



## AGENDA Regular Meeting

### BOARD OF DIRECTORS

**November 16, 2017, 6:00 p.m.**

Gonzales City Council Chambers  
117 Fourth Street, Gonzales, California

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#### **CALL TO ORDER**

#### **PLEDGE OF ALLEGIANCE**

#### **ROLL CALL**

##### **Board Directors**

County: Simon Salinas, *President*  
County: John M. Phillips  
Salinas: Gloria De La Rosa, *Alt. Vice-President*  
Salinas: Tony R. Barrera  
Salinas: Kimbley Craig  
Gonzales: Elizabeth Silva  
Soledad: Christopher K. Bourke  
Greenfield: Avelina T. Torres  
King City: Robert S. Cullen, *Vice President*

##### **Alternate Directors**

County: Luis Alejo  
Salinas: Joseph D. Gunter  
Gonzales: Scott Funk  
Soledad: Carla Stewart  
Greenfield: Yanely Martinez  
King City: Darlene Acosta

#### **TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS**

#### **GENERAL MANAGER/CAO COMMENTS**

#### **DEPARTMENT MANAGER COMMENTS**

#### **BOARD DIRECTOR COMMENTS**

#### **PUBLIC COMMENT**

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

#### **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 October 19, 2017, Regular Meeting](#)
2. [September 2017 Claims and Financial Reports](#)
3. [October 2017 Member and Interagency Activity Report](#)
4. [Strategic Plan 2016-19 Goals & Objectives Monthly Progress Report](#)
5. [Tonnage and Diversion Report for the Quarter Ended September 30, 2017](#)
6. [A Resolution Approving the Allocation of Cash Balances for Fiscal Year 2016-17, and Supplemental Appropriation for CIP 9527 – JC Module 7 engineering and Construction](#)
7. [A Resolution Revising the Designated Positions of the Authority's Conflict of Interest Code Rescinding Resolution 2016-31](#)
8. [A Resolution Approving an Agreement with Salinas Pump Company for the Replacement of a Groundwater Well at Johnson Canyon Landfill](#)

#### **PRESENTATION**

##### **9. FUNDING OPPORTUNITIES FOR INFRASTRUCTURE**

- A. Receive Report from Patrick Mathews, General Manager
- B. Board Discussion
- C. Public Comment
- D. Recommended Action – None; Informational Only

## **CONSIDERATION**

10. **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017**
  - A. Receive Report from Ray Hendricks, Finance and Administration Manager
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action – Accept Report
11. **APPOINTMENT OF NOMINATING COMMITTEE FOR THE 2018 ELECTION OF OFFICERS**
  - A. Receive Report from Patrick Mathews, General Manager/CAO
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action – Appoint Committee
12. **INTRODUCTION & FIRST READING OF ORDINANCE NO. 10 AMENDING AUTHORITY CODE ARTICLE 2.08 CONFLICT OF INTEREST CODE, SECTION 2.08.010 AND 2.08.020**
  - A. Receive Report from Patrick Mathews, General Manager/CAO
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action – Conduct First Reading by Tittle Only

## **CLOSED SESSION**

*Receive public comment from audience before entering into closed session:*

13. Pursuant to **Government Code Section 54956.8** to confer with General Counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. General Manager/Operation Manager Cesar Zuniga, Legal Counsel Tom Bruen concerning the possible terms and conditions of acquisition, lease, exchange or sale of 1) Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA, and 2) Harrison Rd & Sala Rd, Salinas, CA 93907, APN 113-091-017.
14. Pursuant to **Government Code Section 54957.6** to provide instruction to General Manager/CAO Patrick Mathews to negotiate salaries and benefits with SVSWA employees - management and non-management.
15. Pursuant to **Government Code Section 54957 (b)** to consider the Performance Evaluation of the General Manager/Chief Administrative Officer Patrick Mathew.

## **RECONVENE**

## **CONSIDERATION**

16. **A RESOLUTION APPROVING THE GRANTS AND CAPITAL IMPROVEMENTS PROJECTS BUDGET FOR FISCAL YEAR 2017-18**
  - A. Receive Report from Ray Hendricks, Finance and Administration Manager
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action – Adopt the Resolution

## **FUTURE AGENDA ITEMS**

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

## **ADJOURNMENT**

.....  
This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun St., Ste 101, Salinas, and on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, **Thursday, November 9, 2017**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, December 21, 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](http://www.salinasvalleyrecycles.org) ▶ Public Library Branches in Gonzales, Prunedale and 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  
OCTOBER 19, 2017**

**CALL TO ORDER**

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

**ROLL CALL**

The following Board Directors were present:

County of Monterey	Simon Salinas, President
County of Monterey	John M. Phillips ( <i>arrived at 6:05 p.m.</i> )
City of Salinas	Gloria De La Rosa, Alt. Vice President
City of Salinas	Tony Barrera
City of Salinas	Kimbley Craig
City of Gonzales	Elizabeth Silva
City of Soledad	Christopher K. Bourke
City of King	Robert Cullen, Vice President

The following Board Directors were absent:

City of Greenfield      Avelina Torres

**Staff Members Present:**

Patrick Mathews, General Manager/CAO  
Cesar Zuñiga, Asst. GM/Operations Manager  
Ray Hendricks, Finance and Administration  
Manager  
Mandy Brooks, Resource Recovery Manager  
Brian Kennedy, Engineering & Environmental  
Compliance Manager

Elia Zavala, Contract and Grants Analyst  
Cindy Iglesias, Administrative Assistant II  
Erika J. Trujillo, Clerk of the Board  
Thomas Bruen, General Counsel

**MEETING ANNOUNCEMENTS**

(6:02) President Salinas announced the there was no translation services available at this time.

(6:04) President Salinas announced translation services were now available. No member from the public requested the service.

**GENERAL MANAGER COMMENTS**

(6:03) None

**DEPARTMENT MANAGER COMMENTS**

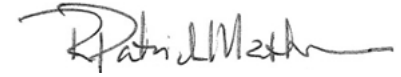
(6:03) Resource Recovery Manager Brooks reminded the Board of the list of upcoming public outreach events that are in the Member and Interagency Activity Report included in the monthly Board of Directors Agenda packet.

**BOARD DIRECTORS COMMENTS**

(6:04) Director De La Rosa reported on her participation at the Hebron Heights event. Director Cullen reported on his participation at the Business Expo on October 12, commending Recycling Coordinator Jenny Mitchell for her representation of the Authority at the event. Director Silva stated that the Gonzales City Council Chambers would be going through remodeling in the upcoming weeks and that the Alta Street project in Gonzales will begin November 1.

**ITEM NO. 1**

Agenda Item



General Manager/CAO

*T. Bruen by et*

General Counsel Approval

**PUBLIC COMMENT**

(6:04) Doug Kenyon, General Manager of Republic Services reported on the upcoming events scheduled for October 28, Salinas City Wide Cleanup and November 4, District 6 Community Cleanup. Mr. Kenyon also reported on his visit to the zero-waste industry of distilleries in Scotland.

**CONSENT AGENDA** (6:06)

1. Minutes of September 21, 2017, Regular Meeting
2. August 2017 Claims and Financial Reports
3. September 2017 Member and Interagency Activity Report
4. A Strategic Plan 2016-19 Goals & Objectives Monthly Progress Report
5. September 2017 Quarterly Investments Report
6. 2017 Third Quarter Customer Service Results and Twelve-Month Comparison
7. Citizens Advisory Group Annual Report
8. Resolution No. 2017 – 28 Approving Supplemental Appropriation of \$379,335 for Monterey Bay Air Resources Board FY18 AB2766 Motor Vehicle Emission Reduction Grant Program
9. Update on Long-Term Facility Needs Project Environmental Impact Report and other Due Diligence Studies/Activities
10. Resolution No. 2017 – 29 Approving the Regular Board of Directors and Executive Committee Meetings Calendar for 2018

**Public Comment:** None

**Board Comments:** Director Cullen commented on Item No. 10, informing staff he will not be attending the Executive Committee meeting scheduled for January 4.

**Motion:** Director Barrera made a motion to approve the consent agenda as presented. Director Craig seconded the motion.

**Votes:** Motion carried 8 ,0

Ayes: Salinas, Phillips, De La Rosa, Barrera, Craig, Silva, Bourke, Cullen

Noes: None

Abstain: None

Absent: Torres

**PRESENTATION**

**11. ANNUAL FRANCHISE HAULER PERFORMANCE REPORT**

(6:06) Contract and Grants Analyst Zavala reported that both Republic Services, whom provides services for City of Salinas, and Tri-Cities Disposal Services, whom provides services for the Cities of Gonzales, Soledad, and Greenfield, are fulfilling their contractual obligations and presented their 2016 tonnage and diversion data. The City of King approved the Authority to administer its agreement with Waste Management beginning January 2017, and provided their 2016 tonnage data. The County of Monterey handles their own contract administration; therefore, their data is not included in this report. The report showed that the region achieved a diversion rate of approximately 69%.

**Public Comment:** Jeff Lindenthal from Monterey Regional Waste Management District inquired about the quantity of food waste collected for the City of Salinas. Doug Kenyon, General Manager of Republic Services reported that approximately 220 tons of food waste were collected in the previous quarter for the City of Salinas.

**Board Comments:** The Board discussed the presentation suggesting public outreach ideas for the waste haulers to potentially help increase the diversion rate.

**Motion** None; Informational only

### **Closed Session**

(6:19) Public Comment: None

President Salinas adjourned the meeting to closed session to discuss the following:

- 12.** Pursuant to Government Code Section 54956.8 to confer with General Counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. General Manager/Operation Manager Cesar Zuniga, Legal Counsel Tom Bruen, and Legal Counsel Scott Gordon concerning the possible terms and conditions of acquisition, lease, exchange or sale of 1) Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA, and 2) Harrison Rd & Sala Rd, Salinas, CA 93907, APN 113-091-017
- 13.** Pursuant to Government Code Section 54957.6 to provide instruction to General Manager/CAO Patrick Mathews to negotiate salaries and benefits with SVSWA employees - management and non-management.

### **RECONVENE**

(7:20) President Salinas reconvened the open session with no reportable action taken in closed session.

### **CONSIDERATION**

#### **14. A RESOLUTION APPROVING THE GRANTS AND CAPITAL IMPROVEMENT PROJECTS BUDGET FOR FISCAL YEAR 2017-18**

(7:20) No report was given.

**Public Comment:** None

**Board Comments:** None

**Motion:** Director Craig made a motion to continue this item. Director Bourke seconded the motion.

**Votes:** Motion carried 8,0

Ayes: Salinas, Phillips, De La Rosa, Barrera, Craig, Silva, Bourke, Cullen

Noes: None

Abstain: None

Absent: Torres

### **FUTURE AGENDA ITEMS**

#### **15. AGENDA ITEMS – VIEW AHEAD SCHEDULE**

(7:20) The Board reviewed the future agenda items.

### **ADJOURN**

(7:21) President Salinas adjourned the meeting.

APPROVED: \_\_\_\_\_  
Simón Salinas, President

Attest: \_\_\_\_\_  
Erika J. Trujillo, Clerk of the Board



## Report to the Board of Directors

### ITEM NO. 2

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

General Counsel

**Date:** November 16, 2017

**From:** C. Ray Hendricks, Finance and Administration Manager

**Title:** September 2017 Claims and Financial Reports

### RECOMMENDATION

The Executive Committee recommends acceptance of the September 2017 Claims and Financial Reports with included corrections.

### DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of September for a summary of the Authority's financial position as of September 30, 2017, the following are highlights of the Authority's financial activity for the month of September.

#### Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of September 2017, operating revenues exceeded expenditures by \$766,598. Fiscal year 2017-2018 to date operating revenue exceeded expenditures by \$960,137.

#### Revenues (Consolidated Statement of Revenues and Expenditures)

After three months of the fiscal year, (25.00% of the fiscal year), revenues total \$5,610,895 or 30.6% of the total annual revenues forecast of \$18,364,750. September Tipping Fees totaled \$1,223,889 and for the year to date totaled \$3,715,405 or 30.6% of the forecasted total of \$12,158,750.

#### Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of September 30, (25.00% of the fiscal year), year-to-date operating expenditures total \$4,650,758. This is 27.8% of the operating budget of \$16,720,000.

#### Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of September 2017, capital project expenditures totaled \$37,844. \$21,833 of the total was for Long Range Facility Needs EIR.

The FY 2017-18 Capital Improvement Projects Budget is approved with carryovers by the Board separate from the Operating Budget. The Capital Improvement Projects Budget was continued from the October meeting and will be presented to the Board at the November meeting.

### Claims Checks Issued Report

The Authority's Checks Issued Report for the month of September 2017 is attached for review and acceptance. September disbursements total \$1,057,416.60 of which \$621,620.93 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 September 2017.

Vendor	Service	Amount
VISION RECYCLING INC	MONTHLY GREENWASTE & WOODWASTE PROCESSING	75,204.44

### Cash Balances

The Authority's cash position increased \$1,022,943.88 during September to \$22,827,026.26. Most of the cash balance is restricted, committed, or assigned as shown below. FY 2016-17 Cash surpluses have not been allocated as of September 30, 2017:

#### Restricted by Legal Agreements:

CERBT - OPEB Trust	\$ 438,000.00
Johnson Canyon Closure Fund	3,917,139.32
State & Federal Grants	151,344.11
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-
BNY - Sub Pmt Cap One 2014 Eq Lease	-
GEO Deposit (CEQA)	(2,271.47)

#### Funds Held in Trust:

Central Coast Media Recycling Coalition	70,925.97
Employee Unreimbursed Medical Claims	2,349.80

#### Committed by Board Policy:

Undesignated Fund Surplus at 06-30-2017	3,949,367.12
AB939 Services	314,701.50
Designated for Capital Projects Reserve	1,138,128.87
Designated for Environmental Impairment Reserve	593,903.31
Designated for Operating Reserve	593,903.31
Expansion Fund (South Valley Revenues)	8,258,861.61
Salinas Rate Stabilization Fund	24,324.06

#### Assigned by Budget

Assigned for Capital Projects	3,788,389.82
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Available for Operations (412,041.07)

Total	<u>\$ 22,827,026.26</u>
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### **ATTACHMENTS**

1. September 2017 Consolidated Statement of Revenues and Expenditures
2. September 2017 Consolidated Grant and CIP Expenditures Report
3. September 2017 Checks Issued Report



# Salinas Valley Solid Waste Authority

## Consolidated Statement of Revenues and Expenditure

### For Period Ending September 30, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b><u>Revenue Summary</u></b>							
Tipping Fees - Solid Waste	12,158,750	1,223,889	3,715,405	30.6 %	8,443,345	0	8,443,345
Tipping Fees - Surcharge	1,803,000	173,312	531,836	29.5 %	1,271,164	0	1,271,164
Tipping Fees - Diverted Materials	1,442,700	200,158	621,901	43.1 %	820,799	0	820,799
AB939 Service Fee	2,309,800	193,308	579,924	25.1 %	1,729,876	0	1,729,876
Charges for Services	124,500	0	0	0.0 %	124,500	0	124,500
Sales of Materials	244,000	49,113	71,139	29.2 %	172,861	0	172,861
Gas Royalties	220,000	68,866	68,866	31.3 %	151,134	0	151,134
Investment Earnings	62,000	5,783	16,855	27.2 %	45,145	0	45,145
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	49	4,969	0.0 %	(4,969)	0	(4,969)
<b>Total Revenue</b>	<b>18,364,750</b>	<b>1,914,477</b>	<b>5,610,895</b>	<b>30.6 %</b>	<b>12,753,855</b>	<b>0</b>	<b>12,753,855</b>
<b><u>Expense Summary</u></b>							
Executive Administration	444,250	33,894	85,435	19.2 %	358,815	1,274	357,541
Administrative Support	535,850	44,736	120,822	22.5 %	415,028	110,735	304,293
Human Resources Administration	371,000	15,515	41,293	11.1 %	329,707	3,053	326,654
Clerk of the Board	170,750	15,934	44,228	25.9 %	126,522	3,083	123,439
Finance Administration	691,450	62,546	160,722	23.2 %	530,728	6,519	524,209
Operations Administration	464,900	34,404	84,879	18.3 %	380,021	2,443	377,578
Resource Recovery	809,650	84,242	191,990	23.7 %	617,660	7,302	610,358
Marketing	75,000	8,472	9,117	12.2 %	65,883	59,636	6,247
Public Education	226,500	3,216	13,365	5.9 %	213,135	109,826	103,309
Household Hazardous Waste	782,600	47,600	119,366	15.3 %	663,234	26,818	636,416
C & D Diversion	140,000	0	38,090	27.2 %	101,910	81,910	20,000
Organics Diversion	796,200	75,204	147,811	18.6 %	648,389	648,389	0
Diversion Services	18,000	0	1,600	8.9 %	16,400	0	16,400





# Salinas Valley Solid Waste Authority

## Consolidated Statement of Revenues and Expenditure

### For Period Ending September 30, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Scalehouse Operations	531,950	61,123	134,514	25.3 %	397,436	12,903	384,533
JR Transfer Station	346,600	30,995	78,847	22.7 %	267,753	17,079	250,674
JR Recycling Operations	153,700	11,074	22,170	14.4 %	131,530	0	131,530
ML Transfer Station	265,000	0	47,095	17.8 %	217,905	217,905	0
SS Disposal Operations	723,600	72,524	229,261	31.7 %	494,339	43,830	450,509
SS Transfer Operations	1,072,700	103,834	336,507	31.4 %	736,193	5,646	730,547
SS Recycling Operations	693,100	54,885	119,539	17.2 %	573,561	62,431	511,130
JC Landfill Operations	2,376,550	147,227	474,969	20.0 %	1,901,581	252,080	1,649,501
JC Recycling Operations	383,800	25,212	52,931	13.8 %	330,869	0	330,869
Crazy Horse Postclosure Maintenance	610,200	39,529	102,493	16.8 %	507,707	174,987	332,720
Lewis Road Postclosure Maintenance	227,200	15,699	59,285	26.1 %	167,915	75,638	92,277
Johnson Canyon ECS	311,300	15,459	34,227	11.0 %	277,073	133,361	143,712
Jolon Road Postclosure Maintenance	214,350	4,939	122,736	57.3 %	91,614	20,790	70,824
Sun Street ECS	186,300	13,654	29,943	16.1 %	156,357	99,353	57,004
Debt Service - Interest	1,619,100	0	816,418	50.4 %	802,682	0	802,682
Debt Service - Principal	1,229,900	0	852,068	69.3 %	377,832	0	377,832
Closure Set-Aside	248,500	25,963	79,040	31.8 %	169,460	0	169,460
Total Expense	16,720,000	1,047,880	4,650,758	27.8 %	12,069,242	2,176,992	9,892,250
Revenue Over/(Under) Expenses	1,644,750	866,598	960,137	58.4 %	684,613	(2,176,992)	2,861,605



# Salinas Valley Solid Waste Authority

## Consolidated Grant and CIP Expenditure Report

### For Period Ending September 30, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b>Fund 180 - Expansion Fund</b>							
180 9804 Long Range Facility Needs EIR	0	14,950	16,115	0.0 %	(16,115)	0	(16,115)
180 9805 Harrison Road	0	0	0	0.0 %	0	0	0
180 9806 Long Range Financial Model	0	0	0	0.0 %	0	0	0
180 9807 GOE Autoclave Final Project	0	0	0	0.0 %	0	0	0
<b>Total Fund 180 - Expansion Fund</b>	<b>0</b>	<b>14,950</b>	<b>16,115</b>	<b>0.0 %</b>	<b>(16,115)</b>	<b>0</b>	<b>(16,115)</b>
<b>Fund 211 - State Grants</b>							
211 9206 HHW HD25-15-0003	0	542	602	0.0 %	(602)	0	(602)
211 9209 Tire Derived Aggregate 5-15-0004	0	0	1,533	0.0 %	(1,533)	0	(1,533)
211 9213 Tire Amnesty 2017-18	62,832	0	0	0.0 %	62,832	0	62,832
211 9214 Organics Program 2016-17	1,341,865	0	0	0.0 %	1,341,865	0	1,341,865
211 9247 Cal Recycle - CCPP	0	0	2,401	0.0 %	(2,401)	0	(2,401)
211 9251 Cal Recycle - 2015-16 CCPP	0	925	5,288	0.0 %	(5,288)	6,282	(11,570)
211 9252 Cal Recycle - 2016-17 CCPP	61,955	0	0	0.0 %	61,955	0	61,955
<b>Total Fund 211 - State Grants</b>	<b>1,466,652</b>	<b>1,467</b>	<b>9,824</b>	<b>0.7 %</b>	<b>1,456,828</b>	<b>6,282</b>	<b>1,450,546</b>
<b>Fund 216 - Reimbursement Fund</b>							
216 9802 Autoclave Demonstration Unit	0	0	0	0.0 %	0	0	0
216 9804 Long Range Facility Needs EIR	0	6,883	6,883	0.0 %	(6,883)	0	(6,883)
<b>Total Fund 216 - Reimbursement Fund</b>	<b>0</b>	<b>6,883</b>	<b>6,883</b>	<b>0.0 %</b>	<b>(6,883)</b>	<b>0</b>	<b>(6,883)</b>
<b>Fund 800 - Capital Improvement Projects Fund</b>							
800 9103 Closed Landfill Revenue Study	0	0	0	0.0 %	0	0	0
800 9316 CH Corrective Action Program	0	0	0	0.0 %	0	0	0
800 9319 CH LFG System Improvements	0	0	0	0.0 %	0	0	0
800 9401 LR LFG Replacement	0	13,341	15,010	0.0 %	(15,010)	241	(15,252)
800 9402 LFG Well Replacement	30,000	0	0	0.0 %	30,000	0	30,000
800 9501 JC LFG System Improvements	0	0	0	0.0 %	0	0	0



# Salinas Valley Solid Waste Authority

## Consolidated Grant and CIP Expenditure Report

### For Period Ending September 30, 2017

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9506 JC Litter Control Barrier	50,000	0	0	0.0 %	50,000	0	50,000
800 9507 JC Corrective Action	0	0	0	0.0 %	0	0	0
800 9508 JC Drainage Modifications	0	0	0	0.0 %	0	0	0
800 9509 JC Groundwater Wells	0	1,203	1,203	0.0 %	(1,203)	0	(1,203)
800 9510 JC LFG System (Vertical Wells)	60,000	0	0	0.0 %	60,000	0	60,000
800 9511 JC LFG System (Horizontal Wells)	30,000	0	0	0.0 %	30,000	0	30,000
800 9526 JC Equipment Replacement	50,000	0	0	0.0 %	50,000	0	50,000
800 9527 JC Module 7 Engineering and Cons	540,000	0	0	0.0 %	540,000	0	540,000
800 9528 JC Roadway Improvements	0	0	0	0.0 %	0	0	0
800 9529 JC Leachate Handling Sys	0	0	0	0.0 %	0	0	0
800 9601 JR Transfer Station Improvements	84,000	0	0	0.0 %	84,000	0	84,000
800 9602 JR Equipment Purchase	0	0	0	0.0 %	0	0	0
800 9701 SSTS Equipment Replacement	300,000	0	56,154	18.7 %	243,846	0	243,846
<b>Total Fund 800 - Capital Improvement Proje</b>	<b>1,144,000</b>	<b>14,544</b>	<b>72,368</b>	<b>6.3 %</b>	<b>1,071,632</b>	<b>241</b>	<b>1,071,391</b>
<b>Total CIP Expenditures</b>	<b>2,610,652</b>	<b>37,844</b>	<b>105,190</b>	<b>4.0 %</b>	<b>2,505,462</b>	<b>6,523</b>	<b>2,498,939</b>

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #	Check Date	Amount	Check Total
18988 FULL STEAM STAFFING LLC JC CONTRACT LABOR	9/6/2017	705.60	705.60
18989 ACE HARDWARE CORPORATION LR FLARE INSTALL	9/7/2017	264.60	264.60
18990 ADMANOR, INC CCRMC MARKETING MEDIA CAMPAIGN - MARKETING	9/7/2017	15,108.46 4,864.00	19,972.46
18991 AECOM TECHNICAL SERVICES, INC. PROJECT DESIGN AND CEQA SERVICES	9/7/2017	20,650.17	20,650.17
18992 ASBURY ENVIRONMENTAL SERVICES MONTHLY HHW USED OIL HAULING & DISPOSAL	9/7/2017	160.00	160.00
18993 AT&T SERVICES INC MONTHLY TELEPHONE SERVICE	9/7/2017	355.81	355.81
18994 BC LABORATORIES, INC ALL SITES WATER LAB ANALYSIS	9/7/2017	30.00	30.00
18995 CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS CSMFO - CHAPTER EVENT	9/7/2017	40.00	40.00
18996 CALIFORNIA WATER SERVICE SSTS & JR WATER SERVICE	9/7/2017	290.82	290.82
18997 CLINTON HENDRICKS FOUNDATION OF LABOR RELATIONS - TRAVEL REIMBURSEMENT	9/7/2017	670.82	670.82
18998 COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS EQUIPMENT MAINTENANCE	9/7/2017	11.14	11.14
18999 CSC OF SALINAS/YUMA SSTS EQUIPMENT MAINTENANCE	9/7/2017	5.56	5.56
19000 CULTURAL COMMITTEE OF SALINAS EL GRITO SPONSORSHIP	9/7/2017	1,500.00	1,500.00
19001 DOUGLAS NOLAN ROCK STEADY JUGGLING SCHOOL ASSEMBLY PROGRAM	9/7/2017	2,500.00	2,500.00
19002 ENRIQUE CARRILLO JR. SSTS, JC & JR VEHICLE MAINTENANCE	9/7/2017	2,835.00	2,835.00
19003 ERIKA TRUJILLO CSDA CONFERENCE: PER DIEM	9/7/2017	217.00	217.00
19004 ERNEST BELL D. JR ADMIN, SSTS & JC JANITORIAL SERVICES	9/7/2017	3,412.00	3,412.00
19005 ERNEST KIM LEONARDICH CH FACILITY MAINTENANCE	9/7/2017	642.50	642.50
19006 FERGUSON ENTERPRISES INC #795 LR FLARE INSTALL SUPPLIES	9/7/2017	39.08	39.08

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #		Check Date	Amount	Check Total
19007	FIRST ALARM QUARTERLY ALL SITES ALARM SERVICE	9/7/2017	333.00	333.00
19008	FIRST NIGHT MONTEREY, INC GREENFIELD HARVEST FESTIVAL SPONSORSHIP	9/7/2017	2,000.00	2,000.00
19009	FULL STEAM STAFFING LLC JC, SSTS & JR CONTRACT LABOR	9/7/2017	7,974.04	7,974.04
19010	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS EQUIPMENT MAINTENANCE	9/7/2017	10,021.62	10,021.62
19011	GONZALES ACE HARDWARE JR TS FACILITY MAINTENANCE	9/7/2017	53.00	53.00
19012	GRAINGER LR FLARE INSTALL SUPPLIES	9/7/2017	488.86	488.86
19013	GREEN RUBBER - KENNEDY AG, LP ALL SITES SUPPLIES	9/7/2017	288.60	288.60
19014	GREEN VALLEY INDUSTRIAL SUPPLY, INC LR LFG INSTALL SUPPLIES JR TS FACILITY MAINTENANCE	9/7/2017	124.13 185.48	309.61
19015	GUARDIAN SAFETY AND SUPPLY, LLC SSTS SAFETY SUPPLIES	9/7/2017	126.45	126.45
19016	GUERITO ALL SITES PORTABLE TOILETS	9/7/2017	1,028.00	1,028.00
19017	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 CH FACILITY MAINTENANCE	9/7/2017	153.80	153.80
19018	HERC RENTALS INC. LR LFG INSTALL EQUIPMENT RENTAL	9/7/2017	213.04	213.04
19019	INFINITY STAFFING SERVICES, INC. SSTS CONTRACT MAINTENANCE	9/7/2017	1,161.00	1,161.00
19020	JENNY MITCHELL CRRRA CONFERENCE TRANSPORTATION	9/7/2017	9.10	9.10
19021	MARTA M. GRANADOS FY17-18 BD MEETING INTERPRETER	9/7/2017	180.00	180.00
19022	MAURY R. TRELEVEN CRRRA CONFERENCE LODGING REIMBURSEMENT	9/7/2017	375.00	375.00
19023	MCGILLOWAY, RAY, BROWN & KAUFMAN FINANCE AUDIT SERVICES	9/7/2017	2,152.50	2,152.50
19024	MONTEREY COUNTY SHERIFF'S OFFICE JR ANNUAL ALARM PERMIT	9/7/2017	30.00	30.00
19025	OFFICE DEPOT OFFICE SUPPLIES	9/7/2017	410.42	410.42

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #		Check Date	Amount	Check Total
19026	QUINN COMPANY ALL SITES EQUIPMENT MAINTENANCE	9/7/2017	1,952.21	1,952.21
19027	SCALES UNLIMITED SS & JC SCALE MAINTENANCE	9/7/2017	2,606.00	2,606.00
19028	STURDY OIL COMPANY SSTS EQUIPMENT MAINTENANCE	9/7/2017	868.63	868.63
19029	TRI-COUNTY FIRE PROTECTION, INC. SSTS SAFETY SERVICES	9/7/2017	77.02	77.02
19030	TRUCKSIS ENTERPRISES INCORPORATED SCHOOL RECYCLING REVIEW FLIERS	9/7/2017	287.10	287.10
19031	VALLEY PACIFIC PETROLEUM SERVICES, INC. JC EQUIPMENT MAINTENANCE	9/7/2017	4,736.64	4,736.64
19032	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION ALL SITES VEHICLE FUEL	9/7/2017	2,223.05	2,223.05
19033	AT&T SERVICES INC MONTHLY TELEPHONE SERVICE	9/14/2017	324.18	324.18
19034	BANK OF NEW YORK FINANCE BANK SERVICE FEE	9/14/2017	1,250.00	1,250.00
19035	BECKS SHOES AND REPAIR JC SAFETY SUPPLIES	9/14/2017	204.30	204.30
19036	CALIFORNIA HIGHWAY ADOPTION CO. MONTHLY HIGHWAY LITTER CLEANUP SERVICES	9/14/2017	550.00	550.00
19037	CALPELRA NEGOTIATIONS SIMULATION AND STRATEGY ANNUAL CONFERENCE REGISTRATION	9/14/2017	375.00 757.00	1,132.00
19038	CARDLOCK FUELS SYSTEM, INC. ALL SITES FUEL	9/14/2017	16,560.04	16,560.04
19039	CUTTING EDGE SUPPLY JC & JR EQUIPMENT MAINTENANCE	9/14/2017	1,518.63	1,518.63
19040	DEBORAH L CUTLER SSTS EQUIPMENT MAINTENANCE	9/14/2017	200.00	200.00
19041	DLT SOLUTIONS LLC AUTOCAD LICENSE RENEWALS	9/14/2017	1,744.67	1,744.67
19042	EAST BAY TIRE CO. JC EQUIPMENT AND VEHICLE MAINTENANCE	9/14/2017	460.41	460.41
19043	EDGES ELECTRICAL GROUP, LLC LR FLARE INSTALL SUPPLIES	9/14/2017	19.96	19.96
19044	FULL STEAM STAFFING LLC ALL SITES CONTRACT LABOR	9/14/2017	7,639.39	7,639.39

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #		Check Date	Amount	Check Total
19045	GEOLOGIC ASSOCIATES, INC. ALL SITE GROUNDWATER MONITORING SERVICES	9/14/2017	21,435.54	21,435.54
19046	GOLDEN STATE TRUCK & TRAILER REPAIR JC EQUIPMENT MAINTENANCE	9/14/2017	6,455.11	6,455.11
19047	**VOID**	9/14/2017	-	-
19048	GONZALES ACE HARDWARE JC FACILITY MAINTENANCE	9/14/2017	12.80	12.80
19049	GONZALES TIRE & AUTO SUPPLY ALL SITES EQUIPMENT MAINTENANCE	9/14/2017	350.35	350.35
19050	GRAINGER LRLF FLARE INSTALL SUPPLIES	9/14/2017	54.88	54.88
19051	GREEN RUBBER - KENNEDY AG, LP JC MAINTENANCE SUPPLIES	9/14/2017	122.44	122.44
19052	GUARDIAN SAFETY AND SUPPLY, LLC SSTS SAFETY SUPPLIES	9/14/2017	278.61	278.61
19053	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 HHW DEPARTMENT SUPPLIES	9/14/2017	49.15	49.15
19054	HERC RENTALS INC. SS EQUIPMENT RENTAL	9/14/2017	203.21	203.21
19055	HOME DEPOT ALL SITES FACILITY SUPPLIES	9/14/2017	3,007.59	3,007.59
19056	**VOID**	9/14/2017	-	-
19057	**VOID**	9/14/2017	-	-
19058	**VOID**	9/14/2017	-	-
19059	INTERSTATE BATTERIES SSTS EQUIPMENT MAINTENANCE	9/14/2017	92.72	92.72
19060	JOHNSON ASSOCIATES JC EQUIPMENT MAINTENANCE	9/14/2017	43.65	43.65
19061	KING CITY HARDWARE INC. JRTS FACILITY MAINTENANCE	9/14/2017	84.06	84.06
19062	NEXTEL OF CALIFORNIA, INC SCALEHOUSE, SS & JR CELL PHONE SERVICES	9/14/2017	311.62	311.62
19063	OFFICE DEPOT ADMIN OFFICE SUPPLIES	9/14/2017	622.52	622.52

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #	Check Date	Amount	Check Total
19064	PENINSULA MESSENGER LLC ALL SITES COURIER SERVICES	9/14/2017 620.00	620.00
19065	PITNEY BOWES GLOBAL POSTAGE MACHINE ANNUAL LEASE	9/14/2017 308.87	308.87
19066	QUINN COMPANY ALL SITES EQUIPMENT MAINTENANCE	9/14/2017 5,672.16	5,672.16
19067	SALINAS NEWSPAPERS, INC. HR RECRUITMENT ADVERTISING	9/14/2017 534.02	534.02
19068	SHARPS SOLUTIONS, LLC MONTHLY SHARPS HAULING DISPOSAL	9/14/2017 240.00	240.00
19069	STURDY OIL COMPANY ALL SITES EQUIPMENT MAINTENANCE SUPPLIES	9/14/2017 890.38	890.38
19070	UNITED RENTALS (NORTHWEST), INC CH EQUIPMENT RENTAL	9/14/2017 92.33	92.33
19071	US BANK CORPORATE PAYMENT SYSTEM HARBOR FREIGHT TOOLS: LR FACILITY MAINTENANCE VERSADESK: ADJUSTABLE DESKS(8) AMAZON: ADMIN OFFICE SUPPLIES AMAZON: ADMINISTRATION OFFICE SUPPLIES ABM PARKING: ANNUAL COMMUNICATIONS MEETING PARKING GOTO MEETING: ANNUAL SUBSCRIPTION LUCID SOFTWARE: ANNUAL REPORT SOFTWARE GRANITE CONSTRUCTION: SS NPDES IMPROVEMENTS LA PLAZA BAKERY & CAFE: AUGUST BOARD MEETING BLR - ROOT CAUSE ANALYSIS WEBINAR BLR WEBINAR-ACTIVE SHOOTER WEBINAR REGISTRATION SMART & FINAL: BOARD MEETING REFRESHMENTS SAFEWAY: BOARD MEETINGS REFRESHMENTS SAFEWAY: BOARD MEETINGS REFRESHMENTS ACE HARDWARE: LR MAINTENANCE CA CPA EDUCATION: ANNUAL CPA WEBCASTS REGISTRATION MOUNTAIN MIKE'S PIZZA: CAG WORKSHOP MEAL THE PERFECT WATER: CH MAINTENANCE TRAVELOCITY: TRAINING LODGING EXPERIAN: NEW ACCOUNTS CREDIT CHECKS CROWN AWARDS: EMPLOYEE OF THE YEAR AWARD TROPHY CSDA: CONFERENCE & CERTIFICATION PROGRAM CVS: BATTERIES FOR RESOURCE RECOVERY PRIUS CVS: EMPLOYEE COMMUNICATION DINNER CVS: SAFETY AWARD PROGRAM CARDS BASIC FOODS: JC SUPPLIES SMART & FINAL: EC MEETING WATCO: LR FLARE INSTALL SUPPLIES TIRE & WHEEL: FLAT REPAIR HARBOR FREIGHT: SSTS MAINTENANCE HR MANAGERS MANDATORY TRAINING OCEAN BEACH HOTEL: LODGING FOR CONFERENCE BASIC FOODS: BOARD RETREAT SUPPLIES AMAZON.COM: JR & JC SAFETY SUPPLIES HUGHES: JR & JC SCALEHOUSE MONTHLY INTERNET SERVICE AMAZON.COM: JC & JR SAFETY SUPPLIES MURCAL INC: LR MAINTENANCE SUPPLIES	9/14/2017 76.46 2,910.42 9.97 63.25 3.00 288.00 50.00 2,373.01 128.11 149.00 139.00 29.75 45.59 45.59 21.46 795.00 39.33 422.20 134.93 207.80 33.19 575.00 19.64 105.95 423.80 78.60 34.36 226.01 20.00 10.91 124.95 183.80 2.15 472.47 343.22 284.62 459.06	



**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #	Check Date	Amount	Check Total
CENTRAL ELECTRIC COMPANY: LR FLARE INSTALL SUPPLIES		70.58	
SUPPLYHOUSE: LR FLARE INSTALL SUPPLY		3,069.90	
RELEVANT SOLUTIONS: LR LFG REPLACEMENT SUPPLIES		445.67	
INTERMEDIA: MONTHLY EMAIL EXCHANGER SERVER		329.64	
CONSTANT CONTACT: MARKETING MEDIA		108.00	
PRECISION ROLLER: ADMIN OFFICE SUPPLIES		37.63	
GONZALES SHELL: JC EQUIPMENT MAINTENANCE		5.47	
ACE HARDWARE: LR MAINTENANCE		5.80	
DELLA-ROSE DELI: BOAR RETREAT MEAL		13.70	
DELLA-ROSE DELI: BOARD RETREAT MEALS		153.71	
OCEAN BEACH: RR RETREAT SUPPLIES		491.22	
SOUTHWEST AIRLINES: AIRFARE FOR SWANA CONF (3)		1,361.88	
CALPERS CONFERENCE REGISTRATION		394.58	
SKILLPATH SEMINARS: TRAINING REGISTRATION		134.25	
TRANSPORTATION TO HOTEL FOR CRRR CONFERENCE		20.40	
CRRR: ZERO WASTE PRINCIPLES AND PRACTICES EXAM		150.00	
			18,122.03
19072 **VOID**	9/14/2017	-	-
19073 **VOID**	9/14/2017	-	-
19074 **VOID**	9/14/2017	-	-
19075 **VOID**	9/14/2017	-	-
19076 **VOID**	9/14/2017	-	-
19077 **VOID**	9/14/2017	-	-
19078 VALLEY PACIFIC PETROLEUM SERVICES, INC.	9/14/2017		
JC EQUIPMENT MAINTENANCE		143.37	
JC EQUIPMENT MAINTENANCE		121.08	
			264.45
19079 A & G PUMPING, INC	9/21/2017		
JR PORTABLE TOILET SERVICE		105.83	
			105.83
19080 ADMANOR, INC	9/21/2017		
CCRMC MARKETING		12,220.97	
			12,220.97
19081 AIR TOXICS LTD	9/21/2017		
JC FACILITY MAINTENANCE		474.00	
			474.00
19082 AMERICAN SUPPLY CO.	9/21/2017		
ALL SITES CUSTODIAL SUPPLIES		124.33	
			124.33
19083 ASSOCIATION OF ENVIRONMENTAL PROFESSIONALS	9/21/2017		
ANNUAL MEMBERSHIP (2)		300.00	
			300.00
19084 BRIGID MCGRATH MASSIE	9/21/2017		
STAFF DEVELOPMENT RETREAT		985.00	
			985.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #		Check Date	Amount	Check Total
19085	CARDLOCK FUELS SYSTEM, INC. SSTS DIESEL	9/21/2017	11,935.98	11,935.98
19086	CITY OF GONZALES MONTHLY HOSTING FEE	9/21/2017	20,833.33	20,833.33
19087	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS VEHICLE MAINTENANCE	9/21/2017	1,064.11	1,064.11
19088	DON CHAPIN INC CH FACILITY MAINTENANCE	9/21/2017	1,214.50	1,214.50
19089	GFOA - GOVERNMENT FINANCE OFFICERS ASSOCIATION ANNUAL GAAP TRAINING ANNUAL GAAP UPDATE	9/21/2017	135.00 150.00	285.00
19090	GOLDEN STATE TRUCK & TRAILER REPAIR JC EQUIPMENT MAINTENANCE SSTS VEHICLE MAINTENANCE & SUPPLIES	9/21/2017	2,183.45 5,827.08	8,010.53
19091	GONZALES ACE HARDWARE JRTS & JC FACILITY MAINTENANCE	9/21/2017	161.67	161.67
19092	JOHNSON ASSOCIATES SSTS EQUIPMENT MAINTENANCE	9/21/2017	126.00	126.00
19093	JULIO GIL ADMIN VEHICLE MAINTENANCE	9/21/2017	273.88	273.88
19094	L. A. HEARNE COMPANY CH FACILITY MAINTENANCE -WINTERIZATION	9/21/2017	232.74	232.74
19095	MANUEL PEREA TRUCKING, INC. HAULING TRANSPORTATION	9/21/2017	300.00	300.00
19096	MONTEREY REGIONAL COMPLIANCE SERVICES MRCS - DOT PULL NOTICE	9/21/2017	888.00	888.00
19097	NETPIPE INTERNET SERVICES MONTHLY NETWORK SERVICES	9/21/2017	225.00	225.00
19098	NEXIS PARTNERS, LLC MONTHLY ADMIN BUILDING RENT - COMMON AREA MONTHLY ADMIN BUILDING RENT	9/21/2017	2,018.00 7,194.00	9,212.00
19099	PITNEY BOWES - POSTAGE ADMIN POSTAGE METER	9/21/2017	680.89	680.89
19100	ROSSI BROS TIRE & AUTO SERVICE SSTS VEHICLE MAINTENANCE	9/21/2017	1,684.43	1,684.43
19101	SOUTH COUNTY NEWSPAPER SOUTH COUNTY YELLOW PAGE ADS	9/21/2017	429.00	429.00
19102	VALLEY TROPHIES & DETECTORS EMPLOYEE NAME BADGES	9/21/2017	270.94	270.94

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #	Check Date	Amount	Check Total
19103 BARTEL ASSOCIATES, LLC GASB 68 ACTUARIAL CONSULTING SERVICES	9/28/2017	1,200.00	1,200.00
19104 BECKS SHOES AND REPAIR ALL SITES SAFETY SUPPLIES	9/28/2017	408.59	408.59
19105 CARDLOCK FUELS SYSTEM, INC. ALL SITES FUEL	9/28/2017	9,019.08	9,019.08
19106 CORIX WATER PRODUCTS CH FACILITY MAINTENANCE	9/28/2017	24.04	24.04
19107 EAGLE STAR SECURITY SSTS SECURITY SERVICES	9/28/2017	6,957.00	6,957.00
19108 EAST BAY TIRE CO. HHW EQUIPMENT MAINTENANCE	9/28/2017	295.57	295.57
19109 ERNEST BELL D. JR ADMIN, SSTS & JC JANITORIAL SERVICES	9/28/2017	2,400.00	2,400.00
19110 FULL STEAM STAFFING LLC JC, SSTS & JRTS CONTRACT LABOR	9/28/2017	13,929.84	13,929.84
19111 GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE	9/28/2017	2,093.21	2,093.21
19112 GONZALES ACE HARDWARE JC FACILITY MAINTENANCE	9/28/2017	2.15	2.15
19113 GRANITE ROCK CO/PAVEX CHLF FACILITY MAINTENANCE	9/28/2017	79.75	79.75
19114 GREEN RUBBER - KENNEDY AG, LP JRTS FACILITY MAINTENANCE	9/28/2017	280.11	280.11
19115 HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 SSTS FACILITY MAINTENANCE	9/28/2017	92.85	92.85
19116 HOPE SERVICES SSTS CONTRACT LABOR	9/28/2017	12,971.77	12,971.77
19117 MANUEL TINAJERO SSTS LANDSCAPING MAINTENANCE	9/28/2017	1,500.00	1,500.00
19118 PEOPLE READY INC. JC CONTRACT LABOR JC CONTRACT LABOR	9/28/2017	1,695.62 964.89	2,660.51
19119 QUINN COMPANY JC EQUIPMENT MAINTENANCE	9/28/2017	10,648.33	10,648.33
19120 **VOID**	9/28/2017	-	-
19121 R&B COMPANY JRTS FACILITY MAINTENANCE	9/28/2017	3,244.48	3,244.48

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 9/1/2017 to 9/30/2017**

Check #		Check Date	Amount	Check Total
19122	ROBERT BIXBY ASSOCIATES, INC. SSTS EQUIPMENT MAINTENANCE	9/28/2017	383.47	383.47
19123	ROSSI BROS TIRE & AUTO SERVICE SSTS VEHICLE MAINTENANCE	9/28/2017	25.00	25.00
19124	SCS FIELD SERVICES ALL SITES ROUTINE ENGINEERING SERVICES NON-ROUTINE ENGINEERING SERVICES	9/28/2017	23,535.00 6,812.27	30,347.27
19125	SIMPLIFY COMPLIANCE LLC ACTIVE SHOOTER TRAINING	9/28/2017	10.00	10.00
19126	SOUTH COUNTY NEWSPAPER MARKETING INTERN NEWSPAPER AD	9/28/2017	304.00	304.00
19127	STURDY OIL COMPANY SSTS VEHICLE MAINTENANCE	9/28/2017	155.03	155.03
19128	UNITED RENTALS (NORTHWEST), INC SSTS EQUIPMENT RENTAL	9/28/2017	1,004.36	1,004.36
19129	VALLEY FABRICATION, INC. SSTS FACILITY MAINTENANCE	9/28/2017	389.43	389.43
19130	VALLEY TROPHIES & DETECTORS NAME PLATE FOR NEW HIRE PALOMA	9/28/2017	15.84	15.84
19131	VISION RECYCLING INC MONTHLY GREENWASTE AND WOODWASTE PROCESSING	9/28/2017	75,204.44	75,204.44
19132	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION ALL SITES VEHICLE FUEL	9/28/2017	2,278.10	2,278.10
	Subtotal			435,795.67
	Payroll Disbursements			621,620.93
	Grand Total			1,057,416.60



## Report to the Board of Directors

### ITEM NO. 3

N/A

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: November 16, 2017

From: Mandy Brooks, Resource Recovery Manager

Title: Member and Interagency Activities Report for October 2017 and Upcoming Events

### RECOMMENDATION

Staff recommends the Board accept the report.

### STRATEGIC PLAN RELATIONSHIP

This report relates to the Strategic Plan 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 (Local Enforcement Agency - LEA)

The monthly inspection for the Sun Street Transfer Station was conducted on October 9 with no violations or areas of concern. The LEA took photos of the waste piles, C&D, and HHW signage for an LEA Roundtable meeting to showcase how to take pictures with proper reference points.

The 18-month joint inspection by the LEA and CalRecycle for the Johnson Canyon Landfill was conducted on October 13. CalRecycle conducted testing on a landfill gas monitoring well (Boundary Probe 23) and it came up positive (exceedance of 5%) for detection of methane gas. A violation was noted during the inspection, although the reason for the exceedance was quickly discovered and immediately remedied. Additional testing has been on-going for the probe and a re-inspection by CalRecycle is expected to occur in November. The LEA was notified on October 31 that Johnson Canyon exceeded its permitted tonnage limit due to the receipt of 958 tons of soil and no customers were turned away.

The monthly inspections of the Jolon Road Transfer Station and Landfill (closed) were completed on October 20, with no areas of concern or violations observed during the inspection. The LEA noted that the site was clean and organized and winterization of the site had been completed with drains cleared in preparation for the winter season.

### Other Regulatory Agencies

Staff is working with the Monterey Bay Air Resources District and the Central Coast Regional Water Quality Control Board on a routine basis to adhere to reporting requirements as it relates to air quality and stormwater permits for each facility. The Storm Water Pollution Prevention Plan (SWPPP) for Sun Street has been updated to reflect upgrades in the facility to meet the requirements of the Industrial General Permit for stormwater.



### Solid Waste Facilities Permit Revision:

CalRecycle has requested a 30-day waiver for review of the Revised Solid Waste Facilities Permit for Johnson Canyon Landfill due to a landfill gas probe methane exceedance that occurred during the 18-month inspection. The permit revision allows food waste as a feedstock

in the composting operation and includes the addition of the autoclave processing demonstration unit. CalRecycle now has until November 28 to concur with the permit.

### **Community Clean Up Events**

Five community cleanup events were conducted in October. The results from three of those events are listed below (results from the other two events will be reported next month when the data is available):

- Salinas: Republic Services conducted the annual citywide clean up on Oct 14 and collected 12.75 tons of trash and approximately 35.74 tons of recyclable materials resulting in an 74% diversion rate for the event, the highest since the citywide events began in 2003.
- Salinas: Republic Services conducted the Mayor's clean up on Oct 28 and collected 4.28 tons of trash and approximately 11.76 tons of recyclable materials resulting in an 74% diversion rate for the event.
- Greenfield: Tri-Cities Disposal & Recycling conducted a one-day clean up on Oct 21 and collected 5.2 tons of trash and approximately 9.1 tons of recyclable materials resulting in an 64% diversion rate for the event. Approximately 1,603 lbs. of ABOP (Antifreeze, Batteries, Motor Oil and Paint) waste materials were also collected during the event by SVR staff.

### **Gonzales Clothing Closet**

During the month of October, the Gonzales Clothing Closet's 4 volunteers distributed 332 items to 34 clients, representing 178 family members served. The Clothing Closet is a partnership between SVR, The Salvation Army, and the Gonzales Community Church to provide free clothing to families in need.

### **Future Events with SVR Participation**

Gonzales:	9/30 – 11/18	Tire Amnesty Event, Johnson Canyon Landfill
	11/8	Recycling Presentations, Staff at Taylor Farms Facility
	11/13	Landfill Tour, Oasis Charter School, Johnson Canyon
Greenfield:	10/21	Clean Up & ABOP Collection Event, Greenfield Memorial Hall
King City	9/30 – 11/18	Tire Amnesty Event, Jolon Road Transfer Station
	11/18	Clean Up & ABOP Collection Event, King City High School
	12/1	Wally Float, Chamber of Commerce Lighted Christmas Parade
Salinas:	9/30 – 11/18	Tire Amnesty Event, Sun St Transfer Station
	10/26	Salinas Farm Day, Rodeo Grounds
	10/28	NASA Family Café Event
	10/28	Mayor's Clean Up Event
	11/3	Recycling & Composting Presentations, New Republic School
	11/4	District 6 Clean Up Event
	11/15	Composting Presentations, Washington Middle School
	11/16	Composting Presentations, Washington Middle School
	11/26	Wally Float, Parade of Lights
Soledad:	12/2	Wally Float, Parade of Lights
	12/16	Qrtly ABOP Collection Event, Soledad Mission Shopping Center
Monterey County:	10/28	San Ardo Cleanup & ABOP Collection Event, County Public Works
	11/17	Recycling Presentation to South County Group, Lockwood
	12/2	Qrtly ABOP Collection Event, Prunedale Shopping Center
	12/9	Pajaro Cleanup & ABOP Collection Event, Berry Co-op, Pajaro

Progress as of 11/16/17

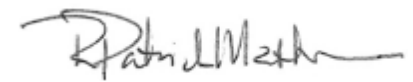
SALINAS VALLEY SOLID WASTE MANAGEMENT AUTHORITY  
(dba SALINAS VALLEY RECYCLES)

**SIX-MONTH STRATEGIC OBJECTIVES**

July 24, 2017 – January 15, 2018

ITEM NO. 4

Agenda Item



General Manager/CAO

2016-2019 THREE-YEAR GOALS

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

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the October 19, 2017 Board meeting and quarterly thereafter	General Manager	Provide to the Board progress reports on the long-term facility needs Environmental Impact Report (EIR), and other due diligence activities.		X		Moved first report was provided at the October 19 <sup>th</sup> mtg. Next report is due at the January 2018 mtg.
2. At the September 21, 2017 Board meeting	Resource Recovery Mgr., with input from the Board	Identify future public outreach efforts, areas of impact, and funding designated for EIR and long-term facilities needs studies public meetings and engagement.	X			Provided at the September Board Agenda as a Consideration Item for input and discussion.
3. At the November 16, 2017 Board meeting	General Manager and Resource Recovery Mgr.	Present to the Board for consideration a draft plan for the Second Phase of public engagement and feedback regarding the future SVR facility options, EIR and due diligence study outcomes.			X	Based on input from September discussion above, an RFP for a public relations firm was released in October and results will be presented at the December meeting.
4. By the November 16, 2017 Board meeting	Asst. General Manager and Resource Recovery Mgr.	Present to the Board for consideration an implementation plan and funding structure for expanding residential, commercial and agricultural foodwaste recovery programs to comply with State Mandates of AB 876, AB 1826, and SB 1383.	X			A draft plan was presented to the Executive Committee and to the Board at the September meeting. Plan, budget actions and grant were approved

Progress as of 11/16/17

THREE-YEAR GOAL: <b><i>REDUCE LANDFILL DISPOSAL FEE DEPENDENCE THROUGH SELF-FUNDED PROGRAMS AND NEW REVENUE SOURCES</i></b>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By the November 16, 2017 Board meeting	General Manager Finance Manager	Present to the Board for information an overview of available State and Federal grants and low interest loan programs available for funding future long-term and permanent facility infrastructure needs.		X		Presentation include in November Board mtg. agenda
2. By the December 21, 2017 Board meeting	Finance Manager	Present to the Board for information an update on the progress of establishing self-funding programs to reduce landfill tipping fee dependence.		X		Work in progress
3. By the January 18, 2018 Board meeting	Asst. General Manager	Present to the Board for consideration an update and revised costs for options to improve and self-fund construction and demolition recovery efforts.		X		The update may be delayed due to construction delays encountered with the District's Material Recovery Facility. Expected completion has been moved from October to January 2018. Discussions are ongoing with MRWMD.



Progress as of 11/16/17

THREE-YEAR GOAL: <b>PROMOTE THE VALUE OF SVR SERVICES AND PROGRAMS TO THE COMMUNITY</b>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. November 1, 2017	Marketing Committee (Resource Recovery Manager-lead)	Hire a new Intern for Marketing and Social Media Outreach projects, to continue developing promotions, memes, and videos to maintain and increase followers.	X			New intern was selected, hired, and started work on Oct 2 <sup>nd</sup> .
2. By the January 18, 2018 Board meeting	Six Board Members (Rob Cullen, Liz Silva, Kimbley Craig, Tony Barrera, John Phillips, Chris Bourke)	Attend at least one community event to promote SVR services and programs and report the results to the Board.		X		Work in progress. Board members to report back as activities are completed.
3. By the January 18, 2018 Board meeting	Marketing Committee (Recycling Coordinator – lead)	Present to the Board for information the results of a market research study on target audiences to help realign SVR's marketing and branding strategy to best focus resources that enable the most effective methods of public outreach.		X		The survey questionnaire has been finalized. Survey data collection is scheduled to begin mid-November.

Progress as of 11/16/17

THREE-YEAR GOAL: <b><i>MAINTAIN A HIGH PERFORMANCE AND FLEXIBLE WORKFORCE</i></b>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Monthly	General Manager	Continue internal small-group employee informational meetings, with potential attendance by Board members.		X		Ongoing. Next scheduled meeting is Nov 30 <sup>th</sup> , SVR offices, 12-1pm
2. By the August 17, 2017 Board meeting	General Manager	Present to the Board for consideration changes to the Personnel Organizational Structure to achieve savings and provide for additional regulatory mandates and programmatic service needs.	X			Reviewed and recommended by the Executive Committee and approved by the Board during August meetings.
3. By October 1, 2017	Finance Manager	Conduct a staff teambuilding retreat to integrate Finance and Administration staff, contingent on Board approval of the Personnel Organizational Structure changes.	X			Board approved restructure in August and Retreat was successfully conducted on September 8 <sup>th</sup> .
4. At the December 2 December 7, 2017, Executive Committee meeting	Management and Staff Personnel Committee	Present to the General Manager and Board Executive Committee for input an updated succession plan to address current and future agency needs.			X	Work in progress. Pushed to December 2017 EC mtg
5. By the November 16 December 21, 2017 Board meeting	Assistant General Manager	Expand the current emergency plan to include natural disaster preparedness for all staff and report the results to the Board.			X	Work in progress. Pushed to December 2017 Board mtg
6. By December 1, 2017	General Manager	Complete 360 Feedback Process for Managers (all staff evaluate their managers).		X		Work in progress.



## Report to the Board of Directors

### ITEM NO. 5

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

General Counsel

**Date:** November 16, 2017

**From:** Elia Zavala, Contracts & Grants Analyst

**Title:** Tonnage and Diversion Report for the  
Quarter Ended September 30, 2017

### RECOMMENDATION

Staff recommends that the Board accept this report.

### STRATEGIC PLAN RELATIONSHIP

None. This is a routine information item.

### FISCAL IMPACT

Disposal fees account for 66% of our revenue. For the quarter ending September 30, 2017, SVR received \$3.72 million in disposal fees.

### DISCUSSION & ANALYSIS

#### TONNAGE LANDFILLED AND DIVERTED SUMMARY

The table below summarizes total tonnage accepted, landfilled, and diverted by Salinas Valley Recycles for the quarter ended September 30, 2017. Compared to the corresponding quarter in 2016, the total tons accepted increased by 16.1% and diverted material increased by 37.9%, resulting in a net increase of 11.1% in tons landfilled. The increase in Alternative Daily Cover (ADC) is still due to a reduction of operational biomass plants in Northern California to which Overs (residuals from pre-processed wood waste and green waste for compost) would be shipped for processing. The delivery of material to a biomass plant is not currently financially feasible due their limited capacity and distance. This material is now being used temporarily as ADC and will be further processed once composting operations commence late next year. Construction & Demolition (C&D) material is also being used as ADC, as beneficial reuse until a better diversion outlet for the material is decided.

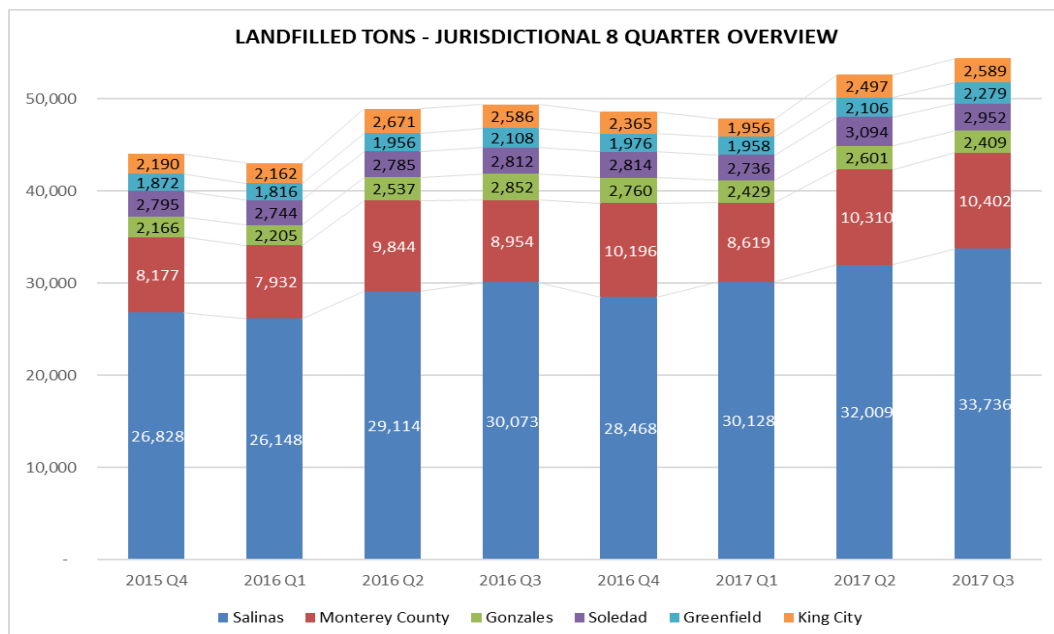
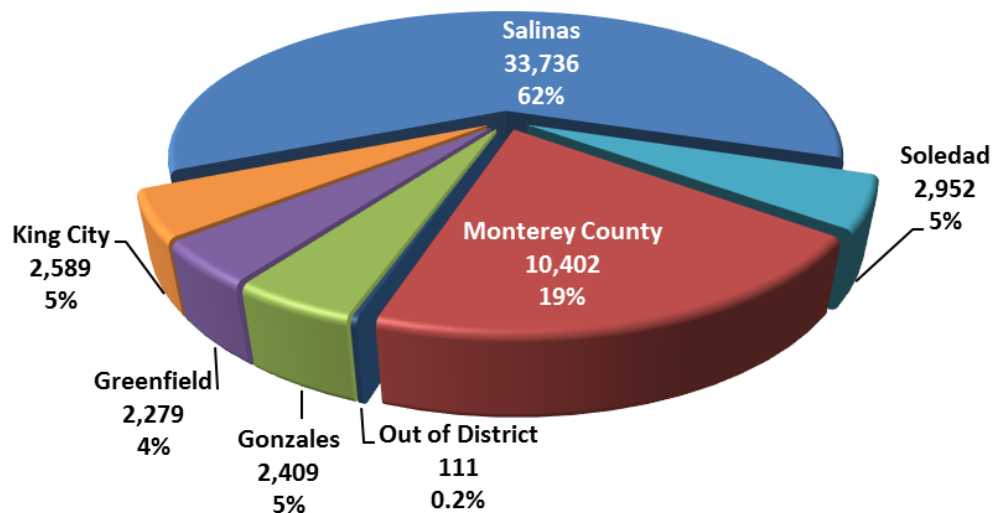
	Jul-Sep 2017		Jul-Sep 2016		Change in	
	Tonnage	%	Tonnage	%	Tonnage	% Change
Total Tons Accepted	72,908		62,796		10,112	16.1%
Less Diverted Materials	6,854		8,117		(1,263)	-15.6%
Less Used for ADC	6,103		2,272		3,831	168.6%
Less Beneficial Reuse	4,120		1,727		2,393	138.6%
Less JC market materials	172		161		11	6.8%
Less SS market materials	1,031		1,014		17	1.7%
Less JR market materials	150		77		73	
Total Diverted Materials	18,430	25.3%	13,368	21.3%	5,062	37.9%
Total Landfilled	54,478	74.7%	49,043	78.1%	5,435	11.1%

### TONS LANDFILLED BY SERVICE AREA

Salinas Valley Recycles landfilled a total of 54,478 tons of solid waste for the quarter ended September 30, 2017. This represents a 11.1% increase from the previous year's total of 49,043 for the same period. Of the 52,617 tons landfilled from the Authority service area, the City of Salinas accounts for 62% of the waste and the County accounts for 19%.

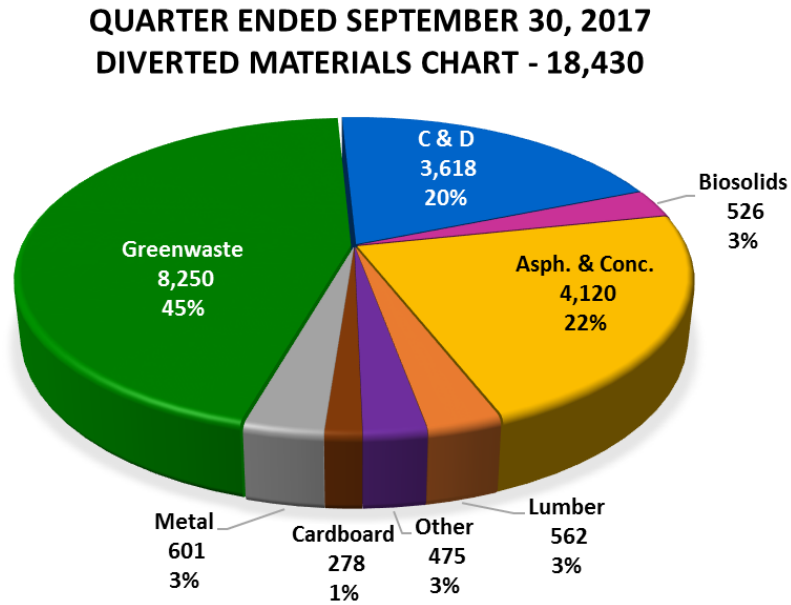
Service Area	Jul-Sep 2017 Tonnage	Jul-Sep 2016 Tonnage	Change in Tonnage	% Change
Authority Service Area	54,367	49,385	4,982	10.1%
Out of District	111	65	46	70.7%
Total Landfilled	54,478	49,450	5,028	10.2%

### LANDFILLED TONS - 54,478 BY ORIGIN FOR QUARTER ENDED SEPTEMBER 30, 2017



### **DIVERTED MATERIALS**

The chart below illustrates that Salinas Valley Recycles diverted a grand total of 18,430 tons of materials for the quarter ended September 30, 2017. Included in the diverted material tons are 172 tons of recyclables salvaged from the waste stream at Johnson Canyon and sent directly to market. SVR also sent 1,031 tons of recyclable materials from the Sun Street Transfer Station, and 150 tons of recyclable materials from the Jolon Road Transfer Station directly to market. Total tons of diverted materials for the quarter ended September 30, 2017 has resulted in a net increase of 5,061 tons or 37.9% over the same quarter of the previous year.



### **ATTACHMENTS**

None



## Report to the Board of Directors

### ITEM NO. 6

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** November 16, 2017

**From:** C. Ray Hendricks, Finance and Administration Manager

**Title:** A Resolution Approving the Allocation of Cash Balances for Fiscal Year 2016-17, and Supplemental Appropriation for CIP 9527 – JC Module 7 Engineering and Construction

### RECOMMENDATION

The Executive Committee recommends adoption of the resolution.

### STRATEGIC PLAN RELATIONSHIP

This is a routine annual financial item.

### FISCAL IMPACT

This item designates cash balances at 06-30-2017. A supplemental appropriation of \$2,610,000 will be made to CIP 9527 – JC Module 7 Engineering and Construction using cash balances at 06-30-2017 prior to allocation to designated reserves in accordance with Board policy.

*(continued to next page)*

## DISCUSSION & ANALYSIS

To determine the cash balance at 06-30-2017, the total of cash and investments at 06-30-2017 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 06-30-2017	<u>\$ 22,202,633.71</u>
<u>Restricted By Legal Agreement</u>	
Closure Fund	3,838,099.32
State Grants Fund	56,236.73
Reimbursement Fund	9,097.86
<u>Fund Held in Trust</u>	
CCRMC Trust	73,437.91
Employee FSA Trust	(635.87)
<u>Committed by Board Policy</u>	
Expansion Fund	7,891,759.71
AB939 Fund Balance	241,387.97
Rate Stabilization Fund	24,324.06
Designated for Capital Projects Reserve	1,018,128.87
Designated for Operating Reserve	593,903.31
Designated for Environmental Impairment Reserve	593,903.31
<u>Assigned by Budget</u>	
Assigned for CIP	3,622,223.41
Assigned for OPEB	<u>291,400.00</u>
Total Available for Surplus Allocation	<u>\$ 3,949,367.12</u>

While the future direction that the Board takes regarding expanding waste reduction activities and projects greatly impacts the amount of garbage placed in the landfill, it is important to ensure that there is adequate funding when the construction of the cell is necessary.

Preliminary engineering work has begun to determine the future expansion pattern, and estimate the cost of each cell. However, internal estimates for the next cell are \$3.5 million. At our current fill rate, the next cell will need to begin construction during the FY 2019-20.

During the FY 2016-17 CIP budget process, CIP 9527 was created with a \$50,000 budget to initiate preliminary engineering. The Board approved supplemental appropriation in the amount of \$300,000 from the FY 2015-16 surplus prior to allocation of funds to the designated reserves. An additional \$540,000 was included in the FY 2017-18 budget. Assigning an addition \$2,610,000 to this CIP brings the balance for this project to \$3.5 million.

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	\$ 3,949,367.12
Fund CIP 9527 - JC Module 7 Engineering and Construction	<u>(2,610,000.00)</u>
Adjusted Allocation Amount	<u>1,339,367.12</u>
Designated for Reserves	
Designated for Capital Projects Reserve	803,620.27
Designated for Operating Reserve	267,873.42
Designated for Environmental Impairment Reserve	<u>267,873.42</u>
Total Surplus Allocation	<u>\$ 1,339,367.12</u>

Following is a summary of the reserve balances at 11-16-2017, followed by a brief analysis.

<u>Designated for Capital Projects Reserve</u>	
Balance at 06-30-2017	\$ 1,018,128.87
Partial Repayment of Reserve Loan from Jolon Road	\$ 120,000.00
FY 2016-17 Surplus Allocation	<u>803,620.27</u>
Ending Balance	<u>\$ 1,941,749.14</u>

During the FY 2016-17 budget process, to minimize the rate increase, the Board elected to use the CIP reserves to partially fund the Jolon Road Equipment Purchases needed to begin staff run operations at Jolon Road Transfer Station on September 1, 2016. The loan of \$398,581 will be repaid from the Jolon Road operating fund over the next few years. The first payment was included in the FY 2017-18 Budget.

<u>Designated for Operating Reserve</u>	
Balance at 06-30-2017	\$ 593,903.31
FY 2016-17 Surplus Allocation	<u>267,873.42</u>
Ending Balance	<u>\$ 861,776.73</u>

The Operating Reserve goal is 15% of the Operations Budget. The \$861,777 balance is 5.2% of the \$16,720,000 FY 2017-18 Operations Budget.



### Designated for Environmental Impairment Reserve

Balance at 06-30-2017	\$	593,903.31
FY 2016-17 Surplus Allocation		<u>267,873.42</u>
Ending Balance	\$	<u>861,776.73</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).

As of June 30, 2017	Capital Improvements	Maintenance	Contingency	Total
Johnson Canyon	\$ 426,126	\$ 362,063	\$ -	\$ 788,189
Crazy Horse	3,328,231	7,534,354	-	10,862,585
Jolon Road	-	1,490,048	-	1,490,048
Lewis Road	<u>125,538</u>	<u>231,227</u>	<u>35,810</u>	<u>392,575</u>
Total Corrective Actions	<u>\$ 3,879,895</u>	<u>\$ 9,617,692</u>	<u>\$ 35,810</u>	<u>\$ 13,533,397</u>

\* 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 the Capital Improvement costs at Crazy Horse, the highest of the three sites. The \$861,777 balance is 25.9% of the \$3.33 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
2. Exhibit A - Allocation of Cash Balances for FY 2016-17 Sheet
3. Resolution 2014-11

## RESOLUTION NO. 2017 –

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING THE ALLOCATION OF CASH BALANCES FOR FISCAL YEAR 2016-17 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 2016-17 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 2016-17, 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 \$2,610,000 is hereby approved; and,

**BE IT FURTHER RESOLVED**, that the General Manager/CAO is hereby authorized to implement the allocation 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 16th day of November 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

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Simon Salinas, President

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Erika J. Trujillo, Clerk of the Board

## Exhibit A

Total Available for Surplus Allocation	\$ 3,949,367.12
Fund CIP 9527 - JC Module 7 Engineering and Construction	<u>(2,610,000.00)</u>
Adjusted Allocation Amount	<u>1,339,367.12</u>
Designated for Reserves	
Designated for Capital Projects Reserve	803,620.27
Designated for Operating Reserve	267,873.42
Designated for Environmental Impairment Reserve	<u>267,873.42</u>
Total Surplus Allocation	<u>\$ 1,339,367.12</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.

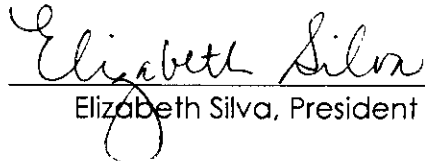
**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at the regular meeting duly held on the 17<sup>th</sup> day of April 2014 by the following vote:

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

## Financial Policies

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:



# Salinas Valley Solid Waste Authority

## Financial Policies

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

# Salinas Valley Solid Waste Authority

## Financial Policies

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.



## Report to the Board of Directors

### ITEM NO. 7

N/A

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** November 16, 2017

**From:** Erika J. Trujillo, Clerk of the Board

**Title:** A Resolution Revising the Designated Positions of the Authority's Conflict of Interest Code Rescinding Resolution 2016-31

### RECOMMENDATION

Staff recommends that the Board adopt the resolution to appropriately reflect changes in designated position titles since 2016.

### STRATEGIC PLAN RELATIONSHIP

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

### FISCAL IMPACT

There is no fiscal impact.

### DISCUSSION & ANALYSIS

Every two years, the agency is required to review its Conflict of Interest Code and determine if any amendments are needed. This year amendments to the Code are being proposed. Any revisions to the Code require approval by its governing body. However, the Authority designates by resolution which positions are subject to disclosure requirements per Authority Code Section 2.08.020, Designated Positions; Disclosure Categories. Since 2016, the titles of some designated positions have been revised. The resolution needs to be updated to reflect those changes.

Designated position that have changed:

Current Title	Revised Title
Finance Manger	Finance and Administration Manager
Human Resources/Organizational Development Manage	<i>Position Eliminated</i>

### BACKGROUND

The Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially by October of every even year and submit a notice to its code reviewing body indicating whether or not an amendment is necessary. California Government Code Section 82011 (b) provides that for any local agency, other than a city agency, with jurisdiction wholly within one county, the County Board of Supervisors is the governing body for that agency's conflict of interest code.

### ATTACHMENT(S)

1. Resolution
2. Resolution No. 2016-31

**RESOLUTION NO. 2017 -**

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY REVISING THE DESIGNATED POSITIONS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY'S CONFLICT OF INTEREST CODE  
RESCINDING RESOLUTION NO. 2016-31**

**WHEREAS**, inclusive of Article 2.08 of the Salinas Valley Solid Waste Authority Code, the Board of Directors has adopted the terms of Title 2, Division 6 of the California Code of Regulations (Section 18730, et seq.) and any amendments thereto adopted by the Fair Political Practices Commission, as its Conflict of Interest Code; and

**WHEREAS**, the following officers have the responsibility to manage public investments and are required to file under Government Code section 87200, and are therefore excluded from the list of designated positions:

- Board of Directors      • Alternates to Board of Directors      • Chief Administrative Officer
- Treasurer                • Controller

**WHEREAS**, Article 2.08.020 of the Authority Code indicates that the designated positions subject to filing requirements are established by Resolution of the Board; and

**WHEREAS**, since 2016, the titles of two designated position have changed as follows:

<b>From</b>	<b>To</b>
• Finance Manager .....	Finance and Administration Manager
• Human Resources/Organizational Development Manger .....	(Position Eliminated)

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Salinas Valley Solid Waste Authority that the following positions are hereby designated to the Authority's Conflict of Interest Code:

**Designated Positions:**

General Manager  
Assistant General Manager  
Resource Recovery Manager  
Finance and Administration Manager  
Operations Manager  
Engineering and Environmental Compliance Manager  
Authority Counsel  
Consultants (*as stipulated under Authority Code section 2.08.020 (b)*)

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on this 16<sup>th</sup> day of November 2017, by the following vote:

AYES:                BOARD MEMBERS:

NOES:                BOARD MEMBERS:

ABSENT:            BOARD MEMBERS:

ABSTAIN:           BOARD MEMBERS:

ATTEST: \_\_\_\_\_  
Erika J. Trujillo, Clerk of the Board

\_\_\_\_\_  
Simón Salinas, President

## RESOLUTION NO. 2016 – 31

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY REVISING THE DESIGNATED POSITIONS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY'S CONFLICT OF INTEREST CODE RESCINDING RESOLUTION NO. 2014-33**

**WHEREAS**, inclusive of Article 2.08 of the Salinas Valley Solid Waste Authority Code, the Board of Directors has adopted the terms of Title 2, Division 6 of the California Code of Regulations (Section 18730, et seq.) and any amendments thereto adopted by the Fair Political Practices Commission, as its Conflict of Interest Code; and

**WHEREAS**, the following officers have the responsibility to manage public investments and are required to file under Government Code section 87200, and are therefore excluded from the list of designated positions:

- Board of Directors      • Alternates to Board of Directors      • Chief Administrative Officer
- Treasurer                      • Controller

**WHEREAS**, Article 2.08.020 of the Authority Code indicates that the designated positions subject to filing requirements are established by Resolution of the Board; and

**WHEREAS**, since 2012, the titles of three designated position have changed as follows:

<b>From</b>	<b>To</b>
• Assistant General Manager of Engineering and Operations .....	Assistant General Manager
• Authority Engineer .....	Engineering and Environmental Compliance Manager
• Diversion Manager .....	Resource Recovery Manager

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Salinas Valley Solid Waste Authority that the following positions are hereby designated to the Authority's Conflict of Interest Code:

**Designated Positions:**

General Manager  
 Assistant General Manager  
 Human Resources/Organizational Development Manager  
 Resource Recovery Manager  
 Finance Manager  
 Operations Manager  
 Engineering and Environmental Compliance Manager  
 Authority Counsel  
 Consultants (as stipulated under Authority Code section 2.08.020 (b))

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on this 20<sup>th</sup> day of October, 2016, by the following vote:

AYES: BOARD MEMBERS: Armenta, Barrera, Lutes, Perez, Salinas, Silva  
 NOES: BOARD MEMBERS: None  
 ABSENT: BOARD MEMBERS: Cullen, De La Rosa, Torres  
 ABSTAIN: BOARD MEMBERS: None

ATTEST:

  
 Elia Zavala, Clerk of the Board

  
 Jyl Lutes, President



## Report to the Board of Directors

### ITEM NO. 8

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** November 16, 2017

**From:** Brian Kennedy, Engineering and Environmental Compliance Manager

**Title:** A Resolution Approving an Agreement with Salinas Pump Company for the Replacement of a Groundwater Well at Johnson Canyon Landfill.

### RECOMMENDATION

Staff recommends that the Board adopt the resolution.

### STRATEGIC PLAN RELATIONSHIP

The agreement is not related to any strategic plan goals, but is a crucial part of the day to day operation at Johnson Canyon Landfill's ability to serve the public's needs.

### FISCAL IMPACT

Once approved, CIP 9509 has sufficient funding to cover all expenses associated with the construction and installation of the replacement groundwater well. The CIP budget is scheduled to be approved with this month's agenda.

### DISCUSSION & ANALYSIS

Salinas Valley Recycles operates the Johnson Canyon Landfill. As part of these operations, our staff can use up to 30,000 gallons of water a day during the dry months for items such as dust control, domestic use and organics processing operations. The existing groundwater well on site has been rendered ineffective due to its age and sediment plugging. As mentioned in the report to your Board in January, a replacement well is needed to continue meeting operational demands when re-usable water (storm water and winery wastewater) is not available.

Staff released a Request for Bids (RFB) on October 30, 2017. The RFB closed on November 8, 2017. We received bids from 7 bidders. The bids are detailed below:

Bidder	Total
ABC Liovin Drilling	\$109,000.00
Salinas Pump Company	\$60,827.98
Cascade Drilling, L.P.	\$137,500.00
Maggiore Bros. Drilling, Inc.	\$84,000.00
Well industries, Inc.	\$77,500.00
EFI Global, Inc.	\$154,500.00
Pacific Coast Well Drilling, Inc.	\$195,800.00

Based on the bids received, Salinas Pump Company offered the best value to the Authority for this project. Staff recommends adding an additional 15% contingency to the bid amount due to the speculative nature of groundwater well drilling. This will allow flexibility to drill deeper if necessary.

## **BACKGROUND**

Water availability has been a challenge at the Johnson Canyon Landfill as our well production rate continues to decline. Operations staff have been making due by using waste water from the Constellation Winery operations and onsite storm water storage as well as taking trips into Gonzales to pump water from a hydrant. This has become more and more inefficient to haul water as our well production has declined and the City of Gonzales would prefer we not utilize treated City water for our non-domestic needs, if at all possible. Staff will continue to maximize use of on-site and adjacent non-potable water source to limit water usage, but needs to replace the existing production well to meet operational needs when these other sources of reusable water run out, usually by late spring or early summer.

## **ATTACHMENT(S)**

1. Resolutions
2. Agreement

## RESOLUTION NO. 2017-

### A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AN AGREEMENT WITH SALINAS PUMP COMPANY FOR REPLACEMENT GROUNDWATER WELL CONSTRUCTION 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 Salinas Pump Company for replacement groundwater well construction services as attached hereto and marked "Exhibit A".

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority this 16<sup>th</sup> day of November 2017 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

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Simón Salinas, President

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Erika J. Trujillo, Clerk of the Board





AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN  
SALINAS VALLEY SOLID WASTE AUTHORITY AND  
SALINAS PUMP COMPANY

TO PROVIDE REPLACEMENT GROUNDWATER WELL DRILLING SERVICES

This agreement, made and entered the 16th day of November 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 Salinas Pump Company (hereinafter "Consultant").

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

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

NOW, THEREFORE, Consultant and Authority agree as follows:

**1. Scope of Service**

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

**2. Completion Schedule**

Consultant shall complete the consulting services described in Attachment "A" by mutually agreed date after Authority obtains drilling permits.

**3. Compensation**

Authority hereby agrees to pay Consultant 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, Attachment "A."

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

**4. Billing**

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

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

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

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

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

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

## **5. Additional Services**

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

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

## **6. Additional Copies**

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

## **7. Responsibility of Consultant**

- A. By executing this agreement, Consultant agrees that Consultant is apprised of the scope of work to be performed under this agreement and Consultant agrees that said work can and shall be performed in a competent manner. By executing this agreement, Consultant further agrees that

the Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the Authority the services contemplated under this agreement and that Authority relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees that Consultant shall follow the current, generally accepted professional standard of care to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the project for which the services are rendered under this agreement. Consultant shall have the right to reasonably rely on all information provided by Authority without independent verification.

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

## **8. Responsibility of Authority**

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

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

## **9. Acceptance of Work Not a Release**

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

#### **10. Indemnification and Hold Harmless**

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

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

With regard to any claim alleging Contractor's negligent performance of professional services, Contractor's defense obligation under this indemnity paragraph means only the reimbursement of reasonable defense costs to the proportionate extent of its actual indemnity obligation hereunder.

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

#### **11. Insurance**

- A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.
- B. Coverage shall be at least as broad as:
  - 1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 or equivalent form covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
  - 2. Automobile Liability: Insurance Services Office Form Number CA 0001 or equivalent form covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and

property damage.

3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate per project site.

#### C. Other Insurance Provisions

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

##### Additional Insured Status

The Authority, its officers, officials, employees, and volunteers are to be covered as additional insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

##### Primary Coverage

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

##### Notice of Cancellation

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

##### Waiver of Subrogation

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

##### Deductibles and Self-Insured Retentions

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

##### Acceptability of Insurers

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

### Claims Made Policies

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

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

### Verification of Coverage

Consultant shall furnish the Authority with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Entity before work commences.

However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. A statement on the insurance certificate which states that the insurance company will endeavor to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" does not satisfy the requirements of herein. The Consultant shall ensure that the above-quoted language is stricken from the certificate by the authorized representative of the insurance company. The insurance certificate shall also state the limits of coverage required hereunder.

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

### Subcontractors

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

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

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

## **12. Access to Records**

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

## **13. Assignment**

It is recognized by the parties hereto that a substantial inducement to Authority for entering into this

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

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

#### **14. Changes to Scope of Work**

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

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

#### **15. Compliance with Laws, Rules, and Regulations**

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

#### **16. Licenses**

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

#### **17. Fiscal Considerations**

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

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

#### **18. Interest of Public Official**

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

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

**19. Withholding (Form 730)**

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

**20. California Residency (Form 590)**

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

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

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

**22. Independent Contractor**

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

**23. Attachments Incorporated**

All attachments 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 attachments to the agreement, the terms of the agreement shall control the respective duties and liabilities of the parties.

**24. Integration and Amendment**

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

**25. Jurisdiction**

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



## **26. Severability**

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

## **27. Notice to Proceed; Progress; Completion**

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

## **28. Ownership of Documents**

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

## **29. Subcontractors**

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

## **30. Dispute Resolution**

### **A. MEDIATION**

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

Agreement, or litigation, as the parties agree. The mediation may continue, if the parties so agree, after the appointment of the arbitrators. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The pendency of 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. This arbitration clause is subject to the limitation in subsection C below.

**C. CLAIMS AGAINST THE AUTHORITY; STATUTE OF LIMITATIONS**

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

**31. Termination**

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

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

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

1. In the event of termination by the Authority for Consultant's default, Authority shall deduct from the amount due Consultant the total amount of additional expenses incurred by Authority as a result of such default. Such deduction from amounts due Consultant are made to compensate Authority for its actual additional cost incurred in securing satisfactory performance of the terms of this agreement, including but not limited to, costs of engaging other consultants for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay Authority the full amount of such expense, but only to the extent caused by its negligence. In the event that this agreement is terminated by Authority for any reason, Consultant shall:

- (a) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by Authority; and
  - (b) Deliver to Authority all documents, data, reports, summaries, correspondence, photographs, computer software, video, and audiotapes, and any other materials provided to Consultant or prepared by or for Consultant or the Authority in connection with this agreement. Such material is to be delivered to Authority whether in completed form or in process; however, notwithstanding the provisions of Section 23 herein, Authority may condition payment for services rendered to the date of termination upon Consultant's delivery to the Authority of such material.
- C. In the event that this agreement is terminated by Authority for any reason, Authority is hereby expressly permitted to assume this project and complete it by any means, including but not limited to, an agreement with another party.
- D. The rights and remedy of the Authority provided by under this section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this agreement.
- E. Consultant may terminate this Agreement upon 30 days notice in the event of non-payment or other material breach by Authority.

### **32. Audit and Examination of Accounts**

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

### **33. Extent of Agreement**

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

### **34. Notices**

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

***Via Mail***

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

***Hand Delivered***

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

- B. Written notices to the Consultant shall, until further notice by the Consultant, be addressed to:  
Salinas Pump Company  
Aaron Thornton  
21935 Rosehart Way  
Salinas, Ca. 93908
- C. The execution of any such notices by the Chief Administrative Officer or Assistant General Manager representative of the Authority shall be effective as to Consultant as if it were by resolution or order of the Authority Board, and Consultant shall not question the authority of the Chief Administrative Officer or Assistant General Manager to execute any such notice.
- D. All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

### **35. Nondiscrimination**

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

### **36. Conflict of Interest**

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

### **37. Headings**

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

**38. Multiple Copies of Agreement**

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

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

**SALINAS VALLEY SOLID WASTE AUTHORITY:**

APPROVED AS TO FORM:

\_\_\_\_\_  
R. Patrick Mathews  
General Manager/CAO

\_\_\_\_\_  
Thomas M. Bruen  
Authority General Counsel

ATTEST:

\_\_\_\_\_  
Erika J. Trujillo  
Clerk of the Board

**CONSULTANT: Salinas Pump Company**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Attachments:

Attachment A - Scope of Services



## Report to the Board of Directors

**Date:** November 16, 2017  
**From:** Patrick Mathews, General Manager/CAO  
**Title:** Funding Opportunities for Infrastructure

### ITEM NO. 9

N/A

Finance and Administration Manager,  
Controller/Treasurer

N/A

General Counsel

N/A

General Manager/CAO

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



# **FUNDING OPPORTUNITIES FOR INFRASTRUCTURE**

# CA FINANCING COORDINATING COMMITTEE

CFCC agencies fund the following types of infrastructure Projects:

- Wastewater
- Water Quality, Supply, Efficiency and Conservation
- Energy Efficiency
- Flood Management
- Solid Waste
- Compost

Some of the participating agencies also fund other types of infrastructure Projects including streets and highways, emergency response vehicles, solid waste and community facilities.





# CFCC MEMBER AGENCIES

- US Bureau of Reclamation
- US Department of Agriculture
- CA Department of Housing and Community Development
- CA State Water Resources Control Board
- CA Department of Water Resources
- CA Infrastructure and Economic Development Bank (Ibank)
- CA Department of Resources and Recycling (CalRecycle)



# USDA

## Water and Waste Disposal Loan and Grant Program

- Low interest rates extend for up to 40 year loans
- Currently 2.000% - 3.375%
- Grants are up to 75% of project cost
- Rates are subject to change



# USDA

## Eligible Areas

Applicants must be in or outside a city, town or census designated place with populations under 10,000 for Water Programs and 20,000 for Community Facilities.

*i.e. Jolon Road facility improvements*



# CA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK)

The legislature created **IBank** in 1994 to finance public infrastructure and private development that create jobs and a strong economy to improve the quality of life for the people of California. IBank has broad authority to issue tax- exempt and taxable revenue bonds, provide financing to public agencies, leverage State and Federal funds and more.



# **CA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK)**

## **ELIGIBLE APPLICANTS**

- Any Subdivision of a Local Government
- Special Districts
- Joint Powers Authorities
- Public Benefit, Tax-Exempt, Nonprofit Corporations  
(with eligible sponsorship)



# CA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK)

- Funding available from \$50 thousand to \$25 million
- Terms for the useful-life of the project up to 30-years
- Up to 100% of eligible project cost financed
- Interest Rates Benchmarked to Municipal Data (MMD) Index
- Subsidized interest rates based upon:  
Unemployment rate, Median household income
- Lower transaction costs
- Better than a public offering



# CA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK)

## Clean Energy Projects

- Generation
- Renewable energy, solar, wind, biomass, hydroelectric Conservation
- Energy efficiency retrofits, LED lights, Building automation and controls Other
- Energy storage, transmission, distribution, Electric Vehicle (EV) charging stations, alternative technologies, alternative fuels



# CalRecycle Financial Resource Branch

- CalRecycle's vision is to inspire and challenge Californians to achieve the highest waste reduction, recycling and reuse goals in the nation
- The financial branch of CalRecycle provides grants and loans to achieve the mandated 75% goal of waste reduction by the year 2020.





# **CalRecycle Financial Resource Branch**

## **STRATEGIES FOR ACHIEVING THE 75% GOAL**

- Move Organics out of the Landfill
- Expand the Recycling/Manufacturing Infrastructure
- Explore New Models for State and Local Funding of Sustainable Waste Management Programs
- Promote Procurement of Post-Consumer Recycled Content Products
- Promote Extending Producer Responsibility



# CalRecycle Financial Resource Branch

## **FUNDING OPPORTUNITIES (16-17)**

- Greenhouse Gas (GHG) Reduction Funds:
- Grants - \$24 million total available
  - \$12 Mil for Compost Projects
  - \$12 Mil for Digestion Projects
- \$ TBD Mil for Fiber, Plastic, & Glass (FPG)
- \$6.9 Mil for Organics & FPG Loans
- \$7.0 Mil for Recycling Market Development Zone Loans



# CalRecycle Financial Resource Branch

## **FUNDING OPPORTUNITIES (16-17)**

- Greenhouse Gas (GHG) Reduction Funds:
- Grants - \$24 million total available
  - \$12 Mil for Compost Projects
  - \$12 Mil for Digestion Projects
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- \$6.9 Mil for Organics & FPG Loans
- \$7.0 Mil for Recycling Market Development Zone Loans



# State Water Resources Control Board

## **WATER RECYCLING FUNDING PROGRAM**

- Promote use of treated municipal wastewater to augment or offset state/local fresh water supplies:
  - Recycled water treatment
  - Recycled water storage
  - Indirect Potable Reuse
- Eligible applicants include publicly-owned facilities



# State Water Resources Control Board

## WATER RECYCLING FUNDING PROGRAM

- Low interest loans
- Term of 20-30 years
- Standard interest rate is half the most recent General Obligation Bond Sale (typically 2 - 3%)
- \$625 million available for grants and loans –



# QUESTIONS





## Report to the Board of Directors

### ITEM NO. 10

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** November 16, 2017

**From:** Ray Hendricks, Finance Manager

**Title:** Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2017

### 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 2016-17 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 the Authority's 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, 2017, the Authority adopted the following pronouncements of the Governmental Accounting Standards Board (GASB):

- Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"
- Statement No. 77, "Tax Abatement Disclosures."
- Statement No. 78, "Pensions Provided Through Certain Multiple - Employer Defined Benefit Pension Plans."
- Statement No. 79, "Certain External Investment Pools and Pool Participants."
- Statement No. 80, "Blending Requirements for Certain Component Units — An Amendment of GASB Statement No. 14."

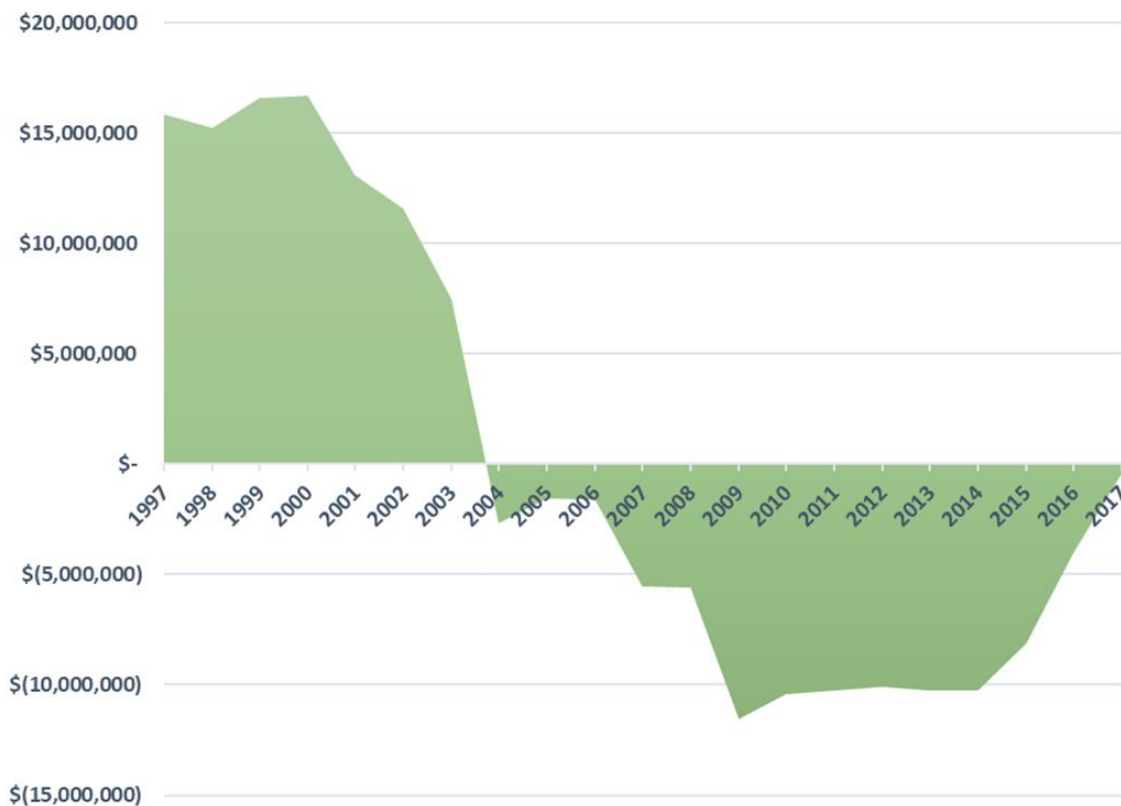
While these pronouncements are effective for our fiscal year ending June 30, 2017, our activities as of the end of the fiscal year do not require any additional disclosures.

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, staff wishes to address the two most important numbers from the financial statements, the Net Position and the Change in Net Position.

### Deficit Net Position of \$404,354

The deficit net position improved to deficit of \$404,354. This is an improvement of 90% from a deficit of \$4,040,684 in FY 2015-16. The deficit is due to the fact that closed landfills have been completely depreciated, while the principal on the debt that was used to buy and improve them has not been paid off.

The chart below shows the Authority's year ending net position since the agency's inception in 1997.



Following are the key items affecting the Authority's net position:

- 1997 – Authority was formed with a contribution of capital (landfills) from the County and the purchase of Crazy Horse from Salinas.
- 2001 – Began expedited depreciation of Crazy Horse Landfill to prepare for original 2004 closure date.
- 2002 - \$40M Bond Issue - (\$2.5 million closing cost). Money was used to fund Capital Improvements necessary over the next several years necessary to rectify legacy violations and underfunded facility improvements.
- 2003 – Lewis Road Closure - Write off remaining assets. Closure Post-Closure Expense Catch Up
- 2007 - Jolon Road Closure - Write off remaining assets. Closure Post-Closure Expense Catch Up
- 2009 - Crazy Horse Closure - Write off remaining assets. Closure Post-Closure Expense Catch Up



- 2015 – Bond Refunding, and beginning of staff run operations at Johnson Canyon
- 2017 – Beginning of staff run operations at Jolon Road Transfer Station.

### Positive Change in Net Position of \$3,636,330

Key elements of this change are as follows:

Operating revenues increased \$2,412,682 (13.1%) as the result of increased economic activity and increases to the tipping fee.

An increase in landfilled tons, along with a \$1.50 tipping fee increase resulted in \$1.43 million in additional tipping fee revenue from solid waste. Tipping fee revenue from diverted materials increased \$590,000. The transportation surcharge generated an additional \$342,000 due mainly to the Authority assuming operations of our Jolon Road Transfer Station and extending the surcharge to franchise haulers that use the transfer station. AB939 fees were increased by \$62,800.

The unexpected increase in both solid waste and diversion tonnage due to the necessary cleanup after the severe winter storms required additional use of our transfer stations and landfill. We do not expect that charges for services will be sustained at the FY 2016-17 levels going forward.

Operating expenses increased by \$2,950,966 (22.9%) to \$15,852,303 due primarily to increases in closure/post-closure costs. The closure of Crazy Horse Landfill was certified by CalRecycle, and all expenditures at the site are now considered part of post-closure maintenance. Post-closure maintenance expenses for Crazy Horse were \$508,000. Post-closure maintenance expenses for Lewis Road were \$189,000. Post-closure maintenance expenses for Jolon Road were \$163,000. Changes in estimates of the post-closure liability accounted for \$1.75 million of the post-closure expenses. Closure liability is expensed as a percentage of capacity used at the landfill. FY 2016-17 expenses for closure are \$336,000.

### **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, 2017



2511 Garden Road  
Suite A180  
Monterey, CA 93904-5301  
831-373-3337  
Fax 831-373-3437

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

3478 Buskirk Avenue  
Suite A1000  
Pleasant Hill, CA 94523  
831-373-3337  
Fax 831-373-3437

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, 2017. 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. No new accounting policies were adopted and the application of existing policies was not changed during year ended June 30, 2017. 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 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 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.

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.

Management's estimate of the deferred inflows and outflows of resources are based on an amount actuarially determined in accordance with the parameters of GASB Statement 68. We evaluated the key factors and assumptions used to develop the deferred inflows and outflows of resources and determined that it is reasonable in relation to the financial statements.

Management's estimate of other post-employment benefit liability is based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. We evaluated the key factors and assumptions used to develop the liability and determined that it is reasonable in relation to the financial statements.

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

The disclosure of Pension Plan in Note 12 to the financial statements – Retirement Programs, this note was developed with the CalPERS GASB Statement 68, *Accounting Valuation Report*, with the measurement date of June 30, 2016.

The disclosure in Note 17 and Note 18 to the financial statements – Restricted Net Position and Net Position addressed the improvement of \$3,636,330 net deficit. The total net deficit was \$404,354 at June 30, 2017.

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to financial statements taken as a whole.

#### *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 November 2, 2017.

### *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

#### *Report on 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.

#### *Report on 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.



McGilloway, Ray, Brown & Kaufman  
Salinas California  
November 2, 2017

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2017**



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"*

November 2, 2017

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, 2017. 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, 2017, 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, 2017, 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 \$5,003,302 and an increase in net position of \$3,636,330 for the fiscal year ended June 30, 2017.

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, 2017 the Authority has accrued post-closure liabilities totaling \$15,403,543 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 \$2,886,448 are fully funded at June 30, 2017.

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, though Capital Replacement Budgets function to provide a portion of depreciated asset replacement costs.

The Statement of Cash Flows for the fiscal year ended June 30, 2017, provides a detailed reconciliation of the Authority's cash, which increased \$4,896,510, from \$16,306,124 to \$21,202,634.

## **Financial Management**

The Authority carefully monitors its gate rates. On July 1, 2016, the tipping fee increased \$1.50 to \$68.50 per ton, which was necessary to keep up with operating expenses. Tonnage increased significantly due in large part to debris from the winter storms. Effective July 1, 2013 the Board adopted an AB939 Fee, which generated \$2.23 million during the year ended June 30, 2017. 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. To avoid tipping fee increases during the Great Recession, the Board of Directors decided to use these funds for operations until the economy recovered. At June 30, 2017, the Expansion Fund had unrestricted net position of \$7,898,964.

### **Summary**

Benefitting from the highest tonnage accepted since 2008 (199,457), the Authority reduced its net FY 2016-17 deficit of \$4,040,684 to a net deficit of \$404,354. With principal payments to the Equipment Lease Payable, and Bonds Payable due the Net Position is expected to no longer be in deficit at the end of FY 2017-18.

### **Acknowledgements**

I would like to take this opportunity to thank the members of the Salinas Valley Solid Waste Authority’s Board of Directors for their interest and support in the financial operations of the Authority. It is the responsible and progressive manner in which business is conducted that makes the Authority successful. I would also like to extend special recognition to the Authority staff for their day-to-day involvement in the operations. In addition, I would like to offer special thanks to J. D. Black, Accountant, 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,



C. Ray Hendricks  
Finance Manager/Treasurer/Controller



Government Finance Officers Association

**Certificate of  
Achievement  
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Reporting**

Presented to

**Salinas Valley Solid Waste Authority  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



## **List of Principal Officials**

**As of June 30, 2017**

**Simon Salinas, County of Monterey**  
President

**Robert Cullen, City of King**  
Vice President

**Gloria De La Rosa, City of Salinas**  
Alternate Vice President

**Christopher K. Bourke, City of Soledad**  
Board Member

**Tony Barrera, City of Salinas**  
Board Member

**John M. Phillips, County of Monterey**  
Board Member

**Kimbley Craig, 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

**C. Ray Hendricks**  
Finance Manager/  
Treasurer/Controller

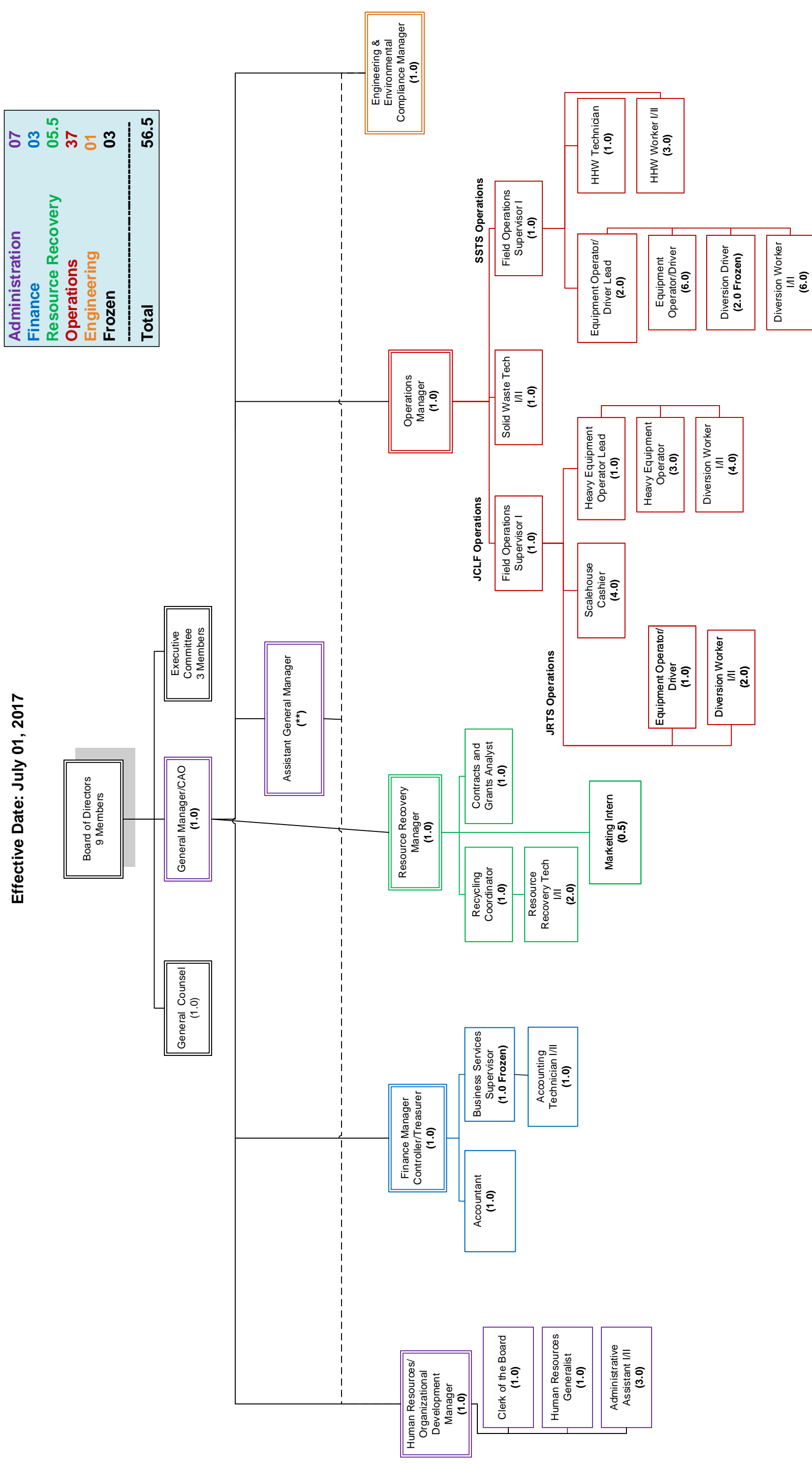
**Brian Kennedy**  
Engineering and Environmental  
Compliance Manager

**Mandy Brooks**  
Resource Recovery Manager

**Cesar Zuniga**  
Assistant General Manager  
Operations Manager

# Salinas Valley Recycles Organizational Chart

**Effective Date: July 01, 2017**



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

## **FINANCIAL SECTION**





2511 Garden Road  
Suite A180  
Monterey, CA 93904-5301  
831-373-3337  
Fax 831-373-3437

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

3478 Buskirk Avenue  
Suite A1000  
Pleasant Hill, CA 94523  
831-373-3337  
Fax 831-373-3437

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Salinas Valley Solid Waste Authority (the Authority), as of and for the year ended June 30, 2017, 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.



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Salinas Valley Solid Waste Authority as of June 30, 2017, and the respective 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  
November 2, 2017

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**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, 2017 and June 30, 2016. Please consider the information presented here in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal, and other portions of this CAFR.

For the fiscal year ended June 30, 2017, the Authority adopted the following pronouncements of the Governmental Accounting Standards Board (GASB):

- Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"
- Statement No. 77, "Tax Abatement Disclosures."
- Statement No. 78, "Pensions Provided Through Certain Multiple - Employer Defined Benefit Pension Plans."
- Statement No. 79, "Certain External Investment Pools and Pool Participants."
- Statement No. 80, "Blending Requirements for Certain Component Units — an amendment of GASB Statement No. 14."

While these pronouncements are effective for our fiscal year ending June 30, 2017, our activities as of the end of the fiscal year do not meet the minimum requirements for disclosures of any of them.

**Financial Highlights**

- The Authority's net position increased \$3,636,330 to a deficit of \$404,354.
- Operating revenues increased \$2,412,682 (13.1%) as the result of increased economic activity and an increase to the tipping fee.
- Waste landfilled increased by 17,159 tons (9.4%) from 182,298 tons in fiscal year 2015-16 to 199,457 tons in fiscal year 2016-17 as the result of increased economic activity.
- Operating expenses increased by \$2,950,966 (22.9%) to \$15,852,303 due primarily to increases in closure/post-closure costs.
- The Authority's total long-term liabilities increased by \$1,372,598 to \$52,218,454.

**Overview of the Financial Statements**

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

**Basic Financial Statements**

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

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

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

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to fully understand the data provided in the financial statements.

**Required Supplementary Information**

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 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 \$404,354, which is a decrease of \$3,636,330 (90.0%) from the prior year net deficit position of \$4,040,684.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2017 and 2016:

Salinas Valley Solid Waste Authority Condensed Statement of Net Position June 30, 2017 and 2016				
	2017	2016	Change	%Change
<b>Assets</b>				
Current Assets	\$ 20,775,439	\$ 16,629,468	\$ 4,145,971	24.9%
Other Assets	3,838,099	3,551,777	286,322	8.1%
Capital Assets, Net	29,707,129	29,784,405	(77,276)	-0.3%
Total Assets	54,320,667	49,965,650	4,355,017	8.7%
Deferred Outflows of Resources	1,547,085	1,145,066	402,019	35.1%
<b>Liabilities</b>				
Current Liabilities	3,881,757	3,970,241	(88,484)	-2.2%
Long Term Liabilities	52,218,454	50,845,856	1,372,598	2.7%
Total Liabilities	56,100,211	54,816,097	1,284,114	2.3%
Deferred Inflows of Resources	171,895	335,303	(163,408)	-48.7%
<b>Net Position</b>				
Net Investment in Capital Assets	(3,830,703)	(4,921,464)	1,090,761	-22.2%
Restricted	1,028,150	1,101,436	(73,286)	-6.7%
Unrestricted	2,398,199	(220,656)	2,618,855	-1186.8%
Total Net Position (Deficit)	\$ (404,354)	\$ (4,040,684)	\$ 3,636,330	-90.0%

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

The total net position deficit is due primarily to the deficit of \$3,830,703, Net Investment in Capital Assets. This is the result of capital assets depreciating at a faster rate than the related debt is being paid.

**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, 2017 and 2016.

Salinas Valley Solid Waste Authority  
Condensed Statement of Revenues, Expenses, and Changes in Net Position  
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Charges for Services	\$ 20,142,815	\$ 17,676,062	\$ 2,466,753	14.0%
Sales of Materials	646,673	618,784	27,889	4.5%
Operating Grants and Contributions	<u>66,117</u>	<u>148,077</u>	<u>(81,960)</u>	-55.3%
Total Operating Revenues	20,855,605	18,442,923	2,412,682	13.1%
Operating Expenses	<u>15,852,303</u>	<u>12,901,337</u>	<u>2,950,966</u>	22.9%
Operating Income/(Loss)	5,003,302	5,541,586	(538,284)	-9.7%
Non-Operating Revenues				
Investment Earnings	95,624	64,248	31,376	48.8%
Other Non-operating Revenue	<u>59,025</u>	<u>9,457</u>	<u>49,568</u>	524.1%
Total Non-Operating Revenues	154,649	73,705	80,944	109.8%
Non-Operating Expenses				
Interest Expense	<u>(1,521,621)</u>	<u>(1,549,675)</u>	<u>28,054</u>	-1.8%
Change in Net Position	3,636,330	4,065,616	(429,286)	-10.6%
Total Net Position (Deficit) Beginning	<u>(4,040,684)</u>	<u>(8,106,300)</u>	<u>4,065,616</u>	-50.2%
<b>Net Position (Deficit) End of Year</b>	<b><u>\$ (404,354)</u></b>	<b><u>\$ (4,040,684)</u></b>	<b><u>\$ 3,636,330</u></b>	<b>-90.0%</b>

The Authority's activities decreased the net deficit by \$3,636,330. Key elements of this change are as follows:

Operating revenues increased \$2,412,682 (13.1%) as the result of increased economic activity and increases to the tipping fee.

An increase in landfilled tons, along with a \$1.50 tipping fee increase resulted in \$1.43 million in additional tipping fee revenue from solid waste. Tipping fee revenue from diverted materials increased \$590,000. The transportation surcharge generated and additional \$342,000 due mainly to the Authority assuming operations of our Jolon Road Transfer Station and extending the surcharge to franchise haulers that use the transfer station. AB939 fees were increased by \$62,800.

The unexpected increase in both solid waste and diversion tonnage due to the necessary cleanup after the severe winter storms required additional use of our transfer stations and landfill. We do not expect that charges for services will be sustained at the FY 2016-17 levels going forward.

Operating expenses increased by \$2,950,966 (22.9%) to \$15,852,303 due primarily to increases in closure/post-closure costs. The closure of Crazy Horse Landfill was certified by CalRecycle, and all expenditures at the site are now considered part of post-closure maintenance. Post-closure

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

maintenance expenses for Crazy Horse were \$508,000. Post-closure maintenance expenses for Lewis Road were \$189,000. Post-closure maintenance expenses for Jolon Road were \$163,000. Changes in estimates of the post-closure liability accounted for \$1.75 million of the post-closure expenses. Closure liability is expensed as a percentage of capacity used at the landfill. FY 2016-17 expenses for closure are \$336,224.

The \$1,521,621 in non-operating expenses is for interest paid on the Authority's long-term debt.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year, the Authority had \$29,707,129 invested in capital assets, primarily in landfills as summarized below. During this fiscal year, the Authority added \$1,342,677 in capital assets and recorded a depreciation expense of \$1,419,953. 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, 2017 and 2016

	2017	2016
Land	\$ 42,600	\$ 42,600
Buildings	456,484	456,484
Improvements other than Buildings	55,009,457	54,863,624
Equipment	8,603,723	7,306,205
Construction in Progress	410,882	511,556
Total Capital Assets	64,523,146	63,180,469
Less: Accumulated Depreciation	(34,816,017)	(33,396,064)
Net Capital Assets	<u>\$ 29,707,129</u>	<u>\$ 29,784,405</u>

**Long-Term Debt**

At the end of this fiscal year, the Authority had \$33.90 million in long-term debt as shown below. No new debt was incurred during the fiscal year. Principal payments of \$1,052,292 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) upgraded the revenue bonds a rating to "AA".

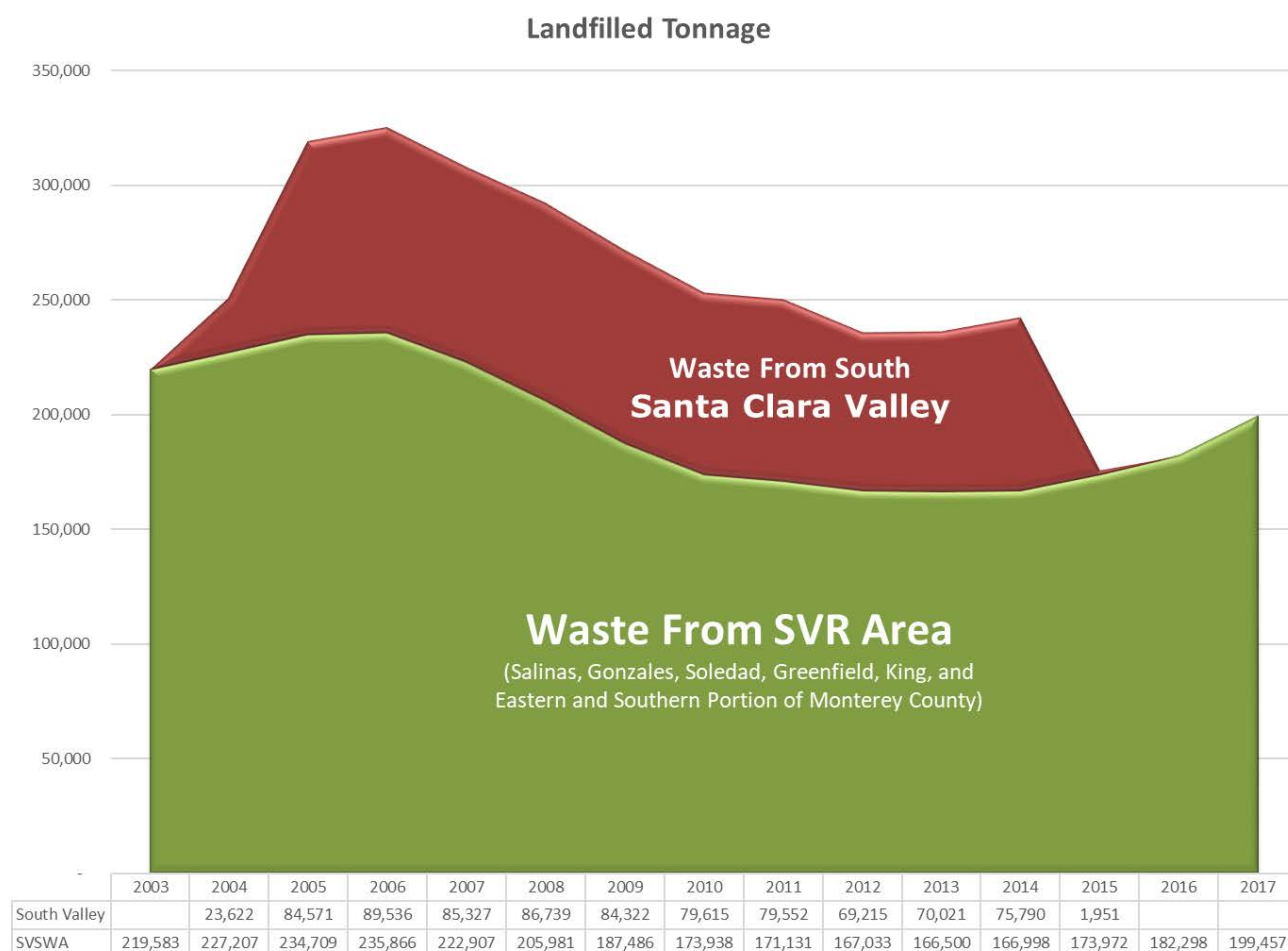
Salinas Valley Solid Waste Authority  
Condensed Statement of Long Term Debt  
For the Years Ended June 30, 2017 and 2016

	2017	2016
2014A (AMT) Refunding Revenue Bond	\$ 27,815,000	\$ 27,815,000
2014B (Taxable) Refunding Revenue Bond	2,615,000	2,940,000
2014 Revenue Bond Original Issue Premium	1,734,012	1,895,470
Equipment Lease Payable	1,735,668	2,462,960
Total Long Term Debt	<u>\$ 33,899,680</u>	<u>\$ 35,113,430</u>

SALINAS VALLEY SOLID WASTE AUTHORITY  
Management's Discussion and Analysis  
June 30, 2017

## 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 from the Authority's service area had steadily declined from 2006 to 2012, and remained largely unchanged from 2012 to 2014. However, beginning in 2015 tonnage has trended upwards. The unexpected increase in solid waste tonnage due to the necessary cleanup after the severe winter storms required additional use of our transfer stations and landfill. We do not expect that tonnage will be sustained at the 2016-17 levels going forward. Management has conservatively budgeted 177,500 tons during 2017-18 with the tipping fee remaining at \$68.50 per ton. The 2017-18 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, 128 Sun Street, Suite 101, Salinas, California 93901.

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2017  
With Comparative Totals as of June 30, 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current Assets		
Cash and Cash Equivalent	\$ 17,226,398	\$ 12,682,529
Restricted Cash and Cash Equivalent	138,137	71,818
Certificates of Deposit	1,000,000	1,750,000
Accounts Receivable, Net	2,185,576	1,916,411
Interest Receivable	40,436	17,900
Prepaid Expenses	184,892	190,810
Total Current Assets	<u>20,775,439</u>	<u>16,629,468</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalent	3,838,099	3,551,777
Capital Assets, Net	29,707,129	29,784,405
Total Noncurrent Assets	<u>33,545,228</u>	<u>33,336,182</u>
Total Assets	<u>54,320,667</u>	<u>49,965,650</u>
Deferred Outflows of Resources		
Deferred Outflows related to Pension Liabilities	1,185,239	737,417
Deferred Loss on Refunding of Bonds	361,846	407,649
Total Deferred Outflows of Resources	<u>1,547,085</u>	<u>1,145,066</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 55,867,752</u></u>	<u><u>\$ 51,110,716</u></u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2017  
With Comparative Totals as of June 30, 2016  
(Continued)

	<u>2017</u>	<u>2016</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 871,805	\$ 954,443
Wages Payable	204,071	188,393
Accrued Leave	74,935	273,888
Interest Payable	669,095	684,941
Equipment Lease Payable	749,866	727,293
Bonds Payable - Current	649,027	494,247
Unearned Revenues	111,619	80,286
Postclosure Payable - Current	551,339	566,750
Total Current Liabilities	<u>3,881,757</u>	<u>3,970,241</u>
Long Term Liabilities		
Accrued Leave	431,470	169,629
Equipment Lease Payable	985,802	1,735,667
Bonds Payable, Net	31,514,985	32,156,223
Closure Payable	2,886,448	2,550,224
Postclosure Payable	14,852,204	13,088,158
OPEB Liability	635,469	495,999
Pension Liability	912,076	649,956
Total Long Term Liabilities	<u>52,218,454</u>	<u>50,845,856</u>
Total Liabilities	<u>56,100,211</u>	<u>54,816,097</u>
Deferred Inflows of Resources		
Deferred Inflows related to Pension Liabilities	171,895	335,303
Total Deferred Inflows of Resources	<u>171,895</u>	<u>335,303</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,272,106</u>	<u>55,151,400</u>
Net Position		
Net Investment in Capital Assets	(3,830,703)	(4,921,464)
Restricted for Grants	76,499	95,345
Restricted for Closure Reserve	951,651	1,006,091
Unrestricted	2,398,199	(220,656)
Total Net Position (Deficit)	<u>(404,354)</u>	<u>(4,040,684)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 55,867,752</u>	<u>\$ 51,110,716</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, 2017  
With Comparative Totals for fiscal year ended June 30, 2016

	2017	2016
Operating Revenues		
Charges for Services	\$ 20,142,815	\$ 17,676,062
Sales of Materials	646,673	618,784
Operating Grants and Contributions	66,117	148,077
Total Operating Revenues	<u>20,855,605</u>	<u>18,442,923</u>
Operating Expenses		
Personnel Services	5,148,507	4,805,714
Contractual Services	2,210,991	1,795,961
Operating Contracts	2,015,999	2,164,435
Supplies	697,561	687,779
Insurance	178,486	318,293
Building Rent	116,045	191,594
Taxes and Permits	520,155	597,266
Utilities	131,476	141,808
Depreciation/Amortization	1,419,953	1,228,692
Closure/Postclosure Maint.	2,944,468	476,570
Hazardous Waste	202,372	220,294
Other	266,290	272,931
Total Operating Expenses	<u>15,852,303</u>	<u>12,901,337</u>
Operating Income	<u>5,003,302</u>	<u>5,541,586</u>
Non-Operating Revenues (Expenses)		
Investment Earnings	95,624	64,248
Finance Charge	5,911	2,243
Rental Income	53,114	7,214
Interest Expense	<u>(1,521,621)</u>	<u>(1,549,675)</u>
Total Non-Operating Revenues (Expenses)	<u>(1,366,972)</u>	<u>(1,475,970)</u>
Change in Net Position	3,636,330	4,065,616
Total Net Position (Deficit) - Beginning of Year	<u>(4,040,684)</u>	<u>(8,106,300)</u>
Total Net Position (Deficit) - End of Year	<u>\$ (404,354)</u>	<u>\$ (4,040,684)</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, 2017  
With Comparative Totals for Fiscal Year Ended June 30, 2016

	2017	2016
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 20,617,773	\$ 18,179,805
Payments to Suppliers	(7,275,704)	(6,523,582)
Payments to Employees	(5,279,581)	(4,879,005)
Net Cash Provided by Operating Activities	<u>8,062,488</u>	<u>6,777,218</u>
Cash Flows from Non-Capital Financing Activities:		
Rental Income	53,114	7,214
Finance Charges	5,911	2,243
Net Cash Provided by Non-Capital Financing Activities	<u>59,025</u>	<u>9,457</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(1,342,677)	(1,007,600)
Principal paid on Capital Debt	(1,221,540)	(1,184,761)
Interest paid on Capital Debt	(1,483,874)	(1,684,260)
Net Cash Used Capital and Related Financing Activities	<u>(4,048,091)</u>	<u>(3,876,621)</u>
Cash Flows from Investing Activities:		
Proceeds from maturity of Certificate of Deposit	750,000	-
Interest received	94,350	45,728
Increase (Decrease) in FMV of LAIF investment	(21,262)	8,712
Net Cash Provided by Investing Activities	<u>823,088</u>	<u>54,440</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,896,510	2,964,494
Cash and Cash Equivalents at Beginning of Year	16,306,124	13,341,630
Cash and Cash Equivalents at End of Year	<u>\$ 21,202,634</u>	<u>\$ 16,306,124</u>
Unrestricted Cash and Investments	\$ 17,226,398	\$ 12,682,529
Restricted Cash and Investments	<u>3,976,236</u>	<u>3,623,595</u>
	<u>\$ 21,202,634</u>	<u>\$ 16,306,124</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 5,003,302	\$ 5,541,586
Adjustments to Reconcile Net Income to Net Cash Provided (used) by Operating Activities:		
Depreciation	1,419,953	1,228,692
(Increase) Decrease in Accounts Receivable	(269,165)	(281,940)
(Increase) Decrease in Prepaid Expenses	5,918	6,444
Increase (Decrease) in Accounts Payable	(82,638)	190,006
Increase (Decrease) in Wages Payable	15,678	63,646
Increase (Decrease) in Accrued Leave	62,888	78,615
Increase (Decrease) in Unearned Revenue	31,333	18,830
Increase (Decrease) in Closure/Postclosure Payable	2,084,859	146,856
Increase (Decrease) in OPEB Payable	139,470	135,179
Increase (Decrease) in Pension Net Position	(349,110)	(350,696)
Total Adjustments to Net Income	<u>3,059,186</u>	<u>1,235,632</u>
Net Cash Provided by Operating Activities	<u>\$ 8,062,488</u>	<u>\$ 6,777,218</u>
Noncash Investing, Capital and Financing Activities		
Amortization of Bond Premium	<u>\$ 161,458</u>	<u>\$ 169,248</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).

**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 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.

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New Accounting Pronouncements: The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current 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 financial statements for reporting periods beginning after June 15, 2016. The Authority has implemented this statement effective July 1, 2016.
Statement No. 77	<i>"Tax Abatement Disclosures"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2015. This statement has no financial effect on these financial statements.
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 December 15, 2015. This statement has no financial effect on these financial statements.
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. This statement has no financial effect on these financial statements.
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. This statement has no financial effect on these financial statements.

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.

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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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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, beginning the following fiscal year, 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

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,

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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 additions to/deductions from CalPERS' 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.

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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.

Future Accounting Pronouncements: GASB Statements listed below will be implemented in future financial statements:

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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. 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.
Statement No. 83	<i>"Certain Assets Retirement Obligation"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2018.
Statement No. 84	<i>"Fiduciary Activities"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2018.
Statement No. 85	<i>"Omnibus 2017"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2017.
Statement No. 86	<i>"Certain Debt Extinguishment Issues"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2017.
Statement No. 87	<i>"Leases"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2019.



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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, 2017 were as follows:

Cash and Cash Equivalents	
Unrestricted Cash	\$ 17,226,398
Restricted Cash	3,976,236
Total Cash and Cash Equivalents	21,202,634
Certificates of Deposit	1,000,000
Total	<u>\$ 22,202,634</u>

The Authority's cash and investments at June 30, 2017, were held as follows:

Cash managed by the Authority's Treasurer	\$ 1,192,784
Investments managed by the Authority's Treasurer	21,009,850
Total	<u>\$ 22,202,634</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, 2017, 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	\$ 110	\$ 110	\$ -	\$ -
Non-Leveled				
Rabobank Certificates of Deposit	1,000,000			
State of California				
Local Agency Investment Fund	20,009,740			
	<u>\$21,009,850</u>			

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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.

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, 2017, the total fair value amount invested by all public agencies in LAIF is \$77,559,119,072 managed by the State Treasurer. Of that amount, 2.89% 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: The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. Investments of the Salinas Valley Solid Waste Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The Authority only invests in those instruments that are considered very safe.

The Local Agency Investment Fund (LAIF) managed by the State Treasurer, representing 95.2% 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	Negative	P-1
Standard & Poor's	A+	Positive	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 Account, representing 95.2%, of the portfolio are not considered a concentrated risk. The Rabobank

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Certificates of Deposit represents 4.8% of the portfolio. They are fully collateralized at 110% of value.

The Authority was in compliance with these limitations at June 30, 2017. At June 30, 2017, 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	\$20,009,740	\$ -	\$ 20,009,740	\$ -	95.2
Public Investment Money Market Account (Rabobank)	110	110	-	-	-
Rabobank Certificates of Deposit	1,000,000	1,000,000	-	-	4.8
	<u>\$21,009,850</u>	<u>\$ 1,000,110</u>	<u>\$ 20,009,740</u>	<u>\$ -</u>	<u>100.0</u>

Interest Rate Risk: The Salinas Valley Solid Waste Authority investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio. 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, 2017, are summarized as follows:

Billed Receivables:

Tipping Fee Accounts Receivable	\$ 1,845,490
Intergovernmental Grants Receivable	129,345
LFG Gas Royalties	64,057
Sales of Recycling Materials	79,586
Franchise Administration	38,892
Recycled Paint	17,896
Employees' Flexible Spending Account	10,825
Land Grazing Use	6,624
Vision Recycling Fuel	<u>2,088</u>
Total Accounts Receivable	2,194,803
Allowance for Doubtful Accounts	<u>(9,227)</u>
	<u><u>\$ 2,185,576</u></u>

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**4. Loss on Bonds Refunding:**

The Authority had a loss on the refunding of the Series 2002 Revenue Bonds, which is a deferred outflow of resources.

Deferred Outflows of Resources balances for the year ended June 30, 2017 were as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Loss on Refunding of Bonds:				
2014A (AMT) Refunding Revenue Bonds	\$ 370,227	\$ -	\$(37,377)	\$ 332,850
2014B (Taxable) Refunding Revenue Bond	37,422	-	(8,426)	28,996
	<u>\$ 407,649</u>	<u>\$ -</u>	<u>\$(45,803)</u>	<u>\$ 361,846</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
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	30,826	3,087	33,913
2023-2027	118,768	2,527	121,295
2028-2032	42,303	-	42,303
	<u>\$ 332,850</u>	<u>\$ 28,996</u>	<u>\$ 361,846</u>

**5. Restricted Cash:**

Cash and investments of \$3,976,236 are recorded as restricted assets at June 30, 2017.

Cash and investments of \$3,838,099 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of \$56,237 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 (\$636) are restricted by the Flexible Spending Arrangement for employees' pay out-of-pocket health and child care costs.

Cash and investment of \$9,098 are restricted by an agreement with Global Organics Energy, LLC. These funds are a deposit made to fund their portion of costs for the preparation and processing of the Environmental Impact Report.

Cash and investments of \$73,438 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, 2017, are summarized as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
<b>Business-type activities</b>				
Nondepreciable assets:				
Land	\$ 42,600	\$ -	\$ -	\$ 42,600
Construction in Progress	511,556	227,651	(328,325)	410,882
Total nondepreciable assets	<u>554,156</u>	<u>227,651</u>	<u>(328,325)</u>	<u>453,482</u>
Depreciable Assets:				
Buildings	456,484	-	-	456,484
Other Improvements	54,863,624	145,833	-	55,009,457
Machinery and Equipment	7,306,205	1,297,518	-	8,603,723
Total depreciable assets	<u>62,626,313</u>	<u>1,443,351</u>	<u>-</u>	<u>64,069,664</u>
Less Accumulated Depreciation	<u>(33,396,064)</u>	<u>-</u>	<u>(1,419,953)</u>	<u>(34,816,017)</u>
Total Depreciable Assets, Net	<u>29,230,249</u>	<u>1,443,351</u>	<u>(1,419,953)</u>	<u>29,253,647</u>
Total Capital Assets, Net	<u>\$ 29,784,405</u>	<u>\$ 1,671,002</u>	<u>\$ (1,748,278)</u>	<u>\$ 29,707,129</u>

The accumulated depreciation by major class is summarized as follows:

	Accumulated Depreciation June 30, 2016	Decreases	Accumulated Depreciation June 30, 2017
Buildings	\$ (330,305)	\$ (18,859)	\$ (349,164)
Other Improvements	(30,374,316)	(688,942)	(31,063,258)
Machinery and Equipment	<u>(2,691,443)</u>	<u>(712,152)</u>	<u>(3,403,595)</u>
Total	<u>\$ (33,396,064)</u>	<u>\$ (1,419,953)</u>	<u>\$ (34,816,017)</u>

**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, 2017, the liability for this accrued leave is \$506,405.

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The changes in accrued leave of the Authority for the year ended June 30, 2017, are summarized as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Accrued Leave				
Current	\$ 273,888	\$ 98,875	\$ (297,828)	\$ 74,935
Noncurrent	169,629	407,840	(145,999)	431,470
Total	<u>\$ 443,517</u>	<u>\$ 506,715</u>	<u>\$ (443,827)</u>	<u>\$ 506,405</u>

**8. Long Term Liabilities:**

The following is a summary of long term liabilities for the fiscal year ended June 30, 2017:

	June 30, 2016	Increases	Decreases	June 30, 2017	Due Within One year
Long Term Debt:					
2014A (AMT) Refunding					
Revenue Bonds	\$ 27,815,000	\$ -	\$ -	\$ 27,815,000	\$ 145,000
2014B (Taxable) Refunding					
Revenue Bonds	2,940,000	-	325,000	2,615,000	335,000
2014 Revenue Bonds					
Original Issue Premium	1,895,470	-	161,458	1,734,012	169,027
Equipment Lease Payable	2,462,960	-	727,292	1,735,668	749,866
Long Term Debt Subtotal	35,113,430	-	1,213,750	33,899,680	1,398,893
Other Long Term Liabilities:					
Post Employment Benefits	1,145,955	401,590	-	1,547,545	-
Closure Payable	2,550,224	336,224	-	2,886,448	-
Postclosure Payable	13,654,908	1,748,635	-	15,403,543	551,339
Total Long Term Liabilities	<u>\$ 52,464,517</u>	<u>\$ 2,486,449</u>	<u>\$ 1,213,750</u>	<u>\$ 53,737,216</u>	<u>\$ 1,950,232</u>

The annual debt service requirements for long term debt are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,229,866	\$ 1,619,001	\$ 2,848,867
2019	2,383,139	1,550,433	3,933,572
2020	1,897,663	1,452,290	3,349,953
2021	1,770,000	1,366,699	3,136,699
2022	1,855,000	1,278,956	3,133,956
2023-2027	10,815,000	4,858,046	15,673,046
2028-2032	12,215,000	1,731,538	13,946,538
	<u>\$ 32,165,668</u>	<u>\$ 13,856,963</u>	<u>\$ 46,022,631</u>

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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 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
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	1,470,000	1,231,375	2,701,375
2023-2027	9,990,000	4,818,150	14,808,150
2028-2032	12,215,000	1,731,538	13,946,538
	<u>\$ 27,815,000</u>	<u>\$ 13,363,313</u>	<u>\$ 41,178,313</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
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	385,000	47,581	432,581
2023-2027	825,000	39,896	864,896
	<u>\$ 2,615,000</u>	<u>\$ 418,191</u>	<u>\$ 3,033,191</u>

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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.

The annual debt service requirements are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ 749,866	\$ 47,729	\$ 797,595
2019	773,139	24,455	797,594
2020	212,663	3,275	215,938
	\$ 1,735,668	\$ 75,459	\$ 1,811,127

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, 2017:

	June 30, 2016	Increases	Decreases	June 30, 2017
Revenue Bonds, Series 2014	\$1,895,470	\$ -	\$ (161,458)	\$1,734,012

Total bonded debt outstanding at June 30, 2017 net of the unamortized bond premium is as follows:

Bonds payable	\$ 30,430,000
Add unamortized bond issue premium	1,734,012
Net bonds payable	\$ 32,164,012

**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,



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

Closure costs are determined and funded annually based on landfill capacity used. Although postclosure maintenance costs will be paid near or after the date that the landfills stop accepting waste, the Authority reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each 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, 2017 is presented as follows:

	<u>Johnson Canyon</u>
Permitted Capacity (cu. yd.)	12,566,162
Cumulative Capacity Used (cu. yd.)	<u>(2,430,148)</u>
Remaining Capacity (cu. yd.)	<u><u>10,136,014</u></u>

System Capacity: As of June 30, 2017, the Authority has 80.66% 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, 2017, the Authority landfilled a total of 199,457 tons of solid waste. As of June 30, 2017 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 2017 calculations.

Closed Landfills: Crazy Horse Landfill was closed on May 31, 2009, and received closure certification from CalRecycle in January 2017. Jolon Road Landfill is accepting waste only as a transfer station. The landfill was closed in October 2007. Lewis Road Landfill is a closed landfill. No refuse is being landfilled at any of these sites.

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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, 2017, are presented as follows:

	June 30, 2017				
	Total	Crazy Horse	Johnson Canyon	Lewis Road	Jolon Road
Estimated:					
Closure Cost	\$ 14,925,666	\$ -	\$ 14,925,666	\$ -	\$ -
Postclosure Maintenance Cost	17,276,652	11,555,876	2,322,194	1,624,884	1,773,698
Total Estimated	<u>\$ 32,202,318</u>	<u>\$ 11,555,876</u>	<u>\$ 17,247,860</u>	<u>\$ 1,624,884</u>	<u>\$ 1,773,698</u>
Expense (Income):					
Closure	\$ 336,224	\$ -	\$ 336,224	\$ -	\$ -
Postclosure Maintenance	2,608,244	656,344	52,311	1,110,350	789,239
Total Expense (Income)	<u>\$ 2,944,468</u>	<u>\$ 656,344</u>	<u>\$ 388,535</u>	<u>\$ 1,110,350</u>	<u>\$ 789,239</u>
Outstanding Liability:					
Closure	\$ 2,886,448	\$ -	\$ 2,886,448	\$ -	\$ -
Postclosure Maintenance	15,403,543	11,555,876	449,085	1,624,884	1,773,698
Total Liability	<u>\$ 18,289,991</u>	<u>\$ 11,555,876</u>	<u>\$ 3,335,533</u>	<u>\$ 1,624,884</u>	<u>\$ 1,773,698</u>
Assets Set-Aside for Closure-Cash	<u>\$ 3,838,099</u>	<u>\$ -</u>	<u>\$ 3,838,099</u>	<u>\$ -</u>	<u>\$ -</u>
Cash over/(under) Closure Liability	<u>\$ 951,651</u>	<u>\$ -</u>	<u>\$ 951,651</u>	<u>\$ -</u>	<u>\$ -</u>

Crazy Horse Landfill estimated postclosure costs increased \$148,296 as a result of the revised CalRecycle inflation factor of 101.3%. Current year postclosure expenditures were \$508,048.

Johnson Canyon Landfill estimated closure costs increased \$336,224 as a result of the revised CalRecycle inflation factor of 101.3%.

Johnson Canyon Landfill estimated postclosure costs increased \$52,311 as a result of the CalRecycle inflation factor of 101.3% and recalculation.

Lewis Road Landfill estimated postclosure costs increased \$921,404 as a result of the revised CalRecycle inflation factor of 101.3%, and a change in estimate to the postclosure liability. Current year postclosure expenditures were \$188,946.

Jolon Road Landfill estimated postclosure costs increased \$626,624 as a result of the revised CalRecycle inflation factor of 101.3%, and a change in estimate to the postclosure liability. Current year postclosure expenditures were \$162,624.

The postclosure maintenance liability of \$15,403,543 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

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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 \$869,563 as of June 30, 2017. Since these funds are held by the ICMA Retirement Corporation under a trust arrangement for the benefit of the employees, these funds are not reported on the financial statements.

**12. Retirement Programs:**

**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, 2017, 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	8.880%

**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.

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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		
	2016/17	2015/16	2014/15
Misc Classic	\$ 296,383	\$ 209,017	\$ 264,022
Misc PEPRA	62,312	41,889	21,559
	<u>\$ 358,695</u>	<u>\$ 250,906</u>	<u>\$ 285,581</u>

***B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2017, the Authority reported net pension liabilities for its proportionate share of the net pension liability as follows:

	Fiscal Year Ending	
	June 30, 2017	June 30, 2016
Authority's Miscellaneous Plan	\$ 912,076	\$ 649,956
Total Net Pension Liability	<u>\$ 912,076</u>	<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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2017 and 2016 was a follows:

	Percentage Share of Risk		Change:
	6/30/2017	6/30/2016	Increase/(Decrease)
Measurement date	6/30/2016	6/30/2015	
Percentage of Plan (PERF C) NPL	0.010540%	0.009469%	0.001071%

For the year ended June 30, 2017, the Authority recognized pension expense of \$9,578. At June 30, 2017, 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	\$ 9,635	\$ 2,208
Changes in assumption	-	91,157
Net differences between projected and actual earnings on plan investments	474,442	-
Change in employer's proportion	179,898	78,530
Differences between the employer's contributions and the employer's proportionate share of contributions	162,569	-
Pension contributions subsequent to measurement date	358,695	-
Total	<u>\$ 1,185,239</u>	<u>\$ 171,895</u>

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\$358,695 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 ended June 30, 2017. Recognition of amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2018	\$ 169,382
2019	146,285
2020	216,097
2021	122,886
2022	-
Thereafter	-
Total	<u>\$ 654,650</u>

**Actuarial Methods and Assumptions Used to Determine Pension Liability:** For the measurement period ended June 30, 2016 (the measurement date), the total pension liabilities were determined by rolling forward the June 30, 2015 total pension liability determined in the June 30, 2015 actuarial accounting valuation. The June 30, 2016 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 (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

All other actuarial assumptions used in the June 30, 2015 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.

**Change of Assumption:** There were no changes of assumptions during the measurement period ended June 30, 2016.

**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, the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the

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testing of the rate plans, tests revealed the tested would run out. Therefore, long-term expected rate of return on pension plan investment was applied to all periods of projected benefits payments to determine the total pension liability for PERF C. The Crossover test results are presented in a detailed reported "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, 2016.

**Amortization of Deferred Outflows and Deferred Inflows of Resources:** Net Difference Between Projected and Actual Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earning on Pension Plan Investments is amortized over the remaining amortization periods.

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience, Changes of Assumptions should be amortized over the EARSL of members provided with pensions through the Plan determined as of beginning of the related measurement period. The EARSL for PERF C for the June 30, 2016 measurement date is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of all active employees) by 127,009 (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.

**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:

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	Discount Rate		
	6.65%	7.65%	8.65%
	(1% Decrease)	(Current Rate)	(1% Increase)
Measurement date		June 30, 2016	
Fiscal Year End		June 30, 2017	
Net Pension Liability	\$ 1,655,038	\$ 912,076	\$ 298,054

**Pension Plan Fiduciary Net Positions:** Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Subsequent Events:** There were no subsequent events that would materially affect the results presented in this disclosure.

**13. Other Post Employment:**

**Annual OPEB Costs and Net OPEB Obligation:** The Authority funds the payment of current retiree's health costs on a pay-as-you go basis. For the fiscal year ended June 30, 2017, the Authority's pay-as-you-go contributions for health care benefits for retirees are \$3,530. There were 4 retirees on the health insurance plan.

**Postemployment Healthcare Plan:** The Authority joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2004. It is a single-employer plan administered by CalPERS.

The 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, 2017 and June 30, 2016 are as follows:

	June 30, 2017	June 30, 2016
Annual required contribution	\$ 157,500	\$ 146,100
Interest on net OPEB obligation	19,800	14,400
Adjustments to net OPEB obligation	(24,200)	(17,000)
Annual OPEB expense	153,100	143,500
Benefit Payments	(3,530)	(1,721)
Implied Subsidy Payments	(10,100)	(6,600)
Increase in OPEB obligation	139,470	135,179
Net OPEB obligation - beginning of year	495,999	360,820
Net OPEB obligation - end of year	<u>\$ 635,469</u>	<u>\$ 495,999</u>

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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, 2017 and the preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB		Net OPEB Obligation
		Cost Contributed		
6/30/2017	\$ 153,100	2.31%	\$	635,469
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 \$739,400. 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 27.76%. 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, 2017 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 62.78.



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

**14. Concentrations:**

The Authority received 66.60% of its Charges for Services (tipping fees) from two haulers: Republic Services and Waste Management. These two haulers comprised approximately \$1,423,738 (77.1%) of accounts receivable balances at June 30, 2017. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the Authority, however this is very unlikely.

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

**15. Commitments and Contingencies:**

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 2019 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$ 86,328
2019	86,328
2020	43,164
	<u>\$ 215,820</u>

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:

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017

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			
Practices Liability	Each Act	1,000,000	10,000
Workers Comp	-	1,000,000	-

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		Total	Contingency
	Improvement	Maintenance		
Johnson Canyon	\$ 426,126	\$ 362,063	\$ 788,189	\$ -
Crazy Horse	3,328,231	7,534,354	10,862,585	-
Jolon Road	-	1,490,048	1,490,048	-
Lewis Road	125,538	231,227	356,765	35,810
Total Corrective Actions	<u>\$ 3,879,895</u>	<u>\$ 9,617,692</u>	<u>\$13,497,587</u>	<u>\$ 35,810</u>

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 19 years for Lewis Road to 70 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, 2017

**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, 2017, the statement of net position reports restricted net position of \$1,028,150. None of the net positions are restricted by enabling legislation. This consists of \$76,499 of unspent grant monies and \$951,651 for closure reserve.

**18. Net Position:**

Deficit Net Investment in Capital Assets: The deficit of \$3,830,703 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 Surplus: The surplus of \$2,398,199 in Unrestricted Net Surplus is the result of the 2014 refunding of its 2002 bond issue. The savings from the reissue were taken in the first few years of the payment cycle in order to fund long term capital needs. In addition, the economy has had an upswing in activity. This has generated higher than expected revenues, allowing the Authority to begin funding reserves in accordance to its reserve policy.

**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, 2017, the calculation is 478%.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017

Net revenue available for debt service for the year ended June 30, 2017, is determined as follows:

**Salinas Valley Solid Waste Authority  
Debt Service Coverage Ratio Calculations  
Fiscal year ended June 30, 2017**

Revenues	
Operating revenues	\$ 20,855,605
Interest not on Project funds	95,624
Revised Revenues	<u>20,951,229</u>
Maintenance & Operations Costs	
GAAP Operating Expenses	15,852,303
Less the following items per Master Indenture	
Postclosure maintenance	(2,608,244)
Closure	(336,224)
Depreciation	(1,419,953)
Add Postclosure liability being paid	
Lewis Road	188,946
Jolon Road	<u>162,615</u>
Revised Maintenance and Operations Expenses per Master Indenture	<u>11,839,443</u>
Net Revenues	<u>\$ 9,111,786</u>
Debt service on 2014 Bond	<u>\$ 1,907,820</u>
<b>Debt Service Coverage Ratio</b>	<b>478%</b>
<b>Debt Service Coverage Required</b>	<b>115%</b>

**20. Subsequent Events:**

Date of Management Review: Management has evaluated subsequent events through November 2, 2017, the date which these financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

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, 2017  
Last 10 Years<sup>^</sup>

Measurement Date	Fiscal Year End		
	06/30/17	06/30/16	06/30/15
	06/30/16	06/30/15	06/30/14
Authority's proportion of the net pension liability	0.010540%	0.009469%	0.010779%
Authority's proportionate share of the net pension liability	\$912,076	\$649,956	\$670,697
Authority's covered-employee payroll*	2,992,877	2,691,705	2,418,312
Authority's proportionate share of the net pension liability as a percentage of covered employee payroll	30.47%	24.15%	27.73%
Plan's fiduciary net position as a percentage of the plan's total pension liability	74.06%	78.40%	79.82%

<sup>^</sup> Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

\* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

Schedule of Statutorily Required Employer Contributions  
Pension Plan  
As of June 30, 2017  
Last 10 Years^

Contributions for the fiscal year ended:	6/30/2017	06/30/16	06/30/15
Actuarially determined contribution	\$ 296,695	\$ 220,619	\$ 285,581
Contributions in relation to the actuarially determined contribution	358,695	250,906	285,581
Contribution deficiency (Excess)	\$ (62,000)	\$ (30,287)	\$ -
Authority's covered-employee payroll *	\$ 3,334,650	\$ 2,992,877	\$ 2,691,705
Contributions as a percentage of covered-employee payroll	10.76%	8.38%	10.61%

^ Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

\* For the fiscal year ended 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 result in a higher liability and an increase in normal cost.

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

**Other Postemployment Benefits - Schedule of Funding Progress**

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The most recent trend data presented is from the July 1, 2015 valuation date.

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%

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



## **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.

### **Contents** **Page**

**Financial Trends** - These schedules contain information to help the reader understand how the Authority's financial performance and well-being have changed over time.

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**Revenue Capacity** - These schedules contain information to help the reader assess the Authority's most significant local revenue source.

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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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**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

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**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

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Operating Capacity Indicators	
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Salinas Valley Solid Waste Authority  
Changes in Net Position (unaudited)  
Last Ten Years  
(accrual basis of accounting)

Description	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Net investment in capital assets	\$ (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)	\$ (3,830,703)
Restricted	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	1,028,150
Unrestricted	(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)	2,398,199
Total Net Position	\$ (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)	\$ (404,354)

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	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	(As Restated) 6/30/2014	(As Restated) 6/30/2015	6/30/2016	6/30/2017
Changes in Net Position:										
Operating Revenues	\$ 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	\$ 20,855,605
Operating Expenses	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	14,432,350
Depreciation and amortization	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131	1,228,692	1,419,953
Operating income(loss)	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	5,003,302
Non-operating revenues (expenses)										
Interest income	1,397,018	764,812	289,760	233,541	52,658	39,180	28,013	36,631	64,248	95,624
Gain(loss) on disposition of capital assets	-	-	-	(848,017)	-	-	-	-	-	-
Interest expense	(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)	(1,521,621)
Grant income	-	-	-	-	-	-	-	-	-	-
Other revenue(expense), net	(667,564)	1,481	43,678	149,793	168,493	17,619	-	-	-	-
Rental Income	-	-	-	-	-	-	9,914	6,191	7,214	53,114
Finance Charges	-	-	-	-	-	-	8,180	1,843	2,243	5,911
Cost of bond issuance	-	-	-	-	-	-	(561,881)	-	-	-
Total non-operating revenues (expense), net	(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)	(1,366,972)
Changes in net position	\$ (53,759)	\$ (5,942,469)	\$ 1,128,706	\$ 186,673	\$ 157,205	\$ (185,073)	\$ 1,346,783	\$ 2,963,246	\$ 4,065,616	\$ 3,636,330
Net assets by component:										
Net Investment in capital assets	\$ (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)	\$ (3,830,703)
Restricted for debt service	2,821,862	2,820,700	2,820,700	2,820,700	2,820,700	2,820,700	-	-	-	-
Restricted for grants	-	-	-	-	112,906	196,309	69,427	61,684	95,345	76,499
Restricted per lease agreement	-	-	-	-	-	-	-	242,326	-	-
Restricted for capital projects	8,149,009	4,055,358	-	-	-	-	-	-	-	-
Restricted for closure reserve	2,408,209	-	-	-	504,876	402,927	357,450	797,572	1,006,091	951,651
Unrestricted	(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)	2,398,199
Total Net Position	\$ (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)	\$ (404,354)

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
06/30/08	\$ 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
(As Restated) 6/30/2014	17,534,109	594,054	116,780	18,244,943
(As Restated) 6/30/2015	16,095,020	583,734	116,641	16,795,395
06/30/16	17,676,062	618,784	148,077	18,442,923
06/30/17	20,142,815	646,673	66,117	20,855,605

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority

Operating Expense by Activity (unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Personnel		Contractual		Operating		Building		Taxes and		Closure/ Postclosure		Hazardous		Total	
	Services		Services		Contracts		Insurance	Rent	Permits	Utilities	Maintenance	Waste	Other	Expenses		
6/30/2008	\$ 2,217,099		\$ 2,042,237		\$ 5,907,393		\$ 254,783	\$ 90,733	\$ 772,394	\$ 125,726	\$ 296,515	\$ 177,680	\$ 182,943	\$ 12,244,092		
6/30/2009	2,704,352		1,916,644		5,539,953		233,477	99,190	735,705	134,839	5,435,843	168,862	171,429	17,370,851		
6/30/2010	3,273,902		1,561,538		5,326,362		216,357	96,814	733,494	155,505	556,332	174,900	195,970	12,610,300		
6/30/2011	3,697,152		1,136,289		4,422,103		189,062	99,310	685,116	160,573	641,333	171,496	156,574	11,720,409		
6/30/2012	3,593,200		1,390,036		4,804,124		220,868	99,606	742,681	133,416	897,535	173,359	116,902	12,554,260		
6/30/2013	3,763,121		1,454,029		4,783,575		219,004	104,508	728,267	137,788	712,257	192,176	288,533	12,837,292		
(As Restated) 6/30/2014	4,089,204		1,666,686		4,737,350		238,921	104,658	736,419	138,820	639,510	172,520	233,513	13,245,635		
(As Restated) 6/30/2015	4,093,952		1,714,543		3,313,514		287,724	105,070	610,254	146,427	(267,617)	202,715	245,196	11,139,153		
6/30/2016	4,805,714		1,795,961		2,164,435		318,293	191,594	597,266	141,808	476,570	220,294	272,931	11,672,645		
6/30/2017	5,148,507		2,210,991		2,015,999		178,486	116,045	520,155	131,476	2,944,468	202,372	266,290	14,432,350		

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)
6/30/2008	292,720
6/30/2009	271,808
6/30/2010	253,553
6/30/2011	250,683
6/30/2012	236,248
6/30/2013	236,521
6/30/2014	242,788
6/30/2015	175,923
6/30/2016	182,298
6/30/2017	199,457

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Revenue Rates (unaudited)  
Last Ten Fiscal Years

Tipping Fees	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Tipping Fee	\$ 58	\$ 63	\$ 63	\$ 64	\$ 64	\$ 67	\$ 67	\$ 67	\$ 67	\$ 69
Surcharge on Salinas franchise waste	-	-	6	5	5	8	11	14	17	17
AB939 Fee (1)	-	-	-	-	-	-	12	12	15	11

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	6/30/2017		Customer	6/30/2008	
	Tons Processed	Percentage of Total		Tons Processed	Percentage of Total
Republic Services Of Salinas	105,625	36.59%	Republic Services Of Salinas	125,091	34.50%
Waste Management - Madison Lane	33,764	11.70%	Recology South Valley	85,327	23.53%
Avtech Construction, Inc.	16,247	5.63%	Waste Management	34,875	9.62%
Rural Dispose-All	14,685	5.09%	Rural Dispose-All	28,883	7.97%
Vision Recycling	10,015	3.47%	City Of Soledad	7,440	2.05%
City Of Soledad	9,302	3.22%	City Of Greenfield	6,831	1.88%
King City Disposal	8,075	2.80%	Tri-Cities Disposal	4,344	1.20%
City Of Greenfield	8,062	2.79%	City Of Gonzales	3,995	1.10%
Tri-Cities Disposal	7,252	2.51%	Correctional Transfer Facility Soledad	2,825	0.78%
City Of Gonzales	4,478	1.55%	Granite Construction	2,667	0.74%
All Other Customers	71,152	24.65%	All Other Customers	60,319	16.63%
Total Tons for All Customers	288,657	100.00%	Total Tons for All Customers	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

FYE	Revenue Bonds, Series 2002	Installment Purchase Agreement	2014 Series A		2014 Series B Bonds Payable	Eq Lease Payable	Total (1)	Total	
			2014 Series A Bonds Payable	Bonds Premium				Per Capita (2)	As a Share of Personal Income
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%
(Restated) 6/30/2014	-	-	27,815,000	2,254,049	3,575,000	3,670,000	37,314,049	87	0.19%
(Restated) 6/30/2015	-	-	27,815,000	2,064,718	3,260,000	3,327,721	36,467,439	84	0.17%
6/30/2016	-	-	27,815,000	1,895,470	2,940,000	2,462,960	35,113,430	81	N/A
6/30/2017	-	-	27,815,000	1,734,012	2,615,000	1,735,668	33,899,680	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	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	(As Restated) 6/30/2014	(As Restated) 6/30/2015	6/30/2016	6/30/2017
Operating Income (see Schedule 2)	\$ 1,482,589	\$ (4,483,566)	\$ 2,973,163	\$ 2,783,869	\$ 2,021,376	\$ 1,784,242	\$ 3,586,570	\$ 4,476,109	\$ 5,541,586	\$ 5,003,302
Investment Earnings	1,033,793	650,090	289,760	233,541	52,658	39,180	28,013	36,631	64,248	95,624
Closure/Postclosure Expense	296,515	2,400,249	556,332	641,333	897,535	712,257	639,510	(267,617)	476,570	2,944,468
Lewis Rd Postclosure	(52,767)	(154,128)	(99,706)	(134,012)	(135,362)	(103,497)	(97,684)	(115,654)	(76,393)	(188,946)
Jolon Rd Postclosure	(25,064)	(38,081)	(37,209)	(35,581)	(21,935)	(29,946)	(29,657)	(34,437)	(19,870)	(162,615)
Depreciation and Amortization	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131	1,228,692	1,419,953
Total	\$ 4,714,519	\$ 786,018	\$ 4,234,472	\$ 4,055,436	\$ 3,512,428	\$ 3,761,647	\$ 5,539,494	\$ 5,275,163	\$ 7,214,832	\$ 9,111,786
Annual Debt Service	\$ 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	\$ 1,907,820
Coverage Percentage	171%	29%	154%	147%	128%	137%	192%	275%	378%	478%
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

Monterey County, CA				
Year	Unemployment Rate (1)	Population (2)	Personal Income (000) (3)	Personal Income Per Capita (4)
6/30/2008	6.4%	405,660	\$ 16,920,682	\$ 41,674
6/30/2009	9.8%	410,370	16,724,481	40,765
6/30/2010	10.3%	415,057	16,947,037	40,705
6/30/2011	10.8%	421,898	17,678,701	41,958
6/30/2012	10.0%	426,762	18,496,346	43,411
6/30/2013	8.5%	429,123	19,233,171	44,851
6/30/2014	7.1%	431,344	19,889,054	46,109
6/30/2015	6.8%	433,898	21,623,627	49,836
6/30/2016	6.1%	435,232	N/A	N/A
6/30/2017	5.5%	N/A	N/A	N/A

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	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>SALINAS MSA</b>									
Total									
No. of Businesses	11,822	11,770	11,895	12,022	11,195	11,717	11,038	12,180	12,274
No. of Employees	152,846	146,140	148,321	150,224	155,869	158,846	160,954	170,385	170,383
Payroll (in thousands)	\$1,376,250	1,283,014	\$1,341,043	\$1,406,250	\$1,450,658	\$1,507,712	\$1,565,332	\$1,684,580	\$1,823,620
<b>Agriculture</b>									
No. of Businesses	562	546	529	529	532	540	546	539	520
No. of Employees	54,430	54,635	56,258	58,401	60,673	62,874	66,033	67,029	66,347
Payroll (in thousands)	\$383,147	\$380,582	\$416,294	\$448,534	\$472,663	\$520,761	\$557,753	\$596,901	\$658,994
<b>Utilities</b>									
No. of Businesses	23	21	19	20	21	21	22	20	20
No. of Employees	508	500	482	557	868	872	763	789	784
Payroll (in thousands)	\$10,210	\$11,086	\$10,735	\$14,754	\$19,317	\$21,089	\$183,131	\$20,427	\$21,753
<b>Construction and Mining</b>									
No. of Businesses	967	930	866	824	787	825	857	886	914
No. of Employees	6,144	4,578	4,314	3,997	4,673	4,823	5,080	5,538	6,067
Payroll (in thousands)	\$76,843	\$59,777	\$54,275	\$51,117	\$58,685	\$62,188	\$65,513	\$75,409	\$91,161

- (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.
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- (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.
- (7) 2017 Data is not yet available.

Definitions of Terms and Source Notes

[http://www.labormarketinfo.edd.ca.gov/LMID/Size\\_of\\_Business\\_Data.html](http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Data.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	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Manufacturing</b>									
No. of Businesses	251	255	256	244	248	265	267	259	264
No. of Employees	6,107	5,861	5,457	5,869	5,287	5,439	5,337	5,685	5,529
Payroll (in thousands)	\$62,187	\$56,038	\$57,445	\$66,066	\$63,429	\$59,826	\$60,774	\$65,737	\$69,340
<b>Wholesale Trade</b>									
No. of Businesses	400	402	391	377	377	368	411	384	375
No. of Employees	5,260	4,940	5,281	5,120	5,480	5,227	4,710	5,459	5,548
Payroll (in thousands)	\$78,282	\$74,947	\$79,735	\$83,299	\$88,422	\$92,922	\$59,857	\$94,037	\$101,499
<b>SALINAS MSA</b>									
<b>Retail Trade</b>									
No. of Businesses	1,267	1,221	1,227	1,200	1,195	1,175	1,358	1,199	1,212
No. of Employees	16,557	14,877	15,251	15,530	15,812	16,144	16,969	16,366	16,356
Payroll (in thousands)	\$123,551	\$107,453	\$111,004	\$122,602	\$120,195	\$120,072	\$114,448	\$128,116	\$134,773
<b>Transportation and Warehousing</b>									
No. of Businesses	248	241	239	227	230	239	240	269	266
No. of Employees	3,192	3,032	2,942	2,715	3,085	3,309	2,814	3,907	3,817
Payroll (in thousands)	\$36,789	\$34,856	\$36,081	\$36,164	\$37,895	\$40,049	\$26,107	\$48,726	\$46,978

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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	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Information</b>									
No. of Businesses	107	98	106	99	102	102	119	84	88
No. of Employees	2,020	1,671	1,619	1,532	1,525	1,517	2,307	1,325	1,126
Payroll (in thousands)	\$31,248	\$24,735	\$23,894	\$24,061	\$23,229	\$23,947	\$31,249	\$23,019	\$17,431
<b>Finance and Insurance</b>									
No. of Businesses	390	363	367	363	345	333	375	333	354
No. of Employees	3,541	2,857	2,630	2,528	2,480	2,235	3,711	2,247	2,354
Payroll (in thousands)	\$77,659	\$47,648	\$46,824	\$43,452	\$46,190	\$43,238	\$50,791	\$45,027	\$49,584
<b>Real Estate and Rental and Leasing</b>									
No. of Businesses	400	393	386	360	369	380	428	387	382
No. of Employees	1,932	1,730	1,745	1,654	1,753	1,639	2,313	1,781	1,803
Payroll (in thousands)	\$17,392	\$15,087	\$15,752	\$17,044	\$17,891	\$18,071	\$20,400	\$20,113	\$22,487
<b>Services</b>									
No. of Businesses	7,207	7,300	7,509	7,779	6,989	7,469	6,415	7,820	7,879
No. of Employees	53,155	51,459	52,342	52,321	54,233	54,767	50,917	60,259	60,652
Payroll (in thousands)	\$478,942	\$470,805	\$489,004	\$499,157	\$502,741	\$505,549	\$395,309	\$567,068	\$609,620

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Salinas Valley Solid Waste Authority  
Building Permits - County of Monterey (unaudited)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>New Single Family Residence</u>	<u>Other Residential</u>	<u>Total Residential</u>	<u>Nonresidential</u>	<u>Total All Building Permits</u>
6/30/2008	261	671	932	2,027	2,959
6/30/2009	67	511	578	1,539	2,117
6/30/2010	72	973	1,045	1,139	2,184
6/30/2011	71	1,655	1,726	408	2,134
6/30/2012	111	1,711	1,822	355	2,177
6/30/2013	118	1,578	1,696	522	2,218
6/30/2014	119	1,958	2,077	338	2,415
6/30/2015	204	2,340	2,544	452	2,996
6/30/2016	268	2,597	2,865	478	3,343
6/30/2017	892	2,076	2,968	470	3,438

Data for 6/30/2014 and subsequent years provided by the Monterey County Department of Building Services



Salinas Valley Solid Waste Authority  
Housing Stock - County of Monterey (unaudited)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Single Family Residential</u>	<u>Multiple</u>	<u>Mobile Homes</u>	<u>Total All Housing</u>
6/30/2008	96,672	96,672	5,736	199,080
6/30/2009	96,668	96,668	5,709	199,045
6/30/2010	96,569	96,569	5,678	198,816

Source:

CA Dept. of Finance - Report E-8 Historical Population and Housing Estimates - Organized by Geography

<u>Date</u>	<u>Single Family Residential Detached</u>	<u>Single Family Residential Attached</u>	<u>Multiple Two to Four</u>	<u>Multiple Five Plus</u>	<u>Mobile Homes</u>
1/1/2011	87,355	8,902	12,388	23,593	5,672
1/1/2012	87,610	8,902	12,394	23,625	5,675
1/1/2013	87,563	8,903	12,412	23,753	5,677
1/1/2014	87,723	8,910	12,494	24,005	5,685
1/1/2015	87,833	8,910	12,513	24,232	5,689
1/1/2016	88,062	8,911	12,496	24,269	5,697
1/1/2017	88,326	8,888	12,550	24,334	5,723

Source:

CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State, 1/1/2011-2017, with 2010 Census Bench

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
6/30/2008	6	3	2	3
6/30/2009	6	4	1	9
6/30/2010	6	4	2	15
6/30/2011	6	4	2	15
6/30/2012	6	4	1	22
6/30/2013	6	4	1	19
6/30/2014	6	3	1	21
6/30/2015	6	3	1	29
6/30/2016	6	3	1	33
6/30/2017	6	3	1	37
				8
				8
				8
				8
				5
				5
				5
				5
				5
				5

Other Operating and Capacity Indicators

Fiscal Year	Authority Area (Square Miles)	Landfill Acreage	Daily Landfill Capacity (tons)
6/30/2008	3,280.600	943.000	1,574.000
6/30/2009	3,280.600	943.000	1,574.000
6/30/2010	3,280.600	943.000	1,574.000
6/30/2011	3,280.600	943.000	1,574.000
6/30/2012	3,280.600	943.000	1,574.000
6/30/2013	3,280.600	943.000	1,574.000
6/30/2014	3,280.600	943.000	1,574.000
6/30/2015	3,280.600	943.000	1,574.000
6/30/2016	3,280.600	943.000	1,574.000
6/30/2017	3,280.600	943.000	1,574.000

Source:

Authority Area: U.S. Census Bureau

Other data: From internal sources

Salinas Valley Solid Waste Authority  
Operating and Capacity Indicators  
Capital Assets Statistics by Function (unaudited)  
Last Ten Fiscal Years

Function	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
<b>Administration</b>										
Vehicles	1	1	1	1	1	1	1	2	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
<b>Finance</b>										
Computer Equipment	4	4	4	4	4	4	4	3	3	3
<b>Operations</b>										
Vehicles	9	12	12	12	13	13	14	17	26	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	15
Water Truck	0	-	-	1	1	1	1	3	4	4
Bulldozers	0	-	-	-	-	-	-	2	2	2
Computer Equipment	5	8	8	8	8	8	8	9	9	9
Fuel Tanks	0	-	-	1	1	2	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	5
Site Security Systems	2	2	1	1	1	1	1	1	3	4
Leachate Systems	3	3	3	3	3	3	3	3	3	3
Gas Monitoring Wells	38	38	40	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	0	-	-	-	-	-	1	1	1	1
<b>Resource Recovery</b>										
Vehicles	3	3	3	3	3	3	3	2	3	4
Computer Equipment	4	5	5	5	5	5	5	6	6	6

Data Source: Salinas Valley Solid Waste Authority Finance Division



# Comprehensive Annual Financial Report

Board of Directors Meeting

November 16, 2017

# Comprehensive Annual Financial Report

- Auditors
  - McGilloway, Ray, Brown & Kaufman
- Finance Staff
  - Ray Hendricks – Finance Manager
  - JD Black – Accountant
  - Ernesto Natera – Accounting Technician

# Report Highlights

- 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)
- No Management Letter

# Financial Highlights

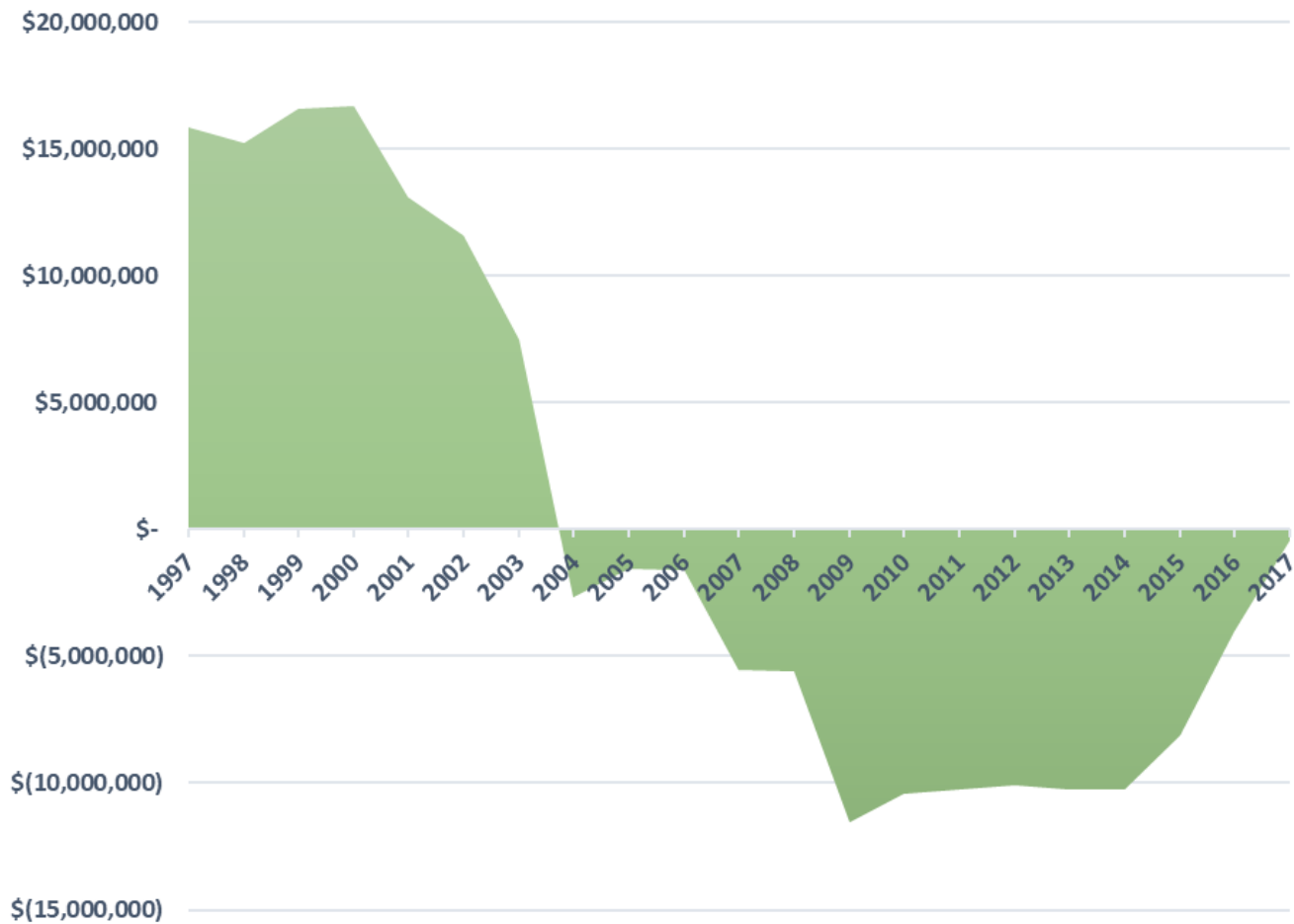
- Operating Revenues (p.6)
  - Increase \$2,412,682
- Operating Expenses (p.6)
  - Increased \$2,950,966
    - Post-Closure Liability Adjustment (\$1.75M)
- Tons Landfilled (p.8)
  - Increased 17,159 tons

Salinas Valley Solid Waste Authority  
Condensed Statement of Revenues, Expenses, and Changes in Net Position  
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Charges for Services	\$ 20,142,815	\$ 17,676,062	\$ 2,466,753	14.0%
Sales of Materials	646,673	618,784	27,889	4.5%
Operating Grants and Contributions	<u>66,117</u>	<u>148,077</u>	<u>(81,960)</u>	-55.3%
Total Operating Revenues	20,855,605	18,442,923	2,412,682	13.1%
Operating Expenses	<u>15,852,303</u>	<u>12,901,337</u>	<u>2,950,966</u>	22.9%
Operating Income/(Loss)	5,003,302	5,541,586	(538,284)	-9.7%
Non-Operating Revenues				
Investment Earnings	95,624	64,248	31,376	48.8%
Other Non-operating Revenue	<u>59,025</u>	<u>9,457</u>	<u>49,568</u>	524.1%
Total Non-Operating Revenues	154,649	73,705	80,944	109.8%
Non-Operating Expenses				
Interest Expense	<u>(1,521,621)</u>	<u>(1,549,675)</u>	<u>28,054</u>	-1.8%
Change in Net Position	3,636,330	4,065,616	(429,286)	-10.6%
Total Net Position Beginning	<u>(4,040,684)</u>	<u>(8,106,300)</u>	<u>4,065,616</u>	-50.2%
<b>Net Position End of Year</b>	<b><u>\$ (404,354)</u></b>	<b><u>\$ (4,040,684)</u></b>	<b><u>\$ 3,636,330</u></b>	<b>-90.0%</b>



# Authority Net Position



# Net Position

- FY 2015-16 Comprehensive Annual Financial Report
  - Deficit of \$4,040,684
- FY 2016-17 Comprehensive Annual Financial Report
  - Deficit of \$404,354
  - Reduction 90.0%

# Salinas Valley Solid Waste Authority -Audit Presentation-

**Jacinto Bernal, Senior Accountant**

**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 2016-2017
  - Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”
  - Statement No. 77, “Tax Abatement Disclosures.”
  - Statement No. 78, “Pensions Provided Through Certain Multiple - Employer Defined Benefit Pension Plans.”
  - Statement No. 79, “Certain External Investment Pools and Pool Participants.”
  - Statement No. 80, “Blending Requirements for Certain Component Units — An Amendment of GASB Statement No. 14.”
- To be implemented in FY 2017-2018
  - GASB Statement No 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

# Management Letter Material Deficiency

**None noted!**



## Report to the Board of Directors

### ITEM NO. 11

N/A

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** November 16, 2017

**From:** Patrick Mathews, General Manager/CAO

**Title:** Appointment of Nominating Committee for the  
2018 Election of Officers

### RECOMMENDATION

Staff recommends that the Board appoint two members to the Elections Nominating Committee to provide a recommendation for the 2017 election of officers at the January 18, 2018 Regular Board of Directors meeting.

### 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 Board President, Vice President, and Alternate Vice President, if they remain in their jurisdictional office, may serve one (1) or two (2) year terms. This provides an opportunity for the officers to become familiar with the responsibilities of their Board position and enables them to be kept current on Authority projects.

All three officers, President Salinas, Vice President Cullen, and Alternate Vice President De La Rosa served one-year terms in their current office. They are eligible for reappointment for one more year. The nominating committee may nominate the current officers for one more year or make an alternate recommendation following the representation guidelines specified in the Authority Code (see Background).

### 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 2017



## **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)

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## **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

<b>TERM</b>	<b>PRESIDENT</b>	<b>VICE PRESIDENT</b>	<b>ALTERNATE VICE PRESIDENT</b>
<b>2018</b>			
2017	Simon Salinas <b>County of Monterey</b>	Rob Cullen <b>South County</b>	Gloria De La Rosa <b>City of Salinas</b>
2016	Jyl Lutes <sup>1</sup> <b>City of Salinas</b>	Simon Salinas <b>County of Monterey</b>	Richard Perez <sup>2</sup> <b>City of Soledad</b>
2015	Elizabeth Silva <b>City of Gonzales</b>	Jyl Lutes <b>City of Salinas</b>	Simon Salinas <b>County of Monterey</b>
2014	Elizabeth Silva <b>City of Gonzales</b>	Jyl Lutes <b>City of Salinas</b>	Simon Salinas <b>County of Monterey</b>
2013	Fernando Armenta <b>County of Monterey</b>	Elizabeth Silva <b>City of Gonzales</b>	Jyl Lutes <b>City of Salinas</b>
2012	Fernando Armenta <b>County of Monterey</b>	Elizabeth Silva <b>City of Gonzales</b>	Dennis Donohue <b>City of Salinas</b>
2011	Gloria De La Rosa <b>City of Salinas</b>	Fernando Armenta <b>County of Monterey</b>	Elizabeth Silva <b>City of Gonzales</b>
2010	Gloria De La Rosa <b>City of Salinas</b>	Richard Ortiz <sup>3</sup> <b>City of Soledad</b>	Fernando Armenta <b>County of Monterey</b>
2009	Lou Calcagno <b>Monterey County</b>	Gloria De La Rosa <b>City of Salinas</b>	Richard Ortiz <b>City of Soledad</b>
2008	George Worthy <b>City of Gonzales</b>	Lou Calcagno <b>Monterey County</b>	Gloria De La Rosa <b>City of Salinas</b>
2007	George Worthy <b>City of Gonzales</b>	Lou Calcagno <b>Monterey County</b>	Gloria De La Rosa <b>City of Salinas</b>
2006	Janet Barnes <b>City of Salinas</b>	George Worthy <b>City of Gonzales</b>	Lou Calcagno <b>Monterey County</b>
2005	Janet Barnes <b>City of Salinas</b>	George Worthy <b>City of Gonzales</b>	Lou Calcagno <b>Monterey County</b>
2004	Fernando Armenta <b>Monterey County</b>	Janet Barnes <b>City of Salinas</b>	George Worthy <b>City of Gonzales</b>
2003	Fernando Armenta <b>Monterey County</b>	Janet Barnes <b>City of Salinas</b>	N/A
2002	Zeke Bañales <sup>4</sup> <b>City of Greenfield</b>	Fernando Armenta <b>Monterey County</b>	N/A
2001	Jan Collins <sup>5</sup> <b>City of Salinas</b>	Zeke Bañales <b>City of Greenfield</b>	N/A
2000	Simon Salinas <sup>6</sup> <b>County of Monterey</b>	Jan Collins <b>City of Salinas</b>	N/A
1999	Gary Gerbrandt <b>City of Soledad</b>	Simon Salinas <b>County of Monterey</b>	N/A
1998	Gary Gerbrandt <b>City of Soledad</b>	Simon Salinas <b>County of Monterey</b>	N/A
1997	Juan Olivarez <b>City of Salinas</b>	Fabian Barrera <b>City of Soledad</b>	N/A

<sup>1</sup> Was not re-elected to City Council

<sup>2</sup> Was not re-elected to City Council

<sup>3</sup> Was not re-elected to City Council

<sup>4</sup> Was not re-elected to City Council

<sup>5</sup> Declined second term – leaving office at end of year

<sup>6</sup> Left office of County Supervisor

## Board of Directors Attendance Record for 2017 (Jan-Oct)

11 BD Meetings

BOARD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Salinas</b> (County)	2	1	1		1	1	1	1	1	1			10
<b>Phillips</b> (County)	1	1	1	1	1		1	1	1	1			9
<b>De La Rosa</b> (Salinas)	1	1	1	1	1	1	1	1	1	1			10
<b>Barrera</b> (Salinas)	2	1			1	1		1	1	1			8
<b>Craig</b> (Salinas)	1	1	1	1	1	1	1	1	1	1			10
<b>Silva</b> (Gonzales)	2	1	1	1	1	1	1	1	1	1			11
<b>Bourke</b> (Soledad)	1	1		1	1	1	1	1	1	1			10
<b>Torres</b> (Greenfield)	1	1		1	1		1	1					6
<b>Cullen</b> (King City)	2	1		1		1	1	1		1			8

Alternates	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Gunter</b> (Salinas)				1									1
<b>Martinez</b> (Greenfield)			1						1				2
<b>Alejo</b> (County)													0
<b>Funk</b> (Gonzales)													0
<b>Stewart</b> (Soledad)			1										1
<b>Acosta</b> (King City)							1						1

10 EC Meetings

EXECUTIVE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>Salinas</b> (President)	1	1	1	1	1	1		1	1	1	1		10
<b>Cullen</b> (Vice President)		1	1	1		1		1	1	1	1		8
<b>De La Rosa</b> (Alternate Vice President)	1	1	1	1	1	1		1	1	1	1		10



## Report to the Board of Directors

### ITEM NO. 12

N/A

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

*T. Bruen by et*

Legal Counsel

**Date:** November 16, 2017

**From:** Erika J. Trujillo, Clerk of the Board

**Title:** Introduction & First Reading of Ordinance No. 10  
Amending Authority Code Article 2.08 Conflict of  
Interest Code, Section 2.08.010 and 2.08.020

### RECOMMENDATION

Staff recommends that the Board Introduce and conduct the First Reading of Ordinance No. 10, by title only, with the President's reading constituting that reading, and direct staff to schedule a public hearing for Second Reading and Adoption. The proposed Code amendment will satisfy the requirements of the County, as the Authority's code reviewing body, in order to adopt the Authority's Conflict of Interest Code.

### STRATEGIC PLAN RELATIONSHIP

This is an operational item and does not relate to the Board's strategic plan, but does reflect one of our key agency values: "Integrity".

### FISCAL IMPACT

There is no fiscal impact with the approval of this item.

### DISCUSSION & ANALYSIS

The County requested revisions to the current Authority Code to include the following:

1. Clarifying the description of the purpose of the Conflict of Interest section to conform with the Political Reforms Act of 1974 (Government Code sections 81000, et seq.)
2. Update the disclosure categories to correspond with the current Fair Political Practices Commission Statement of Economic Interests Form 700.
2. Clarifying the filing instructions and public availability of the Fair Political Practices Commission Statement of Economic Interests Form 700.
3. Clarifying language to ensure that officers disclose the information required on the Fair Political Practices Commission Statement of Economic Interests Form 700.

Once the Authority Code is amended by the Authority Board of Directors, it will be forwarded to the County Board of Supervisors for final adoption. An agency's amended code is not effective until it has been approved by the County Board of Supervisors.

### BACKGROUND

The County Board of Supervisors is the Code Reviewing Body for the Authority. In 2016, County Counsel office indicated that revisions to the current Code were needed. Since then staff has been communicating with County staff to get this resolved. In October of this year, County Counsel office indicated that the Authority Board of Directors must adopt

the Ordinance revising the Code prior to County Council reviewing the changes. If there are any findings from the County Counsel that require changes it will be brought back to the Board for reconsideration.

**ATTACHMENT(S)**

1. Ordinance No. 10
2. Draft Summary of Ordinance No. 10

## ORDINANCE NO. 010

### AN ORDINANCE OF THE SALINAS VALLEY SOLID WASTE AUTHORITY AMENDING ARTICLE 2.08 CONFLICT OF INTEREST CODE SECTION 2.08.010 ENTITLED PURPOSE AND EFFECT, AND SECTION 2.08.020 (a)(b), ENTITLED DESIGNATED POSITIONS; DISCLOSURE CATEGORIES

THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY DOES HEREBY ORDAIN that the following amendments be enacted to the Salinas Valley Solid Waste Authority Code:

Section 1: SECTION 2.08.010 PURPOSE AND EFFECT

~~The terms of Title 2, Division 6 of the California Code of Regulations (Section 18730, et seq.), and any amendments thereto that may be adopted by the Fair Political Practices Commission, are hereby incorporated by reference and, along with the following sections in which officials and employees are designated and disclosure categories are set forth, constitute the conflict of interest code for the Authority. This Article constitutes the "Appendix" to Title 2, Division 6 of the California Code of Regulations section 18730, et seq.~~

The Political Reform Act of 1974 (Government Code sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, section 18730 of Title 2 of the California Code of Regulations, which contains the terms of a standard conflict of interest code that can be incorporated by reference in an agency's code. After public notice and hearing, the Fair Political Practices Commission may amend the standard code to conform to amendments of the Political Reform Act. Therefore, the terms of section 18730 of title 2 of the California Code of Regulations and any amendments to it duly adopted by the Fair Political Practices Commission together with the attached Appendices designating positions and establishing disclosure categories are hereby incorporated by reference and together constitute the Conflict of Interest Code of the Salinas Valley Solid Waste Authority (hereafter "Agency"). The Agency and its member agencies are all located wholly within Monterey County, California.

Section 2: SECTION 2.08.20 DESIGNATED POSITIONS; DISCLOSURE CATEGORIES

(a) Individuals holding designated positions shall file their statement of economic interests with the Salinas Valley Solid Waste Authority, which will make the statements available for public inspection and reproduction pursuant to Government Code section 81008. Upon receipt of the statements for the Agency's Board of Directors, Chief Administrative Officer, General Counsel, Treasurer, and Controller the Agency shall make and retain copies and forward the original of the statements to the code reviewing body. Statements for all other designated positions shall be retained by the Agency/Special District.

~~(a)(b)~~ Designated positions are established by Resolution of the Board. Each officer and employee filling a designated position, and any person filling a designated position on a temporary or acting basis for more than thirty consecutive calendar days, shall disclose all of the ~~information set forth in all disclosure Schedules A-1/A-2 through E on such form as the Fair Political Practices Commission may designate.~~ applicable information required to be reported in the Form 700 then in effect and its disclosure schedules, as then currently designated by the Fair Political Practices Commission (Ord. 06, 11/16/2006; Ord. 09, 10/20/2011)

~~(b)~~(c) Each consultant, as defined in Title 2 California Code of Regulations Section 18700.3, shall disclose all of the applicable information ~~set forth required to be reported in all the Form 700 then in effect and its~~ disclosure ~~Scheduled A-1/A-2 through E on such form schedules~~, as then currently designated by the Fair Political Practices Commission ~~may designate~~. The Chief Administrative Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus are not required to fully comply with the disclosure requirements of this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the Chief Administrative Officer is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (*Ord. 09, 10/20/2011*)

A summary of this ordinance shall be published once within fifteen (15) days after adoption. This ordinance was first introduced and read by title only by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th day of November 2017, and was finally passed and adopted at a regular meeting including public comment duly held on the 21st day of December 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Simón Salinas, President

ATTEST:

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Erika J. Trujillo, Clerk of the Authority

## NOTICE OF PUBLIC HEARING

A public hearing will be held before the Salinas Valley Solid Waste Authority (SVSWA) Board of Directors on **Thursday December 21, 2017**, at 6:00 p.m. at the Gonzales City Council Chambers, 117 Fourth Street, Gonzales, CA to introduce the proposed Ordinance:

AN ORDINANCE OF THE SVSWA AMENDING ARTICLE 2.08 CONFLICT OF INTEREST CODE SECTION 2.08.010 ENTITLED “PURPOSE AND EFFECT” AND SECTION 2.08.020 (A)(B)(C), ENTITLED “DESIGNATED POSITIONS; DISCLOSURE CATEGORIES” OF THE SVSWA CODE.

This ordinance amends the SVSWA Authority Code by clarifying the description of the purpose of the Conflict of Interest section to conform with the Political Reform Act of 1974 (Government Code sections 81000, et seq.). Clarifying the filing instructions and public availability of the Fair Political Practices Commission Statement of Economic Interest Form 700, the disclosure categories, disclosure schedules, and clarifying some language to ensure that officers disclose the information required on such said statement.

This Ordinance shall be in full force and effect 30 days after adoption by the Board of Directors.

A summary of this ordinance shall be published once within fifteen (15) days after adoption.





## Report to the Board of Directors

### ITEM NO. 16

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

**Date:** November 16, 2017

**From:** C. Ray Hendricks, Finance and Administration Manager

**Title:** A Resolution Approving the Grants and Capital Improvement Projects Budget for Fiscal Year 2017-18

### RECOMMENDATION

The Executive Committee recommends the adoption of the resolution. This will ensure grants and capital improvement projects are properly budgeted.

### STRATEGIC PLAN RELATIONSHIP

The recommended action is routine in nature.

### FISCAL IMPACT

The Operating Budget for FY 2017-18 included \$1,144,000 assigned to Capital Improvement Projects from the expected operating surplus.

The supplemental appropriations of \$103,999 will be funded as follows:

- \$97,000 from expansion funds
- (\$2,501) Reduction from expired grants
- \$9,500 to be reimbursed from GOE as part of the CEQA reimbursement agreement

### DISCUSSION & ANALYSIS

The proposed budget adjustments are necessary to ensure that there is sufficient budget to meet current Capital Improvement needs. The Board approved new appropriations to the CIP budget on March 16, 2017 as part of the FY 2017-18 operating budget.

The attached Capital Improvements Projects Budget worksheet summarizes all of the appropriations involved in the CIP Budget and provides a CIP budget total. Following is a description of the various columns.

- FY 2016-17 remaining balance is the remaining budget at June 30, 2017 that is being carried over to 2017-18 per the Authority's financial policies.
- Approved in FY 2017-18 Budget is the budget approved by the Board as part of the FY 2017-18 operating budget on March 16, 2017.

- Adjustments are requested adjustments to the budget, as discussed below.

## **ADJUSTMENTS**

### **Fund 180 - Expansion Fund**

180	9804	Long Term Facility Needs EIR	\$ 22,000.00
180	9805	Harrison Road	75,000.00
<b>Total Fund 180 - Expansion Fund</b>			<b><u>97,000.00</u></b>

### **Fund 211 - State Grants**

211	9208	Tire Amnesty 2015-16	(2,501.26)
<b>Total Fund 211 - State Grants</b>			<b><u>(2,501.26)</u></b>

### **Fund 216 - Reimbursement Fund**

216	9804	Long Range Facility Needs EIR	9,500.00
<b>Total Fund 216 - Reimbursement Fund</b>			<b><u>9,500.00</u></b>

### **Fund 800 - Capital Improvement Projects Fund**

800	9103	Closed Landfill Revenue Study	(6,937.93)
800	9104	Organics System Expansion Study	35,000.00
800	9401	LR LFG Replacement	(40,000.00)
800	9501	JC LFG Improvements	40,000.00
800	9529	JC Leachate Handling Sys	(16,000.00)
800	9702	SSTS NPDES Improvements	(12,062.07)
<b>Total Fund 800 - Capital Improvement Projects Fund</b>			<b><u>-</u></b>

<b>Total Adjustments</b>	<b><u>\$ 103,998.74</u></b>
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### **Expansion Funds (\$97,000)**

CIP 9804 – Long Range Facility Needs Environmental Impact Report (EIR): This project needs \$22,000 in additional funding for staff time, legal review, and other professional services. The original budget requested included only the consultant costs and omitted these items.

CIP 9805 – Harrison Road: This project requires \$75,000 in funding to pay the FY 2017-18 portion of the purchase option for the property on the intersection of Sala and Harrison Roads. The purchase option was approved by the Board on January 21, 2016.

### **State Grants (-\$2,501)**

CIP 9208 – Tire Amnesty 2015-16: The grant was completed, and the \$2,501 represents the amount of unused funds. A new grant has been approved by the state and will be presented to the Board separately.

### **Reimbursement Fund (\$9,500)**

CIP 9804 – Long Range Facility Needs Environmental Impact Report (EIR): This project needs \$9,500 in additional funding for staff time, legal review, and other professional services. The original budget requested included only the consultant costs and omitted these items. This amount is to be reimbursed by Global Organics.

### **Capital Improvement Fund (\$0)**

CIP 9103 – Closed Landfill Revenue Study: This project is expected to be completed at a lower cost than initially estimated. A reduction of \$6,938 from this budget will help fund the Organics System Expansion Study in CIP 9104.

CIP 9104 – Organics System Expansion Study: A potentially new and very large increase in agricultural organics heading landfill is being discussed with the packaging industry. Agricultural packing waste, also known as “culls” has historically gone to livestock feed and has never been received at SVR landfills. The feed market for culls is declining and under new regulatory mandates making the traditional disposition economically unfeasible in the near future. This study will be used to identify costs, markets, processing options and feasibility for managing this waste stream in the future. The agricultural processors will be asked to participate in this project study for the Salinas Valley. Funding of \$35,000 is needed to complete this project.

CIP 9401 – LR LFG Replacement: This project is almost complete. In order to complete this project in the most economical way possible, staff rehabbed an old flare and saved at least \$40,000. These funds will be used to fund CIP 9501.

CIP 9501 – JC LFG Improvements: In late 2016, the Authority installed a new LFG flare at the Johnson Canyon Landfill. The flare it replaced is still in working condition and is connected to the gas field. There may be an instance where this older flare would be required to return to service. It is important to keep it in operational condition and have it source tested annually. This piece of equipment has been in place since 2001 and needs to be re-coated and have the refractory liner replaced, as well as a cover system installed to keep water out of it when not in use. The estimated cost of this project is \$40,000.

CIP 9529 – JC Leachate Handling System: Staff has reviewed the budget for this project and feels that the work needed can be done at a lower cost than originally anticipated. A reduction of \$16,000 from this budget will help fund the additional amount needed to complete the Organics System Expansion Study in CIP 9104 above.

CIP 9702 – SSTS NPDES Improvements: Work on this project has been completed at a savings of \$12,062 from the estimated budget. The savings from this budget will help fund the additional amount needed to complete the Organics System Expansion Study in CIP 9104 above.

- FY 2017-18 CIP Budget is the combined total of all the columns described above.

**BACKGROUND**

The Board originally approved new appropriations to the CIP budget on March 16, 2017 as part of the FY 2017-18 operating budget.

**ATTACHMENT(S)**

1. Resolution
2. FY 2017-18 Budget for Grants and Capital Improvement Projects.

## RESOLUTION NO. 2017 –

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING THE GRANTS AND CAPITAL IMPROVEMENT PROJECTS BUDGET FOR FY 2017-18**

**BE IT RESOLVED**, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the Grants and Capital Improvements Project Budget for Fiscal Year 2017-18, attached hereto and marked "Exhibit A" is hereby approved effective July 1, 2017; 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 16<sup>th</sup> day of November 2017, by the following vote:

AYES:            BOARD MEMBERS:

NOES:           BOARD MEMBERS:

ABSENT:        BOARD MEMBERS:

ABSTAIN:       BOARD MEMBERS:

ATTEST:

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Simón Salinas, President

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Erika J. Trujillo, Clerk of the Board

**Salinas Valley Solid Waste Authority**  
**FY 2017-18 Budget for Grants and Capital Improvement Projects**

			FY 2016-17 REMAINING BALANCE	APPROVED IN FY 2017-18 BUDGET	ADJUSTMENTS	FY 2017-18 CIP BUDGET
<b>Fund 180 - Expansion Fund</b>						
180	9804	Long Term Facility Needs EIR	\$ 424,981.79	\$ -	\$ 22,000.00	\$ 446,981.79
180	9805	Harrison Road	-		75,000.00	75,000.00
180	9806	Long Term Financial and Economic Models	60,261.32	-	-	60,261.32
180	9807	GOE Autoclave Final Project	100,000.00	-	-	100,000.00
<b>Total Fund 180 - Expansion Fund</b>			<b>585,243.11</b>	<b>-</b>	<b>97,000.00</b>	<b>682,243.11</b>
<b>Fund 211 - State Grants</b>						
211	9206	HHW HD25-15-0003	13,678.95	-	-	13,678.95
211	9208	Tire Amnesty 2015-16	2,501.26	-	(2,501.26)	-
211	9209	Tire Derived Aggregate 5-15-0004	66,373.00	-	-	66,373.00
211	9247	Cal Recycle - CCPP	76,498.87	-	-	76,498.87
211	9251	Cal Recycle - 2015-16 CCPP	45,052.35	-	-	45,052.35
<b>Total Fund 211 - State Grants</b>			<b>204,104.43</b>	<b>-</b>	<b>(2,501.26)</b>	<b>201,603.17</b>
<b>Fund 216 - Reimbursement Fund</b>						
216	9802	Autoclave Demonstration Unit	141,498.86	-	-	141,498.86
216	9804	Long Range Facility Needs EIR	211,626.17	-	9,500.00	221,126.17
<b>Total Fund 216 - Reimbursement Fund</b>			<b>353,125.03</b>	<b>-</b>	<b>9,500.00</b>	<b>362,625.03</b>
<b>Fund 800 - Capital Improvement Projects Fund</b>						
800	9103	Closed Landfill Revenue Study	31,769.25	-	(6,937.93)	24,831.32
800	9104	Organics System Expansion Study			35,000.00	35,000.00
800	9316	CH Corrective Action Program	253,000.00	-	-	253,000.00
800	9319	CH LFG System Improvements	116,500.00	-	-	116,500.00
800	9401	LR LFG Replacement	56,562.99	-	(40,000.00)	16,562.99
800	9402	LR LFG Well Replacement	-	30,000.00	-	30,000.00
800	9501	JC LFG Improvements			40,000.00	40,000.00
800	9506	JC Litter Control Barrier	18,179.42	50,000.00	-	68,179.42
800	9507	JC Corrective Action	100,000.00	-	-	100,000.00
800	9508	JC Drainage Modifications	35,000.00	-	-	35,000.00
800	9509	JC Groundwater Wells	140,008.18	-	-	140,008.18
800	9510	JC LFG System (Vertical Wells)	30,000.00	60,000.00	-	90,000.00
800	9511	JC LFG System (Horizontal Wells)	5,321.28	30,000.00	-	35,321.28
800	9526	JC Equipment Replacement	80,900.00	50,000.00	-	130,900.00
800	9527	JC Module 7 Engineering and Construction	350,000.00	540,000.00	-	890,000.00
800	9528	JC Roadway Improvements	2,218,936.96	-	-	2,218,936.96
800	9529	JC Leachate Handling Sys	55,530.61	-	(16,000.00)	39,530.61
800	9601	JR Transfer Station Improvements	1,361.73	84,000.00	-	85,361.73
800	9602	JR Equipment Purchase	47,997.06	-	-	47,997.06
800	9701	SSTS Equipment Replacement	50,229.93	300,000.00	-	350,229.93
800	9702	SSTS NPDES Improvements	12,062.07	-	(12,062.07)	-
<b>Total Fund 800 - Capital Improvement Projects Fund</b>			<b>3,603,359.48</b>	<b>1,144,000.00</b>	<b>-</b>	<b>4,747,359.48</b>
<b>Total CIP Expenditures</b>			<b>\$ 4,745,832.05</b>	<b>\$ 1,144,000.00</b>	<b>\$ 103,998.74</b>	<b>\$ 5,993,830.79</b>
JR Equipment (Internal Loan Repayment)			-	120,000.00	-	120,000.00
Expansion Fund (Internal Loan Repayment)			-	376,000.00	-	376,000.00
			<b>4,745,832.05</b>	<b>1,640,000.00</b>	<b>103,998.74</b>	<b>6,489,830.79</b>



# **Grants & Capital Improvement Projects Fiscal Year 2017-18 Budget**

Salinas Valley Solid Waste Authority  
Board of Directors Meeting  
November 16, 2017

# Summary – Changes Only

	FY 2016-17 REMAINING BALANCE	ADJUSTMENTS	FY 2017-18 CIP BUDGET
<b><u>Fund 180 - Expansion Fund</u></b>			
180 9804 Long Term Facility Needs EIR	\$ 424,981.79	\$ 22,000.00	\$ 446,981.79
180 9805 Harrison Road	-	75,000.00	75,000.00
<b>Total Fund 180 - Expansion Fund</b>	<b><u>585,243.11</u></b>	<b><u>97,000.00</u></b>	<b><u>682,243.11</u></b>
<b><u>Fund 211 - State Grants</u></b>			
211 9208 Tire Amnesty 2015-16	2,501.26	(2,501.26)	-
<b>Total Fund 211 - State Grants</b>	<b><u>204,104.43</u></b>	<b><u>(2,501.26)</u></b>	<b><u>201,603.17</u></b>
<b><u>Fund 216 - Reimbursement Fund</u></b>			
216 9804 Long Range Facility Needs EIR	211,626.17	9,500.00	221,126.17
<b>Total Fund 216 - Reimbursement Fund</b>	<b><u>353,125.03</u></b>	<b><u>9,500.00</u></b>	<b><u>362,625.03</u></b>
<b><u>Fund 800 - Capital Improvement Projects Fund</u></b>			
800 9103 Closed Landfill Revenue Study	31,769.25	(6,937.93)	24,831.32
800 9104 Organics System Expansion Study		35,000.00	35,000.00
800 9401 LR LFG Replacement	56,562.99	(40,000.00)	16,562.99
800 9501 JC LFG Improvements		40,000.00	40,000.00
800 9529 JC Leachate Handling Sys	55,530.61	(16,000.00)	39,530.61
800 9702 SSTS NPDES Improvements	12,062.07	(12,062.07)	-
<b>Total Fund 800 - Capital Improvement Projects Fund</b>	<b><u>3,603,359.48</u></b>	<b><u>-</u></b>	<b><u>4,747,359.48</u></b>
<b>Total Adjustments</b>		<b><u>\$ 103,998.74</u></b>	





**SVR Agenda Items - View Ahead 2017-18**
**Item No. 17**

I-Dec	Jan	Feb	Mar	Apr	May
	<b>Election of Officers</b>				
Minutes	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
Strategic Plan Update	QTE December Cash & Investments	New Strategic Plan	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update
Annual County Used Oil Report	QTE Dec. Facilities Customer Survey	4th Qtr Tonnage & Diversion Report	<b>Public Hearing: Fee Sched Amend</b>	LTFN EIR Qtrly Update (sp)	1st Qtr Tonnage & Diversion Report
Updated Succession Plan (EC) (sp)	LTFN EIR Qtrly Update (sp)	FY Preliminary Operating & CIP Budget (EC)	New FY 18-19 Budget	QTE March Cash & Investments	FY Investment Policy (EC)
Amendment No. 2 BC Lab Lab Analytical Services	Election of Officers	C&D Recycling Program (EC) (sp)		<b>1st Qtr Facilities Customer Survey</b>	New/Ext Agreements & Contracts
Expand Emergency Preparedness Plan -All Staff (sp)	Board Member Public Outreach Participation (sp)				
Replacement Walking Floor Trailer	Mid-Year Budget Adjustments (EC)				
<b>Update on Recycling Markets</b>	<b>4th Qtr Facilities Customer Survey</b>				
Self-Funding Programs (EC) (sp)	<b>Annual Employee Survey Results</b>				
Board Policy Updates (EC)	<b>Market Research Study Results (sp)</b>				
RFP Selection of PR Firm for Second Phase Public Outreach Plan (sp)	<b>Strategic Plan Update</b>				
<i>G/M Evaluation</i>	<b>STRATEGIC PLAN 6-MONTH OBJECTIVES</b>				
	FY 16-17 Budget Direction (EC)				

Consent

Presentation

Consideration

Closed Session

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

(EC) Executive Committee

(sp) Strategic Plan Item