



A G E N D A (Amended) Regular Meeting

BOARD OF DIRECTORS

December 15, 2016, 6:00 p.m.

Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

**Farewell Reception for Outgoing Board Members 5:30
p.m. - 6:00 p.m.**

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: *vacant*, **President**
Salinas: Tony R. Barrera
Gonzales: Elizabeth Silva
Soledad: *vacant*, **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

RECOGNITIONS

- A. A Proclamation Honoring Fernando Armenta, member since January 1997**
- B. A Proclamation Honoring Richard Perez, member since February 2009**
- C. A Proclamation Honoring Jyl Lutes, member since December 2010**

GENERAL MANAGER/CAO COMMENTS

DEPARTMENT MANAGER COMMENTS

BOARD DIRECTOR COMMENTS

PUBLIC COMMENT

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

CONSENT AGENDA:

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

1. [Minutes of November 17, 2016, Regular Meeting](#)
2. [October 2016 Claims and Financial Reports](#)
3. [November 2016 Member and Interagency Activities Report and Upcoming Events](#)
4. [Strategic Plan 2016-19 Goals & Objectives Monthly Progress Report](#)
5. [Monterey County Health Department, Environmental Health Bureau, Calendar Year 2015 Used Motor Oil and Filter Recycling Program Annual Report](#)
6. [Results of Social Media Survey on Increasing Public Engagement on Transfer Station and Landfill Service Options](#)

7. [A Resolution Approving an Inter-Agency Agreement with the City of Gonzales for Waste/Recycling Contract Administration Services](#)
8. [A Resolution Approving an Inter-Agency Agreement with the City of Greenfield for Waste/Recycling Contract Administration Services](#)
9. [A Resolution Approving an Inter-Agency Agreement with the City of Soledad for Waste/Recycling Contract Administration Services](#)
10. [Prescription Drug Collection Program Report](#)
11. [A Resolution Approving the Allocation of Cash Balances for Fiscal Year 2015-16, and Supplemental Appropriation for CIP 9527 – JC Module 7 Engineering and Construction](#)
12. [Johnson Canyon Landfill Solid Waste Facilities Permit Revision Update](#)
13. [Resolutions Approving Service Agreements for Equipment Maintenance Services with Golden State Truck and Trailer for \\$200,000, Quinn Company for \\$300,000, and Skinner Equipment Repair for \\$75,000](#)

PRESENTATION

14. **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2016**
 - A. Receive Report from Ray Hendricks, Finance Manager
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Accept Report
15. **LONG TERM FACILITY NEEDS PROJECT PUBLIC OUTREACH MATERIALS**
 - A. Receive Report from Mandy Brooks, Resource Recovery Manager
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – None, informational only

CONSIDERATION

- *Added
16. **2017 OFFICER NOMINATIONS**
Nominating Committee Recommendation for the 2017 Election of Officers
 - A. Receive Report from Nominating Committee
 - B. Public Comment
 - C. Board Discussion
 - D. Recommended Action – Accept Recommendation

FUTURE AGENDA ITEMS

17. **AGENDA ITEMS – VIEW AHEAD SCHEDULE**

CLOSED SESSION

Receive public comments before entering closed session:

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

RECONVENE

ADJOURNMENT

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This amended 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, December 12, 2016**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, January 19, 2017**. 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 Erika J. Trujillo, Clerk of the Board at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II). Spanish interpretation will be provided at the meeting. *Se proporcionará interpretación a Español.*

MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
NOVEMBER 17, 2016

CALL TO ORDER

President Lutes called the meeting to order at 6:01 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	Jyl Lutes, <i>President</i>
City of Salinas	Gloria De La Rosa
City of Salinas	Joseph D. Gunter, <i>alternate</i>
City of Gonzales	Scott Funk, <i>alternate</i>
City of Soledad	Richard Perez, <i>Alt. Vice President</i>
City of Greenfield	Avelina Torrez
City of King	Robert Cullen

The following Board Directors were absent:

City of Salinas	Tony Barrera
City of Gonzales	Elizabeth Silva

Staff Members Present:

R. Patrick Mathews, General Manager/CAO	Brian Kennedy, Engineering & Environmental Compliance Manager
Cesar Zuñiga, Asst. GM/Operations Manager	Erika J. Trujillo, Clerk of the Board
Ray Hendricks, Finance Manager	Thomas M. Bruen, General Counsel
Rose Gill, HR/Organizational Dev. Manager	
Mandy Brooks, Resource Recovery Manager	

MEETING ANNOUNCEMENTS

President Lutes announced the availability of translation services. No member from the public requested the service.

GENERAL MANAGER COMMENTS

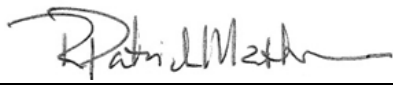
(6:02) General Manager/CAO Mathews announced the recent appointment of Erika J. Trujillo to Clerk of the Board.

DEPARTMENT MANAGER COMMENTS

Finance Manager Hendricks announced that the financial audit report was not ready for presentation, it will be presented at the December meeting.

BOARD DIRECTORS COMMENTS

(6:03) Director Torres thanked Recycling Coordinator Jenny Mitchell for the presentation at council meeting. She commended the Authority for keeping her community informed on current actions. Director Armenta commented that the December meeting will be his last meeting attending as a Director of the Board. He thanked the Board for collaborating with him during his term as a Board member.

ITEM NO. 1
Agenda Item

General Manager/CAO
T. Bruen by ET
General Counsel Approval

PUBLIC COMMENT

(6:05) None

CONSENT AGENDA (6:07)

1. Minutes of October 20, 2016, Regular Meeting
2. September 2016 Claims and Financial Reports
3. October 2016 Member and Interagency Activities Report and Upcoming Events
4. Strategic Plan 2016-19 Goals & Objectives Monthly Progress Report
5. September 2016 Quarterly Tonnage and Diversion Report
6. Household Hazardous Waste Collection Plan for the Service Area

Public Comment: None

Board Comments: None

Motion: Director Simon made a motion to approve the consent agenda as presented. Director Perez seconded the motion.

Votes: Motion carried 9,0 for Item Nos. 2 through 6 with the exception of Item No. 1, Funk abstain.

Ayes: Perez, Lutes, Salinas, Armenta, De La Rosa, Gunter (alt), Cullen, Torres, Funk (alt)

Noes: None

Abstain: Funk (alt) from Item No. 1 only

Absent: Barrera, Silva

PRESENTATION

7. RESOURCE RECOVERY PROJECTS & ACTIVITIES BEYOND RECYCLING

(6:07) Resource Recovery Manager Brooks presented two new projects that staff have been working on over the past year. First project is Jardin del Sol located at the Sun Street Transfer Station, a demonstration garden that will be utilized to host composting workshops and demonstration space to show different home compost methods. Second project is the Fix-It Clinic, a community event hosted November 5, 2016 at the Salinas Recreation Center. The partnership between the City of Salinas Recreation and Community Services and the Authority introduced the idea of repairing items instead of discarding them.

Public Comment: None

Board Comments: The Board discussed the presentation and commented on the great work staff is doing. Director Armenta suggested inviting volunteers of the trades to be available to help for any future Fix-It Clinics.

CONSIDERATION

8. EMPLOYEE LONGEVITY PROGRAM

(6:20) Human Resources/Organizational Development Manager Gill presented longevity program options requested by the Board. Based on a review of other local agency programs, staff recommended implementing an increase in base salary of 2.5% at ten years, 2.5% at fifteen years, and 2.5% at twenty years.

Public Comment: None

Board Discussion: The Board discussed the options for the program, the fiscal impacts, and the importance of implementing a program. They commended staff for conducting a survey of local agencies, reviewing respective

longevity packages available to their employees and providing reasonable options.

Motion: Director Armenta made a motion to approve the implantation of the program as proposed. Director Salinas seconded the motion.

Votes: Motion carried 9,0

Ayes: Perez, Lutes, Salinas, Armenta, De La Rosa, Gunter (alt), Cullen, Torres, Funk (alt)

Noes: None

Abstain: None

Absent: Barrera, Silva

9. OPPORTUNITY FOR SHORT-TERM INVESTMENT IN MONTEREY BAY COMMUNITY POWER PROJECT STARTUP (6:25) General Manager/CAO Mathews explained the opportunity for short-term investments with the startup of the Monterey Bay Community Power project. The development group is reaching out to jurisdictions inquiring about interest in investing. Startup capital will be needed for the first 16-18 months of formation. A potential 1-3 years' investment return from formation could offer a 2.5% - 3.5% return. There are current discussions between the interested jurisdictions and the agency regarding insurance for investors and how the JPA language will be formulated. Concrete guarantee for full reimbursement for investors if agency does not get off the ground is being requested from interested jurisdictions. The development group is also considering release of an RFP to financial institutions as well.

Public Comment: None

Board Discussion: The Board discussed the potential risks and the need for review by legal counsel and the Finance Manager. They would like consideration of the cost of review by legal counsel of the initial documents and the developed documents to be incorporated into the comparison of the return interest rate.

Motion: By consensus, the Board directed staff to obtain more information on the investment opportunity including cost of legal review.

10. NOMINATING COMMITTEE FOR ELECTION OF OFFICERS FOR 2017

(6:36) General Manager/CAO Mathews explained the elections process and requested election of two members for the nominating committee.

Public Comment: None

Board Comments: The Board discussed the item. Directors De La Rosa and Silva (by request through alternate) volunteered to be on the nominating committee.

Motion: By consensus, Directors De La Rosa and Silva were appointed to the nominating committee.

FUTURE AGENDA ITEMS

11. AGENDA ITEMS – VIEW AHEAD SCHEDULE

(6:39) The Board reviewed the future agenda items on the December agenda. General Manager/CAO Mathews highlighted that several of the strategic items will be brought before the board in the December meeting as well as the Audit.

CLOSED SESSION

The following item was not discussed:


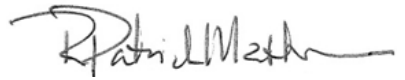
12. Pursuant to Government Code Section 54957 (b) to consider the Performance Evaluation of the General Manager/Chief Administrative Officer.

ADJOURN

(6:41) President Lutes adjourned the meeting.

APPROVED: _____
Simón Salinas, Vice President

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

 <p>Report to the Board of Directors</p>	<p>ITEM NO. 2</p>
<p>Date: December 15, 2016</p> <p>From: Ray Hendricks, Finance Manager</p> <p>Title: October 2016 Claims and Financial Reports</p>	<p> Finance Manager/Controller-Treasurer</p> <p> General Manager/CAO</p> <p>N/A General Counsel</p>

RECOMMENDATION

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

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of October for a summary of the Authority's financial position as of October 31, 2016. Following are highlights of the Authority's financial activity for the month of October.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of October 2016, FY 2016-17 operating revenue exceeded expenditures by \$855,538. Year to Date operating revenues exceeded expenditures by \$1,620,243.

Revenues (Consolidated Statement of Revenues and Expenditures)

After four months of the fiscal year (33.3% of the fiscal year), revenues total \$6,753,579 or 38.9% of the total annual revenues forecast of \$17,354,800. October Tipping Fees totaled \$1,135,259 and for the year to date totaled \$4,547,264 or 39.0% of the forecasted total of \$11,645,600.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of October 31 (33.3% of the fiscal year), year-to-date operating expenditures total \$5,133,516. This is 32.3% of the operating budget of \$15,902,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of October 2016, capital project expenditures totaled \$22,989. \$15,077 of the total was for Johnson Canyon Flare Station Improvements.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of October 2016 is attached for review and acceptance. October disbursements total \$1,338,527.35 of which \$423,049.68 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 October 2016.

Vendor	Description	Amount
CA BOE	Qtrly BOE Pmt	\$ 69,230.00
Waste Management Inc	Refund For Duplicate Pmt - Rural Dispose All	85,772.38
	Refund For Duplicate Pmt- Madison Lane	149,512.07
	Refund For Duplicate Pmt- Jolon Road	131,325.83

Cash Balances

The Authority's cash position increased \$515,728.14 during October to \$18,343,131.26. Most of the cash balance is restricted, committed, or assigned as shown below:

Restricted by Legal Agreements:

Johnson Canyon Closure Fund	\$ 3,654,206.67
State & Federal Grants	(17,616.35)
BNY - Bond 2014A Payment	0.00
BNY - Bond 2014B Payment	0.00
BNY - Sub Pmt Cap One 2014 Eq Lease	0.00
GEO Deposit (CEQA)	18,615.36

Funds Held in Trust:

Central Coast Media Recycling Coalition	119,862.96
Employee Unreimbursed Medical Claims	5,616.94

Committed by Board Policy:

AB939 Services	595,370.22
Designated for Capital Projects Reserve	0.00
Designated for Environmental Impairment Reserve	254,527.02
Designated for Operating Reserve	254,527.02
Designated for Reserves (To be allocated)	1,996,881.45
Expansion Fund (South Valley Revenues)	8,039,295.32
Salinas Rate Stabilization Fund	24,324.06

Assigned by Budget

Assigned for Capital Projects	2,879,988.76
Assigned for OPEB	291,400.00

Available for Operations 226,131.83

Total	\$ <u>18,343,131.26</u>
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ATTACHMENTS

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



Salinas Valley Solid Waste Authority

Consolidated Statement of Revenues and Expenditure

For Period Ending October 31, 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	11,645,600	1,135,259	4,547,264	39.0 %	7,098,336	0	7,098,336
Tipping Fees - Surcharge	1,751,000	155,835	598,845	34.2 %	1,152,155	0	1,152,155
Tipping Fees - Diverted Materials	1,043,600	172,352	663,773	63.6 %	379,827	0	379,827
AB939 Service Fee	2,228,900	185,742	742,968	33.3 %	1,485,932	0	1,485,932
Charges for Services	124,500	32,614	32,614	26.2 %	91,886	0	91,886
Sales of Materials	309,500	44,000	52,359	16.9 %	257,141	0	257,141
Gas Royalties	220,000	73,547	73,547	33.4 %	146,453	0	146,453
Investment Earnings	31,700	27,704	41,697	131.5 %	(9,997)	0	(9,997)
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	5	693	0.0 %	(693)	0	(693)
Total Revenue	17,354,800	1,827,057	6,753,759	38.9 %	10,601,041	0	10,601,041
<u>Expense Summary</u>							
Executive Administration	446,000	25,900	103,301	23.2 %	342,699	571	342,128
Administrative Support	507,790	36,858	154,335	30.4 %	353,455	77,260	276,195
Human Resources Administration	366,670	23,876	102,625	28.0 %	264,045	8,070	255,975
Clerk of the Board	186,460	16,848	54,685	29.3 %	131,775	3,002	128,773
Finance Administration	622,550	37,059	174,036	28.0 %	448,514	28,210	420,305
Operations Administration	426,200	20,893	77,888	18.3 %	348,312	12,462	335,851
Resource Recovery	826,650	73,429	253,577	30.7 %	573,073	25,148	547,925
Marketing	75,000	748	12,147	16.2 %	62,854	59,104	3,750
Public Education	206,500	13,685	30,245	14.6 %	176,255	79,855	96,401
Household Hazardous Waste	781,600	73,634	193,424	24.7 %	588,176	5,494	582,683
C & D Diversion	80,000	0	0	0.0 %	80,000	0	80,000
Organics Diversion	690,200	0	73,769	10.7 %	616,431	0	616,431
Diversion Services	18,000	175	5,472	30.4 %	12,528	3,903	8,625



Salinas Valley Solid Waste Authority

Consolidated Statement of Revenues and Expenditure

For Period Ending October 31, 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	484,650	35,583	144,191	29.8 %	340,459	23,056	317,404
JR Transfer Station	400,800	53,213	217,496	54.3 %	183,304	3,432	179,872
JR Recycling Operations	124,200	3,419	12,178	9.8 %	112,022	0	112,022
ML Transfer Station	185,000	0	69,963	37.8 %	115,037	0	115,037
SS Disposal Operations	713,800	79,229	264,621	37.1 %	449,179	41,124	408,055
SS Transfer Operations	954,500	75,033	282,682	29.6 %	671,818	5,990	665,827
SS Recycling Operations	590,000	32,196	130,251	22.1 %	459,749	118	459,631
JC Landfill Operations	2,365,900	200,220	610,756	25.8 %	1,755,144	272,684	1,482,460
JC Recycling Operations	374,300	20,694	84,249	22.5 %	290,051	728	289,323
Crazy Horse Postclosure Maintenance	609,200	44,578	208,636	34.2 %	400,564	21,792	378,771
Lewis Road Postclosure Maintenance	222,800	17,329	66,741	30.0 %	156,059	10,348	145,711
Johnson Canyon ECS	309,700	22,309	42,415	13.7 %	267,285	12,826	254,459
Jolon Road Postclosure Maintenance	204,650	8,719	129,382	63.2 %	75,268	3,175	72,093
Sun Street ECS	185,300	9,749	25,172	13.6 %	160,128	19,334	140,794
Debt Service - Interest	1,653,300	0	831,062	50.3 %	822,238	0	822,238
Debt Service - Principal	1,052,300	0	685,868	65.2 %	366,432	0	366,432
Closure Set-Aside	238,000	46,144	92,351	38.8 %	145,649	0	145,649
Total Expense	15,902,020	971,519	5,133,516	32.3 %	10,768,504	717,682	10,050,822
Revenue Over/(Under) Expenses	1,452,780	855,538	1,620,243	111.5 %	(167,463)	(717,682)	550,219



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report

For Period Ending October 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Fund 180 - Expansion Fund							
180 9804 Long Range Facility Needs EIR	531,664	920	13,587	2.6 %	518,077	495,664	22,414
180 9805 Harrison Road	75,000	0	1,250	1.7 %	73,750	0	73,750
180 9806 Long Range Financial Model	95,000	3,161	14,115	14.9 %	80,885	41,940	38,945
180 9807 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
Total Fund 180 - Expansion Fund	801,664	4,081	28,951	3.6 %	772,713	537,604	235,109
Fund 211 - State Grants							
211 9206 HHW HD25-15-0003	23,870	531	772	3.2 %	23,098	0	23,098
211 9208 Tire Amnesty 2015-16	23,193	0	2,412	10.4 %	20,781	6,800	13,981
211 9209 Tire Derived Aggregate 5-15-0004	66,373	0	0	0.0 %	66,373	0	66,373
211 9247 Cal Recycle - CCPP	95,345	550	9,755	10.2 %	85,590	14,353	71,237
211 9248 Cal Recycle - 2014-15 CCPP	19,517	0	19,517	100.0 %	0	0	0
Total Fund 211 - State Grants	228,299	1,081	32,457	14.2 %	195,842	21,153	174,689
Fund 216 - Reimbursement Fund							
216 9802 Autoclave Demonstration Unit	141,499	129	129	0.1 %	141,370	0	141,370
216 9804 Long Range Facility Needs EIR	274,569	0	6,257	2.3 %	268,312	256,648	11,664
Total Fund 216 - Reimbursement Fund	416,067	129	6,385	1.5 %	409,682	256,648	153,034
Fund 800 - Capital Improvement Projects Fund							
800 9103 Closed Landfill Revenue Study	31,769	0	0	0.0 %	31,769	0	31,769
800 9316 CH Corrective Action Program	253,000	0	0	0.0 %	253,000	0	253,000
800 9319 CH LFG System Improvements	116,500	0	0	0.0 %	116,500	0	116,500
800 9401 LR LFG Replacement	67,500	0	0	0.0 %	67,500	0	67,500
800 9502 JC Flare Station Improvements	274,996	15,077	155,233	56.4 %	119,764	12,598	107,166
800 9506 JC Litter Control Barrier	50,000	0	0	0.0 %	50,000	0	50,000
800 9507 JC Corrective Action	100,000	0	0	0.0 %	100,000	0	100,000
800 9508 JC Drainage Modifications	35,000	0	0	0.0 %	35,000	0	35,000



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report

For Period Ending October 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9509 JC Groundwater Wells	150,000	4,124	5,986	4.0 %	144,014	2,435	141,579
800 9510 JC LFG System (Vertical Wells)	30,000	0	0	0.0 %	30,000	0	30,000
800 9511 JC LFG System (Horizontal Wells)	30,000	0	0	0.0 %	30,000	0	30,000
800 9526 JC Equipment Replacement	80,900	0	0	0.0 %	80,900	0	80,900
800 9527 JC Module 7 Engineering and Cons	50,000	0	0	0.0 %	50,000	0	50,000
800 9528 JC Roadway Improvements	2,218,937	0	0	0.0 %	2,218,937	0	2,218,937
800 9529 JC Leachate Handling Sys	55,531	0	0	0.0 %	55,531	0	55,531
800 9601 JR Transfer Station Improvements	82,000	3,788	4,242	5.2 %	77,758	33,000	44,758
800 9602 JR Equipment Purchase	556,454	0	473,713	85.1 %	82,741	0	82,741
800 9701 SSTs Equipment Replacement	191,260	0	0	0.0 %	191,260	0	191,260
800 9702 SSTs NPDES Improvements	12,062	0	0	0.0 %	12,062	0	12,062
Total Fund 800 - Capital Improvement Proje	4,385,909	22,989	639,174	14.6 %	3,746,735	48,033	3,698,702
Total CIP Expenditures	5,831,939	28,280	706,967	12.1 %	5,124,972	863,438	4,261,534

Salinas Valley Solid Waste Authority
Checks Issued Report for 10/1/2016 to 10/31/2016

Check #		Check Date	Amount	Check Total
17016	ADMANOR, INC SVR MEDIA CAMPAIGNS DIVERSION MEDIA CAMPAIGN	10/6/2016	747.50 325.00	1,072.50
17017	ALLEN BROTHERS OIL INC. JCLF VEHICLE MAINTENANCE	10/6/2016	237.39	237.39
17018	AMERICAN SUPPLY CO. JANITORIAL SUPPLIES	10/6/2016	279.15	279.15
17019	AON RISK INSURANCE SERVICES WEST, INC . ANNUAL VEHICLE INSURANCE	10/6/2016	1,643.00	1,643.00
17020	ASBURY ENVIRONMENTAL SERVICES HHW DISPOSAL & HAULING SERVICES	10/6/2016	215.00	215.00
17021	ASSOCIATION OF ENVIRONMENTAL PROFESSIONALS AEP MEMBERSHIP AND CEQA TRAINING CEQA ESSENTIAL WORKSHOP: REGISTRATION	10/6/2016	325.00 175.00	500.00
17022	ASSURED AGGREGATES CO., INC CH FACILITY IMPROVEMENTS	10/6/2016	2,644.13	2,644.13
17023	AT&T MOBILITY FINANCE INTERNET	10/6/2016	41.65	41.65
17024	AT&T SERVICES INC MONTHLY TELEPHONE SERVICES	10/6/2016	918.53	918.53
17025	CALIFORNIA WATER SERVICE SS TS MONTHLY WATER SERVICE JRTS WATER	10/6/2016	96.02 58.46	154.48
17026	CARDLOCK FUELS SYSTEM, INC. ALL SITES EQUIPMENT FUEL	10/6/2016	9,384.90	9,384.90
17027	CESAR ZUÑIGA CEQA ESSENTIALS WORKSHOP	10/6/2016	15.00	15.00
17028	CLARK PEST CONTROL, INC PEST-AWAY SERVICE	10/6/2016	264.00	264.00
17029	CLINTON HENDRICKS CONFERENCE TRAVEL	10/6/2016	379.32	379.32
17030	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS EQUIPMENT MAINTENANCE	10/6/2016	762.90	762.90
17031	COMCAST INTERNET SERVICE	10/6/2016	182.23	182.23
17032	COMPLETE PAPERLESS SOLUTIONS, LLC LASERFICHE ANNUAL SUPPORT FY16-17	10/6/2016	6,960.00	6,960.00
17033	CONWED PLASTICS ACQUISITION COMPANY V LLC SSTS FACILITY IMPROVEMENTS	10/6/2016	2,052.00	2,052.00
17034	CSC OF SALINAS/YUMA ALL SITES EQUIPMENT MAINTENANCE SUPPLIES	10/6/2016	2,083.26	2,083.26

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17035	CUTTING EDGE SUPPLY JCLF EQUIPMENT MAINTENANCE	10/6/2016	2,258.06	2,258.06
17036	EAGLE STAR SECURITY SS SECURITY SERVICE	10/6/2016	1,824.00	1,824.00
17037	EAST BAY TIRE CO. SSTS EQUIPMENT MAINTENANCE	10/6/2016	64.00	64.00
17038	ERNEST BELL D. JR JANITORIAL SERVICES ALL SITES	10/6/2016	2,915.00	2,915.00
17039	FERGUSON ENTERPRISES INC #795 CH FACILITY MAINTENANCE	10/6/2016	151.26	151.26
17040	FERNANDO CABALLERO TRAINING	10/6/2016	33.00	33.00
17041	FIRST ALARM FACILITY ALARM SERVICE	10/6/2016	1,154.94	1,154.94
17042	FULL STEAM STAFFING LLC ALL SITES DIVERSION CONTRACT LABOR	10/6/2016	13,580.28	13,580.28
17043	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT MAINTENANCE	10/6/2016	13,864.94	13,864.94
17044	**VOID**	10/6/2016	-	-
17045	GREEN RUBBER - KENNEDY AG, LP CH FACILITY MAINTENANCE	10/6/2016	902.85	902.85
17046	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS FACILITY MAINTENANCE	10/6/2016	29.90	29.90
17047	GUERITO SITES PORTABLE TOILET SERVICES	10/6/2016	1,028.00	1,028.00
17048	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 JRTS FACILITY MATERIALS	10/6/2016	82.95	82.95
17049	HERC RENTALS INC. JR EQUIPMENT RENTAL	10/6/2016	410.85	410.85
17050	JULIO GIL JRTS EQUIPMENT MAINTENANCE	10/6/2016	336.21	336.21
17051	KELLY-MOORE PAINT COMPANY INC. SSTS FACILITY MAINTENANCE	10/6/2016	725.91	725.91
17052	KING CITY HARDWARE INC. JRTS FACILITY MAINTENANCE	10/6/2016	32.43	32.43
17053	L. A. HEARNE COMPANY CH FACILITY MAINTENANCE	10/6/2016	288.00	288.00
17054	MANDY BROOKS TRAINING	10/6/2016	30.00	30.00

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17055	MANUEL PEREA TRUCKING, INC. JRTS FACILITY MAINTENANCE	10/6/2016	1,000.00	1,000.00
17056	MICHAEL SILVA LCW WORKSHOP	10/6/2016	15.00	15.00
17057	MONICA AMBRIZ CALPELRA 2016	10/6/2016	53.00	53.00
17058	MONTEREY BAY OFFICE PRODUCTS COPIER MACHINE MAITENANCE LEASE	10/6/2016	447.12	447.12
17059	MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT JCLF ANNUAL PERMIT FEES	10/6/2016	4,502.96	4,502.96
17060	OFFICE DEPOT DEPARTMENT OFFICE SUPPLIES	10/6/2016	2,069.99	2,069.99
17061	**VOID**	10/6/2016	-	-
17062	QUINN COMPANY ALL SITES EQUIPMENT MAINTENANCE	10/6/2016	8,397.09	8,397.09
17063	**VOID**	10/6/2016	-	-
17064	**VOID**	10/6/2016	-	-
17065	R&B COMPANY JCLF FACILITY MAINTENANCE	10/6/2016	459.53	459.53
17066	RONNIE G. REHN JRTS FACILITY MAINTENANCE	10/6/2016	154.00	154.00
17067	ROSE GILL LCW WORKSHOP	10/6/2016	15.00	15.00
17068	SALINAS VALLEY FORD LINCOLN-MERCURY ADMIN VEHICLE MAINTENANCE	10/6/2016	1,542.42	1,542.42
17069	SCS FIELD SERVICES AUGUST ENVIRONMENTAL SERVICES	10/6/2016	26,106.89	26,106.89
17070	**VOID**	10/6/2016	-	-
17071	SHARPS SOLUTIONS, LLC HHW HAULING & DISPOSAL	10/6/2016	160.00	160.00
17072	SKINNER EQUIPMENT REPAIR, INC. JCLF EQUIPMENT MAINTENANCE	10/6/2016	743.82	743.82
17073	STURDY OIL COMPANY SSTS EQUIPMENT MAINTENANCE	10/6/2016	595.66	595.66
17074	TOMMY DIAZ LCW WORKSHOP	10/6/2016	15.00	15.00

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17075	TRI-COUNTY FIRE PROTECTION, INC. JR EQUIPMENT MAINTENANCE	10/6/2016	66.02	
				66.02
17076	US BANK CORPORATE PAYMENT SYSTEM HARVEYS HOTEL:CAJPA CONFERENCE MC SHANES NURSERY: 2 PLANTS FOR JARDIN EL SOL 201 MAIN STREET: COMMUNICATION DINNER EVENT ADOBE:MONTHLY ADOBE SUBSCRIPTION AMAZON.COM: TRAINING MATERIALS GFOA:ANNUAL GAAP UPDATE MS OFFICE 365 ANNUAL SUBSCRIPTION MS OFFICE 365 ANNUAL SUBSCRIPTION ANNUVIA: AED BATTERY REPLACEMENTS BABA CAB - TRANSPORTATION-CZ SUBWAY: EMPLOYMENT DEVELOPMENT PROGRAM CALPERS:TRAINING REGISTRATION CENTRALCOAST HR ASSOCIATION CLUB AT CRAZY HORSE RANCH: EMPLOYEE RECOGNITION MARRIOTT: CONFERENCE LODGING CREDIT MEMO EXPERIAN: CREDIT REFERENCE CHECKS CSUMB: HR TRAINING REGISTRATION CVS: SAFETY PROGRAM PRIZES INTERMEDIA:EMAIL EXCHANGE SERVICE EMBASSY SUITES HOTEL: PARKING OLDTOWN SALINAS FOUNDATION: SALINAS FOOD & WINE CITRIX:GOTOMEETING ANNUAL SUBSCRIPTION CALCHAMBERS: JRTS FACILITY SUPPLIES TURF CLUB CATERING: INTERVIEW PANNEL SMART AND FINAL: GARDEN WORKDAY REFRESHMENTS HARBOR FREIGHT TOOLS: VEHICLE SUPPLIES DOUBLETREE:LODGING FOR CONFERENCE LOS ALTOS RESTAURANT: ECONOMIC IMPACT MEETING GRANITEROCK: SS ST MATERIAL SHAREFILE SUBSCRIPTION NEXTIVE HR FAX LINE OFFICE DEPOT: OFFICE SUPPLIES SMART AND FINAL: OFFICE SUPPLIES OTTERBOX:TABLET CASE SUPERMAX: POTABLE WATER WATER U WANT: CH POTABLE WATER ELLIS: PRE AUDIT RETREAT TURF CLUB CATERING: INTERVIEW PANEL REFRESHMENTS GRANITEROCK:EROSION CONTROL MATERIAL SALINAS TOYOTA: HR TOYOTA PRIUS MAINTENANCE HUGHES.NET: SCALEHOUSE INTERNET SERVICE SMART & FINAL: OFFICE SUPPLIES SUBWAY: BOARD OF DIRECTORS MEETING SWANA: TRUCK MANUFACTURER WORKSHOP TOUR -CZ EL TACO BRAVO: PAINT CARE MEETING C&N TRACTORS: TRACTOR SUPPLIES LANDSEND:UNIFORMS 4WHEEL PARTS: OPERATIONS VEHICLE SUPPLIES SUPERMAX:WATER GRANITE CONSTRUCTIONS: SUPPLIES FOR GARDEN WORLDATWORK: TRAINING MATERIALS	10/6/2016	123.17 83.03 1,141.00 24.99 32.04 135.00 2,079.00 99.00 233.54 32.95 19.08 350.00 438.00 600.00 (145.77) 99.90 153.00 104.95 273.75 30.00 500.00 288.00 40.67 46.54 29.39 14.49 890.16 71.62 365.68 32.95 65.40 30.10 7.50 141.81 16.76 11.91 80.00 10.23 905.72 323.26 642.01 10.17 75.80 50.00 23.80 93.07 206.45 82.92 5.19 87.31 77.90	
				11,133.44
17077	**VOID**	10/6/2016	-	
				-
17078	**VOID**	10/6/2016	-	
				-

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17079	**VOID**	10/6/2016	-	-
17080	**VOID**	10/6/2016	-	-
17081	**VOID**	10/6/2016	-	-
17082	VALLEY FABRICATION, INC. JRTS EQUIPMEN MAINTENANCE	10/6/2016	1,440.12	1,440.12
17083	ACE HARDWARE CORPORATION CH FACILITY SUPPLIES	10/12/2016	107.42	107.42
17084	ADMANOR, INC CCRMCMEDIA & MARKETING	10/12/2016	10,958.66	10,958.66
17085	ALLEN BROTHERS OIL INC. JC VEHILCE MAINTENANCE	10/12/2016	154.46	154.46
17086	AON RISK INSURANCE SERVICES WEST, INC . VEHICLE INSURANCE	10/12/2016	1,223.00	1,223.00
17087	AT&T SERVICES INC ACCOUNT CREDIT MONTHLY TELEPHONE SERVICE	10/12/2016	(46.02) 315.45	269.43
17088	BIOENERGY ASSOCIATION OF CALIFORNIA ANNUAL MEMBERSHIP	10/12/2016	2,750.00	2,750.00
17089	BRIGID MCGARTH MASSIE ADMINISTRATION RETREAT FACILITATION TRAINING	10/12/2016	985.00	985.00
17090	CALIFORNIA HIGHWAY ADOPTION CO. LITTER CONTROL	10/12/2016	550.00	550.00
17091	CARDLOCK FUELS SYSTEM, INC. SSTS EQUIPMENT FUEL	10/12/2016	13,512.99	13,512.99
17092	CESAR ZUÑIGA CONFERENCE TRAVEL	10/12/2016	187.00	187.00
17093	CITIZEN COMMUNICATIONS LLC BUSINESS COMPLIANCE TOOL: AB 1826 & AB 341	10/12/2016	10,000.00	10,000.00
17094	COAST COUNTIES TRUCK & EQUIPMENT CO. SS VEHICLE SUPPLIES	10/12/2016	1,909.38	1,909.38
17095	COSTCO WHOLESALE OFFICE & FACILITY SUPPLIES	10/12/2016	192.62	192.62
17096	CSC OF SALINAS/YUMA ALL SITES EQUIPMENT MAINTENANCE SUPPLIES JRTS EQUIPMENT MAINTENANCE	10/12/2016	148.24 78.37	226.61
17097	CUTTING EDGE SUPPLY SS TS FACILITY MAINTENANCE	10/12/2016	194.50	194.50
17098	DLT SOLUTIONS INC AUTOCAD SOFTWARE LICENSES RENEWAL	10/12/2016	1,659.11	1,659.11

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17099	DOUGLAS NOLAN SCHOOL ASSEMBLY PROGRAM	10/12/2016	1,750.00	1,750.00
17100	EAGLE STAR SECURITY SS TS SECURITY SERVICE	10/12/2016	912.00	912.00
17101	EAST BAY TIRE CO. OPS TIRE REPAIR SERVICE	10/12/2016	93.37	93.37
17102	FLEETMATICS, USA LLC JCLF FACILITY IMPROVEMENTS	10/12/2016	100.00	100.00
17103	FULL STEAM STAFFING LLC JRTS CONTRACT LABOR SS TS LABOR	10/12/2016	1,756.12 218.40	1,974.52
17104	GEOLOGIC ASSOCIATES, INC. AUGUST GROUNDWATER MONITORING SERVICES	10/12/2016	3,604.25	3,604.25
17105	GOLDEN STATE TRUCK & TRAILER REPAIR SS & JC VEHICLE MAINTENANCE	10/12/2016	5,694.90	5,694.90
17106	**VOID**	10/12/2016	-	-
17107	GONZALES ACE HARDWARE PARTS RETURN JCLF FACILITY MAINTENANCE JRTS FACILITY SUPPLIES	10/12/2016	(1.62) 5.38 251.21	254.97
17108	GREEN RUBBER - KENNEDY AG, LP JR & SS FACILITY PHONES	10/12/2016	644.67	644.67
17109	GREENWASTE RECOVERY INC. CARPET RECYCLING	10/12/2016	175.00	175.00
17110	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 CH FACILITY SUPPLIES SSTS FACILITY MAINTENANCE	10/12/2016	370.11 192.92	563.03
17111	HERC RENTALS INC. CHLF FACILITY IMPROVEMENTS	10/12/2016	731.14	731.14
17112	HOPE SERVICES AUGUST DIVERSION SERVICES	10/12/2016	11,843.79	11,843.79
17113	JOHNSON ASSOCIATES CH FACILITY MAINTENANCE	10/12/2016	287.65	287.65
17114	KELLY-MOORE PAINT COMPANY INC. SSTS FACILITY MAINTENANCE	10/12/2016	365.26	365.26
17115	KING CITY HARDWARE INC. JRTS FACILITY IMPROVEMENTS	10/12/2016	731.41	731.41
17116	LUIS RUIZ JCLF FACILITY IMPROVEMENTS	10/12/2016	2,658.00	2,658.00
17117	MANUEL PEREA TRUCKING, INC. VEHILCE TRANSPORT	10/12/2016	630.00	630.00

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17118	MONICA AMBRIZ EMPLOYEE DEVELOPMENT TRAINING	10/12/2016	52.82	52.82
17119	NEXTEL OF CALIFORNIA, INC CELL PHONE SERVICE	10/12/2016	310.00	310.00
17120	OFFICE DEPOT DEPARTMENT OFFICE SUPPLIES	10/12/2016	552.50	552.50
17121	ONHOLD EXPERIENCE TELEPHONE HOLD SERVICE	10/12/2016	207.00	207.00
17122	PENINSULA MESSENGER LLC BANK COURIER SERVICES	10/12/2016	620.00	620.00
17123	PERSONAL AWARDS INC EMPLOYEE UNIFORMS	10/12/2016	357.96	357.96
17124	PHILIP SERVICES CORP JULY HHW DISPOSAL JULY HHW DISPOSAL SUPPLIES	10/12/2016	14,888.40 3,147.00	18,035.40
17125	PINNACLE MEDICAL GROUP HEP B TETANUS VACCINE	10/12/2016	118.00	118.00
17126	PURE WATER BOTTLING ALL SITES POTABLE WATER SERVICE	10/12/2016	759.80	759.80
17127	QUINN COMPANY JC EQUIPMENT MAINTENANCE	10/12/2016	1,158.04	1,158.04
17128	RONNIE G. REHN FACILITIES MAINTENANCE SUPPLIES	10/12/2016	248.26	248.26
17129	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARRY CH FACILITY MAITENANCE	10/12/2016	1,717.56	1,717.56
17130	SHARPS SOLUTIONS, LLC HHW HAULING & DISPOSAL	10/12/2016	400.00	400.00
17131	SKINNER EQUIPMENT REPAIR, INC. ALL SITES EQUIPMENT REPAIRS	10/12/2016	1,845.28	1,845.28
17132	TRANSPORTATION AGENCY OF MONTEREY BAY ANNUAL MEMBERSHIP	10/12/2016	10.00	10.00
17133	TRI-COUNTY FIRE PROTECTION, INC. SSTS SAFETY SUPPLIES	10/12/2016	69.82	69.82

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17134	US BANK CORPORATE PAYMENT SYSTEM	10/12/2016		
	HARTNELL: EVENT REGISTRATION		375.00	
	LOWES: JR FACILITY MAINTENANCE		205.54	
	ADOBE:MONTHLY ADOBE SUBSCRIPTION		24.99	
	AMERICAN AIRLINES: LUGGAGE FEE		50.00	
	AMERICAN AIRLINES: LUGGAGE FEE		50.00	
	AMERICAN AIRLINES: LUGGAGE FEE		25.00	
	AEP: ANNUAL MEMBERSHIP		150.00	
	NAHMMA: ANNUAN MEMBERSHIP		250.00	
	BABA CAB - TRANSPORTATION-CZ		35.55	
	LA PLAZA BAKERY:EMPLOYEE DEVELOPMENT PROGRAM		21.38	
	LA PLAZA BAKERY:EMPLOYMENT DEVELOPMENT PROGRAM		64.76	
	BESTBUY:REPLACEMENT SURFACE PRO		499.99	
	CEQA ESSENTIALS WORKSHOP: REGISTRATION FOR BRIAN K		175.00	
	EXPERIAN: CREDIT REFERENCE CHECKS		249.75	
	SAFEWAY: WATER FOR STAFF		15.55	
	INTERMEDIA:EXCHANGE SERVER		273.75	
	AEP: MEMBERSHIP DUES BK		150.00	
	AMAZON: SUPPLIES FOR GARDEN		56.26	
	CALCPA: TRAINING REGISTRATION		10.00	
	HARVEYS LAKE TAHOE: LODGING FOR ROSE G.		506.07	
	CELOTAPE.COM:HHW LABELS		36.06	
	JRTS ALARM REG. MOCO SHERIF'S OFFICE		50.00	
	JW MARRIOTT: HOTEL LODGING		1,398.15	
	JW MARRIOTT: HOTEL LODGING		1,398.15	
	LA PLAZA BAKERY:EMPLOYEE DEVELOPMENT PROGRAM		28.24	
	LA PLAZA BAKERY:EMPLOYEE DEVELOPMENT PROGRAM		61.48	
	SWANA:SWANA MEMBERSHIP		186.00	
	MINETA INTERNATIONAL AIRPORT: PARKING-CZ		90.00	
	MONTEREY TIDES: ADMINISTRATION RETREAT		165.00	
	SHAREFILE SUBSCRIPTION		32.95	
	ORCHARD SUPPLY: NAILS FOR GARDEN RAISED BED		37.09	
	MICROSOFT: OFFICE 365 SUBSCRIPTION		14.19	
	HOME DEPOT: JCLF FACILITY MAINTENANCE		121.69	
	ACE HARDWARE: JCLF FACILITY MAINTENANCE		40.81	
	HOME DEPOT:MATERIALS AND PLANTS FOR GARDEN		162.31	
	AMAZON:REPLACEMENT MONITOR		386.21	
	BESTBUY:REPLACEMENT SURFACE PRO		1,423.57	
	HUGHES.NET: SCALEHOUSE INTERNET SERVICE		171.59	
	SHOGUN: ABCEA LUNCH MEETING		12.01	
	MISSION LINEN: HHW DEPARTMENT SUPPLIES		245.53	
	SKILLPATH/NST SEMINARS: REGISTRATION FOR JUAN C.		179.00	
	SMART&FINAL: BD MTG REFRESHMENTS 9/15/16		2.34	
	MIKE'S PIZZA: BOARD MEETING REFRESHMENTS		66.80	
	PINE CANYON STORE: SUPPLIES		21.42	
	ORCHARD SUPPLY HARDWARE:HHW FREON REMOVAL		34.88	
	JW MARRIOTT:WASTECON CONFERENCE LODGING FOR OSCAR		1,398.15	
	TELEFLORA: CONDOLENCES FOR FORMER ASST GM GAMBOA		55.94	
	AMAZON: SUPPLIES FOR GARDEN		6.00	
	ORCHARD SUPPLY: SUPPLIES FOR FREON REMOVAL		17.44	
	HOME DEPOT: TOOLS FOR THE GARDEN		202.71	
	VACUUM CENTER: VACUUM CLEANER REPAIR		24.95	
	ACE HARWAARE:JCLF FACILITY IMPROVEMENTS		100.60	
	AMAZON: JCLF FACILITY MAINTENANCE		211.55	
	ACE HARDWARE: JCLF FACILITY MAINTENANCE		17.29	
				11,588.69
17135	**VOID**	10/12/2016	-	
				-
17136	**VOID**	10/12/2016	-	
				-

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17137	**VOID**	10/12/2016	-	-
17138	**VOID**	10/12/2016	-	-
17139	**VOID**	10/12/2016	-	-
17140	WM. J. CLARK TRUCKING SERVICE INC. JRTS FACILITY IMPROVEMENTS	10/12/2016	12,905.48	12,905.48
17141	PITNEY BOWES - POSTAGE POSTAGE METER REFILL	10/14/2016	413.19	413.19
17142	A & G PUMPING, INC JRTS PORTABLE TOILET SERVICES	10/18/2016	75.76	75.76
17143	ALLEN BROTHERS OIL INC. SSTS EQUIPMENT MAINTENANCE	10/18/2016	191.10	191.10
17144	AMERICAN SUPPLY CO. JC & SS JANITORIAL SUPPLIES	10/18/2016	205.72	205.72
17145	AON RISK INSURANCE SERVICES WEST, INC . VEHICLE INSURANCE	10/18/2016	693.00	693.00
17146	AT&T MOBILITY FINANCE INTERNET	10/18/2016	41.65	41.65
17147	BARTEL ASSOCIATES, LLC GASB 68 ACTUARIAL CONSUTING SERVICES	10/18/2016	2,000.00	2,000.00
17148	BEST ENVIRONMENTAL CH & LR LFG FLARE SOURCE TEST	10/18/2016	11,700.00	11,700.00
17149	CALCON SYSTEMS, INC. SSTS FACILITY MAINTENANCE	10/18/2016	1,309.50	1,309.50
17150	CALIFORNIA WATER SERVICE SS TS MONTHLY WATER SERVICE	10/18/2016	645.20	645.20
17151	CARDLOCK FUELS SYSTEM, INC. JCLF EQUIPMENT FUEL	10/18/2016	3,663.39	3,663.39
17152	CH2M HILL, INC LONG RANGE FINANCIAL MODEL	10/18/2016	3,161.00	3,161.00
17153	CITY OF GONZALES JC HOSTING FEE	10/18/2016	20,833.33	20,833.33
17154	EAGLE STAR SECURITY SS TS SECURITY SERVICE	10/18/2016	912.00	912.00
17155	EDUARDO ARROYO JRTS FACILITY REPAIR	10/18/2016	4,600.00	4,600.00
17156	FERGUSON ENTERPRISES INC #795 CH FACILITY MAINTENANCE	10/18/2016	19,632.20	19,632.20

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17157	FULL STEAM STAFFING LLC CONTRACT LABOR	10/18/2016	8,983.79	8,983.79
17158	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT MAINTENANCE	10/18/2016	10,087.28	10,087.28
17159	**VOID**	10/18/2016	-	-
17160	GONZALES ACE HARDWARE JCLF FACILITY & VEHICLE MAINTENANCE	10/18/2016	53.45	53.45
17161	GRAINGER JCLF FACILITY MAINTENANCE	10/18/2016	196.43	196.43
17162	GREEN RUBBER - KENNEDY AG, LP JCLF FACILITY SUPPLIES	10/18/2016	586.05	586.05
17163	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 CH FACILITY FACILITY MAINTENANCE	10/18/2016	23.56	23.56
17164	JOHNSON ASSOCIATES SSTS EQUIPMENT MAINTENANCE	10/18/2016	53.20	53.20
17165	KELLY-MOORE PAINT COMPANY INC. SSTS FACILITY MAINTENANCE	10/18/2016	59.24	59.24
17166	L. A. HEARNE COMPANY JRTS FACILITY MAINTENANCE	10/18/2016	218.63	218.63
17167	NEXIS PARTNERS, LLC ADMIN BUILDING RENT	10/18/2016	9,212.00	9,212.00
17168	OFFICE DEPOT DEPARTMENT OFFICE SUPPLIES	10/18/2016	1,807.85	1,807.85
17169	PHILIP SERVICES CORP AUGUST HHW DISPOSAL AUGUST HHW DISPOSAL SUPPLIES	10/18/2016	18,899.20 3,216.00	22,115.20
17170	PROBUILD COMPANY LLC JRTS & CHLF FACILITY MAINTENANCE	10/18/2016	1,172.21	1,172.21
17171	PURE WATER BOTTLING POTABLE WATER SERVICE	10/18/2016	66.00	66.00
17172	QUINN COMPANY JCLF EQUIPMENT MAINTENANCE SSTS EQUIPMENT MAINTENANCE PARTS RETURN	10/18/2016	552.86 1,238.54 (1,723.74)	67.66
17173	THOMAS M BRUEN SEPTEMBER LEGAL CONSULTING SERVICES	10/18/2016	2,553.31	2,553.31
17174	VERIZON WIRELESS SERVICES CELL PHONE SERVICE	10/18/2016	81.01	81.01
17175	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION FUEL PURCHASES	10/18/2016	7,202.24	7,202.24

Salinas Valley Solid Waste Authority
Checks Issued Report for 10/1/2016 to 10/31/2016

Check #		Check Date	Amount	Check Total
17176	A & G PUMPING, INC JRTS FACILITY MAINTENANCE	10/26/2016	450.00	450.00
17177	AAA TARPS JRTS FACILITY MAINTENANCE	10/26/2016	744.00	744.00
17178	ADMANOR, INC CCRMC MEDIA & MARKETING	10/26/2016	1,555.00	1,555.00
17179	ALBERT MALDONADO 2015-16 ANNUAL REPORT DUPLICATION	10/26/2016	954.68	954.68
17180	AMERICAN SUPPLY CO. JCLF FACILITY MAINTENANCE SUPPLIES JCLF JANITORIAL SUPPLIES	10/26/2016	1,979.87 480.01	2,459.88
17181	BC LABORATORIES, INC JR & JC LAB SERVICE	10/26/2016	2,046.00	2,046.00
17182	BECKS SHOE STORE, INC. SSTS EMPLOYEE UNIFORM JCLF EMPLOYEE UNIFORM	10/26/2016	157.69 166.96	324.65
17183	CALIFORNIA WATER SERVICE SS TS MONTHLY WATER SERVICE	10/26/2016	114.29	114.29
17184	CARDLOCK FUELS SYSTEM, INC. SSTS EQUIPMENT FUEL	10/26/2016	881.16	881.16
17185	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS EQUIPMENT MAINTENANCE	10/26/2016	28.96	28.96
17186	CSC OF SALINAS/YUMA SSTS EQUIPMENT MAINTENANCE	10/26/2016	35.61	35.61
17187	FULL STEAM STAFFING LLC JRTS CONTRACT LABOR	10/26/2016	771.04	771.04
17188	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT MAINTENANCE	10/26/2016	5,133.95	5,133.95
17189	**VOID**	10/26/2016	-	-
17190	GONZALES ACE HARDWARE JCLF FACILITY MAINTENANCE	10/26/2016	65.45	65.45
17191	GRAINGER SSTS FACILITY MAINTENANCE	10/26/2016	1,100.45	1,100.45
17192	GREEN RUBBER - KENNEDY AG, LP JRTS & JCLF TELEPHONES	10/26/2016	2,569.35	2,569.35
17193	HOME DEPOT ALL SITES FACILITY SUPPLIES	10/26/2016	2,957.83	2,957.83
17194	**VOID**	10/26/2016	-	-
17195	INTERVAL EQUIPMENT SOLUTIONS, INC. SS TS EQUIPMENT TANK	10/26/2016	22,916.25	22,916.25

Salinas Valley Solid Waste Authority
Checks Issued Report for 10/1/2016 to 10/31/2016

Check #		Check Date	Amount	Check Total
17196	JOSE RAMIRO URIBE SSTS EQUIPMENT MAINTENANCE	10/26/2016	85.00	85.00
17197	MONTEREY AUTO SUPPLY INC SSTS & JCLF EQUIPMENT MAINTENANCE	10/26/2016	2,222.29	2,222.29
17198	**VOID**	10/26/2016	-	-
17199	MONTEREY COUNTY TREASURER/TAX COLLECTOR ANNUAL PROPERTY TAXES	10/26/2016	13,294.70	13,294.70
17200	MONTEREY SIGNS, INC. SIGNAGE FOR MATERIAL RECOVERY CENTERS	10/26/2016	1,569.63	1,569.63
17201	OFFICE DEPOT DEPARTMENT OFFICE SUPPLIS	10/26/2016	650.34	650.34
17202	PACIFIC CREST ENGINEERING INC JC GEOTECHNICAL INVESTIGATION - POST REPORT	10/26/2016	1,253.95	1,253.95
17203	PACIFIC GAS AND ELECTRIC COMPANY SS TS EQUIPMENT AND VEHICLE FUEL	10/26/2016	252.62	252.62
17204	PERENNIAL ENERGY, LLC JC LFG FLARE SYSTEM	10/26/2016	12,409.40	12,409.40
17205	PINNACLE MEDICAL GROUP 4914301-40 - JOSEPH H	10/26/2016	248.00	248.00
17206	QUINN COMPANY JCLF EQUIPMENT MAINTENANCE	10/26/2016	7,754.84	7,754.84
17207	REPUBLIC SERVICES #471 TRASH DISPOSAL SERVICE	10/26/2016	71.46	71.46
17208	ROSSI BROS TIRE & AUTO SERVICE JRTS EQUIPMENT MAINTENANCE	10/26/2016	443.51	443.51
17209	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARRY JR CAPITAL IMPROVMENTS	10/26/2016	1,722.00	1,722.00
17210	STURDY OIL COMPANY SSTS EQUIPMENT MAINTENANCE	10/26/2016	167.62	167.62
17211	WASTE MANAGEMENT INC REFUND FOR DUPLICATE PAYMENT - RURAL DISPOSE ALL	10/26/2016	85,772.38	85,772.38
17212	WASTE MANAGEMENT INC REFUND FOR DUPLICATE PAYMENT - MADISON LANE	10/26/2016	149,512.07	149,512.07
17213	WASTE MANAGEMENT INC REFUND FOR DUPLICATE PAYMENT - JOLON ROAD	10/26/2016	131,325.83	131,325.83
17214	WESTERN EXTERMINATOR COMPANY FACILITY VECTOR CONTROL	10/26/2016	369.50	369.50
DFT2016697	WAGEWORKS FSA MONTHLY ADMIN	10/17/2016	128.00	128.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 10/1/2016 to 10/31/2016

Check #	Check Date	Amount	Check Total
DFT2016698 CA STATE BOARD OF EQUALIZATION QUARTERLY BOE PAYMENT	10/26/2016	69,230.00	<u>69,230.00</u>
SUBTOTAL:			915,477.67
PAYROLL DISBURSEMENTS			<u>423,049.68</u>
GRAND TOTAL			<u><u>1,338,527.35</u></u>



Report to the Board of Directors

ITEM NO. 3

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Mandy Brooks, Resource Recovery Manager

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

RECOMMENDATION

Staff recommends the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

This report relates to the goal to promote the value of Salinas Valley Recycles' services and programs to the community, and is intended to keep the Board apprised of activities and communication with our member agencies and regulators.

Monterey County Environmental Health Bureau

The monthly inspection for the Sun Street transfer station was conducted on November 30, with no areas of concern or violations. The new installation of the bird wires and concrete improvements for the drain inlets were noted.

The monthly Crazy Horse Landfill inspection was completed on November 29, with no areas of concern nor violations noted. The Local Enforcement Agency (LEA) is waiting to hear back from CalRecycle on the Final Closure Plan for the site.

On November 30, 2016 the monthly inspections of the Johnson Canyon Landfill and Jolon Road Transfer Station were both completed with no concerns or violations noted. The LEA was pleased with the general operations of both facilities and all the improvements that have been completed at Jolon Rd.



CalRecycle determined that the California Environmental Quality Act (CEQA) documentation in support of the Johnson Canyon Landfill solid waste facilities permit revision was inadequate, particularly as it pertained to the potential odor and vector impacts of adding food waste as a feedstock for the composting operation. SVR staff responded with a letter dated Nov 10, indicating that the Authority intends to prepare an Initial Study to examine these concerns, and requested a 60-day time waiver in order to accomplish this task and make the application complete.

City of King

The restated Franchise Services Agreement with Waste Management has been completed and approved by the City Council by Public Hearing at the November 15 and 22, 2016 meetings. The new agreement will be effective January 1, 2017, and runs through June 30, 2025. This agreement will expire on the same date as the Salinas and Tri-Cities franchise agreements and provide the opportunity to have all Salinas Valley Cities consider a joint agreement and competitive procurement process for future services.

Gonzales, Soledad and Greenfield

Tri-Cities Disposal & Recycling's Annual Performance Reviews were presented at Gonzales's Nov 1 City Council meeting, Soledad's Nov 8 City Council meeting and Greenfield's Nov 15 City Council meeting. TCD is in compliance with the Franchise Agreement but more efforts should be focused on increasing commercial recycling rates in each City.

Greenfield Litter Clean Up

On November 12 staff from Tri-Cities Disposal & Recycling worked with 11 volunteers from the El Shaddai Church youth group to cleanup downtown Greenfield; including streets and alleyways between Elm Ave, Apple Ave, and El Camino Real. The group collected & disposed of over 280 pounds of trash and litter!

Soledad Events

Litter Clean Up

On November 5 staff from Tri-Cities Disposal & Recycling worked with 22 volunteers from the Soledad High School Aztec Cross Country team to remove litter from street medians, planters, and storm drain areas from Front St up to Gabilan St and from West St to Park St. The team collected & disposed of over 180 pounds of micro-trash and litter!

Zero Waste Event: Community Thanksgiving Day Meal

For the fourth year, Tri-Cities Disposal & Recycling staff worked with the Soledad Lion's Club to provide a "Zero Waste" meal in conjunction with the preparation and serving of their Community Thanksgiving Meal. The two-day event served 2,400 meals in compostable dinnerware and to-go containers and only generated 2 bags of garbage! Approximately 2 tons of recyclable materials and 520 pounds of food scraps were diverted through the zero waste efforts.

Future Events with SVR Participation

King City:	12/2	Holiday Parade of Lights
Salinas:	11/27 1/28/17	Holiday Parade of Lights Composting Workshop, Jarden El Sol, 128 Sun St
Soledad:	12/3	Parade of Lights

Progress as of 12/15/16

**SALINAS VALLEY SOLID WASTE MANAGEMENT AUTHORITY
(dba SALINAS VALLEY RECYCLES)**

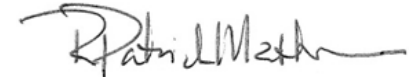
STRATEGIC GOALS 2016-2019

SIX-MONTH OBJECTIVES

July 13, 2016 – January 15, 2017

ITEM NO. 4

Agenda Item



General Manager/CAO

2016-2019 THREE-YEAR GOAL

A: SELECT AND IMPLEMENT FACILITIES (e.g., SALINAS-AREA MATERIALS RECOVERY CENTER) AND PROGRAMS THAT LEAD TO ACHIEVEMENT OF AT LEAST 75% WASTE DIVERSION

SIX-MONTH OBJECTIVES			STATUS			COMMENTS
WHEN	WHO	WHAT	DONE	ON TARGET	REVISED	
1. At the October 2016 Board meeting	Operations Manager	Prepare a cost-benefit analysis for processing construction and demolition material by SVR or MRWMD and present to the Board.	X			Item was presented to the Board on 10/20/2016.
2. At the October 2016 and January 2017 Board meetings and quarterly thereafter	General Manager	Provide to the Board quarterly progress reports on the Long Term Facility Needs Environmental Impact Report and other due diligence activities.	X			Provided in October 2016 Board agenda
3. At the Nov. 2016 Board meeting	Operations Manager and Engineering & Environmental Compliance Manager	Develop a Household Hazardous Waste Collection Program for South County and present to the Board.	X			Is included in November 2016 Board agenda
4. At the December 2016 Board meeting	Resource Recovery Manager and Operations Manager	Explore a Prescription Drug Collection Program and provide options to the Board.	X			Grant funding allowed a program to be implemented without the need for additional options. Is included in the December 2016 Board agenda.
5. At the January 2017 Board meeting	Resource Recovery Manager	Develop a Needs Assessment Report for Board review on alternative outlets for recyclable/reusable materials.		X		Work in Progress
6. At the January 2017 Board meeting	Resource Recovery Manager	Provide an update to the Board on food-to-energy and composting opportunities.		X		Work in progress. Johnson Canyon Landfill Permit revisions includes compost operations, support letter for MRWMD bio-energy plant expansion grant
7. FUTURE OBJECTIVE _____	General Manager	Engage the stakeholders and the public in the Long Term Facility Needs Public Outreach Plan for the Environmental Impact Report and report the results to the Board.		X		Notice of Preparation for EIR is being prepared for release with public informational meetings tentatively set for Feb/March 2017

Progress as of 12/15/16

2016-2019 THREE-YEAR GOAL

B: REDUCE LANDFILL DISPOSAL FEE DEPENDENCE THROUGH SELF-FUNDED PROGRAMS AND NEW REVENUE SOURCES						
SIX-MONTH OBJECTIVES				STATUS		
WHEN	WHO	WHAT	DONE	ON TARGET	REVISED	COMMENTS
1. At the November January 2017 Board meeting	General Manager	Provide a progress report on alternative energy project development at SVR sites.			X	Moved to January 2017 meeting. County just notified staff it is not prepared to consider taking renewable energy from either of the two projects at the Crazy Horse Landfill, solar and/or Landfill gas. Staff is considering alternative pathways for use of Crazy Horse resources. We have also engaged with Wind Energy Developers.
2. At the January 2017 Board meeting	Finance Manager	Present a report to the Board on how each of the SVR programs and services are currently funded and provide a recommendation on how each may be self-funded.			X	Will be presented at the January 2017 Board Meeting in order to coincide with budget direction discussions.
3. At the January 2017 Board meeting	Engineering and Environmental Compliance Mgr.	Conduct a water supply study at SVR sites to help determine potential excess land uses and make a report, with recommendation(s), to the Board for direction.		X		Work in Progress

Progress as of 12/15/16
2016-2019 THREE-YEAR GOAL

C: PROMOTE THE VALUE OF SVR SERVICES AND PROGRAMS TO THE COMMUNITY						
SIX-MONTH OBJECTIVES			STATUS			COMMENTS
WHEN	WHO	WHAT	DONE	ON TARGET	REVISED	
1. At the August 2016 Board meeting	General Manager and Board	Determine the Citizen Advisory Group terms, future appointments and responsibilities.	X			Received Board direction at Aug 2016 mtg.. (re)-appointments for CAG scheduled after new Board is fully seated in Feb 2017
2. September 15, 2016	Resource Recovery Manager, with input from the Marketing Committee	Publish a press release announcing SVR's new Three-Year Strategic Plan.	X			Released September 15, 2016
3. September 2016 and December 2016, and quarterly thereafter	Resource Recovery Manager, with input from the Marketing Committee	Conduct quarterly live radio talks about SVR services and programs.		X		English and Spanish radio talks are being scheduled for Dec 2016 Script development is in progress
4. October 1, 2016	Operations Manager	Update entrance signs at all sites to promote SVR services.	X			All SVR Facility entrance signs have been standardized
5. At the Nov. 2016 Board meeting	Human Resources Manager	Explore and make a recommendation to the Board on the concept of recruiting a communications major intern for social media projects such as creating videos and developing social media promotions to increase followers.	X			Recruiting: Colleges, Newspaper, and Social Media
6. At the Nov. December 2016 Board meeting	Resource Recovery Manager, with input from the Marketing Committee	Analyze and present to the Board the results of a social media survey on how to increase public engagement on transfer station and landfill service options.	X			Is included in the December 2016 Board agenda.
7. November 15, 2016	Resource Recovery Manager, with input from the Marketing Committee	Explore and make a recommendation(s) to the Management Team regarding additional advertising opportunities, e.g., billboards, transit advertisements.		X		Work in Progress
8. January 15, 2017	Resource Recovery Manager, with input from the Marketing Committee	Develop a new television or radio commercial promoting facilities' services.		X		Work in Progress
9. January 15, 2017	Each Board Member	Attend at least one community event to promote SVR services and programs.		X		
10. FUTURE OBJECTIVE _____	General Manager	Present to the Board a plan for the engagement and survey of the community and stakeholders regarding the future SVR facility options and EIR.		X		Will be presented to the Board in advance of the EIR and supplemental studies release, summer 2017

Progress as of 12/15/16
2016-2019 THREE-YEAR GOAL

D: MAINTAIN A HIGH PERFORMANCE AND FLEXIBLE WORKFORCE						
SIX-MONTH OBJECTIVES			STATUS			COMMENTS
WHEN	WHO	WHAT	DONE	ON TARGET	REVISED	
1. Beginning in August 2016 and quarterly thereafter	General Manager	Conduct quarterly staff meetings at each facility to share SVR information and obtain feedback from employees.		X		Work in Progress
2. November 1, 2016	Operations Manager	Develop an Employee Communication System (e.g., to use in an emergency) and recommend to the Management Team for approval.	X			Completed. Staff cellular phone numbers and/or email addresses will be placed on a centralized list for mass communications in the case emergency notifications are necessary.
3. At the November 2016 Board meeting	Human Resources Manager	Research and recommend to the Board for direction whether or not to implement an Employment Longevity Package.	X			EC reviewed information, recommended for Board consideration at November 2016 mtg. Implementation of program approved by the Board at the November 2016 mtg.
4. November 15, 2016	Human Resources Manager	Update the Employee Safety Training resources and collaborate on sharing with other agencies where and when appropriate.	X			Team using YouTube as a source. Videos are cataloged for future reference
5. November 15, 2016	Human Resources Manager	Develop and recommend to the Management Team for approval an Employee Recognition Program.	X			



Report to the Board of Directors

ITEM NO. 5

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Jenny Mitchell, Recycling Coordinator

Title: Monterey County Health Department,
Environmental Health Bureau, Calendar Year 2015
Used Motor Oil and Filter Recycling Program Annual
Report

RECOMMENDATION

Staff recommends that the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

The recommended action will assist Salinas Valley Recycles (SVR) in supporting the Strategic Plan Goal to Fund and Implement 75% Diversion of Waste from Landfills by continuing to partner with the Monterey County Health Department, Environmental Health Bureau (MCEHB) to educate the public and commercial customers on how and where to properly recycle used motor oil and oil filters.

FISCAL IMPACT

There is no fiscal impact to SVR for MCEHB to provide these services.

A total of \$138,044 was available in the California Department of Resources Recycling and Recovery's (CalRecycle) 6th Cycle of the Used Oil Payment Program (OPP) funding. This funding was allocated to MCEHB to administer the program as the Lead Agency. MCEHB uses the funding to provide countywide used oil and oil filter recycling services and education.

DISCUSSION & ANALYSIS

When the member cities assigned their funds to MCEHB, SVR's Board required a series of goals and objectives from MCEHB including an annual report for the Board. The attached report was received on October 3, 2016 and covers the period of January 1, 2015 through December 31, 2015.

The purpose of the report is to describe the tasks and accomplishments performed in order to maintain and enhance existing used motor oil and used oil filter recycling services available to the residents located within SVR's service area.

CY 2015 Program Highlights:

- Residential Drop-off Centers: A total of 63,656 gallons (78%) of used oil and 40,703 (86%) used oil filters collected countywide came from the Salinas Valley area. This represents an approximate decrease of 14% in used oil and 24% in used oil

filters collected compared to CY 2014. The decrease in oil and filter collection can be at least partially attributed to the fact that in 2015, multiple centers did not provide data but provided data in 2014. In addition, Broadway Lube in King City closed during this reporting period.

- **Residential Curbside Collection:** A total of 20,899 gallons (87%) of all the used motor oil and 13,593 (89%) of used oil filters collected countywide in the curbside program comes from residents in SVR's service area. This represents an 11% decrease in used oil collected and a 4% increase in filters collected compared to the collection data from 2014.

In the upcoming year, MCEHB plans to update media ads, including expansion into social media, in order to engage the intended audience and will continue to partner with The Offset Project and Save Our Shores to expand outreach opportunities and increase program awareness.

BACKGROUND

Since 1994, MCEHB has provided a comprehensive countywide Used Motor Oil & Filter Recycling Program. By utilizing OPP funding from CalRecycle, MCEHB has established services and developed programs to serve the needs of the residential, agricultural and marina communities throughout Monterey County. MCEHB maintains these services on an ongoing basis. By acting as the Lead Agency and combining funding from each jurisdiction, an economy of scale is created which greatly benefits the Cities and County, allowing for uniform promotion of the programs through various media outlets.

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

ATTACHMENTS

1. Monterey County Used Oil & Filter Recycling Program Annual Report, CY 2015



COUNTY OF MONTEREY HEALTH DEPARTMENT

Elsa Jimenez, Director of Health

Administration
Behavioral Health

Clinic Services
Emergency Medical Services
Environmental Health/Animal Services

Public Health
Public Administrator/Public Guardian

October 3, 2016

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

RECEIVED

OCT 05 2016

SVSWA



Subject: Monterey County Used Oil Report for Salinas Valley Area Calendar Year 2015

Dear President Lutes:

The Monterey County Health Department, Environmental Health Bureau is pleased to submit a Used Motor Oil & Filter Recycling Program status report to the Salinas Valley Solid Waste Authority for the Calendar year 2015.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "John Ramirez".

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

Enclosure:

Salinas Valley Used Oil & Outreach Annual Report Calendar Year 2015
Monterey County Used Oil & Filter Recycling Program Highlights

cc: Ric Encarnacion, MPA, REHS, Assistant Director of Environmental Health Bureau
Rob Durham, Recycling Resource Recovery Services Supervisor

Monterey County Used Oil & Filter Recycling Program Annual Report to the Salinas Valley Solid Waste Authority

Administrator

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

Executive Summary

Since 1994, the Monterey County Health Department, Environmental Health Bureau (MCEHB) has effectively administered the Countywide Used Oil & Filter Recycling Program on behalf of all the cities and unincorporated area of Monterey County.

The MCEHB ensures the proper disposal and recycling of used oil and used oil filters to prevent, or at least minimize, illegal dumping by implementing simple, convenient solutions to dispose and recycle used oil and used oil filters for residents, farmers, and boaters in Monterey County through:

- A curbside collection program
- Take back events
- Collection at Certified Collection Centers (CCC) and non-certified collection centers

MCEHB, in partnership with Waste Management, the franchise hauler, as well as The Offset Project (TOP) and Save Our Shores (SOS), the County's contract vendors, conduct a variety of education and outreach activities to

- Educate the Monterey County community regarding the proper disposal of used oil and used oil filters
- Distribute residential oil and filter collection kits and clean boater collection kits and other educational materials
- Promote the various free and convenient outlets for proper disposal of used oil and filters
- Increase participation in the programs.

To cast a wider net, services are also advertised using radio, newspaper, website, and other sources.

As the administrators of the program, MCEHB staff conducts annual site visits with each of the CCC's and supplies haulers providing curbside collection in Monterey County with an adequate inventory of used oil containers. The team also maintains the collection equipment hosted at various collection centers in good working condition. Lastly, MCEHB ensures compliance with all requirements by preparing and submitting reports to CalRecycle and other agencies regarding the progress and success of the program.

While MCEHB administers the program for the entire Monterey County, this report focuses on data and activities conducted within the SVSWA service area during the 2015 calendar year.

Data reflects a 9% decrease in collection of used oil (from 101,398 to 92,150) from prior year. Similarly, data for the collection of used oil filters reflects 10% decrease (from 76,848 to 68,809) from prior year; however, the current data for used oil and filters when compared to 2013 is greater. In addition, this significant decrease is, at least in part, due to the fact that multiple CCC's did not provide data from 2015 but provided data the prior year.

MCEHB will continue to promote the residential, agricultural and boating programs through direct education and outreach, as well as media advertisement, including expansion into social media. In the upcoming year, MCEHB plans to revamp the advertisements used in local papers and radio outlets to ensure that the ads continue to engage our intended audience. MCEHB will also focus on exploring new ways to better meet the needs of residents and businesses in South County and revamping the educational materials provided to the public during events. We will continue our partnerships with Waste Management (WM) and Save our Shores (SOS) to identify additional outreach opportunities to increase awareness of our programs.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

1. Residential Drop-off Centers Program: Calendar Year 2015

The data for this report comes from three sources. CalRecycle provides data from CCC's to MCEHB for centers that apply for a rebate through the program. Data from other CCC sites is captured from invoices paid by MCEHB from Bayside Oil, Inc., the County's contracted used oil hauler and by direct phone calls to the CCC's. This allows MCEHB to capture unreported used oil collection data. Calling the centers directly also allows MCEHB an opportunity to provide technical assistance and support to the CCC's.

There are a total of 29 CCC sites in Monterey County that collected a total of 81,376 gallons of used oil and 47,303 filters in 2015. 78% of the total used oil and 86% of total used oil filters collected came from the Salinas Valley area. Table 1a includes data collected from 24 CCC's in the SVSWA service area. A total of 63,656 gallons of used oil and 40,703 oil filters were collected from residential drop-off centers in the Salinas Valley Solid Waste Authority (SVSWA) area. During this reporting period, Broadway Lube in King City closed.

The data shows that the gallons of used oil and number of filters collected at CCC sites are down by 14% and 24% respectively compared to 2014. However, the decrease in oil and filter collection can be at least partially attributed to the fact that in 2015, multiple centers did not provide data but provided data in 2014. However, the total amount collected in 2015 is greater when compared to 2013.

MCEHB continued to educate the public on the ease of recyclability of filters at all outreach events. MCEHB hosted 5 filter exchange events at 5 different Salinas Valley auto parts stores in 2015. Locations are listed in Section 5. We also attended the Agricultural Expo and South County Compliance Workshop to provide education on proper disposal and recycling of used oil and used oil filters. Additional education and outreach is conducted during other community events. Along with general information about recycling of materials, we provide information specific to used oil program and distribute kits and informational brochures to individuals who may change the oil and filters of their own cars.

Methodology

CalRecycle provides MCEHB staff with collection center data annually for the previous calendar year. MCEHB staff also visits each center at least annually to verify State certification requirements, help answer questions, and provide additional resources to centers as needed.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

Table 1a. Residential Drop-off Collection Data for 2015 Calendar Year

Drop-off Center	City/Area	Used Oil			Filters		
		2013	2014	2015	2013	2014	2015
Alcala's Automotive Machine Shop	Chualar	1,520	dropped program	dropped program	80	dropped program	dropped program
*AutoZone #5509	Gonzales	7,590	3,605	3,855	3,250 ¹	1,907	3,000 ¹
*AutoZone #5510	King City	6,500	3,090	3,300	3,000 ¹	1,634	1,750 ¹
*AutoZone #5512	Salinas	11,930	8,260	8,450	3,750 ¹	1,226	5,000 ¹
*AutoZone #5513	Prunedale	5,455	4,365	4,300	2,250 ¹	1,907	2,250 ¹
*AutoZone # 5514	Salinas	12,720	7,442	7,425	4,500 ¹	4,086	6,250 ¹
*AutoZone #3744	Salinas	11,715	7,680	9,300	4,000 ¹	17,706	6,500 ¹
Bridgestone Firestone Store	Salinas	0	5	25	0	12	3
Jiffy Lube #2330	Salinas	0	11,108	0	17	9,874	0
O'Reilly Auto Parts # 2702 Formerly Kragen #1004	Salinas	0	5,355	3,725	0	500 ¹	1,500 ¹
O'Reilly Auto Parts # 2991 Formerly Kragen #1445	Salinas	0	3,345	4,020	0	500 ¹	500 ¹
O'Reilly Auto Parts # 3133 Formerly Kragen #1660	King City	0	3,135	2,955	0	250 ¹	0
O'Reilly Auto Parts # 2554 Formerly Kragen #209	Salinas	0	3,050	3,050	0	500 ¹	750 ¹
O'Reilly Auto Parts # 3538 Formerly Kragen #4129	Salinas	0	4,085	4,530	0	500 ¹	1,000 ¹
O'Reilly Auto Parts # 3566 Formerly Kragen #4162	Soledad	0	4,365	3,605	0	250 ¹	250 ¹
O'Reilly Auto Parts # 4731	Greenfield	N/A	1,425	2,935	N/A	New to Program	0
Oil Can Henry's	Salinas	60	50	0	0	0	0
Broadway Lube	King City	N/A	New to Program	closed	N/A	New to Program	closed
Ownes Chevron	King City	0	0	0	0	0	0
Pajaro Auto Center	Pajaro	0	dropped program	dropped program	0	dropped program	dropped program
Prunedale Lube & Auto Care*	Prunedale	0	0	0	0	0	0
Mobil 1 Lube Express*	Salinas	0	0	0	0	10,400 ¹	10,500 ¹
Salinas Mitsubishi	Salinas	N/A	1,023	0	N/A	650 ¹	0
Precision Tune Auto Care	Salinas	0	3,000	2,181	0	1,400 ¹	1,450 ¹
Total		57,490	74,388	63,656	20,847	53,302	40,703
Difference			16,898	(10,732)		32,455	-12,599
Percent Difference			29%	-14%		156%	-24%

¹For filters totals in italics the totals were calculated using a State approved formula for converting drums to number of filters. (55-gallon drum crushed filters= 750 filters & 55-gallon drum uncrushed filters= 250 filters. This calculation is used to compare the total number of filters collected to other facilities and by year

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

Chart 1a. Gallons of used oil collected from residential CCC sites in SVSWA

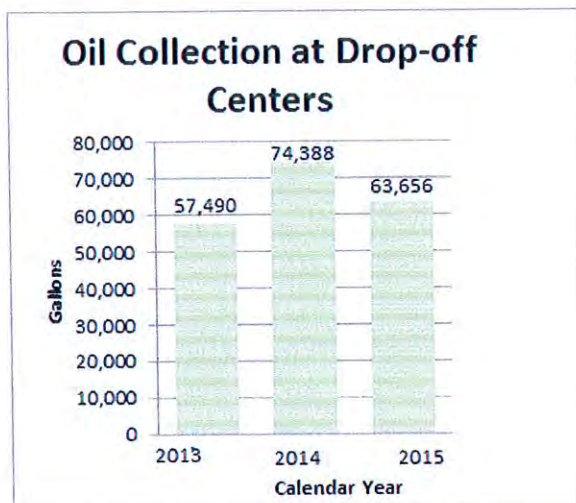
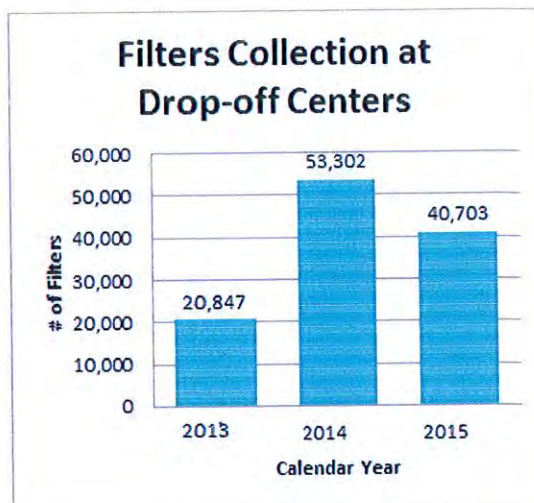


Chart 1b. Number of filters collected from residential CCC sites in SVSWA



Residential Curbside Collection Program: Calendar Year 2015

A total of 18,264 gallons of used oil and 12,106 filters were collected throughout Monterey County. Of these, 87% of all oil collected and 89% of filters collected come from residents in the SVSWA area. Table 2a includes a breakdown of the data reported to MCEHB from Republic Services of Salinas, Tri-Cities Disposal and Waste Management, the three solid waste haulers that provide collection services in the SVSWA service area. MCEHB ensures the franchise haulers in Monterey County are provided with an adequate supply of oil containers and filter bags.

There was an 11% decrease in used oil collected and a 4% increase in filters collected compared to the collection data from 2014; however the decrease in used oil is greater when compared to 2013. MCEHB continuously promotes collection of used oil and filters via curbside through Spanish radio on La Tricolor, as well as outreach events. At outreach events MCEHB provided used oil and filter collection kit that includes a 2.5 gallon container, filter bag, rag, filter wrench and oil funnel.

Methodology

MCEHB receives oil and filter collection data from Waste Management on a monthly basis and from Tri-Cities and Republic Services on a quarterly basis. MCEHB provides containers, filter bags and technical assistance to the franchise haulers as necessary.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

Table 2a. Curbside Oil & Filter Collection in SVSWA area Calendar Year Comparisons

Hauler	City/Area	Used Oil			Filters		
		2013	2014	2015	2013	2014	2015
Republic Services of Salinas	Salinas	5,139	10,451	7,693	1,500	2,667	2,750
Tri-Cities Disposal	Soledad	1,631	1,953	1,411	1,773	2,301	3,008
Tri-Cities Disposal	Gonzales	1,363	1,761	1,580	1,215	2,127	1,560
Tri-Cities Disposal	Greenfield	3,479	3,647	4,902	3,632	4,139	4,331
Tri-Cities Disposal	CSD of Spreckles	0	0	3	0	0	0
Waste Management, Inc.	King City	550	410	338	117	94	41
Waste Management, Inc.	Unincorporated Monterey County	2,013	2,266	2,338	396	333	416
Total		14,175	20,488	18,264	8,633	11,661	12,106
Difference			6,313	(2,225)		3,028	445
Percent Difference			45%	-11%		35%	4%
County wide collection				20,899			13,593
Percent coming from Salinas Valley				87%			89%

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

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

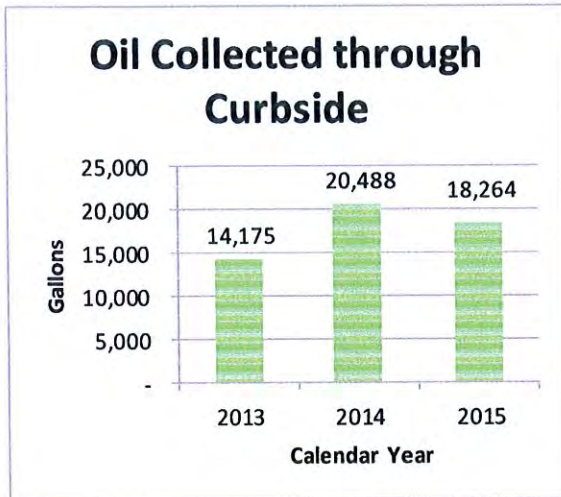
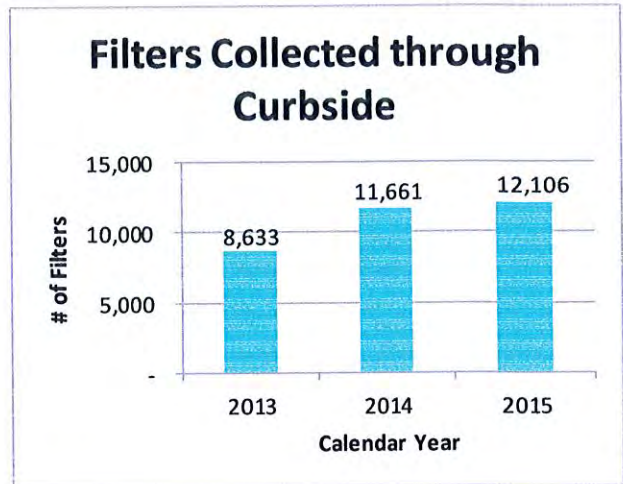


Chart 2b. Number of filters collected through residential curbside in SVSWA area



**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

3. Agricultural Oil and Filter Drop off Program: Calendar Year 2015

A grand total of 8,585 gallons of used oil and 14,250 filters were collected from Agricultural Oil & Filter Collection Centers (Ag Centers) in Monterey County. Table 3a below includes data from the three Agricultural CCC sites serving small farmers in Monterey County, all of which are located within the SVSWA service area.

The data below shows a 51% increase in used oil and a 41% increase in used oil filters collected compared to calendar year 2014. It is our understanding that growers are utilizing free collection services from registered hazardous waste haulers serving local growers. Free on-site collection of waste oil from another party creates a significant negative impact on the oil collected at agricultural CCC sites since growers have access to a more convenient outlet for used oil disposal and no longer need to transport their used oil to a CCC.

The program continues to be advertised via South County Newspapers and KRKC as well as direct outreach through attendance to agricultural-related workshops and conferences. In the upcoming year, MCEHB will revise and update the ads and radio spots to give them a fresh look.

Methodology

MCEHB collects data directly from Bayside Oil, the County's contracted oil hauler.

Table 3a. Agricultural Oil & Filter Collection Calendar Year Comparisons

Ag Center	Used Oil			Filters		
	2013	2014	2015	2013	2014	2015
Sturdy Oil, Salinas	5,205	5,700	7,335	14,750	9,385	12,250
Monterey County Ag Commissioner, King City	220	-	1,250	500 ¹	250 ¹	1,500 ¹
Mo.Co. Public Works Yard	100	-	0	0	500 ¹	500 ¹
Total	5,525	5,700	8,585	15,250	10,135	14,250
Difference		175	2,885		(5,115)	4,115
Percent Difference		3%	51%		-34%	41%

¹For filters totals in italics the totals were calculated using a State approved formula for converting drums to number of filters. (55-gallon drum crushed filters= 750 filters & 55-gallon drum uncrushed filters= 250 filters. This calculation is used to compare the total number of filters collected to other facilities and through the year.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

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

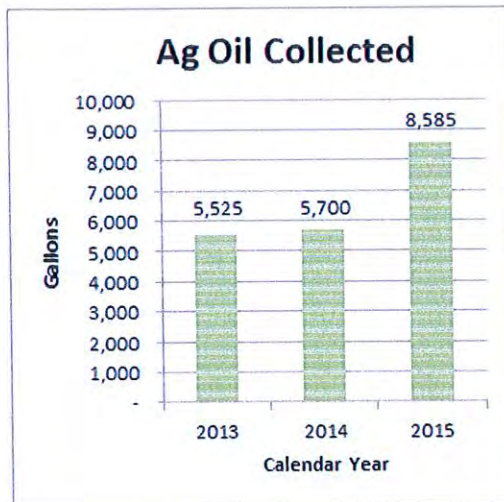
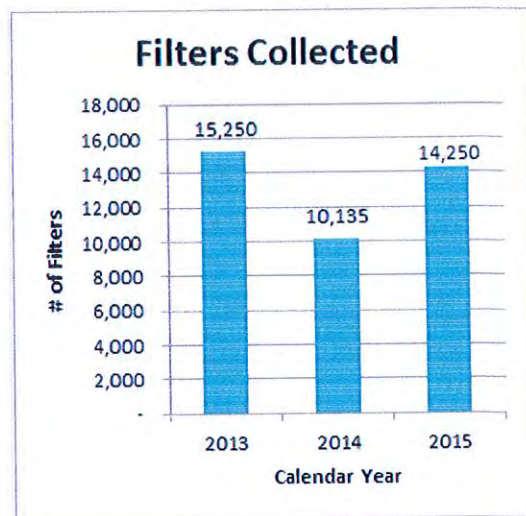


Chart 3b. Number of filters collected from agricultural centers



**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2015**

4. Education and Outreach

4A. Used Oil & Filter Recycling Community Outreach

Date	Event	Location
August 22, 2015	Used Oil Filter Exchange	AutoZone, Salinas
October 10, 2015	Used Oil Filter Exchange	AutoZone, Gonzales
October 24, 2015	Used Oil Filter Exchange	O'Reily Auto, Greenfield
November 14, 2015	Used Oil Filter Exchange	AutoZone, King City
November 21, 2015	Used Oil Filter Exchange	AutoZone, Salinas

4B. Media during this Reporting Period

Paid for 91 advertisements in local newspapers including the Soledad Bee, King City Rustler, Greenfield News, Gonzales Tribune.


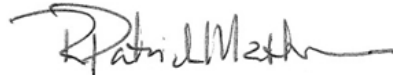
Paid for 1,884 radio ads in both Spanish and English radio; KRKC 104.1AM & 1490AM, La TriColor (KLOK) promoting curbside oil collection and agricultural collection program

Website banner - Advertised program and linked to Monterey County webpage on Univision's website

- Attended the South County Compliance Workshop, Salinas, May 25, 2015
- Attended the Agricultural Expo, Salinas, March 11, 2015
- Conducted site visits to 24 Certified Collection Centers within the SVSWA

4C. Work to be completed during next reporting period

MCEHB will continue to promote the residential, agricultural and boating programs through direct education and outreach, as well as media advertisements. MCEHB will also continue to support the programs by purchasing used oil containers, filter bags, labels and other equipment as needed. In the upcoming year, MCEHB plans to seek out more opportunities to host filter exchange events to engage our community on the best used oil and filter recycling practices and spread the awareness on programs that are offered to them.

 <p>Report to the Board of Directors</p>	ITEM NO. 6
	N/A
	Finance Manager/Controller-Treasurer
	
	General Manager/CAO
	N/A
	Legal Counsel

Date: December 15, 2016

From: Mandy Brooks, Resource Recovery Manager

Title: Results of Social Media Survey on Increasing Public Engagement on Transfer Station and Landfill Service Options

RECOMMENDATION

Staff recommends that the Board accept the results of the survey conducted by SVR's Marketing Committee through social media outlets on increasing public engagement on transfer station and landfill service options.

STRATEGIC PLAN RELATIONSHIP

The presentation of the results of the social media survey supports SVR's Strategic Goal to "Promote the Value of SVR Services and Programs to the Community". Polling the community provides valuable input and assists SVR's Marketing Committee to focus media efforts on programs and services that the public values and utilizes.

FISCAL IMPACT

There was no significant fiscal impact as a result of this item. The Facebook boosted posts and incentive prizes (totaling \$100) were funded through the Marketing Committee's existing media campaign budget.

DISCUSSION & ANALYSIS

At the July 13, 2016 Board Retreat, staff was asked to analyze and present it to the Board the results of a social media survey on how to increase public engagement on transfer station and landfill service options.

SVR's Marketing Committee along with input from our media consultant developed six, multiple choice questions and created the on-line format using free online software by SurveyMonkey.com. The survey was incentivized by offering recipients a chance to be entered into a drawing for a \$25 Amazon gift card.

The survey link was sent out at the beginning of November through SVR's email distribution list to over 470 recipients and posted to our Twitter and Facebook accounts along with boosted posts on Facebook that reached over 1,200 people. The survey was closed on November 27, 2016.

Survey Results: A total of 27 responses were received most of which were via the email distribution list. Exhibit A provides a detailed summary of the results to each of the questions but the following are a few of the highlights:

- 70% of respondents think of Salinas Valley Recycles as a great promoter of waste reduction in the community
- The 2 most valuable services that Salinas Valley Recycles provides are: a convenient disposal site and free drop-off of e-waste and HHW
- 70% of respondents rated the importance of Salinas Valley Recycles' services to the community as very important (or 4.6 based on a scale from 1 to 5)
- Over 44% of respondents have participated in a community cleanup event sponsored or hosted by Salinas Valley Recycles
- 67% of the survey respondents use Facebook as their preferred social media platform.

BACKGROUND

The Marketing Committee's **annual media plan** and objectives continues to focus on increasing **SVR's presence on social media** with boosted post campaigns to increase "**likes**" and followers on our Facebook and Twitter accounts. The Marketing Committee is also working on developing an electronic quarterly newsletter to keep in touch with customers and the public on a more regular basis to inform them about upcoming events and/or new and improved services.

ATTACHMENT

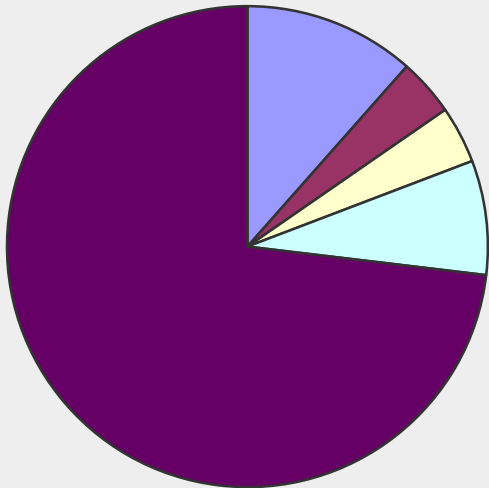
1. Exhibit A – Detailed Summary of Social Media Results

Salinas Valley Recycles Survey

When I think of Salinas Valley Recycles, I think:

Answer Options	Response Percent	Response Count
Awesome! I take my recycling, yard waste, trash and donations to: Johnson Canyon Landfill (Gonzales)	11.1%	3
Awesome! I take my recycling, yard waste, trash and donations to: Jolon Road Transfer Station (King City)	3.7%	1
Awesome! I take my recycling, yard waste, trash and donations to: Sun Street Transfer Station (Salinas)	3.7%	1
That jingle "Salinas Valley Recycles dot org!"	7.4%	2
Great! They promote waste reduction in my community	70.4%	19

When I think of Salinas Valley Recycles, I think:

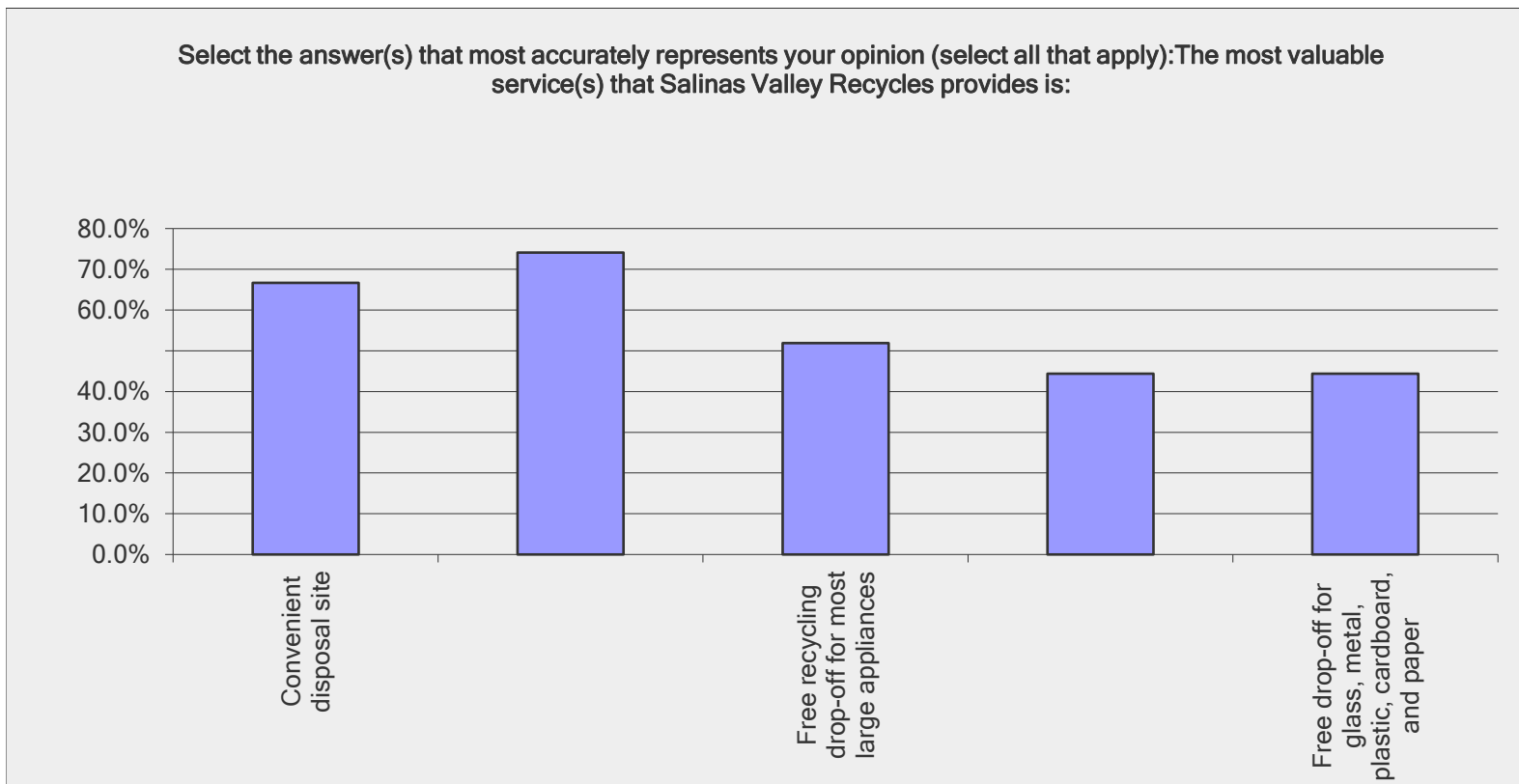


- Awesome! I take my recycling, yard waste, trash and donations to: Johnson Canyon Landfill (Gonzales)
- Awesome! I take my recycling, yard waste, trash and donations to: Jolon Road Transfer Station (King City)
- Awesome! I take my recycling, yard waste, trash and donations to: Sun Street Transfer Station (Salinas)
- That jingle "Salinas Valley Recycles dot org!"
- Great! They promote waste reduction in my community

Salinas Valley Recycles Survey

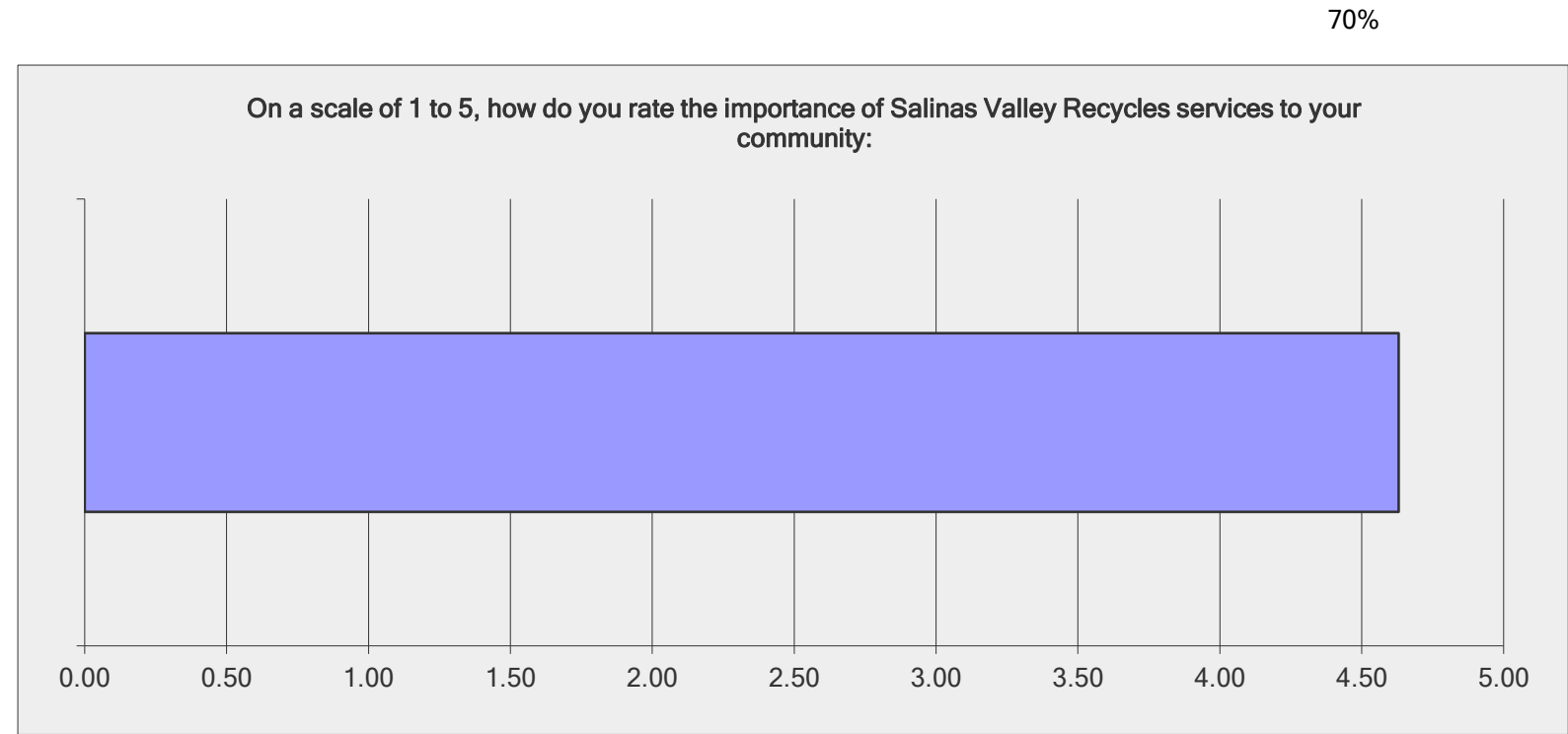
Select the answer(s) that most accurately represents your opinion (select all that apply):The most valuable service(s) that Salinas Valley Recycles provides is:

Answer Options	Response Percent	Response Count
Convenient disposal site	66.7%	18
Free drop-off for Electronic-waste and Household Hazardous Waste	74.1%	20
Free recycling drop-off for most large appliances	51.9%	14
Free recycling for mattresses and box springs	44.4%	12
Free drop-off for glass, metal, plastic, cardboard, and paper	44.4%	12
answered question		27
skipped question		0



Salinas Valley Recycles Survey

On a scale of 1 to 5, how do you rate the importance of Salinas Valley Recycles services to your community:							
Answer Options	Not at all Important1	2	3	4	Very Important5	Rating Average	Response Count
	0	0	2	6	19	4.63	27
answered question							27
skipped question							0



Salinas Valley Recycles Survey

I have participated in the following event or activity sponsored or hosted by Salinas Valley Recycles:

Answer Options	Response Percent	Response Count
A free community cleanup in my city	44.4%	12
A free home composting workshop	3.7%	1
A presentation at my work, school or home about recycling	29.6%	8
A volunteer litter pickup event	29.6%	8
A free tire recycling event	33.3%	9
answered question		27
skipped question		0



Salinas Valley Recycles Survey

Thinking about the last question, what kinds of services would you like to see that we currently don't offer?

Answer Options	Response Count
	27
<i>answered question</i>	27
<i>skipped question</i>	0

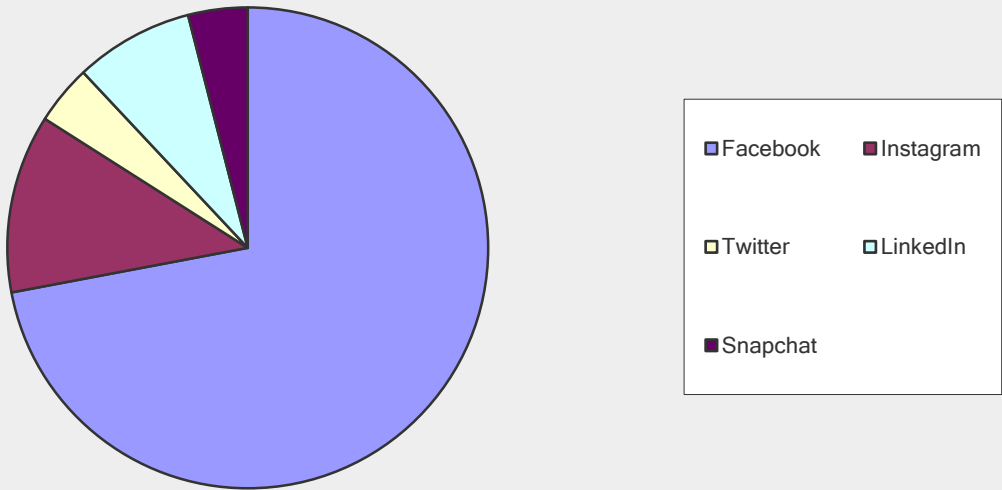
- 4 Open Sunday at Salinas Transfer Station
- 5 More tools for recycling
- 6 sharps collection in Greenfield
- 8 info about the green energy plant
- 9 Carpet? I like that you are taking goodwill items...but how does that work?
- 10 This is regards to Question No. 1, I think of Mandy Brooks when I think of SVSWA
- 11 Your seevices are more than successful can't think of more services to offer
- 12 None
- 13 -
- 14 one more community clean up where we have a place to take hard-to-get-rid-of junk.
- 15 More events where children get involved.
- 16 Expanded Construction & Demolition to include small quantity items + veneer & paint removal on wood products.
- 17 Secured paper shredding/recycling, once or twice a year. Maybe one of the cities in the JPA can be the "Host" so that residents can utilize this service.
- 18 Styrofoam recycling Textile recycling RX recycling
- 19 Work with businesses to develop recycling markets
- 20 provide good heavy duty trash bag for community clean up days
- 21 Not sure
- 22 Not sure.
- 23 tour of recycling facility, tour of landfill
- 24 Free household battery collection.
- 25 None in mind
- 26 Can't think of anything, keep up the great work!!
- 27 You guys are great, keep up the wonderful work!

Salinas Valley Recycles Survey

What social media platforms do you prefer or use the most?

Answer Options	Response Percent	Response Count
Facebook	66.7%	18
Instagram	11.1%	3
Twitter	3.7%	1
LinkedIn	7.4%	2
Snapchat	3.7%	1
skipped question		0

What social media platforms do you prefer or use the most?





Report to the Board of Directors

ITEM NO. 7

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Elia Zavala, Contracts & Grants Analyst

Title: A Resolution Approving an Inter-Agency Agreement with the City of Gonzales for Solid Waste/Recycling Contract Administration Services

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Authority's goal of achieving 75% waste diversion by ensuring that Tri Cities Disposal & Recycling (TCDR) is fulfilling its contract deliverables, such as public outreach and education programs and cleanup events that help maximize the diversion of recyclable and reusable materials.

FISCAL IMPACT

Under this Agreement, the City will continue to pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract through June 30, 2025. The Fee is paid in quarterly installments beginning April 1, 2017, and will be adjusted annually, each July, in accordance with the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area.

City and Authority staff feel that this Inter-Agency Agreement is the most cost-effective method of delivery of services. If at some time in the future, the cost-effectiveness is no longer feasible, there are mechanisms in the Agreement that allow for adjustments.

DISCUSSION & ANALYSIS

On October 3, 2016, the City of Gonzales approved the Revised and Restated Solid Waste, Recycling, and Organic Waste Collection Services Agreement ("Revised and Restated Franchise Agreement") with TCDR, and further on December 5, 2016, it approved an Inter-Agency Agreement with the Authority to continue to administer the Revised and Restated Franchise Agreement through the term of the TCDR Agreement.

The City of Gonzales has indicated that it has been well served by the Authority and, at this time, City staff does not have the time or expertise to manage this contract and therefore, wish to extend the services provided by the Authority for the same compensation as previously provided.

Both City and Authority staff agree that this Inter-Agency Agreement will provide the resources to maintain the same excellent services the City has been receiving from the Authority, which helps the City accomplish its waste diversion goals, while keeping the community clean.

Below is a list of the Authority duties in the capacity of contract administrator:

- Review, update, and track contract reporting requirements and timeframes per Appendix K of the revised and restated franchise agreement;
- Review, update, and track public outreach and education requirements and timeframes per Appendix F of the revised and restated franchise agreement;
- Assist the City in monitoring TCDR's conformance with the requirements and specifications of the revised and restated franchise agreement;
- Review of TCDR's monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organic waste data reports, complaint logs, and other additional reports as may be required by the City;
- Consult with the City and meet with TCDR to assist in the resolution of problems, if any, between TCDR and the City;
- Conduct quarterly Franchise meetings with TCDR and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- Preparation of contract amendments, as needed;
- Six-month progress report to the City Council on TCDR's initial performance since the start of the revised and restated franchise agreement;
- Annual presentation to the City Council on TCDR's performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- Assist the City with the annual adjustment to Contractor's compensation;
- Assist the City with the annual rate adjustment process;
- Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- Other services or periodic reports as requested by the City and agreed to by the Authority.

The Authority's role will be limited to administering the agreement between the City of Gonzales and TCDR. The City will continue to provide the interface with the residential and commercial customers including billing and complaint resolution. An interagency agreement between the Authority and the Cities of Soledad and Greenfield are pending approval.

BACKGROUND

As part of the "Enhanced AB 939 Service Program" adopted by the Board several years ago, Authority staff are made available to member agencies to assist with issues pertaining to their municipal waste, recycling and yard waste franchises. Under this program, the Authority assisted the Cities of Gonzales, Greenfield, and Soledad (Cities) to negotiate an extension and service level upgrade with the hauler, TCDR.

While working with the City Managers and the Authority Board representatives from the Cities, Authority staff was asked if the Authority would be willing to administer the contract between the Cities and TCDR. Staff brought this issue to the Authority Board on May 20, 2004, and received direction to proceed as the contract administrator. At that time, the Authority jointly administered contract services for the cities of Gonzales, Soledad and Greenfield. The current Franchise Agreement between TCDR and the Cities of Gonzales, Soledad, Greenfield, ends December 31, 2016. That Agreement allowed each city the option to internally manage the contract or utilize the Authority to administer it. Consequently, the Authority began providing contract administration services individually for each of the cities.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Inter-Agency Agreement

RESOLUTION NO. 2016 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AN INTER-
AGENCY AGREEMENT WITH THE CITY OF GONZALES FOR SOLID WASTE/RECYCLING
CONTRACT ADMINISTRATION SERVICES

WHEREAS, the City of Gonzales has revised and extended their Solid Waste, Recycling, and Organic Waste Collection Services Agreement with Tri Cities Disposal and Recycling (TCDR); and

WHEREAS, the contract extension includes new reporting, public outreach and education plan requirements; and

WHEREAS, the City of Gonzales desires assistance from the Authority in the administration of the contract with TCDR, and is willing to compensate the Authority for providing such contract administration services; and

WHEREAS, the Authority has the requisite expertise and is willing to provide contract administration services to the City of Gonzales.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute an Interagency Agreement with the City of Gonzales for Solid Waste Contract Administration Services attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 15th day of December 2016, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Simon Salinas, Vice President

Erika J. Trujillo, Clerk of the Board

INTER-AGENCY AGREEMENT FOR SOLID WASTE CONTRACT ADMINISTRATION SERVICES

The following is an Inter-Agency Agreement between the City of Gonzales (the City) and the Salinas Valley Solid Waste Authority (the "Authority").

WHEREAS, the City has revised and extended their solid waste, recycling, and organic waste collection services agreement with Tri Cities Disposal and Recycling (TCDR); and

WHEREAS, the contract extension includes new reporting, public outreach and education plan requirements; and

WHEREAS, in the past, the Authority jointly administered contract services for the cities of Gonzales, Soledad and Greenfield; the Authority will now administer contract services individually for each of the cities; and

WHEREAS, the City desires assistance from the Authority in the administration of the revised and restated contract with TCDR, and are willing to compensate the Authority for providing such contract administration services; and

WHEREAS, the Authority has the requisite expertise and is willing to provide contract administration services to the City;

NOW, THEREFORE the City and the Authority agree as follows:

ARTICLE 1- SERVICES TO BE SUPPLIED BY THE AUTHORITY

1.1 Included Services- The Authority shall provide the following contract administration services:

- A. Review, update, and track contract reporting requirements and timeframes per Appendix K of the revised and restated franchise agreement;
- B. Review, update, and track public outreach and education requirements and timeframes per Appendix F of the revised and restated franchise agreement;
- C. Assist the City in monitoring TCDR's conformance with the requirements and specifications of the revised and restated franchise agreement;
- D. Review of TCDR's monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organic waste data reports, complaint logs, and other additional reports as may be required by the City;
- E. Consult with the City and meet with TCDR to assist in the resolution of problems, if any, between TCDR and the City;
- F. Conduct quarterly Franchise meetings with TCDR and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- G. Preparation of contract amendments, as needed;
- H. Six-month progress report to the City Council on TCDR's initial performance since the start of the revised and restated franchise agreement;
- I. Annual presentation to the City Council on TCDR's performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- J. Assist the City with the annual adjustment to Contractor's compensation;
- K. Assist the City with the annual rate adjustment process;
- L. Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- M. Other services or periodic reports as requested by the City and agreed to by the Authority.

1.2 Excluded Services- The Authority's responsibility is limited to administering the contract between the City and TCDR and does not include dealing with the customers of the City. The City shall provide billing, customer service and all aspects of dealing with the residential and commercial customers.

ARTICLE 2- AUTHORITY COMPENSATION

The City shall pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract. The Fee shall be effective January 1, 2017 and paid in quarterly installments beginning April 1, 2017. The annual Contract Administration Fee shall be adjusted annually, each July 1st, commencing July 1, 2017, by the change in the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area using the February index in accordance with Appendix J of the revised and restated TCDR franchise agreement. The Authority may review and adjust the Contract Administration Fee at the end of each year of the contract, if the Authority's costs exceed the fee amount. The Authority shall give the City a minimum sixty (60) days notice of any proposed fee adjustment. The City may terminate this Agreement within said sixty-day notice period if the proposed fee adjustment is not acceptable.

ARTICLE 3- TERM

The term of this Agreement shall be for the TCDR's extended franchise period which begins January 1, 2017 and is scheduled to end June 30, 2025. In the event the Authority determines that it is not economic for the Authority to provide services to the City for the annual fees specific herein or in effect at any time under this Agreement, the Authority may terminate this Agreement before June 30, 2025, by giving the City six (6) months advance notice of such termination. The City may terminate this Agreement by giving the Authority six (6) months advance notice of such termination.

ARTICLE 4- RELEASE OF CLAIMS AND INDEMNITY

The City hereby waives and releases any claims, liabilities, demands and lawsuits that the City might otherwise have against the Authority and its agents and consultants arising out of or relating in any way to the Authority's performance of services pursuant to this Agreement. This release includes any unknown and unanticipated claims.

The Authority hereby waives and releases any claims, liabilities, demands and lawsuits that it may have against the City, its agents, employees and consultants arising out of or relating in any way to any claim, demand or lawsuit initiated by a third party against the Authority related to the Authority's performance of services pursuant to this Agreement. This release includes any unknown and unanticipated claims.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates indicated below.

CITY OF GONZALES

Dated: _____

By: _____
Rene Mendez, City Manager

City Clerk: Mary Villegas

By: _____

APPROVED AS TO FORM:

City Attorney: _____

By: _____

SALINAS VALLEY SOLID WASTE AUTHORITY

Dated: _____

By: _____
Simón Salinas, Board Vice President

Clerk of the Board: Erika J. Trujillo

By: _____

APPROVED AS TO FORM:

General Counsel: Thomas Bruen

By: _____



Report to the Board of Directors

ITEM NO. 8

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Elia Zavala, Contracts & Grants Analyst

Title: A Resolution Approving an Inter-Agency Agreement with the City of Greenfield for Solid Waste/Recycling Contract Administration Services

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Authority's goal of achieving 75% waste diversion by ensuring that Tri Cities Disposal & Recycling (TCDR) is fulfilling its contract deliverables, such as public outreach and education programs and cleanup events that help maximize the diversion of recyclable and reusable materials.

FISCAL IMPACT

Under this Agreement, the City will continue to pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract through June 30, 2025. The Fee is paid in quarterly installments beginning April 1, 2017, and will be adjusted annually, each July, in accordance with the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland - San Jose Metropolitan Area.

City and Authority staff feel that this Inter-Agency Agreement is the most cost-effective method of delivery of services. If at some time in the future, the cost-effectiveness is no longer feasible, there are mechanisms in the Agreement that allow for adjustments.

DISCUSSION & ANALYSIS

On September 27, 2016, the City of Greenfield approved the Revised and Restated Solid Waste, Recycling, and Organic Waste Collection Services Agreement ("Revised and Restated Franchise Agreement") with TCDR, and further on December 13, 2016, it will have considered an Inter-Agency Agreement with the Authority to continue to administer the Revised and Restated Franchise Agreement through the term of the TCDR Agreement.

The City of Greenfield has indicated that it has been well served by the Authority and, at this time, City staff does not have the time or expertise to manage this contract and therefore, wish to extend the services provided by the Authority for the same compensation as previously provided.

Both City and Authority staff agree that this Inter-Agency Agreement will provide the resources to maintain the same excellent services the City has been receiving from the Authority, which helps the City accomplish its waste diversion goals, while keeping the community clean.

Below is a list of the Authority duties in the capacity of contract administrator:

- Review, update, and track contract reporting requirements and timeframes per Appendix K of the revised and restated franchise agreement;
- Review, update, and track public outreach and education requirements and timeframes per Appendix F of the revised and restated franchise agreement;
- Assist the City in monitoring TCDR's conformance with the requirements and specifications of the revised and restated franchise agreement;
- Review of TCDR's monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organic waste data reports, complaint logs, and other additional reports as may be required by the City;
- Consult with the City and meet with TCDR to assist in the resolution of problems, if any, between TCDR and the City;
- Conduct quarterly Franchise meetings with TCDR and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- Preparation of contract amendments, as needed;
- Six-month progress report to the City Council on TCDR's initial performance since the start of the revised and restated franchise agreement;
- Annual presentation to the City Council on TCDR's performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- Assist the City with the annual adjustment to Contractor's compensation;
- Assist the City with the annual rate adjustment process;
- Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- Other services or periodic reports as requested by the City and agreed to by the Authority.

The Authority's role will be limited to administering the agreement between the City of Greenfield and TCDR. The City will continue to provide the interface with the residential and commercial customers including billing and complaint resolution. An interagency agreement with the City of Gonzales was approved on December 5, 2016, and with the City of Soledad on December 7, 2016.

BACKGROUND

As part of the "Enhanced AB 939 Service Program" adopted by the Board several years ago, Authority staff are made available to member agencies to assist with issues pertaining to their municipal waste, recycling and yard waste franchises. Under this program, the Authority assisted the Cities of Gonzales, Greenfield, and Soledad (Cities) to negotiate an extension and service level upgrade with the hauler, TCDR.

While working with the City Managers and the Authority Board representatives from the Cities, Authority staff was asked if the Authority would be willing to administer the contract between the Cities and TCDR. Staff brought this issue to the Authority Board on May 20, 2004, and received direction to proceed as the contract administrator. At that time, the Authority jointly administered contract services for the cities of Gonzales, Soledad and Greenfield. The current Franchise Agreement between TCDR and the Cities of Gonzales, Soledad, Greenfield, ends December 31, 2016. That Agreement allowed each city the option to internally manage the contract or utilize the Authority to administer it. Consequently, the Authority began providing contract administration services individually for each of the cities.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Inter-Agency Agreement

RESOLUTION NO. 2016 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AN INTER-
AGENCY AGREEMENT WITH THE CITY OF GREENFIELD FOR SOLID WASTE/RECYCLING
CONTRACT ADMINISTRATION SERVICES

WHEREAS, the City of Greenfield has revised and extended their Solid Waste, Recycling, and Organic Waste Collection Services Agreement with Tri Cities Disposal and Recycling (TCDR); and

WHEREAS, the contract extension includes new reporting, public outreach and education plan requirements; and

WHEREAS, the City of Greenfield desires assistance from the Authority in the administration of the contract with TCDR, and is willing to compensate the Authority for providing such contract administration services; and

WHEREAS, the Authority has the requisite expertise and is willing to provide contract administration services to the City of Greenfield.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute an Interagency Agreement with the City of Greenfield for Solid Waste Contract Administration Services attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 15th day of December 2016, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Simón Salinas, Vice President

Erika J. Trujillo, Clerk of the Board

EXHIBIT A

INTER-AGENCY AGREEMENT FOR SOLID WASTE CONTRACT ADMINISTRATION SERVICES

The following is an Inter-Agency Agreement between the City of Greenfield (the City) and the Salinas Valley Solid Waste Authority (the “Authority”).

WHEREAS, the City has revised and extended their refuse, recycling, and yard waste services agreement with Tri Cities Disposal and Recycling (TCDR); and

WHEREAS, the contract extension includes new reporting, public outreach and education plan requirements; and

WHEREAS, the City desires assistance from the Authority in the administration of the extended contract with TCDR, and are willing to compensate the Authority for providing such contract administration services; and

WHEREAS, the Authority has the requisite expertise and is willing to provide contract administration services to the City;

NOW, THEREFORE the City and the Authority agree as follows:

ARTICLE 1- SERVICES TO BE SUPPLIED BY THE AUTHORITY

1.1 Included Services- The Authority shall provide the following contract administration services:

- A. Review, update, and track contract reporting requirements and timeframes per Appendix K of the revised and restated franchise agreement;
- B. Review, update, and track public outreach and education requirements and timeframes per Appendix F of the revised and restated franchise agreement;
- C. Assist the City in monitoring TCDR’s conformance with the requirements and specifications of the revised and restated franchise agreement;
- D. Review of TCDR’s monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organic waste data reports, complaint logs, and other additional reports as may be required by the City;
- E. Consult with the City and meet with TCDR to assist in the resolution of problems, if any, between TCDR and the City;
- F. Conduct quarterly Franchise meetings with TCDR and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- G. Preparation of contract amendments, as needed;
- H. Six-month progress report to the City Council on TCDR’s initial performance since the start of the revised and restated franchise agreement;
- I. Annual presentation to the City Council on TCDR’s performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- J. Assist the City with the annual adjustment to Contractor’s compensation;
- K. Assist the City with the annual rate adjustment process;
- L. Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- M. Other services or periodic reports as requested by the City and agreed to by the Authority.

1.2 Excluded Services- The Authority’s responsibility is limited to administering the contract between the City and TCDR and does not include dealing with the customers of the City. The City shall provide billing, customer service and all aspects of dealing with the residential and commercial customers.

ARTICLE 2- AUTHORITY COMPENSATION

The City shall pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract. The Fee shall be effective January 1, 2017 and paid in quarterly installments beginning April 1, 2017. The annual Contract Administration Fee shall be adjusted annually, each July 1st, commencing July 1, 2017, by the change in the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area using the February index in accordance with Appendix J of the revised and restated TCDR franchise agreement. The Authority may review and adjust the Contract Administration Fee at the end of each year of the contract, if the Authority's costs exceed the fee amount. The Authority shall give the City a minimum sixty (60) days notice of any proposed fee adjustment. The City may terminate this Agreement within said sixty-day notice period if the proposed fee adjustment is not acceptable.

ARTICLE 3- TERM

The term of this Agreement shall be for the TCDR's extended franchise period which begins January 1, 2017 and is scheduled to end June 30, 2025. In the event the Authority determines that it is not economic for the Authority to provide services to the City for the annual fees specific herein or in effect at any time under this Agreement, the Authority may terminate this Agreement before June 30, 2025, by giving the City six (6) months advance notice of such termination. The City may terminate this Agreement by giving the Authority six (6) months advance notice of such termination.

ARTICLE 4- RELEASE OF CLAIMS AND INDEMNITY

The City hereby waives and releases any claims, liabilities, demands and lawsuits that the City might otherwise have against the Authority and its agents and consultants arising out of or relating in any way to the Authority's performance of services pursuant to this Agreement. This release includes any unknown and unanticipated claims.

The Authority hereby waives and releases any claims, liabilities, demands and lawsuits that it may have against the City, its agents, employees and consultants arising out of or relating in any way to any claim, demand or lawsuit initiated by a third party against the Authority related to the Authority's performance of services pursuant to this Agreement. This release includes any unknown and unanticipated claims.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates indicated below.

CITY OF GREENFIELD

Dated: _____

By: _____
Robert Perrault, Interim City Manager

City Clerk: Ann Rathbun

By: _____

APPROVED AS TO FORM:

City Attorney: _____

By: _____

SALINAS VALLEY SOLID WASTE AUTHORITY

Dated: _____

By: _____
Simón Salinas, Board Vice President

Clerk of the Board: Erika J. Trujillo

By: _____

APPROVED AS TO FORM:

General Counsel: Thomas Bruen

By: _____



Report to the Board of Directors

ITEM NO. 9

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Elia Zavala, Contracts & Grants Analyst

Title: A Resolution Approving an Inter-Agency Agreement with the City of Soledad for Solid Waste/Recycling Contract Administration Services

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Authority's goal of achieving 75% waste diversion by ensuring that Tri Cities Disposal & Recycling (TCDR) is fulfilling its contract deliverables, such as public outreach and education programs and cleanup events that help maximize the diversion of recyclable and reusable materials.

FISCAL IMPACT

Under this Agreement, the City will continue to pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract through June 30, 2025. The Fee is paid in quarterly installments beginning April 1, 2017, and will be adjusted annually, each July, in accordance with the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area.

City and Authority staff feel that this Inter-Agency Agreement is the most cost-effective method of delivery of services. If at some time in the future, the cost-effectiveness is no longer feasible, there are mechanisms in the Agreement that allow for adjustments.

DISCUSSION & ANALYSIS

On September 27, 2016, the City of Soledad approved the Revised and Restated Solid Waste, Recycling, and Organic Waste Collection Services Agreement ("Revised and Restated Franchise Agreement") with TCDR, and further on December 7, 2016, it approved an Inter-Agency Agreement with the Authority to continue to administer the Revised and Restated Franchise Agreement through the term of the TCDR Agreement.

The City of Soledad has indicated that it has been well served by the Authority and, at this time, City staff does not have the time or expertise to manage this contract and therefore, wish to extend the services provided by the Authority for the same compensation as previously provided.

Both City and Authority staff agree that this Inter-Agency Agreement will provide the resources to maintain the same excellent services the City has been receiving from the Authority, which helps the City accomplish its waste diversion goals, while keeping the community clean.

Below is a list of the Authority duties in the capacity of contract administrator:

- Review, update, and track contract reporting requirements and timeframes per Appendix K of the revised and restated franchise agreement;
- Review, update, and track public outreach and education requirements and timeframes per Appendix F of the revised and restated franchise agreement;
- Assist the City in monitoring TCDR's conformance with the requirements and specifications of the revised and restated franchise agreement;
- Review of TCDR's monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organic waste data reports, complaint logs, and other additional reports as may be required by the City;
- Consult with the City and meet with TCDR to assist in the resolution of problems, if any, between TCDR and the City;
- Conduct quarterly Franchise meetings with TCDR and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- Preparation of contract amendments, as needed;
- Six-month progress report to the City Council on TCDR's initial performance since the start of the revised and restated franchise agreement;
- Annual presentation to the City Council on TCDR's performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- Assist the City with the annual adjustment to Contractor's compensation;
- Assist the City with the annual rate adjustment process;
- Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- Other services or periodic reports as requested by the City and agreed to by the Authority.

The Authority's role will be limited to administering the agreement between the City of Soledad and TCDR. The City will continue to provide the interface with the residential and commercial customers including billing and complaint resolution. An interagency agreement with the City of Gonzales was approved on December 5, 2016, and the City of Greenfield is pending approval on December 13, 2016.

BACKGROUND

As part of the "Enhanced AB 939 Service Program" adopted by the Board several years ago, Authority staff are made available to member agencies to assist with issues pertaining to their municipal waste, recycling and yard waste franchises. Under this program, the Authority assisted the Cities of Gonzales, Greenfield, and Soledad (Cities) to negotiate an extension and service level upgrade with the hauler, TCDR.

While working with the City Managers and the Authority Board representatives from the Cities, Authority staff was asked if the Authority would be willing to administer the contract between the Cities and TCDR. Staff brought this issue to the Authority Board on May 20, 2004, and received direction to proceed as the contract administrator. At that time, the Authority jointly administered contract services for the cities of Gonzales, Soledad and Greenfield. The current Franchise Agreement between TCDR and the Cities of Gonzales, Soledad, Greenfield, ends December 31, 2016. That Agreement allowed each city the option to internally manage the contract or utilize the Authority to administer it. Consequently, the Authority began providing contract administration services individually for each of the cities.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Inter-Agency Agreement

RESOLUTION NO. 2016 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AN INTER-
AGENCY AGREEMENT WITH THE CITY OF SOLEDAD FOR SOLID WASTE/RECYCLING CONTRACT
ADMINISTRATION SERVICES

WHEREAS, the City of Soledad has revised and extended their Solid Waste, Recycling, and Organic Waste Collection Services Agreement with Tri Cities Disposal and Recycling (TCDR); and

WHEREAS, the contract extension includes new reporting, public outreach and education plan requirements; and

WHEREAS, the City of Soledad desires assistance from the Authority in the administration of the contract with TCDR, and is willing to compensate the Authority for providing such contract administration services; and

WHEREAS, the Authority has the requisite expertise and is willing to provide contract administration services to the City of Soledad.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute an Interagency Agreement with the City of Soledad for Solid Waste Contract Administration Services attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 15th day of December 2016, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Simón Salinas, Vice President

Erika J. Trujillo, Clerk of the Board

EXHIBIT - A

INTER-AGENCY AGREEMENT FOR SOLID WASTE CONTRACT ADMINISTRATION SERVICES

The following is an Inter-Agency Agreement between the City of Soledad (the City) and the Salinas Valley Solid Waste Authority (the "Authority").

WHEREAS, the City has revised and extended its solid waste, recycling, and organics collection services agreement with Tri Cities Disposal and Recycling (TCDR); and

WHEREAS, the contract extension includes new reporting, public outreach and education plan requirements; and

WHEREAS, in the past, the Authority jointly administered contract services for the cities of Gonzales, Soledad and Greenfield; the Authority will now administer contract services individually for each of the cities; and

WHEREAS, the City desires assistance from the Authority in the administration of the extended contract with TCDR, and is willing to compensate the Authority for providing such contract administration services through the collection of service fees from collection service customers; and

WHEREAS, the Authority has the requisite expertise and is willing to provide contract administration services to the City;

NOW, THEREFORE the City and the Authority agree as follows:

ARTICLE 1- SERVICES TO BE SUPPLIED BY THE AUTHORITY

1.1 Included Services- The Authority shall provide the following contract administration services:

- A. Review, update, and track contract reporting requirements and timeframes per Appendix K of the revised and restated franchise agreement;
- B. Review, update, and track public outreach and education requirements and timeframes per Appendix F of the revised and restated franchise agreement;
- C. Assist the City in monitoring TCDR's conformance with the requirements and specifications of the revised and restated franchise agreement;
- D. Review of TCDR's monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organics waste data reports, complaint logs, and other additional reports as may be required by the City;
- E. Consult with the City and meet with TCDR to assist in the resolution of problems, if any, between TCDR and the City;
- F. Conduct quarterly Franchise meetings with TCDR and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- G. Preparation of contract amendments, as needed;
- H. Six-month progress report to the City Council on TCDR's initial performance since the start of the revised and restated franchise agreement;
- I. Annual presentation to the City Council on TCDR's performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- J. Assist the City with the annual adjustment to Contractor's compensation;
- K. Assist the City with the annual rate adjustment process;
- L. Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- M. Other services or periodic reports as requested by the City and agreed to by the Authority.

1.2 Excluded Services- The Authority's responsibility is limited to administering the contract between the City and TCDR and does not include dealing with the customers of the City. The City shall provide billing, customer service and all aspects of dealing with the residential and commercial customers.

ARTICLE 2- AUTHORITY COMPENSATION

The City shall pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract. The Fee shall be effective January 1, 2017 and paid in quarterly installments beginning April 1, 2017. The annual Contract Administration Fee shall be adjusted annually, each July 1st, commencing July 1, 2017, by the change in the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area using the February index in accordance with Appendix J of the revised and restated TCDR franchise agreement. The Authority may review and adjust the Contract Administration Fee at the end of each year of the contract, if the Authority's costs exceed the fee amount. The Authority shall give the City a minimum sixty (60) days notice of any proposed fee adjustment. The City may terminate this Agreement within said sixty-day notice period if the proposed fee adjustment is not acceptable.

ARTICLE 3- TERM

The term of this Agreement shall be for the TCDR's extended franchise period which begins January 1, 2017 and is scheduled to end June 30, 2025. In the event the Authority determines that it is not economic for the Authority to provide services to the City for the annual fees specific herein or in effect at any time under this Agreement, the Authority may terminate this Agreement before June 30, 2025, by giving the City six (6) months advance notice of such termination. The City may terminate this Agreement by giving the Authority six (6) months advance notice of such termination.

ARTICLE 4- RELEASE OF CLAIMS AND INDEMNITY

The City hereby waives and releases any claims, liabilities, demands and lawsuits that the City might otherwise have against the Authority and its agents and consultants arising out of or relating in any way to the Authority's performance of services pursuant to this Agreement, except for claims that arise solely out of Authority's negligence or willful misconduct. This release includes any unknown and unanticipated claims.

The Authority hereby waives and releases any claims, liabilities, demands and lawsuits that it may have against the City, its agents, employees and consultants arising out of or relating in any way to any claim, demand or lawsuit initiated by a third party against the Authority related to the Authority's performance of services pursuant to this Agreement, except for claims that arise solely out of City's negligence or willful misconduct. This release includes any unknown and unanticipated claims.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates indicated below.

CITY OF SOLEDAD

Dated: _____

By: _____
Don Wilcox, Interim City Manager

City Clerk: Don Wilcox

By: _____

APPROVED AS TO FORM:

City Attorney: _____

By: _____

SALINAS VALLEY SOLID WASTE AUTHORITY

Dated: _____

By: _____
Simón Salinas, Board Vice President

Clerk of the Board: Erika J. Trujillo

By: _____

APPROVED AS TO FORM:

General Counsel: Thomas Bruen

By: _____



Report to the Board of Directors

ITEM NO. 10

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Mandy Brooks, Resource Recovery Manager

Title: Prescription Drug Collection Program Report

RECOMMENDATION

Staff recommends that the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

The implementation of a prescription drug collection program supports SVR's Strategic Goal to "Select and Implement Facilities and Programs That Lead to Achievement of at Least 75% Waste Diversion". The collection program will be hosted by two, local Salinas pharmacies and will provide Salinas Valley residents an opportunity to safely dispose of their unused or expired medications and prescriptions.

FISCAL IMPACT

The annual estimated disposal costs for monthly collection at two pharmacies is \$7,200 (or \$3,600 per site). **Resource Recovery's Public Education** budget has sufficient funding to cover the disposal costs for the remainder of FY 2016-17. Based on anticipated cost savings (from joining the PaintCare Program), the HHW budget will be able to absorb the disposal costs going forward beginning in FY 2017-18.

DISCUSSION & ANALYSIS

At the July 13, 2016 Board Retreat, staff was asked to explore a Prescription Drug Collection Program and present options to the Board.

The California Product Stewardship Council (CPSC) approached SVR about partnering on a grant they received from the Rose Foundation to purchase medicine collection bins and conduct public outreach and education. Due to the limited term of the available grant funding, SVR partnered with CPSC to move forward with implementing the program. The grant funds do not cover disposal costs and are restricted to the Monterey Peninsula watershed region (including Salinas). As a matching contribution to the grant, SVR will pay for the disposal costs of the collection bins located in Salinas.

Medicine collection bins have been ordered for placement at two pharmacies in Salinas: AllCare Pharmacy on Main St and Alisal Pharmacy on Sanborn Rd. Each pharmacy will receive one collection bin and the program is open to any Salinas Valley resident, not just pharmacy customers.

CPSC has worked with each pharmacy to amend their registrations with the US Drug Enforcement Administration (DEA) to be able to accept the controlled substances and has submitted the necessary medical waste permit paperwork to the County on behalf of the pharmacies. The bins will arrive in December and program promotion and outreach will begin in early 2017.

BACKGROUND

For years, local water and waste water agencies have urged residents not to flush unused or expired pharmaceuticals due to trace levels of drug compounds being found in drinking water supplies. The recommended best option for disposal was to first check with pharmacies **to see if they'd take them back**. If not, residents were instructed to put the unused or expired medications in a sealed container full of absorbent material (i.e. kitty litter or coffee grounds) and throw it away in the garbage. However, with **America's** prescription drug abuse crisis on the rise it has become increasingly important to provide a safe and convenient option to properly dispose of unused or expired medication.

Per the amended regulations of the Secure and Responsible Drug Disposal Act of 2010 (administered by the DEA) **SVR's HHW facility** is not eligible to be an authorized collector of pharmaceutical controlled substances. An **"authorized collector"** includes registered manufacturers, distributors, reverse distributors, narcotic treatment programs, hospitals/clinics with an on-site pharmacy, or retail pharmacies that are authorized to receive a controlled substance for the purpose of destruction. In addition, only law enforcement agencies can sponsor periodic National Prescription Take Back events. **Gonzales's** Police Department in partnership with Sun St Centers recently hosted a take-back event on Oct 22 and collected approximately 100 pounds of prescription drugs and medications.

The California Product Stewardship Council (CPSC) received a \$25,000 grant from the Rose Foundation for Communities and the Environment to expand the **"Don't Rush to Flush" program** into the Monterey Peninsula by promoting and purchasing medicine collection bins to be placed at pharmacies or police departments throughout the local watershed. **The Don't Rush to Flush program has been** very successful in Sacramento, Yolo, Contra Costa, and Santa Clara Counties.

The Monterey Regional Waste Management District and Monterey Regional Water Pollution Control Agency have also partnered **on CPSC's** grant and will receive three medicine collection bins for placement at the Community Hospital of the Monterey Peninsula (CHOMP) and an alternate peninsula location.



Report to the Board of Directors

ITEM NO. 11

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Ray Hendricks, Finance Manager

Title: A Resolution Approving the Allocation of Cash Balances for Fiscal Year 2015-16, and Supplemental Appropriation for CIP 9527 – JC Module 7 Engineering and Construction

RECOMMENDATION

Staff encourages that the Board of Directors adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

This is a routine annual financial item.

FISCAL IMPACT

This item designates cash balances at 06-30-2016. A supplemental appropriation of \$300,000 will be made to CIP 9527 – JC Module 7 Engineering and Construction using cash balances at 06-30-2016 prior to allocation to designated reserves in accordance to Board policy.

(continued to next page)

DISCUSSION & ANALYSIS

In order to determine the cash balance at 06-30-2016, the total of cash and investments at 06-30-2016 was reduced by the funds held by legal agreements, committed by Board policy, held in trust, or previously assigned by Board direction. Calculations are as follows:

Cash Balance at 06-30-2016	\$ 18,047,412.18
<u>Restricted By Legal Agreement</u>	
Restricted for Closure	3,551,777.05
Restricted for Grants	19,172.06
<u>Fund Held in Trust</u>	
CCRMC Trust	49,279.85
Employee FSA Trust	3,365.60
<u>Committed by Board Policy</u>	
Expansion Fund	8,078,482.39
AB939 Fund Balance	523,822.00
Rate Stabilization Fund	27,060.55
Designated for Capital Projects Reserve	763,581.08
Designated for Operating Reserve	254,527.02
Designated for Environmental Impairment Reserve	254,527.02
<u>Assigned by Budget</u>	
Assigned for CIP	2,345,436.11
Assigned for OPEB	179,500.00
Total Available for Surplus Allocation	\$ 1,996,881.45

As the agency works towards deciding its long range facility needs, it is time to begin planning for the next cell at Johnson Canyon. While the future direction that the Board takes regarding expanding waste reduction activities and projects greatly impacts the date that the new cell will be needed, it is important that the funding of the project begin now in order to ensure that there is adequate funding when the construction of the cell is necessary. During the FY 2016-17 CIP budget process, CIP 9527 was created with a \$50,000 budget to initiate preliminary engineering. Staff recommends that the Board approve the supplemental appropriation in the amount of \$300,000 from the FY 2015-16 surplus prior to allocation of funds to the designated reserves.

Using the allocation percentage approved by the Board, after adjusting the balance for the supplemental CIP appropriations, fund balances are designated as follows:

Total Available for Surplus Allocation	\$ 1,996,881.45
Fund CIP 9527 - JC Module 7 Engineering and Construction	<u>(300,000.00)</u>
Adjusted Allocation Amount	<u>1,696,881.45</u>
Designated for Reserves	
Designated for Capital Projects Reserve	1,018,128.87
Designated for Operating Reserve	339,376.29
Designated for Environmental Impairment Reserve	<u>339,376.29</u>
Total Surplus Allocation	<u>\$ 1,696,881.45</u>

Following is a summary of the reserve balances at 10-31-2016, followed by a brief analysis.

Designated for Capital Projects Reserve

Balance at 06-30-2016	\$ 763,581.08
Less for CIP use FY 2016-17	(763,581.08)
FY 2015-16 Surplus Allocation	<u>1,018,128.87</u>
Ending Balance	<u>\$ 1,018,128.87</u>

During the budget process, in order to minimize the rate increase, the Board elected to use the CIP reserves to fund the repayment of \$365,000 to the Johnson Canyon Road Improvement Project, and loan \$398,581.08 to partially fund the Jolon Road Equipment Purchases needed to begin staff run operations at Jolon Road Transfer Station on September 1, 2016. The \$398,581.08 will be repaid from the Jolon Road operating fund over the next few years. The first payment will be included in the FY 2017-18 Budget.

Designated for Operating Reserve

Balance at 06-30-2016	\$ 254,527.02
FY 2015-16 Surplus Allocation	<u>339,376.29</u>
Ending Balance	<u>\$ 593,903.31</u>

The Operating Reserve goal is 15% of the Operations Budget. The \$593,903 balance is 3.7% of the \$15,902,000 FY 2016-17 Operations Budget.

Designated for Environmental Impairment Reserve

Balance at 06-30-2016	\$ 254,527.02
FY 2015-16 Surplus Allocation	<u>339,376.29</u>
Ending Balance	<u>\$ 593,903.31</u>

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

<i>As of June 30, 2012</i>	<i>Improvements</i>	<i>Maintenance*</i>	<i>Contingency</i>	<i>Total</i>
<i>Corrective Action - CHL</i>	2,908,200	6,583,500	-	9,491,700
<i>Corrective Action - JRL</i>		1,302,000	-	1,302,000
<i>Site Remediation - JCL</i>	385,106	377,220	-	762,326
<i>Corrective Action - LRL</i>	122,700	226,000	35,000	383,700
<i>Total Liabilities</i>	<i>\$3,416,006</i>	<i>\$8,488,720</i>	<i>\$35,000</i>	<i>\$11,939,726</i>

* Maintenance period covers up to 30 years

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

Under the financial assurance agreements with CalRecycle, the Authority has covenanted that it will provide the necessary funding if and when required. This means that the Authority would increase rates as necessary to cover the above expenses. However, it is highly unlikely that all three sites would need corrective action at the same time. The funding goal is \$1.7 million, half of the total improvements shown above. The \$593,903.31 balance is 35.3% of the \$1.7 million funding goal.

BACKGROUND

On April 17, 2014, the Board approved the updated financial policies. Section 3 (Fund Balance/Reserves) of this document designates how fund balance will be allocated.

1. Operating Reserves (20%)
2. Capital Projects Reserves (60%)
3. Environmental Impairment Reserves (20%)

Any allocation outside of the prescribed methodology or transfers between reserves must be approved by the Board.

ATTACHMENT(S)

1. Resolution 2016
2. Resolution 2014-11

RESOLUTION NO. 2016 –

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING THE ALLOCATION OF CASH BALANCES FOR FISCAL YEAR 2015-16 AND
SUPPLEMENTAL APPROPRIATION FOR CIP 9527 – JC MODULE 7 ENGINEERING AND
CONSTRUCTION

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority approved the revised financial policies by adoption of Resolution No. 2014-11; and,

WHEREAS, the Fiscal Year 2015-16 fund balance is to be allocated as follows: Operating Reserves (20%), Capital Projects Reserves (60%), and Environmental Impairment Reserves (20%); and,

WHEREAS, the allocation of funds for the future construction of the next cell at Johnson Canyon Landfill are necessary; and,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the allocation of cash balances for FY 2015-16, attached hereto and marked “Exhibit A” is hereby approved; and,

BE IT FURTHER RESOLVED, that a Supplemental Appropriation for CIP 9527 – JC Module 7 Engineering and Construction in the amount of \$300,000 is hereby approved; and,

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

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 15th day of December 2016, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Simón Salinas, Vice President

Erika J. Trujillo, Clerk of the Board

Exhibit A

Total Available for Surplus Allocation	\$ 1,996,881.45
Fund CIP 9527 - JC Module 7 Engineering and Construction	<u>(300,000.00)</u>
Adjusted Allocation Amount	<u><u>1,696,881.45</u></u>
Designated for Reserves	
Designated for Capital Projects Reserve	1,018,128.87
Designated for Operating Reserve	339,376.29
Designated for Environmental Impairment Reserve	<u>339,376.29</u>
Total Surplus Allocation	<u><u>\$ 1,696,881.45</u></u>

RESOLUTION NO. 2014 - 11

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY ADOPTING THE REVISED FINANCIAL POLICIES

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the Financial Policies attached hereto as Exhibit "A" are hereby adopted.

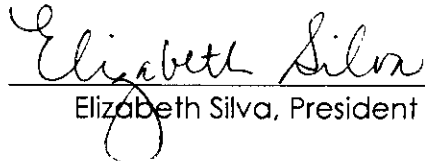
PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at the regular meeting duly held on the 17th day of April 2014 by the following vote:

AYES: BOARD MEMBERS: ARMENTA, BARRERA, CULLEN, DE LA ROSA, LUTES,
PEREZ, RODRIGUEZ, SALINAS, SILVA


NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: MORENO

ABSTAIN: BOARD MEMBERS: NONE


Elizabeth Silva, President

ATTEST:


Elia Zavala, Clerk of the Board

Salinas Valley Solid Waste Authority

Financial Policies

Exhibit A

SUMMARY

The SVSWA Board of Directors recognizes their fiduciary responsibility by virtue of their appointment to the Board. In an effort to promote transparency in the fiscal affairs of the Authority and to promote fiscal accountability, it hereby adopts the following financial policies to guide the Authority's finances:

1. Revenues: The Authority will maintain a revenue system that will assure a reliable, equitable, predictable revenue stream to support Authority services.
2. Expenditures: The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.
3. Fund Balance/Reserves: The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable occurrences or emergencies.
4. Capital Expenditures and Improvements: The Authority shall annually review the state of its capital assets, setting priorities for its replacement and renovation based on needs, funding, alternatives and availability of resources.
5. Debt: The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.
6. Investments: The Authority's cash will be invested in such a manner so as to ensure the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield.
7. Grants: The Authority shall seek, apply for and effectively administer federal, state and foundation grants that address the Authority's current priorities and policy objectives.
8. Closure Funding: The Authority shall properly fund all closure and postclosure costs in accordance with California Integrated Waste Management Board (CIWMB) requirements.
9. Fiscal Monitoring: Authority staff shall prepare and present to the Board regular reports that analyze, evaluate and forecast the Authority's financial performance and economic condition.
10. Accounting, Auditing and Financial Reporting: The Authority's accounting, auditing and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.

Salinas Valley Solid Waste Authority Financial Policies

11. Internal Controls: The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.
12. Operating Budget: The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.
13. Capital Assets: The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles so as to maintain proper control of all capital assets.

Salinas Valley Solid Waste Authority

Financial Policies

1 - REVENUES

The Authority will maintain a revenue system that will assure a reliable, equitable, predictable revenue stream to support Authority services.

A. User Fees

The Authority shall establish and collect fees to recover the costs of handling specific items that benefit only specific users. The Authority Board shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the Authority shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

B. Tipping Fees

Tipping fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements, and provide adequate levels of working capital. Tipping Fees are not expected to cover depreciation/depletion.

C. One Time Revenues

One-time revenues shall be used only for one-time expenditures.

D. Revenue Estimates

The Authority shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and thus avoid mid-year service reductions.

E. Revenue Collection and Administration

The Authority shall pursue to the full extent allowed by state law all delinquent ratepayers and others overdue in payments to the Authority. Since a revenue should exceed the cost of producing it, the Authority shall strive to control and reduce administrative collection costs.

Salinas Valley Solid Waste Authority

Financial Policies

2 - EXPENDITURES

The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

A. Current Funding Basis

The Authority shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues.

B. Avoidance of Operating Deficits

The Authority shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Reserves Policy. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the Authority shall maintain capital assets and infrastructure at a sufficient level to protect the Authority's investment, to minimize future replacement and maintenance costs, and to continue current service levels.

D. Periodic Program Reviews

The General Manager shall undertake periodic staff and third-party reviews of Authority programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternative approaches to service delivery. Programs which are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

E. Purchasing

The Authority shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall use competitive bidding whenever possible to attain the best possible price on goods and services.

Salinas Valley Solid Waste Authority

Financial Policies

3 - FUND BALANCE/RESERVES

The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable emergencies.

A. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to fifteen percent (15%) of the current year operating expenditures, to provide sufficient reserves for unforeseen occurrences and revenue shortfalls. Operating expenditures for reserve purposes is defined as the total budget less capital project expenditures.

B. Funding the Reserves

After completion of the annual audit, any undesignated fund balance will be allocated to reserves using the following methodology:

1. Operating Reserve (20%)
2. Capital Projects Reserve (60%)
3. Environmental Impairment Reserve (20%)

Any allocation outside of the prescribed methodology or transfers between reserves must be approved by the Board.

C. Capital Projects Reserve

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

E. Use of Operating Reserve

The Operating Reserve shall be used only for its designated purpose - emergencies, non-recurring expenditures, or major capital purchases that can not be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective, restoration recommendations will accompany the decision to utilize said reserve.

F. Environmental Impairment Reserve

Salinas Valley Solid Waste Authority

Financial Policies

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

G. Annual Review of Reserves

As part of the annual budget process, the Authority will review the target amount and the status of each of the reserves. This will be taken into account as part of the budget development. The goal is to reach the Operating and Environmental Impairment Reserve amounts within a five year period but in no case later than 10 years.

Salinas Valley Solid Waste Authority

Financial Policies

4 - CAPITAL EXPENDITURES AND IMPROVEMENTS

The Authority shall annually review the state of its capital assets, setting priorities for their replacement and renovation based on needs, funding, alternatives and availability of resources.

A. Capital Improvement Plan

The Authority shall prepare a 10-Year Capital Improvement Plan (CIP) which will detail the Authority's capital needs financing requirements. The CIP will be reviewed and approved every two (2) years before discussions of the operating budget take place. It will include budget financing for the first two years. The CAO will develop guidelines for what projects to include in the CIP. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every capital project, all operation, maintenance and replacement costs shall be fully disclosed. The CIP will be in conformance with and support the Authority's major planning documents and 3-year Strategic Plans..

B. Capital Improvement Budget

The CIP will be the basis for which projects will be included in the following year's budget. Appropriations will be approved annually using the following criteria:

1. Linkage with needs identified in the Authority's planning documents.
2. Cost/benefit analysis identifying all economic or financial impacts of the project.
3. Identification of available funding resources.

CIP funding will be based on the following priorities:

1. Projects that comply with regulatory requirements.
2. Projects that maintain health and safety standards.
3. Projects that maintain and preserve existing facilities.
4. Projects that replace existing facilities that can no longer be maintained.
5. Projects that improve operations.

C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

1. Use current revenues;
2. Use the Capital Projects Reserve;
3. Borrow money through debt issuance.

Debt financing includes revenue bonds, certificates of obligation, lease/purchase agreements, and other obligations permitted to be issued or incurred under California law. Guidelines for assuming debt are set forth in the Debt Policy Statements.

D. Capital Projects Reserve Fund

Salinas Valley Solid Waste Authority

Financial Policies

A Capital Projects Reserve Fund shall be established and maintained to accumulate funds transferred from the undesignated fund balance. This fund shall only be used to pay for non-routine and one-time capital expenditures such as land and building purchases or construction and maintenance projects with a 10-year life. Expenditures from this Fund shall be aimed at protecting the health and safety of residents, employees and the environment, and protecting the existing assets of the Authority.

E. Capital Projects Management

The Authority will fund and manage its capital projects in a phased approach. The project phases will become a framework for appropriate decision points and reporting. The phasing will consist of:

1. Conceptual/schematic proposal
2. Preliminary design and cost estimate
3. Engineering and final design
4. Bid administration
5. Acquisition/construction
6. Project closeout

Each project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, periodically report project status and track project expenditures.

Salinas Valley Solid Waste Authority

Financial Policies

5 - DEBT

The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.

A. Use of Debt Financing

The issuance of long-term debt will be only for the acquisition of land, capital improvements or equipment.

Debt financing is not considered appropriate for current operations, maintenance expenses, or for any recurring purposes.

B. Conditions for Debt Issuance

The Authority may use long-term debt to finance major equipment acquisition or capital project only if it is established through a cost/benefit analysis that the financial and community benefits of the financing exceed the financing costs. Benefits would include, but not be limited to, the following:

1. Present value benefit: The current cost plus the financing cost is less than the future cost of the project.
2. Maintenance value benefit: The financing cost is less than the maintenance cost of deferring the project.
3. Equity benefit: Financing provides a method of spreading the cost of a facility back to the users of the facility over time.
4. Community benefit: Debt financing of the project enables the Authority to meet an immediate community need.

Debt financing will be used only when project revenues or other identified revenue sources are sufficient to service the debt.

C. Debt Structure

The Authority's preference is to issue fixed-rate, long-term debt with level debt service, but variable rate debt or other debt service structure may be considered if an economic advantage is identified for a particular project.

Bond proceeds, for debt service, will be held by an independent bank acting as trustee or paying agent.

Salinas Valley Solid Waste Authority

Financial Policies

The Authority's minimum bond rating objective for all debt issues is a Moody's and Standard & Poor's rating of A (upper medium grade). Credit enhancements will be used to achieve higher ratings when there is an economic benefit.

The Authority may retain the following contract advisors for the issuance of debt:

1. Financial Advisor - To be selected, when appropriate, by negotiation to provide financial analysis and advice related to the feasibility and structure of the proposed debt.
2. Bond Counsel - To be selected by negotiation for each debt issue.
3. Underwriters - To be selected by negotiation or competitive bid for each bond issue based upon the proposed structure for each issue.

D. Call Provisions

Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the Authority. When possible, all bonds shall be callable only at par.

E. Debt Refunding

Authority staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3.5% of the refunded maturities.

F. Interest Earnings

Interest earnings received on the investment of bond proceeds shall be used to assist in paying the interest due on bond issues, to the extent permitted by law.

G. Lease/Purchase Agreements

Over the lifetime of a lease, the total cost to the Authority will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

Salinas Valley Solid Waste Authority

Financial Policies

6 - INVESTMENTS

The Authority's cash will be invested in such a manner so as to insure the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield after meeting the first two requirements.

A. Investment Policy

The Authority Treasurer is both authorized and required to promulgate a written Statement of Investment Policy which shall be presented to the Board annually.

B. Interest Earnings

Interest earned from investments shall be distributed to the operating funds from which the money was provided, with the exception that interest earnings received on the investment of bond proceeds shall be attributed and allocated to those debt service funds responsible for paying the principal and interest due on the particular bond issue.

Salinas Valley Solid Waste Authority

Financial Policies

7 - GRANTS

The Authority shall seek, apply for and effectively administer federal, state and foundation grants-in-aid that address the Authority's current priorities and policy objectives.

A. Grant Guidelines

The Authority shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs previously identified by the Board. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. Indirect Costs

The Authority shall recover full indirect costs unless the funding agency does not permit it. The Authority may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

C. Grant Review

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Authority's policy objectives. Departments shall seek Board approval prior to submission of a grant application. Should time constraints under the grant program make this impossible, the department shall obtain approval to submit an application from the CAO and then, at the earliest feasible time, seek formal Board approval. If there are cash match requirements, the source of funding shall be identified prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.

D. Grant Program Termination

The Authority shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

Salinas Valley Solid Waste Authority

Financial Policies

8 - CLOSURE FUNDING

The Authority shall properly fund all closure and postclosure costs in accordance with CIWMB requirements.

A. Closure Funding

In accordance with CIWMB requirements, the Authority shall annually set aside sufficient funds to fully fund all accrued closure costs liability. These funds will be held in a separate Closure Fund restricted specifically for this purpose.

B. Postclosure Funding

In accordance with the Financial Assurances, the Authority shall fund postclosure costs from future revenues when those costs are incurred. The Authority will not pre-fund postclosure costs in its operating budget. The Authority has entered into Pledge of Revenue with the CIWMB for this purpose.

C. Closure Funding Calculations

The Authority shall, as part of the budget process, annually recalculate the closure costs on a per ton basis. Funds will be transferred on a monthly basis to the Closure funds based on tonnage land-filled. Post closure expense incurred as a result of current fiscal year solid waste disposal will be recorded as an expense on the Authority's financial statements with a corresponding liability.

Salinas Valley Solid Waste Authority

Financial Policies

9 - FISCAL MONITORING

Authority staff shall prepare and present to the Board regular reports that analyze, evaluate and forecast the Authority's financial performance and economic condition.

A. Financial Status and Performance Reports

Monthly reports comparing expenditures and revenues to current budget, noting the status of fund balances, and outlining any remedial actions necessary to maintain the Authority's financial position shall be prepared for review by the Board.

B. Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures, to include a discussion of major trends affecting the Authority's financial position, shall be prepared in anticipation of the annual budget process. The forecast shall also examine critical issues facing the Authority, economic conditions, and the outlook for the upcoming budget year. The document shall provide insight into the Authority's financial position and alert the Board to potential problem areas requiring attention.

C. Semi-Annual Status Report on Capital Projects

A summary report on the contracts awarded, capital projects completed and the status of the Authority's various capital projects will be prepared at least semi-annually and presented to the Board.

D. Compliance with Board Policy Statements

The Financial Policies will be reviewed annually by the Board and updated, revised or refined as deemed necessary. Policy statements adopted by the Board are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained.

Salinas Valley Solid Waste Authority

Financial Policies

10 - ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

The Authority's accounting, auditing and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.

A. Conformance to Accounting Principles

The Authority's accounting practices and financial reporting shall conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

B. Popular Reporting

In addition to issuing a comprehensive annual financial report (CAFR) in conformity with GAAP, the Authority shall supplement its CAFR with a simpler, "popular" report designed to assist those residents who need or desire a less detailed overview of the Authority's financial activities. This report should be issued no later than six months after the close of the fiscal year.

Salinas Valley Solid Waste Authority

Financial Policies

11 - INTERNAL CONTROLS

The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.

A. Proper Authorizations

Procedures shall be designed, implemented and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

B. Separation of Duties

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

C. Proper Recording

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded and that all financial reports may be relied upon as accurate, complete and up-to-date.

D. Access to Assets and Records

Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records.

E. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

F. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

Salinas Valley Solid Waste Authority

Financial Policies

12 - OPERATING BUDGET

The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.

A. Budget Format

The budget shall provide a complete financial plan of all Authority funds and activities for the ensuing fiscal year and shall be in such form as the Chief Administrative Officer deems desirable or that the Board may require.

The budget shall begin with a clear general summary of its contents. It shall show in detail all estimated revenues, all carry-over fund balances and reserves, and all proposed expenditures, including debt service, for the ensuing fiscal year.

The total of proposed expenditures shall not exceed the total of estimated revenues plus the un-appropriated fund balance, exclusive of reserves, for any fund.

The budget will be organized on a program/service level format.

The budget development process will include the identification and evaluation of policy options for increasing and decreasing service levels.

B. Estimated Revenues

The Authority will annually update its revenue forecast to enhance the budgetary decision-making process.

In its budget projections, the Authority will attempt to match current expense to current revenue. If it becomes apparent that revenue shortfalls will create a deficit, efforts will be made first to reduce the deficiency through budgetary reductions.

If appropriate reductions are insufficient, the Board may decide, on an exception basis, to use an appropriate existing reserve, which is in excess of minimum reserve requirements.

C. Appropriations

In evaluating the level of appropriations for program enhancements, or reductions, the Authority will apply the following principles in the priority order given:

1. Essential services, which provide for the health and safety of residents will be funded to maintain current dollar levels.
2. The budget will provide for adequate ongoing maintenance of facilities and equipment.
3. Appropriations for program enhancements or reductions will be evaluated on a case-by-case basis rather than across the board.

Salinas Valley Solid Waste Authority

Financial Policies

4. When reductions in personnel are necessary to reduce expenditures, they shall be consistent with the Authority Board's established service level priorities and, when possible, shall be accomplished through normal attrition.
5. Programs, which are self-supported by special revenues or fees, shall be separately evaluated.

Prior to the Authority Board making any supplemental appropriation, the CAO or Finance Manager shall certify that funds in excess of those estimated in the budget are available for appropriation. Any such supplemental appropriations shall be made for the fiscal year by Board action up to the amount of any excess.

Appropriations may be reduced any time during the fiscal year by the Authority Board upon recommendation of the CAO. When appropriation reductions are recommended, the CAO shall provide specific recommendations to the Board, indicating the estimated amount of the reduction, any remedial actions taken, and recommendations as to any other steps to be taken.

The CAO may transfer appropriations between divisions, and division managers may transfer appropriations between programs and accounts within their individual divisions, but only the Board by resolution may appropriate funds from reserves or fund balances.

All appropriations, except for Capital Improvement Program and Grant Programs appropriations, shall lapse at the end of the fiscal year to the extent that they have not been expended or encumbered. An appropriation in the Capital Improvement Program shall continue in force until expended, revised, or cancelled.

The Authority will endeavor to budget an appropriated contingency account in all Divisions operating budget equal to one percent of the total Operating Budget to meet changing operational requirements during the fiscal year.

Salinas Valley Solid Waste Authority

Financial Policies

13 - CAPITAL ASSETS

The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles so as to maintain proper control of all capital assets.

A. Overview – The Finance Division will maintain a capital asset management system that will meet external financial reporting requirements and the needs of the Authority in line with these policies.

1. Capital assets are recorded as expenditures in governmental funds at the time the assets are received and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements. Enterprise fixed assets are recorded as assets within the fund when purchased and a liability is incurred.
- i. GASB 34 defines Capital Assets as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
- ii. GASB 34 defines Infrastructure Assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems. Buildings that are an ancillary part of a network of infrastructure assets are included.

The Authority uses the most current edition of GOVERNMENTAL ACCOUNTING, AUDITING, AND FINANCIAL REPORTING (GAAFR) published by the Government Finance Officers Association (GFOA) as its authoritative guide in setting policy and establishing accounting procedures regarding capital assets.

B. Capitalization – Generally all capital assets with an original cost of \$25,000 or more will be capitalized (recorded as an asset on the balance sheet versus expensing the item). Infrastructure Assets with an original cost of \$150,000 or more will be capitalized. This capitalization policy addresses financial reporting, not control. The Authority follows the GFOA recommended practices for establishing capitalization thresholds. Specific capitalization requirements are described as follows:

1. The asset must cost \$25,000 or more.
2. The asset must have a useful life of two (2) or more years.
3. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten items purchased for \$10,000 each will not be capitalized even though the total (\$100,000) exceeds the threshold of \$25,000.
4. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset

Salinas Valley Solid Waste Authority

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functional.

5. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described number 6 below.
6. Improvements to existing capital assets will be presumed by definition to extend the useful life of the related capital asset and therefore will be subject to capitalization if the cost exceeds \$5,000.
7. Capital projects will be capitalized as "construction in progress" until completed. Personal computers will not be capitalized:

C. Leased Assets-

Operating leased assets are usually short term and cancelable at anytime. The recording of an operating lease as a fixed asset is not required because the item is not purchased.

Capital leases will be capitalized if one or more of the following criteria are met and the chance of cancellation is low:

- a. Ownership is transferred by the end of the lease term
- b. The lease contains a bargain purchase option
- c. The lease term is greater than or equal to 75 percent of the asset's service life
- d. The present value of the minimum lease payment is greater than or equal to ninety percent (90%) of the fair market value of the asset at the inception of the lease.

Capital lease items are capitalized at the beginning of the lease period, regardless of when the title transfers. Capital leases are recorded at net present value of lease payments.

- D. Capital Asset Recording - It is the responsibility of the Finance Division to record, monitor and inventory all fixed assets. Each division will assign appropriate staff members to respond to verification, inventories, and filling out the necessary forms for recording transfers, dispositions or retired fixed assets.
- E. Acquisition of Capital Assets - Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts.

When a capital asset is acquired the funding source will be identified.

If funds are provided by a specific funding source, a record will be made of that specific source such as:

- ❖ Bond Proceeds
- ❖ State Grants

- F. Measuring the Cost and/or Value - Capital assets are recorded at their "historical cost", which is the original cost of the assets. Donations accepted by the Authority will be valued at the fair market value at the time of donation. Costs include purchase price (less discounts) and any other reasonable and necessary costs incurred to place the asset in its intended location and prepare it for service. Costs could include the following:

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Sales Tax
Freight charges
Legal and title fees
Closing costs
Appraisal and negotiation fees
Surveying fees
Land-preparation costs
Demolition costs
Relocation costs
Architect and accounting fees
Insurance premiums and interest costs during construction

- G. Establishing Cost in the Absence of Historical Records - According to the GASB 34, an estimate of the original cost is allowable. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary the Authority will use whichever method gives the most reasonable amount based on available information.
- H. Recording Costs Incurred After Acquisition - Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.
- I. Disposition or Retirement of Fixed Assets - It is the Authority's policy that divisions wishing to dispose of surplus, damaged or inoperative equipment must notify the Finance Division.
- The Authority will conduct public auctions, as necessary, for the purpose of disposing of surplus property. Auctions will be conducted by the Finance Division. The original cost less depreciation will then be removed from the Authority's capital asset management system.
- J. Transfer of Assets - The transfer of fixed assets between divisions requires notification to the Finance Department.
- K. Depreciation - In accordance with GASB Statement No. 34 the Authority will record depreciation expense on all capital assets, except for inexhaustible assets.
- The Authority will use straight-line depreciation using the half-year convention or mid month as appropriate. Depreciation will be calculated for half a year in the year of acquisition and the year of disposition. Depreciation will be calculated over the estimated useful life of the asset.
- L. Recommended Lives - The Authority follows GFOA Recommended Practices when establishing recommended lives for capitalized assets. In accordance with GASB 34 the Authority will rely on "general guidelines obtained from professional or industry organizations." In particular the Authority will rely on estimated useful lives published by GFOA. If the life of a particular asset is estimated to be different than these guidelines, it

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may be changed. The following is a summary for the estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	20 to 50 years
Improvements	15 to 45 years
Infrastructure	20 to 50 years
Equipment and Machinery	5 to 20 years

- M. Control of Assets – In accordance with GFOA Recommended Practice the Authority will exercise control over the non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the division level. The Authority's capitalization threshold of \$5,000 meets financial reporting needs and is not designed for nor particularly suited to maintain control over lower cost capital assets. It is the responsibility of each division to maintain inventories of lower-cost capital assets to ensure adequate control and safekeeping of these assets.
- N. Maintenance Schedules - The Authority shall develop and implement maintenance and replacement schedules with a goal of maximizing the useful life of all assets. The schedules shall include estimates of annual maintenance and/or replacement funding required for each asset.
- O. Maintenance Funding - The Authority shall identify specific sources of funds for the annual maintenance or replacement of each asset. Whenever possible, the maintenance or replacement funding shall be identified from a source other than the Authority General Fund. The Authority shall endeavor to set aside, on an annual basis, one and one-half percent (1½%) of its Operating Budget to provide for on-going maintenance and required replacement of assets that cannot be reasonably funded from other sources.
- Q. Inventorying – The Authority will follow the GFOA recommended practice of performing a physical inventory of its capitalized capital assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.
- R. Tagging – The Authority will tag only moveable equipment with a value of \$5,000 or higher. Rolling stock items will not be tagged. They will be identified by the VIN number. The Finance department will be responsible for tagging equipment.

 <p>Report to the Board of Directors</p>	<p>ITEM NO. 12</p> <hr/>  <p>Finance Manager/Controller-Treasurer</p> <hr/>  <p>General Manager/CAO</p> <hr/> <p>N/A</p> <p>General Counsel</p>
<p>Date: December 15, 2016</p> <p>From: Brian Kennedy, Engineering and Environmental Compliance Manager</p> <p>Title: Johnson Canyon Landfill Solid Waste Facilities Permit Revision Update</p>	

RECOMMENDATION

Staff recommends that the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

The recommended action helps support the Authority's Goal to 1) Select and Implement Facilities and programs that Lead to Achievement of at least 75% Waste Diversion, and 2) Reduce Costs and Improve Services at the Johnson Canyon Landfill and other SVR facilities.

FISCAL IMPACT

This update is informational only at this time.

DISCUSSION & ANALYSIS

Staff has submitted to the Monterey County Department of Health Bureau, our Local Enforcement Agent (LEA), a Solid Waste Facilities permit revision application. This permit application includes information on facility operations, landfill closure plan, financial assurances, as well as details on existing and proposed operations. Also included in the application is evidence of California Environmental Quality Act (CEQA) compliance. During the review of the provided CEQA documentation, the LEA has concluded that the assessment of the environmental impacts as they relate to the proposed new activities are deficient. Specifically, they felt that the potential impact of odors associated with food waste composting were not adequately addressed in the original facility CEQA documents.

Staff has initiated an CEQA initial study to examine odors, as well as a host of other potential environmental impacts due to the composting operations. The draft initial study has been prepared and is currently with our CEQA counsel for review. Given the similarity with other operations on-site and in the surrounding area, staff feels that the likely outcome of this study will be either a negative declaration, mitigated negative declaration, or a technical amendment to the 2002 Regional Solid Waste Facilities Environmental Impact Report.

Formal Board action to complete the required CEQA update process described above will be brought back in January or February 2017 for consideration.

BACKGROUND

Our Solid Waste Facilities Permit for Johnson Canyon Landfill is issued by Monterey County Department of Health, and it dictates what operations are permitted. Currently, Johnson Canyon is permitted solely as a "Landfill Disposal Site" with yardwaste/woodwaste chip and grind compost operation. In anticipation of adding food composting operations as well as the GOE demonstration project, this permit needs to be revised to allow these new activities.



Report to the Board of Directors

ITEM NO. 13

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Cesar Zuñiga, Operations Manager /
Assistant General Manager

Title: Resolution Approving Service Agreements for
Equipment Maintenance Services with Golden
State Truck and Trailer for \$200,000, Quinn
Company for \$300,000, and Skinner Equipment
Repair for \$75,000

RECOMMENDATION

Staff recommends that the Board adopt the resolutions for SVR Equipment Maintenance Services.

STRATEGIC PLAN RELATIONSHIP

The agreements are not related to any strategic plan goals, but enhance existing facilities, equipment and public services.

FISCAL IMPACT

The vehicle and equipment maintenance accounts have sufficient funding to cover all expenses associated with vehicle and equipment maintenance and repairs for FY 2016-17.

DISCUSSION & ANALYSIS

Salinas Valley Recycles has assumed the operations of the Sun Street and Jolon Road Transfer Station, as well as the Johnson Canyon Landfill. In order to ensure the facilities are operated efficiently we must ensure our equipment is properly maintained. All equipment requires service and maintenance on an ongoing basis from a qualified professional vendor. In order to accomplish this, SVR uses three vendors: Golden State Truck and Trailer, Quinn Company and Skinner Equipment Repair.

The three qualified vendors currently used will all exceed \$50,000 in annual services, which requires board approval. In order to continue using the current vendors, a Professional Service Agreement must be executed and approved by the Board of Directors. The agreements will be in place until June 30, 2019.

Each vendor is specialized in more than one of the following areas: construction equipment, commercial trucks, trailers, or welding. Having three vendors allows us the flexibility to ensure that our equipment is serviced within an adequate time to avoid delays or impacts to the operations.

The table below shows the services each vendor provides and their hourly rates.

	Quinn Company	Skinner Equipment	Golden State
Service Call Fee	50% of travel time and \$2/per mile	\$105/hr. Outside Shop	\$40 tire repair \$50 for all other calls
Commercial/Equipment Tire Repairs	Contract out	No	Yes
Walking Floor Repair	Yes	Yes	Yes
Aluminum Welding	Yes	Yes	Yes
Heavy Equipment Repair	Yes	Yes	Yes
Respond Time	As available	1 Hr. (8am-5pm)	1 Hr.
Fee Regular Hrs	\$90-\$132	\$95.00 (in-shop)- \$105.95 (outside shop)	\$90.00
After 5 pm	\$120-\$162	\$105	\$90.00
Sundays & Holidays	\$120-\$162	\$105	\$90.00

BACKGROUND

In January of 2008 SVR assumed the operation of the Sun Street Transfer Station. The Johnson Canyon Landfill operations were assumed on December 22, 2014, followed by the Jolon Road Transfer Station on September 1, 2016. SVR now has over 50 pieces of equipment made up of trucks, trailers, tractors, and portable equipment (light tower, compressors, and pumps) that require ongoing maintenance and service. The three qualified vendors perform the majority of the maintenance and service on our equipment.

ATTACHMENT(S)

1. Resolutions
2. Professional Service Agreement with Golden State Truck and Trailer
3. Professional Services Agreement with Quinn Company
4. Professional Services Agreement with Skinner Equipment Repair

RESOLUTION NO. 2016-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING A SERVICE AGREEMENT WITH GOLDEN STATE TRUCK AND TRAILER FOR
\$200,000 FOR EQUIPMENT MAINTENANCE SERVICES

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 enter into an agreement with Golden State Truck and Trailer for Equipment Maintenance Services, as attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority this 15th day of December 2016 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Simón Salinas, Vice President

ATTEST:

Erika J. Trujillo, Clerk of the Board

RESOLUTION NO. 2016-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING A SERVICE AGREEMENT WITH QUINN COMPANY FOR \$300,000 FOR
EQUIPMENT MAINTENANCE SERVICES

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 enter into an agreement with Quinn Company for Equipment Maintenance Services, as attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority this 15th day of December 2016 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Simón Salinas, Vice President

ATTEST:

Erika J. Trujillo, Clerk of the Board

RESOLUTION NO. 2016-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A SERVICE AGREEMENT WITH SKINNER EQUIPMENT REPAIR FOR \$75,000 FOR EQUIPMENT MAINTENANCE SERVICES

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 enter into an agreement with Skinner Equipment Repair for Equipment Maintenance Services, as attached hereto and marked "Exhibit A".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority this 15th day of December 2016 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Simón Salinas, Vice President

ATTEST:

Erika J. Trujillo, Clerk of the Board



EXHIBIT A

AGREEMENT FOR SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND

GOLDEN STATE TRUCK AND TRAILER

FOR EQUIPMENT MAINTENANCE AND REPAIR SERVICES

This agreement, made and entered into this 15TH day of December 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 Golden State Truck and Trailer a California Corporation (hereinafter "Contractor").

WHEREAS, Contractor represents that Golden State Truck and Trailer is specially trained, experienced, and competent to perform the services which will be required by this agreement; and

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

NOW, THEREFORE, Contractor and Authority agree as follows:

1. Scope of Service

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

2. Completion Schedule

Contractor shall complete the services described in Exhibit "B" by June 30, 2019.

3. Compensation

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

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 Contractor's principal office. It shall be mandatory for any Contractor, or Contractor 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

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

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

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

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

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

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

5. Additional Services

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

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

6. Additional Copies

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

7. Responsibility of Contractor

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

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

8. Responsibility of Authority

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

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

9. Acceptance of Work Not a Release

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

10. Indemnification and Hold Harmless

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

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

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

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

11. Insurance

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

	COVERAGE REQUIRED if marked "X"	Contractor Initials
GENERAL LIABILITY		
Combined Single Limit Per Occurrence..... \$1 million	<u> x </u>	<u> </u>
General Aggregate..... \$1.5 million	<u> x </u>	<u> </u>
<i>(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)</i>		
AUTOMOBILE LIABILITY		
Combined Single Limit Per Occurrence..... \$1 million	<u> x </u>	<u> </u>
<i>(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)</i>		
WORKERS COMPENSATION	Full Liability Coverage <u> x </u>	<u> </u>
<i>(Contractor shall not disclaim responsibility or avoid liability for the acts or omissions of its subcontractors or other contractors. The retroactive date of the policy must be shown and must be before the date of the agreement.)</i>		

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

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

12. Access to Records

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

13. Assignment

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

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

14. Changes to Scope of Work

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

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

15. Compliance with Laws, Rules, and Regulations

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

16. Licenses

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

17. Fiscal Considerations

The parties to this Agreement recognize and acknowledge that Authority is a political subdivision of the entities in which it represents. As such, Authority is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations

and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of Authority business, Authority will adopt a proposed budget prior to a given fiscal year.

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

18. Interest of Public Official

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

19. Withholding (Form 730)

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

20. California Residency (Form 590)

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

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

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

22. Independent Contractor

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

23. Exhibits Incorporated

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

24. Integration and Amendment

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

respect to those matters covered in it. This agreement may not be modified or altered except by amendment in writing signed by both parties.

25. Jurisdiction

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

26. Severability

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

27. Notice to Proceed; Progress; Completion

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

28. Ownership of Documents

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

29. Subcontractors

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

30. Dispute Resolution

A. MEDIATION

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

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

B. ARBITRATION

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

C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS

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

31. Termination

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

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

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

1. In the event of termination by the Authority for Contractor's default, Authority shall deduct from the amount due Contractor the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Contractor are made to compensate Authority for its actual additional cost incurred in securing satisfactory performance of the terms of this agreement, including but not limited to, costs of engaging other Contractors for such purposes. In the event that such additional expenses shall

exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay Authority the full amount of such expense. In the event that this agreement is terminated by Authority for any reason, Contractor shall:

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

32. Audit and Examination of Accounts

- A. Contractor shall keep and will cause any assignee or subcontractor under this agreement to keep accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this agreement.
- B. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.
- C. Contractor hereby agrees to disclose and make available any and all information, reports, or

books of records or accounts pertaining to this agreement to Authority and any local, State or Federal government that provides support funding for this project.

- D. Contractor hereby agrees to include the requirements of subsection (B) above in any and all contracts with assignees or Contractors under his agreement.
- E. All records provided for in this section are to be maintained and made available throughout the performance of this agreement and for a period of not less than three (3) years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals, or claims shall be maintained and made available for a period of not less than three (3) years after final resolution of such disputes, litigation, appeals, or claims.

33. Extent of Agreement

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

34. Notices

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

Via Mail

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

Hand Delivered

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

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

GSTT – Attn: Mr. Rene Manzur

1354 Dayton Street – Unit T

Salinas, CA 93901

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

35. Nondiscrimination

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

36. Conflict of Interest

Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required

under the provisions of this agreement a violation of any applicable state, local, or federal law. Contractor further declares that, in the performance of this agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify Authority of the existence of such conflict of interest so that Authority may determine whether to terminate this agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 *et seq.*) that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this agreement.

37. Headings

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

38. Multiple Copies of Agreement

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

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

SALINAS VALLEY SOLID WASTE AUTHORITY:

APPROVED AS TO FORM:

Dated: _____

Dated: _____

R. Patrick Mathews
General Manager/CAO

Thomas M. Bruen
Authority General Counsel

ATTEST:

Erika J. Trujillo
Clerk of the Board

Dated: _____

CONTRACTOR:

Golden State Truck and Trailer
Company Name

Signature

Dated: _____

Printed Name

Title

Attachments:

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

EXHIBIT B – Scope of Services

1. Commercial and equipment tire repair
2. Fleet Vehicle Repairs
3. Walking floor trailer repair
4. Aluminum welding
5. Heavy equipment repair
6. Facility Maintenance

EXHIBIT C – Fee Schedule

Service Call Fee	\$40 tire repair \$50 for all other calls
Commercial / Equipment Tire Repairs	Yes
Walking Floor Repair	Yes
Aluminum Welding	Yes
Heavy Equipment Repair	Yes
Respond Time	15-30 minutes
Fee Regular Hrs	\$90.00
After 5 pm	\$90.00
Sundays & Holidays	\$90.00



EXHIBIT A

AGREEMENT FOR SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND

QUINN COMPANY

FOR EQUIPMENT MAINTENANCE SERVICES

This agreement, made and entered into this 15TH day of December 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 Quinn Company, *a California corporation* (hereinafter "Contractor").

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

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

NOW, THEREFORE, Contractor and Authority agree as follows:

1. Scope of Service

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

2. Completion Schedule

Contractor shall complete the services described in Exhibit "B" by June 30, 2019.

3. Compensation

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

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 Contractor's principal office. It shall be mandatory for any Contractor, or Contractor 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

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

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

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

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

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

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

5. Additional Services

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

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

6. Additional Copies

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

7. Responsibility of Contractor

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

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

8. Responsibility of Authority

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

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

9. Acceptance of Work Not a Release

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

10. Indemnification and Hold Harmless

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

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

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

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

11. Insurance

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

	COVERAGE REQUIRED if marked "X"	Contractor Initials
GENERAL LIABILITY		
Combined Single Limit Per Occurrence..... \$1 million	<u> x </u>	<u> </u>
General Aggregate..... \$1.5 million	<u> x </u>	<u> </u>
<i>(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)</i>		
AUTOMOBILE LIABILITY		
Combined Single Limit Per Occurrence..... \$1 million	<u> x </u>	<u> </u>
<i>(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)</i>		
WORKERS COMPENSATION	Full Liability Coverage <u> x </u>	<u> </u>
<i>(Contractor shall not disclaim responsibility or avoid liability for the acts or omissions of its subcontractors or other contractors. The retroactive date of the policy must be shown and must be before the date of the agreement.)</i>		

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

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

12. Access to Records

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

13. Changes to Scope of Work

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

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

14. Compliance with Laws, Rules, and Regulations

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

15. Licenses

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

16. Fiscal Considerations

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

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

17. Interest of Public Official

No official or employee of Authority who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this agreement shall participate in or attempt to

influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of Authority have any interest, direct or indirect, in this agreement or the proceeds thereof.

18. Withholding (Form 730)

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

19. California Residency (Form 590)

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

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

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

21. Independent Contractor

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

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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.

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

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

28. Subcontractors

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

29. Dispute Resolution

A. MEDIATION

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

B. ARBITRATION

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

C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS

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

30. Termination

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

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

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

1. In the event of termination by the Authority for Contractor's default, Authority shall deduct from the amount due Contractor the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Contractor are made to compensate Authority for its actual additional cost incurred in securing satisfactory performance of the terms of this agreement, including but not limited to, costs of engaging other Contractors for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay Authority the full amount of such expense. In the event that this agreement is terminated by Authority for any reason, Contractor shall:
 - a. Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by Authority; and
 - b. Deliver to Authority all documents, data, reports, summaries, correspondence, photographs, computer software, video, and audiotapes, and any other materials provided to Contractor or prepared by or for Contractor or the Authority in connection with this agreement. Such material is to be delivered to Authority whether in completed form or in process; however, notwithstanding the provisions of Section 23

herein, Authority may condition payment for services rendered to the date of termination upon Contractor's delivery to the Authority of such material.

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

31. Audit and Examination of Accounts

- A. Contractor shall keep and will cause any assignee or subcontractor under this agreement to keep accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this agreement.
- B. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.
- C. Contractor hereby agrees to disclose and make available any and all information, reports, or

books of records or accounts pertaining to this agreement to Authority and any local, State or Federal government that provides support funding for this project.

- D. Contractor hereby agrees to include the requirements of subsection (B) above in any and all contracts with assignees or Contractors under his agreement.
- E. All records provided for in this section are to be maintained and made available throughout the performance of this agreement and for a period of not less than three (3) years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals, or claims shall be maintained and made available for a period of not less than three (3) years after final resolution of such disputes, litigation, appeals, or claims.

32. Extent of Agreement

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

33. Notices

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

Via Mail

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

Hand Delivered

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

- B. Written notices to the Contractor shall, until further notice by the Contractor, be addressed to:
Quinn Company – Attn: Mr. Ryan Jefferson

1300 Abbott Street

Salinas, CA 93901

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

34. Nondiscrimination

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

35. Conflict of Interest

Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required

under the provisions of this agreement a violation of any applicable state, local, or federal law. Contractor further declares that, in the performance of this agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify Authority of the existence of such conflict of interest so that Authority may determine whether to terminate this agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 *et seq.*) that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this agreement.

36. 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.

37. 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:

Dated: _____

Dated: _____

R. Patrick Mathews
General Manager/CAO

Thomas M. Bruen
Authority General Counsel

ATTEST:

Erika J. Trujillo
Clerk of the Board

Dated: _____

CONTRACTOR:

Company Name

Signature

Dated: _____

Printed Name

Title

Attachments:

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

EXHIBIT B – Scope of Services

1. Heavy equipment repair
2. Part Sales

EXHIBIT C – Fee Schedule

Service Call Fee	
Fee Regular Hrs	\$.00
After 5 pm	\$.00
Sundays & Holidays	\$.00



EXHIBIT A

AGREEMENT FOR SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND

SKINNER EQUIPMENT REPAIR

FOR EQUIPMENT AND VEHICLE MAINTENANCE SERVICES

This agreement, made and entered into this 15TH day of December 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 Skinner Equipment Repair, a California corporation (hereinafter "Contractor").

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

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

NOW, THEREFORE, Contractor and Authority agree as follows:

1. Scope of Service

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

2. Completion Schedule

Contractor shall complete the services described in Exhibit "B" by June 30, 2019.

3. Compensation

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

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 Contractor's principal office. It shall be mandatory for any Contractor, or Contractor 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

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

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

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

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

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

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

5. Additional Services

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

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

6. Additional Copies

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

7. Responsibility of Contractor

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

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

8. Responsibility of Authority

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

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

9. Acceptance of Work Not a Release

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

10. Indemnification and Hold Harmless

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

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

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

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

11. Insurance

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

	COVERAGE REQUIRED if marked "X"	Contractor Initials
GENERAL LIABILITY		
Combined Single Limit Per Occurrence..... \$1 million	<u> x </u>	<u> </u>
General Aggregate..... \$1.5 million	<u> x </u>	<u> </u>
<i>(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)</i>		
AUTOMOBILE LIABILITY		
Combined Single Limit Per Occurrence..... \$1 million	<u> x </u>	<u> </u>
<i>(The policy shall cover on an occurrence or an accident basis, and not on a claims-made basis.)</i>		
WORKERS COMPENSATION Full Liability Coverage	<u> x </u>	<u> </u>
<i>(Contractor shall not disclaim responsibility or avoid liability for the acts or omissions of its subcontractors or other contractors. The retroactive date of the policy must be shown and must be before the date of the agreement.)</i>		

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

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

12. Access to Records

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

13. Assignment

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

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

14. Changes to Scope of Work

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

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

15. Compliance with Laws, Rules, and Regulations

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

16. Licenses

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

17. Fiscal Considerations

The parties to this Agreement recognize and acknowledge that Authority is a political subdivision of the entities in which it represents. As such, Authority is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations

and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of Authority business, Authority will adopt a proposed budget prior to a given fiscal year.

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

18. Interest of Public Official

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

19. Withholding (Form 730)

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

20. California Residency (Form 590)

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

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

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

22. Independent Contractor

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

23. Exhibits Incorporated

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

24. Integration and Amendment

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

respect to those matters covered in it. This agreement may not be modified or altered except by amendment in writing signed by both parties.

25. Jurisdiction

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

26. Severability

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

27. Notice to Proceed; Progress; Completion

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

28. Ownership of Documents

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

29. Subcontractors

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

30. Dispute Resolution

A. MEDIATION

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

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

B. ARBITRATION

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

C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS

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

31. Termination

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

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

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

1. In the event of termination by the Authority for Contractor's default, Authority shall deduct from the amount due Contractor the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Contractor are made to compensate Authority for its actual additional cost incurred in securing satisfactory performance of the terms of this agreement, including but not limited to, costs of engaging other Contractors for such purposes. In the event that such additional expenses shall

exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay Authority the full amount of such expense. In the event that this agreement is terminated by Authority for any reason, Contractor shall:

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

32. Audit and Examination of Accounts

- A. Contractor shall keep and will cause any assignee or subcontractor under this agreement to keep accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this agreement.
- B. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.
- C. Contractor hereby agrees to disclose and make available any and all information, reports, or

books of records or accounts pertaining to this agreement to Authority and any local, State or Federal government that provides support funding for this project.

- D. Contractor hereby agrees to include the requirements of subsection (B) above in any and all contracts with assignees or Contractors under his agreement.
- E. All records provided for in this section are to be maintained and made available throughout the performance of this agreement and for a period of not less than three (3) years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals, or claims shall be maintained and made available for a period of not less than three (3) years after final resolution of such disputes, litigation, appeals, or claims.

33. Extent of Agreement

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

34. Notices

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

Via Mail

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

Hand Delivered

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

- B. Written notices to the Contractor shall, until further notice by the Contractor, be addressed to:
Skinner Equipment Repair – Attn: Mr. Cody Skinner

PO BOX 1182

Gonzales, CA 93926

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

35. Nondiscrimination

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

36. Conflict of Interest

Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required

under the provisions of this agreement a violation of any applicable state, local, or federal law. Contractor further declares that, in the performance of this agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify Authority of the existence of such conflict of interest so that Authority may determine whether to terminate this agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 *et seq.*) that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this agreement.

37. Headings

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

38. Multiple Copies of Agreement

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

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

SALINAS VALLEY SOLID WASTE AUTHORITY:

APPROVED AS TO FORM:

Dated: _____

Dated: _____

R. Patrick Mathews
General Manager/CAO

Thomas M. Bruen
Authority General Counsel

ATTEST:

Erika J. Trujillo
Clerk of the Board

Dated: _____

CONTRACTOR:

Company Name

Signature

Dated: _____

Printed Name

Title

Attachments:

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

EXHIBIT B – Scope of Services

1. Walking floor trailer repair
2. Commercial Truck Repair
3. Welding
4. Heavy equipment repair

EXHIBIT C – Fee Schedule

Fee Regular Hrs (In shop)	\$95.00 / hr.
Service Calls Outside of Shop	\$105.00 / hr.



Report to the Board of Directors

ITEM NO. 14

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: December 15, 2016

From: Ray Hendricks, Finance Manager

Title: Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2016

RECOMMENDATION

Staff recommends that the Board of Directors review and accept this item.

STRATEGIC PLAN RELATIONSHIP

This agenda item is a routine annual operational item.

FISCAL IMPACT

This item has no fiscal impact, but does reflect continuing year-over-year improvements in the Authority's Net Position. It reports the results of the 2015-16 fiscal year's operations.

DISCUSSION & ANALYSIS

The Authority's Comprehensive Annual Financial Report was audited by McGilloway, Ray, Brown & Kaufman. The audit of the financial statements is an annual requirement.

The auditors provided an "unqualified opinion," meaning that they took no exception to any of the numbers. The auditors also informed us that there is no management letter for this past fiscal year, meaning that our financial operations met all internal controls requirements. Typically, a management letter is issued when the auditors feel that internal controls should be improved.

For the fiscal year ended June 30, 2016, the Authority adopted the provisions of the Governmental Accounting Standards Board (GASB) Statements No. 72, "Fair Value Measurement and Application" and No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."

Statement 72 addresses accounting and financial reporting issues related to fair value measurements. The Statement provides guidance for determining a fair value measurement and how to apply it to certain investments and disclosures.

Statement 76 reduces the Generally Accepted Accounting Principles (GAAP) hierarchy to two categories: Authoritative and Non-authoritative GAAP. It addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction, or other event, is not specified within a source of authoritative GAAP. The Statement supersedes Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."

The Comprehensive Annual Financial Report contains information about the Authority's finances in accordance with Governmental Accounting Standards. We highly encourage the Board to read the Management Discussion and Analysis, which provides a summary of the Authority's finances. In this staff report, we wish to address the two most important numbers from the financial statements, the Net Position and the Change in Net Position.

Deficit Net Position of \$4,040,684

The deficit net position is mainly due to a \$4,901,293 deficit position in the amounts Invested in Capital Assets, Net of Related Debt. This is because fixed assets are depreciating faster than the principal on the debt that was used to buy them is paid off. As we pay off the Capital Lease for the equipment and begin to make principal payment on the Bonds, our Net Position will improve accordingly.

Positive Change in Net Position of \$4,065,616

Key elements of this change are as follows:

Operating revenues increased \$1,647,525 (9.8%) as the result of increased economic activity and increases to the AB939 service fee and the transportation surcharge fee. An increase in landfilled tons resulted in \$530,000 in additional tipping fee revenue. In addition, AB939 fees were increased by \$434,000. An increase of \$3/ton in the franchise transportation surcharge generated an additional \$270,000. Tipping fee revenue from diverted materials increased \$378,000. Gas Royalties from the sale of landfill gas make up the majority of the remaining \$36,000 in increased revenue.

During FY 2015-16, the Authority's change in the balance invested in Capital Assets, Net related of debt improved by \$1,106,220. The authority invested \$1,007,602 in fixed assets, recorded (\$1,228,692) in depreciation, and reduced its debt by \$885,130.

BACKGROUND

The Authority's financial statements are presented on a full accrual basis similar to a business. The Authority's financial statements are audited by McGilloway, Ray, Brown & Kaufman. The audit of the financial statements is an annual requirement.

ATTACHMENT(S)

1. Governance letter from McGilloway, Ray, Brown & Kaufman
2. Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016

McGILLOWAY, RAY, BROWN & KAUFMAN

Accountants & Consultants

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

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

To the Board of Directors
Salinas Valley Solid Waste Authority

We have audited the financial statements of Salinas Valley Solid Waste Authority for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 21, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Salinas Valley Solid Waste Authority are described in Note 1 to the financial statements. As discussed in Note 1 and Note 12 of the financial statements, the Authority adopted Government Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Other than GASB 72 and 76, no new accounting policies were adopted and the application of existing policies was not changed during year ended June 30, 2016. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance.

All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of landfill cells are depreciated based on units-of-consumption. Units-of-consumption depreciation rates are determined annually for the operating landfill at Johnson Canyon. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

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

*Daniel M. McGilloway, Jr., CPA, CVA, Gerald C. Ray, CPA, Clyde W. Brown, CPA, Patricia M. Kaufman, CPA,
Larry W. Rollins, CPA, Jesus Montemayor, CPA*

*Sarita C. Shannon, CPA, Whitney Ernest, CPA, Devvyn MacBeth, CPA,
Smriti Shrestha, CPA, Wei Ding, CPA*

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

Management's estimate of closure and postclosure maintenance costs are based on studies performed by the Authority's engineers annually and submitted to the California Integrated Waste Management Board and the Regional Water Control Board annually. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

The disclosure in Note 17 and Note 18 to the financial statements – Restricted Net Position and Net Position addressed the improvement of \$4,065,616 in net deficit. The total net deficit was \$4,040,684 at June 30, 2016.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The material misstatements detected as a result of audit procedures were corrected by management, and are summarized in the attached "Adjusting Journal Entries".

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 1, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

Implementation of New Accounting Standard

The Authority adopted GASB Statement No.72, *Fair Value Measurement and Application* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, during the year ended June 30, 2016.

Prior Period Adjustment

As described in Note 20, the Authority recorded a prior period adjustment to increase deferred outflow recorded on the prior year and to increase net position by \$127,598. Our opinion is not modified with respect to this matter.

Restated Summarized Comparative Information

We have previously audited the Salinas Valley Solid Waste Authority's 2015 financial statements, and our report dated November 4, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the restated summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

We applied certain limited procedures to the following required supplementary information (RSI) that supplements the basic financial statements;

- a. Schedule of the Proportionate Share of The Net Pension Liability and Related Ratios as of Measurement Date – Cost Sharing Defined Benefit Pension Plan
- b. Schedule of Statutorily Required Employer Contributions – Pension Plan
- c. Other Postemployment Benefits – Schedule of Funding Progress

Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Information

We were not engaged to report on the introductory section and the statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

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

A handwritten signature in black ink that reads "McGilloway, Ray, Brown & Kaufman". The signature is written in a cursive, flowing style.

McGilloway, Ray, Brown & Kaufman
Salinas California
December 1, 2016

Client: **217498 - Salinas Valley Solid Waste Authority**
Engagement: **217498A - Salinas Valley Solid Waste Authority**
Period Ending: **6/30/2016**
Trial Balance: **1.05 - Database**
Workpaper: **1.07 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		1.06a		
PBC ADJ				
21800-190	Current Portion of Long Term Debt		189,331.00	
24400-190	Equipment Lease/Purchase Payable		189,331.00	
21800-190	Current Portion of Long Term Debt			189,331.00
24200-190	Bonds Premium			189,331.00
Total			378,662.00	378,662.00
Adjusting Journal Entries JE # 2		G-04 Tab Dep 170		
To record additional depreciation				
6-3710-68100-170	Depreciation		11,340.00	
16500-170	Allowance For Depreciation			11,340.00
Total			11,340.00	11,340.00
Adjusting Journal Entries JE # 3		1.06b		
PBC - Pension, accrued vacation, etc				
12200-211	Intergovernmental Receivable		60,769.00	
12450-105	Deferred Outflows Pension		451,836.00	
21255-105	Pension Liability - Classic		20,741.00	
21260-105	Deferred Inflows Pension		5,717.00	
35000-105	Fund Balance		2,638,154.00	
35250-216	Restricted for Lease Agreement		242,326.00	
35400-151	Restricted for Closure Reserve		34,721.00	
6-1200-61824-105	OPEB Expense		135,179.00	
6-2300-61822-106	PERS Employer Contribution		2,459.00	
6-2300-61823-106	PERS EPMC		1,156.00	
6-4500-61120-150	Paid Time Off		44,400.00	
6-4500-61825-150	Medicare		644.00	
6-4500-61828-150	PERS Employer PEPR		969.00	
21400-211	Unearned Revenue			60,769.00
21600-105	Accrued Vacation			49,628.00
24105-105	LT OPEB LIABILITY			135,179.00
35100-105	Invested in Capital Assets, Net of Related Debt			1,106,220.00
35400-131	Restricted for Closure Reserve			243,240.00
35900-105	Unrestricted - Net Position			1,693,339.00
6-4500-61960-150	Pension Expense - Classic			350,696.00
Total			3,639,071.00	3,639,071.00
Adjusting Journal Entries JE # 4		1.06c		
PBC - Bond premium adjustment				
21800-190	Current Portion of Long Term Debt		20,083.00	
24000-190	Bonds & Interest Payable		40,165.00	
6-6100-65130-190	2014A Rev Bonds Interest		20,083.00	
24000-190	Bonds & Interest Payable			20,083.00
24000-190	Bonds & Interest Payable			20,083.00
24200-190	Bonds Premium			40,165.00
Total			80,331.00	80,331.00

**SALINAS VALLEY
SOLID WASTE AUTHORITY**
Monterey County, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2016



PREPARED BY

THE AUTHORITY'S FINANCE DIVISION

C. Ray Hendricks
Finance Manager/Treasurer/Controller

J.D. Black, Accountant
Ernesto Natera, Accounting Technician

AUDITORS

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

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INTRODUCTORY SECTION



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

December 1, 2016

President and Board of the Salinas Valley Solid Waste Authority:

We are pleased to submit the Salinas Valley Solid Waste Authority's (Authority) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. These statements combined with other information are analyzed in the narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the Authority.

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

McGilloway, Ray, Brown & Kaufman, a firm of certified public accountants, has audited the Authority's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2016, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Reporting Entity

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

Operating Results

Generally Accepted Accounting Principles require that depreciation, estimated closure costs and estimated post-closure maintenance costs be charged as a current expense. These expenses are allocated over the estimated remaining capacity of the landfills within the Authority's disposal system. Based on these requirements, the Salinas Valley Solid Waste Authority reports operating income of \$5,541,586 and an increase in net position of \$4,065,616 for the fiscal year ended June 30, 2016.

As part of its adopted policy, the Authority does not set aside funds for post-closure maintenance. Per agreement with the California Integrated Waste Management Board, dated June 19, 1998, the Authority has pledged future revenue to cover the cost of post-closure maintenance. Authority tipping fees are not expected to cover the accrual of post-closure expenses in the current period. At June 30, 2016 the Authority has accrued post-closure liabilities totaling \$13,654,908 which will be paid out of future revenues over the next 30 years.

The Authority's policy is to set aside funds for closure costs. Closure liabilities of \$2,550,224 are fully funded at June 30, 2016.

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

The Statement of Cash Flows for the fiscal year ended June 30, 2016, provides a detailed reconciliation of the Authority's increase in cash from \$13,341,630 to \$16,306,124.

Cash Management Policies and Practices

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

Investment income includes changes in the fair value of investments. Calculation of gains and losses in fair value of investments is unrealized and only measures the fair value at a point in time. During the fiscal year ended June 30, 2016 the Authority's investment earnings were \$64,248, an increase of \$27,617 from the previous year.

Risk Management

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

Financial Management

The Authority carefully monitors its gate rates. On July 1, 2012, the tipping fee increased \$3.00 to \$67.00 per ton, which was necessary to keep up with operating expenses. The decreases in tonnage experienced in the past appear to be leveling off. Effective July 1, 2013 the Board adopted an AB939 Fee, which generated \$2.17 million during the year ended June 30, 2016. This revenue is guaranteed regardless of tonnage received. This will reduce the fluctuations in revenue due to changes in tonnage.

Bond Issue 2014

On January 28, 2014, the Authority completed a refunding of the revenue bonds issued in 2002 and refinancing of the Crazy Horse Canyon Landfill installment purchase agreement with the City of Salinas. The refunding revenue bonds total \$31,390,000. The refunding bonds were sold in two series, Series 2014A and Series 2014B. Series 2014A, totaling \$27,815,000, refunded the Series 2002 revenue bonds and Series 2014B, totaling \$3,575,000 refinanced the Crazy Horse Canyon Landfill installment purchase agreement.

The maximum annual debt service is \$3,137,000 including interest at varying rates up to 5.50%. The final interest and principal payment on the bonds is scheduled for August 1, 2031.

Expansion Fund

The "Expansion Fund" was established to collect proceeds from the sale of outside waste; pay costs associated with increased tonnage generated by outside waste and pay the costs related to locating and permitting a new landfill site and other long-term expansion costs. Over the term of the revised agreement with South Valley Disposal, revenue from the sale of outside waste was \$23.18 million, with costs estimated at \$4.9 million to operate Crazy Horse, \$1.8 million for liners at Johnson Canyon, \$2.2 million in closure set-asides, \$1.8 million in taxes and fees and \$0.84 million on conversion technology projects with the balance to be used for locating and permitting a new landfill site. In order to avoid tipping fee increases during the Great Recession the Board of Directors decided to use these funds for operations until a better economic outlook was available. At June 30, 2016, the Expansion Fund had unrestricted net position of \$8,055,837.

Summary

Benefitting from the highest tonnage accepted since 2009 (182,298), as well as the first full year of staff run operations at Johnson Canyon Landfill, the Authority reduced its net deficit by 51% in FY 2015-16 to a deficit of \$4,040,684.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Salinas Valley Solid Waste Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, the Authority must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Ray Hendricks', with a stylized, flowing script.

C. Ray Hendricks
Finance Manager/Treasurer/Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Salinas Valley Solid Waste Authority
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



List of Principal Officials

As of June 30, 2016

Jyl Lutes, City of Salinas
President

Simon Salinas, County of Monterey
Vice President

Richard Perez, City of Soledad
Alternate Vice President

Fernando Armenta, County of Monterey
Board Member

Tony Barrera, City of Salinas
Board Member

Robert Cullen, City of King
Board Member

Gloria De La Rosa, City of Salinas
Board Member

Elizabeth Silva, City of Gonzales
Board Member

Avelina Torres, City of Greenfield
Board Member

R. Patrick Mathews
General Manager/
Chief Administrative Officer

Thomas M. Bruen
General Counsel

Rose Gill
Human Resources/
Organizational Development Manager

C. Ray Hendricks
Finance Manager/
Treasurer/Controller

Brian Kennedy
Engineering and Environmental
Compliance Manager

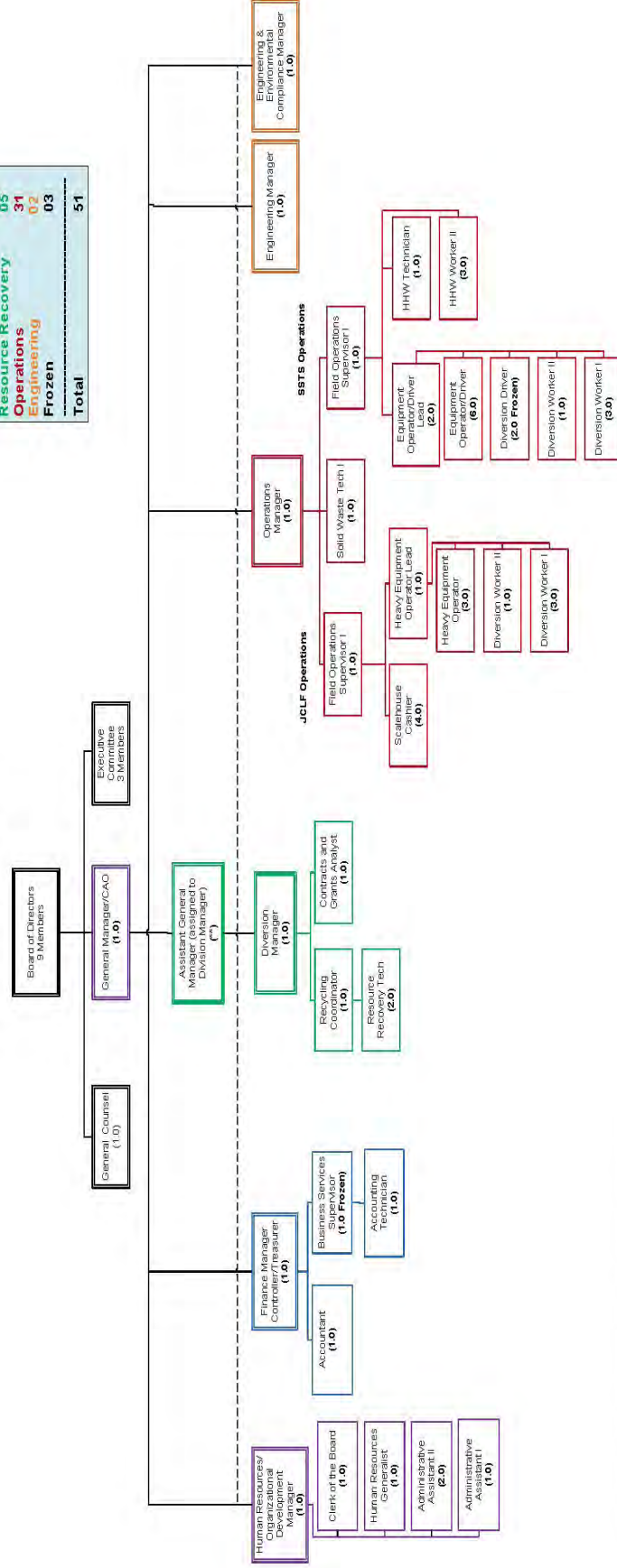
Susan Warner
Assistant General Manager/
Diversion Manager

Cesar Zuniga
Operations Manager

Salinas Valley Recycles Organizational Chart

Effective Date: November 15, 2015

Administration	07
Finance	03
Resource Recovery	05
Operations	31
Engineering	02
Frozen	03
Total	51



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

FINANCIAL SECTION

McGILLOWAY, RAY, BROWN & KAUFMAN

Accountants & Consultants

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of Salinas Valley Solid Waste Authority (Authority), as of and for the year ended June 30, 2016, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

*Daniel M. McGilloway, Jr., CPA, CVA, Gerald C. Ray, CPA, Clyde W. Brown, CPA, Patricia M. Kaufman, CPA,
Larry W. Rollins, CPA, Jesus Montemayor, CPA*

*Sarita C. Shannon, CPA, Whitney Ernest, CPA, Devvyn MacBeth, CPA,
Smriti Shrestha, CPA, Wei Ding, CPA*

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Salinas Valley Solid Waste Authority as of June 30, 2016, and the changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of statutorily required employer contributions pension plan, and the schedule of funding progress for other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the supplementary information.



McGilloway, Ray, Brown & Kaufman
Salinas, California
December 1, 2016

SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Introduction

This section of the Salinas Valley Solid Waste Authority (Authority) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and comparative analysis of the financial activities of the Authority for the fiscal years ended June 30, 2016 and June 30, 2015. Please consider the information presented here in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal, and other portion of this CAFR.

The Authority provides solid waste management and presents its financial statements using the full accrual basis of accounting.

For the fiscal year ended June 30, 2016, the Authority adopted the provisions of the Governmental Accounting Standards Board (GASB) Statements No. 72, "Fair Value Measurement and Application" and No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."

Statement 72 addresses accounting and financial reporting issues related to fair value measurements. The Statement provides guidance for determining a fair value measurement and how to apply it to certain investments and disclosures.

Statement 76 reduces the Generally Accepted Accounting Principles (GAAP) hierarchy to two categories: Authoritative and Non-authoritative GAAP. It addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction, or other event, is not specified within a source of authoritative GAAP. The Statement supersedes Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."

There is additional information about these changes in Note 1 following the Basic Financial Statements.

Using This Annual Report

This annual report consists of three sections: Management's Discussion and Analysis; the Financial Statements; and Notes to the Financial Statements that explain in more detail some of the information in the Financial Statements.

Required Financial Statements

The *Statements of Net Position* includes the Authority's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and nature and extent of obligations (liabilities) with the difference between them being reported as net position. It also provides the basis for computing the rates of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

The *Statements of Revenues, Expenses, and Changes in Net Position* presents the changes in net position from one reporting period to another by accounting for revenues and expenses and measuring the financial results of operations. This statement measures the profitability of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its user fees and other charges.

SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

The *Statements of Cash Flows* provides information about the Authority's cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operating, investing, and capital and non-capital financing activities. It also provides information regarding sources of cash, uses of cash, and changes in cash balances during the reporting period.

Notes to the financial statements include information essential to understanding the above statements, such as the Authority's significant accounting policies and information about certain financial statement account balances.

In addition to the basic financial statements, a CAFR also provides Required Supplementary Information that presents the funding progress of the Authority's retirement plan.

Financial Highlights

- The Authority's net position increased \$4,065,616 to a deficit of \$4,040,684.
- Operating revenues increased \$1,647,528 (9.8%) as the result of increased economic activity and an increase to the AB939 service fee and transportation surcharge fee.
- Waste landfilled increased by 6,375 tons (3.6%) from 175,923 tons in fiscal year 2014-15 to 182,298 tons in fiscal year 2015-16 as the result of increased economic activity.
- Operating expenses increased by \$582,053 (4.7%) to \$12,901,337 due primarily to increases in closure/post-closure costs.
- The Authority's total long-term liabilities decreased by \$693,964 to \$50,845,856.

FINANCIAL STATEMENTS ANALYSIS

Statement of Net Position

The Statement of Net Position is a good indicator of the Authority's financial position. At the end of this fiscal year, the Authority closed with a net deficit of \$4,040,684, which is a decrease of \$4,065,616 (50.2%) from the prior year net deficit position of \$8,106,300.

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2016 and 2015:

Salinas Valley Solid Waste Authority Condensed Statement of Net Position June 30, 2016 and 2015				
	2016	(Restated) 2015	Change	% Change
Assets				
Current Assets	\$ 16,629,468	\$ 13,638,485	\$ 2,990,983	21.9%
Other Assets	3,551,777	3,292,963	258,814	7.9%
Capital Assets, Net	29,784,405	30,005,496	(221,091)	-0.7%
Total Assets	49,965,650	46,936,944	3,028,706	6.5%
Deferred Outflows of Resources	1,145,066	867,609	277,457	32.0%
Liabilities				
Current Liabilities	3,970,241	4,030,013	(59,772)	-1.5%
Long-term Liabilities	50,845,856	51,539,820	(693,964)	-1.3%
Total Liabilities	54,816,097	55,569,833	(753,736)	-1.4%
Deferred Inflows of Resources	335,303	341,020	(5,717)	-1.7%
Net Position				
Net Investment in				
Capital Assets	(4,921,464)	(6,007,513)	1,086,049	-18.1%
Restricted	1,101,436	1,101,582	(146)	0.0%
Unrestricted	(220,656)	(3,200,369)	2,979,713	-93.1%
Total Net Position (Deficit)	\$ (4,040,684)	\$ (8,106,300)	\$ 4,065,616	-50.2%

The total net deficit is due primarily to the deficit of \$4,921,464 Net Investment in Capital Assets. This is the result of capital assets depreciating at a faster rate than the related debt is being paid.

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Statement of Revenues, Expenses and Changes in Net Position

The following is the Condensed Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2016 and 2015.

Salinas Valley Solid Waste Authority Condensed Statement of Revenues, Expenses and Changes in Net Position For the years ended June 30, 2016 and 2015				
	2016	(Restated) 2015	Change	% Change
Operating Revenues				
Charges for Services	\$ 17,676,062	\$ 16,095,020	\$ 1,581,042	9.8%
Sales of Materials	618,784	583,734	35,050	6.0%
Operating Grants and Contributions	148,077	116,641	31,436	27.0%
Total Operating Revenues	<u>18,442,923</u>	<u>16,795,395</u>	<u>1,647,528</u>	<u>9.8%</u>
Operating Expenses	<u>12,901,337</u>	<u>12,319,284</u>	<u>582,053</u>	<u>4.7%</u>
Operating Income/(Loss)	<u>5,541,586</u>	<u>4,476,111</u>	<u>1,065,475</u>	<u>23.8%</u>
Non-operating Revenues				
Investment Earnings	64,248	36,631	27,617	75.4%
Other Non-operating Revenue	9,457	8,034	1,423	17.7%
Total Non-operating Revenues	<u>73,705</u>	<u>44,665</u>	<u>29,040</u>	<u>65.0%</u>
Non-operating Expenses				
Interest Expense	<u>(1,549,675)</u>	<u>(1,557,530)</u>	<u>7,855</u>	<u>-0.5%</u>
Change in Net Position	<u>4,065,616</u>	<u>2,963,246</u>	<u>1,102,370</u>	<u>37.2%</u>
Total Net Position - Beginning of Year, as Restated (See Note 20)	<u>(8,106,300)</u>	<u>(11,069,546)</u>	<u>2,963,246</u>	<u>-26.8%</u>
Net Position - Ending of Year	<u><u>\$ (4,040,684)</u></u>	<u><u>\$ (8,106,300)</u></u>	<u><u>\$ 4,065,616</u></u>	<u><u>-50.2%</u></u>

The Authority's activities decreased the net deficit by \$4,065,616. Key elements of this change are as follows:

Operating revenues increased \$1,647,528 (9.8%) as the result of increased economic activity and increases to the AB939 service fee and the transportation surcharge fee. An increase in landfilled tons resulted in \$530,000 in additional tipping fee revenue. In addition, AB939 fees were increased by \$434,000. An increase of \$3/ton in the franchise transportation surcharge generated and additional \$270,000. Tipping fee revenue from diverted materials increased \$378,000. Gas Royalties from the sale of landfill gas make up the majority of the remaining \$36,000 in increased revenue.

Operating expenses increased \$582,053 (4.7%) to \$12,901,337 due primarily to an increase in closure/postclosure maintenance. Closure expenses at Crazy Horse Landfill are complete and certification is currently awaiting from CalRecycle.

The \$1,549,675 in non-operating expenses is for interest paid on the Authority's long-term debt.

SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the Authority had \$29,784,405 invested in capital assets, primarily in landfills as summarized below. During this fiscal year, the Authority added \$1,007,601 in capital assets and recorded a depreciation expense of \$1,228,692. Additional information on the Authority's capital assets can be found in Note 6.

Salinas Valley Solid Waste Authority
Condensed Statement of Capital Assets
For the years ended June 30, 2016 and 2015

	2016	2015
Land	\$ 42,600	\$ 42,600
Buildings	456,484	456,484
Improvements other than buildings	54,863,624	54,731,643
Equipment	7,306,205	6,889,631
Construction in progress	511,556	52,510
Total Capital Assets	63,180,469	62,172,868
Accumulated Depreciation	(33,396,064)	(32,167,372)
Net Capital Assets	<u>\$ 29,784,405</u>	<u>\$ 30,005,496</u>

Long-Term Debt

At the end of this fiscal year, the Authority had \$35.12 million in long-term debt as shown below. No new debt was incurred during the fiscal year. Principal payments of \$1,184,761 were paid on the debt. Additional information on the Authority's long-term debt can be found in Note 8.

Standard & Poor's Corporation (S&P) assigned the revenue bonds a rating of "AA-".

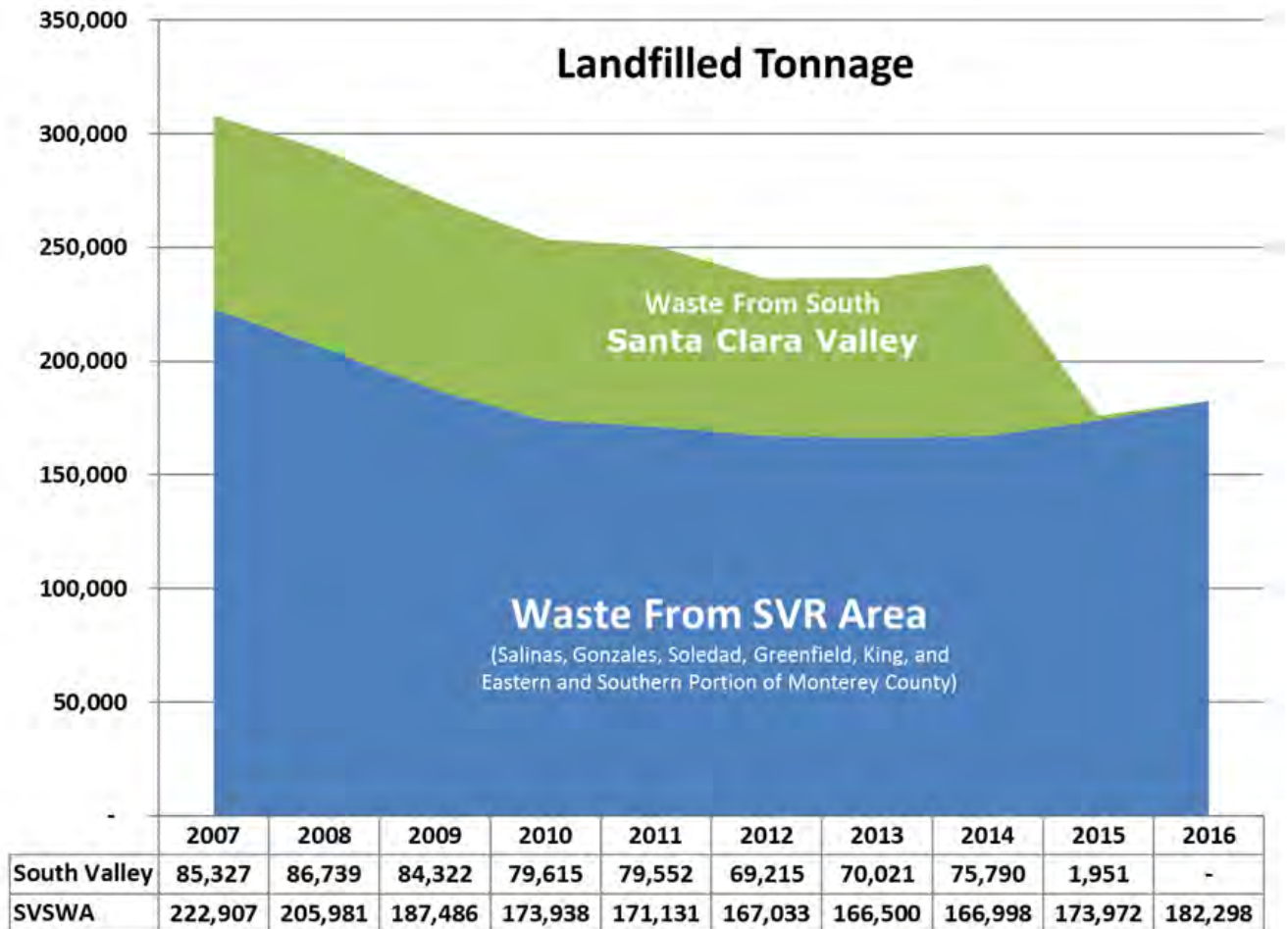
Salinas Valley Solid Waste Authority
Condensed Statement of Long-Term Debt
For the years ended June 30, 2016 and 2015

	2016	2015
2014A (AMT) Refunding Revenue Bond	\$ 27,815,000	\$ 27,815,000
2014B (Taxable) Refunding Revenue Bond	2,940,000	3,260,000
2014 Refunding Revenue Bond Premium	1,895,470	2,064,718
Equipment Lease Payable	2,462,960	3,327,721
Total	<u>\$ 35,113,430</u>	<u>\$ 36,467,439</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The Authority's operations are dependent on the amount of solid waste that is received at the landfills. Tonnage had steadily declined from 2006 to 2012, and remained largely unchanged from 2012 to 2015. However, 2015 and 2016 tonnage had their first significant increases. For FY 2016-17 management is conservatively anticipating tonnage remaining flat. The tipping fees increased to \$68.50 per ton. The 2016-17 budget is balanced.



CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2016
With Comparative Totals as of June 30, 2015

	2016	(Restated) 2015
Assets		
Current Assets		
Cash and Cash Equivalent	\$ 12,682,529	\$ 9,713,758
Restricted Cash and Cash Equivalent	71,818	334,909
Certificates of Deposit	1,750,000	1,750,000
Accounts Receivable, Net	1,916,411	1,634,471
Interest Receivable	17,900	8,093
Prepaid Expenses	190,810	197,254
Total Current Assets	<u>16,629,468</u>	<u>13,638,485</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalent	3,551,777	3,292,963
Capital Assets, Net	29,784,405	30,005,496
Total Noncurrent Assets	<u>33,336,182</u>	<u>33,298,459</u>
Total Assets	<u>49,965,650</u>	<u>46,936,944</u>
Deferred Outflows of Resources		
Deferred Outflows related to Pension Liabilities	737,417	413,179
Deferred Loss on Refunding of Bonds	407,649	454,430
Total Deferred Outflows of Resources	<u>1,145,066</u>	<u>867,609</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 51,110,716</u>	<u>\$ 47,804,553</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2016
With Comparative Totals as of June 30, 2015
(Continued)

	2016	(Restated) 2015
Liabilities		
Current Liabilities		
Accounts Payable	\$ 954,443	\$ 764,437
Wages Payable	188,393	124,747
Accrued Leave	273,888	225,340
Interest Payable	684,941	697,059
Equipment Lease Payable	727,293	700,453
Bonds Payable - Current	494,247	509,331
Unearned Revenues	80,286	61,456
Closure Payable	-	342,140
Postclosure Payable - Current	566,750	605,050
Total Current Liabilities	<u>3,970,241</u>	<u>4,030,013</u>
Long Term Liabilities		
Accrued Leave	169,629	139,562
Equipment Lease Payable	1,735,667	2,627,268
Bonds Payable, Net	32,156,223	32,630,387
Closure Payable	2,550,224	2,143,238
Postclosure Payable	13,088,158	12,967,848
OPEB Liability	495,999	360,820
Pension Liability	649,956	670,697
Total Long Term Liabilities	<u>50,845,856</u>	<u>51,539,820</u>
Total Liabilities	<u>54,816,097</u>	<u>55,569,833</u>
Deferred Inflows of Resources		
Deferred Inflows related to Pension Liabilities	335,303	341,020
Total Deferred Inflows of Resources	<u>335,303</u>	<u>341,020</u>
Total Liabilities and Deferred Inflows of Resources	<u>55,151,400</u>	<u>55,910,853</u>
Net Position		
Net Investment in Capital Assets	(4,921,464)	(6,007,513)
Restricted for Grants	95,345	61,684
Restricted per Lease Agreement	-	242,326
Restricted for Closure Reserve	1,006,091	797,572
Unrestricted	(220,656)	(3,200,369)
Total Net Position (Deficit)	<u>(4,040,684)</u>	<u>(8,106,300)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 51,110,716</u>	<u>\$ 47,804,553</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016
With Comparative Totals for fiscal year ended June 30, 2015

	2016	(Restated) 2015
Operating Revenues		
Charges for Services	\$ 17,676,062	\$ 16,095,020
Sales of Materials	618,784	583,734
Operating Grants and Contributions	148,077	116,641
Total Operating Revenues	<u>18,442,923</u>	<u>16,795,395</u>
Operating Expenses		
Personnel Services	4,805,714	4,093,952
Contractual Services	1,795,961	1,714,543
Operating Contracts	2,164,435	3,313,514
Supplies	687,779	687,375
Insurance	318,293	287,724
Building Rent	191,594	105,070
Taxes and Permits	597,266	610,254
Utilities	141,808	146,427
Depreciation/Amortization	1,228,692	1,180,131
Closure/Postclosure Maint.	476,570	(267,617)
Hazardous Waste	220,294	202,715
Other	272,931	245,196
Total Operating Expenses	<u>12,901,337</u>	<u>12,319,284</u>
Operating Income (Loss)	<u>5,541,586</u>	<u>4,476,111</u>
Non-Operating Revenues (Expenses)		
Investment Earnings	64,248	36,631
Finance Charge	2,243	1,843
Rental Income	7,214	6,191
Interest Expense	(1,549,675)	(1,557,530)
Total Non-Operating Revenues (Expenses)	<u>(1,475,970)</u>	<u>(1,512,865)</u>
Change in Net Position	4,065,616	2,963,246
Total Net Position - Beginning of Year, as Restated (See Note 20)	<u>(8,106,300)</u>	<u>(11,069,546)</u>
Total Net Position (Deficit) - End of Year	<u><u>\$ (4,040,684)</u></u>	<u><u>\$ (8,106,300)</u></u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2016
With Comparative Totals for fiscal year ended June 30, 2015

	2016	2015
Cash Flows from Operating Activities:		
Receipts from Customer and Users	\$ 18,179,805	\$ 17,207,013
Payments to Suppliers	(6,523,582)	(8,581,236)
Payments to Employees	(4,879,005)	(4,211,282)
Net Cash Provided (Used) by Operating Activities	<u>6,777,218</u>	<u>4,414,495</u>
Cash Flows from Non-Capital Financing Activities:		
Rental Income	7,214	6,191
Finance Charges	2,243	1,843
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>9,457</u>	<u>8,034</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(1,007,600)	(3,828,208)
Principal paid on Capital Debt	(1,184,761)	(657,279)
Interest paid on Capital Debt	(1,684,260)	(1,678,406)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,876,621)</u>	<u>(6,163,893)</u>
Cash Flows from Investing Activities:		
Interest Received	54,440	33,586
Net Cash Provided (Used) by Investing Activities	<u>54,440</u>	<u>33,586</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,964,494	(1,707,778)
Cash and Cash Equivalents at Beginning of Year	13,341,630	15,049,408
Cash and Cash Equivalents at End of Year	<u>\$ 16,306,124</u>	<u>\$ 13,341,630</u>
Unrestricted Cash and Investments	\$ 12,682,529	\$ 9,713,758
Restricted Cash and Investments	3,623,595	3,627,872
	<u>\$ 16,306,124</u>	<u>\$ 13,341,630</u>
Reconciliation of Operating Income to Net Cash		
Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ 5,541,586	\$ 4,476,111
Adjustments to Reconcile Net Income		
to Net Cash Provided by Operating Activities:		
Depreciation	1,228,692	1,180,131
(Increase) Decrease in Accounts Receivable	(281,940)	350,154
(Increase) Decrease in Prepaid Expenses	6,444	6,207
Increase (Decrease) in Accounts Payable	190,006	(992,797)
Increase (Decrease) in Wages Payable	63,646	30,146
Increase (Decrease) in Accrued Leave	78,615	12,514
Increase (Decrease) in Unearned Revenue	18,830	61,456
Increase (Decrease) in Closure/Postclosure Payable	146,856	(548,535)
Increase (Decrease) in OPEB Payable	135,179	71,800
Increase (Decrease) in Pension Net Position	(350,696)	(232,692)
Total Adjustments to Net Income	<u>1,235,632</u>	<u>(61,616)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,777,218</u>	<u>\$ 4,414,495</u>
Noncash Investing, Capital and Financing Activities		
Amortization of Bond Premium	<u>\$ 169,248</u>	<u>\$ 189,331</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
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1. **Summary of Significant Accounting Policies:**

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

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

Accounting Principles: The accounting policies of the Authority conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountant (AICPA).

New Accounting Pronouncements: The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 72 *"Fair Value Measurement and Application"*

The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015. The requirements of this statement have been recorded in these financial statements.

Statement No. 76 *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*

The provisions of this statement are effective for reporting periods beginning after June 15, 2015. The requirements of this statement have been recorded in these financial statements.

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

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

Measurement Focus: The Authority's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total assets. The financial statements distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to residents and customers for waste collection and disposal and the revenues from the sale of processed waste

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materials. Operating expenses include the cost of waste disposal and recycling services, administrative expenses, closure and post closure maintenance and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

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

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

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

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

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

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

Capital Assets: Capital assets which include property, plant, equipment, and landfills are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are recorded at estimated fair value at the date of donation. Capital Assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the increase in net position.

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

Depreciation of capital assets other than landfill cells is computed using the straight-line method over the estimated useful lives of the assets, which are summarized as follows:

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

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Landfill cells are depreciated/amortized based on units of consumption. Units-of-consumption depreciation rates are determined annually for our operating landfill at Johnson Canyon. The rates are based on estimates provided by our engineers and accounting personnel and consider the information provided by airspace surveys, which are performed at least annually. Significant changes in our estimates could materially increase our landfill depletion rates, which could have a material adverse effect on our financial condition and results of operations. In addition, by the time a landfill stops accepting waste that landfill must be fully depreciated. This may lead to larger amounts of depreciation charged at the end of the landfill's life for projects capitalized in those latter years.

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

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

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

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

Unrestricted - This component of net position consists of net position that do not meet the definition of net investment in capital assets, Net of Related Debt, or Restricted.

Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Loss on Refunding - the item that qualifies in this category is the deferred loss on refunding reported in the Statement of Net Position (deferred outflow). Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Pensions - for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Public Employees Retirement System (CalPERS) and

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additions to/deductions from CalPERS's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Amortization: Premium, discount and insurance on long-term debt are amortized on the effective interest rate method over the life of the related debt issues.

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

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

Public Employees Retirement System: The Authority offers 2 retirement plans to its employees. Employees hired before January 1, 2013 are members of the CalPERS Classic Plan and employees hired after January 1, 2013 are members of the California Public Employees' Pension Reform Act Plan (PEPRA Plan).

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Salinas Valley Solids Waste Authority's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS finance office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 12 for the CalPERS Classic Plan disclosures.

Post-employment Benefits Other than Pensions: The Authority's net Other Post-Employment Benefits (OPEB) Obligation is recognized as a long-term liability in the Statement of Net Position, the amount is actuarially determined. The Authority offers health benefits to retirees under age 65 as well as their qualified dependents, as required by state law. The Authority's subsidized retiree health benefits are not pre-funded and are reported on a pay-as-you-go basis.

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

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Future Accounting Pronouncements: GASB Statements listed below will be implemented in future financial statements:

Statement No. 74 <i>"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2016.
Statement No. 75 <i>"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2017.
Statement No. 77 <i>"Tax Abatement Disclosures"</i>	The provisions of this statement are effective for reporting periods beginning after Dec 15, 2015.
Statement No. 78 <i>"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"</i>	The provisions of this statement are effective for reporting periods beginning after Dec 15, 2015.
Statement No. 79 <i>"Certain External Investment Pools and Pool Participants"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2015. except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015.
Statement No. 80 <i>"Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2016.
Statement No. 81 <i>"Irrevocable Split-Interest Agreements"</i>	The provisions of this statement are effective for reporting periods beginning after Dec 15, 2016.
Statement No. 82 <i>"Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2016. Except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

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2. Cash and Investments:

Cash and Investments: The bank balance and carrying value of the Authority's cash and investments, including restricted balances, at June 30, 2016 were as follows:

Cash and Cash Equivalents	
Unrestricted Cash	\$ 12,682,529
Restricted Cash	3,623,595
Total Cash and Cash Equivalents	16,306,124
Certificates of Deposit	1,750,000
Total	<u>\$ 18,056,124</u>

The Authority's cash and investments at June 30, 2016, were held as follows:

Cash managed by the Authority's Treasurer	\$ 290,419
Investments managed by the Authority's Treasurer	17,765,705
Total	<u>\$ 18,056,124</u>

The Authority's investment policy conforms to state law (Government Code Sections 53601 through 53659). The investment of bond proceeds is governed by the specific Indenture of Trust. The investment policy is reviewed annually. The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Disclosures Related to Fair Value Measurement: The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three tiered fair value hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

At June 30, 2016, the Authority had the following recurring fair value measurements:

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Public Investment Money Market Account (Rabobank)	\$ 2,000,219	\$ 2,000,219	\$ -	\$ -
Rabobank Certificates of Deposit	1,750,000	-	1,750,000	-
	<u>\$ 3,750,219</u>	<u>\$ 2,000,219</u>	<u>\$ 1,750,000</u>	<u>\$ -</u>
Non-Leveled State of California Local Agency Investment Fund	<u>\$ 14,015,486</u>			
	<u>\$ 17,765,705</u>			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using quoted prices for identical securities in markets that are not active or similar assets in active markets.

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Investment in State Investment Pool (LAIF): The Authority participates in the California Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. At June 30, 2016, the total fair value amount invested by all public agencies in LAIF is \$75,368,904,612 managed by the State Treasurer. Of that amount, 2.81% is invested in medium-term and short-term structured notes and asset-back securities. No amounts were invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 3. According to the investment policy investment of bond proceeds are restricted by the provisions of relevant bond documents.

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

The Local Agency Investment Fund (LAIF) managed by the State Treasurer, representing 78.9% of the investment portfolio, is not rated.

Rabobank's credit ratings by four Nationally Recognized Statistical Rating Organizations are shown in the table below.

<u>Rating Agency</u>	<u>Long Term Rating</u>	<u>Outlook</u>	<u>Short Term Rating</u>
Moody's	Aa2	Stable	P-1
Standard & Poor's	A+	Stable	A-1
Fitch	AA-	Stable	F1+
DBRS	AA	Stable	R-1 (high)

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in LAIF. The investment in LAIF and the Public Investment Money Market Account, representing 78.9% and 9.9%, respectively, of the portfolio are not considered a concentrated risk. The Rabobank Certificates of Deposit represents 11.3% of the portfolio. They are fully collateralized at 110% of value.

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The Authority was in compliance with these limitations at June 30, 2016. At June 30, 2016, certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

Investment Type	Investment Maturities				% of Total
	Fair Value	0-6 Mths	6-12 Mths	1-5 years	
State of California					
Local Agency Investment Fund	\$ 14,015,486	\$ -	\$ 14,015,486	\$ -	78.9
Public Investment Money Market Account (Rabobank)	2,000,219	2,000,219	-	-	11.2
Rabobank Certificates of Deposit	1,750,000	-	-	1,750,000	9.9
	<u>\$ 17,765,705</u>	<u>\$ 2,000,219</u>	<u>\$ 14,015,486</u>	<u>\$ 1,750,000</u>	<u>100.0</u>

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the table above that shows the distribution of the Authority's investments by maturity.

3. Accounts Receivable:

Accounts receivable and the related allowance for doubtful accounts at June 30, 2016, are summarized as follows:

Billed Receivables:

Tipping Fee Accounts Receivable	\$ 1,530,024
Intergovernmental Grants Receivable	161,764
LFG Gas Royalties	67,616
Sales of Recycling Materials	119,092
Franchise Administration	31,803
Employees' Flexible Spending Account	9,800
Vision Recycling Fuel	3,178
Autoclave Testing Receivable	<u>4,609</u>
Total Accounts Receivable	1,927,886
Allowance for Doubtful Accounts	<u>(11,475)</u>
	<u><u>\$ 1,916,411</u></u>

4. Loss on Bonds Refunding:

For the fiscal year ended June 30, 2015, Salinas Valley Solid Waste Authority adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". An increase in the Authority's Net Position that is expected to occur in a future period is a Deferred Inflow of Resources. A decrease in the Authority's Net Position that is expected to occur in a future period is a Deferred Outflow of Resources.

For the fiscal year ended June 30, 2015, Salinas Valley Solid Waste Authority had a loss on the refunding of the Series 2002 Revenue Bonds, which is a deferred outflow of resources.

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Deferred Outflows of Resources balances for the year ended June 30, 2016 were as follows:

	June 30, 2015	Increases	Decreases	June 30, 2016
Loss on Refunding of Bonds:				
2014A (AMT) Refunding Revenue Bonds	\$ 407,604	\$ -	\$ (37,377)	\$ 370,227
2014B (Taxable) Refunding Revenue Bonds	46,826	-	(9,404)	37,422
	<u>\$ 454,430</u>	<u>\$ -</u>	<u>\$ (46,781)</u>	<u>\$ 407,649</u>

The loss is amortized using the effective interest rate method as principal payments are made and is attributed to each of the refunding series of bonds, as follows.

Fiscal year Ended June 30,	2014A (AMT) Refunding Revenue Bond	2014B (Taxable) Refunding Revenue Bond	Total
2017	\$ 37,377	\$ 8,426	\$ 45,803
2018	37,279	7,425	44,704
2019	36,332	6,393	42,725
2020	34,588	5,332	39,920
2021	32,754	4,232	36,986
2022-2026	131,571	5,614	137,185
2027-2031	58,530	-	58,530
2032	1,796	-	1,796
	<u>\$ 370,227</u>	<u>\$ 37,422</u>	<u>\$ 407,649</u>

5. Restricted Cash:

Cash and investments of \$3,623,595 are recorded as restricted assets at June 30, 2016.

Cash and investments of \$3,551,777 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of \$19,172 are restricted by the California Department of Resources Recycling and Recovery grant for use in litter abatement and beverage container collection programs.

Cash and investments of \$3,366 are restricted by the Flexible Spending Arrangement to for employees' pay out-of-pocket health and child care costs.

Cash and investments of \$49,280 are restricted by agreement with the Central Coast Recycling Media Coalition. These funds are to be used for the Tri-County public/private cooperative marketing and advertising projects.

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6. Capital Assets:

The changes in capital assets of the Authority for the year ended June 30, 2016, are summarized as follows:

	June 30, 2015	Increases	Decreases	June 30, 2016
Business-type activities				
Nondepreciable assets:				
Land	\$ 42,600	\$ -	\$ -	\$ 42,600
Construction in Progress	52,510	509,143	(50,097)	511,556
Total nondepreciable assets	95,110	509,143	(50,097)	554,156
Depreciable Assets:				
Buildings	456,484	-	-	456,484
Other Improvements	54,731,643	131,981	-	54,863,624
Machinery and Equipment	6,889,631	416,574	-	7,306,205
Total depreciable assets	62,077,758	548,555	-	62,626,313
Less Accumulated Depreciation	(32,167,372)	-	(1,228,692)	(33,396,064)
Total Depreciable Assets, Net	29,910,386	548,555	(1,228,692)	29,230,249
Total Capital Assets, Net	\$ 30,005,496	\$ 1,057,698	\$ (1,278,789)	\$ 29,784,405

Construction in progress at June 30, 2016, consists of \$52,510 in costs associated with various landfill projects.

The accumulated depreciation by major class is summarized as follows:

	Accumulated depreciation June 30, 2015	Decreases	Accumulated depreciation June 30, 2016
Buildings	\$ (311,446)	\$ (18,859)	\$ (330,305)
Other Improvements	(29,728,180)	(646,136)	(30,374,316)
Machinery and Equipment	(2,127,746)	(563,697)	(2,691,443)
Total	\$ (32,167,372)	\$ (1,228,692)	\$ (33,396,064)

7. Accrued Leave:

Employees are eligible to receive their entire unused paid time off upon termination, or can elect to be paid annually for a maximum of fifteen days of annual leave, depending on years of service. At June 30, 2016, the liability for this accrued leave is \$443,517.

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The changes in accrued leave of the Authority for the year ended June 30, 2016, are summarized as follows:

	June 30, 2015	Increases	Decreases	June 30, 2016
Accrued Leave				
Current	\$ 225,340	\$ 285,857	\$ (237,309)	\$ 273,888
Noncurrent	139,562	177,043	(146,976)	169,629
Total	<u>\$ 364,902</u>	<u>\$ 462,900</u>	<u>\$ (384,285)</u>	<u>\$ 443,517</u>

8. Long Term Liabilities:

The following is a summary of long term liabilities for the fiscal year ended June 30, 2016:

	June 30, 2015	Increases	Decreases	June 30, 2016	Due Within One year
Long Term Debt:					
2014A (AMT) Refunding					
Revenue Bonds	\$27,815,000	\$ -	\$ -	\$27,815,000	\$ -
2014B (Taxable) Refunding					
Revenue Bonds	3,260,000	-	320,000	2,940,000	325,000
2014 Revenue Bonds					
Original Issue Premium	2,064,718	-	169,248	1,895,470	169,247
Equipment Lease Payable	3,327,721	-	864,761	2,462,960	727,293
Long Term Debt Subtotal	<u>36,467,439</u>	<u>-</u>	<u>1,354,009</u>	<u>35,113,430</u>	<u>1,221,540</u>
Other Long Term Liabilities:					
Post Employment Benefits	1,031,517	114,438	-	1,145,955	-
Closure Payable	2,485,378	298,297	233,451	2,550,224	-
Postclosure Payable	13,572,898	178,273	96,263	13,654,908	566,750
Total Long Term Liabilities	<u>\$53,557,232</u>	<u>\$ 591,008</u>	<u>\$1,683,723</u>	<u>\$52,464,517</u>	<u>\$ 1,788,290</u>

The annual debt service requirements for long term debt are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 1,052,293	\$ 1,653,122	\$ 2,705,415
2018	1,229,866	1,619,001	2,848,867
2019	2,383,139	1,550,433	3,933,572
2020	1,897,662	1,452,290	3,349,952
2021	1,770,000	1,366,699	3,136,699
2022-2026	10,275,000	5,399,314	15,674,314
2027-2031	11,935,000	2,395,663	14,330,663
2032	<u>2,675,000</u>	<u>73,563</u>	<u>2,748,563</u>
	<u>\$ 33,217,960</u>	<u>\$ 15,510,085</u>	<u>\$ 48,728,045</u>

On January 28, 2014, Salinas Valley Solid Waste Authority issued Alternative Minimum Taxable bonds (Series 2014A) with a par value of \$27,815,000. These refunding revenue bonds were sold for \$30,069,049. This resulted in an original issue premium of \$2,254,049 meaning the bonds sold at 108.10% of the par value. The purpose of the bonds issuance was to currently refund the refunded Series 2002 revenue bonds. The balance of the Series 2002 bonds refunded was \$33,050,000. The Series 2014A bonds bear an interest rate of between 5% and 5.5% with varying

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annual principal payments beginning August 1, 2017 and semi-annual interest payments beginning August 1, 2014. The final principal and interest payment is due August 1, 2031.

In order to fully refund the Series 2002 revenue bonds, the Salinas Valley Solid Waste Authority made a debt service fund contribution of \$848,859 and a debt service reserve fund contribution of \$2,829,714. Unamortized Series 2002 bond issuance costs were \$252,002 at the date of refunding.

Additionally, on January 28, 2014, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2014B) with a par value of \$3,575,000. These bonds were sold at par. The purpose of the issuance of these bonds was to refund the Authority's 1997 Installment Purchase Agreement. The balance of the 1997 Installment Purchase Agreement refunded was \$3,287,588. The Series 2014B bonds bear an interest rate of between .990% and 4.841% with varying annual principal payments beginning August 1, 2014 and semi-annual interest payments beginning August 1, 2014. The final principal and interest payment is due August 1, 2023.

The annual debt service requirements for the 2014A (AMT) Refunding Revenue Bond are as follows:

2014A (AMT) Refunding Revenue Bond			
Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ -	\$ 1,475,125	\$ 1,475,125
2018	145,000	1,471,500	1,616,500
2019	1,265,000	1,436,250	2,701,250
2020	1,330,000	1,371,375	2,701,375
2021	1,400,000	1,303,125	2,703,125
2022-2026	9,065,000	5,311,837	14,376,837
2027-2031	11,935,000	2,395,663	14,330,663
2032	2,675,000	73,563	2,748,563
	<u>\$ 27,815,000</u>	<u>\$ 14,838,438</u>	<u>\$ 42,653,438</u>

The annual debt service requirements for the 2014B (Taxable) Refunding Revenue Bond are as follows:

2014B (Taxable) Refunding Revenue Bond			
Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 325,000	\$ 107,695	\$ 432,695
2018	335,000	99,772	434,772
2019	345,000	89,728	434,728
2020	355,000	77,640	432,640
2021	370,000	63,574	433,574
2022-2024	1,210,000	87,477	1,297,477
	<u>\$ 2,940,000</u>	<u>\$ 525,886</u>	<u>\$ 3,465,886</u>

Equipment Lease Payable: The Equipment Lease is a capital lease for certain landfill equipment in the amount of \$3,670,000 for a term of 5 years. The first interest and principal payment is due June 30, 2015 and each year thereafter until June 30, 2020. The interest rate for this capital lease is 3.08%.

The equipment under this capital lease is included in machinery and equipment. Amortization of this equipment is included in depreciation expense.

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The annual debt service requirements are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$ 727,293	\$ 70,302	\$ 797,595
2018	749,866	47,729	797,595
2019	773,139	24,455	797,594
2020	212,662	3,275	215,937
	\$ 2,462,960	\$ 145,761	\$ 2,608,721

Other Long Term Payable: The other long term liabilities include Other Post Employee Benefits as required by GASB Statement No. 45. This liability is for the employer's portion of medical insurance benefits for retirees from the Salinas Valley Solid Waste Authority.

The amounts accrued for Closure Payable and Postclosure Payable are mandated by the California Department of Resources, Recycling, and Recovery. This is the estimated liability for closing and maintaining for 30 years after closure the landfills of the Salinas Valley Solid Waste Authority.

9. Unamortized Bond Premium:

The refunding bonds Series 2014A was sold at a premium of \$2,254,049. The premium is being amortized over the life of the bond issue.

The following is a summary of the 2014 Revenue Bonds unamortized premium at June 30, 2016:

	June 30, 2015	Increases	Decreases	June 30, 2016
Revenue Bonds, Series 2014	\$ 2,064,718	\$ -	\$ (169,248)	\$ 1,895,470

Total bonded debt outstanding at June 30, 2016 net of the unamortized bond premium is as follows:

Bonds payable	\$ 30,755,000
Add unamortized bond issue premium	1,895,470
Net bonds payable	\$ 32,650,470

10. Landfill Closure and Postclosure Requirements:

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

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

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

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

The system estimated capacity at June 30, 2016 is presented as follows:

	<u>Johnson Canyon</u>
Permitted Capacity (cu. yd.)	12,566,162
Cumulative Capacity Used (cu. yd.)	<u>(2,174,987)</u>
Remaining Capacity (cu. yd.)	<u><u>10,391,175</u></u>

System Capacity: As of June 30, 2016, the Authority has 82.69% of its system capacity remaining. System capacity is based on the capacity of the one active landfill, Johnson Canyon. During the fiscal year ended June 30, 2016, the Authority landfilled a total of 182,298 tons of solid waste. As of June 30, 2016 the Authority has 45 years remaining landfill capacity.

Johnson Canyon Landfill: On February 1, 2008, Johnson Canyon was granted a revised permit by the California Integrated Waste Management Board increasing its landfill capacity. The site capacity estimates and closure and postclosure costs were revised as part of the permit process. Johnson Canyon Landfill has capacity to the year 2061 based on remaining capacity and current in-place density per 2016 calculations.

Closed Landfills: Crazy Horse Landfill closed on May 31, 2009. It is now awaiting closure certification from CalRecycle. Jolon Road Landfill is accepting waste only as a transfer station. The landfill was closed in October 2007. No refuse is being landfilled on this site. Lewis Road Landfill is a closed landfill. No refuse is being landfilled on this site.

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Closure and Postclosure Maintenance Costs: Estimated closure and postclosure maintenance costs and amounts set-aside for closure as of June 30, 2016, are presented as follows:

	June 30, 2016				
	Total	Crazy Horse	Johnson Canyon	Lewis Road	Jolon Road
Estimated:					
Closure Cost	\$ 14,734,122	\$ -	\$ 14,734,122	\$ -	\$ -
Postclosure Maintenance Cost	15,550,527	11,407,580	2,292,393	703,480	1,147,074
Total Estimated	<u>\$ 30,284,649</u>	<u>\$ 11,407,580</u>	<u>\$ 17,026,515</u>	<u>\$ 703,480</u>	<u>\$ 1,147,074</u>
Expense (Income):					
Closure	\$ 298,297	\$ 2,311	\$ 295,986	\$ -	\$ -
Postclosure Maintenance	178,273	112,946	46,051	7,722	11,554
Total Expense (Income)	<u>\$ 476,570</u>	<u>\$ 115,257</u>	<u>\$ 342,037</u>	<u>\$ 7,722</u>	<u>\$ 11,554</u>
Outstanding Liability:					
Closure	\$ 2,550,224	\$ -	\$ 2,550,224	\$ -	\$ -
Postclosure Maintenance	13,654,908	11,407,580	396,774	703,480	1,147,074
Total Liability	<u>\$ 16,205,132</u>	<u>\$ 11,407,580</u>	<u>\$ 2,946,998</u>	<u>\$ 703,480</u>	<u>\$ 1,147,074</u>
Assets Set-Aside for Closure-Cash	<u>\$ 3,551,777</u>	<u>\$ -</u>	<u>\$ 3,551,777</u>	<u>\$ -</u>	<u>\$ -</u>
Cash over/(under) Closure Liability	<u>\$ 1,001,553</u>	<u>\$ -</u>	<u>\$ 1,001,553</u>	<u>\$ -</u>	<u>\$ -</u>

Johnson Canyon Landfill estimated closure costs increased \$145,882 as a result of the revised CalRecycle inflation factor of 101%.

Johnson Canyon Landfill estimated postclosure costs increased \$22,697 as a result of the CalRecycle inflation factor of 101% and recalculation. After taking into account the remaining capacity of the landfill, the Authority recognized a postclosure expense of \$342,037.

The postclosure maintenance liability of \$13,654,908 will be funded from future revenues as expenditures take place.

11. Deferred Compensation Plan:

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

The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The ICMA Deferred Compensation plan has a balance of \$714,157 as of June 30, 2016. Since these funds are held by the ICMA Retirement Corporation under a trust arrangement for the benefit of the employees, these funds are not reported on the financial statements.

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12. Retirement Programs:

A. General Information about the Pension Plan

Plan Description: All qualified employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Authority entered into a contract with CalPERS effective July 1, 2004, to provide 2% at 55 for Local Miscellaneous Members. All CalPERS participant benefits vest after five years of service. Miscellaneous employees under CalPERS who retire at or after age 55 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount that varies from 2% at age 55 to a maximum 2.418% at age 63, of the single highest year's salary for each year of credited service.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous
Benefit formula	2% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	55-63
Monthly benefits, as a % of eligible compensation	2%-2.418%
Required employee contribution rates	7%
Required employer contribution rates	8.512%

Contributions: Section 20814(c) of the California Public Employee's Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribute rate of employees.

The Authority's contributions were as follows:

	Fiscal Year Paid		
	2015/16	2014/15	2013/14
Misc Classic	\$ 209,017	\$ 264,022	\$ 263,516
Misc PEPR	41,889	21,559	-
	<u>\$ 250,906</u>	<u>\$ 285,581</u>	<u>\$ 263,516</u>

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B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the Authority reported net pension liabilities for its proportionate share of the net pension liability as follows:

	Proportionate Share of Net Pension Liability
Authority's Miscellaneous Plan	\$ 649,956
Total Net Pension Liability	<u>\$ 649,956</u>

The Authority's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Authority's proportion of the net pension liability was based on a projections of the Authority's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2016 and 2015 was a follows:

	Percentage Share of Risk		Change:
	6/30/2016	6/30/2015	Increase/(Decrease)
Measurement date	6/30/2015	6/30/2014	
Percentage of Risk Pool NPL	0.023691%	0.027137%	-0.003446%
Percentage of Plan (PERF C) NPL	0.009469%	0.010779%	-0.001310%

For the year ended June 30, 2016, the Authority recognized pension expense of \$(99,785). At June 30, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,559	\$ -
Changes in assumption	-	175,582
Net differences between projected and actual earnings on plan investments	-	88,023
Change in employer's proportion	279,841	71,698
Differences between the employer's contributions and the employer's proportionate share of contributions	188,111	-
Pension contributions subsequent to measurement date	250,906	-
Total	<u>\$ 737,417</u>	<u>\$ 335,303</u>

\$250,906 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ 20,642
2018	19,493
2019	(1,446)
2020	112,515
Thereafter	-
Total	<u>\$ 151,204</u>

Actuarial Methods and Assumptions Used to Determine Pension Liability: For the measurement period ended June 30, 2015 (the measurement date), the total pension liabilities were determined by rolling forward the June 30, 2014 total pension liability determined in the June 30, 2014 actuarial accounting valuation. The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements Of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

*The Mortality table used was developed based on CalPERS' specific date. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and requirement rates. The Experience Study report can be found on CalPERS' website under Forms and Publications.

Change of Assumption: GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50% (net of administrative expense in 2014) to 7.65% as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Discount Rate: The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculations is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test

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results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

Amortization of Deferred Outflows and Deferred Inflows of Resources: Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
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All others amounts	Straight-line amortization over the expected average remaining service lifetime (EARS�) of all members that are provided with pension (active, inactive, and retired) as of the beginning of the measurement period
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Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience, Changes of Assumptions and employer-specific amounts should be amortized over the EARS� of members provided with pensions through the Plan. The EARS� for PERF C for the June 30, 2015 measurement date is 3.8 years, which was obtained by dividing the total service years of 467,023 (the sum of remaining service lifetimes of all active employees) by 122,410 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability for each Plan, calculated using the discount rate of each Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	\$ 1,296,005
Current Discount Rate	7.65%
Net Pension Liability	\$ 649,956
1% Increase	8.65%
Net Pension Liability	\$ 116,575

Pension Plan Fiduciary Net Positions: Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial reports.

13. Other Post Employment

Annual OPEB Costs and Net OPEB Obligation: The Authority funds the payment of current retirees health costs on a pay-as-you go basis. For the fiscal year ended June 30, 2016, the Authority's pay-as-you-go contributions for health care benefits for retirees are \$1,721. There were 2 retirees on the health insurance plan.

Postemployment Healthcare Plan: The Authority's annual Other Post Employment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Authority's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation (NOO) for the years ended June 30, 2016 and June 30, 2015 are as follows:

	June 30, 2016	June 30, 2015
Annual required contribution	\$ 146,100	\$ 73,800
Interest on net OPEB obligation	14,400	12,300
Adjustments to net OPEB obligation	(17,000)	(13,500)
Annual OPEB expense	143,500	72,600
Benefit Payments	(1,721)	(800)
Implied Subsidy Payments	(6,600)	-
Increase in OPEB obligation	135,179	71,800
Net OPEB obligation - beginning of year	360,820	289,020
Net OPEB obligation - end of year	\$ 495,999	\$ 360,820

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The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ended June 30, 2016 and the preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2016	\$ 143,500	1.20%	\$ 495,999
6/30/2015	\$ 72,600	1.10%	\$ 360,820
6/30/2014	\$ 67,900	1.18%	\$ 289,020
6/30/2013	\$ 63,500	0.91%	\$ 221,920

Funded Status and Funding Progress: As of June 30, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$445,300. The covered payroll (annual payroll of active employees covered by the plan) was \$2,664,000 and the ratio of the UAAL to the covered payroll was 10.4%. The plan has no segregated assets.

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

Actuarial Methods and Assumptions: In the June 30, 2015 actuarial valuation, the actuarial cost method used is Entry Age Normal (EAN) cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll throughout the participants' working lifetime. Entry age is based on current age minus years of service. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior Normal Cost. For the retirees, the AAL is the present value of all projected benefits. The Unfunded AAL is being amortized as a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at June 30, 2016 for 24 years. GASB 45 requires the interest rate to represent the underlying expected return for the source of funds used to pay benefits. The actuarial methods and assumptions included 4.00% interest rate, representing the long term expected rate of return on the Authority's pooled investments. Annual inflation assumed to increase at 3% per annum and Aggregate Payroll assumed to increase at 3.25% per annum. Healthcare cost trend is forecasted at 4.5%. The study also used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality withdrawal, and disability based on CalPERS 1997-2007 Experience Study. Retirement assumption was also based on CalPERS 1997-2002 Experience Study of the Miscellaneous Plan 2.0% at 55 years, with expected retirement age of approximately 62.10.

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

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14. Concentrations:

The Authority received 70.1% of its Charges for Services (tipping fees) from two haulers: Republic Services, Inc. and Waste Management, Inc. These two haulers comprised approximately \$1,199,927 (78.43%) of accounts receivable balances at June 30, 2016. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the Authority, however this is very unlikely.

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

15. Commitments and Contingencies:

USA Waste, Inc. Long-Term Contract: As part of the Settlement Agreement and Release on the Jolon Road litigation, the Authority entered into an Amended and Restated Operating Agreement for the Jolon Road Transfer Station. The initial term of this Amended Agreement commenced on June 3, 2004 and ends on September 1, 2016. Salinas Valley Solid Waste Staff is preparing for the scheduled in-house operations of the site beginning on September 1, 2016.

Effective June 1, 2016, the base compensation consists of a fuel component of \$1,899 and a non-fuel component of \$59,424. The base compensation is adjusted annually on the anniversary date of the Amended Agreement based on changes in the Retail On-Highway Diesel Prices and Consumer Price Index. The basic contract terms at June 30, 2016, were as follows:

Contract Ending Date	Service	Basic Annual Fee	Future Minimum Contractual Amount
9/1/2016	Jolon Road Transfer Station	\$ 735,881	\$ 122,647

Lease Obligations: On October 19, 2006, the Authority entered into a ten year lease commencing January 1, 2007, for office space at 128 Sun Street in Salinas. The lease was extended for three years on February 18, 2016. Effective January 1, 2012, the current monthly lease payments are \$7,194.

The future minimum lease payments through December 2020 are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2017	\$ 86,328
2018	86,328
2019	86,328
2020	43,164
	<u>\$ 302,148</u>

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Risk Management: The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. Effective July 1, 2013 the Authority has purchased worker's compensation insurance through the State Compensation Insurance Fund for its employees. The Authority has the following commercial insurance policies:

Coverage	Detail	Limits	Deductible
Environmental Impairment Liability	Per Occurrence	\$ 10,000,000	\$ 25,000
Commercial Property	Per Occurrence	3,650,565	5,000
Earthquake	Per Occurrence	3,932,102	50,000
Environmental Excess Liability	Per Occurrence	5,000,000	-
Equipment Floater	-	10,000,000	5,000
General Liability	Aggregate	1,000,000	-
Auto Liability	Per Accident	1,000,000	1,000
Crime	-	1,000,000	5,000
Public Officials and Employment Practice	Each Act	1,000,000	10,000

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

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

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

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

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

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 18 years for Lewis Road to 56 years for Johnson Canyon. If there should be a release at one of the landfill sites the Authority would have to spend up to the amounts shown on capital improvements. If the capital improvements have to be completed, the Authority would be obligated to spend the maintenance amounts shown on the table for maintenance of the improvements.

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

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

16. Related Parties:

The Authority entered into a MOU with the City of Gonzales for mitigation issues for hosting the landfill, under this agreement, the Authority will pay the City \$20,833 per month commencing on the date of closure of the Crazy Horse landfill until the initial landfill expansion is entirely filled up by disposed solid waste.

17. Restricted Net Position:

At June 30, 2016, the statement of net position reports restricted net position of \$1,101,436. None of the net positions are restricted by enabling legislation. This consists of \$95,345 of unspent grant monies and \$1,006,091 for closure reserve.

18. Net Position:

Deficit Net Investment in Capital Assets: The deficit of \$4,921,464 in Net Investment in Capital Assets is the result of the Authority issuing 30-year debt to purchase and improve assets that depreciated at a much faster rate than the debt is being repaid. Three of the Authority's landfills are closed and fully depreciated, however, the debt associated with those assets will not be paid in full until 2032.

Unrestricted Net Deficit: The deficit of \$220,656 in Unrestricted Net Deficit is the result of accrued operating expenses such as postclosure that will be paid from future revenues. Per Board policy tipping fees are set at an amount such that postclosure maintenance is funded on a pay-as-you-go basis. Those expense are accrued as long term liability which will be funded over the next 30 years from tipping fees. This is in accordance with the Pledge of Revenue that is part of the Financial Assurances agreement between the Authority and CalRecycle.

19. Bond Rate Covenant:

Pursuant to the Master Indenture of the Revenue Bonds, Series 2014, the Authority has agreed, at all times while any of the Bonds remain outstanding, to set fees and charges and manage operations so as to yield Net Revenues during the fiscal year equal to at least one hundred fifteen percent (115%) of the bond's annual debt service for the fiscal year.

This calculation is based on Net Revenues as described in the Master Indenture. The calculation is based on operating income increased by investment earnings on all funds other than bond project funds and reduced by postclosure expense, depreciation and amortization, all non-cash items. At June 30, 2016, the calculation is 378%.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Net revenue available for debt service for the year ended June 30, 2016, is determined as follows:

**Salinas Valley Solid Waste Authority
Debt Service Coverage Ratio Calculations
Fiscal year ended June 30, 2016**

Revenues	
Operating revenues	\$ 18,442,923
Interest not on Project funds	64,248
Revised Revenues	<u>18,507,171</u>
Maintenance & Operations Costs	
GAAP Operating Expenses	12,901,337
Less the following items per Master Indenture	
Postclosure maintenance	(178,273)
Closure	(298,297)
Depreciation	(1,228,692)
Add Postclosure liability being paid	
Lewis Road	76,393
Jolon Road	<u>19,870</u>
Revised Maintenance and Operations Expenses per Master Indenture	<u>11,292,338</u>
Net Revenues	<u>\$ 7,214,833</u>
Debt service on 2014 Bond	<u>\$ 1,908,648</u>
Debt Service Coverage Ratio	378%
Debt Service Coverage Required	115%

20. Prior Period Adjustment Related to Pension:

As part of implementing the requirements of GASB statements 68 and 71, the Authority adjusted its beginning net position as of July 1, 2014 for the portion of pension liability attributable to periods before the year ended June 30, 2014. A pension liability of \$921,577 and deferred outflow of resources related to pension contributions of \$90,347 were recorded as prior year adjustments. This resulted in a net decrease to net position of \$831,230. This adjustment was recorded prospectively, as it was not practical for management to attempt to estimate pension expense for prior years.

The net position as of June 30, 2016 has been restated from the amount previously reported. The difference between the actual and the proportionate share of employer contributions was expensed instead of reported as a deferred outflow in the June 30, 2015 financial statements. The effect of this restatement is as follows:

Net position at June 30, 2014, as previously stated	\$ (10,238,316)
Change in net position	2,835,648
Cumulative effect of adoption of new accounting principles (GASB 68)	<u>(831,230)</u>
Net position at July 30, 2015, as previously stated	(8,233,898)
Deferred pension outflows, prior period adjustment	127,598
Net position at June 30, 2015, as restated	<u>\$ (8,106,300)</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

21. Subsequent Events:

Date of Management Review: Management has evaluated subsequent events through December 1, 2016, the date which these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SALINAS VALLEY SOLID WASTE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Schedule of the Authority's Proportionate Share of the Net Pension Liability
and Related Ratios as of Measurement Date
Cost Sharing Defined Benefit Pension Plan
As of June 30, 2016
Last 10 Years^

	Fiscal Year End	
	06/30/16	06/30/15
Measurement Date	06/30/15	06/30/14
Authority's proportion of the net pension liability	0.009469%	0.010779%
Authority's proportionate share of the net pension liability	\$649,956	\$670,697
Authority's covered-employee payroll*	2,691,705	2,418,312
Authority's proportionate share of the net pension liability as a percentage of covered employee payroll	24.15%	27.73%
Plan's fiduciary net position as a percentage of the plan's total pension liability	78.40%	79.82%

^ Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Schedule of Statutorily Required Employer Contributions

Pension Plan
As of June 30, 2016
Last 10 Years^

	06/30/16	06/30/15
Contributions for the fiscal year ending:		
Actuarially determined contribution	\$ 250,906	\$ 285,581
Contributions in relation to the actuarially determined contribution	250,906	285,581
Contribution deficiency (Excess)	\$ -	\$ -
Authority's covered-employee payroll *	\$ 2,992,877	\$ 2,691,705
Contributions as a percentage of covered-employee payroll	8.38%	10.61%

^ Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

* For the fiscal year ending on the date shown

Actuarial Methods and Assumptions

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS employed an amortization and smoothing policy that pays for all gains and losses over a fixed 30-year period with the increases or decreases in rate spread directly over a 5-year period. The new amortization and smoothing policy is used in this valuation.

A change in the calculation of termination with vested benefits liability was made this year to better reflect the retirement experience. After termination with vested benefits, a miscellaneous member is assumed to retire at age 59 and a safety member at age 54 rather than at earliest retirement age. The higher benefit factors at these ages results in a higher liability and an increase in normal cost.

SALINAS VALLEY SOLID WASTE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Other Postemployment Benefits
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) - Entry Age (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
6/30/2009	\$ 84,600	\$ -	\$ 84,600	0.00%	\$ 2,096,000	4.04%
6/30/2012	\$ 234,100	\$ -	\$ 234,100	0.00%	\$ 2,252,000	10.40%
6/30/2015	\$ 739,400	\$ -	\$ 739,400	0.00%	\$ 2,664,000	27.76%

STATISTICAL SECTION (unaudited)

SALINAS VALLEY SOLID WASTE AUTHORITY

Index to Statistical Section (unaudited)

This part of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the Authority's overall financial health.

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Debt Capacity - These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

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Salinas Valley Solid Waste Authority

Net Position (unaudited)

Last Ten Years

(accrual basis of accounting)

Description	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	(As Restated) 06/30/14	(As Restated) 06/30/15	06/30/16
Net investment in capital assets	\$ (16,391,014)	\$ (16,102,591)	\$ (12,533,301)	\$ (9,445,282)	\$ (9,560,964)	\$ (8,493,008)	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)	\$ (4,921,464)
Restricted	12,208,279	13,379,080	6,876,058	2,820,700	2,820,700	3,438,482	3,419,936	426,877	1,101,582	1,101,436
Unrestricted	(1,373,007)	(2,885,990)	(5,894,727)	(3,798,683)	(3,496,327)	(5,024,860)	(5,342,702)	(4,265,137)	(3,200,369)	(220,656)
Total Net Position	\$ (5,555,742)	\$ (5,609,501)	\$ (11,551,970)	\$ (10,423,265)	\$ (10,236,591)	\$ (10,079,386)	\$ (10,264,459)	\$ (10,238,316)	\$ (8,106,300)	\$ (4,040,684)

Note: The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2003.

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Changes in Net Position (unaudited)
Last Ten Years
(accrual basis of accounting)

Description	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	(As Restated) 06/30/14	(As Restated) 06/30/15	06/30/16
Changes in Net Position:										
Operating Revenues	\$ 15,295,892	\$ 15,706,134	\$ 15,298,739	\$ 16,135,595	\$ 15,070,564	\$ 15,273,792	\$ 15,980,945	\$ 18,244,947	\$ 16,795,395	\$ 18,442,923
Operating Expenses	14,589,056	12,244,092	17,370,851	12,610,300	11,720,409	12,554,260	12,837,292	13,245,635	11,139,153	11,672,645
Depreciation and amortization	2,519,469	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131	1,228,692
Operating income (loss)	(1,812,633)	1,482,589	(4,483,566)	2,973,163	2,783,869	2,021,376	1,784,242	3,586,570	4,476,111	5,541,586
Non-operating revenue (expenses)										
Interest income	1,498,000	1,397,018	764,812	289,760	233,541	52,658	39,180	28,013	36,631	64,248
Gain(loss) on disposition of capital assets	(1,437,223)	-	-	-	(848,017)	-	-	-	-	-
Interest expense	(2,310,063)	(2,265,802)	(2,225,196)	(2,177,895)	(2,132,513)	(2,085,322)	(2,026,114)	(1,724,013)	(1,557,530)	(1,549,675)
Grant income	-	-	-	-	-	-	-	-	-	-
Other revenue (expense), net	106,492	(667,564)	1,481	43,678	149,793	168,493	17,619	-	-	-
Rental Income	-	-	-	-	-	-	-	9,914	6,191	7,214
Finance charges	-	-	-	-	-	-	-	8,180	1,843	2,243
Cost of bond issuance	-	-	-	-	-	-	-	(561,881)	-	-
Total non-operating revenues (expense), net	(2,142,794)	(1,536,348)	(1,458,903)	(1,844,457)	(2,597,196)	(1,864,171)	(1,969,315)	(2,239,787)	(1,512,865)	(1,475,970)
Change in net position	\$ (3,955,427)	\$ (53,759)	\$ (5,942,469)	\$ 1,128,706	\$ 186,673	\$ 157,205	\$ (185,073)	\$ 1,346,783	\$ 2,963,246	\$ 4,065,616
Net position by component:										
Net investment in capital asset	\$ (16,391,014)	\$ (16,102,591)	\$ (12,533,301)	\$ (9,445,282)	\$ (9,560,964)	\$ (8,493,008)	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)	\$ (4,921,464)
Restricted for debt service	2,821,882	2,821,862	2,820,700	2,820,700	2,820,700	2,820,700	2,820,700	-	-	-
Restricted for grant	-	-	-	-	-	112,906	196,309	69,427	61,684	95,345
Restricted per lease agreement	-	-	-	-	-	-	-	-	242,326	-
Restricted for capital projects	8,745,386	8,149,009	4,055,358	-	-	-	-	-	-	-
Restricted for closure reserve	641,011	2,408,209	-	-	-	504,876	402,927	357,450	797,572	1,006,091
Unrestricted	(1,373,007)	(2,885,990)	(5,894,727)	(3,798,683)	(3,496,327)	(5,024,860)	(5,342,702)	(4,265,137)	(3,200,369)	(220,656)
Total Net Position	\$ (5,555,742)	\$ (5,609,501)	\$ (11,551,970)	\$ (10,423,265)	\$ (10,236,591)	\$ (10,079,386)	\$ (10,264,459)	\$ (10,238,316)	\$ (8,106,300)	\$ (4,040,684)

Note: The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2003.

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Operating Revenue by Source (unaudited)
Last Ten Years
(accrual basis of accounting)

Fiscal Year	Charges for Services	Sales of Materials	Operating Grants and Contributions	Total Operating Revenues
06/30/07	\$ 15,241,960	\$ -	\$ 53,932	\$ 15,295,892
06/30/08	15,281,310	266,657	158,167	15,706,134
06/30/09	15,038,687	186,521	73,531	15,298,739
06/30/10	15,612,328	405,466	117,801	16,135,595
06/30/11	14,621,695	433,359	15,510	15,070,564
06/30/12	14,654,565	419,613	199,614	15,273,792
06/30/13	15,438,514	392,958	149,473	15,980,945
06/30/14	17,534,111	594,056	116,780	18,244,947
06/30/15	16,095,020	583,734	116,641	16,795,395
06/30/16	17,676,062	618,784	148,077	18,442,923

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Operating Expenses by Activity (unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Personnel Services	Contractual Services	Operating Contracts	Supplies	Insurance	Building Rent	Taxes and Permits	Utilities	Closure/Postclosure Maintenance	Hazardous Waste	Other	Total Operating Expenses
06/30/07	\$ 1,572,729	\$ 1,572,274	\$ 5,825,771	\$ 90,958	\$ 286,669	\$ 74,108	\$ 840,698	\$ 116,233	\$ 3,835,518	\$ 203,060	\$ 171,038	\$ 14,589,056
06/30/08	2,217,099	2,042,237	5,907,393	176,589	254,783	90,733	772,394	125,726	296,515	177,680	182,943	12,244,092
06/30/09	2,704,352	1,916,644	5,539,953	230,557	233,477	99,190	735,705	134,839	5,435,843	168,862	171,429	17,370,851
06/30/10	3,273,902	1,561,538	5,326,362	319,126	216,357	96,814	733,494	155,505	556,332	174,900	195,970	12,610,300
06/30/11	3,697,152	1,136,289	4,422,103	361,401	189,062	99,310	685,116	160,573	641,333	171,496	156,574	11,720,409
06/30/12	3,593,200	1,390,036	4,804,124	382,533	220,868	99,606	742,681	133,416	897,535	173,359	116,902	12,554,260
06/30/13	3,763,121	1,453,881	4,783,575	454,034	219,004	104,508	728,267	137,788	712,257	192,176	288,681	12,837,292
06/30/14	4,089,205	1,666,689	4,737,350	488,037	238,915	104,658	736,417	138,820	639,510	172,520	233,514	13,245,635
(As Restated)												
6/30/2015	4,093,952	1,714,543	3,313,514	687,375	287,724	105,070	610,254	146,427	(267,617)	202,715	245,196	11,139,153
06/30/16	4,805,714	1,795,961	2,164,435	687,779	318,293	191,594	597,266	141,808	476,570	220,294	272,931	11,672,645

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Revenue Base (unaudited)
Last Ten Fiscal Years

Fiscal Year	Solid Waste Landfilled (tons)
06/30/07	308,234
06/30/08	292,720
06/30/09	271,808
06/30/10	253,553
06/30/11	250,683
06/30/12	236,248
06/30/13	236,521
06/30/14	242,788
06/30/15	175,923
06/30/16	182,298

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Revenue Rates (unaudited)
Last Ten Fiscal Years

Tipping Fees	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15	06/30/16
Tipping Fee	\$ 54.50	\$ 58.00	\$ 63.00	\$ 63.00	\$ 64.00	\$ 64.00	\$ 67.00	\$ 67.00	\$ 67.00	\$ 67.00
Salinas Transportation Surcharge	\$ -	\$ -	\$ -	\$ 6.00	\$ 5.00	\$ 5.00	\$ 8.00	\$ 11.00	\$ 14.00	\$ 17.00
AB939 Fee (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.00	\$ 12.00	\$ 15.00

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Principal Customers (unaudited)
Current Fiscal Year and Nine Years Ago

Customer	6/30/2016		6/30/2007	
	Tons Processed	Percentage of Total	Tons Processed	Percentage of Total
Republic Services Of Salinas	98,378	41.00%	125,091	34.50%
Waste Management - Madison Lane	32,561	13.57%	85,327	23.53%
Waste Management - Jolon Road	16,679	6.95%	34,875	9.62%
City Of Soledad	9,329	3.89%	28,883	7.97%
Rural Dispose-All	9,043	3.77%	7,440	2.05%
City Of Greenfield	7,539	3.14%	6,831	1.88%
Tri-Cities Disposal	5,894	2.46%	4,344	1.20%
City Of Gonzales	4,213	1.76%	3,995	1.10%
Avtech Construction, Inc.	3,731	1.55%	2,825	0.78%
Outback DVBE, Inc.	3,598	1.50%	2,667	0.74%
All Other Customers	49,010	20.41%	60,319	16.64%
Total Tons for All Customers	239,975	100.00%	362,597	100.00%

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Ratio of Outstanding Debt (unaudited)
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds, Series 2002	Purchase Agreement	Installment	2014 Series A Bonds Payable	2014 Series B Bonds Payable	Eq Lease Payable	Total (1)	Per Capita (2)	As a Share of Personal Income
6/30/2007	\$ 38,380,000	\$	3,875,836	-	-	-	\$ 42,255,836	\$ 105	0.25%
6/30/2008	\$ 37,595,000	\$	3,795,784	-	-	-	\$ 41,390,784	\$ 102	0.24%
6/30/2009	\$ 36,770,000	\$	3,709,274	-	-	-	\$ 40,479,274	\$ 99	0.24%
6/30/2010	\$ 35,910,000	\$	3,615,785	-	-	-	\$ 39,525,785	\$ 95	0.23%
6/30/2011	\$ 35,010,000	\$	3,514,756	-	-	-	\$ 38,524,756	\$ 91	0.22%
6/30/2012	\$ 34,070,000	\$	3,405,575	-	-	-	\$ 37,475,575	\$ 88	0.20%
6/30/2013	\$ 33,085,000	\$	3,287,588	-	-	-	\$ 36,372,588	\$ 85	0.19%
6/30/2014	\$ -	\$	-	27,815,000	3,575,000	3,670,000	\$ 35,060,000	\$ 81	0.18%
6/30/2015	\$ -	\$	-	27,815,000	3,260,000	3,327,721	\$ 34,402,721	\$ 79	N/A
6/30/2016	\$ -	\$	-	27,815,000	2,094,000	2,462,960	\$ 32,371,960	N/A	N/A

(1) Data Source: Salinas Valley Solid Waste Authority Finance Division

(2) Amount of debt divided by population as provided by U.S. Census Bureau - see Schedule 10 (Demographic Statistics)

Salinas Valley Solid Waste Authority
Pledged-Revenue Coverage (unaudited)
Last Ten Fiscal Years

Description	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	(As Restated) 06/30/15	06/30/16
Operating Income (see Schedule 2)	\$ (1,812,633)	\$ 1,482,589	\$ (4,483,566)	\$ 2,973,163	\$ 2,783,869	\$ 2,021,376	\$ 1,784,242	\$ 3,586,570	\$ 4,476,111	\$ 5,541,586
Investment Earnings	1,498,000	1,397,018	764,812	289,760	233,541	52,658	39,180	28,013	36,631	64,248
Closure/Postclosure Expense	3,835,518	296,515	5,435,843	556,332	641,333	897,535	712,257	639,510	(267,617)	476,570
Lewis Rd Postclosure	-	(52,767)	(154,128)	(99,706)	(134,012)	(135,362)	(103,497)	(97,684)	(115,654)	(76,393)
Jolon Rd Postclosure	-	(25,064)	(38,081)	(37,209)	(35,581)	(21,935)	(29,946)	(29,657)	(34,437)	(19,870)
Depreciation and Amortization	2,519,469	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131	1,228,692
Total	<u>\$ 6,040,354</u>	<u>\$ 5,077,744</u>	<u>\$ 3,936,334</u>	<u>\$ 4,234,472</u>	<u>\$ 4,055,436</u>	<u>\$ 3,512,428</u>	<u>\$ 3,761,647</u>	<u>\$ 5,539,494</u>	<u>\$ 5,275,165</u>	<u>\$ 7,214,833</u>
Annual Debt Service	\$ 2,437,000	\$ 2,749,804	\$ 2,754,916	\$ 2,753,154	\$ 2,753,091	\$ 2,753,092	\$ 2,754,954	\$ 2,879,137	\$ 1,920,876	\$ 1,908,648
Coverage Percentage	248%	185%	143%	154%	147%	128%	137%	192%	275%	378%
Required Percentage	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Demographic Statistics (unaudited)
Last Ten Fiscal Years

Year	County of Monterey			
	Unemployment Rate (1)	Population (2)	Personal Income (000) (3)	Personal Income Per Capita (4)
06/30/07	5.5%	402,116	\$ 17,065,338	\$ 42,411
06/30/08	6.4%	405,660	\$ 16,920,682	\$ 41,674
06/30/09	9.8%	410,370	\$ 16,724,481	\$ 40,765
06/30/10	10.3%	415,057	\$ 16,947,037	\$ 40,705
06/30/11	10.8%	421,898	\$ 17,678,701	\$ 41,958
06/30/12	10.0%	426,762	\$ 18,496,346	\$ 43,411
06/30/13	8.5%	429,123	\$ 19,233,171	\$ 44,851
06/30/14	7.1%	431,344	\$ 19,889,054	\$ 46,109
06/30/15	6.8%	433,898	N/A	N/A
06/30/16	6.1%	N/A	N/A	N/A

Data Sources:

- (1) California Employment Development Department; Labor Market Info Division
- (2) U.S. Census Bureau
- (3) U.S. Department of Commerce, Bureau of Economic Analysis (in thousands)
- (4) U.S. Department of Commerce, Bureau of Economic Analysis

Salinas Valley Solid Waste Authority
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs) (unaudited)

MSA and Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015
SALINAS MSA									
Total									
No. of Businesses	11,614	11,822	11,770	11,895	12,022	11,195	11,717	11,038	12,180
No. of Employees	152,069	152,846	146,140	148,321	150,224	155,869	158,846	160,954	170,385
Payroll (in thousands)	\$1,337,691	\$1,376,250	\$1,283,014	\$1,341,043	\$1,406,250	\$1,450,658	\$1,507,712	\$1,565,332	\$1,684,580
Agriculture									
No. of Businesses	571	562	546	529	529	532	540	546	539
No. of Employees	52,341	54,430	54,635	56,258	58,401	60,673	62,874	66,033	67,029
Payroll (in thousands)	\$369,937	\$383,147	\$380,582	\$416,294	\$448,534	\$472,663	\$520,761	\$557,753	\$596,901
Mining									
No. of Businesses	8								
No. of Employees	195								
Payroll (in thousands)	\$3,828								
Utilities									
No. of Businesses	25	23	21	19	20	21	21	22	20
No. of Employees	553	508	500	482	557	868	872	763	789
Payroll (in thousands)	\$9,266	\$10,210	\$11,086	\$10,735	\$14,754	\$19,317	\$21,089	\$183,131	\$20,427
Construction and Mining									
No. of Businesses	990	967	930	866	824	787	825	857	886
No. of Employees	7,102	6,144	4,578	4,314	3,997	4,673	4,823	5,080	5,538
Payroll (in thousands)	\$81,155	\$76,843	\$59,777	\$54,275	\$51,117	\$58,685	\$62,188	\$65,513	\$75,409

(1) Data are confidential if there are fewer than 3 businesses in a category or one employer makes up 80 percent or more of the employment in a category.

(2) Data are suppressed because confidential data could be extrapolated if these totals were included.

(3) Data do not include totals for government employment.

(4) Data is reported at September 30 each year.

(5) Data for the mining industry is combined with the construction industry beginning in 2008

(6) Rules instituted by the Federal Bureau of Labor Statistics after September 11, 2001, prohibit state departments of labor or economic security from publically identifying the names of individual employers.

Definitions of Terms and Source Notes

http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Report_Terms.html

Salinas Valley Solid Waste Authority
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs) (unaudited)

MSA and Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015
Manufacturing									
No. of Businesses	269	251	255	256	244	248	265	267	259
No. of Employees	6,163	6,107	5,861	5,457	5,869	5,287	5,439	5,337	5,685
Payroll (in thousands)	\$64,045	\$62,187	\$56,038	\$57,445	\$66,066	\$63,429	\$59,826	\$60,774	\$65,737
Wholesale Trade									
No. of Businesses	420	400	402	391	377	377	368	411	384
No. of Employees	4,987	5,260	4,940	5,281	5,120	5,480	5,227	4,710	5,459
Payroll (in thousands)	\$72,518	\$78,282	\$74,947	\$79,735	\$83,299	\$88,422	\$92,922	\$59,857	\$94,037
SALINAS MSA									
Retail Trade									
No. of Businesses	1,288	1,267	1,221	1,227	1,200	1,195	1,175	1,358	1,199
No. of Employees	17,045	16,557	14,877	15,251	15,530	15,812	16,144	16,969	16,366
Payroll (in thousands)	\$123,776	\$123,551	\$107,453	\$111,004	\$122,602	\$120,195	\$120,072	\$114,448	\$128,116
Transportation and Warehousing									
No. of Businesses	250	248	241	239	227	230	239	240	269
No. of Employees	3,228	3,192	3,032	2,942	2,715	3,085	3,309	2,814	3,907
Payroll (in thousands)	\$34,632	\$36,789	\$34,856	\$36,081	\$36,164	\$37,895	\$40,049	\$26,107	\$48,726
Information									
No. of Businesses	105	107	98	106	99	102	102	119	84
No. of Employees	2,137	2,020	1,671	1,619	1,532	1,525	1,517	2,307	1,325
Payroll (in thousands)	\$35,998	\$31,248	\$24,735	\$23,894	\$24,061	\$23,229	\$23,947	\$31,249	\$23,019

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(5) Data for the mining industry is combined with the construction industry beginning in 2008

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Salinas Valley Solid Waste Authority
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs) (unaudited)

MSA and Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015
Finance and Insurance									
No. of Businesses	398	390	363	367	363	345	333	375	333
No. of Employees	3,819	3,541	2,857	2,630	2,528	2,480	2,235	3,711	2,247
Payroll (in thousands)	\$69,518	\$77,659	\$47,648	\$46,824	\$43,452	\$46,190	\$43,238	\$50,791	\$45,027
Real Estate and Rental and Leasing									
No. of Businesses	420	400	393	386	360	369	380	428	387
No. of Employees	2,243	1,932	1,730	1,745	1,654	1,753	1,639	2,313	1,781
Payroll (in thousands)	\$21,402	\$17,392	\$15,087	\$15,752	\$17,044	\$17,891	\$18,071	\$20,400	\$20,113
Services									
No. of Businesses	6,870	7,207	7,300	7,509	7,779	6,989	7,469	6,415	7,820
No. of Employees	52,256	53,155	51,459	52,342	52,321	54,233	54,767	50,917	60,259
Payroll (in thousands)	\$451,616	\$478,942	\$470,805	\$489,004	\$499,157	\$502,741	\$505,549	\$395,309	\$567,068

Notes:

- (1) Data are confidential if there are fewer than 3 businesses in a category or one employer makes up 80 percent or more of the employment in a category.
- (2) Data are suppressed because confidential data could be extrapolated if these totals were included.
- (3) Data do not include totals for government employment.
- (4) Data is reported at September 30 each year.
- (5) Data for the mining industry is combined with the construction industry beginning in 2008
- (6) Rules instituted by the Federal Bureau of Labor Statistics after September 11, 2001, prohibit state departments of labor or economic security from publically identifying the names of individual employers.

Definitions of Terms and Source Notes

http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Report_Terms.html

Salinas Valley Solid Waste Authority
Building Permits - County of Monterey (unaudited)
Last Ten Fiscal Years

Fiscal Year	New Single Family Residence		Other		Total		Nonresidential	Total		All Building Permits
	Family Residence	Single	Residential	Other	Residential	Total		Residential	Total	
06/30/07		257			711	968	2,326			3,294
06/30/08		261			671	932	2,027			2,959
06/30/09		67			511	578	1,539			2,117
06/30/10		72			973	1,045	1,139			2,184
06/30/11		71			1,655	1,726	408			2,134
06/30/12		111			1,711	1,822	355			2,177
06/30/13		118			1,578	1,696	522			2,218
06/30/14		119			1,958	2,077	338			2,415
06/30/15		204			2,340	2,544	452			2,996
06/30/16		268			2,597	2,865	478			3,343

Data Source: Monterey County Department of Building Services

Salinas Valley Solid Waste Authority
Housing Stock - County of Monterey (unaudited)
Last Ten Fiscal Years

Fiscal Year	Single Family Residential	Multiple	Mobile Homes	Total All Housing
06/30/07	96,474	96,474	5,723	198,671
06/30/08	96,672	96,672	5,736	199,080
06/30/09	96,668	96,668	5,709	199,045
06/30/10	96,569	96,569	5,678	198,816

Source:

CA Dept. of Finance - Report E-8 Historical Population and Housing Estimates - Organized by Geography

Date	Single Family Residential Detached	Single Family Residential Attached	Multiple Two to Four	Multiple Five Plus	Mobile Homes
01/01/11	87,355	8,902	12,388	23,593	5,672
01/01/12	87,610	8,902	12,394	23,625	5,675
01/01/13	87,563	8,903	12,412	23,753	5,677
01/01/14	87,723	8,910	12,494	24,005	5,685
01/01/15	87,833	8,910	12,513	24,232	5,689
01/01/16	88,062	8,911	12,496	24,269	5,697

Source:

CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State, 2011-2016, with 2010 Census Benchmark

Salinas Valley Solid Waste Authority
Operating and Capacity Indicators (unaudited)
Last Ten Fiscal Years

Fiscal Year	Authority's Employees by Department			
	Administration	Finance	Engineering	Operations
06/30/07	6	3	2	3
06/30/08	6	3	2	3
06/30/09	6	4	1	9
06/30/10	6	4	2	15
06/30/11	6	4	2	15
06/30/12	6	4	1	22
06/30/13	6	4	1	19
06/30/14	6	4	1	21
06/30/15	6	3	1	29
06/30/16	6	3	1	33
				6
				8
				8
				8
				8
				5
				5
				5
				5
				5

Fiscal Year	Other Operating and Capacity Indicators		
	Authority Area (1) (Square Miles)	Landfill Acreage	Daily Landfill Capacity (tons)
06/30/07	3,280.600	943.000	1,574.000
06/30/08	3,280.600	943.000	1,574.000
06/30/09	3,280.600	943.000	1,574.000
06/30/10	3,280.600	943.000	1,574.000
06/30/11	3,280.600	943.000	1,574.000
06/30/12	3,280.600	943.000	1,574.000
06/30/13	3,280.600	943.000	1,574.000
06/30/14	3,280.600	943.000	1,574.000
06/30/15	3,280.600	943.000	1,574.000
06/30/16	3,280.600	943.000	1,574.000

Source:

(1) Authority Area - U.S. Census Bureau
Other data from Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Operating and Capacity Indicators
Capital Assets Statistics by Function (unaudited)
Last Ten Fiscal Years

Function	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15	06/30/16
Administration										
Vehicles	2	1	1	1	1	1	1	1	2	2
Computer Equipment	6	6	6	6	6	6	6	6	6	6
Buildings	1	1	1	1	1	1	1	1	1	1
Buildings (square footage)	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884
Finance										
Computer Equipment	3	4	4	4	4	4	4	4	3	3
Operations										
Vehicles	5	9	12	12	12	13	13	14	17	26
Machinery & Equipment										
Forklifts/Hydraulic Lifts	2	2	2	2	2	2	2	2	2	2
Heavy Equipment	-	2	2	3	5	6	6	7	10	13
Water Truck	-	-	-	-	1	1	1	1	3	4
Bulldozers	-	-	-	-	-	-	-	-	2	2
Computer Equipment	5	5	8	8	8	8	8	8	9	9
Fuel Tanks	-	-	-	-	1	1	2	2	2	2
Buildings	10	10	10	10	10	10	10	10	10	10
Buildings (square footage)	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110
Landfills	4	4	4	4	4	4	4	4	4	4
Flares	4	4	4	4	4	4	4	4	4	4
Site Security Systems	2	2	2	1	1	1	1	1	1	3
Leachate Systems	3	3	3	3	3	3	3	3	3	3
Gas Monitoring Wells	37	38	38	40	40	40	40	40	40	40
Water Wells	48	48	48	48	48	48	48	48	48	48
Water Tanks	3	3	3	3	3	3	3	3	3	3
Land (acreage)	943	943	943	943	943	943	943	943	943	943
Landfill Gas to Energy - Gas Scrubber	-	-	-	-	-	-	-	1	1	1
Diversion										
Vehicles	2	3	3	3	3	3	3	3	2	3
Computer Equipment	3	4	5	5	5	5	5	5	6	6

Data Source: Salinas Valley Solid Waste Authority Finance Division



Comprehensive Annual Financial Report

Board of Directors Meeting

December 15, 2016

Comprehensive Annual Financial Report

- Auditors
 - McGilloway, Ray, Brown & Kaufman
- Finance Staff
 - Ray Hendricks – Finance Manager
 - JD Black – Accountant
 - Ernesto Natera – Accounting Technician

Report Highlights

- No Management Letter
- Comprehensive Annual Financial Report
 - Includes Statistical Section
 - Will be submitted to Government Finance Officers Association (GFOA) after the board meeting for review under the Certificate of Achievement for Excellence in Financial Reporting (CAFR Program)

Financial Highlights

- Increase Tons Landfilled
 - Increased 6,375 tons
- Operating Revenues
 - Increase \$1,647,528
- Operating Expenses
 - Increased \$582,053

Salinas Valley Solid Waste Authority
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2016 and 2015

	2016	(Restated) 2015	Change	% Change
Operating Revenues				
Charges for Services	\$ 17,676,062	\$ 16,095,020	\$ 1,581,042	9.8%
Sales of Materials	618,784	583,734	35,050	6.0%
Operating Grants and Contributions	148,077	116,641	31,436	27.0%
Total Operating Revenues	18,442,923	16,795,395	1,647,528	9.8%
Operating Expenses	12,901,337	12,319,284	582,053	4.7%
Operating Income/(Loss)	5,541,586	4,476,111	1,065,475	23.8%
Non-Operating Revenues				
Investment Earnings	64,248	36,631	27,617	75.4%
Other Non-operating Revenue	9,457	8,034	1,423	17.7%
Total Non-Operating Revenues	73,705	44,665	29,040	65.0%
Non-Operating Expenses				
Interest Expense	(1,549,675)	(1,557,530)	7,855	-0.5%
Change in Net Position	4,065,616	2,963,246	1,102,370	37.2%
Total Net Position Beginning	(8,106,300)	(11,069,546)	2,963,246	-26.8%
Net Position End of Year	\$ (4,040,684)	\$ (8,106,300)	\$ 4,065,616	-50.2%

Net Position

- FY 2014-15 CAFR
 - Deficit of \$8,233,898
 - \$127,598 Prior Period Adjustment
 - Adjusted Net Position Deficit \$8,106,300

- FY 2015-16 CAFR
 - Deficit of \$4,040,684
 - Reduction 50.2%

Salinas Valley Solid Waste Authority -Audit Presentation-

Presented by Patricia Kaufman, Partner

**McGilloway, Ray, Brown & Kaufman
Accountants & Consultants**

Required Auditor Communications Letter

- Management is responsible for the selection and use of appropriate accounting policies. –
 - We noted no transactions entered into by the Organization during the year for which there is lack of authoritative guidance or consensus.
- All significant transactions have been recognized in the financial statements in the proper period.
- Accounting estimates –
 - Evaluated the underlying assumptions in estimates and found them to be appropriate.
- We encountered no difficulties in working with management in performing the audit and found that staff was well prepared and provided us all of the documentation requested.
- Timing of the audit – Timing went according to schedule and we found no delays, and we had no disagreements with management.

Uncorrected Misstatements

- No material misstatements left uncorrected!

New Accounting Standards

- Implemented in FY 2015-2016
 - GASB Statement No 72 – *Fair Value Measurement and Application*
 - GASB Statement No 76 – *The Hierarchy of General Accounting Principles for State and Local Governments*
- To be implemented in FY 2017-2018
 - GASB Statement No 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

Prior Period Adjustment

- Under GASB 68
 - Amortization of differences between proportionate share of pooled employer contributions and actual contributions to the pension plan
 - Resulted in increase to Unrestricted Net Position and Deferred Outflows of Resources related to pension

Management Letter Material Deficiency

None noted!



Report to the Board of Directors

Date: December 15, 2016

From: Mandy Brooks, Resource Recovery Manager

Title: Long Term Facility Needs Project Public Outreach Material

ITEM NO. 15

N/A

Finance Manager/Controller-Treasurer

N/A

General Counsel

N/A

General Manager/CAO

A PRESENTATION WILL BE GIVEN
AT THE MEETING



Report to the Board of Directors

ITEM NO. 16

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: November 17, 2016

From: Patrick Mathews, General Manager/CAO

Title: Nominating Committee Recommendation for the 2017 Election of Officers

RECOMMENDATION

Staff recommends that the Board accept the recommendation from the Nominating Committee for the 2017 election of officers.

STRATEGIC PLAN RELATIONSHIP

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

FISCAL IMPACT

None

DISCUSSION & ANALYSIS

The Nominating Committee, appointed at the November 2016 meeting (De La Rosa and Silva), will provide a recommendation for the 2017 Authority Officers: President, Vice President, and Alternate Vice President.

The Board President, Vice President, and Alternate Vice President, if they remain in their jurisdictional office, may serve one (1) or two (2) year terms. The election results have been certified by all member agencies and SVR's elected Board President and Alternate Vice President where not re-elected. The Nominating Committee will be meeting to provide a recommendation for SVR's 2017 officers, in accordance to Authority Code guidelines and the current rotation:

Office of President held by a representative of County of Monterey

Office of Vice President held by a representative of South County Cities

Office of Alternate Vice President held by a representative of City of Salinas

BACKGROUND

The Joint Powers Authority Agreement and Authority Code provides for the election by the Authority Board for the office of President, Vice President, and Alternate Vice President for a term of one year commencing upon election at the regular meeting held in January and ending upon election of a successor at the regular meeting the following January. A Board Member may serve no more than two consecutive terms. Authority Code Sections 2.01.010 and 2.01.011 specify that each elected Office shall rotate between a representative from the City of Salinas, a south county city (i.e., Gonzales, Greenfield, King City, and Soledad) and the County of Monterey but shall not be from the same member agency's legislative body. The Authority Code further allows a discretionary appointment of the Immediate Past President to the Executive Committee for a transitional period.

ATTACHMENT(S)

1) Elections Procedures 2) Elected Officers History 3) Attendance Record for 2016

AUTHORITY CODE

2.01.010 SELECTION OF PRESIDENT AND VICE-PRESIDENT

The Authority Board shall choose one of its members to be President and one of its members to be Vice-President. The board member nominated to the office of President shall rotate between a representative from the City of Salinas, a south county city (i.e., Gonzales, Greenfield, King City, and Soledad) and the County of Monterey. The board member nominated to the office of Vice-President shall rotate in the same manner as the office of President, but shall not be from the same member agency's legislative body as the board member elected as President. (Ord. 005, 12/11/2003)

2.01.011 SELECTION OF ALTERNATE VICE-PRESIDENT

In the manner prescribed by the JPA, this section adds the additional office of Alternate Vice-President to be elected in the same manner established in Section 2.01.010. Board shall select an additional officer, designated as the Alternate Vice-President. The Alternate Vice-President shall serve as the Vice-President in the absence of the Vice-President. The board member elected to the office of Alternate Vice-President shall rotate in the same manner as the office of President and Vice-President, but shall not be from the same member agency's legislative body as the member elected as President and the member selected as Vice-President. (Ord. 005, 12/11/2003)

2.01.040 TERM OF OFFICE

The term of office for the President and Vice-President shall be one year commencing upon election at the regular meeting held in January and ending upon election of a successor at the regular meeting the following January. A Board Member may serve no more than two consecutive terms. (Ord. 99-04, 2/18/1999)

2.06.010 BOARDS AND COMMISSIONS

An Executive Committee is hereby formed consisting of the President, Vice-President and Alternate Vice-President. The Committee shall conduct meetings as needed and shall receive direction from, and report directly to, the Board of Directors on all matters considered. Bylaws or procedures may be adopted by Resolution of the Board to provide direction or guidance of the duties and responsibilities delegated to the Committee. (Ord. 005, 12/11/2003)

A majority of the Board may determine from time to time to appoint the Authority's immediate Past President as a fourth member of the Executive Committee, in which case the Board shall specify the term of such appointment. (Ord. 08, 2/18/2010)

JOINT POWERS AGREEMENT

1. **TERMS OF OFFICE:** The term of office of each member of the Authority Board shall be one year and shall not exceed the term of the elective office which the member holds.

2. **OFFICERS OF THE AUTHORITY BOARD:** At its first meeting and thereafter at the first meeting of each calendar year, the Board of Directors shall elect a President, Vice-President; and such other officers as the Authority Board shall find appropriate, to serve the Authority Board for a term of one year unless sooner terminated at the pleasure of the Authority Board. In the event the officer so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Authority Board held following the occurrence of the vacancy. In the absence or inability of the President to act, the Vice-President shall act as President. The President, or in the absence of the President, the Vice-President, shall preside at and conduct all Authority Board meetings.

Officers of the Salinas Valley Solid Waste Authority

TERM	PRESIDENT	VICE PRESIDENT	ALTERNATE VICE PRESIDENT
2017	County of Monterey	South County	City of Salinas
2016	Jyl Lutes City of Salinas	Simon Salinas County of Monterey	Richard Perez City of Soledad
2015	Elizabeth Silva City of Gonzales	Jyl Lutes City of Salinas	Simon Salinas County of Monterey
2014	Elizabeth Silva City of Gonzales	Jyl Lutes City of Salinas	Simon Salinas County of Monterey
2013	Fernando Armenta County of Monterey	Elizabeth Silva City of Gonzales	Jyl Lutes City of Salinas
2012	Fernando Armenta County of Monterey	Elizabeth Silva City of Gonzales	Dennis Donohue City of Salinas
2011	Gloria De La Rosa City of Salinas	Fernando Armenta County of Monterey	Elizabeth Silva City of Gonzales
2010	Gloria De La Rosa City of Salinas	Richard Ortiz ¹ City of Soledad	Fernando Armenta County of Monterey
2009	Lou Calcagno Monterey County	Gloria De La Rosa City of Salinas	Richard Ortiz City of Soledad
2008	George Worthy City of Gonzales	Lou Calcagno Monterey County	Gloria De La Rosa City of Salinas
2007	George Worthy City of Gonzales	Lou Calcagno Monterey County	Gloria De La Rosa City of Salinas
2006	Janet Barnes City of Salinas	George Worthy City of Gonzales	Lou Calcagno Monterey County
2005	Janet Barnes City of Salinas	George Worthy City of Gonzales	Lou Calcagno Monterey County
2004	Fernando Armenta Monterey County	Janet Barnes City of Salinas	George Worthy City of Gonzales
2003	Fernando Armenta Monterey County	Janet Barnes City of Salinas	N/A
2002	Zeke Bañales ² City of Greenfield	Fernando Armenta Monterey County	N/A
2001	Jan Collins ³ City of Salinas	Zeke Bañales City of Greenfield	N/A
2000	Simon Salinas ⁴ County of Monterey	Jan Collins City of Salinas	N/A
1999	Gary Gerbrandt City of Soledad	Simon Salinas County of Monterey	N/A
1998	Gary Gerbrandt City of Soledad	Simon Salinas County of Monterey	N/A
1997	Juan Olivarez City of Salinas	Fabian Barrera City of Soledad	N/A

¹ Was not re-elected to City Council

² Was not re-elected to City Council

³ Declined second term – leaving office at end of year

⁴ Left office of County Supervisor

Board of Directors Attendance Record for 2016 (Jan-Oct)

11 BD Meetings

BOARD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Armenta (County)	1	1	1	1	0	1	1	1	1	1	1		10
Salinas (County)	1	2	1	1	0	1	1	1	1	1	1		11
De La Rosa (Salinas)	1	2	1	1	1	1	1	0	1	0	1		10
Lutes (Salinas)	1	1	1	1	1	0	1	0	1	1	1		9
Barrera (Salinas)	0	2	1	1	1	1	0	1	1	1	0		9
Silva (Gonzales)	1	2	1	1	1	1	0	1	1	1	0		10
Perez (Soledad)	1	2	1	1	1	1	1	1	1	1	1		12
Torres (Greenfield)	1	2	1	1	1	1	1	1	1	0	1		11
Cullen (King City)	1	2	1	1	1	1	1	1	1	0	1		11

Alternates	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Gunter (Salinas)	1	1									1		3
Rodriguez (Greenfield)													0
Philips (County)													0
Funk (Gonzales)											1		1
Bourke (Soledad)													0
Acosta (King City)													0

4 EC Meetings

EXECUTIVE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Lutes (President)	1	1				1					1		4
Salinas (Vice President)	1	1				1					1		4
Perez (Alternate Vice President)		1				1					1		3
Silva (Past President)	1	1				1					1		4

SVR Agenda Items - View Ahead 2016/2017

Jan	25-Jan	Feb	Mar	Apr	May	Jun
Election of Officers						
Minutes	SPECIAL MEETING 6-Month Strategic Planning Retreat	Minutes	Minutes	Minutes	Minutes	Minutes
Claims/Financials (EC)		Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
Member Agencies Activities Report		Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report
QTE December Cash & Investments		Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update
QTE Dec. Facilities Customer Survey		CAG Appointments	Public Hearing: Fee Sched Amend	LTFN EIR Qtrly Update (sp)	1st Qtr Tonnage & Diversion Report	
LTFN EIR Qtrly Update (sp)		4th Qtr Tonnage & Diversion Report	New FY 17-18 Budget	QTE March Cash & Investments	FY Investment Policy (EC)	
Progress Report on Alternative Energy Project Development (sp)		FY Preliminary Operating & CIP Budget (EC)		1st Qtr Facilities Customer Survey	New/Ext Agreements & Contracts	
Recyclables Alternative Outlets Plan & Resources Needs Assessmt (sp)				Earth Day Recognition		
Food-to-Energy/ Composting Opportunities (sp)						
Board member Public Outreach Participation (sp)						
Mid-Year Budget Adjustments (EC)						
City of King Franchise Contract Administration						
4th Qtr/Annual Facilities Customer Survey						
Annual Employee Survey Results						
Strategic Plan Update						
Vision Recycling Overview/Making Color Mulch						
Self-Funding Programs and Services (sp)						
Water Supply Study for Potential Excess Land Uses (sp)						
FY 16-17 Budget Direction (EC)						

Consent

Presentation

Consideration

Closed Session

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