be willing to hold the existing annual rate of \$722,798 with future annual CPI adjustments.

ATTACHMENT(S)

1. Resolution [\(revised\)](#)
2. Exhibit A - Revised Personnel Allocation [\(revised\)](#)
3. Cost Comparison

RESOLUTION NO. 2016-

*
Revised

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING AUTHORITY STAFF TO PROVIDE OPERATIONS AND DIVERSION SERVICES
AT THE JOLON ROAD TRANSFER STATION BY SEPTEMBER 1, 2016, AND APPROVING THE
REVISED PERSONNEL ALLOCATION EFFECTIVE AUGUST 22, 2016**

WHEREAS, the 2006 contract for operation of the Jolon Road Transfer Station with Waste Management expires on September 1, 2016; and

WHEREAS, on January 21, 2016, the Board of Directors reviewed options for the continued operation of the Jolon Road Transfer Stations; and

WHEREAS, based on the substantial cost savings and the ability of Authority staff to accomplish the services required at the Jolon Road Transfer Station, the Board of Directors, hereby supports that the Authority staff provide operations and diversion services at the Jolon Road Transfer Station; and,

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the Chief Administration Officer or his delegate is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to proceed with the necessary actions to commence Operation and Diversion Services at the Jolon Road Transfer Station by September 1, 2016; and,

BE IT FURTHER RESOLVED, that the Personnel Allocation, attached hereto, and marked "Exhibit A" is hereby approved; and,

BE IT FURTHER RESOLVED, that the Organizational Chart, attached hereto, and marked "Exhibit B" is hereby approved; and,

*
Added **BE IT FURTHER RESOLVED**, that the Jolon Road Equipment Purchase Capital Improvement Project in the amount of \$600,000 is hereby approved to be funded in Fiscal Year 2015-16.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority this 21st day of April 2016 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Jyl Lutes, President

Elia Zavala, Clerk of the Board

**SALINAS VALLEY RECYCLES
PERSONNEL ALLOCATION
PROPOSED EFFECTIVE DATE 08/22/2016**

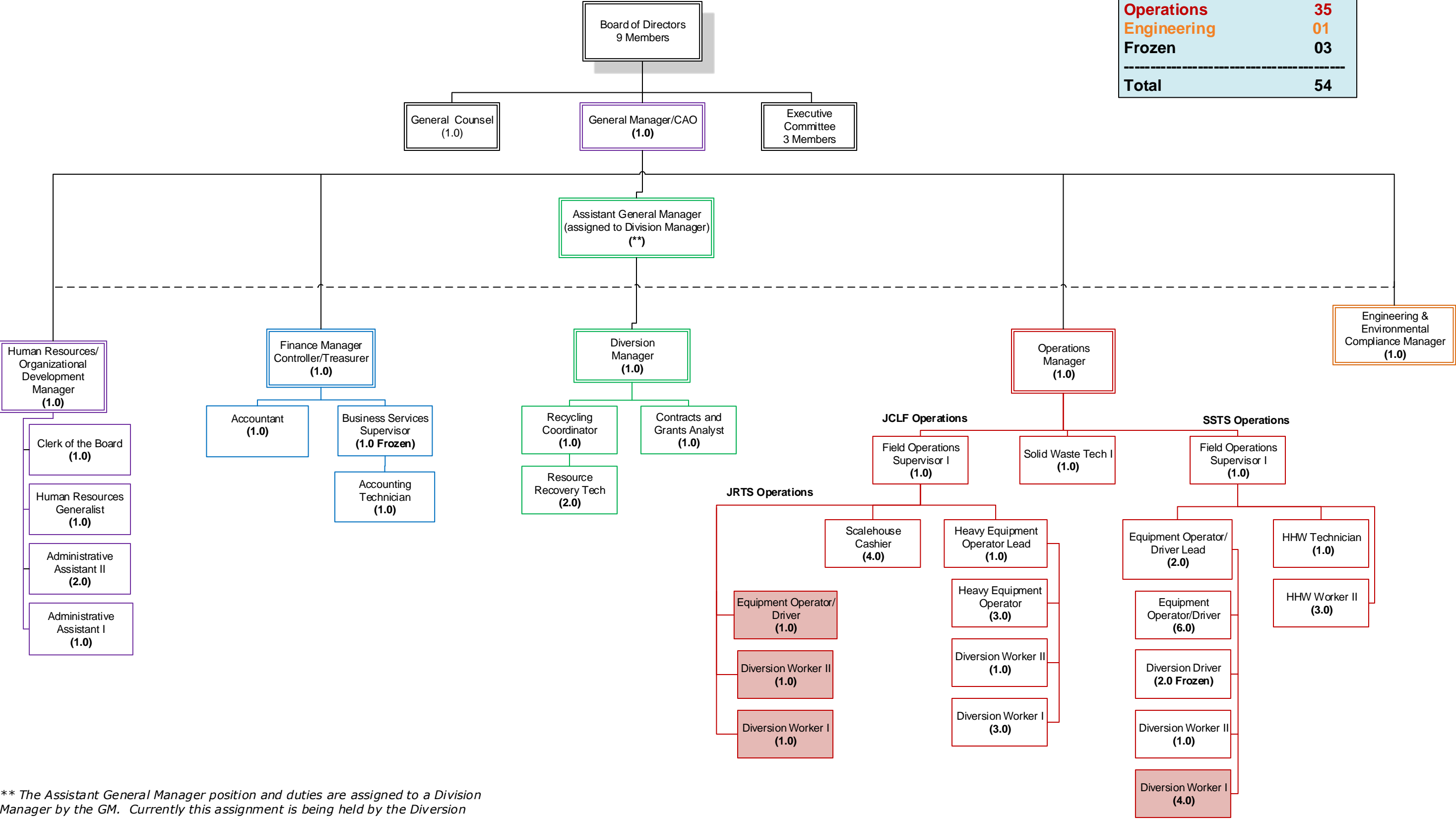
Program and Position	13-14	14-15	15-16	15-16	15-16	16-17	16-17
	Approved 09/26/13	Approved 03/20/14	Approved 05/20/15	Approved 09/17/15	Approved 11/19/15	Approved 07/01/16	Proposed 09/01/16
Administration							
General Manager/CAO	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant General Manager (Assigned to Division Manager)	-	-	-	-	1.0	**	**
Human Resources/Organizational Development Mgr	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk of the Board	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources Generalist	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Support Assistant II	0.5	0.5	2.0	2.0	2.0	2.0	2.0
Administrative Support Assistant I	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Administration	5.5	5.5	7.0	7.0	8.0	7.0	7.0
Finance							
Finance Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Business Services Supervisor	1.0	1.0	-	-	-	-	-
Accountant	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Accounting Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Support Assistant II	0.5	0.5	-	-	-	-	-
Total Finance	4.5	4.5	3.0	3.0	3.0	3.0	3.0
Resource Recovery							
Diversion Manager	1.0	1.0	1.0	1.0	-	1.0	1.0
Recycling Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Contracts & Grants Analyst	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Resource Recovery Technician	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total Resource Recovery	5.0	5.0	5.0	5.0	4.0	5.0	5.0
Engineering							
Authority Engineer	1.0	1.0	1.0	1.0	1.0	-	-
Engineering and Environmental Compliance Manager	-	-	-	-	1.0	1.0	1.0
Total Engineering	1.0	1.0	1.0	1.0	2.0	1.0	1.0
Operations							
Operations Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Field Operations Supervisor I	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Solid Waste Technician I	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Household Hazardous Waste Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Equipment Operator/Driver/Lead	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Heavy Equipment Operator/Lead		1.0	1.0	1.0	1.0	1.0	1.0
Equipment Operator/Driver	5.0	5.0	6.0	5.0	5.0	5.0	6.0
Heavy Equipment Operator		3.0	3.0	3.0	3.0	3.0	3.0
HHW Maintenance Worker II	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Scalehouse Cashier	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Diversion Worker II	1.0	2.0	2.0	2.0	2.0	2.0	3.0
Diversion Worker I	3.0	6.0	6.0	6.0	6.0	6.0	8.0
Total Operations	21.0	30.0	31.0	31.0	31.0	31.0	35.0
Frozen Positions							
Business Services Supervisor	-	-	1.0	1.0	1.0	1.0	1.0
Diversion Driver	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Total Frozen Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total Full Time Equivalents	40.0	49.0	50.0	50.0	51.0	50.0	54.0

** The Assistant General Manager position and duties are assigned to a Division Manager by the GM. Currently this assignment is being held by the Diversion Manager.

Salinas Valley Recycles Organizational Chart

Proposed Effective Date: August 22, 2016

Administration	07
Finance	03
Resource Recovery	05
Operations	35
Engineering	01
Frozen	03
<hr/>	
Total	54



** The Assistant General Manager position and duties are assigned to a Division Manager by the GM. Currently this assignment is being held by the Diversion Manager.

Attachment 1 – Cost Comparison

	WM Current Annual Cost	SVR Estimated Annual Cost	Estimated Cost Savings
5–1 / 2 Days Per Week – Cost Per Month	\$60,233	\$35,768	\$24,465
5–1 / 2 Days Per Week – Cost Per Year	\$722,798	\$429,212	\$293,586



ITEM NO. 13

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: April 21, 2016

From: Patrick Mathews, General Manager/CAO

Title: Collaborative Discussions between Salinas Valley Recycles and Monterey Regional Waste Management District (MRWMD)

RECOMMENDATION

Staff recommends that the Board accept this report and provide staff and Board with any added direction regarding collaborative discussions beyond those currently underway with the SVR and MRWMD General Managers and staff.

STRATEGIC PLAN RELATIONSHIP

This status report provides support for SVRs goal to "Complete the Fact Finding Process for the Salinas Area Materials Recovery Center and Clean Fiber and Organics Recovery System" and all other alternatives approved for consideration under the California Environmental Quality Act (CEQA) environmental review process currently underway.

FISCAL IMPACT

This report has no immediate fiscal impact, but may lead to future system recommendations that may alter diversion, public services and/or costs for future SVR activities and public service programs.

DISCUSSION & ANALYSIS

Since summer 2015, the General Managers and key staff from SVR and MRWMD have met and communicated periodically regarding each agency's long range plans and activities. The purpose of these meetings, as directed by the Board, is to determine what levels of collaboration can occur between the agencies to improve delivery of services and manage system costs. These meetings are ongoing and have been very informative.

Attached you will find a letter to the MRWMD that begins outlining the specific details needed to support our CEQA and fiscal review processes for the varying options under consideration by SVR. This letter requests more detailed information and responses to a number of important policy questions that are necessary for the two agencies to begin substantive discussions on future areas of collaboration.

BACKGROUND

SVR and MRWMD General Managers have and will continue to meet periodically to stay abreast of each agency's activities, progress and advancements in providing improved

public and franchise services. Our collective goal is to find areas of mutual benefit and cooperation that can assist both agencies in achieving higher waste recovery, increased green energy production, improved public services and a more sustainable waste management system in Monterey County. This item is a follow-up to Board's discussion on this topic at its March 2016 meeting and the January 2016 staff report updating the Board on inter-agency discussions.

ATTACHMENT(S)

1. Letter to MRWMD regarding Interagency Collaboration and CEQA Analysis, April 13, 2016
 - a. SVR Board report "Update on Inter-Agency Collaborative Discussions", 1/21/2016
 - b. Solid Waste Study, Scenario 7 Projected Traffic and Routes
 - c. MRWMD "Guiding Principles for Acceptance of Regional Waste", 8/12/2005

**Mission**

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

Vision

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

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

April 15, 2016

Tim Flanagan, General Manager
Monterey Regional Waste Management District
14201 Del Monte Blvd., PO Box 1670
Marina, CA 93933-1670

Subject: Inter-Agency Collaboration and CEQA Analysis

Dear Tim,

Per our discussions over the last few months, our Board of Directors has asked that we provide you with an outline of the issues and informational needs that will assist us in evaluating the various collaborative options under consideration in our Long Term Facilities Needs Environmental Impact Study (EIR). As several of the options under study include varying levels of shared or collaborative services between our agencies, we would like to outline the higher-level questions and information that will be important for our analysis and will form the agenda for our respective Board's ongoing discussions. As reference, attached is a copy of the update report on agency General Manager discussions provided to our Board in January 2016.

Merger and Joint Governance

This is a question that has been raised many times over the years dating back to the formation of SVR in 1997 and remains an often-raised topic of discussion and speculation.

- Is the District interested in exploring merger and joint governance of a countywide agency with Salinas Valley Recycles (SVR)?

Firm resolution of this question will help to guide our future discussions and Board processes. As we discussed, there is some interest in having further discussion at the elected level regarding this issue. We will keep you informed as our Board provides formal direction.

Shared or Contracted Services

As outlined in the attached update to our Board, there are a number of options under study from development of SVR's public/private partnership with Global OrganicS Energy for recovery of clean paper fiber, organics and recyclables from the mixed waste stream (landfilled waste) to the simple movement of all North County and Salinas refuse to the Marina Landfill for disposal only and closure of SVR's public service facilities in Salinas. This was the recommendation coming from the City Manager's Solid Waste Study last year (study scenario no. 7).

Inter-Agency Collaboration and CEQA Analysis

The following questions and information requests will assist us in clarifying the options being studied, define the appropriate paths forward to complete our EIR process, and provide a strong supporting fact set for our Board to consider when it deliberates the EIR outcomes.

Clean Fiber and Organics Recovery System

1. Would the District be interested in participating in this project for advanced processing of waste already destined for your landfill such a residential packer truck waste? For clarification, we are not interested in securing waste already dedicated to your current or future materials recovery facility, only mixed curbside waste or unmarketable recovered paper products (waxed cardboard, food contaminated paper...) destined for landfilling. District interest in participating at this time would not be binding and would of course be subject to successful completion of SVR's EIR process, inter-agency rate and service negotiations, and final commercial demonstration of the fiber recovery plant scheduled for next year.
2. Would the District be interested in jointly hosting this project at its Marina landfill as an added siting option that SVR can consider in our EIR process? If yes,
3. What level of additional California Environmental Quality Act (CEQA) analysis do you believe would be required to facilitate such a project on your property?

Contracted Landfill Disposal Only

4. Per the City Manager's study recommendation, would the District accept SVR waste for landfill disposal only (no MRF processing), under contract? If yes,
5. Would the District extend SVR its premium disposal rate offered to Greenwaste Recovery for residues coming from its San Jose processing facilities and what is that rate currently? What contractual conditions would come with the premium rate, such as "put-or-pay"?
6. Will the District need to update its CEQA documents to accept SVRs additional out-of-district waste? We have attached a map showing the likely traffic and routing associated with the Solid Waste Study recommendation for your reference.
 - a. Please forward the most current CEQA documents/amendments governing your acceptance of out-of-district waste for our study reference.
7. How will the District's landfill life be affected with an increase of 120,000-170,000 tons per year from SVR in addition to its current importation tonnage contracts, plus expected future annual growth projections in the SVR service region of 1-3%?
8. Would any of the current importation contracts or a future SVR contract retain any future (but currently unknown) financial liabilities for waste once it is accepted for landfilling by the District, either during or after termination of the agreement?
9. Have your "Guiding Principles for Acceptance of Out-of-District Waste" been modified or changed since adoption in 2005 (copy attached)? If yes, please forward your most current Guiding Principles, but if not:
 - b. Would the policy limitation for short to medium term contracts only still be applicable?
 - c. Would SVR have to consolidate waste and use transfer trucks only to deliver waste?
 - d. Can the district handle an additional 200-300 self-haul customers per day, and all the ancillary services (HHW, drop-off recycling, organics,...) if the SVR facilities

- in Salinas are closed per the Solid Waste Study recommendation? The 2005 Guiding Principles indicate this may be prohibited.
- e. How many added employees would the District need to accommodate full service of SVR customers and franchisee waste delivery proposed in the Solid Waste Study? And would the District give priority to hiring any displaced SVR employees to fill these positions if its Salinas facilities are closed?
 - f. Any new or expanded capital improvements or heavy equipment needed to accommodate increases in tonnage and traffic associated with SVR waste?
 - g. Are there any other significant conditions for delivery of waste to the District's landfill, contractual obligations or provision related to public self-haul services that SVR should be aware of for its CEQA studies?

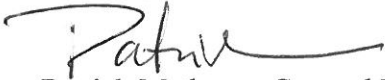
Contracted Waste Processing Services

- 10. We understand the District is enhancing its Materials Recovery Facility (MRF) processing capabilities for construction and demolition materials and mixed commercial waste. Would the District be willing to extend processing services to SVR for one or both of these waste streams? If yes,
- 11. What are the conditions for delivery of waste for processing? Would your guiding principles apply here or can select franchise vehicles be instructed to deliver waste directly to your MRF?
- 12. Any anticipated limitations or standards for what types of materials can be delivered for processing?
- 13. Do you anticipate market conditions could alter current or future recovered materials categories, costs and/or recovery rates for the enhanced MRF facilities? Example, will processing rates go up or down conditioned upon current market conditions for recyclables? Would the District be open to sharing some portion of the recycling revenues when markets are very good?
- 14. If SVR decided to maintain its public self-haul and AB 939 services in the Salinas area, would the District offer a lower rate for processing only that does not include your cost recovery for onsite public services such as drop off recycling, AB 939 services or HHW collection?
- 15. As above, in the event there is a future decision that results in any reduction of SVR staff, would the District give priority to hiring displaced SVR employees to fill positions necessary to accommodate increased processing of SVR materials at its facility?
- 16. Please provide a list of your stakeholder groups and organizations (Chambers, Rotaries, environmental organizations, ...) near the landfill and in the District service area that should be notified or engaged in our CEQA processes that involve moving materials to District facilities.

We appreciate the opportunity to continue and build upon our current discussions. While we do not expect you can immediately answer all of the broader questions posed above, we hope to begin addressing as many as reasonably possible in the near future to allow our EIR consultant to better frame and evaluate some of the options under consideration. Please forward any questions you may have as they arise and we will do the same on our end. Our goal is to fully define each option under consideration, evaluate short and long-term rates and costs, consider economic benefits and impacts, and create a clear and transparent dialogue between our agencies that facilitates sharing of services and programs where it makes most sense for our respective operations.

Inter-Agency Collaboration and CEQA Analysis


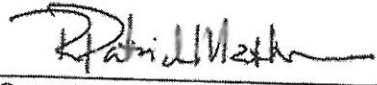
Sincerely,



Patrick Mathews, General Manager/CAO
Salinas Valley Recycles

Attachments: SVR Board report "Update on Inter-Agency Collaborative Discussions", January 21, 2016
Solid Waste Study, Scenario 7 Projected Traffic and Routes
MRWMD "Guiding Principles for Acceptance of Regional Waste", August 12, 2005

Copy: Citizens Advisory Group
AECOM, Jeff Zimmerman

 SalinasValleyRecycles.org <small>SALINAS VALLEY SOLID WASTE AUTHORITY</small> Report to the Board of Directors	ITEM NO. 8
	N/A
	Finance Manager/Controller-Treasurer
	 General Manager/CAO
Date: January 21, 2016 From: Patrick Mathews, General Manger/CAO Title: Update on Collaborative Discussions between Salinas Valley Recycles and Monterey Regional Waste Management District (MRWMD)	N/A Legal Counsel

RECOMMENDATION

Staff recommends that the Board accept this report.

STRATEGIC PLAN RELATIONSHIP

The status report provides information that supports Goal A, Fund and Implement 75% Diversion of Waste from Landfills. The Board provided specific instruction under its July 2015-Jan 2016 Strategic Planning objectives to have the General Manger facilitate meetings with the new MRWMD General Manager on the feasibility of sharing future processing capacities as they are developed.

FISCAL IMPACT

This report has no fiscal impact, but may lead to future system recommendations that improve diversion, public services and/or reduce costs for SVR activities.

DISCUSSION & ANALYSIS

In September both General Managers and their immediate staff met at SVR offices to review the proposed Clean Fiber and Organics Recovery Technology Center proposal by Global Organics Energy (GOE) and to discuss how this proposed technology could be developed and potentially shared by both agencies in the future.

In October 2015, both General Managers and their immediate staff met at the MRWMD offices to review and discuss the district's planned Materials Recovery Facility Improvements and how their updated facility could also be shared with SVR. Both facilities have primary focuses on specific waste streams that could be complementary and not competitive in nature, achieving a very high collective waste recovery rate and a long term sustainable system for the entire County.

To advance the discussions around possible future shared or joint programs/projects under evaluation in our Environmental Impact Study for future facility needs, the General Manager is preparing a letter to the MRWMD outlining areas of discussion and informational needs associated with:

1. MRWMD interest in merger and joint governance of the agencies
2. MRWMD interest in shared use of the potential future Clean Fiber and Organics Recovery System for processing mixed residential wastes destined for landfill
3. Contracted rates, terms, conditions and limits associated with:
 - a. SVR delivery of refuse for landfilling at MRWMD

- b. SVR delivery of select materials for processing at MRWMD
- c. Designation of MRWMD as the direct haul site for Salinas and North County franchise and self-haul wastes
- 4. Other shared program services such as household hazardous waste disposal contracting, cooperative organics management programs and expanding shared public education services
- 5. Impacts associated with limiting waste importation into Monterey County

BACKGROUND

SVR and MRWMD General Managers have and will continue to meet periodically to stay abreast of each agency's activities, progress and advancements in providing increased waste recovery services with new or expanded technologies. Our collective goal is to find areas of mutual benefit and cooperation that can assist both agencies in achieving higher waste recovery, increased green energy production, improved public services and a more sustainable waste management system in Monterey County.

ATTACHMENT(S)

None

Seaside
Seaside

svswa831

SCENARIO #7 ROUTING

Waste Import Routes

MRWMD Routes

SVR Self Haul Routes

SVR Franchise Routes



Moss Landing

National Monument

Marina
Landfill

Highway 1

Castroville

Elkhorn

Elkhorn State
National Forest

Highway 68

Prunedale

Salinas

SVR Franchise Garbage Collection Trucks: 60-80 round-trips per day (controlled routes)
SVR Self Haul Customer Vehicles: 250-350 round-trips per day (uncontrolled routes)

Johnson Cyn Landfill Comparison Transfer Trucks: 28-32/day,
Franchise Trucks: 20-24/day, Self-haul Vehicles: 20-30/day



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: August 12, 2005
TO: General Manager
FROM: Assistant General Manager and Senior Engineer
SUBJECT: Policy Regarding Acceptance of Regional Waste (Out-of-District) for Disposal at the Monterey Peninsula Landfill

RECOMMENDATION: That the Board of Directors take the following action:

- Consider and provide direction on the draft "Guiding Principles for Acceptance of Regional Waste" for Disposal at the Monterey Peninsula Landfill, and
- Set a Public Hearing for September 16, 2005 to Adopt the "Guiding Principles for Acceptance of Regional Waste" and Adopt a Disposal Fee for Acceptance of Regional Waste.

BACKGROUND

The Monterey Regional Waste Management District (MRWMD) is in the enviable position of owning a landfill with a remaining capacity in excess of 40,000,000 tons, yielding a site life of well over 100 years for its member agencies. This enormous capacity places the Monterey Peninsula Landfill in the top 20 landfills in the entire United States with respect to remaining waste capacity, and probably within the top 2 or 3 with respect to the estimated site life.

The MRWMD is evaluating the possibility of accepting regional solid waste, defined as waste from outside its existing service area. Acceptance of regional waste would be done on a case-by-case basis by agreement in accordance with the MRWMD's adopted "Guiding Principles for Acceptance of Regional Waste". Strict environmental, operational, and financial standards would be built into any agreement to accept such waste. Regional cooperation for waste disposal would be given a high priority. The District intent at this time is to offer only short and/or intermediate capacity (defined as 20 to 30 years disposal capacity) to importing jurisdictions. **Acceptance of any regional solid waste would only be approved as long as the MRWMD can maintain a reserve disposal capacity at the Monterey Peninsula Landfill that will give its member agencies a site life in excess of 75 years (to the year 2080).**

GUIDING PRINCIPLES FOR ACCEPTANCE OF REGIONAL WASTE

In July 2004, an Ad Hoc Advisory Task Force was formed and discussions on the "Guiding Principles" for the MRWMD were initiated. One of the guiding principles is on landfill capacity and service area. This principle addresses parameters for offering certain limited, excess landfill capacity to neighboring public agencies for the disposal of regional ("out-of-District") waste at the Monterey Peninsula Landfill. Two immediate potential buyers of this excess landfill capacity include the Salinas Valley Solid Waste Authority (SVSWA) and Santa Cruz County. The proposed 2004 Guiding Principle regarding landfill capacity and service area is as follows:

"Consider a policy establishing a minimum 75 year landfill life to serve projected waste streams exclusively generated by the MRWMD member agencies to the year 2080. Certified landfill capacity exceeding 75 years would be considered excess capacity, which could be considered for sale to the County of Santa Cruz and the Salinas Valley Solid Waste Authority (SVSWA). The purpose of the sale of the excess capacity is to mitigate further disposal fee increases to the MRWMD member agencies and to permit the SVSWA and the County of Santa Cruz adequate time to identify and develop additional long-term disposal capacity within their respective jurisdictions."

At its October 15, 2004 Board meeting, the Board agreed on the Guiding Principles that were proposed by the MRWMD Advisory Task Force. Since then, the Guiding Principles have been further developed. The Board Finance Committee met on July 6, 2005 and discussed the acceptance of regional (out-of-District) waste. A draft "Guiding Principles for Acceptance of Regional Waste" is presented below for the Board's consideration:

Guiding Principles for Acceptance of Regional (out-of-District) Waste

1. *Regional waste received will be from public agencies only, by agreement.*
2. *The primary need of the public agency will be for short to intermediate (20 to 30 years)-term landfill space while they work to find a long-term solution to their solid waste disposal needs.*
3. *The sale of the MRWMD excess landfill capacity will be subject to a contract approved by the Board.*
4. *The amount of waste to be accepted will not reduce the MRWMD's certified landfill capacity below 75 years (to 2080).*
5. *The waste brought to the MRWMD will have been subject to recycling and diversion programs acceptable to meet the State-mandated diversion goals.*
6. *The MRWMD will have the ability to shorten the contract term should the agency not demonstrate adequate progress in meeting their long-term solution to solid waste disposal.*
7. *The acceptance of Regional waste will utilize only District landfill operations and airspace. The waste will not require the use of any of the following MRWMD services: materials recovery facility, public recycling drop-off facility, Last Chance Mercantile, household hazardous waste collection program, and public awareness program.*
8. *The agreed-to disposal fee will include an escalation clause to compensate the MRWMD for future annual increases in costs.*
9. *The waste will be transported to the MRWMD in large transfer-trailer-type loads to minimize the impact on public roads and maximize the efficiency of transportation and landfill operations.*

After approving the 2004 Guiding Principles, the Board authorized staff to meet with the SVSWA and the County of Santa Cruz to discuss the parameters for the possible acceptance of their waste at the Monterey Peninsula Landfill.

NEIGHBORING AGENCY NEED FOR DISPOSAL CAPACITY

The SVSWA and the County of Santa Cruz have both short and long-term needs for the safe, environmentally sound and fiscally responsible disposal of their solid waste.

The siting of a new sanitary landfill is an extremely difficult proposition for any public or private entity. It has been over 15 years since the last landfill was sited in California. (The last landfill sited in California is the Keller

Canyon Landfill in Contra Costa County, owned by Allied Waste). The SVSWA and County of Santa Cruz face a daunting task in siting and developing a new landfill in Monterey County or Santa Cruz County. These neighboring regional agencies have indicated interest in the potential utilization of the District's excess landfill capacity for their disposal needs.

ENVIRONMENTAL REVIEW

Staff will be evaluating the appropriate CEQA documentation needed to accompany the Board's approval of the proposed agreements to accept regional waste. The likely main issues are air quality and traffic. Loads of waste to the Monterey Peninsula Landfill from the regional waste sources would not exceed the MRWMD's peak daily trip volume or waste tonnage that have been included in the revised Solid Waste Facility Permit (SWFP) (August 2005). Therefore, we do not anticipate traffic or tonnage to be an issue. Air quality may be of concern because the total trip lengths are increased relative to the disposal options that the regional waste generators now have for disposal locations (Crazy Horse Landfill and Buena Vista Landfill). It is possible that compliance with CEQA may be achieved by preparing an addendum to the SWFP Negative Declaration that specifically addresses acceptance of regional waste. The analysis of the traffic/air quality issues most likely will result in a conclusion that the proposed agreements would not result in significant environmental impacts. Such an addendum would not require a public review period.

BENEFITS OF ACCEPTING REGIONAL WASTE

The adoption of the Guiding Principles for Acceptance of Regional Waste would have the following benefits to the MRWMD and the neighboring regional public agency:

Value to the MRWMD

- The funds could be used for new waste diversion and recycling programs such as new conversion technologies, enhanced public education and outreach, food waste composting, and/or new methods of operation such as the bioreactor landfill and landfill mining. Each of these programs would reduce the disposal capacity needed by the MRWMD and in effect replace a portion of the excess landfill capacity proposed for sale. Additional recycling efforts may be mandated in the future due to a proposed increase in the current 50% diversion rate to 70%, which is currently proposed on the 2005 Legislative Calendar.
- The additional revenue from the sale of excess landfill capacity could be used to mitigate future disposal fee increases to MRWMD member agencies, allowing for more stable and predictable fees.

Value to the Public Agency

- The purchase of a certain amount of MRWMD's excess landfill capacity will provide the jurisdiction additional time to develop long-term solutions to their solid waste disposal needs. Possible solutions include increased diversion, new methods of operations, and development of new recycling programs.

QUESTIONS AND ANSWERS REGARDING IMPORTATION OF REGIONAL WASTE


Staff has developed a list of questions and answers regarding the issues surrounding the importation of regional waste. This Q&A list is intended to provide interested parties with information on the key issues. A copy is attached.

SOLID WASTE DISPOSAL FEE EVALUATION

At the March 18, 2005 Board meeting, the Board authorized EMCON/OWT to prepare a solid waste disposal fee evaluation for the Monterey Peninsula Landfill. The purpose of the study was to outline issues related to acceptance of regional waste for landfilling, to determine the MRWMD's cost for developing and utilizing the existing landfill waste capacity and to evaluate a potential fee that the MRWMD could charge should it elect to accept regional waste for disposal. Rich Haughey from EMCON will attend the August 19th Board meeting to make a presentation to the Board and answer questions.

CONCLUSION

Staff is requesting that the Board provide comments and direction regarding the "Guiding Principles for Acceptance of Regional Waste" and then set a public hearing for September 16, 2005 to adopt the Guiding Principles for Acceptance of Regional Waste and adopt a disposal fee for acceptance of regional waste.


Timothy S. Flanagan
Assistant General Manager
Richard D. Shedden, P.E.
Senior Engineer

Attachment



IMPORTATION OF REGIONAL (OUT OF DISTRICT) SOLID WASTE
BY THE
MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

QUESTIONS AND ANSWERS

August 2005

The Monterey Regional Waste Management District's (MRWMD's) Monterey Peninsula Landfill has a remaining capacity in excess of 40,000,000 tons, yielding a site life of well over 100 years for its member agencies. The MRWMD is evaluating the possibility of accepting regional solid waste, defined as waste from outside its existing service area. The District would look to provide short or intermediate landfill capacity (ranging from 20 to 30 years) to any importing jurisdiction. Acceptance of any regional solid waste shall only be approved as long as the MRWMD can maintain a reserve capacity that will give its member agencies a landfill site life in excess of 75 years (to the year 2080). The additional revenues from the sale of excess landfill capacity can be used to implement of new waste diversion and recycling programs and to mitigate future disposal fee increases to MRWMD member agencies, allowing for more stable and predictable fees.

The following is a list of questions and answers regarding some of the key issues surrounding the importation of regional waste to the Monterey Peninsula Landfill:

1. What is meant by "Regional Waste"?

Regional waste is solid waste from outside the MWRMD's existing service area.

2. What is the existing MRWMD service area?

The MRWMD service area includes the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, Seaside, Pebble Beach Community Services District, and unincorporated areas of Monterey County. The MRWMD service area covers about 853 square miles and serves approximately 170,000 residents. The District provides a number of services to residents in the District's service area. These services include the composting of the majority of Monterey County's biosolids, the processing and recovery of commercial and demolition waste, a comprehensive Public Education and Outreach program for the member jurisdictions and schools, composting of organic materials, the HHW "drop-off" program, and the Last Chance Mercantile.

3. Why should the MRWMD consider regional waste importation? Why is this a regional issue?

With a current reserve capacity of 100 years and on-going improvements in solid waste disposal, the MRWMD is in a position to make available excess solid waste disposal capacity at the Monterey Peninsula Landfill to other regional governmental entities for the benefit of MRWMD member agencies. The direction of the District at this time is to provide short and/or intermediate disposal capacity, defined as twenty to thirty years capacity, for any importing jurisdiction. This type of regional planning and cooperation is consistent with many other forms of regional coordination and cooperation such as transportation, emergency medical care, fire fighting mutual aid, air quality management, and water quality management.

4. How much waste disposal capacity does the MRWMD currently have?

Currently the Monterey Peninsula Landfill has over 40,000,000 tons of remaining waste capacity, with an estimated site life of well over 100 years at the current rate of fill (plus a 1% per year growth factor). The California Integrated Waste Management Board presently mandates that every city and county in the State divert 50% of its solid waste from landfill disposal.

Additional landfill capacity can be developed through the implementation of new technology and processes. (See Question 7). Indications are that the State may increase the mandatory diversion rate to 70% or even higher in the next few years. Achieving this higher diversion rate would increase the site life of the Monterey Peninsula Landfill to approximately 150 years. This amount of capacity far exceeds any prudent projections of disposal needs into the future.

The MRWMD's goal is to secure a minimum long-term solid waste disposal capacity of 75 years for its member jurisdictions. This 75-year "reserve capacity" requires that the MRWMD set aside for its member agencies a minimum of 25,700,000 tons out of the 40,100,000 tons of remaining capacity. Therefore, approximately 14,400,000 tons of capacity is considered to be "excess capacity".

The status of the MRWMD's disposal capacity is such that it could theoretically accept all of the waste from north SVSWA and Santa Cruz County (over 320,000 tons per year), with out any increase in diversion or recycling, for over 45 years and still have in excess of 75 years of capacity for the MRWMD. This 45-year period would give the SVSWA and Santa Cruz County sufficient time to develop and implement their own long-term solutions to their solid waste disposal needs.

5. Would the MRWMD consider importation of solid waste from outside the region?

The MRWMD would only consider acceptance of solid waste from those neighboring Monterey Bay Area jurisdictions which are in compliance with all State regulations and have met all their requirements mandated through their Source Reduction and Recycling Elements (SRRE).

6. What would be the anticipated environmental impacts, if any, (e.g. traffic/noise/litter) etc.- from regional waste importation?

Imported regional waste would be delivered to the Monterey Peninsula Landfill in large transfer trailers. The importation of between 300 tons per day (tpd) to 1,000 tpd of additional solid waste would increase truck traffic by only 30-50-vehicle trips per day - between 5% and 8% of the total vehicle trips per day into the MRWMD site currently. No significant additional increases in litter- would be anticipated since incoming waste would be delivered in covered transfer trailers. Noise impacts would be nominal because the additional vehicle trips would conform to current hours of operation. The recently revised Solid Waste Facility Permit (SWFP) and California Environmental Quality Act ("CEQA") documents for the Monterey Peninsula Landfill provide sufficient capacity relative to peak daily waste tonnage and traffic volume to allow for the importation of the proposed regional waste.

7. What would the revenue from the sale of the excess capacity be used for?

The tipping fee the District anticipates charging for regional importation would be reflective of covering the total cost borne for the additional handling and straight disposal of the incoming waste. No other District services such as the processing or recycling of the incoming waste, public education programs, composting, etc. would be anticipated being provided to the incoming waste material. The additional revenue from the sale of the excess capacity could be used for two distinct purposes: implementation of new waste management technologies and recycling processes designed to create additional landfill capacity, and rate stabilization for the MRWMD member agencies. Examples of potential new waste management technologies and processes include:

- New waste conversion technology.
- Enhanced recycling and re-use technology.
- Enhanced public education and outreach.
- Food waste composting.
- Reclamation of landfill airspace by the mining of solid waste already in place for recovery of metals, wood, tires, inert material, soils, organic waste, etc.
- Implementation of landfill bioreactor technology to increase the rate of waste decomposition and landfill gas generation, resulting in increased landfill airspace due to greater waste stabilization, settlement, and in-place waste densities.

SVSWA Agenda Items - View Ahead 2016

Item No. 14

	19-May	16-Jun	13-Jul RETREAT	18-Aug	15-Sep	20-Oct
1	Minutes	Minutes	QTE June Cash & Investments	Minutes	Minutes	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)	RETREAT STRATEGIC PLANNING New 3-YEAR GOALS & 6-MONTH OBJECTIVES	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	Member Agencies Activities Report	Member Agencies Activities Report		Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report
4	Strategic Plan Update	Monterey Bay Community Power Project Update		SP Goals Updated 6-Mo. Objectives	Strategic Plan Update	Strategic Plan Update
5	Monterey Bay Community Power Project Update	YE Budget Adjustments (EC)		Monterey Bay Community Power Project Update	Monterey Bay Community Power Project Update	Monterey Bay Community Power Project Update
6	QTE March Tonnage & Diversion Reports	Update on Ameresco Contract & Install + Power Unit at JC (sp)		QTE June Customer Service Survey	FY15-16 Grants & CIP Budget	QTE Sept. Cash & Investments
7	PSA w/AdManor for Marketing Services (exp 6/30/16)	C&D Processing by SVR/MRWMD Cost/Benefit Analysis (sp)		QTE June Tonnage & Diversion Reports	2014-15 SVR Annual Report	QTE Sept Facilities Customer Survey Results
8	ECS Refining Amend 1 (exp 6/30/16)	PSA for RFP Financial Analysis		Wally Waste-Not Awards	Customer Rate Itemization	2016 Meetings Calendar
9	RecycleRama Contract (exp 6/30/16)	PSA for RFP Economic Benefits		Annual Tonnage & Diversion Performance Report		CAG Annual Report
10	Stericycle HHW	Update on Solar Projects at Closed Landfills (sp)				Annual Franchise Haulers Performance Report
11	SC Fuels	Update on Developing a Wind Turbine at JC (sp)				
12	Environmental Services CO for Flare Work	Update on Commercial Leases for Cell Towers (sp)				
13	LRFN EIR Progress Report (sp)	Process for Selling Excess Property at Closed Landfills (sp)				
14	Paintcare Agreement	Strategic Plan Update				
15	Update on Employee Mentor Program (sp)	LRFN Public Outreach Plan for Each Location (sp)				
16	Update on Job Shadowing Program (sp)	Survey Results for SSTS Alternatives (sp)				
16	Marketing Progress Report					

Consent
Presentation
Consideration
Closed Session
[Other] (Public Hearing, Recognition, Informational, etc.) (EC) Executive Committee (sp) Strategic Plan Item