



## AGENDA Special Meeting

### BOARD OF DIRECTORS

**October 18, 2018, 3:00 p.m.**

Gonzales City Council Chambers  
117 Fourth Street, Gonzales, California

#### **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 Bourke  
Greenfield: Avelina T. Torres  
King City: Robert S. Cullen, *Vice President*

##### **Alternate Directors**

County: Luis Alejo  
Salinas: John "Tony" Villegas  
Gonzales: Scott Funk  
Soledad: Carla Stewart  
Greenfield: Lance Walker  
King City: Darlene Acosta

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

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

#### **DEPARTMENT MANAGER COMMENTS**

#### **BOARD DIRECTOR COMMENTS**

#### **PUBLIC COMMENT (ON ITEMS NOT ON THE AGENDA)**

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 September 20, 2018, Regular Meeting](#)
2. [August 2018 Claims and Financial Reports](#)
3. [Member and Interagency Activity Report for September 2018 and Upcoming Events](#)
4. [Strategic Plan 2016-19 Goals & Objectives Monthly Progress Report](#)
5. [September 2018 Quarterly Investments Report](#)
6. [2018 Third Quarter Customer Service Results and Twelve-Month Comparison](#)
7. [A Resolution Approving the Regular Board of Directors and Executive Committee Meetings Calendar for 2019](#)
8. [A Resolution Approving Supplemental Appropriation of \\$21,782 for CalRecycle's Beverage Container Recycling City/County Payment Program 2017-18](#)
9. [Report on Opportunities of Project-Specific Grants for Infrastructure](#)
10. [Adopt a Resolution Authorizing the Release of a Request for Proposal for Conducting a Waste Characterization Study Not to Exceed \\$150,000](#)

11. [A Resolution Identifying the Designated Positions and Disclosure Categories for the Designated Positions of the Authority's Conflict of Interest Code Superseding Resolution 2017-31](#)

## **CONSIDERATION**

12. [COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018](#)
- A. Receive Report from Ray Hendricks, Finance and Administration Manager
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action – Accept Report

## **FUTURE AGENDA ITEMS**

13. [AGENDA ITEMS – VIEW AHEAD SCHEDULE](#)

## **STRATEGIC PLANNING**

14. **BOARD OF DIRECTORS WORKSHOP TO IDENTIFY NEW TWELVE-MONTH OBJECTIVES**
- A. **Welcome by Board President Simón Salinas**
  - B. **Introduction of the Facilitator**
    - *by Patrick Mathews, General Manager/CAO*
  - C. **Role of Facilitator, Retreat “Rules”, Research Insights**
    - *by Brigid McGrath Massie, Retreat Facilitator*
  - D. **Board of Directors Strategic Planning Group Discussion**
    - a. **Salinas Valley Solid Waste Authority at the Crossroads**
      - Quiz
      - Criteria Consensus
      - Priority Identification
    - b. **Critical Path Development and Analysis**  
Break
    - c. **Action Planning and Formulation of Objectives for the Next 12 Months**
  - E. **Public Comment**
    - *by Board President Simón Salinas*

## **ADJOURNMENT**

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This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun St., Ste 101, Salinas, on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, and the Authority's Website on **Thursday, October 11, 2018**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, November 15, 2018**. 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  
SEPTEMBER 20, 2018**

**CALL TO ORDER**

President Salinas called the meeting to order at 6:01 p.m.

**ROLL CALL**

The following Board Directors were present:

|                    |  |
|--------------------|--|
| County of Monterey | Simon Salinas, President                     |
| County of Monterey | John M. Phillips                             |
| City of Salinas    | Tony Barrera                                 |
| City of Salinas    | Gloria De La Rosa, Alt. Vice President       |
| City of Salinas    | Kimbley Craig                                |
| City of Gonzales   | Scott Funk, alternate                        |
| City of Greenfield | Avelina Torres                               |
| City of Soledad    | Carla Stewart, alternate (arrived 6:34 p.m.) |
| City of King       | Robert Cullen, Vice President                |

The following Board Directors were absent:

|                  |                       |
|------------------|-----------------------|
| City of Soledad  | Christopher K. Bourke |
| City of Gonzales | Elizabeth Silva       |

**Staff Members Present:**

Patrick Mathews, General Manager/CAO  
Cesar Zuñiga, Asst. GM/Operation Manager  
Ray Hendricks, Finance and Administration  
Manager

Mandy Brooks, Resource Recovery Manager  
Elia Zavala, Contracts and Grants Analyst  
Erika J. Trujillo, Clerk of the Board  
Thomas Bruen, General Counsel

**MEETING ANNOUNCEMENTS**

(6:02) President Salinas announced the availability of translation services. No member from the public requested the service.

**GENERAL MANAGER COMMENTS**

(6:03) None

**CLERK OF THE BOARD COMMENTS**

(6:03) Clerk of the Board Erika J. Trujillo commented on the adjustments made to the Authority website to make it ADA compliant.

**DEPARTMENT MANAGER COMMENTS**

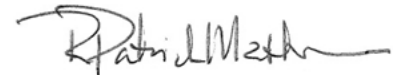
(6:03) Finance and Administration Manager Ray Hendricks informed the Board that the Audit is currently under way and is expected to be presented at the October Board meeting. Resource Recovery Manager Mandy Brooks commented on the launch of the new mobile application called "What Goes Where" developed in collaboration with Monterey Regional Waste Management District to help Monterey County residents recycle right.

**BOARD DIRECTORS COMMENTS**

(6:05) Director Craig inquired about the availability of the "What Goes Where" applications ability to be shared within the City of Salinas website.

**ITEM NO. 1**

Agenda Item



General Manager/CAO

*T. Bruen by et*

General Counsel Approval

**PUBLIC COMMENT**

(6:06) None

**CONSENT AGENDA (6:06)**

1. Minutes of August 16, 2018, Regular Meeting
2. July 2018 Claims and Financial Reports
3. Member and Interagency Activity Report for August 2018 and Upcoming Events
4. Strategic Plan 2016-19 Goals & Objectives Monthly Progress Report
5. Quarterly Update on Long-Term Facility Needs Project Environmental Impact Report (EIR) and other Due Diligence Studies/Activities
6. Resolution No. 2018-30 Approving the Grants and Capital Improvement Projects Budget for Fiscal Year 2018-19
7. Resolution No. 2018-31 Approving Contract Award to Randazzo Enterprises for the Johnson Canyon Landfill Grinding of Concrete Materials in the Amount Not to Exceed \$95,000
8. Report on Options for Resale of Reusable Items and Materials
9. Expanded Organics Program Update
10. Cannabis Waste Acceptance Guidelines
11. Resolution No. 2018-32 Approving an Administrative Revision of Ordinance No. 10 that Amended Authority Code Article 2.08 Conflict of Interest Code, Section 2.08.010 and 2.08.020

**Board Comments:** None

**Public Comment:** None

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

**Votes:** Motion carried 8,0

**Ayes:** De La Rosa, Salinas, Cullen, Barrera, Torres, Craig, Phillips, Funk

**Noes:** None

**Abstain:** None

**Absent:** Phillips

**PRESENTATION**

**12. 2017-18 SALINAS VALLEY RECYCLES ANNUAL REPORT**

(6:07) General Manager/CAO Mathews presented an overview of the report that highlighted the accomplishments of the Agency for the past fiscal year. He commended Adrianna Escobar Administrative Assistant for taking the lead on the project, explaining to the Board that the report is developed and edited in-house.

**Board Comments:** The Board discussed the report commending staff for the accomplishments and the development of the report.

**Public Comment:** None

**Motion:** None; Information only

**13. ANNUAL FRANCHISE HAULERS PERFORMANCE REPORT**

(6: 23) Contracts and Grants Analyst Zavala presented the waste haulers performance report for 2017. The Authority administers the franchise hauler contracts for the City of Salinas (Republic Services), the Cities of Gonzales, Soledad, and Greenfield (Tri-Cities Disposal), and the City of King (Waste Management). The report demonstrated an overall increase in material collected by all the waste haulers and that the obligations for each franchise agreement were met by the haulers.

**Board Comments:** The Board discussed the report.

**Public Comment:** None

**Motion:** None; Informational Only

## **CONSIDERATION**

### **14. DRAFT COLLABORATION MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY (AUTHORITY) AND MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT (DISTRICT)**

(6:38) General Manager/CAO reviewed each section of Draft No. 2.1 of the MOU. He informed the Board that this draft included input from the Executive Committee(EC), Citizens Advisory Group, and Authority staff. He indicated that a meeting had been held with the Executive staff from the District on September 10 and the draft MOU had been provided to them for their input. He stated that the draft as presented included all of the proposed components from the Salinas MOU version, but simplified the MOU (per EC request) and adjusted the schedule of actions to include the necessary environmental and financial studies required by law and prior Board direction. The MOU is on the Districts Agenda for their Board of Directors meeting scheduled for September 21.

**Board Comments:** The Board discussed the report. Director Craig expressed she had several comments on the MOU. President Salinas indicated the County of Monterey representatives are interested in reviewing and providing input on the MOU. President Salinas suggested a stakeholders meeting to include representatives from each member agency from both the District and the Authority's jurisdictions, the ad hoc committees, and the general managers from both agencies take place to allow for input from all stakeholders.

**Public Comment:** Jim Sandoval, commented on the Draft No. 2.1 of the MOU expressing that in his opinion the MOU has gaps. He expressed his support for having a stakeholders meeting to provide input.

**Motion:** By consensus the Board agreed for a stakeholders meeting to be coordinated to discuss and provide input on the MOU between the District and the Authority.

## **FUTURE AGENDA ITEMS**

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

(6:59) The Board reviewed the future agenda items.

## **CLOSED SESSION**

**16.** Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, Finance and Administration Manager Ray Hendricks, and 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, California; and 2) Waste Management, Inc Property, APNs 261-051-005, 007, and 019, located at 1120 Madison Lane, Salinas, California.

(7:00) President Salinas invited public comment.

**Public Comment:** None

(7:01) President Salinas adjourned the meeting into closed session to discuss Item No. 16.

**RECONVENE**

(7:30) President Salinas reconvened the meeting to open session with no reportable action taken in closed session.

**ADJOURN**

(7:31) 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:** October 18, 2018

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

**Title:** August 2018 Claims and Financial Reports

### RECOMMENDATIONS

The Executive Committee recommends acceptance of the August 2018 Claims and Financial Reports.

### DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of August for a summary of the Authority's financial position as of August 31, 2018. The following are highlights of the Authority's financial activity for the month of August.

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

For the month of August 2018, operating expenditures exceeded revenues by \$2,053,830. This is due to the debt service payments made twice a year in August and February. Fiscal year 2018-2019 to date operating expenditures exceeded revenues by \$1,176,423.

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

After two months of the fiscal year, (16.67% of the fiscal year), revenues total \$3,829,423, or 19.4% of the total annual revenues forecast of \$19,720,275. August Tipping Fees totaled \$1,371,129 and for the year to date totaled \$2,653,098, or 20.9% of the forecasted total of \$12,672,500.

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

As of August 31, (16.67% of the fiscal year), year-to-date operating expenditures total \$5,005,846. This is 26.5% of the operating budget of \$18,860,000.

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

For the month of August 2018, capital project expenditures totaled \$70,039. \$45,010 was for the Johnson Canyon Landfill Module 7 Engineering and Construction.

#### Claims Checks Issued Report

The Authority's Checks Issued Report for the month of August 2018 is attached for review and acceptance. August disbursements total \$1,508,783.08 of which \$595,657.53 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 August 2018.

| Vendor                    | Service                                | Amount    |
|---------------------------|--|-----------|
| CARDLOCK FUELS SYSTEM INC | SS, JC, & JR FUEL                      | 84,414.51 |
| VISION RECYCLING INC      | JC & SS GREENWASTE PROCESSING          | 70,975.74 |
| WASTE MANAGEMENT INC      | SALINAS FRANCHISE WASTE TRANSPORTATION | 62,424.89 |
| QUINN COMPANY             | SS, JC, & JR EQUIPMENT MAINTENANCE     | 93,330.03 |

### Cash Balances

The Authority's cash position decreased \$2,253,407.74 during August to \$25,742,720.30. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below. The debt principal and interest payments totaling \$2,790,380 on August 1, 2018 substantially reduced cash available for operations. This will be recovered over the next few months from profitable operations.

#### Restricted by Legal Agreements:

|                                     |              |
|-------------------------------------|--------------|
| Johnson Canyon Closure Fund         | 4,209,600.24 |
| State & Federal Grants              | (115,618.07) |
| BNY - Bond 2014A Payment            | -            |
| BNY - Bond 2014B Payment            | -            |
| BNY - Sub Pmt Cap One 2014 Eq Lease | -            |
| GEO Deposit (CEQA)                  | (16,064.59)  |

#### Funds Held in Trust:

|   |           |
|---|-----------|
| Central Coast Media Recycling Coalition | 44,732.89 |
| Employee Unreimbursed Medical Claims    | 6,500.68  |

#### Committed by Board Policy:

|   |              |
|---|--------------|
| AB939 Services                                  | 565,265.42   |
| Undesignated Reserves                           | 4,092,944.91 |
| Designated for Capital Projects Reserve         | 2,061,749.15 |
| Designated for Environmental Impairment Reserve | 861,776.73   |
| Designated for Operating Reserve                | 861,776.73   |
| Expansion Fund (South Valley Revenues)          | 8,308,973.36 |
| Salinas Rate Stabilization Fund                 | 24,324.06    |

#### Assigned by Budget:

|                               |              |
|-------------------------------|--------------|
| Assigned for Capital Projects | 7,346,929.20 |
|-------------------------------|--------------|

|                           |                |
|---------------------------|----------------|
| Available for Operations: | (2,510,170.41) |
|---------------------------|----------------|

|       |                             |
|-------|-----------------------------|
| Total | <u><u>25,742,720.30</u></u> |
|-------|-----------------------------|

### **ATTACHMENTS**

1. August 2018 Consolidated Statement of Revenues and Expenditures
2. August 2018 Consolidated Grant and CIP Expenditures Report
3. August 2018 Checks Issued Report





# Salinas Valley Solid Waste Authority

## Consolidated Statement of Revenues and Expenditure

### For Period Ending August 31, 2018

|                                   | CURRENT<br>BUDGET | M-T-D<br>REV/EXP | Y-T-D<br>REV/EXP | % OF<br>BUDGET | REMAINING<br>BALANCE | Y-T-D<br>ENCUMBRANCES | UNENCUMBERED<br>BALANCE |
|-----------------------------------|-------------------|------------------|------------------|----------------|----------------------|-----------------------|-------------------------|
| <b><u>Revenue Summary</u></b>     |                   |                  |                  |                |                      |                       |                         |
| Tipping Fees - Solid Waste        | 12,672,500        | 1,371,129        | 2,653,098        | 20.9 %         | 10,019,402           | 0                     | 10,019,402              |
| Tipping Fees - Surcharge          | 1,849,550         | 187,139          | 366,204          | 19.8 %         | 1,483,346            | 0                     | 1,483,346               |
| Tipping Fees - Diverted Materials | 2,029,525         | 190,766          | 359,482          | 17.7 %         | 1,670,043            | 0                     | 1,670,043               |
| AB939 Service Fee                 | 2,319,700         | 193,308          | 386,616          | 16.7 %         | 1,933,084            | 0                     | 1,933,084               |
| Charges for Services              | 144,000           | 10,042           | 18,757           | 13.0 %         | 125,243              | 0                     | 125,243                 |
| Sales of Materials                | 265,000           | 27,559           | 27,559           | 10.4 %         | 237,441              | 0                     | 237,441                 |
| Gas Royalties                     | 240,000           | 0                | 0                | 0.0 %          | 240,000              | 0                     | 240,000                 |
| Investment Earnings               | 200,000           | 5,419            | 17,520           | 8.8 %          | 182,480              | 0                     | 182,480                 |
| Other Non-Operating Revenue       | 0                 | 87               | 187              | 0.0 %          | (187)                | 0                     | (187)                   |
| <b>Total Revenue</b>              | <b>19,720,275</b> | <b>1,985,450</b> | <b>3,829,423</b> | <b>19.4 %</b>  | <b>15,890,852</b>    | <b>0</b>              | <b>15,890,852</b>       |
| <b><u>Expense Summary</u></b>     |                   |                  |                  |                |                      |                       |                         |
| Executive Administration          | 453,600           | 31,107           | 55,833           | 12.3 %         | 397,767              | 5,331                 | 392,436                 |
| Administrative Support            | 431,000           | 55,565           | 89,148           | 20.7 %         | 341,852              | 146,413               | 195,439                 |
| Human Resources Administration    | 201,100           | 15,257           | 31,452           | 15.6 %         | 169,648              | 4,644                 | 165,004                 |
| Clerk of the Board                | 175,400           | 19,350           | 29,330           | 16.7 %         | 146,070              | 1,664                 | 144,406                 |
| Finance Administration            | 779,400           | 52,143           | 119,656          | 15.4 %         | 659,744              | 9,160                 | 650,583                 |
| Operations Administration         | 466,100           | 34,937           | 66,605           | 14.3 %         | 399,495              | 12,172                | 387,323                 |
| Resource Recovery                 | 928,200           | 83,797           | 141,378          | 15.2 %         | 786,822              | 7,139                 | 779,682                 |
| Marketing                         | 75,000            | 1,275            | 3,775            | 5.0 %          | 71,225               | 63,725                | 7,500                   |
| Public Education                  | 228,500           | 11,103           | 11,103           | 4.9 %          | 217,397              | 70,732                | 146,665                 |
| Household Hazardous Waste         | 811,600           | 45,543           | 83,929           | 10.3 %         | 727,671              | 55,815                | 671,856                 |
| C & D Diversion                   | 150,000           | 0                | 0                | 0.0 %          | 150,000              | 0                     | 150,000                 |
| Organics Diversion                | 1,037,900         | 70,976           | 70,976           | 6.8 %          | 966,924              | 837,024               | 129,900                 |
| Diversion Services                | 10,000            | 1,950            | 1,950            | 19.5 %         | 8,050                | 0                     | 8,050                   |
| JR Transfer Station               | 506,300           | 48,743           | 84,307           | 16.7 %         | 421,993              | 69,108                | 352,885                 |



# Salinas Valley Solid Waste Authority

## Consolidated Statement of Revenues and Expenditure

### For Period Ending August 31, 2018

|                                     | CURRENT<br>BUDGET | M-T-D<br>REV/EXP | Y-T-D<br>REV/EXP | % OF<br>BUDGET | REMAINING<br>BALANCE | Y-T-D<br>ENCUMBRANCES | UNENCUMBERED<br>BALANCE |
|-------------------------------------|-------------------|------------------|------------------|----------------|----------------------|-----------------------|-------------------------|
| JR Recycling Operations             | 173,400           | 9,130            | 19,236           | 11.1 %         | 154,164              | 3,858                 | 150,306                 |
| ML Transfer Station                 | 500,000           | 62,425           | 62,425           | 12.5 %         | 437,575              | 437,575               | 0                       |
| SS Disposal Operations              | 1,067,200         | 109,615          | 210,103          | 19.7 %         | 857,097              | 189,780               | 667,317                 |
| SS Transfer Operations              | 1,207,900         | 145,526          | 221,491          | 18.3 %         | 986,409              | 410,450               | 575,959                 |
| SS Recycling Operations             | 768,500           | 61,545           | 106,029          | 13.8 %         | 662,471              | 99,787                | 562,684                 |
| JC Landfill Operations              | 2,734,500         | 263,182          | 422,120          | 15.4 %         | 2,312,380            | 692,346               | 1,620,034               |
| JC Recycling Operations             | 395,700           | 26,487           | 48,150           | 12.2 %         | 347,550              | 21,934                | 325,615                 |
| Crazy Horse Postclosure Maintenance | 546,600           | 29,587           | 78,059           | 14.3 %         | 468,541              | 175,658               | 292,883                 |
| Lewis Road Postclosure Maintenance  | 243,400           | 6,947            | 41,971           | 17.2 %         | 201,429              | 81,430                | 119,999                 |
| Johnson Canyon ECS                  | 333,300           | 25,515           | 27,481           | 8.2 %          | 305,819              | 140,357               | 165,463                 |
| Jolon Road Postclosure Maintenance  | 241,800           | 1,925            | 125,785          | 52.0 %         | 116,015              | 19,286                | 96,730                  |
| Sun Street ECS                      | 191,500           | 5,959            | 6,477            | 3.4 %          | 185,023              | 61,223                | 123,801                 |
| Debt Service - Interest             | 1,550,600         | 796,764          | 796,764          | 51.4 %         | 753,836              | 0                     | 753,836                 |
| Debt Service - Principal            | 2,383,200         | 1,993,616        | 1,993,616        | 83.7 %         | 389,584              | 0                     | 389,584                 |
| Closure Set-Aside                   | 268,300           | 29,310           | 56,698           | 21.1 %         | 211,602              | 0                     | 211,602                 |
| Total Expense                       | 18,860,000        | 4,039,279        | 5,005,846        | 26.5 %         | 13,854,154           | 3,616,611             | 10,237,543              |
| Revenue Over/(Under) Expenses       | 860,275           | (2,053,830)      | (1,176,423)      | -136.7 %       | 2,036,698            | (3,616,611)           | 5,653,309               |



# Salinas Valley Solid Waste Authority

## Consolidated Grant and CIP Expenditure Report

### For Period Ending August 31, 2018

|   | CURRENT<br>BUDGET | M-T-D<br>REV/EXP | Y-T-D<br>REV/EXP | % OF<br>BUDGET | REMAINING<br>BALANCE | Y-T-D<br>ENCUMBRANCES | UNENCUMBERED<br>BALANCE |
|---|-------------------|------------------|------------------|----------------|----------------------|-----------------------|-------------------------|
| <b>Fund 180 - Expansion Fund</b>                  |                   |                  |                  |                |                      |                       |                         |
| 180 9804 Long Range Facility Needs EIR            | 352,431           | 7,762            | 7,762            | 2.2 %          | 344,669              | 0                     | 344,669                 |
| 180 9806 Long Range Financial Model               | 55,620            | 2,439            | 2,439            | 4.4 %          | 53,181               | 24,796                | 28,385                  |
| 180 9807 GOE Autoclave Final Project              | 100,000           | 0                | 0                | 0.0 %          | 100,000              | 0                     | 100,000                 |
| <b>Total Fund 180 - Expansion Fund</b>            | <b>508,051</b>    | <b>10,201</b>    | <b>10,201</b>    | <b>2.0 %</b>   | <b>497,850</b>       | <b>24,796</b>         | <b>473,054</b>          |
| <b>Fund 211 - Grants</b>                          |                   |                  |                  |                |                      |                       |                         |
| 211 9213 Tire Amnesty 2017-18                     | 21,032            | 336              | 336              | 1.6 %          | 20,696               | 0                     | 20,696                  |
| 211 9214 Organics Program 2016-17                 | 1,146,717         | 9,050            | 9,050            | 0.8 %          | 1,137,667            | 80,409                | 1,057,258               |
| 211 9216 AB2766 Motor Vehicle Emission Re         | 379,335           | 0                | 0                | 0.0 %          | 379,335              | 0                     | 379,335                 |
| 211 9247 Cal Recycle - CCPP                       | 72,858            | 0                | 0                | 0.0 %          | 72,858               | 0                     | 72,858                  |
| 211 9252 Cal Recycle - 2016-17 CCPP               | 26,196            | 550              | 1,760            | 6.7 %          | 24,436               | 420                   | 24,016                  |
| <b>Total Fund 211 - Grants</b>                    | <b>1,646,139</b>  | <b>9,936</b>     | <b>11,146</b>    | <b>0.7 %</b>   | <b>1,634,993</b>     | <b>80,829</b>         | <b>1,554,164</b>        |
| <b>Fund 216 - Reimbursement Fund</b>              |                   |                  |                  |                |                      |                       |                         |
| 216 9802 Autoclave Demonstration Unit             | 141,499           | 0                | 0                | 0.0 %          | 141,499              | 0                     | 141,499                 |
| 216 9804 Long Range Facility Needs EIR            | 180,062           | 0                | 0                | 0.0 %          | 180,062              | 0                     | 180,062                 |
| <b>Total Fund 216 - Reimbursement Fund</b>        | <b>321,560</b>    | <b>0</b>         | <b>0</b>         | <b>0.0 %</b>   | <b>321,560</b>       | <b>0</b>              | <b>321,560</b>          |
| <b>Fund 800 - Capital Improvement Projects Fu</b> |                   |                  |                  |                |                      |                       |                         |
| 800 9103 Closed Landfill Revenue Study            | 24,831            | 0                | 0                | 0.0 %          | 24,831               | 0                     | 24,831                  |
| 800 9104 Organics System Expansion Study          | 19,010            | 0                | 0                | 0.0 %          | 19,010               | 0                     | 19,010                  |
| 800 9105 Concrete Grinding                        | 120,000           | 0                | 0                | 0.0 %          | 120,000              | 0                     | 120,000                 |
| 800 9106 Waste Composition Study                  | 150,000           | 0                | 0                | 0.0 %          | 150,000              | 0                     | 150,000                 |
| 800 9316 CH Corrective Action Program             | 253,000           | 0                | 0                | 0.0 %          | 253,000              | 0                     | 253,000                 |
| 800 9319 CH LFG System Improvements               | 116,500           | 0                | 0                | 0.0 %          | 116,500              | 0                     | 116,500                 |
| 800 9401 LR LFG Replacement                       | 5,000             | 0                | 0                | 0.0 %          | 5,000                | 0                     | 5,000                   |
| 800 9402 LFG Well Replacement                     | 30,000            | 0                | 0                | 0.0 %          | 30,000               | 0                     | 30,000                  |
| 800 9506 JC Litter Control Barrier                | 61,343            | 4,892            | 6,963            | 11.4 %         | 54,380               | 0                     | 54,380                  |



# Salinas Valley Solid Waste Authority

## Consolidated Grant and CIP Expenditure Report

### For Period Ending August 31, 2018

|   | CURRENT<br>BUDGET | M-T-D<br>REV/EXP | Y-T-D<br>REV/EXP | % OF<br>BUDGET | REMAINING<br>BALANCE | Y-T-D<br>ENCUMBRANCES | UNENCUMBERED<br>BALANCE |
|---|-------------------|------------------|------------------|----------------|----------------------|-----------------------|-------------------------|
| 800 9507 JC Corrective Action                     | 225,000           | 0                | 0                | 0.0 %          | 225,000              | 0                     | 225,000                 |
| 800 9508 JC Drainage Modifications                | 200,000           | 0                | 0                | 0.0 %          | 200,000              | 0                     | 200,000                 |
| 800 9510 JC LFG System (Vertical Wells)           | 30,234            | 0                | 0                | 0.0 %          | 30,234               | 0                     | 30,234                  |
| 800 9511 JC LFG System (Horizontal Wells)         | 30,063            | 0                | 0                | 0.0 %          | 30,063               | 0                     | 30,063                  |
| 800 9526 JC Equipment Replacement                 | 130,900           | 0                | 0                | 0.0 %          | 130,900              | 0                     | 130,900                 |
| 800 9527 JC Module 7 Engineering and Cons         | 4,933,506         | 45,010           | 45,010           | 0.9 %          | 4,888,496            | 23,209                | 4,865,287               |
| 800 9528 JC Roadway Improvements                  | 2,218,937         | 0                | 0                | 0.0 %          | 2,218,937            | 0                     | 2,218,937               |
| 800 9601 JR Transfer Station Improvements         | 83,399            | 0                | 0                | 0.0 %          | 83,399               | 0                     | 83,399                  |
| 800 9603 JC Well Replacement                      | 75,000            | 0                | 0                | 0.0 %          | 75,000               | 0                     | 75,000                  |
| 800 9701 SSTs Equipment Replacement               | 222,575           | 0                | 0                | 0.0 %          | 222,575              | 0                     | 222,575                 |
| 800 9703 SSTs Improvements                        | 41,014            | 0                | 0                | 0.0 %          | 41,014               | 0                     | 41,014                  |
| <b>Total Fund 800 - Capital Improvement Proje</b> | <b>8,970,312</b>  | <b>49,902</b>    | <b>51,973</b>    | <b>0.6 %</b>   | <b>8,918,339</b>     | <b>23,209</b>         | <b>8,895,129</b>        |
| <b>Total CIP Expenditures</b>                     | <b>11,446,062</b> | <b>70,039</b>    | <b>73,320</b>    | <b>0.6 %</b>   | <b>11,372,742</b>    | <b>128,834</b>        | <b>11,243,908</b>       |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

| Check # | Name  | Check Date | Amount                             | Check Total |
|---------|---|------------|------------------------------------|-------------|
| 20896   | ADMANOR, INC<br>JUNE CCRM CAMPAIN   | 8/2/2018   | 13,357.87                          | 13,357.87   |
| 20897   | AECOM TECHNICAL SERVICES, INC.<br>SALINAS AREA TS CEQA                                  | 8/2/2018   | 5,536.00                           | 5,536.00    |
| 20898   | AT&T SERVICES INC<br>ADMIN TELEPHONE SERVICES   | 8/2/2018   | 326.96                             | 326.96      |
| 20899   | BARTEL ASSOCIATES, LLC<br>OPEB ACTUARIAL  | 8/2/2018   | 1,000.00                           | 1,000.00    |
| 20900   | BAUDVILLE, INC<br>ADMIN EMPLOYEE RECOGNITION SUPPLIES                                   | 8/2/2018   | 315.24                             | 315.24      |
| 20901   | CALIFORNIA WATER SERVICE<br>SSTS WATER SERVICES   | 8/2/2018   | 161.94                             | 161.94      |
| 20902   | ENRIQUE CARRILLO JR.<br>ALL SITES VEHICLE MAINTENANCE                                   | 8/2/2018   | 5,629.80                           | 5,629.80    |
| 20903   | FIRST ALARM<br>SSTS SECURITY SERVICES   | 8/2/2018   | 35.00                              | 35.00       |
| 20904   | GEOLOGIC ASSOCIATES, INC.<br>JC ENVIRONMENTAL ENGINEERING SERVICE                       | 8/2/2018   | 33,429.70                          | 33,429.70   |
| 20905   | GOLDEN STATE TRUCK & TRAILER REPAIR<br>JUNE EQUIPMENT AND VEHICLE MAINTENANCE           | 8/2/2018   | 773.33                             | 773.33      |
| 20906   | ISCO MACHINERY, INC.<br>JC EQUIPMENT RENTAL   | 8/2/2018   | 6,914.98                           | 6,914.98    |
| 20907   | PACIFIC WASTE SERVICES<br>JC ENGINEERING SERVICES                                       | 8/2/2018   | 6,929.20                           | 6,929.20    |
| 20908   | PHILIP SERVICES CORP<br>HHW APRIL DISPOSAL<br>HHW MAY SERVICES<br>HHW DISPOSAL SUPPLIES | 8/2/2018   | 11,160.64<br>17,623.61<br>2,428.00 | 31,212.25   |
| 20909   | PINNACLE MEDICAL GROUP<br>DMV DOT PHYSICAL  | 8/2/2018   | 130.00                             | 130.00      |
| 20910   | QUINN COMPANY<br>JC EQUIPMENT MAINTENANCE   | 8/2/2018   | 38,023.15                          | 38,023.15   |
| 20911   | SCALES UNLIMITED<br>JC SCALE MAINTENANCE  | 8/2/2018   | 1,558.60                           | 1,558.60    |
| 20912   | SCS FIELD SERVICES<br>JC ENGINEERING SERVICES   | 8/2/2018   | 225.00                             | 225.00      |
| 20913   | AMERICAN SUPPLY CO.<br>ALL SITES JANITORIAL SUPPLIES                                    | 8/2/2018   | 106.57                             | 106.57      |
| 20914   | AT&T SERVICES INC<br>ALL SITES TELEPHONE SERVICES                                       | 8/2/2018   | 181.06                             | 181.06      |
| 20915   | CALIFORNIA WATER SERVICE<br>JRTS WATER SERVICE  | 8/2/2018   | 140.99                             | 140.99      |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

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|---------|---|------------|-----------|-------------|
| 20916   | CARDLOCK FUELS SYSTEM, INC.<br>SS, JC & JR FUEL                         | 8/2/2018   | 18,651.14 | 18,651.14   |
| 20917   | CITY OF GONZALES<br>MONTHLY HOSTING FEE                                 | 8/2/2018   | 20,833.33 | 20,833.33   |
| 20918   | CSC OF SALINAS/YUMA<br>SSTS VEHICLE MAINTENANCE                         | 8/2/2018   | 859.00    | 859.00      |
| 20919   | EAST BAY TIRE CO.<br>SS & JC VEHICLE MAINTENANCE                        | 8/2/2018   | 28.87     | 28.87       |
| 20920   | ERNEST BELL D. JR<br>ADMIN, SS & JC CUSTODIAL SERVICES                  | 8/2/2018   | 2,400.00  | 2,400.00    |
| 20921   | FIRST ALARM<br>ALL SITES SECURITY SERVICES                              | 8/2/2018   | 2,191.50  | 2,191.50    |
| 20922   | FULL STEAM STAFFING LLC<br>SS, JC & JR CONTRACT LABOR                   | 8/2/2018   | 4,641.42  | 4,641.42    |
| 20923   | GOLDEN STATE TRUCK & TRAILER REPAIR<br>SS, JC & JR VEHICLE MAINTENANCE  | 8/2/2018   | 1,850.27  | 1,850.27    |
| 20924   | GONZALES ACE HARDWARE<br>JR & JC FACILITY MAINTENANCE                   | 8/2/2018   | 169.62    | 169.62      |
| 20925   | GRAINGER<br>HHW & JC SAFETY SUPPLIES                                    | 8/2/2018   | 168.99    | 168.99      |
| 20926   | GREEN RUBBER - KENNEDY AG, LP<br>LR, JC & SS FACILITY MAINTENANCE       | 8/2/2018   | 263.04    | 263.04      |
| 20927   | GUARDIAN SAFETY AND SUPPLY, LLC<br>JC & SS SAFETY SUPPLIES              | 8/2/2018   | 337.43    | 337.43      |
| 20928   | HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186<br>SS FACILITY SUPPLIES | 8/2/2018   | 311.85    | 311.85      |
| 20929   | INFINITY STAFFING SERVICES, INC.<br>JC CONTRACT LABOR                   | 8/2/2018   | 1,565.25  | 1,565.25    |
| 20930   | ISCO MACHINERY, INC.<br>JC EQUIPMENT RENTAL                             | 8/2/2018   | 10,372.51 | 10,372.51   |
| 20931   | JULIO GIL<br>SSTS VEHICLE MAINTENANCE                                   | 8/2/2018   | 104.92    | 104.92      |
| 20932   | MANUEL PEREA TRUCKING, INC.<br>SS & CH EQUIPMENT RENTAL                 | 8/2/2018   | 575.00    | 575.00      |
| 20933   | NEXIS PARTNERS, LLC<br>MONTHLY ADMIN BUILDING RENT                      | 8/2/2018   | 9,212.00  | 9,212.00    |
| 20934   | OFFICE DEPOT<br>ALL SITES OFFICE SUPPLIES                               | 8/2/2018   | 941.06    | 941.06      |
| 20935   | PACIFIC GAS AND ELECTRIC COMPANY<br>ALL SITES ELECTRICAL SERVICES       | 8/2/2018   | 8,246.87  | 8,246.87    |

**Salinas Valley Solid Waste Authority**  
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| 20936   | QUINN COMPANY<br>SS, JC & JR EQUIPMENT MAINTENANCE  | 8/2/2018   | 158.28  | 158.28      |
| 20937   | SALINAS NEWSPAPERS, INC.<br>RECRUITMENT AD  | 8/2/2018   | 855.65  | 855.65      |
| 20938   | SHARPS SOLUTIONS, LLC<br>HHW HAULING & DISPOSAL   | 8/2/2018   | 200.00  | 200.00      |
| 20939   | TELCO BUSINESS SOLUTIONS<br>NETWORK SUPPORT   | 8/2/2018   | 242.00  | 242.00      |
| 20940   | TRI-COUNTY FIRE PROTECTION, INC.<br>HHW SAFETY SUPPLIES   | 8/2/2018   | 439.64  | 439.64      |
| 20941   | UNITED RENTALS (NORTHWEST), INC<br>SS & JC EQUIPMENT RENTAL   | 8/2/2018   | 289.52  | 289.52      |
| 20942   | ENRIQUE CARRILLO JR.<br>ALL SITES VEHICLE MAINTENANCE   | 8/10/2018  | 4,559.90  | 4,559.90    |
| 20943   | GONZALES TIRE & AUTO SUPPLY<br>JC FACILITY MAINTENANCE  | 8/10/2018  | 6.09  | 6.09        |
| 20944   | HOME DEPOT<br>ALL SITES FACILITY SUPPLIES   | 8/10/2018  | 4,380.12  | 4,380.12    |
| 20945   | MANUEL TINAJERO<br>SSTS FACILITY MAINTENANCE  | 8/10/2018  | 1,500.00  | 1,500.00    |
| 20946   | PHILIP SERVICES CORP<br>HHW HAULING & DISPOSAL JUNE<br>HHW HAULING & DISPOSAL JUNE  | 8/10/2018  | 15,219.24<br>2,657.00   | 17,876.24   |
| 20947   | SANTA RITA UNION SCHOOL DISTRICT<br>WALLY WASTENOT AWARD - SANTA RITA ELEMENTARY  | 8/10/2018  | 2,000.00  | 2,000.00    |
| 20948   | SKINNER EQUIPMENT REPAIR, INC.<br>JC EQUIPMENT MAINTENANCE  | 8/10/2018  | 6,840.34  | 6,840.34    |
| 20949   | TOYOTA MATERIAL HANDLING<br>HHW EQUIPMENT MAINTENANCE   | 8/10/2018  | 120.00  | 120.00      |
| 20950   | US BANK CORPORATE PAYMENT SYSTEM<br>AMAZON:BATTERY BACKUP CABLES<br>AMAZON : SS VEHICLE MAINTENANCE<br>AMAZON : ADMIN EMPLOYEE RECOGNITION<br>SMART N FINAL : EXECUTIVE ADMIN SUPPLIES<br>CAPTUS PRESS INC: IIMC WEBINARS<br>FACEBOOK: BOOSTED POST FOR TIRE AMNESTY EVENT<br>INSTAGRAM: BOOSTED POST FOR TIRE AMNESTY EVENT<br>LA PLAZA BAKERY: BOARD OF DIRECTORS MEETING<br>APPLEBEES : EXECUTIVE ADMINISTRATION MEETINGS<br>SALINAS VALLEY FORD: KEY DUPLICATION REFUND<br>COSTCO: REPLACEMENT COMPUTER - GM TABLE<br>LANDS END:OPS SAFETY SUPPLIES | 8/10/2018  | 44.97<br>358.36<br>26.04<br>7.09<br>289.00<br>7.81<br>2.59<br>126.38<br>61.87<br>(243.62)<br>1,108.82<br>802.87 | 2,592.18    |
| 20951   | **VOID**  | 8/10/2018  | -   | -           |

**Salinas Valley Solid Waste Authority**  
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| Check # | Name  | Check Date | Amount          | Check Total |
|---------|---|------------|-----------------|-------------|
| 20952   | WEST COAST RUBBER RECYCLING, INC<br>TIRE RECYCLING - AMNESTY TRAILERS         | 8/10/2018  | 1,450.00        | 1,450.00    |
| 20953   | AMERICAN SUPPLY CO.<br>ALL SITES JANITORIAL SUPPLIES                          | 8/10/2018  | 33.87           | 33.87       |
| 20954   | AON RISK INSURANCE SERVICES WEST, INC .<br>WORKER'S COMP                      | 8/10/2018  | 17,164.00       | 17,164.00   |
| 20955   | ASBURY ENVIRONMENTAL SERVICES<br>HHW ABOP DISPOSAL                            | 8/10/2018  | 168.00          | 168.00      |
| 20956   | AT&T SERVICES INC<br>ALL SITES TELEPHONE SERVICES                             | 8/10/2018  | 450.93          | 450.93      |
| 20957   | BECKS SHOES AND REPAIR<br>JC SAFETY SUPPLIES                                  | 8/10/2018  | 220.00          | 220.00      |
| 20958   | CALIFORNIA HIGHWAY ADOPTION CO.<br>OPS LITTER ABATEMENT                       | 8/10/2018  | 550.00          | 550.00      |
| 20959   | CARDLOCK FUELS SYSTEM, INC.<br>SS, JC & JR FUEL                               | 8/10/2018  | 5,525.22        | 5,525.22    |
| 20960   | COAST COUNTIES TRUCK & EQUIPMENT CO.<br>SSTS VEHICLE MAINTENANCE              | 8/10/2018  | 2,747.11        | 2,747.11    |
| 20961   | COMCAST<br>MONTHLY INTERNET SERVICE   | 8/10/2018  | 559.38          | 559.38      |
| 20962   | CONTAINER STOP INC.<br>RR SPECIAL DEPARTMENT SUPPLIES                         | 8/10/2018  | 3,300.00        | 3,300.00    |
| 20963   | CSC OF SALINAS/YUMA<br>SSTS EQUIPMENT MAINTENANCE                             | 8/10/2018  | 61.82           | 61.82       |
| 20964   | GOLDEN STATE TRUCK & TRAILER REPAIR<br>SS, JC & JR VEHICLE MAINTENANCE        | 8/10/2018  | 3,778.17        | 3,778.17    |
| 20965   | GONZALES ACE HARDWARE<br>JC FACILITY MAINTENANCE<br>JRTS FACILITY MAINTENANCE | 8/10/2018  | 245.83<br>25.72 | 271.55      |
| 20966   | GREEN RUBBER - KENNEDY AG, LP<br>JC FACILITY MAINTENANCE                      | 8/10/2018  | 658.31          | 658.31      |
| 20967   | GREEN VALLEY INDUSTRIAL SUPPLY, INC<br>JC FACILITY MAINTENANCE                | 8/10/2018  | 104.60          | 104.60      |
| 20968   | GUERITO<br>MONTHLY PORTABLE TOILET SERVICE                                    | 8/10/2018  | 1,028.00        | 1,028.00    |
| 20969   | HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186<br>JC FACILITY MAINTENANCE    | 8/10/2018  | 17.47           | 17.47       |
| 20970   | HOME DEPOT<br>ALL SITES FACILITY SUPPLIES                                     | 8/10/2018  | 1,881.12        | 1,881.12    |
| 20971   | **VOID**  | 8/10/2018  | -               | -           |



**Salinas Valley Solid Waste Authority**  
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| 20972   | OFFICE DEPOT<br>ALL SITES OFFICE SUPPLIES  | 8/10/2018  | 140.85   | 140.85      |
| 20973   | QUINN COMPANY<br>SS, JC & JR EQUIPMENT MAINTENANCE   | 8/10/2018  | 8,395.80   | 8,395.80    |
| 20974   | SKINNER EQUIPMENT REPAIR, INC.<br>JC & JR EQUIPMENT MAINTENANCE  | 8/10/2018  | 2,982.12   | 2,982.12    |
| 20975   | US BANK CORPORATE PAYMENT SYSTEM<br>AMAZON.COM: JC MAGSTRENGTH MAGNETS<br>AMAZON.COM: WOMEN'S WORKBOOTS<br>MICHAELS:SUPPLIES FOR THE FLOAT PARADE<br>BAC: PARKING FOR MEETING<br>FOODS CO. : JC EMPLOYEE RECOGNITION<br>CALPELRA: 18/19 MEMBERSHIP<br>COMPACT APPLIANCE: AIR CONDITIONER<br>COSTCO: ADMINISTRATION OFFICE SUPPLIES<br>EXPERIAN:CREDIT CHECKS<br>AMAZON:DREMEL FOR EQUIPMENT ENGRAVING<br>U-LINE : JC FACILITY MAINTENANCE<br>LA HEARNE: HAY BALE FOR COLMO DE RODEO PARADE<br>HUGHESNET:JC & JR INTERNET SERVICE<br>U-LINE : JC FACILITY MAINTENANCE<br>INTERMEDIA:MONTHLY EXCHANGE SERVER HOSTING<br>PARMA ANNUAL MEMBERSHIP<br>ROUND TABLE PIZZA : JC EMPLOYEE RECOGNITION<br>FOODS CO. : JC WATER<br>OFFICE OF WATER PROGRAMS: OPS ADMINTRAINING<br>BEST BUY: CH REPAIR SUPPLIES<br>SMART & FINAL: OFFICE SUPPLIES<br>SURVEY MONKEY : SOFTWARE<br>CVS: WINDSHIELD WIPER FLUID FOR COMPANY CAR<br>AMAZON : SSTS FACILITY MAINTENANCE | 8/10/2018  | 9.95<br>115.37<br>17.47<br>8.00<br>13.39<br>350.00<br>616.39<br>38.99<br>49.95<br>21.84<br>1,411.19<br>12.93<br>171.61<br>215.08<br>324.94<br>150.00<br>212.55<br>21.67<br>190.00<br>835.71<br>15.96<br>87.00<br>3.16<br>40.28 | 4,933.43    |
| 20976   | **VOID**   | 8/10/2018  | -  | -           |
| 20977   | **VOID**   | 8/10/2018  | -  | -           |
| 20978   | BC LABORATORIES, INC<br>ALL SITES LAB WATER ANALYSIS   | 8/15/2018  | 2,560.00   | 2,560.00    |
| 20979   | CARDLOCK FUELS SYSTEM, INC.<br>SS, JC & JR FUEL  | 8/15/2018  | 20,826.95  | 20,826.95   |
| 20980   | CH2M HILL, INC<br>LONG RANGE FINANCIAL MODEL   | 8/15/2018  | 2,439.14   | 2,439.14    |
| 20981   | CLARK PEST CONTROL, INC<br>ADMIN EXTERMINATOR SERVICES   | 8/15/2018  | 93.00  | 93.00       |
| 20982   | DOUGLAS NOLAN<br>ROCK STEADY JUGGLING SCHOOL ASSEMBLY PROGRAM  | 8/15/2018  | 5,250.00   | 5,250.00    |
| 20983   | EAST BAY TIRE CO.<br>SSTS VEHICLE MAINTENANCE  | 8/15/2018  | 1,200.42   | 1,200.42    |
| 20984   | FLEETMATICS, USA HOLDINGS, INC.<br>ALL SITES DRIVING STYLE SOFTWARE  | 8/15/2018  | 4,596.00   | 4,596.00    |

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| 20985   | FULL STEAM STAFFING LLC<br>JC, JR & SS CONTRACT LABOR                  | 8/15/2018  | 8,742.01 | 8,742.01    |
| 20986   | GOLDEN STATE TRUCK & TRAILER REPAIR<br>SS, JC & JR VEHICLE MAINTENANCE | 8/15/2018  | 948.17   | 948.17      |
| 20987   | GONZALES ACE HARDWARE<br>JC FACILITY MAINTENANCE                       | 8/15/2018  | 32.74    | 32.74       |
| 20988   | GREEN RUBBER - KENNEDY AG, LP<br>JC & SSTS FACILITY MAINTENANCE        | 8/15/2018  | 409.81   | 409.81      |
| 20989   | GUARDIAN SAFETY AND SUPPLY, LLC<br>JC SAFETY SUPPLIES                  | 8/15/2018  | 97.62    | 97.62       |
| 20990   | INFINITY STAFFING SERVICES, INC.<br>JC CONTRACT LABOR                  | 8/15/2018  | 3,099.76 | 3,099.76    |
| 20991   | KING CITY HARDWARE INC.<br>JRTS FACILITY MAINTENANCE                   | 8/15/2018  | 86.14    | 86.14       |
| 20992   | MCMASTER-CARR SUPPLY COMPANY<br>SS FACILITY MAINTENANCE                | 8/15/2018  | 1,721.36 | 1,721.36    |
| 20993   | METECH RECYCLING, IC.<br>RR E-WASTE HAULING                            | 8/15/2018  | 859.05   | 859.05      |
| 20994   | NEXTEL OF CALIFORNIA, INC<br>SS & JR CELL PHONE SERVICES               | 8/15/2018  | 258.43   | 258.43      |
| 20995   | OFFICE DEPOT<br>ALL SITES OFFICE SUPPLIES                              | 8/15/2018  | 1,602.88 | 1,602.88    |
| 20996   | PENINSULA MESSENGER LLC<br>ALL SITES COURIER SERVICES                  | 8/15/2018  | 638.00   | 638.00      |
| 20997   | PROBUILD COMPANY LLC<br>JC FACILITY MAINTENANCE                        | 8/15/2018  | 279.06   | 279.06      |
| 20998   | PURE WATER BOTTLING<br>ALL SITES BOTTLED WATER                         | 8/15/2018  | 438.70   | 438.70      |
| 20999   | QUINN COMPANY<br>SS, JC & JR EQUIPMENT MAINTENANCE                     | 8/15/2018  | 814.19   | 814.19      |
| 21000   | REPUBLIC SERVICES #471<br>OFFICE MONTHLY WASTE DISPOSAL                | 8/15/2018  | 74.36    | 74.36       |
| 21001   | SHRED-IT US JV LLC.<br>RECORDS DISPOSAL                                | 8/15/2018  | 149.83   | 149.83      |
| 21002   | SKINNER EQUIPMENT REPAIR, INC.<br>JC & JR EQUIPMENT MAINTENANCE        | 8/15/2018  | 721.86   | 721.86      |
| 21003   | SOCIAL VOCATIONAL SERVICES, INC.<br>JC LITTER ABATEMENT                | 8/15/2018  | 3,159.34 | 3,159.34    |
| 21004   | STURDY OIL COMPANY<br>JC & SSTS VEHICLE MAINTENANCE                    | 8/15/2018  | 1,053.71 | 1,053.71    |

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| Check # | Name   | Check Date | Amount              | Check Total |
|---------|--|------------|---------------------|-------------|
| 21005   | THOMAS M BRUEN<br>LEGAL SERVICES - JULY 2018                           | 8/15/2018  | 255.25              | 255.25      |
| 21006   | VALLEY FABRICATION, INC.<br>SSTS FACILITY MAINTENANCE                  | 8/15/2018  | 9,768.15            | 9,768.15    |
| 21007   | WEST COAST RUBBER RECYCLING, INC<br>RR TIRE DIVERSION                  | 8/15/2018  | 1,950.00            | 1,950.00    |
| 21008   | WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION<br>ALL SITES FUEL        | 8/15/2018  | 3,580.06            | 3,580.06    |
| 21009   | MONTEREY COUNTY HEALTH DEPARTMENT<br>QUARTERLY MO.CO. REGIONAL FEE     | 8/15/2018  | 30,994.52           | 30,994.52   |
| 21010   | A & B FIRE PROTECTION & SAFETY, INC<br>JC SAFETY SUPPLIES              | 8/23/2018  | 330.10              | 330.10      |
| 21011   | A & G PUMPING, INC<br>JRTS PORTABLE TOILETS                            | 8/23/2018  | 211.65              | 211.65      |
| 21012   | AMERICAN SUPPLY CO.<br>ALL SITES JANITORIAL SUPPLIES                   | 8/23/2018  | 925.13              | 925.13      |
| 21013   | ASBURY ENVIRONMENTAL SERVICES<br>HHW ABOP DISPOSAL                     | 8/23/2018  | 80.00               | 80.00       |
| 21014   | AT&T MOBILITY<br>INTERNET SERVICE                                      | 8/23/2018  | 43.23               | 43.23       |
| 21015   | BC LABORATORIES, INC<br>ALL SITES LAB WATER ANALYSIS                   | 8/23/2018  | 4,016.00            | 4,016.00    |
| 21016   | BECKS SHOES AND REPAIR<br>ALL SITES UNIFORMS                           | 8/23/2018  | 601.08              | 601.08      |
| 21017   | CALIFORNIA WATER SERVICE<br>SS & JR WATER SERVICE                      | 8/23/2018  | 1,356.63            | 1,356.63    |
| 21018   | CARDLOCK FUELS SYSTEM, INC.<br>SS, JC & JR FUEL                        | 8/23/2018  | 16,163.87           | 16,163.87   |
| 21019   | CITY OF GONZALES<br>JC WATER SERVICES<br>MONTHLY HOSTING FEE           | 8/23/2018  | 106.13<br>20,833.33 | 20,939.46   |
| 21020   | CLARK PEST CONTROL, INC<br>ADMIN EXTERMINATOR SERVICES                 | 8/23/2018  | 93.00               | 93.00       |
| 21021   | COAST COUNTIES TRUCK & EQUIPMENT CO.<br>SSTS VEHICLE MAINTENANCE       | 8/23/2018  | 914.25              | 914.25      |
| 21022   | CSC OF SALINAS/YUMA<br>JC FACILITY MAINTENANCE                         | 8/23/2018  | 101.74              | 101.74      |
| 21023   | CUTTING EDGE SUPPLY<br>JR EQUIPMENT MAINTENANCE                        | 8/23/2018  | 1,505.43            | 1,505.43    |
| 21024   | GOLDEN STATE TRUCK & TRAILER REPAIR<br>SS, JC & JR VEHICLE MAINTENANCE | 8/23/2018  | 7,075.57            | 7,075.57    |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

| Check # | Name  | Check Date | Amount          | Check Total |
|---------|---|------------|-----------------|-------------|
| 21025   | **VOID**  | 8/23/2018  | -               | -           |
| 21026   | GONZALES ACE HARDWARE<br>JC FACILITY MAINTENANCE                                  | 8/23/2018  | 183.38          | 183.38      |
| 21027   | GRAINGER<br>CH FACILITY MAINTENANCE<br>JR FACILITY MAINTENANCE                    | 8/23/2018  | 81.39<br>545.14 | 626.53      |
| 21028   | GREEN MOUNTAIN TECHNOLOGIES, INC.<br>JC ENGINEERING SERVICES                      | 8/23/2018  | 9,050.00        | 9,050.00    |
| 21029   | GREEN RUBBER - KENNEDY AG, LP<br>JC & JR FACILITY MAINTENANCE                     | 8/23/2018  | 1,249.23        | 1,249.23    |
| 21030   | HOPE SERVICES<br>SSTS LITTER ABATEMENT  | 8/23/2018  | 12,408.27       | 12,408.27   |
| 21031   | INFINITY STAFFING SERVICES, INC.<br>JC CONTRACT LABOR                             | 8/23/2018  | 5,585.39        | 5,585.39    |
| 21032   | ISCO MACHINERY, INC.<br>JC EQUIPMENT RENTAL                                       | 8/23/2018  | 26,726.70       | 26,726.70   |
| 21033   | JEHAN VALERA<br>SOCIAL MEDIA OUTREACH SUPPLIES                                    | 8/23/2018  | 178.82          | 178.82      |
| 21034   | JOHNSON ASSOCIATES<br>RR VEHICLE MAINTENANCE                                      | 8/23/2018  | 21.74           | 21.74       |
| 21035   | KELLY-MOORE PAINT COMPANY INC.<br>JC FACILITY MAINTENANCE                         | 8/23/2018  | 206.55          | 206.55      |
| 21036   | LINDA VASQUEZ<br>ADMIN FUEL   | 8/23/2018  | 15.10           | 15.10       |
| 21037   | MANUEL PEREA TRUCKING, INC.<br>JC & SS EQUIPMENT RENTAL                           | 8/23/2018  | 850.00          | 850.00      |
| 21038   | MCMASTER-CARR SUPPLY COMPANY<br>SS FACILITY MAINTENANCE                           | 8/23/2018  | 631.68          | 631.68      |
| 21039   | MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT<br>LR, JC & CH AIR BOARD FEES | 8/23/2018  | 10,657.00       | 10,657.00   |
| 21040   | MONTEREY COUNTY HEALTH DEPARTMENT<br>SSTS PERMIT FEES                             | 8/23/2018  | 2,091.00        | 2,091.00    |
| 21041   | NEXIS PARTNERS, LLC<br>MONTHLY ADMIN BUILDING RENT                                | 8/23/2018  | 9,212.00        | 9,212.00    |
| 21042   | OFFICE DEPOT<br>ALL SITES OFFICE SUPPLIES   | 8/23/2018  | 209.69          | 209.69      |
| 21043   | PERSONAL AWARDS INC<br>ALL SITES UNIFORMS   | 8/23/2018  | 4,062.88        | 4,062.88    |
| 21044   | PITNEY BOWES - POSTAGE<br>ADMIN POSTAGE   | 8/23/2018  | 341.55          | 341.55      |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

| Check # | Name   | Check Date | Amount                         | Check Total |
|---------|--|------------|--------------------------------|-------------|
| 21045   | QUINN COMPANY<br>SS, JC & JR EQUIPMENT MAINTENANCE                                     | 8/23/2018  | 26,732.64                      | 26,732.64   |
| 21046   | **VOID**   | 8/23/2018  | -                              | -           |
| 21047   | ROSSI BROS TIRE & AUTO SERVICE<br>SS, JC & JR VEHICLE MAINTENANCE                      | 8/23/2018  | 70.37                          | 70.37       |
| 21048   | SCS FIELD SERVICES<br>ALL SITES ROUTINE & NON ROUTINE ENGINEERING SERVICES             | 8/23/2018  | 33,998.16                      | 33,998.16   |
| 21049   | **VOID**   | 8/23/2018  | -                              | -           |
| 21050   | SHARPS SOLUTIONS, LLC<br>HHW HAULING & DISPOSAL  | 8/23/2018  | 200.00                         | 200.00      |
| 21051   | SKINNER EQUIPMENT REPAIR, INC.<br>JC & JR EQUIPMENT MAINTENANCE                        | 8/23/2018  | 2,159.18                       | 2,159.18    |
| 21052   | TELCO BUSINESS SOLUTIONS<br>MONTHLY NETWORK SUPPORT                                    | 8/23/2018  | 242.00                         | 242.00      |
| 21053   | TRUCKSIS ENTERPRISES INCORPORATED<br>SCHOOL FLYERS BULK ORDER                          | 8/23/2018  | 290.36                         | 290.36      |
| 21054   | VALLEY FABRICATION, INC.<br>SS FACILITY MAINTENANCE                                    | 8/23/2018  | 47.31                          | 47.31       |
| 21055   | VALVOLINE INC.<br>JC VEHICLE MAINTENANCE   | 8/23/2018  | 176.55                         | 176.55      |
| 21056   | VISION RECYCLING INC<br>JC & SS GREENWASTE PROCESSING<br>JC & SS GREENWASTE PROCESSING | 8/23/2018  | 50,302.27<br>20,673.47         | 70,975.74   |
| 21057   | WASTE MANAGEMENT INC<br>SALINAS FRANCHISE WASTE TRANSPORTATION                         | 8/23/2018  | 62,424.89                      | 62,424.89   |
| 21058   | WESTERN EXTERMINATOR COMPANY<br>ALL SITES VECTOR CONTROL                               | 8/23/2018  | 408.50                         | 408.50      |
| 21059   | ADMANOR, INC<br>MEDIA CAMPAIGN<br>CCRMC MEDIA CAMPAIGN<br>MEDIA - RECYCLING ED         | 8/29/2018  | 1,275.25<br>13,566.79<br>95.00 | 14,937.04   |
| 21060   | AECOM TECHNICAL SERVICES, INC.<br>PROJECT DESIGNS AND CEQA SERVICES                    | 8/29/2018  | 7,761.50                       | 7,761.50    |
| 21061   | AMERICAN SUPPLY CO.<br>ALL SITES JANITORIAL SUPPLIES                                   | 8/29/2018  | 168.14                         | 168.14      |
| 21062   | ARAM AND TAVIT KARABETYAN<br>SSTS FACILITY MAINTENANCE                                 | 8/29/2018  | 699.15                         | 699.15      |
| 21063   | ASBURY ENVIRONMENTAL SERVICES<br>HHW ABOP DISPOSAL                                     | 8/29/2018  | 80.00                          | 80.00       |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

| Check # | Name   | Check Date | Amount         | Check Total |
|---------|--|------------|----------------|-------------|
| 21064   | AT&T SERVICES INC<br>ALL SITES TELEPHONE SERVICES                              | 8/29/2018  | 1,594.11       | 1,594.11    |
| 21065   | BC LABORATORIES, INC<br>ALL SITES LAB WATER ANALYSIS                           | 8/29/2018  | 2,674.00       | 2,674.00    |
| 21066   | BECKS SHOES AND REPAIR<br>ALL SITES UNIFORMS                                   | 8/29/2018  | 220.00         | 220.00      |
| 21067   | CALIFORNIA WATER SERVICE<br>SS & JR WATER SERVICE                              | 8/29/2018  | 175.76         | 175.76      |
| 21068   | CARDLOCK FUELS SYSTEM, INC.<br>SS, JC & JR FUEL                                | 8/29/2018  | 23,247.33      | 23,247.33   |
| 21069   | CLINTON HENDRICKS<br>SWANA WASTECON - TRAVEL REIMBURSEMENT                     | 8/29/2018  | 1,695.30       | 1,695.30    |
| 21070   | COAST COUNTIES TRUCK & EQUIPMENT CO.<br>SSTS VEHICLE MAINTENANCE               | 8/29/2018  | 59.07          | 59.07       |
| 21071   | COMPLETE PAPERLESS SOLUTIONS, LLC<br>LASERFICHE ANNUAL SUPPORT FY18-19         | 8/29/2018  | 6,960.00       | 6,960.00    |
| 21072   | CSC OF SALINAS/YUMA<br>SSTS EQUIPMENT MAINTENANCE<br>JRTS FACILITY MAINTENANCE | 8/29/2018  | 9.18<br>194.99 | 204.17      |
| 21073   | CUTTING EDGE SUPPLY<br>JC EQUIPMENT MAINTENANCE                                | 8/29/2018  | 831.11         | 831.11      |
| 21074   | EAST BAY TIRE CO.<br>SS & JC VEHICLE MAINTENANCE                               | 8/29/2018  | 109.25         | 109.25      |
| 21075   | EDUARDO ARROYO<br>JC FACILITY MAINTENANCE                                      | 8/29/2018  | 8,500.00       | 8,500.00    |
| 21076   | ELIA ZAVALA<br>GRANT WRITING USA: PER DIEM                                     | 8/29/2018  | 172.00         | 172.00      |
| 21077   | ENRIQUE CARRILLO JR.<br>SS, JC & JR VEHICLE MAINTENANCE                        | 8/29/2018  | 3,825.00       | 3,825.00    |
| 21078   | ERNEST BELL D. JR<br>ADMIN, SS & JC CUSTODIAL SERVICES                         | 8/29/2018  | 4,029.00       | 4,029.00    |
| 21079   | FEDEX<br>OPS & FINASTRATION OVERNIGHT SHIPPING                                 | 8/29/2018  | 60.67          | 60.67       |
| 21080   | FERGUSON ENTERPRISES INC #795<br>JC MAINTENANCE SUPPLIES                       | 8/29/2018  | 872.61         | 872.61      |
| 21081   | FIRST ALARM<br>ALL SITES SECURITY SERVICES                                     | 8/29/2018  | 30.00          | 30.00       |
| 21082   | FULL STEAM STAFFING LLC<br>JC, SS & JR CONTRACT LABOR                          | 8/29/2018  | 7,816.10       | 7,816.10    |
| 21083   | GOLDEN STATE TRUCK & TRAILER REPAIR<br>SS, JC & JR VEHICLE MAINTENANCE         | 8/29/2018  | 3,953.86       | 3,953.86    |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

| Check # | Name  | Check Date | Amount    | Check Total |
|---------|---|------------|-----------|-------------|
| 21084   | GONZALES ACE HARDWARE<br>JC FACILITY MAINTENANCE                              | 8/29/2018  | 141.11    | 141.11      |
| 21085   | GREEN RUBBER - KENNEDY AG, LP<br>JC FACILITY MAINTENANCE                      | 8/29/2018  | 486.54    | 486.54      |
| 21086   | HOME DEPOT<br>ALL SITES FACILITY MAINTENANCE                                  | 8/29/2018  | 2,355.80  | 2,355.80    |
| 21087   | **VOID**  | 8/29/2018  | -         | -           |
| 21088   | **VOID**  | 8/29/2018  | -         | -           |
| 21089   | INFINITY STAFFING SERVICES, INC.<br>JC CONTRACT LABOR                         | 8/29/2018  | 2,786.63  | 2,786.63    |
| 21090   | JEHAN VALERA<br>MAP LAMINATION  | 8/29/2018  | 20.91     | 20.91       |
| 21091   | JOSE RODRIGUEZ<br>JC VEHICLE MAINTENANCE                                      | 8/29/2018  | 457.20    | 457.20      |
| 21092   | MANUEL PEREA TRUCKING, INC.<br>JR VEHICLE MAINTENANCE                         | 8/29/2018  | 200.00    | 200.00      |
| 21093   | MONTEREY BAY OFFICE PRODUCTS<br>COPIER MAINTENANCE                            | 8/29/2018  | 250.00    | 250.00      |
| 21094   | MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT<br>CH & JC AIR BOARD FEES | 8/29/2018  | 1,342.00  | 1,342.00    |
| 21095   | MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT<br>CH & JC AIR BOARD FEES | 8/29/2018  | 1,051.00  | 1,051.00    |
| 21096   | MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT<br>CH & JC AIR BOARD FEES | 8/29/2018  | 1,549.00  | 1,549.00    |
| 21097   | OFFICE DEPOT<br>ALL SITES OFFICE SUPPLIES                                     | 8/29/2018  | 1,433.54  | 1,433.54    |
| 21098   | PARADIGM SOFTWARE, LLC<br>2018 PARADIGM USER CONFERENCE                       | 8/29/2018  | 295.00    | 295.00      |
| 21099   | QUINN COMPANY<br>SS, JC & JR EQUIPMENT MAINTENANCE                            | 8/29/2018  | 19,205.97 | 19,205.97   |
| 21100   | **VOID**  | 8/29/2018  | -         | -           |
| 21101   | ROSSI BROS TIRE & AUTO SERVICE<br>SS, JC & JR VEHICLE MAINTENANCE             | 8/29/2018  | 1,100.90  | 1,100.90    |
| 21102   | **VOID**  | 8/29/2018  | -         | -           |
| 21103   | SAFETEQUIP<br>JC SAFETY SUPPLIES  | 8/29/2018  | 75.95     | 75.95       |

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 8/1/2018 to 8/31/2018**

| Check #               | Name  | Check Date | Amount               | Check Total                |
|-----------------------|---|------------|----------------------|----------------------------|
| 21104                 | SCALES UNLIMITED<br>JC SCALE MAINTENANCE  | 8/29/2018  | 1,814.00             | 1,814.00                   |
| 21105                 | SKINNER EQUIPMENT REPAIR, INC.<br>JC & JR EQUIPMENT MAINTENANCE   | 8/29/2018  | 1,800.99             | 1,800.99                   |
| 21106                 | STAPLES CONTRACT AND COMMERICAL, INC<br>USED BATTERY BUCKETS  | 8/29/2018  | 1,937.63             | 1,937.63                   |
| 21107                 | SWANA CALIFORNIA GOLD RUSH CHAPTER<br>SWANA COMPOSTING REGISTRATION: CESAR ZUNIGA<br>SWANA COMPOSTING REGISTRATION: BRIAN KENNEDY | 8/29/2018  | 1,199.00<br>1,199.00 | 2,398.00                   |
| 21108                 | TRI-COUNTY FIRE PROTECTION, INC.<br>SSTS EQUIPMENT MAINTENANCE  | 8/29/2018  | 22.29                | 22.29                      |
| 21109                 | UNITED RENTALS (NORTHWEST), INC<br>JC EQUIPMENT RENTAL  | 8/29/2018  | 2,398.02             | 2,398.02                   |
| 21110                 | VALERIO VARELA JR<br>SS FACILITY & EQUIPMENT MAINTENANCE  | 8/29/2018  | 5,845.00             | 5,845.00                   |
| 21111                 | VALLEY FABRICATION, INC.<br>SSTS FACILITY MAINTENANCE   | 8/29/2018  | 198.62               | 198.62                     |
| Subtotal              |   |            |                      | <u>913,125.55</u>          |
| Payroll Disbursements |   |            |                      | 595,657.53                 |
| Grand Total           |   |            |                      | <u><u>1,508,783.08</u></u> |





## Report to the Board of Directors

### ITEM NO. 3

N/A

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: October 18, 2018

From: Mandy Brooks, Resource Recovery Manager

Title: Member and Interagency Activities Report for  
September 2018 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. It 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 September 26 with no violations or areas of concern noted.

The September monthly inspection for the Johnson Canyon Landfill was conducted on September 13 with no areas of concern noted. The notice of violation continued in September for the exceedance of methane concentration of 5% by volume for the Southern Boundary Probe 23. The probe readings at the time of the inspection at all three well depths were all below compliance levels. After two consecutive monthly inspections with clean probe readings, the LEA can submit paper work to the State that the probe is in compliance. The weekly testing of the probe continues. During September all weekly readings were below compliance levels.

The monthly inspection of the Jolon Road Transfer Station was completed on September 26 with no areas of concern or violations observed during the inspection.

The quarterly inspections for Crazy Horse Transfer Station and Crazy Horse Landfill (closed) were completed on September 18 with no areas of concern or violations noted.

The quarterly inspection of the Lewis Road Landfill (closed) was completed on September 18 with no areas of concern or violations observed during the inspection.

### Monterey Bay Air Resource District (MBARD)

A notice of violation was issued to the Authority by the Monterey Bay Air Resources District (MBARD) on August 17 for the Title V permit for the Johnson Canyon Landfill. The violation was related to clerical errors surrounding the landfill gas flare source testing, including the Authority submitting test results for the new flare which had not yet been integrated into the Title V permit. The permit called for data from the old flare, but the Authority did not test it as it had been dormant for well over a year. An Environmental Settlement offer has been accepted by MBARD in lieu of the penalty payment: The Authority will provide free yard waste and wood

waste disposal to all residents on the third weekend of the month from December 2018 to April 2019, which covers MBARD's backyard burn program schedule. The value of the settlement is estimated at \$1,400.

The MBARD's annual on-site inspection for the flares at Johnson Canyon Landfill was conducted on September 12. Both flares were inspected, and no violations or areas of concern were issued.

### **Board Member Participation in Community Events**

As part of the April 19, 2018 – October 18, 2018 six-month objectives of the strategic plan to promote the value of SVR services and programs to the community, six (6) Board Members agreed to attend at least one community event to promote SVR services and programs. Board members self-reported that five (5) out of the six (6) Board Members that agreed to the objective either attended a community event or distributed outreach materials to members of the public promoting SVR services and programs. Thank you for your support!

### **Gonzales Clothing Closet Stats**

The Clothing Closet is a partnership between the Authority, The Salvation Army Service Extension, and the Gonzales Community Church to provide free clothing to families in need. The table below summarizes the current month and first quarter 2018 totals for the Clothing Closet's distributions.

| <b>Month</b>            | <b># of Volunteers</b> | <b>Hours</b> | <b>Clothing Items Distributed</b> | <b># of Families Served</b> | <b># of Family Members Served</b> |
|-------------------------|------------------------|--------------|-----------------------------------|-----------------------------|-----------------------------------|
| <i>June – July 2018</i> | 3                      | 54           | 617                               | 53                          | 255                               |
| <i>Aug 2018</i>         | 3                      | 32           | 334                               | 25                          | 146                               |
| Sept 2018               | 4                      | 22           | 356                               | 26                          | 115                               |
| <b>Qrtly TOTALS</b>     | <b>3.3 (Avg.)</b>      | <b>108</b>   | <b>1,307</b>                      | <b>104</b>                  | <b>516</b>                        |

### **Clean Up Event**

In September, three community cleanup events were conducted with the results of one of those events listed below. The results of the other two events will be reported next month.

- Salinas, District 5: Republic Services conducted a one-day neighborhood cleanup on Sept 15 and collected approximately 5.1 tons of trash and 14.5 tons of recyclable materials resulting in a 74% diversion rate for the event.

### **Current and Future Events with SVR Staff Participation**

*(Opportunities for Board Member Participation)*

Gonzales: 10/12 – 11/03 *Tire Amnesty Collection Event, Johnson Canyon Landfill*  
 10/13 *ABOP Collection Event, Fairview Middle School*  
 10/13 & 10/14 *Reuse, Recycle Clean Up Event, Fairview Middle School*

Greenfield: 10/20 *Reuse, Recycle & Clean Up Day, Memorial Hall*  
 10/20 *ABOP Collection Event, Memorial Hall*  
 10/21 *Greenfield Harvest Festival*

King City: 10/12 – 11/03 *Tire Amnesty Collection Event, Jolon Rd Transfer Station*  
 11/3 *Fall Clean Up & ABOP Collection Event, Mildred Ave*  
 11/30 *Christmas Parade, "A County Christmas", Broadway St*

Salinas: 10/12 – 11/03 *Tire Amnesty Collection Event, Sun St Transfer Station*

|                     |       |  |
|---------------------|-------|--|
|                     | 10/13 | Composting Workshop, El Jardin el Sol, 139 Sun St        |
|                     | 10/14 | Bi-national Health Week Event, Closter Park              |
|                     | 10/20 | City-wide Fall Clean Up Event, multiple locations        |
|                     | 11/1  | Salinas Farm Day, Rodeo Grounds                          |
|                     | 11/3  | District 1 Neighborhood Clean Up Event                   |
|                     | 11/25 | Holiday Parade of Lights, Main St.                       |
| Soledad:            | 10/24 | Recycling Presentation for Parents, CAPSLO Center        |
|                     | 11/3  | Fall Litter Abatement Collection Event, TBD              |
| Monterey<br>County: | 10/6  | Bradley Clean Up & ABOP Collection Event, Bradley Rd     |
|                     | 11/17 | Pajaro Fall Clean Up & ABOP Collection Event, Salinas Rd |

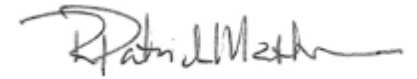
SALINAS VALLEY SOLID WASTE MANAGEMENT AUTHORITY  
(SALINAS VALLEY RECYCLES)

**SIX-MONTH STRATEGIC OBJECTIVES**

April 19, 2018 – October 18, 2018

**ITEM NO. 4**

Agenda Item



General Manager/CAO

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.<br>At the March 15, 2018 meeting                                    | General Manager and Resource Recovery Manager                   | Present to the Board for consideration the results of the Strategic Plan Priorities Survey.  | X      |           |         | Survey Results were presented to the Board at its March 15, 2018 meeting  |
| 2.<br>TBD - after Board LTFN Project Decision                          | General Manager<br>(CAG Recommendation)                         | Arrange for Tour of a Modern Enclosed Transfer Station for Board Members   |        |           | X       | Revise to tour Madison Lane Transfer after Board LTFN Project Decision  |
| 3.<br>At the April 19, 2018 Board meeting                              | General Manager   | Provide the Board with Recommendations to Restart the Long-Term Facility Needs EIR and other due diligence activities.                         | X      |           |         | Presented at April 19, 2018 and June 21, 2018 Board meetings, action deferred until MOU with MRWMD considered   |
| 4.<br>By the September 20, 2018 Board meeting                          | General Manager   | Present to the Board for consideration a Memorandum of Understanding between the Authority and MRWMD regarding collaboration and communication | X      |           |         | Draft MOU and report presented at Sept 20 <sup>th</sup> Board meeting, Board deferred action until City/County stakeholder meeting conducted. Meeting set for November 13 <sup>th</sup> . |
| 5.<br>At the September 20, 2018 Board meeting and quarterly thereafter | Resource Recovery Manager and Environmental Compliance Engineer | Present to the Board expanded Organics Program update.   | X      |           |         | A program update was included on the September agenda.  |

THREE-YEAR GOAL: ***REDUCE LANDFILL DISPOSAL FEE DEPENDENCE THROUGH SELF-FUNDED PROGRAMS AND NEW REVENUE SOURCES***

| WHEN  | WHO  | WHAT   | STATUS |           |         | COMMENTS   |
|---|--|--|--------|-----------|---------|--|
|   |  |  | DONE   | ON TARGET | REVISED |  |
| 1.<br>At the September 20, 2018 Board meeting                               | Resource Recovery Manager (Recycling Coordinator)            | Present to the Board for consideration option(s) on resale of reusable items and materials from our landfills.   | X      |           |         | A report was included in September Agenda. A partnership with MRWMD and Habitat for Humanity's ReStore has been initiated as a pilot program.                                |
| 2.<br>At the <del>September 20</del> October 18, 2018 Board meeting         | Resource Recovery Manager (Contracts and Grants Coordinator) | Provide the Board for consideration with a list of project-specific grants for infrastructure and identify staff and consultant needs to prepare grant applications. | X      |           |         | A list of projects has been identified along with applicable potential funding sources. A report is included in the October Agenda.  |
| 3.<br>At the <del>September 20</del> November 15, 2018 Board meeting        | Assistant 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       | MRWMD 18/19 rates have been provided and revised SVR equipment estimates are underway, defer to November after MOU terms approved  |
| 4.<br>At the <del>October 18</del> , <u>January 24</u> , 2018 Board meeting | General Manager  | Present to the Board ideas for funding Legacy liabilities, other than use of landfill disposal fees.   |        |           | X       | Currently following MRWMD process for establishing Capital Funding Assessment as an alternative funding mechanism, defer report until after MOU and finance reports approved |

| THREE-YEAR GOAL: <b><i>PROMOTE THE VALUE OF SVR SERVICES AND PROGRAMS TO THE COMMUNITY</i></b> |   |  |        |              |         |   |
|--|---|--|--------|--------------|---------|---|
| WHEN   | WHO   | WHAT   | STATUS |              |         | COMMENTS  |
|  |   |  | DONE   | ON<br>TARGET | REVISED |   |
| 1.<br>At the June 21,<br>2018 Board<br>meeting   | Resource Recovery<br>Manager (Recycling<br>Coordinator, working with<br>the Marketing Intern)   | Present to the Board for information the results of the Social<br>Media Campaign.  | X      |              |         | Presentation was made at<br>the June 21 <sup>st</sup> Board<br>Meeting.   |
| 2.<br>By October 1,<br>2018  | Six Board Members (De<br>La Rosa, Silva, Craig,<br>Barrera, Torres, Salinas)  | Attend at least one community event to promote SVR services<br>and programs and report the results to the Board.   | X      |              |         | Board to self-report<br>participation in SVR<br>services or programs. A<br>report is included in the<br>October Agenda. |
| 3.<br>By October 31,<br>2018   | Resource Recovery<br>Manager (Recycling<br>Coordinator, working with<br>the Marketing Intern with<br>involvement from Board<br>members) | Create a promotional short clip or picture of Board members for<br>social media with each Board member stating how they recycle<br>( <i>all Board member participation required</i> ). |        | X            |         | Editing of Board Member<br>video clips and final<br>product will be posted to<br>social media by the end of<br>Oct.     |

| THREE-YEAR GOAL: <b><i>MAINTAIN A HIGH PERFORMANCE AND FLEXIBLE WORKFORCE</i></b> |  |  |        |           |         |   |
|---|--|--|--------|-----------|---------|---|
| WHEN  | WHO  | WHAT   | STATUS |           |         | COMMENTS  |
|   |  |  | DONE   | ON TARGET | REVISED |   |
| 1.<br>By August 15, 2018  | Assistant General Manager                          | Update the Safety Training for the Administration Office.  | X      |           |         | Updates complete, and formalized training topics list implemented   |
| 2.<br>By December 15, 2018  | General Manager                                    | Complete 360* feedback evaluations for all managers.   |        |           | X       | Evaluation of consultant options under discussion   |
| 3.<br>By October 15, 2018   | Assistant General Manager                          | Incorporate facility staff into quarterly facility inspections to expand safety knowledge and provide more diverse feedback. | X      |           |         | Incorporated field staff into quarterly safety inspections as of March 2018   |
| 4.<br>By October 15, 2018   | Finance and Administration Manager (HR Supervisor) | Establish a Supervisor/Manager Development Program.  | X      |           |         | Training practices and programs are now formalized for all managers and supervisors, including State mandated and leadership programs |



## Report to the Board of Directors

**Date:** October 18, 2018

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

**Title:** September 2018 Quarterly Investments Report

### ITEM NO. 5

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

### RECOMMENDATION

Staff recommends that the Board accept the September 2018 Quarterly Investments Report.

The investment policy requires that the treasurer render an investment report to the Board of Directors at the first regular Board Meeting occurring after the end of each calendar quarter.

### STRATEGIC PLAN RELATIONSHIP

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

### FISCAL IMPACT

None

### DISCUSSION & ANALYSIS

The vast majority, \$25,042,604.93 (93.41%), of the Authority's investment portfolio is invested in the State's Local Agency Investment Fund (LAIF). For the month ended August 31, 2018, the LAIF effective yield was 1.998%. LAIF is invested as part of the State's Pooled Money Investment Account (PMIA) with a total of \$86.2 Billion as of August 31, 2018. Attached is a summary of the PMIA portfolio as of August 31, 2018. The Authority's LAIF investment of \$25,042,604.93 represents .029% of the PMIA.

### ATTACHMENT(S)

1. September 30, 2018 Cash and Investments Report
2. August 31, 2018 PMIA Portfolio Composition and Average Monthly Yields



## Attachment No. 1

SALINAS VALLEY SOLID WASTE AUTHORITY  
Cash and Investments Report  
September 30, 2018

| Issuer/Investment                           | Rate   | Balance                 | Maturity | Moody's<br>Rating |
|---|--------|-------------------------|----------|-------------------|
| Investments Managed by Authority Treasurer: |        |                         |          |                   |
| Petty Cash                                  | -      | \$ 1,600.00             | N/A      | N/A               |
| General Checking Account                    | -      | 499,233.72              | Same day | Aa2               |
| Payroll Checking account                    | -      | 101,974.98              | Same day | Aa2               |
| General Deposit Account                     | -      | 1,151,434.19            | Same day | Aa2               |
| Scalehouse Deposit Account                  | -      | 54,414.71               | Same day | Aa2               |
| FSA Checking Account                        | -      | 5,223.08                | Same day | Aa2               |
| LAIF  | 1.854% | 25,042,604.93           | Same day | N/A               |
| LAIF - PMV Adjustment                       |        | (48,031.96)             |          |                   |
|   |        | <u>\$ 26,808,453.65</u> |          |                   |

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





**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

| Date     | Daily Yield* | Quarter to Date Yield | Average Maturity (in days) |
|----------|--------------|-----------------------|----------------------------|
| 08/30/18 | 2.02         | 1.97                  | 186                        |
| 08/31/18 | 2.04         | 1.97                  | 191                        |
| 09/01/18 | 2.04         | 1.97                  | 191                        |
| 09/02/18 | 2.04         | 1.97                  | 191                        |
| 09/03/18 | 2.04         | 1.97                  | 191                        |
| 09/04/18 | 2.04         | 1.97                  | 191                        |
| 09/05/18 | 2.04         | 1.98                  | 189                        |
| 09/06/18 | 2.04         | 1.98                  | 189                        |
| 09/07/18 | 2.04         | 1.98                  | 190                        |
| 09/08/18 | 2.04         | 1.98                  | 190                        |
| 09/09/18 | 2.04         | 1.98                  | 190                        |
| 09/10/18 | 2.05         | 1.98                  | 189                        |
| 09/11/18 | 2.05         | 1.98                  | 189                        |
| 09/12/18 | 2.05         | 1.98                  | 189                        |
| 09/13/18 | 2.06         | 1.98                  | 190                        |
| 09/14/18 | 2.07         | 1.98                  | 190                        |
| 09/15/18 | 2.07         | 1.99                  | 190                        |
| 09/16/18 | 2.07         | 1.99                  | 190                        |
| 09/17/18 | 2.07         | 1.99                  | 187                        |
| 09/18/18 | 2.07         | 1.99                  | 188                        |
| 09/19/18 | 2.08         | 1.99                  | 188                        |
| 09/20/18 | 2.08         | 1.99                  | 188                        |
| 09/21/18 | 2.08         | 1.99                  | 187                        |
| 09/22/18 | 2.08         | 1.99                  | 187                        |
| 09/23/18 | 2.08         | 1.99                  | 187                        |
| 09/24/18 | 2.08         | 2.00                  | 189                        |
| 09/25/18 | 2.08         | 2.00                  | 188                        |
| 09/26/18 | 2.09         | 2.00                  | 190                        |
| 09/27/18 | 2.09         | 2.00                  | 192                        |
| 09/28/18 | 2.09         | 2.00                  | 193                        |
| 09/29/18 | 2.09         | 2.00                  | 193                        |

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

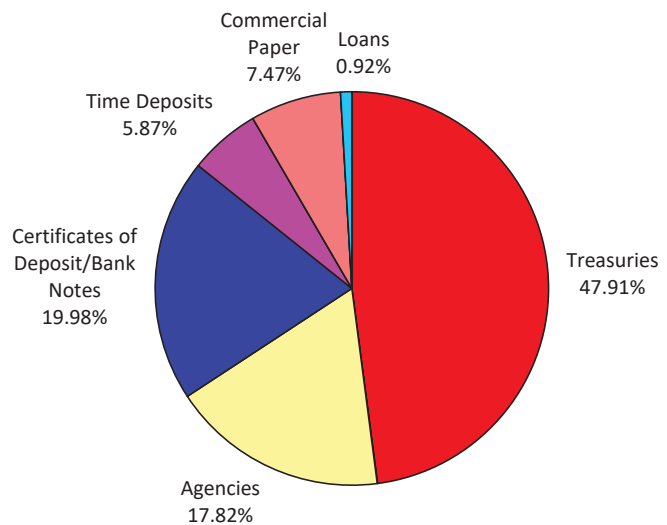
**Quarter Ending 06/30/18**

Apportionment Rate: 1.90%  
 Earnings Ratio: 0.00005216919081336  
 Fair Value Factor: 0.998126869  
 Daily: 1.92%  
 Quarter to Date: 1.76%  
 Average Life: 193

**PMIA Average Monthly  
Effective Yields**

**Aug 2018 1.998**  
 July 2018 1.944  
 June 2018 1.854

**Pooled Money Investment Account  
Portfolio Composition  
08/31/18  
\$86.2 billion**



Percentages may not total 100%, due to rounding.

Based on data available as of 10/3/2018



## Report to the Board of Directors

### ITEM NO. 6

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

**Date:** October 18, 2018

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

**Title:** 2018 Third Quarter Customer Service Results and  
Twelve-Month Comparison

### RECOMMENDATION

Staff recommends that the Board accept the Third Quarter customer service report.

### STRATEGIC PLAN RELATIONSHIP

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

### FISCAL IMPACT

No fiscal impact.

### DISCUSSION & ANALYSIS

As demands for service grow, it is imperative that the Authority continue to measure customer service to achieve greater efficiency and effectiveness. The Authority is focused on whether customers' needs are being met satisfactorily.

### BACKGROUND

The first customer survey was conducted in 2010. In 2014, the survey was completed again and scheduled on a quarterly basis thereafter.

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

- where the customers come from
- the quality of service provided by the Authority
- how often customers use our services, whether it's weekly, monthly or yearly
- marketing and public outreach communication efforts

The questions asked:

1. Is this your first time as the Sun Street Transfer Station?
2. If yes, how did you hear about the Sun Street Transfer Station?
3. If no, how often do you visit the Sun Street Transfer Station?
4. What services do you use? *(materials recovery center/household hazardous waste, organics/construction debris recycling area, waste disposal)*
5. Are you pleased with our services?

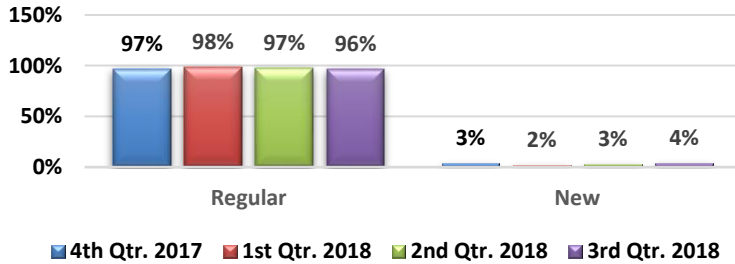
**Comments: 100% of the Customers surveyed during the Fourth Quarter of 2017, and First, Second, and Third Quarter of 2018 are pleased with our services.**

6. Would you like to see any improvements? What type? **No improvements.**
7. What Salinas city district are you recycling from?

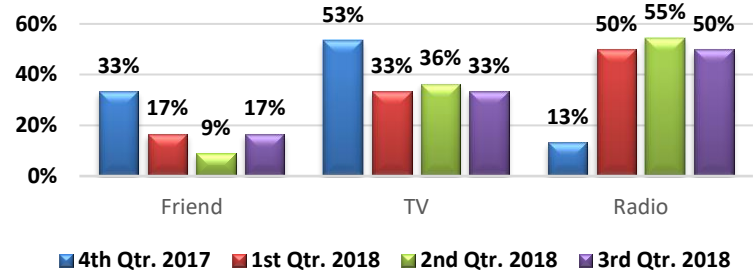
# SUN STREET MATERIALS RECOVERY CENTER

## Third Quarter 2018 Customer Service Survey Results and Twelve-Month Comparison

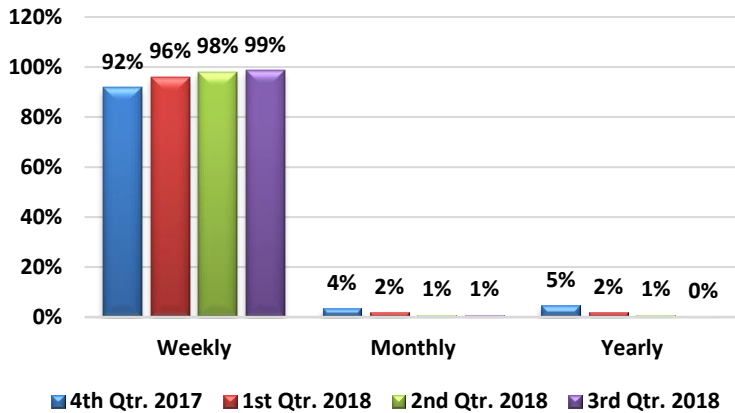
### 1. Is this your first time at the Sun Street Transfer Station?



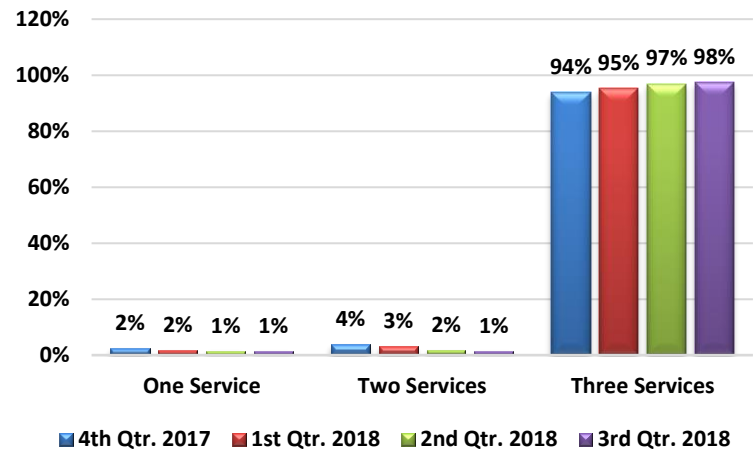
### 2. How did you (new customer) hear about the Sun Street Transfer Station?



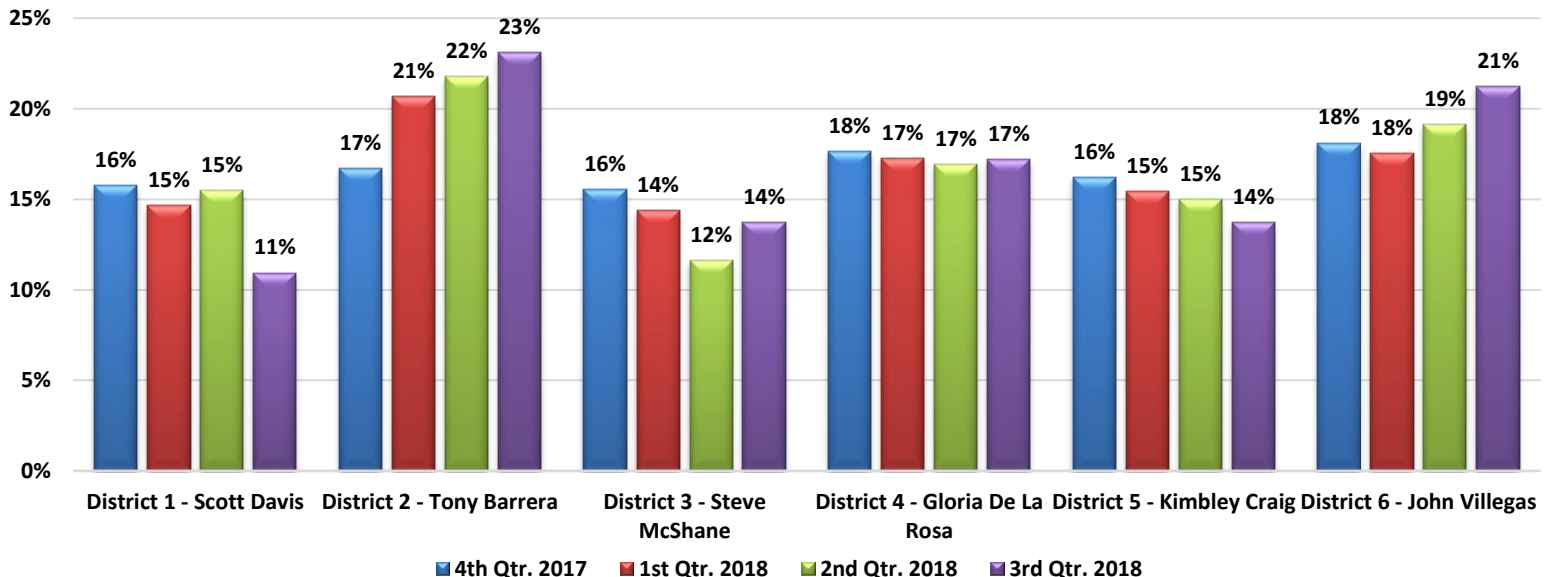
### 3. How often do you visit the Sun Street Transfer Station?



### 4. How many services do you use?



### 7: What District are you recycling from?





## Report to the Board of Directors

### ITEM NO. 7

N/A

Finance Manager/Controller-Treasurer

*Patricia M. Mather*

General Manager/CAO

N/A

General Counsel

**Date:** October 18, 2018

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

**Title:** A Resolution Approving the Regular Board of Directors and Executive Committee Meetings Calendar for 2019

### RECOMMENDATION

Staff recommends that the Board adopt the resolution.

### STRATEGIC PLAN RELATIONSHIP

This is an administrative item.

### FISCAL IMPACT

There is no fiscal impact.

### DISCUSSION & ANALYSIS

#### January Meeting (holidays) – Impacts Schedule

The Executive Committee meeting in January are proposed to be held one week later than regularly scheduled, due to the holidays, as has been done in the past. If kept on the regular schedule, the Executive Committee meeting would be held on January 3. The Board of Directors meeting is also proposed to be held one week later than regularly scheduled, due to a potential conflict with the League of California Cities New Mayors & Council Members Academy scheduled for January 16-18. If held on regular schedule, the Board of Directors meeting would be held on January 17. By moving the meetings one week later, the Executive Committee meeting would be held on January 10 and the Board of Directors meeting would be held on January 24.

#### October Meeting (League of California Cities) – Impacts Schedule

The League of California Cities Annual Conference has caused a quorum issue in past years. The League's 2019 Annual Conference is scheduled for October 16-18, which does coincide with the Board of Directors regular meeting date. Staff is proposing to move the October Board meeting one week later from the regular schedule to avoid this conflict. By moving the meeting one week later, the Board of Directors meeting would be held on October 24.

#### December Meeting Optional Cancellation

Due to past Board comments and concerns raised over the proximity of the December Board meetings with holiday activities and events, staff is proposing to establish the December meeting as optional, pending any critical issues that would need to be addressed in a timely manner in December. The decision to cancel the December meeting would be made at the October or November meeting, in consideration of agenda needs.

## BACKGROUND

On December 15, 2005, the Board established that the regular Board meeting date as the 3<sup>rd</sup> Thursday of each month at 6:00 p.m. in the City Council Chambers of the City of Gonzales. The Executive Committee meetings, while convened on an "as needed" basis, have an established meeting schedule, which is currently the Thursday two weeks prior to each Board meeting at 4:00 p.m. This schedule enables staff to ensure that issues which need Executive Committee review are considered on a timely basis and to allow enough time to prepare reports for the upcoming Board meeting.

The proposed calendar takes into account holidays and the League of California Cities January Academy and October Annual Conference. Conflict with Board Members' schedules have previously caused an issue due to lack of quorum.

## ATTACHMENT(S)

1. League of California Cities & California State Association of Counties – short list of conferences
2. Resolution
3. Exhibit A – Revised 2019 Meetings Calendar

### League of California Cities – 2019

| Date                          | Event                                    | Location      |
|-------------------------------|--|---------------|
| January 16 - January 18, 2019 | New Mayors & Council Members Academy     | Sacramento    |
| January 30 – February 1, 2019 | New Mayors & Council Members Academy     | Irvine        |
| June 19 - June 20, 2019       | Mayors & Council Members Executive Forum | Newport Beach |
| October 16 – October 18, 2019 | 2019 Annual Conference & Expo            | Long Beach    |

### California State Association of Counties - 2019

| Date              | Event                  | Location          |
|-------------------|------------------------|-------------------|
| April 24-25, 2019 | Legislative Conference | Sacramento County |

## RESOLUTION NO. 2018 -

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY DESIGNATING THE DATE, TIME AND PLACE FOR REGULAR BOARD AND EXECUTIVE COMMITTEE MEETINGS FOR CALENDAR YEAR 2019**

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

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

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

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 18<sup>th</sup> day of October 2018, by the following vote:

AYES:           BOARD MEMBERS:

NOES:           BOARD MEMBERS:

ABSENT:        BOARD MEMBERS:

ABSTAIN:       BOARD MEMBERS:

---

Simon Salinas, President

ATTEST:

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Erika J. Trujillo, Clerk of the Board

## 2019 Meetings Calendar

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

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

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

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

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

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

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

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

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

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

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

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

### January

10 – Exec Committee  
24 – Board of Directors

### February

7 – Exec Committee  
21 – Board of Directors

### March

7 – Exec Committee  
21 – Board of Directors

### April

4 – Exec Committee  
18 – Board of Directors

### May

2 – Exec Committee  
16 – Board of Directors

### June

6 – Exec Committee  
20 – Board of Directors

### July

Meetings Recess

### August

1 – Exec Committee  
15 – Board of Directors

### September

5 – Exec Committee  
19 – Board of Directors

### October

3 – Exec Committee  
24 – Board of Directors

### November

7 – Exec Committee  
21 – Board of Directors

### December

5 – Exec Committee  
19 – Board of Directors



Executive Committee Meeting | Regularly meets the **Thursday** 2 weeks before the Board meeting at 4:00 p.m.  
128 Sun Street, Suite 101, Salinas, CA 93901 (unless otherwise noticed)



Board of Directors Meeting | Regularly meets the 3rd Thursday of month at 6:00 p.m.  
117 Fourth Street, Gonzales, CA 93926 (unless otherwise noticed)



Special Meeting | Annual Retreat



League of California Cities New Mayors & Council Members Academy (for reference only)



League of California Cities Annual Conference (for reference only)



December Meetings Tentative (pending critical Board action items)

\*

January Board of Directors and Executive Committee meetings, October Board of Directors meeting scheduled one week later from regular schedule.

\*\*

July Meetings Recess

Agenda materials are normally posted to the website on Friday's before the next scheduled meeting.

<http://svswa.org/government/agendas-meeting-schedules/>





## Report to the Board of Directors

### ITEM NO. 8

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** October 18, 2018

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

**Title:** A Resolution Approving Supplemental Appropriation of \$21,782 for CalRecycle's Beverage Container Recycling City/County Payment Program 2017-18

### RECOMMENDATION

The Executive Committee recommends the Executive Committee recommends adoption of the resolution to the Board.

### STRATEGIC PLAN RELATIONSHIP

The recommended action supports the Authority's Strategic Goal A: Select and Implement Facilities (e.g., Salinas Area Materials Recovery Center) and Programs that Lead to Achievement of at Least 75% Waste Diversion. This action enables collaborative beverage container recycling programs with member agencies to divert materials from the landfill.

### FISCAL IMPACT

Annual funding for CalRecycle's Beverage Container Recycling City/County Payment Program (CCPP) is approved at the end of their fiscal budget and awarded in the following fiscal year. The Authority's FY 2017-18 Budget was adopted prior to notification of this funding award. Therefore, supplemental appropriations are needed to include the revenue and its associated expenditures, which is planned to be used as indicated below.

This funding is provided in advance to be expended between June 4, 2018 - June 29, 2020. Funds not expended by term end must be returned to CalRecycle. CalRecycle submits the payment directly to the member cities, the cities then remit the funds to the Authority for administering and reporting.

| Grant Budget Items for CCPP 16-17      | FY 17-18 Budget |
|--|-----------------|
| Training                               | 3,900           |
| Litter Clean Up                        | 2,310           |
| Beverage Container Collection Programs | 8,272           |
| Advertising/Promotional                | 7,300           |
| <b>Total CCPP 17-18 Funding</b>        | <b>\$21,782</b> |

Although the funding is pooled in the Authority's accounting, each City's expenditures is tracked individually to ensure appropriate allocation. The funding will be used to assist member agencies in implementing beverage container recycling programs, outreach and education, provide litter abatement services and supplies, and continue supporting the Central Coast Recycling Media Coalition.

## DISCUSSION & ANALYSIS

The Authority has an Interagency Agreement with each member city to provide contract administration services of their respective franchise agreements with their waste haulers. As part of the Interagency Agreement, the Authority applies for and administers the CCPP funding for each of the member cities. Each year, staff works with each member city to identify recycling and waste reduction needs and then utilize the pooled CCPP funding to provide necessary recycling infrastructure, services, and/or outreach and education materials.

This year, the Authority submitted funding requests for all its member cities in April. Funds were awarded in July 2018, however on August 24, 2018, the City of Salinas submitted a notice of termination to the Authority for contract administration services of its franchise agreement with Republic Services. Therefore, going forward the Authority will no longer administer the City of Salinas CCPP funds. The Authority has notified the City of Salinas that it no longer needs to forward the funds to the Authority and the City will be responsible for the reporting, expenditure, and administration of the funding.

The CCPP 2017-18 funds were awarded as follows:

| <b>Member Agency</b>            | <b>City Funding</b> |
|---------------------------------|---------------------|
| City of Gonzales                | 5,000               |
| City of Soledad                 | 6,782               |
| City of Greenfield              | 5,000               |
| City of King                    | 5,000               |
| <b>Total CCPP 17-18 Funding</b> | <b>\$21,782</b>     |

Prior funds have been used to purchase recycling infrastructure, brochures, and signage for various schools and businesses throughout the Authority's jurisdiction. Funds were also used to support regional programs such as the litter cleanup along Highway 101 near Gonzales and participation in the Central Coast Recycling Media Coalition for public outreach through media advertisement. Staff continuously collaborates with its member cities on the use their funds as required under program guidelines.

## BACKGROUND

CalRecycle administers the Beverage Container Recycling City/County Payment Program to provide opportunities for beverage container recycling and litter cleanup activities. The goal of this program is to reach and maintain an 80 percent recycling rate for all California refund value beverage containers -- aluminum, glass, plastic and bi-metal. Projects implemented by cities and counties will assist in reaching and maintaining this goal.

The Authority administers the CCPP funding for the cities as a service under the Interagency Agreement to provide contract administration services of the cities franchise solid waste. Staff annually submits the on-line CCPP funding request to CalRecycle on behalf of the cities. Depending on whichever is greater, each city is eligible to receive a minimum of \$5,000 or an amount calculated on a per capita basis. The State's Controller's Office sends the payments directly to the City Managers and then the funds are remitted to the Authority.

The funds have provided critical public education on the importance of bottle and can recycling through our school programs, mass advertising, and numerous outreach events. In addition, funds have been used to provide recycling containers and park benches/tables made from recycled materials for member cities, and to sponsor regional litter abatement programs.

## ATTACHEMENT(S)

1. Resolution

## RESOLUTION NO. 2018 –

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A SUPPLEMENTAL APPROPRIATION OF \$21,782 FOR CALRECYCLE'S FY 2017-18 BEVERAGE CONTAINER RECYCLING CITY/COUNTY PAYMENT PROGRAM**

**WHEREAS**, on March 15, 2018, the Board of Directors of the Salinas Valley Solid Waste Authority approved the Fiscal Year 2018-19 Operating Budget; and,

**WHEREAS**, CalRecycle awarded the funds for the City/County Payment Program 2017-18 after the approval of the Authority's Fiscal Year 2018-19 Budget; and,

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Salinas Valley Solid Waste Authority that a Supplemental Appropriation of \$21,782 for CalRecycle's Beverage Container Recycling City/County Payment Program 2017-18 is hereby approved; and,

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

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 18th day of October 2018, 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



## Report to the Board of Directors

### ITEM NO. 9

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

N/A

General Counsel

**Date:** October 18, 2018

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

**Title:** Report on Opportunities of Project-Specific Grants for Infrastructure

### RECOMMENDATION

Staff recommends that the Board accept this report.

### STRATEGIC PLAN RELATIONSHIP

This report completes Strategic Objective No. 2: Provide the Board for consideration a list of project-specific grants for infrastructure and identify staff and consultant needs to prepare grant applications, under the Strategic Goal: Reduce landfill disposal fee dependence through self-funded programs and new revenue sources.

### FISCAL IMPACT

This is an informational item. Acceptance of this report has no fiscal impact.

### DISCUSSION & ANALYSIS

At the Board's direction, staff compiled a list of potential infrastructure projects for which grant funding may be available. The list was developed assuming a status quo of the Authority operations. Major infrastructure projects and grant funding would be dependent on future decisions of the Board, and staff will seek Board direction before any application is submitted. Staff recommends that determination of grant administration be decided based on the complexity of the grant application and management process. Many grants can be prepared and managed internally by Authority staff, and other more complex may be more beneficial to have managed by an outside consultant.

Some of the larger infrastructure projects identified are conceptual and will require further study and Board concurrence before they are pursued. It is uncertain at this time whether the identified grant programs would be 100% fit for the proposed projects. The project would need to be explicitly defined and matched with the program evaluation criteria in order to determine funding eligibility. Some grant programs are continuously available during the same period. However, others may be available for a limited time. The application date of some programs has passed, and it is unknown whether the program will be available in future State/Federal Fiscal allocations, however staff included these as reference for possible future grant opportunities. See Attachment 1 for the list of projects and possible grant funding.

### BACKGROUND

None

## **ATTACHMENTS**

### 1. Grant Project Funding Opportunities

## ATTACHMENT 1 – GRANT PROJECT FUNDING OPPORTUNITIES

Some projects are conceptual and would require formal Board approval before they are pursued. Projects will require further definition in order to determine grant funding eligibility.

| Project  | Grant   | Funder                                      | Admin        | Potential Funding   | Est. Application Date |
|--|---|---|--------------|---|-----------------------|
| <b>Johnson Canyon Regional Landfill Road Pavement</b><br>- Hot-Mix Project: must use a minimum of 2,000 tons of RAC hot-mix.<br>- Chip Seal Project: must use a minimum area of 40,000 square yards of chip seal material. | <a href="#">Rubberized Pavement Grant Program</a>   | CalRecycle                                  | County/SVSWA | <b>\$350,000</b><br>Individual<br><br><b>\$500,000</b><br>Regional              | Annual July           |
| <b>Johnson Canyon Regional Landfill Road Pavement</b><br>- <a href="#">Lightweight Embankment Fill</a>   | <a href="#">Tire-Derived Aggregate Program</a>  | CalRecycle                                  | SVSWA        | <b>\$350,000</b> or<br><b>\$750,000</b><br>for Very Large Project               | November 2019         |
| <b>Free Used Tire Recycling Collection Events</b>  | <a href="#">Local Government Waste Tire Amnesty Program</a>   | CalRecycle                                  | SVSWA        | <b>\$90,000</b><br>Regional   | March                 |
| <b>Landfill Monitoring Vehicle Replacement (Electric)</b>  | <a href="#">AB 2766 Emission Reduction Program</a><br>EV Replacement Incentive Program                            | Monterey Bay Air Resources District (MBARD) | SVSWA        | \$10,000  | Annual June           |
| <b>Water Truck Replacement</b>   | <a href="#">AB2766 Emission Reduction Program</a><br>Direct Emissions Reduction Project ( <i>Motor Vehicles</i> ) | Monterey Bay Air Resources District (MBARD) | SVSWA        | <b>\$200,000</b> or<br><b>\$400,000</b><br>if project has fixed costs >= to 75% | Annual March          |
| <b>Electric Grinders and Screen Replacement for Organics Program</b>   | Carl Moyer Program<br><a href="#">Off-Road Equipment Replacement</a>  | Monterey Bay Air Resources District (MBARD) | SVSWA/Vision | <b>65%</b><br>grant max<br>(2 projects per applicant)                           | Annual March          |
| <b>Johnson Canyon Landfill Pump Replacement</b>  | Carl Moyer Program<br><a href="#">Agricultural Irrigation Pump</a>  | Monterey Bay Air Resources District (MBARD) | SVSWA        | <b>65%</b><br>grant max   | Annual March          |

|  |   |                              |           |   |                                     |
|--|---|------------------------------|-----------|---|-------------------------------------|
| Global OrganicS Energy – Clean Fiber and Organics Recovery System - GHG Reduction  | <a href="#">Recycled Fiber, Plastic, and Glass Program</a>  | CalRecycle                   | SVSWA/GOE | \$2,400,000<br>+25%<br>Performance<br>Payment for total<br>of \$3,000,000 | May                                 |
| <b>HHW Facility Improvements</b><br>-Build a roof over the HHW facility drop-off area for residents and staff<br>-Build a Reuse & Education Center<br>-Purchase a fixed radiation detection equipment to ensure HHW staff safety<br>-Establishing permanent and mobile Reuse Centers<br>-Public Outreach & Education Campaign<br>-Purchase of personal protection equipment<br>-8-hour refresher HAZWOPER training | <a href="#">Household Hazardous Waste Grant</a>   | CalRecycle                   | SVSWA     | \$100,000<br>Regional   | Winter 2019                         |
| <b>Wind Turbine Renewable Energy at Johnson Canyon Landfill</b><br>-Applied research & development<br>-Technology demonstration & deployment<br>-Market facilitation   | <a href="#">Cost Share for Federal Funding Opportunities for Energy Research, Development, and Demonstration</a><br>-Applied research & development<br>-Technology demonstration & deployment<br>-Market facilitation | California Energy Commission | TBD       | \$250K - \$3M<br><br>25% - 50%<br>maximum match                           | Unknown                             |
| Landfill Gas to Gonzales Energy Grid Partnership with Ameresco   | <a href="#">The EPIC Challenge: Accelerating the Deployment of Advanced Energy Communities Phase II</a>   | California Energy Commission | TBD       | \$5 - \$10M<br>50% match<br>Must have applied<br>for Phase I              | Ph I 2/17/16<br>Ph II 9/21/18       |
| Solar Project at Johnson Canyon (Bioenergy)  | Cost Reductions, Advanced Technology for Solar Modules (CREATE Solar)   | California Energy Commission | TBD       | \$12M available   | Release<br>Nov. 2018 –<br>Jan. 2019 |
| Landfill Gas to Renewable Natural Gas at JC for Vehicles   | <a href="#">Bringing Rapid Innovation Development to Green Energy (BRIDGE)</a><br>-Applied research & development   | California Energy Commission | TBD       | \$1M - \$5M<br>10% - 20%<br>Cash in Hand<br>Match Funds                   | April 19,<br>2018                   |

|   |  |                                     |       |  |                      |
|---|--|-------------------------------------|-------|--|----------------------|
|   | -Technology demonstration & deployment   |                                     |       |  |                      |
| Carbon Sequestration at SVR properties including grazing lands    | <a href="#">Novel and Enabling Carbon Capture Transformation Technologies</a>  | US Dept of Energy                   | TBD   | <b>\$2M - \$3M</b><br>possible 20% cost share                      | 11/22/17<br>10/25/18 |
| Digester at Crazy Horse Landfill                                  | <a href="#">Rural Energy for America Program Renewable Energy Systems &amp; Energy Efficiency Improvement Loans &amp; Grants</a> | USDA                                | TBD   | \$2,500 - \$500K<br>Grant applicant to provide 75% of project cost | Continuous           |
| Street Sweeper to Prevent Waste from Entering Storm Water Systems | <a href="#">Cleanup and Abatement Account</a>  | State Water Resources Control Board | SVSWA | \$250K   | Continuous           |

[https://www.fedconnect.net/FedConnect/PublicPages/PublicSearch/Public\\_Opportunities.aspx](https://www.fedconnect.net/FedConnect/PublicPages/PublicSearch/Public_Opportunities.aspx)

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/)





## Report to the Board of Directors

### ITEM NO. 10

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

**Date:** October 18, 2018

**From:** Mandy Brooks, Resource Recovery Manager

**Title:** Adopt a Resolution Authorizing the Release of a Request for Proposal for Conducting a Waste Characterization Study Not to Exceed \$150,000

### RECOMMENDATION

Staff recommends adopting the resolution for this item. Releasing a Request for Proposal (RFP) to conduct a Waste Characterization Study allows the Authority to plan and implement effective and sustainable solid waste and resource recovery policies and programs.

### FISCAL IMPACT

The current budget includes \$150,000 for this item in the Capital Improvement Project 9106.

### DISCUSSION & ANALYSIS

Effective planning for any solid waste and resource recovery agency requires knowing how much of each type of material is in the waste stream, who generates the material, and where it originates from. The process is known as a Waste Characterization Study. The study will be conducted over two survey periods at each of the Authority's three facilities including the Madison Lane Transfer Station in Salinas.

With current information and data on the types and amounts of materials disposed of in the waste stream, the Authority can better plan and implement new waste diversion activities to achieve compliance with various state mandates. Over the past year, the Authority has worked to expand the current organics recycling operation to achieve the levels of diversion and greenhouse gas emission reductions required by the Mandatory Commercial Organics Recycling Program (Assembly Bill 1826) and Short-Lived Climate Pollutants and Methane Emissions Reduction Strategy (Senate Bill 1383). These mandates effectively eliminate the disposal of organic materials (including food scraps) in landfills by 2025 and are driving changes in the way organic waste material will be handled.

The Authority's most current Waste Characterization Study was conducted in 2007- 2008. The study was conducted by Cascadia Consulting Group and was used to characterize the Salinas Valley's landfilled Municipal Solid Waste (MSW) and supported efforts to implement programs to increase the amount of material diverted to achieve AB 939 compliance and the Authority's 75% diversion goal.

Since 2008, there have been changes in demographics in the Authority's service area that should be accounted for with a new Waste Characterization Study. With the development of the Memorandum of Understanding (MOU) between the Authority and Monterey Regional Waste Management District (District) for collaborative infrastructure use, it is important to complete a waste characterization study to determine recovery value for mixed commercial and multi-family wastes (i.e. available capacity at the District's updated MRF). In addition, it provides staff more accurate information to make decisions on current and future diversion programs including implementation of new conversion technologies (i.e. Clean Fiber and Organics Recovery Technology partnership with Global OrganicS Energy) to increase materials recovery of landfilled wastes.

Pending Board approval, the RFP is scheduled for release on October 19 with a contract award to the successful proposer anticipated in mid-November. Staff will come back to the Board to request approval of the contract award.

## **BACKGROUND**

To have an effective solid waste planning and delivery process, the Authority must understand the waste stream. A Waste Characterization or Composition Study identifies material types, how much is generated, and where it comes from. Waste samples are visually characterized into various waste categories to derive statistically valid estimates of the composition of residential, multi-family, commercial, industrial, and self-haul waste from the six jurisdictions within the Authority's service area. This information is essential to waste management policy and program implementation.

CalRecycle conducted a Statewide Waste Composition Study in 2014, to characterize and quantify the statewide disposed waste stream. The 2014 study estimates the quantity and composition of the commercial, residential, and self-hauled waste streams in California and aggregates this data to estimate the overall composition. While this study is useful, detailed and region-specific data is required to make policy and planning decisions specific for the Authority demographics.

Before the 2007-2008 Waste Characterization study was conducted, a similar study was conducted by the Authority in 1999 by Brown, Vence & Associates. This initial study was used to establish the new base years for the member cities and the Source Reduction and Recycling Element (SRRE) for AB 939 compliance.

## **ATTACHMENT(S)**

1. Resolution
2. RFP For Waste Characterization Study

**RESOLUTION NO. 2018 -**

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY  
RELEASING A REQUEST FOR PROPOSAL FOR CONDUCTING A WASTE CHARACTERIZATION STUDY  
NOT TO EXCEED \$150,000**

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY** that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to release a request for proposal for conducting a Waste Characterization Study not to exceed \$150,000.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 18<sup>th</sup> day of October 2018, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

\_\_\_\_\_  
Simon Salinas, President

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



**SALINAS VALLEY SOLID WASTE AUTHORITY**

**REQUEST FOR PROPOSALS**

**FOR**

**WASTE CHARACTERIZATION STUDY for SUN STREET  
TRANSFER STATION, JOHNSON CANYON LANDFILL, and  
JOLON ROAD TRANSFER STATION**

**October 19, 2018**

## SECTION 1 GENERAL INFORMATION

### Introduction

The Salinas Valley Solid Waste Authority (Authority) (a.k.a. Salinas Valley Recycles)) seeks proposals from qualified consultants to provide professional services to perform a waste characterization study of the agency's three disposal and resource recovery facilities. With the new state mandates, AB 341, AB 1826 and SB 1383 primarily focus on diverting commercial recyclables and organic waste from landfill disposal and related greenhouse gas emission reductions, the services requested will assist in focusing on achieving the requirements of the laws and the Authority's goal of attaining 75% diversion from landfills by targeting reduction of waste materials as it relates to the current Strategic Plan Goals and Objectives to, "Select and Implement Facilities (e.g. Salinas Area Materials Recovery Center) and Programs that Lead to Achievement of at Least 75% Waste Diversion", as approved by the Authority's Board of Directors.

The Authority was formed in January 1997 to administer a solid waste management system and source reduction and recycling services for the Cities of Salinas, Gonzales, Soledad, Greenfield and King City, and the eastern unincorporated area of Monterey County. The Authority is an autonomous governmental organization controlled by a board of directors composed of elected or appointed representatives of each of the member cities and the unincorporated county areas. The Authority's mission is 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. The Authority is also responsible for the regulatory compliance of designated solid waste disposal sites within its boundary, which includes the Lewis Road Landfill (*closed*), Crazy Horse Landfill (*closed*), Sun Street Transfer Station, Johnson Canyon Landfill, and Jolon Road Transfer Station and Landfill (*closed*).

### Proposal Submittal

Proposals must be received by **2:00 pm, Wednesday, Nov. 7, 2018** (no post marks) at the following address:

Salinas Valley Solid Waste Authority  
Attn: Erika J. Trujillo, Clerk of the Board  
By Mail: 128 Sun Street, Suite 101, Salinas, CA 93901  
By Delivery: 128 Sun Street, Suite 101, Salinas, CA 93901  
**Email: [bids@svswa.org](mailto:bids@svswa.org)**

The complete proposal and any accompanying documents and/or attachments shall be submitted in a sealed envelope with **"RFP: Waste Characterization Study Services"** clearly marked, using font size 36, on the lower right-hand corner of the envelope. Email Proposals will NOT be considered.

The Authority Clerk or his/her designee will determine if RFP submittal time has expired by accessing [www.time.gov](http://www.time.gov) for the official time. **It is the proposer's responsibility to ensure that said proposal is received by the Authority Clerk, at the Authority Clerk's Office, prior to the aforementioned designated date and time.** Proposals received after this deadline will be returned unopened.

### Proposal Content and Format

To be considered "responsive" submitted Proposals should adhere to the following guidelines as outlined below:

Proposers shall submit Proposals using a two-envelope system.

1. The first envelope shall contain the proposer's qualifications and experience or **technical portion** of the Proposal.
2. The second envelope shall contain the proposed fees as outlined in the **Authority Proposal Form and Fee Schedule**.
3. Each envelope will be clearly marked "**ENVELOPE 1: TECHNICAL PROPOSAL**" and "**ENVELOPE 2: COST PROPOSAL**".
4. Each envelope shall be sealed separately and placed in a submission envelope clearly marked "**RFP: Waste Characterization Study Services**", using font size 36, on the lower right-hand corner of the envelope to be submitted to the Authority.
5. Failure to separately and completely seal, clearly label each envelope or place cost proposal documentation within the technical envelope of the Proposal may disqualify the Proposers submission.

Please clearly mark and submit one (1) original hard copy marked as "Original", and three (3) facsimiles marked as "Copy" of the technical portion of the Proposal and one (1) original copy of the cost Proposal. Responses must be in English.

Technical Proposal. Statement of Qualifications - Provide a brief overview of company, including history and size, list of office locations, and the extent of the company's background and experience conducting waste characterization studies or similar work.. Resumes of key personnel may be submitted. Indicate the consultant's primary contact person's name and title. Also, include e-mail, mailing address, telephone and fax number of the company.

Past Performance/Experience.

1. Provide a list of similar projects the consultant has performed.
2. Samples of work, including, but not limited to research protocol and sampling plans, other waste characterization studies completed for similar agencies, etc. – submit items as Attachments.
3. List of three (3) business references.
4. Ability to seamlessly communicate electronically between Authority and consultant, including, but not limited to e-mail, Microsoft Office programs, PDFs, etc.

Scope of Work. Please refer to Attachment 2 for additional information.

Cost Proposal (to be included in Separate Envelope). Use the enclosed Authority Proposal Form and Fee Schedule to submit an hourly fee schedule which encompasses the professional services offered by type, such as staff time (field work, admin and/or office work, etc.), resources, materials or products, travel, mileage, etc. Include hourly costs and/or overhead costs for sub-consultants, outside services, or other subcontractors.

All proposals must be signed by an official authorized to quote and bind consultant to services and costs offered in the Proposal. All addendum(s) issued for this RFP must be incorporated into consultant's Proposal to ensure receipt by consultant.

Digital, copier, or facsimile reproductions of the Authority logo should not be used in any documents submitted in response to this RFP. Any page of the consultant's response package that is deemed to be a trade secret by the consultant shall be clearly marked "**PROPRIETARY INFORMATION**" at the top of the page in at least font size 36 letters. Fold out charts, tables, spreadsheets, brochures, pamphlets

and other pertinent information or work product examples may be included as attachments.

### **Schedule for Selection Process**

|                                     |                       |
|-------------------------------------|-----------------------|
| Issue RFP                           | October 19, 2018      |
| Comments Due                        | October 26, 2018      |
| Proposals Due                       | November 7, 2018      |
| Interview Candidates (if necessary) | November 13 - 16 2018 |
| Award Contract                      | November 2018         |

### **Questions Regarding This Project**

Questions regarding this RFP must be submitted in writing prior to close of business on **Friday, October 26, 2018**. The Authority reserves the right to disregard questions raised after that time. Questions should be sent to:

Salinas Valley Solid Waste Authority  
Attn: **Mandy Brooks**  
128 Sun Street, Suite 101, Salinas, CA 93902-2159, Fax (831) 755-1322  
Email: [bids@svswa.org](mailto:bids@svswa.org)

Copies of questions and written responses will be provided to all those receiving RFPs around **November 1, 2018**.

### **Basis of Award/Selection Process**

The award will be made to consultant(s) who submits the proposal which will best serve the needs as determined by the Authority. Basic qualifications for consideration shall include the following:

1. Specialized Experience
  - a. What is the relationship between the consultant's specialized experience and how it relates to conducting and performing waste characterization studies of a similar sample size and experience in tracking, analyzing, summarizing, and presenting findings?
2. Project Understanding and Approach to Work
  - a. To what extent does the consultant's proposal demonstrate work completed for customers of a similar nature to services desired by the Authority?

The selection of consultant(s) and subsequent contract award(s) will be based on, but not limited to the following selection criterion:

1. Each proposal will be reviewed for completeness, responsiveness and benefit to the Authority.
2. Provision of three (3) client references where similar scope and services have been provided, and reference check results.
3. Cost proposal will only be reviewed after a preferred vendor is selected.
4. Sustained industry reputation for customer satisfaction in meeting specifications and providing technical advice and support as required.
5. Intimate knowledge of development, design, and implementation of waste characterization studies.
6. Proven record of timely delivery of services, within allocated budget.
7. Ability to provide cohesive interaction of electronic media between consultant(s) and Authority.
8. Ability to provide services within the timeframe of the project.

The evaluation of Proposals and the selection of the successful consultant(s) will be accomplished exclusively by the Authority in accordance with the criteria established within this RFP.

The Authority will pursue contract negotiations with the consultant(s) who submits the best Proposal, in the sole opinion of the Authority, and which is in accordance with the criteria as described within this RFP. If the contract negotiations are unsuccessful, in the opinion of either the Authority or the consultant(s), the Authority may pursue contract negotiations with the company which submitted a Proposal which the Authority deems to be the next best qualified to provide the services or the Authority may issue a new RFP or take any other action which it deems to be in its best interest.

Consultants are to respond to all information requested within this RFP. Brochures and pamphlets will not be accepted as a substitute for these requirements. A qualified, responsive proposal must address all items. The Authority has the option to award a portion or portions of this contract to multiple successful consultant(s) at the sole discretion of and benefit to the Authority. The award(s) resulting from this RFP will be made to the consultant(s) that submit a response that, in the sole opinion of the Authority, best serves the overall interest of the Authority.

The award(s) made from this RFP may be subject to approval by the Authority Board of Directors. The absence of required information will cause the Proposal to be deemed unresponsive and may be cause for rejection.

### **Reservations**

The Authority reserves the right to do the following at any time, for its own convenience, and at its sole discretion:

1. To reject any and all responses, without indicating any reasons for such rejection.
2. Waive or correct any minor or inadvertent defect, irregularity or technical error in any quote or procedure, as part of the RFP or any subsequent negotiation process.
3. Terminate this RFP and issue a new RFP anytime thereafter.
4. Procure any materials or services specified in the RFP, including deadlines for accepting Proposals by issuance of an Addendum at any time prior to the deadline for receipt of responses to the RFP.
5. Disqualify any Respondent on the basis of any real or perceived conflict of interest or evidence of collusion that is disclosed by the response or other data available to the Authority. Such disqualification is at the sole discretion of the Authority.
6. Reject any Respondent that is in breach of or in default under any other agreement with the Authority.
7. Reject any Respondent deemed by the Authority to be non-responsive, unreliable, unqualified or non-responsible.

### **Interpretation**

Should any discrepancies or omissions be found in the RFP specification/requirements, or doubt as to their meaning, the respondent shall notify the Authority in writing at once (e-mail is acceptable). The Authority shall not be held responsible for oral interpretations. All addenda issued shall be incorporated into the Contract.

### **Notice of Intent to Award**

Notice of Intent to Award may be issued upon receipt of all required documents.



**Requirements of Proposer**

The Proposer shall be required to:

1. Bear all costs of proposal preparation and interview process (if applicable).
2. Accept the terms and conditions of the Authority's Agreement (Attachment No. 1).
3. Be licensed with the State of California as required for this project.
4. Be knowledgeable of applicable California and federal laws and regulations and local ordinances.

### Authority Proposal Form and Fee Schedule

The undersigned offers and agrees to furnish all work, materials, equipment or incidentals which are subject to this Requests for Proposals at the prices stated, and in conformance with all plans, specifications, requirements, conditions and instructions of the Authority's Request for Proposals.

| <b>Service or Product Description</b>                          | <b>Hrs./Qty.</b> | <b>Cost Per Hr./Qty</b> | <b>Total Cost</b> |
|--|------------------|-------------------------|-------------------|
| Task 1: Initial meeting and facility tours:                    |                  |                         |                   |
| Task 2: Develop research protocol, sampling plan, and schedule |                  |                         |                   |
| Task 3: Collect waste characterization data                    |                  |                         |                   |
| Task 4: Obtain tonnage data                                    |                  |                         |                   |
| Task 5: Conduct analysis                                       |                  |                         |                   |
| Task 6: Prepare and present final report                       |                  |                         |                   |
|  |                  |                         |                   |
|  |                  |                         |                   |
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**Optional Services:**

The optional services are not a requirement of the RFP but could be incorporated into the final Agreement as determined by the Authority during the evaluation and negotiation process.

| Optional Services | Cost |
|-------------------|------|
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## Standard Terms and Conditions

- A. Any exceptions to, or deviations from specifications, conditions, or requirements as noted in this request: CHECK ONE:
- ( ) None
  - ( ) Detailed Statement Attached (on company letterhead)
- B. Invoicing. The Authority will only pay by original invoice. No invoices for partial shipments shall be authorized for payment without prior approval by the Authority. Invoices in triplicate must be made to number, name of requesting department, description of items purchased, unit prices, and all applicable taxes and shipping charges.
- C. Controlling Law. The Contract shall only be governed and constructed in accordance with laws of the State of California and proper venue for legal action regarding the contract shall be the Authority.
- D. Taxes, Charges and Extras.
- Unless otherwise definitely specified, the prices quoted herein do not include Sales, Use or other taxes. Phrases on any offer reading “Full Contract Price” or “Lump Sum Price” shall require prospective consultant to include such taxes, as may be valid and applicable, in the offered price. No additional tax charges shall be allowable when these phrases are used.
  - No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose, except taxes legally payable by the Authority, will be paid by the Authority unless expressly included and itemized in the offer.
  - The Authority does not pay Federal excise taxes. Do not include these taxes in your price; but do indicate the amount of any such tax. The Authority will furnish an exemption certificate in lieu of such tax.
- E. Award.
- Unless the prospective consultant specifies otherwise in their offer or the RFP states otherwise, the Authority may accept any item or group of items of any offer.
  - **The Authority reserves the right to reject any or all offers and to waive informalities and minor irregularities in offers received.**
  - **A written Purchase Order mailed**, or otherwise furnished, to the awarded consultant within the time for acceptance specified, results in a binding contract without further action by either party. The contract shall be interpreted, construed and given effect in all respects according to the laws of the State of California.
- F. Alteration or Variation of Terms. It is mutually understood and agreed that no alteration or variation of the terms of this request or purchase order shall be valid unless made or confirmed in writing and signed by the parties hereto, and that no oral understanding or agreements not incorporated herein, and no alterations or variations of the terms hereof unless made or confirmed in writing between the parties hereto shall be binding on any of these parties hereto.
- G. Assignability. A contract is not assignable by Consultant either in whole or in part.
- H. Compliance with Statute. Consultant hereby warrants that all applicable Federal and State statutes and regulations or local ordinances will be complied with in connection with the sale and delivery of the property furnished.
- I. Patent Indemnity. The Consultant shall hold the Authority, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the contract or purchase order.
- J. Samples. Samples of items, when required, must be furnished free of charge to the Authority and, if not destroyed by tests, may upon request made at the time the sample is furnished, be

returned at the prospective consultant's expense.

K. Rights and Remedies the Authority for Default.

- In the event any item furnished by the Consultant in the performance of the contract or purchase order should fail to conform to specifications the Authority may reject the same, and it shall thereupon become the duty of the Consultant to reclaim and remove the same, without expense to the Authority, and immediately to replace all such rejected items with others conforming to such specifications.
- Cost of delivery of an item which does not meet specifications, will be the responsibility of the Consultant.
- The rights and remedies of the Authority provided above shall not be exclusive and are in addition to any other rights and remedies provided by the law or under the contract.

L. Force Majeure. Contractor shall not be liable for any delays with respect to the contract due to causes beyond its reasonable control, epidemics, war, terrorism or riots.

M. Severability. Should any part of the contract be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity of the remainder of the contract which shall continue to full force and effect; provided that the remainder of the contract can, absent the excised portion, be reasonably interpreted to give the effect to the intentions of the parties.

I declare under penalty of perjury that this quote is complete and true and that I have not been a party with any other respondent to offer a fixed cost in conjunction with this Request for Proposals.

Executed in \_\_\_\_\_, California, on \_\_\_\_\_, 2018

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

PRINTED NAME OF PERSON WHO'S SIGNATURE APPEARS \_\_\_\_\_

NAME OF COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY ZIP \_\_\_\_\_

TELEPHONE \_\_\_\_\_ EMAIL ADDRESS \_\_\_\_\_

DATE \_\_\_\_\_

**Attachments:**

1. Authority's Professional Services Agreement
2. Exhibit A - Scope of Work

## ATTACHEMENT 1

### PROFESSIONAL SERVICES AGREEMENT



#### AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN SALINAS VALLEY SOLID WASTE AUTHORITY AND

#### TO PROVIDE MULTI-MEDIA MARKETING SERVICES

This agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 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 \_\_\_\_\_ (hereinafter "Consultant").

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

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

NOW, THEREFORE, Consultant and Authority agree as follows:

#### **1. Scope of Service**

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

#### **2. Completion Schedule**

Consultant shall complete the consulting services described in Exhibit "A" by \_\_\_\_\_.

#### **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, Exhibit "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 Exhibit "A." Authority has listed those additional consulting services that could be anticipated at the time of the execution of the agreement as shown in Exhibit "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 Exhibit "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. \_\_\_\_\_ 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.

### 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 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 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 Exhibit "A" of this agreement. Upon agreement between Authority and Consultant as to the extent of said impacts to time and compensation, an amendment to this agreement shall be prepared describing such changes.

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

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

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

#### **16. Licenses**

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

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

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

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

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

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

#### **19. Withholding (Form 730)**

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

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

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

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

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

**22. Independent Contractor**

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

**23. Exhibits Incorporated**

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

**24. Integration and Amendment**

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

**25. Jurisdiction**

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

**26. Severability**

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

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

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

## **28. Ownership of Documents**

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

## **29. Subcontractors**

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

## **30. Dispute Resolution**

### **A. MEDIATION**

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

|                                      |                                      |
|--------------------------------------|--------------------------------------|
| <b><i>Via Mail</i></b>               | <b><i>Hand Delivered</i></b>         |
| Salinas Valley Solid Waste Authority | Salinas Valley Solid Waste Authority |
| Attn: Mr. R. Patrick Mathews,        | Attn: Mr. R. Patrick Mathews,        |
| General Manager/CAO                  | General Manager/CAO                  |
| 128 Sun Street, Suite 101            | 128 Sun Street, Suite 101            |
| Salinas, CA 93901                    | Salinas, CA 93901                    |
- B. Written notices to the Consultant shall, until further notice by the Consultant, be addressed to:

|                         |
|-------------------------|
| <u>Company</u>          |
| <u>Name</u>             |
| <u>Address</u>          |
| <u>City, State, Zip</u> |
- 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 requires 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:** \_\_\_\_\_

\_\_\_\_\_  
Signature

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

Attachments:  
Exhibit A - Scope of Work

## Exhibit A

### SCOPE OF WORK

#### Scope of Work

Effective solid waste and resource recovery planning and service delivery relies on an understanding of the waste stream – how much of each type of material is generated and where it comes from. This information is essential to waste management policy and program implementation and will support efforts to increase the amount of material diverted to maintain or achieve compliance with the following state mandates, AB 939, AB 341, AB 1826, and SB 1383, along with the Authority's 75 percent diversion goal.

The Authority's objectives include:

- characterizing disposed waste originating from six jurisdictions, including the unincorporated county area served by the Authority;
- characterizing waste associated with the following sectors: single-family residential, commercial/multifamily, industrial and self-hauled waste;
- characterizing waste at each of the solid waste facilities: Sun Street Transfer Station in Salinas, Johnson Canyon Road Landfill in Gonzales, Jolon Road Transfer Station in King City, and Madison Lane Transfer Station, in Salinas (this facility is owned and operated by Waste Management, Inc. and receives mostly unincorporated county franchise waste stream);
- conducting the study over two seasons in as short a time as reasonable;
- conforming to the most current California Department of Resources Recycling and Recovery (CalRecycle) uniform waste disposal characterization methods for collecting data on the waste stream and protocols governing waste characterization studies; and
- including adequate numbers of samples to characterize the waste stream accurately and to satisfy state requirements.

To meet the Authority's objectives for representative and precise data, for each of the six geographic areas – five jurisdictions plus the unincorporated area, allocate 30 samples of residential waste, 40 samples of commercial waste, and 40 samples of self-hauled waste, to be obtained and sorted during the winter and spring/summer seasons at three solid waste facilities. The minimum weight sample shall be 200 lbs. for each sample. These sample numbers and minimum weights are consistent with CalRecycle's uniform waste disposal characterization method. This Scope of Work includes a plan to characterize 660 waste samples, as shown below.

| Jurisdiction         | Single-family<br>residential<br>samples | Commercial/<br>multifamily<br>samples | Self-hauled<br>samples | Totals     |
|----------------------|---|---------------------------------------|------------------------|------------|
| Gonzales             | 30                                      | 40                                    | 40                     | 110        |
| Greenfield           | 30                                      | 40                                    | 40                     | 110        |
| King City            | 30                                      | 40                                    | 40                     | 110        |
| Salinas              | 30                                      | 40                                    | 40                     | 110        |
| Soledad              | 30                                      | 40                                    | 40                     | 110        |
| Unincorporated areas | 30                                      | 40                                    | 40                     | 110        |
| <b>Totals</b>        | <b>180</b>                              | <b>240</b>                            | <b>240</b>             | <b>660</b> |

As in all waste sampling studies, certain practices enhance the validity and value of the study. The team emphasizes the following key principles:

- Selection of waste for sampling and characterization that is representative of each waste sector. Representativeness is achieved by randomly selecting waste collection routes, loads and samples in a way that minimizes statistical bias. That is, each truck from a jurisdiction and sector has an equal chance with all of the others from that jurisdiction and sector of being selected for sampling.
- Consistent sorting and characterization methods. The knowledge and experience of the waste characterization crew is important to the quality of the results and to the overall efficiency of operations.
- Careful planning to ensure that sampling operations are efficient and safe and that the required data is collected with minimal disruption to normal landfill or transfer station operations.

### **Approach and Tasks**

The sections below describe the recommended approach to conducting the waste characterization study for the Authority.

#### **Task 1: Meet to Clarify Objectives and Approach**

Before completing detailed plans for the waste characterization study, the project team meets with Authority staff to clarify the study's objectives and approach as they may have evolved since the initial planning for the study. This initial discussion is crucial to the development of a sampling plan that provides for cost-effective operations, that addresses each of the waste sectors included in the study, and that all safety protocols are observed. Specific types of cooperation needed from the haulers, landfill, and transfer station personnel will be addressed along with confirmation arrangements for days and locations for the project team to conduct the work.

#### **Task 2: Develop Research Protocol, Sampling Plan, and Schedule**

During this task, prepare the research protocol, documentation, and all field forms, including developing procedures for selecting vehicles at each solid waste facility to represent each waste sector and jurisdiction. Some assistance from Authority staff may be required to obtain lists of routes servicing residential and commercial accounts. Key steps are described below.

##### ***Step 1: Finalize material list***

The team works with Authority staff to develop a list of materials and definitions to be sorted in the study. The Authority can choose to use the list of 86 materials included in the Authority's 2007-2008 Waste Characterization Study. However, the materials list can be customized for the Authority to identify specific materials based on their recoverability, current market conditions, or other concerns. The budget assumes that the samples will be sorted into 10 to 15 major material classes, with the remainder being residual. The selection of the materials to sort depends on the Authority's new organics diversion programs.

##### ***Step 2: Determine numbers of samples and sampling schedule***

To meet the Authority's objectives, it is recommended characterizing 30 samples of single-family

residential waste, 40 samples of commercial/multifamily waste, and 40 samples of self-hauled waste. These sample numbers are expected to lead to accurate waste composition profiles for each of the waste sectors. Sampling at each solid waste facility should be scheduled such that all types of waste (i.e., collection routes from each sector and jurisdiction) have an opportunity to be sampled. Work with Authority and hauler staff to select sampling days at each facility that are believed to be representative. Sampling will be scheduled at the three facilities in a way that permits efficient use of sorting crew-days and provides a representative set of waste samples.

***Step 3: Develop a load selection plan***

For each waste sector, a load selection plan should be developed that ensures representation by vehicles carrying waste from each waste sector and each jurisdiction. Creating a load selection plan likely will require some assistance by the Authority staff and haulers. On a given sampling day, loads from each waste sector and jurisdiction will be selected using a randomized selection procedure.

***Step 4: Coordinate with dispatchers, drivers and facility personnel***

An important and often overlooked aspect of waste composition studies is coordination with haulers and facility personnel. Cooperation with these staff members is vital to a successful and unbiased sampling operation. Ensure that haulers, landfill, and transfer station personnel are informed about the dates of the study as well as its purpose and its requirements well before sampling begins. Work to minimize the impact of sampling activities on normal operations at the facility and train the site crew and vehicle operators in the types of assistance that are needed when the targeted vehicles arrive (assistance maybe limited). In addition, the waste sampling area should be left clean after each day's activity.

**Task 3: Collect Waste Characterization Data**

To characterize self-hauled waste, a visual characterization method is recommended that considers entire loads as they are tipped. For single-family residential and commercial/multifamily waste, a "hybrid" characterization method is recommended that provides the accuracy of hand-sorting along with the efficiency of visual characterization. The method of visual characterization of C&D samples is also recommended. The important steps of the characterization approaches are described below.

***Step 1: Review methodology & material categories with crew***

To provide consistent waste characterization, crew members should be trained in the use of this project's specific protocols and waste component definitions throughout the project. All crew members should be trained in the study's specific set of materials to be sorted and practice the study's specific sampling protocol.

***Step 2: Coordinate with Facility Personnel***

The Field Crew Manager should visit each solid waste facility prior to commencement of waste characterization activities and discuss the sampling requirements with each site's operational staff to determine the most suitable sorting area and the availability of equipment for selecting samples and transporting them to the sorting area. As part of overall planning work with the Authority staff, the Field Crew Manager should also arrange for access to each site (including restroom and phone) with the site supervisor.

***Step 3: Select Loads to be Characterized***

Position a team member near the scale house of each facility. This individual's duties include (1) identifying the specific vehicles that are to be sampled and (2) obtaining tonnage records for all vehicles associated with each waste sector and jurisdiction that arrive at the facilities during the days of the study. Loads of single-family residential and commercial/multifamily waste should be selected based on lists of randomly selected routes constructed prior to the sampling day. The lists would include the targeted

routes and vehicles and the quotas to be obtained from each jurisdiction. Vehicles selected should be identified by hauling company and truck number. Loads of self-hauled waste should be identified using a random-selection process based on the order the vehicles arrive at the facility. For example, select vehicles from each jurisdiction at intervals – every 3<sup>rd</sup> vehicle from Salinas, every 2<sup>nd</sup> vehicle from unincorporated areas, etc. The intervals should be identified prior to the sampling day, based on the numbers of self-hauled loads that are expected to arrive from each jurisdiction on the sampling days. After a vehicle has been identified for sampling, the driver would be directed to the sampling area, where the load is tipped.

***Step 4a: Obtain and Characterize Samples from Single-family Residential and Commercial/Multifamily Loads***

Arrange to have single-family residential and commercial/multifamily loads tipped in an area (close to the operating face) but separated to provide adequate safety for the sorting crew where waste samples can be obtained by hand. Selected loads to be dumped in an elongated pile three to four feet high. From each selected load, a sorting sample is selected using an imaginary 16-cell grid superimposed over the dumped material. The Field Crew Manager identifies the randomly selected cell to be extracted. Then, the Field Crew Manager ensures that a sample of waste weighing approximately 200 pounds is obtained from the selected cell and is loaded into rolling containers (a 96-gallon garbage can or similar container) and brought to the characterization area. Then characterize the sample using the following procedure.

For each selected sample, trained and experience visual estimators perform the following steps:

1. Measure sample volume and weight. The crew members weigh the entire sample (subtracting the weight of the tared rolling containers) and record the weight on the data collection form. They then measure the volume of the sample while it is still held in the rolling containers.
2. The sample is placed on a sorting table or tarp. The crew members then open bags of waste and spread out the material.
3. All plastic bottles, cans, film, and cardboard are pulled from the sample. The crew members place each of these materials in separate bins.
4. Any bulky or heavy items are set aside to be weighed.
5. The crew members will note which remaining materials are present. They indicate the materials by making checkmarks next to the material names on the data collection form.
6. For the material categories that have been identified as being present in the sample, the crew members estimate composition by volume for each material class. Beginning with the largest material class present by volume, the crew members determine the volumetric percentage of each material class. This process is repeated for the next most common material class, and so forth, until the volume percentage of every material class has been estimated. Examples of material classes are paper, glass, metals, organics, etc.
7. Within each material class, the crew members estimate the composition by volume for each specific material. The crew members consider each material class separately and allocate percentages to each specific material present in the sampled waste. An example of specific materials within the material class of paper are newspaper, white ledger paper, compostable paper, etc.
8. Check and reconcile percentage data. The crew members ensure the percentage estimates for the material classes add up to 100 percent, and the materials within each material class add up to 100 percent.
9. Weigh bins of plastic film and cardboard. Using a digital scale, the crew members weigh the plastic film and cardboard to the nearest 1/10th of a pound and record the value on the data collection form.
10. Count bottles and cans. The crew members count the bottles and cans and record the counts on the data collection form. California Redemption Value (CRV) containers should be a separate

sub-set of the bottles and cans count.

11. Weigh any materials that have been set aside. If material is set aside in step 4, the crew members use the digital scale to weigh it and record the value on the data collection form.

***Step 4b: Obtain and Characterize Samples from Self-hauled Loads***

Loads of self-hauled waste that are identified for visual characterization should be tipped, and the entire load characterized. A visual characterization method should rely on the observer's estimates of the volume of the material as opposed to weight of material. The volume estimates can be converted to estimates of weight, using accepted conversion factors. The entire characterization process could work as described below.

1. **Gather information about the load.** At the sampling area, crew members record key information, including the net weight, jurisdiction of origin, and photo documentation for each self-hauled load.
2. **Measure load volume.** The crew members use a tape measure to obtain the length, width and height of the load while it is still in the vehicle and record it on the data sheet.
3. **Note which major classes of material are present.** After the driver has dumped the load onto the ground, the crew members walk around the entire load and indicate on the visual characterization form which major material classes are present in the load.
4. **Estimate composition by volume for each major material class.** Beginning with the largest major material class present by volume, the crew members estimate the volumetric percentage of this material class and records it on the form. An example of a major material class is inert C&D materials. This process is repeated for the next most common material class, and so forth, until the volume percentage of every material class has been estimated. The crew members then calculate the sum for this step, ensuring that it totals 100 percent.
5. **Estimate composition by volume for each specific material component.** The crew members consider each major material class separately and estimate the percentage of each major class that is made up of each specific material component. For example, concrete is a specific material component within the major material class of inert C&D materials. While considering only the inert C&D materials class, the crew members estimate the volume percentage of inert C&D materials that is composed of concrete. They would then do the same for every other specific material component within the inert C&D Materials class (such as reinforcing bar). The total of percentages for all of the material components must equal 100 percent. This process is repeated for the other major classes, with all the material components in each material class totaling 100 percent.
6. **Check and reconcile percentage data.** The crew members should make sure the percentage estimates for the major material classes add up to 100 percent. Also, the percentage estimates for the specific material components within each major class must total 100 percent.
7. **Convert volume estimates to weight estimates.** Data from the visual characterization forms should be entered into a customized database, and accepted conversion factors should be used to develop estimates of the weight of each material component in each load. The factors that should be considered in this calculation are:
  - total volume of load, as measured by visual estimator
  - net weight of load
  - volume of each major material class, expressed as a percentage of the total volume of the load
  - volume of each specific material category, expressed as a percentage of the volume of a major material class

**Task 4: Obtain Tonnage Data by Waste Sector and Jurisdiction**

Data is taken at the scale house identifying the origin of the load. The type of route (residential or commercial/multi-family) can be determined either by truck type or vehicle number. Work with Authority staff and supervisors at each of the solid waste facilities to develop a procedure for obtaining the necessary tonnage data at the end of each sampling day.

**Task 5: Compile Data and Conduct Analysis**

The team's data entry procedure should be developed to protect the integrity of the data at every step of the process, from collection in the field to final analysis. The data collection forms should be checked by the field manager. The waste sectors from each jurisdiction should be calculated composition percentages for the Authority as a whole and for each solid waste facility. All composition findings should be accompanied by an error range that expresses the certainty of the estimate.

**Task 6: Prepare and Present Report**

Present to the Authority with a written report that summarizes the purpose and method of the study and present essential composition findings for each waste sector. The report will include, at a minimum:

- An executive summary providing key findings.
- Introduction and background for the study, including objectives.
- Detailed descriptions of methods used, with dates and times of sampling.
- Detailed waste composition and quantity findings corresponding to each waste sector and jurisdiction.

A PowerPoint Presentation should also be developed and presented summarizing key findings, including a presentation to the Authority's Board of Directors at a regular scheduled meeting. Authority staff will review the draft and seek any clarification necessary from consultant prior to requesting the Final Report.

**Timeline**

Sampling identified in task 3 would be conducted during two survey periods. The first sample period (Winter) should be completed by February 1, 2019; the second sampling period (Spring) should be completed by June 1, 2019. The final report is expected no later than August 1, 2019.



## Report to the Board of Directors

### ITEM NO. 11

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:** A Resolution Identifying the Designated Positions and Disclosure Categories for the Designated Positions of the Authority's Conflict of Interest Code Superseding Resolution 2017-31

### RECOMMENDATION

Staff recommends that the Board adopt the resolution to appropriately identify the designated positions and disclosure categories pursuant to the Authority's Conflict of Interest Code (COI). The proposed resolution will satisfy the requirements of the County, as the Authority's code reviewing body, in order to adopt the COI.

### STRATEGIC PLAN RELATIONSHIP

This is an administrative 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

After submittal of Ordinance No. 10 and Resolution No. 2018-32 that revises the Authority's COI code, to the County Board of Supervisors for approval, County Counsel advised that further clarification was needed for the disclosure categories for the designated positions that File Form 700s pursuant to the Authority COI.

The proposed resolution clarifies that individuals that hold a designated position identified within the resolution shall disclose all information in all disclosure Categories set forth and designated by the Fair Political Practices Commission.

### 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. 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 resolve the issue. In October of 2017, County Counsel's office indicated that the Authority Board of Directors must adopt the Ordinance revising the Code prior to County Council reviewing the changes. The Introduction and First Reading of Ordinance No. 10 was conducted at the Regular Board of Directors meeting on November 16, 2017, with the Second Reading and Adoption conducted at



the following Regular Board of Directors meeting on January 18, 2018. On February 28, 2018, Ordinance No. 10 was forwarded to County staff for submission to the County Board of Supervisors for final approval. On August 30, 2018 Authority staff was informed that Ordinance No. 10 required further clarification. On September 24, 2018 Authority staff forwarded Resolution No. 2018-32 with the clarification requested. On October 3, 2018 Authority staff was again informed that Ordinance No. 10 required further clarification. The Authority's Legal Counsel worked with Authority staff on the development of the attached resolution to address the County's request.

**ATTACHMENT(S)**

1. Resolution

## RESOLUTION NO. 2018 -

### A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY IDENTIFYING THE DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES FOR THE DESIGNATED POSITIONS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY'S CONFLICT OF INTEREST CODE SUPERSEDING RESOLUTION NO. 2017-31

**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

**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)*)

**BE IT FURTHER RESOLVED** by the Board of Directors of the Salinas Valley Solid Waste Authority that individuals that hold a designated position identified above shall disclose all information in all disclosure Categories set forth and designated by the Fair Political Practices Commission.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on this 18<sup>th</sup> day of October 2018, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Simón Salinas, President

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



## Report to the Board of Directors

### ITEM NO. 12

Finance and Administration  
Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

**Date:** October 18, 2018

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

**Title:** Comprehensive Annual Financial Report for  
the Fiscal Year ended June 30, 2018

### 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 2017-18 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 "unmodified 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, 2018, the Authority adopted the following pronouncements of the Governmental Accounting Standards Board (GASB):

- Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"
- Statement No. 81, "Irrevocable Split-Interest Agreements"
- Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73"
- Statement No. 85, "Omnibus 2017"
- Statement No. 86, "Certain Debt Extinguishment Issues"

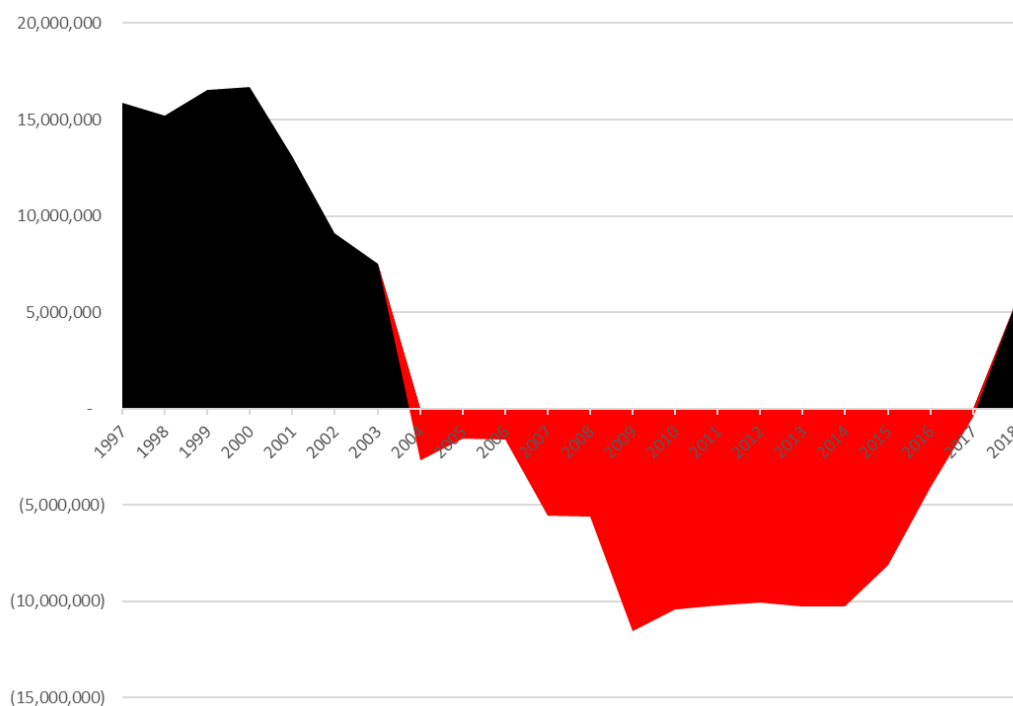
While these pronouncements are effective for our fiscal year ending June 30, 2018, most have a negligible effect on our financials. Statement No. 75 required a prior year adjustment of (\$10,516), which can be found at the bottom of the Statement of Revenues, Expenses, and Changes in Net Position.

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.

### Net Position of \$5,448,808

The Net Position improved to \$5,448,808. This is an improvement of \$5,853,162 from a deficit of \$404,354 in FY 2016-17.

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, beginning of staff run operations at Johnson Canyon, and first Substantial Tonnage Increase in 10 years.
- 2017 – Beginning of staff run operations at Jolon Road Transfer Station.

## Positive Change in Net Position of \$5,448,808

Key elements of this change are as follows:

Operating revenues increased \$1,642,632 (7.9%) as the result of increased economic activity and an increase to the AB939 fee.

An increase in landfilled tons resulted in \$832,400 in additional tipping fee revenue from solid waste. Tipping fee revenue from diverted materials increased \$291,900. The transportation surcharge increased \$120,200 due to additional franchise tonnage at the transfer stations, and a full year of the Authority operations at our Jolon Road Transfer Station. The AB939 Service Fee increased \$90,700. Other charges for services had a net decrease of \$14,100.

Operating expenses decreased by \$161,435 (-1.0%) to \$15,690,868. Personnel services increased \$775,800. A large portion of the total (\$477,800) was an increase in expenditures for Pension Liabilities. Other costs to operate and monitor the facilities increased by \$500,000. This was necessary due to increased materials being accepted by our sites. The largest increases were contract services with Waste Management for transfer from Madison Lane (\$171,600), Biodiesel Fuel (\$126,200). Depreciation increased \$191,800. Adjustments to the Post-closure Liability in FY 2016-17 resulted in a year over year decrease in costs for postclosure landfill maintenance of \$1,710,266. This decrease more than offset all other increases.

Postclosure maintenance expenses for Crazy Horse Canyon Landfill were \$556,400. Postclosure maintenance expenses for Lewis Road Landfill were \$117,800. Postclosure maintenance expenses for Jolon Road Landfill were \$117,900. For the active Johnson Canyon Landfill, Closure and Postclosure Liabilities are expensed as a percentage of capacity used at the landfill. FY 2017-18 expenses for postclosure were \$59,500. Closure expenses were \$382,500.

### **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, 2018



2511 Garden Road  
Suite A180  
Monterey, CA 93940  
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, 2018. 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, Significant Accounting Policies, to the financial statements. As described in Note 1, Salinas Valley Solid Waste Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Other than GASB 75, 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 landfills 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 related to pension 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 the deferred inflows and outflows of resources related to OPEB are based on an amount actuarially determined in accordance with the parameters of GASB Statement 75. 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.

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 –GASB Statement 68, *Accounting Valuation Report*, with the measurement date of June 30, 2017.

The disclosure of Other Post-Employment Benefit (OPEB) Plan in Note 13 to the financial statements - GASB Statement 75, *Accounting Valuation Report*, with the measurement date of June 30, 2017.

The disclosure of Net Position in Note 18 to the financial statements – The deficit of \$2,956,872 in Net Investment in Capital Assets is the result of the Authority issuing 30-year bond to purchase and improve assets that depreciate at a 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.

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule of adjusting journal entries summarized the proposed material adjustments. Management has corrected all such misstatements.

#### *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 October 4, 2018.

### *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 the 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 Management’s Discussion and Analysis, the 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, the schedule of statutorily required employer contributions pension plan, the schedule of changes in the Authority’s net OPEB liability and related ratios as of measurement date, and the schedule of employer OPEB contributions, which are required supplementary information (RSI) that supplements the basic financial statements.

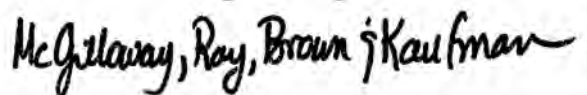
Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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  
October 4, 2018



**Client:** Salinas Valley Solid Waste Authority  
**Engagement:** Salinas Valley Solid Waste Authority  
**Period Ending:** June 30, 2018  
**Trial Balance:** 1.05 - Trial Balance Database

| Account   | Description                | Debit            | Credit           |
|---|----------------------------|------------------|------------------|
| <b>Adjusting Journal Entry - AJE # 1</b>                  |                            |                  |                  |
| To record additional depreciation expense at FYE 06/30/18 |                            |                  |                  |
| 6-3710-68100-170  | Depreciation               | 10,130.00        |                  |
| 6-4500-68100-150  | Depreciation               | 50,584.00        |                  |
| 16500-150   | Allowance For Depreciation |                  | 50,584.00        |
| 16500-170   | Allowance For Depreciation |                  | 10,130.00        |
| <b>Total</b>  |                            | <b>60,714.00</b> | <b>60,714.00</b> |

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2018**



PREPARED BY

THE AUTHORITY'S FINANCE DIVISION

C. Ray Hendricks  
Finance and Administration 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 "*

October 4, 2018

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, 2018. 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, an independent 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, 2018, 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 unmodified opinion that the Authority's financial statements for the fiscal year ended June 30, 2018, 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 "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**

GAAP 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 \$6,815,921 and an increase in net position of \$5,853,162 for the fiscal year ended June 30, 2018.

As part of its adopted policy, the Authority does not set aside funds for post-closure maintenance. Per the 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. The Authority's tipping fees are not expected to cover the accrual of post-closure expenses in the current period. At June 30, 2018 the Authority has accrued post-closure liabilities totaling \$15,563,106 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. As of June 30, 2018, \$4,152,902 has been set aside as required by CalRecycle. Closure liabilities are \$3,268,984 which are fully funded at June 30, 2018.

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. The 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, 2018, provides a detailed reconciliation of the Authority's cash, which increased \$6,326,483, from \$21,202,634 to \$27,529,117.

## **Financial Management**

The Authority carefully monitors its charges for services. 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 has increased significantly due to increased economic activity and reduced markets for recycled materials. Effective July 1, 2013 the Board adopted an AB939 Fee, which generated \$2.32 million during the year ended June 30, 2018. 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, 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 landfill cell liners at Johnson Canyon, \$2.2 million in closure costs set-asides, and \$1.8 million in taxes and fees. In addition to money allocated to CIPs related to expansion and conversion technologies, and investment earnings, the Board of Directors decided to use these funds for operations during the Great Recession until the economy recovered in order to avoid tipping fee increases. At June 30, 2018, the Expansion Fund had unrestricted net position of \$8,319,174.

## **Summary**

Benefitting from the highest tonnage accepted since 2007 (213,714 tons), the Authority eliminated the Net Deficit of \$404,354 and ended the year with a Net Position of \$5,448,808. With principal payments on the Equipment Lease Payable and Bonds Payable, the Net Position is expected to continue to improve. Thus, allowing the Authority to set aside reserves and possibly prefund some of its long-term liabilities.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salinas Valley Solid Waste Authority for its CAFR for the year ended June 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Salinas Valley Solid Waste Authority has received this award every year beginning with fiscal year ending June 30, 2014.



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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Ray Hendricks', with a long horizontal line extending to the right.

C. Ray Hendricks  
Finance and Administration Manager/Treasurer/Controller



Government Finance Officers Association

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

Presented to

**Salinas Valley Solid Waste Authority  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO



## **List of Principal Officials**

**As of June 30, 2018**

**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 and Administration  
Manager/Treasurer/Controller

**Brian Kennedy**  
Engineering and Environmental  
Compliance Manager

**Mandy Brooks**  
Resource Recovery Manager

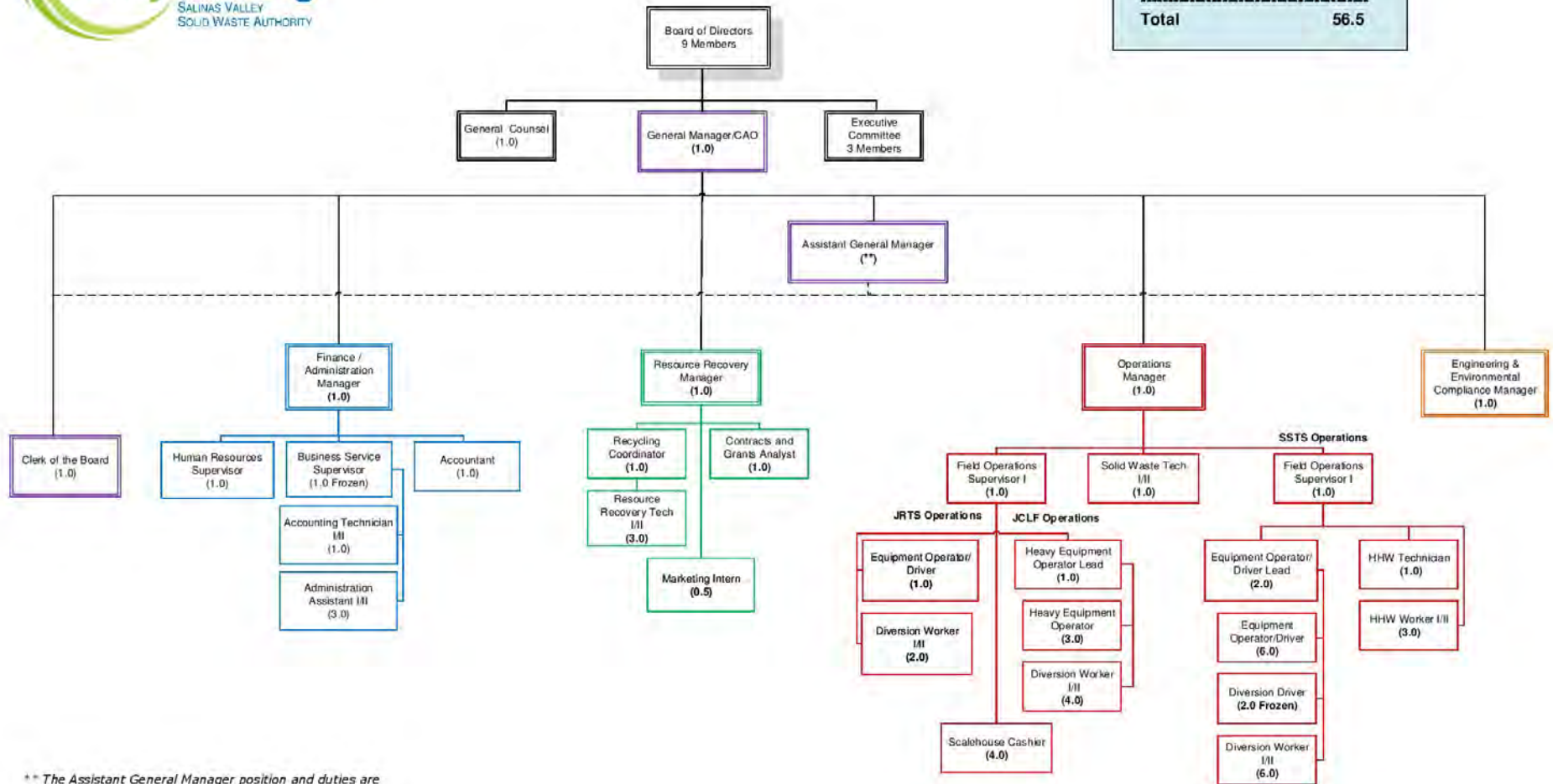
**Cesar Zuniga**  
Assistant General Manager/  
Operations Manager



## Organizational Chart

Effective Date: August 28, 2017

|                        |             |
|------------------------|-------------|
| Finance/Administration | 09          |
| Resource Recovery      | 06.5        |
| Operations             | 37          |
| Engineering            | 01          |
| Frozen                 | 03          |
| <hr/>                  |             |
| <b>Total</b>           | <b>56.5</b> |



\*\* 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 93940  
831-373-3337  
Fax 831-373-3437

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

3478 Buskirk Avenue  
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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, 2018, 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, 2018, 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.

Daniel M. McGilloway, Jr., CPA, CVA | Gerald C. Ray, CPA | Patricia M. Kaufman, CPA, CGMA | Larry W. Rollins, CPA | Jesus Montemayor, CPA

Sarita C. Shannon, CPA | Whitney Ernest, CPA | Devvyn MacBeth, CPA | Smriti Shrestha, CPA | Deanna Thomas, CPA

## **Emphasis of Matter**

### *Implementation of New Accounting Standard*

The Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – an Amendment of GASB Statement No. 45*, during the year ended June 30, 2018. GASB Statement No. 75 expands disclosures related to other post-employment benefit and requires the Authority to report the net other post-employment benefit liability in the statement of net position. The adoption of this statement reduced net position by \$10,516 as of July 1, 2017 as disclosed in Note 20. Our opinion is not modified with respect to this matter.

## **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 Authority's proportionate share of the net pension liability and related ratios as of measurement date – cost sharing defined benefit pension plan, the schedule of statutorily required employer contributions pension plan, the schedule of changes in the Authority's net OPEB liability and related ratios as of measurement date, and the schedule of employer OPEB contributions, 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  
October 4, 2018

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**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, 2018 and June 30, 2017. 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, 2018, the Authority adopted the following pronouncements of the Governmental Accounting Standards Board (GASB):

- Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"
- Statement No. 81, "Irrevocable Split-Interest Agreements"
- Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73"
- Statement No. 85, "Omnibus 2017"
- Statement No. 86, "Certain Debt Extinguishment Issues"

**Financial Highlights**

- The Authority's net position increased \$5,863,678 to \$5,448,808.
- Operating revenues increased \$1,645,273 (7.9%) as the result of increased economic activity and an increase to the AB939 fee.
- Waste landfilled increased by 14,257 tons (7.1%) from 199,457 tons in fiscal year 2016-17 to 213,714 tons in fiscal year 2017-18 as the result of increased economic activity.
- Operating expenses decreased by \$161,435 (-1.0%) to \$15,690,868 due primarily to a year over year decrease in costs for postclosure landfill maintenance of \$1,710,266 because of an adjustment to the Postclosure Liability in FY 2016-17.
- The Authority's total liabilities decreased by \$512,114 to \$55,588,067.

**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 of 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, 2018**

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.

**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 position of \$5,448,808, which is an increase of \$5,853,162 from the prior year net deficit position of \$404,354.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2018 and 2017:

| Salinas Valley Solid Waste Authority<br>Condensed Statement of Net Position<br>June 30, 2018 and 2017 |                     |                     |                     |                |
|---|---------------------|---------------------|---------------------|----------------|
|   | 2018                | 2017                | Change              | % Change       |
| <b>Assets</b>   |                     |                     |                     |                |
| Current Assets  | \$ 25,809,990       | \$ 20,775,439       | \$ 5,034,551        | 24.2%          |
| Other Assets  | 4,152,902           | 3,838,099           | 314,803             | 8.2%           |
| Capital Assets, Net   | 29,228,278          | 29,707,129          | (478,851)           | -1.6%          |
| Total Assets  | <u>59,191,170</u>   | <u>54,320,667</u>   | <u>4,870,503</u>    | <u>9.0%</u>    |
| Deferred Outflows of Resources  | <u>1,929,837</u>    | <u>1,547,085</u>    | <u>382,752</u>      | <u>24.7%</u>   |
| <b>Liabilities</b>  |                     |                     |                     |                |
| Current Liabilities   | 5,022,342           | 3,881,757           | 1,140,585           | 29.4%          |
| Long-term Liabilities   | 50,565,725          | 52,218,454          | (1,652,729)         | -3.2%          |
| Total Liabilities   | <u>55,588,067</u>   | <u>56,100,211</u>   | <u>(512,144)</u>    | <u>-0.9%</u>   |
| Deferred Inflows of Resources   | <u>84,132</u>       | <u>171,895</u>      | <u>(87,763)</u>     | <u>-51.1%</u>  |
| <b>Net Position</b>   |                     |                     |                     |                |
| Net Investment in   |                     |                     |                     |                |
| Capital Assets  | (2,956,872)         | (3,830,703)         | 873,831             | 22.8%          |
| Restricted  | 956,776             | 1,028,150           | (71,374)            | -6.9%          |
| Unrestricted  | 7,448,904           | 2,398,199           | 5,050,705           | 210.6%         |
| Total Net Position (Deficit)  | <u>\$ 5,448,808</u> | <u>\$ (404,354)</u> | <u>\$ 5,853,162</u> | <u>1447.5%</u> |

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

The deficit in Net Invested in Capital Assets of \$ 2,956,872 is the result of capital assets depreciating at a faster rate than the related debt is being paid. The repayment schedule of the 2014 refunding bonds had minimal principal payments for the first few years. As full principal payments begin to be paid in FY 2018-19, the deficit position in Net Invested in Capital Assets should improve.

**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, 2018 and 2017.

Salinas Valley Solid Waste Authority  
Condensed Statement of Revenues, Expenses and Changes in Net Position  
For the years ended June 30, 2018 and 2017

|  | 2018                | 2017                | Change              | % Change       |
|--|---------------------|---------------------|---------------------|----------------|
| Operating Revenues   |                     |                     |                     |                |
| Charges for Services   | \$ 21,472,434       | \$ 20,148,726       | \$ 1,323,708        | 6.6%           |
| Sales of Materials   | 701,566             | 646,673             | 54,893              | 8.5%           |
| Operating Grants and Contributions                                   | 332,789             | 66,117              | 266,672             | 403.3%         |
| Total Operating Revenues   | <u>22,506,789</u>   | <u>20,861,516</u>   | <u>1,645,273</u>    | <u>7.9%</u>    |
| Operating Expenses   | <u>15,690,868</u>   | <u>15,852,303</u>   | <u>(161,435)</u>    | <u>-1.0%</u>   |
| Operating Income/(Loss)  | 6,815,921           | 5,009,213           | 1,806,708           | 36.1%          |
| Non-operating Revenues   |                     |                     |                     |                |
| Investment Earnings  | 303,212             | 95,624              | 207,588             | 217.1%         |
| Other Non-operating Revenue  | 227,533             | 53,114              | 174,419             | 328.4%         |
| Total Non-operating Revenues   | <u>530,745</u>      | <u>148,738</u>      | <u>382,007</u>      | <u>256.8%</u>  |
| Non-operating Expenses   |                     |                     |                     |                |
| Interest Expense   | <u>(1,482,988)</u>  | <u>(1,521,621)</u>  | <u>38,633</u>       | <u>-2.5%</u>   |
| Change in Net Position   | 5,863,678           | 3,636,330           | 2,227,348           | 61.3%          |
| Total Net Position - Beginning of Year,<br>as Restated (See Note 20) | <u>(414,870)</u>    | <u>(4,040,684)</u>  | <u>3,625,814</u>    | <u>89.7%</u>   |
| Net Position - Ending of Year  | <u>\$ 5,448,808</u> | <u>\$ (404,354)</u> | <u>\$ 5,853,162</u> | <u>1447.5%</u> |

The Authority's activities eliminated the net deficit and created a net position of \$5,448,808. Key elements of this change are as follows:

Operating revenues increased \$1,645,273 (7.9%) as the result of increased economic activity and increases to the AB939 fee.

An increase in landfilled tons resulted in \$832,400 in additional tipping fee revenue from solid waste. Tipping fee revenue from diverted materials increased \$291,900. The transportation surcharge increased \$120,200 due to additional franchise tonnage at the transfer stations, and a full year of the Authority operations at our Jolon Road Transfer Station. The AB939 Service Fee increased \$90,800. Other charges for services had a net decrease of \$11,592.

Operating expenses decreased by \$161,435 (-1.0%) to \$15,690,868. Personnel Services, and supplies needed to run the landfill increased by \$886,964. This was necessary to maintain services due to increased materials being accepted by our sites. Depreciation increased \$191,790. Adjustments to the Post-closure Liability in FY 2016-17 resulted in a year over year decrease in costs for postclosure landfill maintenance of \$1,710,266. This decrease offset all other increases.

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

Postclosure maintenance expenses for Crazy Horse Canyon Landfill were \$556,500. Postclosure maintenance expenses for Lewis Road Landfill were \$117,800. Postclosure maintenance expenses for Jolon Road Landfill were \$117,900. For the active Johnson Canyon Landfill, Closure and Postclosure Liabilities are expensed as a percentage of capacity used at the landfill. FY 2017-18 expenses for postclosure were \$59,500. Closure expenses were \$382,500.

The \$1,482,988 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 \$29,228,278 invested in capital assets, primarily in landfills as summarized below. During this fiscal year, the Authority added \$1,132,892 in capital assets and recorded a depreciation expense of \$1,611,743. 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, 2018 and 2017

|                                   | 2018                 | 2017                 |
|-----------------------------------|----------------------|----------------------|
| Land                              | \$ 42,600            | \$ 42,600            |
| Buildings                         | 456,484              | 456,484              |
| Improvements other than buildings | 55,385,107           | 55,009,457           |
| Equipment                         | 9,095,470            | 8,603,723            |
| Construction in progress          | 676,377              | 410,882              |
| Total Capital Assets              | 65,656,038           | 64,523,146           |
| Accumulated Depreciation          | (36,427,760)         | (34,816,017)         |
| Net Capital Assets                | <u>\$ 29,228,278</u> | <u>\$ 29,707,129</u> |

**Long-Term Debt**

At the end of this fiscal year, the Authority had \$32.50 million in long-term debt as shown below. No new debt was incurred during the fiscal year. Principal payments of \$1,229,866 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".

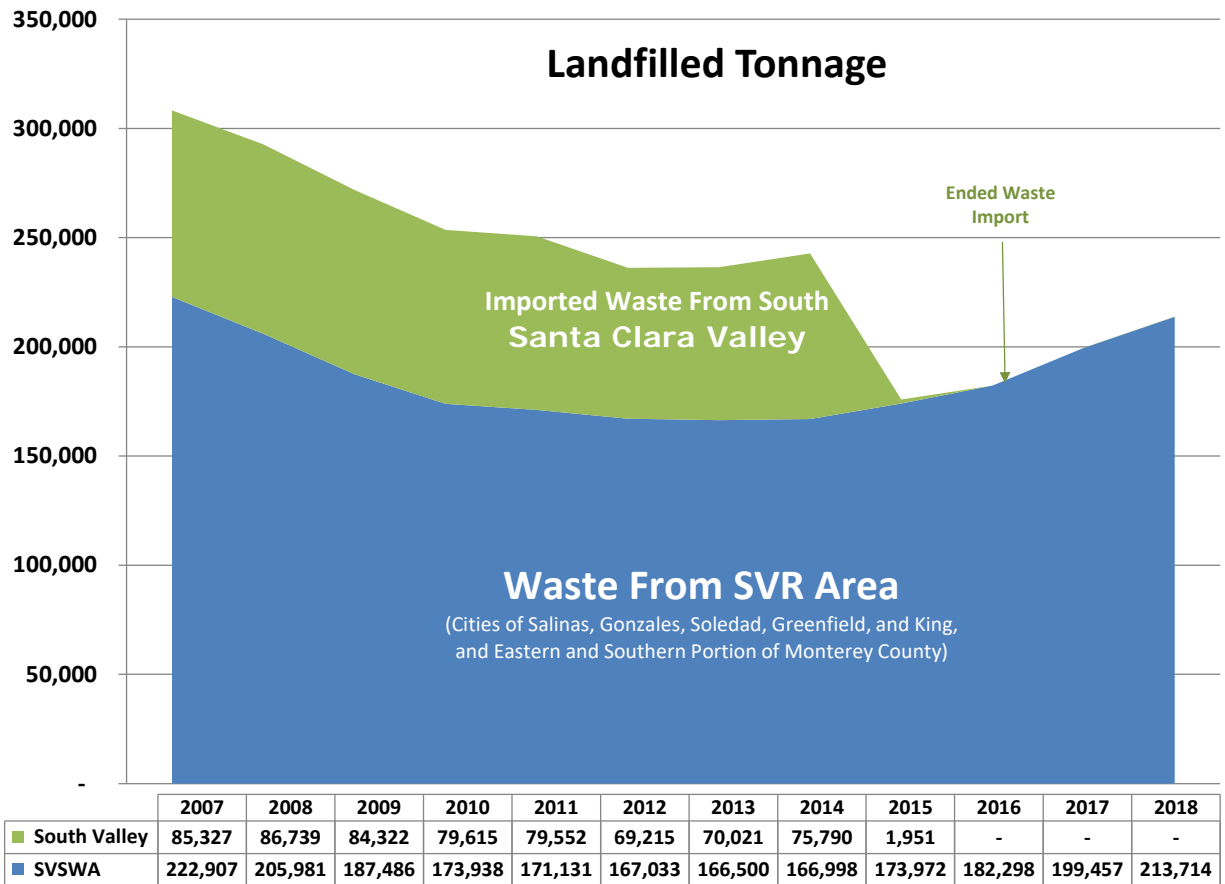
Salinas Valley Solid Waste Authority  
Condensed Statement of Long-Term Debt  
For the years ended June 30, 2018 and 2017

|  | 2018                 | 2017                 |
|--|----------------------|----------------------|
| 2014A (AMT) Refunding Revenue Bond     | \$ 27,670,000        | \$ 27,815,000        |
| 2014B (Taxable) Refunding Revenue Bond | 2,280,000            | 2,615,000            |
| 2014 Refunding Revenue Bond Premium    | 1,564,986            | 1,734,012            |
| Equipment Lease Payable                | 985,802              | 1,735,668            |
| Total                                  | <u>\$ 32,500,788</u> | <u>\$ 33,899,680</u> |

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**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. A recession can have a drastic effect on solid waste tonnage, as is shown from 2007 to 2012 when the Great Recession led to a 25% decrease in landfilled tonnage. Tonnage remained largely unchanged from 2012 to 2014 and began an upward trend in 2015. In 2018 the Authority landfilled 213,714 tons. Management has conservatively budgeted 185,000 tons during 2018-19 with the tipping fee remaining at \$68.50 per ton. The 2018-19 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, 2018  
With Comparative Totals as of June 30, 2017

|  | <u>2018</u>                 | <u>2017</u>                 |
|--|-----------------------------|-----------------------------|
| Assets   |                             |                             |
| Current Assets                                   |                             |                             |
| Cash and Cash Equivalent                         | \$ 23,299,645               | \$ 17,226,398               |
| Restricted Cash and Cash Equivalent              | 76,570                      | 138,137                     |
| Certificates of Deposit                          | -                           | 1,000,000                   |
| Receivable, Net                                  | 2,101,416                   | 2,185,576                   |
| Interest Receivable                              | 121,004                     | 40,436                      |
| Prepaid Expenses                                 | 211,355                     | 184,892                     |
| Total Current Assets                             | <u>25,809,990</u>           | <u>20,775,439</u>           |
| Noncurrent Assets                                |                             |                             |
| Restricted Cash and Cash Equivalent              | 4,152,902                   | 3,838,099                   |
| Capital Assets, Net                              | 29,228,278                  | 29,707,129                  |
| Total Noncurrent Assets                          | <u>33,381,180</u>           | <u>33,545,228</u>           |
| Total Assets                                     | <u>59,191,170</u>           | <u>54,320,667</u>           |
| Deferred Outflows of Resources                   |                             |                             |
| Deferred Outflows related to Pension Liabilities | 1,159,200                   | 1,185,239                   |
| Deferred Outflows related to OPEB Liabilities    | 455,000                     | -                           |
| Deferred Loss on Refunding of Bonds              | 315,637                     | 361,846                     |
| Total Deferred Outflows of Resources             | <u>1,929,837</u>            | <u>1,547,085</u>            |
| Total Assets and Deferred Outflows of Resources  | <u><u>\$ 61,121,007</u></u> | <u><u>\$ 55,867,752</u></u> |

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2018  
With Comparative Totals as of June 30, 2017  
(Continued)

|  | 2018                 | 2017                 |
|--|----------------------|----------------------|
| Liabilities  |                      |                      |
| Current Liabilities  |                      |                      |
| Accounts Payable   | \$ 852,292           | \$ 871,805           |
| Wages Payable  | 221,219              | 204,071              |
| Accrued Leave  | 86,776               | 74,935               |
| Interest Payable   | 655,900              | 669,095              |
| Equipment Lease Payable  | 773,139              | 749,866              |
| Bonds Payable - Current  | 1,776,876            | 649,027              |
| Unearned Revenues  | 94,877               | 111,619              |
| Postclosure Payable - Current  | 561,263              | 551,339              |
| Total Current Liabilities  | <u>5,022,342</u>     | <u>3,881,757</u>     |
| Long Term Liabilities  |                      |                      |
| Accrued Leave  | 461,679              | 431,470              |
| Equipment Lease Payable  | 212,663              | 985,802              |
| Bonds Payable, Net   | 29,738,110           | 31,514,985           |
| Closure Payable  | 3,268,984            | 2,886,448            |
| Postclosure Payable  | 15,001,843           | 14,852,204           |
| OPEB Liability   | 780,000              | 635,469              |
| Pension Liability  | 1,102,446            | 912,076              |
| Total Long Term Liabilities  | <u>50,565,725</u>    | <u>52,218,454</u>    |
| Total Liabilities  | <u>55,588,067</u>    | <u>56,100,211</u>    |
| Deferred Inflows of Resources  |                      |                      |
| Deferred Inflows related to Pension Liabilities                      | 84,132               | 171,895              |
| Total Deferred Inflows of Resources                                  | <u>84,132</u>        | <u>171,895</u>       |
| Total Liabilities and Deferred Inflows of Resources                  | <u>55,672,199</u>    | <u>56,272,106</u>    |
| Net Position   |                      |                      |
| Net Investment in Capital Assets                                     | (2,956,872)          | (3,830,703)          |
| Restricted for Grants  | 72,858               | 76,499               |
| Restricted for Closure Reserve                                       | 883,918              | 951,651              |
| Unrestricted   | 7,448,904            | 2,398,199            |
| Total Net Position (Deficit)   | <u>5,448,808</u>     | <u>(404,354)</u>     |
| Total Liabilities, Deferred Inflows of Resources<br>and Net Position | <u>\$ 61,121,007</u> | <u>\$ 55,867,752</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, 2018  
With Comparative Totals for fiscal year ended June 30, 2017

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| Operating Revenues                               |                     |                     |
| Charges for Services                             | \$ 21,472,434       | \$ 20,148,726       |
| Sales of Materials                               | 701,566             | 646,673             |
| Operating Grants and Contributions               | 332,789             | 66,117              |
| Total Operating Revenues                         | <u>22,506,789</u>   | <u>20,861,516</u>   |
| Operating Expenses                               |                     |                     |
| Personnel Services                               | 5,924,325           | 5,148,507           |
| Contractual Services                             | 2,450,412           | 2,210,991           |
| Operating Contracts                              | 2,038,226           | 2,015,999           |
| Supplies   | 808,707             | 697,561             |
| Insurance  | 128,141             | 178,486             |
| Building Rent                                    | 186,831             | 116,045             |
| Taxes and Permits                                | 528,695             | 520,155             |
| Utilities  | 130,160             | 131,476             |
| Depreciation/Amortization                        | 1,611,743           | 1,419,953           |
| Closure/Postclosure Maint.                       | 1,234,202           | 2,944,468           |
| Hazardous Waste                                  | 208,637             | 202,372             |
| Other  | 440,789             | 266,290             |
| Total Operating Expenses                         | <u>15,690,868</u>   | <u>15,852,303</u>   |
| Operating Income                                 | <u>6,815,921</u>    | <u>5,009,213</u>    |
| Non-Operating Revenues (Expenses)                |                     |                     |
| Investment Earnings                              | 303,212             | 95,624              |
| Insurance Reimbursements                         | 167,367             | -                   |
| Rental Income                                    | 60,166              | 53,114              |
| Interest Expense                                 | (1,482,988)         | (1,521,621)         |
| Total Non-Operating Revenues (Expenses)          | <u>(952,243)</u>    | <u>(1,372,883)</u>  |
| Change in Net Position                           | 5,863,678           | 3,636,330           |
| Total Net Position (Deficit) - Beginning of Year | (404,354)           | (4,040,684)         |
| New Accounting Prouncement - Note 20             | (10,516)            | -                   |
| Total Net Position (Deficit) - End of Year       | <u>\$ 5,448,808</u> | <u>\$ (404,354)</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, 2018  
With Comparative Totals for Fiscal Year Ended June 30, 2017

|   | 2018                 | 2017                 |
|---|----------------------|----------------------|
| Cash Flows from Operating Activities:   |                      |                      |
| Receipts from Customers and Users   | \$ 22,574,207        | \$ 20,623,684        |
| Payments to Suppliers   | (7,658,677)          | (7,275,704)          |
| Payments to Employees   | (6,057,466)          | (5,279,581)          |
| Net Cash Provided by Operating Activities   | <u>8,858,064</u>     | <u>8,068,399</u>     |
| Cash Flows from Capital and Related Financing Activities:                                   |                      |                      |
| Acquisition of Capital Assets   | (1,132,892)          | (1,342,677)          |
| Insurance proceeds received for property destruction  | 167,367              | -                    |
| Principal paid on Capital Debt  | (1,229,866)          | (1,221,540)          |
| Interest paid on Capital Debt   | (1,619,000)          | (1,483,874)          |
| Net Cash Used Capital and Related<br>Financing Activities                                   | <u>(3,814,391)</u>   | <u>(4,048,091)</u>   |
| Cash Flows from Investing Activities:   |                      |                      |
| Proceeds from maturity of Certificate of Deposit  | 1,000,000            | 750,000              |
| Interest received   | 249,414              | 94,350               |
| Rental income received  | 60,166               | 53,114               |
| Increase (Decrease) in FMV of LAIF investment   | (26,770)             | (21,262)             |
| Net Cash Provided by Investing Activities   | <u>1,282,810</u>     | <u>876,202</u>       |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 6,326,483            | 4,896,510            |
| Cash and Cash Equivalents at Beginning of Year  | <u>21,202,634</u>    | <u>16,306,124</u>    |
| Cash and Cash Equivalents at End of Year  | <u>\$ 27,529,117</u> | <u>\$ 21,202,634</u> |
| Unrestricted Cash and Investments   | \$ 23,299,645        | \$ 17,226,398        |
| Restricted Cash and Investments   | 4,229,472            | 3,976,236            |
|   | <u>\$ 27,529,117</u> | <u>\$ 21,202,634</u> |
| Reconciliation of Operating Income to Net Cash<br>Provided by Operating Activities:         |                      |                      |
| Operating Income  | <u>\$ 6,815,921</u>  | <u>\$ 5,009,213</u>  |
| Adjustments to Reconcile Net Income<br>to Net Cash Provided (used) by Operating Activities: |                      |                      |
| Depreciation  | 1,611,743            | 1,419,953            |
| (Increase) Decrease in Accounts Receivable  | 84,160               | (269,165)            |
| (Increase) Decrease in Prepaid Expenses   | (26,463)             | 5,918                |
| Increase (Decrease) in Accounts Payable   | (19,513)             | (82,638)             |
| Increase (Decrease) in Wages Payable  | 17,148               | 15,678               |
| Increase (Decrease) in Accrued Leave  | 42,050               | 62,888               |
| Increase (Decrease) in Unearned Revenue   | (16,742)             | 31,333               |
| Increase (Decrease) in Closure/Postclosure Payable  | 542,099              | 2,084,859            |
| Increase (Decrease) in OPEB Net Position  | (320,985)            | 139,470              |
| Increase (Decrease) in Pension Net Position   | 128,646              | (349,110)            |
| Total Adjustments to Net Income   | <u>2,042,143</u>     | <u>3,059,186</u>     |
| Net Cash Provided by Operating Activities   | <u>\$ 8,858,064</u>  | <u>\$ 8,068,399</u>  |
| Noncash Investing, Capital and Financing Activities   |                      |                      |
| Amortization of Bond Premium  | <u>\$ 169,026</u>    | <u>\$ 161,458</u>    |

The accompanying notes are an integral part of this financial statement



SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

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.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
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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. 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. The Authority has implemented this statement effective July 1, 2017.   |
| Statement No. 81 | <i>"Irrevocable Split-Interest Agreements"</i>  | The provisions of this statement are effective for reporting periods beginning after December 15, 2016. This statement has no financial effect on these financial statements.  |
| 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. This statement has no financial effect on these financial statements. |
| Statement No. 85 | <i>"Omnibus 2017"</i>   | The provisions of this statement are effective for reporting periods beginning after June 15, 2017. This statement has no financial effect on these financial statements.  |
| Statement No. 86 | <i>"Certain Debt Extinguishment Issues"</i>   | The provisions of this statement are effective for reporting periods beginning after June 15, 2017. This statement has no financial effect on these financial statements.  |

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

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

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

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

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

Capital Assets: Capital assets which include property, plant, equipment, and landfills are recorded at historical cost or estimated historical cost if actual cost is not available. Donated 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.

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Restricted Cash: Restricted cash of the Authority represent funds required to be set-aside for the eventual closure of the landfills under state law. Restricted resources are used first to fund expenses incurred for restricted purposes.

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

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

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

*Unrestricted* - This component of net position consists of net position that do not meet the definition of net investment in capital assets 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.

*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.

*Other Post-Employment Benefits (OPEB)* - For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

*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

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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.

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

Amortization: Premium, discount and insurance on long-term debt are amortized on the effective interest rate method over the life of the related debt issues.

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

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

Public Employees Retirement System: The Authority offers 2 retirement plans to its employees. Employees hired before January 1, 2013 are members of the CalPERS Classic Plan and employees hired after January 1, 2013 are members of the California Public Employees' Pension Reform Act Plan (PEPRA Plan).

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Salinas Valley Solids Waste Authority's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS finance office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 12 for the CalPERS Classic Plan disclosures.

Post-employment Benefits Other than Pensions: The Authority's net Other Post-Employment Benefits (OPEB) Obligation is recognized as a long-term liability in the Statement of Net Position, the amount is actuarially determined. The Authority offers health benefits to retirees under age 65 as well as their qualified dependents, as required by state law. The Authority joined The California Employer's Retiree Benefit Trust (CERBT) in 2017 to prefund it's OPEB liability. It's initial cash contribution to the plan was \$438,000. For future contributions, the Authority will us the annual required contribution (ARC) of the employer, which is expected to prefund all unfunded liabilities by 2040.

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

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Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's financial statement presentation.

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

|                  |   |   |
|------------------|---|---|
| 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. 87 | <i>"Leases"</i>   | The provisions of this statement are effective for reporting periods beginning after December 15, 2019. |
| Statement No. 88 | <i>"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"</i> | The provisions of this statement are effective for reporting periods beginning after June 15, 2018.     |
| Statement No. 89 | <i>"Accounting for Interest Cost Incurred before the End of a Construction Period"</i>          | The provisions of this statement are effective for reporting periods beginning after December 15, 2019. |
| Statement No. 90 | <i>"Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61"</i>            | The provisions of this Statement are effective for reporting periods beginning after December 15, 2018. |

**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, 2018 were as follows:

|                                 |                      |
|---------------------------------|----------------------|
| Cash and Cash Equivalents       |                      |
| Unrestricted Cash               | \$ 23,299,645        |
| Restricted Cash                 | 4,229,472            |
| Total Cash and Cash Equivalents | <u>\$ 27,529,117</u> |

The Authority's cash and investments at June 30, 2018, were held as follows:

|  |                      |
|--|----------------------|
| Cash managed by the Authority's Treasurer        | \$ 2,055,548         |
| Investments managed by the Authority's Treasurer | 25,473,569           |
| Total Cash and Investments                       | <u>\$ 27,529,117</u> |

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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.

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.

At June 30, 2018, the Authority had no leveled investments.

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, 2018, the total fair value amount invested by all public agencies in LAIF is \$88,949,144,132 managed by the State Treasurer. Of that amount, 2.67% 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.

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The Local Agency Investment Fund (LAIF) managed by the State Treasurer, representing 100% of the investment portfolio, is not rated.

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 100%, of the portfolio are not considered a concentrated risk

The Authority was in compliance with these limitations at June 30, 2018. At June 30, 2018, certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

| Investment Type              | Investment Maturities |             |                      |             | % of<br>Total |
|------------------------------|-----------------------|-------------|----------------------|-------------|---------------|
|                              | Fair Value            | 0-6 Mths    | 6-12 Mths            | 1-5 years   |               |
| State of California          |                       |             |                      |             |               |
| Local Agency Investment Fund | \$25,473,569          | \$ -        | \$ 25,473,569        | \$ -        | 100.0         |
|                              | <u>\$25,473,569</u>   | <u>\$ -</u> | <u>\$ 25,473,569</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. Receivable:**

Receivables and the related allowance for doubtful accounts at June 30, 2018, are summarized as follows:

|                                      |                     |
|--------------------------------------|---------------------|
| Tipping Fee Accounts Receivable      | \$ 1,626,512        |
| Intergovernmental Grants Receivable  | 280,707             |
| LFG Gas Royalties                    | 63,599              |
| Sales of Recycling Materials         | 45,226              |
| Franchise Administration             | 35,943              |
| Workers Comp Deposits                | 18,598              |
| Global Earht Organics Receivables    | 16,065              |
| Recycled Paint                       | 9,091               |
| Employees' Flexible Spending Account | 10,407              |
| Vision Recycling Fuel                | 1,893               |
| WM JR Electricity                    | 1,327               |
| SS Illegal Dumping                   | 181                 |
| Total Receivables                    | 2,109,549           |
| Allowance for Doubtful Accounts      | (8,133)             |
| Total Receivables, Net               | <u>\$ 2,101,416</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, 2018 were as follows:

|  | June 30,<br>2017  | Increases   | Decreases         | June 30,<br>2018  |
|--|-------------------|-------------|-------------------|-------------------|
| Loss on Refunding of Bonds:            |                   |             |                   |                   |
| 2014A (AMT) Refunding Revenue Bonds    | \$ 332,850        | \$ -        | \$(41,331)        | \$ 291,519        |
| 2014B (Taxable) Refunding Revenue Bond | 28,996            | -           | (4,878)           | 24,118            |
|  | <u>\$ 361,846</u> | <u>\$ -</u> | <u>\$(46,209)</u> | <u>\$ 315,637</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)<br>Refunding<br>Revenue Bond | 2014B (Taxable)<br>Refunding<br>Revenue Bond | Total             |
|----------------------------|--|--|-------------------|
| 2019                       | \$ 32,660                                | \$ 4,186                                     | \$ 36,846         |
| 2020                       | 32,660                                   | 4,186  | 36,846            |
| 2021                       | 32,660                                   | 4,186  | 36,846            |
| 2022                       | 32,660                                   | 4,186  | 36,846            |
| 2023                       | 32,660                                   | 4,186  | 36,846            |
| 2024-2028                  | 104,813                                  | 3,188  | 108,001           |
| 2029-2032                  | 23,406                                   | -  | 23,406            |
|                            | <u>\$ 291,519</u>                        | <u>\$ 24,118</u>                             | <u>\$ 315,637</u> |

**5. Restricted Cash:**

Cash and investments of \$4,229,472 are recorded as restricted assets at June 30, 2018.

Cash and investments of \$4,152,902 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of \$5,299 are restricted by the Flexible Spending Arrangement for employees' pay out-of-pocket health and child care costs.

Cash and investments of \$71,271 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, 2018, are summarized as follows:

|                               | June 30,<br>2017    | Increases           | Decreases           | June 30,<br>2018    |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| Nondepreciable assets:        |                     |                     |                     |                     |
| Land                          | \$ 42,600           | \$ -                | \$ -                | \$ 42,600           |
| Construction in Progress      | 410,882             | 376,824             | (111,329)           | 676,377             |
| Total nondepreciable assets   | <u>453,482</u>      | <u>376,824</u>      | <u>(111,329)</u>    | <u>718,977</u>      |
| Depreciable Assets:           |                     |                     |                     |                     |
| Buildings                     | 456,484             | -                   | -                   | 456,484             |
| Other Improvements            | 55,009,457          | 375,650             | -                   | 55,385,107          |
| Machinery and Equipment       | 8,603,723           | 491,747             | -                   | 9,095,470           |
| Total depreciable assets      | <u>64,069,664</u>   | <u>867,397</u>      | <u>-</u>            | <u>64,937,061</u>   |
| Less Accumulated Depreciation | <u>(34,816,017)</u> | <u>(1,611,743)</u>  | <u>-</u>            | <u>(36,427,760)</u> |
| Total Depreciable Assets, Net | <u>29,253,647</u>   | <u>(744,346)</u>    | <u>-</u>            | <u>28,509,301</u>   |
| Total Capital Assets, Net     | <u>\$29,707,129</u> | <u>\$ (367,522)</u> | <u>\$ (111,329)</u> | <u>\$29,228,278</u> |

The accumulated depreciation by major class is summarized as follows:

|                         | June 30,<br>2017       | Increases             | June 30,<br>2018       |
|-------------------------|------------------------|-----------------------|------------------------|
| Buildings               | \$ (349,164)           | \$ (18,859)           | \$ (368,023)           |
| Other Improvements      | (31,063,258)           | (361,797)             | (31,425,055)           |
| Machinery and Equipment | <u>(3,403,595)</u>     | <u>(1,231,087)</u>    | <u>(4,634,682)</u>     |
| Total                   | <u>\$ (34,816,017)</u> | <u>\$ (1,611,743)</u> | <u>\$ (36,427,760)</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, 2018, the liability for this accrued leave is \$548,455.

The changes in accrued leave of the Authority for the year ended June 30, 2018, are summarized as follows:

|               | June 30,<br>2017  | Increases        | Decreases   | June 30,<br>2018  |
|---------------|-------------------|------------------|-------------|-------------------|
| Accrued Leave |                   |                  |             |                   |
| Current       | \$ 74,935         | \$ 11,841        | \$ -        | \$ 86,776         |
| Noncurrent    | <u>431,470</u>    | <u>30,209</u>    | <u>-</u>    | <u>461,679</u>    |
| Total         | <u>\$ 506,405</u> | <u>\$ 42,050</u> | <u>\$ -</u> | <u>\$ 548,455</u> |

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**8. Long Term Liabilities:**

The following is a summary of long term liabilities for the fiscal year ended June 30, 2018:

|                              | June 30,<br>2017 | Increases  | Decreases    | June 30,<br>2018 | Due Within<br>One year |
|------------------------------|------------------|------------|--------------|------------------|------------------------|
| Long Term Debt:              |                  |            |              |                  |                        |
| 2014A (AMT) Refunding        |                  |            |              |                  |                        |
| Revenue Bonds                | \$ 27,815,000    | \$ -       | \$ 145,000   | \$ 27,670,000    | \$ 1,265,000           |
| 2014B (Taxable) Refunding    |                  |            |              |                  |                        |
| Revenue Bonds                | 2,615,000        | -          | 335,000      | 2,280,000        | 345,000                |
| 2014 Revenue Bonds           |                  |            |              |                  |                        |
| Original Issue Premium       | 1,734,012        | -          | 169,026      | 1,564,986        | 166,876                |
| Equipment Lease Payable      | 1,735,668        | -          | 749,866      | 985,802          | 773,139                |
| Long Term Debt Subtotal      | 33,899,680       | -          | 1,398,892    | 32,500,788       | 2,550,015              |
| Other Long Term Liabilities: |                  |            |              |                  |                        |
| Post Employment Benefits     | 1,547,545        | 334,901    | -            | 1,882,446        | -                      |
| Closure Payable              | 2,886,448        | 382,536    | -            | 3,268,984        | -                      |
| Postclosure Payable          | 15,403,543       | 159,563    | -            | 15,563,106       | 561,263                |
| Total Long Term Liabilities  | \$ 53,737,216    | \$ 877,000 | \$ 1,398,892 | \$ 53,215,324    | \$ 3,111,278           |

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

| Fiscal Year Ended June 30, | Principal            | Interest             | Total                |
|----------------------------|----------------------|----------------------|----------------------|
| 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                       | 1,950,000            | 1,185,730            | 3,135,730            |
| 2024-2028                  | 11,200,000           | 4,279,929            | 15,479,929           |
| 2029-2033                  | 9,880,000            | 1,123,925            | 11,003,925           |
|                            | <u>\$ 30,935,802</u> | <u>\$ 12,237,962</u> | <u>\$ 43,173,764</u> |

On January 28, 2014, Salinas Valley Solid Waste Authority issued Alternative Minimum Taxable bonds (Series 2014A) with a par value of \$27,815,000. These refunding revenue bonds were sold for \$30,069,049. This resulted in an original issue premium of \$2,254,049 meaning the bonds sold at 108.10% of the par value. The purpose of the bond's 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.

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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               |
| 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                               | 1,545,000           | 1,156,000           | 2,701,000           |
| 2024-2028                          | 10,780,000          | 4,269,763           | 15,049,763          |
| 2029-2032                          | 9,880,000           | 1,123,925           | 11,003,925          |
|                                    | <u>\$27,670,000</u> | <u>\$11,891,813</u> | <u>\$39,561,813</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               |
| 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                                   | 405,000             | 29,730            | 434,730             |
| 2024-2028                              | 420,000             | 10,166            | 430,166             |
|  | <u>\$ 2,280,000</u> | <u>\$ 318,419</u> | <u>\$ 2,598,419</u> |

Equipment Lease Payable: The Equipment Lease is a capital lease for certain landfill equipment in the amount of \$3,670,000 for a term of 5 years. The first interest and principal payment is due June 30, 2015 and each year thereafter until June 30, 2020. The interest rate for this capital lease is 3.08%.

The equipment under this capital lease is included in machinery and equipment. Amortization of this equipment is included in depreciation expense. The annual debt service requirements are as follows:

| Fiscal Year Ended June 30, | Principal         | Interest         | Total               |
|----------------------------|-------------------|------------------|---------------------|
| 2019                       | \$ 773,139        | \$ 24,455        | \$ 797,594          |
| 2020                       | 212,663           | 3,275            | 215,938             |
|                            | <u>\$ 985,802</u> | <u>\$ 27,730</u> | <u>\$ 1,013,532</u> |

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**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, 2018:

|                            | June 30,<br>2017 | Increases | Decreases    | June 30,<br>2018 |
|----------------------------|------------------|-----------|--------------|------------------|
| Revenue Bonds, Series 2014 | \$1,734,012      | \$ -      | \$ (169,026) | \$1,564,986      |

Total bonded debt outstanding at June 30, 2018 net of the unamortized bond premium is as follows:

|                                    |                      |
|------------------------------------|----------------------|
| Bonds payable                      | \$ 29,950,000        |
| Add unamortized bond issue premium | 1,564,986            |
| Net bonds payable                  | <u>\$ 31,514,986</u> |

**10. Landfill Closure and Postclosure Requirements:**

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

The landfills are regulated by the California Department of Resources, Recycling, and Recovery (CalRecycle) which requires the Authority to set-aside funds annually for landfill closure and to fund postclosure maintenance for at least 30 years after closure. On June 19, 1998, the CalRecycle, approved the Authority's financial assurance mechanisms for closure and postclosure maintenance for the Authority's four landfills. Since then, the CalRecycle and the Authority have agreed to the financial assurance mechanism for corrective action for the Jolon Road, Johnson Canyon, Lewis Road, 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.

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The system estimated capacity at June 30, 2018 is presented as follows:

|                                    | <u>Johnson Canyon</u>   |
|------------------------------------|-------------------------|
| Permitted Capacity (cu. yd.)       | 12,566,162              |
| Cumulative Capacity Used (cu. yd.) | <u>(2,703,547)</u>      |
| Remaining Capacity (cu. yd.)       | <u><u>9,862,615</u></u> |

System Capacity: As of June 30, 2018, the Authority has 78.49% 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, 2018, the Authority landfilled a total of 213,714 tons of solid waste. As of June 30, 2018 the Authority has 43 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.

Closure and Postclosure Maintenance Costs: Estimated closure and postclosure maintenance costs and amounts set-aside for closure as of June 30, 2018, are presented as follows:

|                                     | <u>Total</u>                | <u>Crazy Horse</u>          | <u>Johnson Canyon</u>       | <u>Lewis Road</u>          | <u>Jolon Road</u>          |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|
| Estimated:                          |                             |                             |                             |                            |                            |
| Closure Cost                        | \$ 15,194,327               | \$ -                        | \$ 15,194,327               | \$ -                       | \$ -                       |
| Postclosure Maintenance Cost        | <u>17,418,498</u>           | <u>11,763,881</u>           | <u>2,363,993</u>            | <u>1,567,073</u>           | <u>1,723,551</u>           |
| Total Estimated                     | <u><u>\$ 32,612,825</u></u> | <u><u>\$ 11,763,881</u></u> | <u><u>\$ 17,558,320</u></u> | <u><u>\$ 1,567,073</u></u> | <u><u>\$ 1,723,551</u></u> |
| Expense (Income):                   |                             |                             |                             |                            |                            |
| Closure                             | \$ 382,536                  | \$ -                        | \$ 382,536                  | \$ -                       | \$ -                       |
| Postclosure Maintenance             | <u>851,666</u>              | <u>556,437</u>              | <u>59,516</u>               | <u>117,838</u>             | <u>117,875</u>             |
| Total Expense (Income)              | <u><u>\$ 1,234,202</u></u>  | <u><u>\$ 556,437</u></u>    | <u><u>\$ 442,052</u></u>    | <u><u>\$ 117,838</u></u>   | <u><u>\$ 117,875</u></u>   |
| Outstanding Liability:              |                             |                             |                             |                            |                            |
| Closure                             | \$ 3,268,984                | \$ -                        | \$ 3,268,984                | \$ -                       | \$ -                       |
| Postclosure Maintenance             | <u>15,563,106</u>           | <u>11,763,881</u>           | <u>508,601</u>              | <u>1,567,073</u>           | <u>1,723,551</u>           |
| Total Liability                     | <u><u>\$ 18,832,090</u></u> | <u><u>\$ 11,763,881</u></u> | <u><u>\$ 3,777,585</u></u>  | <u><u>\$ 1,567,073</u></u> | <u><u>\$ 1,723,551</u></u> |
| Assets Set-Aside for Closure-Cash   | <u><u>\$ 4,152,902</u></u>  | <u><u>\$ -</u></u>          | <u><u>\$ 4,152,902</u></u>  | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         |
| Cash over/(under) Closure Liability | <u><u>\$ 883,918</u></u>    | <u><u>\$ -</u></u>          | <u><u>\$ 883,918</u></u>    | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         |

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Crazy Horse Landfill estimated postclosure costs increased \$208,005 as a result of the revised CalRecycle inflation factor of 101.8%. Current year postclosure expenditures were \$348,432.

Johnson Canyon Landfill estimated closure costs increased \$382,536 as a result of the revised CalRecycle inflation factor of 101.8%.

Johnson Canyon Landfill estimated postclosure costs increased \$59,516 as a result of the CalRecycle inflation factor of 101.8% and recalculation.

Lewis Road Landfill estimated postclosure costs decreased \$57,811 as a result of the revised CalRecycle inflation factor of 101.8%, and a change in estimate to the postclosure liability. Current year postclosure expenditures were \$175,649.

Jolon Road Landfill estimated postclosure costs decreased \$50,147 as a result of the revised CalRecycle inflation factor of 101.8%, and a change in estimate to the postclosure liability. Current year postclosure expenditures were \$168,022.

The postclosure maintenance liability of \$15,563,106 will be funded from future revenues as expenditures take place.

**11. Deferred Compensation Plan:**

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

The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The ICMA Deferred Compensation plan has a balance of \$1,044,574 as of June 30, 2018. 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 or beneficiaries. The Authority entered into a contract with CalPERS effective July 1, 2004 to provide 2% at 55 annual retirement benefits for Local Miscellaneous Members. The California Public Employees' Pension Reform Act (PEPRA) was approved in 2012. It provides a 2% at 62 annual retirement benefit for employees hired after January 1, 2013. All CalPERS participant pension benefits vest after five years of service. Once vested, the plan provides an annual pension at retirement using the following calculation. The

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employee's final eligible compensation, multiplied by the percentage that corresponds to the employee's age at retirement, multiplied by the number of years of service in the system.

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

|   | Miscellaneous             |                             |
|---|---------------------------|-----------------------------|
|   | Classic                   | PEPRA                       |
| Hire date   | *Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula                                   | 2% @ 55                   | 2.0% at 62                  |
| Benefit vesting schedule                          | 5 years service           | 5 years of service          |
| Benefit payments                                  | monthly for life          | monthly for life            |
| Retirement age                                    | 50-63                     | 52-67                       |
| Monthly benefits, as a % of eligible compensation | 1.426%-2.418%             | 1.000% to 2.500%            |
| Required employee contribution rates              | 7.00%                     | 6.250%                      |
| Required employer contribution rates              | 8.921%                    | 6.533%                      |
| Required Payment of Unfunded Liability            | \$32,620                  | \$79                        |

*\*Plan is closed to new members. Miscellaneous members that were CalPERS participants before January 1, 2013, with no break of service over six months, may continue in the plan.*

**Contributions:** Section 20814(c) of the California Public Employee's Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribute rate of employees.

The Authority's contributions were as follows:

|              | Fiscal Year Paid  |                   |                   |
|--------------|-------------------|-------------------|-------------------|
|              | 2017/18           | 2016/17           | 2015/16           |
| Misc Classic | \$ 313,549        | \$ 296,383        | \$ 209,017        |
| Misc PEPRA   | 75,316            | 62,312            | 41,889            |
|              | <u>\$ 388,865</u> | <u>\$ 358,695</u> | <u>\$ 250,906</u> |

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

As of June 30, 2018, the Authority reported net pension liabilities for its proportionate share of the net pension liability as follows:

|                                | Fiscal Year Ending  |                   |                   |
|--------------------------------|---------------------|-------------------|-------------------|
|                                | June 30, 2018       | June 30, 2017     | June 30, 2016     |
| Authority's Miscellaneous Plan | \$ 1,102,446        | \$ 912,076        | \$ 649,956        |
| Total Net Pension Liability    | <u>\$ 1,102,446</u> | <u>\$ 912,076</u> | <u>\$ 649,956</u> |



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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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2018 and 2017 was a follows:

|                                 | Percentage Share of Risk |           | Change:             |
|---------------------------------|--------------------------|-----------|---------------------|
|                                 | 6/30/2018                | 6/30/2017 | Increase/(Decrease) |
| Measurement date                | 6/30/2017                | 6/30/2016 |                     |
| Percentage of Plan (PERF C) NPL | 0.011116%                | 0.010540% | 0.000576%           |

For the year ended June 30, 2018, the Authority recognized pension expense of \$517,511. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience   | \$ 2,302                          | \$ 32,975                        |
| Changes in assumption  | 285,580                           | 21,776                           |
| Net differences between projected and actual earnings on plan investments                                | 64,586                            | -                                |
| Change in employer's proportion  | 246,857                           | 29,381                           |
| Differences between the employer's contributions and the employer's proportionate share of contributions | 171,010                           | -                                |
| Pension contributions subsequent to measurement date   | 388,865                           | -                                |
| Total  | <u>\$ 1,159,200</u>               | <u>\$ 84,132</u>                 |

Deferred outflows of resources in the amount of \$388,865 were reported related to contributions subsequent to the measurement date and will recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:

| Year Ended June 30, |                   |
|---------------------|-------------------|
| 2019                | \$ 280,523        |
| 2020                | 266,469           |
| 2021                | 177,557           |
| 2022                | (38,346)          |
| 2023                | -                 |
| Thereafter          | -                 |
| Total               | <u>\$ 686,203</u> |

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Actuarial Methods and Assumptions Used to Determine Pension Liability: For the measurement period ended June 30, 2017 (the measurement date), the total pension liabilities were determined by rolling forward the June 30, 2016, actuarial accounting valuation to June 30, 2017. The June 30, 2017, total pension liability was 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                    | 7.15%   |
| 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>.

Other significant actuarial assumptions used in the June 30, 2016, valuations were based on the results of the actuarial experience study for the period from 1997 to 2011.

Change of Assumption: In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent 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 testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash

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flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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, 2017.

Amortization of Deferred Outflows and Deferred Inflows of Resources: The 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. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the June 30, 2017 measurement date is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of all active employees) by 130,595 (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:

|                       | Discount Rate |                |               |
|-----------------------|---------------|----------------|---------------|
|                       | 6.15%         | 7.15%          | 8.15%         |
|                       | (1% Decrease) | (Current Rate) | (1% Increase) |
| Measurement date      |               | June 30, 2017  |               |
| Fiscal Year End       |               | June 30, 2018  |               |
| Net Pension Liability | \$ 2,043,799  | \$ 1,102,446   | \$ 322,800    |

Pension Plan Fiduciary Net Positions: Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial reports. The effect of CalPERS on the Authority's net position has been determined on the same basis used CalPERS

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

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**13. Other Post Employment Benefit (OPEB):**

**A. General Information about the OPEB Plan**

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes.

For this report, the following timeframes are used:

|   |                               |
|---|-------------------------------|
| Valuation Date                            | June 30, 2017                 |
| Measurement Date                          | June 30, 2017                 |
| Measurement Period                        | July 1, 2016 to June 30, 2017 |
| GASB Statement No. 75 Implementation Date | June 30, 2018                 |

Plan Description: The Authority joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2004. It is a cost-sharing multiple-employer plan administered by California Public Employees' Retirement System (CalPERS). PEMHCA governs health care provided to employees and retirees under health care plans administered by CalPERS. All public agencies providing health care to their active employees through CalPERS PEMHCA plans are also required to offer health care under those plans to their retirees.

OPEB Trust: The Authority joined The California Employers' Retiree Benefit Trust (CERBT) in 2017 to prefund it's OPEB liability. CERBT is an agent multiple-employer defined plan for other post-employment benefits administered by CalPERS. The Plan includes participating employers of the State of California and public agencies. CalPERS is governed by a 13-member Board of Administration (the Board); two elected by CalPERS members, one elected by retired members of CalPERS, two appointed by the Governor, one public representative appointed jointly by the Speaker of the Assembly and Senate Rules Committee, and four ex-officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personal Board. The Board is responsible for the management and control of CalPERS, including the exclusive control of the administration and investments of the Plan.

The plan information is as follows:

| <u>Fiscal Year End</u>             | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|------------------------------------|----------------------|----------------------|
| Plan Type                          | Agent Employer       | n/a                  |
| OPEB Trust                         | CERBT #3             | n/a                  |
| Special Funding Situations         | None                 | n/a                  |
| Nonemployer Contributing Entities  | None                 | n/a                  |
| Blended Component Units with OPEB  | None                 | n/a                  |
| Discrete Component Units with OPEB | None                 | n/a                  |

**Benefits Provided:** PEHMCA provides employees who retire directly from the Authority after five years of service a cash subsidy for monthly medical insurance premiums. Employees with 20 years of service with the Authority that do not retire directly from the Authority can request benefits later.

Benefits are also paid to the surviving spouse of retirees who elected CalPERS joint and survivor payment options, as well as spouses of an active employee who died while eligible to retire receiving CalPERS survivor's benefit. The Minimum Employer Contribution amount is prescribed by

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Government Code Section 22892 of the PEMHCA. It was originally established as a specific dollar value with specified increases from calendar years 2004 through 2008. Starting in calendar year 2009, the calculated adjustments are based upon the medical care component of the Consumer Price Index-Urban (CPI-U). The Authority opted for the unequal method of distribution when it joined in 2004. Using this method, the Authority pays a percentage of the contribution, with the percentage paid increasing by 5% each year. The minimum amount in 2018 is \$133 per month, of which the Authority pays 70% or \$93.10. The Authority is scheduled to pay the full minimum amount in 2024.

Employees Covered: As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the PEMHCA Plan:

| June 30, 2018 Fiscal Year End<br>June 30, 2017 Valuation Date<br>June 30, 2017 Measurement Date | Covered Employees<br>On Valuation Date<br>June 30, 2017 | Covered Employees On<br>Measurement Date<br>June 30, 2017 |
|---|---|---|
| Inactive Employees Currently Receiving<br>Benefit Payments                                      | 4   | 4   |
| Inactive Employees Entitled to but not yet<br>Receiving Benefit Payments                        | 2   | 2   |
| Actives Employees   | 54  | 54  |
| Total Employees   | 60  | 60  |

Contributions: In 2017, the Authority joined CERBT to prefund it's OPEB liability. The Authority's initial cash contribution to the plan was \$438,000. For future contributions, the Authority will use the annual required contribution (ARC) of the employer, which is expected to prefund all unfunded liabilities by 2040. Direct payments for retired benefits, and the estimated implied subsidy was \$17,000 resulting in total payments of \$455,000.

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

Actuarial Methods and Assumptions Used to Determine the OPEB Liability: The Authority's net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

Significant Accounting Actuarial Assumptions and Methods:

|                                    |                                 |                                 |
|------------------------------------|---------------------------------|---------------------------------|
| Fiscal Year End                    | June 30, 2018                   | June 30, 2017                   |
| Measurement Date                   | June 30, 2017                   | June 30, 2016                   |
| Valuation Date                     | June 30, 2017                   | June 30, 2017                   |
| Discount Rate                      | 5.50%                           | 5.50%                           |
| Long-Term Net Rate of Return       | 5.50%                           | 5.50%                           |
| Municipal Bond Rate                | n/a                             | n/a                             |
| Source of Municipal Bond Rate      | n/a                             | n/a                             |
| General Inflation                  | 2.75%                           | 2.75%                           |
| Aggregate Payroll Increases        | 3.00%                           | 3.00%                           |
| Investment Expenses                | 0.04%                           | 0.04%                           |
| Trust Administrative Expenses      | 0.06%                           | 0.06%                           |
| Healthcare Administrative Expenses | 0.33% of Premium                | 0.33% of Premium                |
| Merit Payroll Increases            | CalPERS 1997-2015               | CalPERS 1997-2015               |
| Retirement                         | CalPERS 1997-2015               | CalPERS 1997-2015               |
| Termination                        | CalPERS 1997-2015               | CalPERS 1997-2015               |
| Disability                         | CalPERS 1997-2015               | CalPERS 1997-2015               |
| Mortality                          | CalPERS 1997-2015               | CalPERS 1997-2015               |
| Mortality Improvement Scale        | MP-2017                         | MP-2017                         |
| Other Assumptions                  | See Valuation Report            | See Valuation Report            |
| Healthcare Trend                   | <u>Increase from Prior Year</u> | <u>Increase from Prior Year</u> |
| Calendar Year                      | <u>Non-Medicare</u>             | <u>Non-Medicare</u>             |
|                                    |                                 | <u>Medicare</u>                 |
| 2019                               | 7.50%                           | 6.50%                           |
| 2020                               | 7.50%                           | 6.50%                           |
| 2021                               | 7.25%                           | 6.30%                           |
| 2022                               | 7.00%                           | 6.10%                           |
| 2023                               | 6.75%                           | 5.90%                           |
| ↓                                  | ↓                               | ↓                               |
| 2076+                              | 4.00%                           | 4.00%                           |
| Actuarial Cost Method              | Entry Age Normal                | Entry Age Normal                |
|                                    | Level Percent of Pay            | Level Percent of Pay            |

Expected Long Rate of Return: The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

| CERBT Investment Strategy #3          | Long-Term Target |         | Long-Term Expected    |         |
|---------------------------------------|------------------|---------|-----------------------|---------|
| Asset Class                           | Asset Allocation |         | Geometric Real Return |         |
| Measurement Date                      | 6/30/17          | 6/30/16 | 6/30/17               | 6/30/16 |
| Global Equity                         | 24%              | n/a     | 4.82%                 | n/a     |
| Fixed Income                          | 39%              | n/a     | 1.47%                 | n/a     |
| TIPS                                  | 26%              | n/a     | 1.29%                 | n/a     |
| REITS                                 | 8%               | n/a     | 3.76%                 | n/a     |
| Commodities                           | 3%               | n/a     | 0.84%                 | n/a     |
| Assumed Long-Term Rate of Inflation   |                  |         | 2.75%                 | n/a     |
| Assumed Long-Term Investment Expenses |                  |         | 0.04%                 | n/a     |
| Expected Long-Term Net Rate of Return |                  |         | 5.50%                 | n/a     |

Discount Rate: The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (5.5%) in measuring the Net OPEB Liability.

|                             | Discount Rate |            |            |
|-----------------------------|---------------|------------|------------|
|                             | -1%           | Assumption | +1%        |
|                             | 4.50%         | 5.50%      | 6.50%      |
| Total OPEB Liability        | \$ 912,000    | \$ 780,000 | \$ 675,000 |
| Plan Fiduciary Net Position | -             | -          | -          |
| Net OPEB Liability          | \$ 912,000    | \$ 780,000 | \$ 675,000 |

Medical Trend Sensitivity Analysis: The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

|                             | Medical Trend |            |            |
|-----------------------------|---------------|------------|------------|
|                             | -1%           | Assumption | +1%        |
| Total OPEB Liability        | \$ 649,000    | \$ 780,000 | \$ 951,000 |
| Plan Fiduciary Net Position | -             | -          | -          |
| Net OPEB Liability          | \$ 649,000    | \$ 780,000 | \$ 951,000 |

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

Changes in the OPEB Liability: The changes in the net OPEB liability for the Authority Plan are as follows:

| Changes in Net OPEB Liability                | Total OPEB Liability (a) | Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|--|--------------------------|----------------------------|------------------------------|
| Balance at June 30, 2017                     |                          |                            |                              |
| (Measurement Date June 30, 2016)             | \$ 660,000               | n/a                        | \$ 660,000                   |
| Service Cost at Beginning of Year            | 93,000                   | n/a                        | 93,000                       |
| Interest on Total OPEB Liability             | 41,000                   | n/a                        | 41,000                       |
| Employer Contributions                       | n/a                      | n/a                        | n/a                          |
| Nonemployer Contributing Entity Contribution | n/a                      | n/a                        | n/a                          |
| Employee Contributions                       | n/a                      | n/a                        | n/a                          |
| Net Investment Income                        | n/a                      | n/a                        | n/a                          |
| Benefit Payments                             | (14,000)                 | n/a                        | (14,000)                     |
| Administrative Expenses                      | n/a                      | n/a                        | n/a                          |
| Expected versus Actual Experience            | -                        | n/a                        | -                            |
| Changes of Benefit Terms                     | -                        | n/a                        | -                            |
| Changes of Assumptions                       | -                        | n/a                        | -                            |
| Net Changes                                  | 120,000                  | n/a                        | 120,000                      |
| Balance at June 30, 2018                     |                          |                            |                              |
| (Measure Date June 30, 2017)                 | <u>\$ 780,000</u>        | <u>n/a</u>                 | <u>\$ 780,000</u>            |

Recognition of Deferred Outflows and Deferred Inflows of Resources: To smooth market volatility, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized over five years. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the fiscal year ended June 30, 2018, the Authority recognized OPEB expense of \$134,000. As of fiscal year ended June 30, 2018, the Authority reported deferred outflows of resources related to OPEB from the following sources:

|  | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Differences Between Projected and Actual Earnings  | \$ -                           | \$ -                          |
| Differences Between Expected and Actual Experience | -                              | -                             |
| Changes of Assumptions                             | -                              | -                             |
| Employer Contributions after Measurement Date      | 455,000                        | -                             |
| Total  | <u>\$ 455,000</u>              | <u>\$ -</u>                   |



SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

Deferred outflows of resources in the amount of \$455,000 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

|   | Amount Recognized in OPEB Expense |             |             |             |             |             |
|---|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Recognition of Deferred Outflows of Resources and (Deferred Inflows of Resources) | FYE 2019                          | FYE 2020    | FYE 2021    | FYE 2022    | FYE 2023    | FYE 2024+   |
| Projected versus Actual Earnings  | \$ -                              | \$ -        | \$ -        | \$ -        | n/a         | n/a         |
| Expected versus Actual Experience   | -                                 | -           | -           | -           | \$ -        | \$ -        |
| Changes of Assumptions  | -                                 | -           | -           | -           | -           | -           |
| Total   | <u>\$ -</u>                       | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**14. Concentrations:**

The Authority received 63.22% of its Charges for Services (tipping fees) from two haulers: Republic Services and Waste Management. These two haulers comprised approximately \$1,233,036, (75.81%) of accounts receivable balances at June 30, 2018. 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 King City, 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>     |
|----------------------------|-------------------|
| 2019                       | \$ 86,328         |
| 2020                       | 43,164            |
|                            | <u>\$ 129,492</u> |

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

Risk Management: The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. Effective July 1, 2013 the Authority has purchased worker's compensation insurance through the State Compensation Insurance Fund for its employees. The Authority has the following commercial insurance policies:

| Coverage  | Detail         | Limits       | Deductible |
|---|----------------|--------------|------------|
| Environmental Impairment Liability                | Per Occurrence | \$10,000,000 | \$ 25,000  |
| Additional Pollution Liability Limited Occurrence |                | 1,000,000    | 10,000     |
| Commercial Auto Physical Damage                   | Aggregate      | 10,000,000   | 5,000      |
| 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    | -          |
| 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        |
|--------------------------|--------------|--------------|-------------|--------------|
|                          | Improvement  | Maintenance  | Contingency |              |
| Johnson Canyon           | \$ 433,796   | \$ 368,580   | \$ -        | \$ 802,376   |
| Crazy Horse              | 3,388,139    | 7,669,973    | -           | 11,058,112   |
| Jolon Road               | -            | 1,516,869    | -           | 1,516,869    |
| Lewis Road               | 127,798      | 235,389      | 36,454      | 399,641      |
| Total Corrective Actions | \$ 3,949,733 | \$ 9,790,811 | \$ 36,454   | \$13,776,998 |

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 18 years for Lewis Road to 66 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 measurable.

**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, 2018, the statement of net position reports restricted net position of \$956,776. None of the net positions are restricted by enabling legislation. This consists of \$72,858 of unspent grant monies and \$883,918 for closure reserve.

**18. Net Position:**

Deficit Net Investment in Capital Assets: The deficit of \$2,956,872 in Net Investment in Capital Assets is the result of the Authority issuing 30-year bond to purchase and improve assets that depreciate at a 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: The unrestricted surplus of \$7,448,904 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, 2018, the calculation is 469%.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

Net revenue available for debt service for the year ended June 30, 2018, is determined as follows:

Salinas Valley Solid Waste Authority  
Debt Service Coverage Ratio Calculations  
Fiscal year ended June 30, 2018

|   |                     |
|---|---------------------|
| Revenues  |                     |
| Operating revenues  | \$ 22,506,789       |
| Interest not on Project funds                                       | 303,212             |
| Revised Revenues  | <u>22,810,001</u>   |
| Maintenance & Operations Costs                                      |                     |
| GAAP Operating Expenses   | 15,690,868          |
| Less the following items per Master Indenture                       |                     |
| Postclosure maintenance   | (851,666)           |
| Closure   | (382,536)           |
| Depreciation  | (1,611,743)         |
| Add Postclosure liability being paid                                |                     |
| Lewis Road  | 175,649             |
| Jolon Road  | <u>168,022</u>      |
| Revised Maintenance and Operations Expenses<br>per Master Indenture | <u>13,188,594</u>   |
| Net Revenues  | <u>\$ 9,621,407</u> |
| Debt service on 2014 Bond   | <u>\$ 2,051,271</u> |
| Debt Service Coverage Ratio   | 469%                |
| Debt Service Coverage Required                                      | 115%                |

**20. New Accounting Pronouncements:**

As part of implementing the requirement of GASB Statement 75, the Authority adjusted its beginning net position as of July 1, 2017 for the portion of other post-employment benefits (OPEB) for health insurance attributable to periods before the year ended June 30, 2017. An OPEB liability of \$24,516 and deferred outflow of resources related to OPEB contributions of \$14,000 were recorded as prior year adjustments. This resulted in a net decrease to net position of \$10,516.

The restatement of beginning net position is summarized as follows:

|  |                     |
|--|---------------------|
| Net position at July 1, 2017, as previously stated   | \$ (404,354)        |
| Implementation of GASB Statement No. 75, net OPEB<br>liability as of measurement date of June 30, 2017 | <u>(10,516)</u>     |
| Net Position at July 1, 2017, as restated  | <u>\$ (414,870)</u> |

In accordance with GASB Statement No. 75, the statement of all deferred outflows and inflows was not practical, and therefore not included in the restatement of the beginning balance.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**21. Subsequent Events:**

Date of Management Review: Management has evaluated subsequent events through October 4, 2018, the date which these financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018

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, 2018  
Last 10 Years^

|  | Fiscal Year End |             |             |             |
|--|-----------------|-------------|-------------|-------------|
|  | 06/30/18        | 06/30/17    | 06/30/16    | 06/30/15    |
| Measurement Date   | 06/30/17        | 06/30/16    | 06/30/15    | 06/30/14    |
| Authority's proportion of the net pension liability  | 0.011116%       | 0.010540%   | 0.009469%   | 0.010779%   |
| Authority's proportionate share of the net pension liability   | \$1,102,446     | \$912,076   | \$ 649,956  | \$670,697   |
| Authority's covered-employee payroll*  | \$3,334,650     | \$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 | 33.06%          | 30.47%      | 24.15%      | 27.73%      |
| Plan's fiduciary net position as a percentage of the plan's total pension liability                      | 73.31%          | 74.06%      | 78.40%      | 79.82%      |

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

\* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018

Schedule of Statutorily Required Employer Contributions

Pension Plan

As of June 30, 2018

Last 10 Years^

| Contributions for the fiscal year ended:                                | 06/30/18           | 06/30/17           | 06/30/16           | 06/30/15    |
|---|--------------------|--------------------|--------------------|-------------|
| Actuarially determined contribution                                     | \$ 315,704         | \$ 296,695         | \$ 220,619         | \$ 285,581  |
| Contributions in relation to the actuarially<br>determined contribution | 388,865            | 358,695            | 250,906            | 285,581     |
| Contribution deficiency (excess)  | <u>\$ (73,161)</u> | <u>\$ (62,000)</u> | <u>\$ (30,287)</u> | <u>\$ -</u> |
| Authority's covered-employee payroll *                                  | \$3,546,721        | \$3,334,650        | \$2,992,877        | \$2,691,705 |
| Contributions as a percentage of<br>covered-employee payroll            | 10.96%             | 10.76%             | 8.38%              | 10.61%      |

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

\* For the fiscal year ended on the date shown.



SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018

Schedule of Changes in the Authority's Net OPEB Liability  
and Related Ratios as of Measurement Date

Last 10 Years<sup>^</sup>

|   | Fiscal Year End          |
|---|--------------------------|
|   | <u>06/30/18</u>          |
| Measurement Date  | <u>06/30/17</u>          |
| Changes in total OPEB liability                             |                          |
| Service cost at beginning of year                           | \$ 93,000                |
| Interest on the total OPEB liability                        | 41,000                   |
| Actual benefits payments                                    | (14,000)                 |
| Actual and expected experience difference                   | -                        |
| Changes in benefits terms                                   | -                        |
| Changes in assumption                                       | -                        |
| Net changes in total OPEB liability                         | <u>120,000</u>           |
| Total OPEB liability - beginning                            | 660,000                  |
| Total OPEB liability - ending                               | <u><u>\$ 780,000</u></u> |
| Changes in plan fiduciary net position                      |                          |
| Expected return at beginning of year                        | n/a                      |
| Employer contributions                                      | n/a                      |
| Nonemployer contributing entity contributions               | n/a                      |
| Employee contributions                                      | n/a                      |
| Net investment income                                       | n/a                      |
| Benefit payments  | n/a                      |
| Administrative expenses                                     | n/a                      |
| Net changes in plan fiduciary net position                  | <u>n/a</u>               |
| Plan fiduciary net position - beginning                     | n/a                      |
| Plan fiduciary net position - ending                        | <u><u>n/a</u></u>        |
| Net OPEB liability  |                          |
| Total OPEB liability  | \$ 780,000               |
| Plan fiduciary net position                                 | \$ -                     |
| Net OPEB liability  | \$ 780,000               |
| Net OPEB liability funded percentage                        | 0.0%                     |
| Covered employee payroll *                                  | \$ 3,334,650             |
| Net OPEB liability as a percent of covered-employee payroll | 23.39%                   |

<sup>^</sup> Fiscal year 2018 was the 1st year of implementation, therefore only one year is shown.

\* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018

Schedule of Employer OPEB Contributions  
As of June 30, 2018  
Last 10 Years<sup>^</sup>

|   |              |
|---|--------------|
| Contributions for the fiscal year ended:                                | 06/30/18     |
| Actuarially determined contribution                                     | \$ 149,000   |
| Contributions in relation to the actuarially<br>determined contribution | 455,000      |
| Contribution deficiency (excess)  | \$ (306,000) |
| Authority's covered-employee payroll *                                  | \$ 3,546,721 |
| Contributions as a percentage of<br>covered-employee payroll            | 12.83%       |

<sup>^</sup> Fiscal year 2018 was the 1st year of implementation, therefore only one year is shown.

\* For the fiscal year ended on the date shown.

Significant Actuarial Methods and Assumptions used for Actuarially Determined Contributions:

|                                     |   |
|-------------------------------------|---|
| Valuation Date                      | June 30, 2017   |
| Actuarially Determined Contribution | 2017/18 Fiscal Year   |
| Cost Method                         | Entry Age Normal Cost Method Normal Cost is level percentage of payroll.  |
| Actuarial Value of Assets           | Actuarial Value of Assets is the Market Value of Assets.  |
| Employer Contribution               | The Actuarially Determined Contribution (ADC) includes the Normal Cost, an amortization of the Unfunded Actuarial Accrued Liability, and a provision for administrative expenses. Actuarial valuations determine the ADC for the two fiscal years immediately following the valuation.<br>Employer contributes at least the ADC.<br>Cash subsidy and implied subsidy benefit payments and PEMHCA administrative fees are currently paid by the employer and not reimbursed by the OPEB trust. |
| Amortization Method                 | Level percentage of payroll.  |
| Amortization Period                 | 22-year fixed period for the 2017/18 ADC.   |
| Retiree Cost Sharing                | Retirees can participate in the employer's medical plan participating retirees pay the premium cost in excess of the employer's cash subsidy.   |

## **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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| Operating Revenue by Source.....     | 48 |
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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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Salinas Valley Solid Waste Authority  
Net Position (unaudited)  
Last Ten Years  
(accrual basis of accounting)

| Description                      | 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           | 6/30/2018           |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|
| Net investment in capital assets | \$ (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)      | \$ (2,956,872)      |
| Restricted                       | 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           | 956,776             |
| Unrestricted                     | (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           | 7,448,904           |
| Total Net Position               | <u>\$ (11,551,970)</u> | <u>\$ (10,423,265)</u> | <u>\$ (10,236,591)</u> | <u>\$ (10,079,386)</u> | <u>\$ (10,264,459)</u> | <u>\$ (10,238,316)</u> | <u>\$ (8,106,300)</u> | <u>\$ (4,040,684)</u> | <u>\$ (404,354)</u> | <u>\$ 5,448,808</u> |

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                                 | 6/30/2009      | 6/30/2010      | 6/30/2011      | 6/30/2012      | 6/30/2013      | (As Restated)<br>6/30/2014 | (As Restated)<br>6/30/2015 | 6/30/2016      | 6/30/2017      | 6/30/2018      |
|---|----------------|----------------|----------------|----------------|----------------|----------------------------|----------------------------|----------------|----------------|----------------|
| Changes in Net Position:                    |                |                |                |                |                |                            |                            |                |                |                |
| Operating Revenues                          | \$ 15,298,739  | \$ 16,135,595  | \$ 15,070,564  | \$ 15,273,792  | \$ 15,980,945  | \$ 18,253,123              | \$ 16,797,238              | \$ 18,445,166  | \$ 20,861,516  | \$ 22,506,789  |
| Operating Expenses                          | 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     | 14,079,125     |
| Depreciation and amortization               | 2,411,454      | 552,132        | 566,286        | 698,156        | 1,359,411      | 1,412,742                  | 1,180,131                  | 1,228,692      | 1,419,953      | 1,611,743      |
| Operating income(loss)                      | (4,483,566)    | 2,973,163      | 2,783,869      | 2,021,376      | 1,784,242      | 3,594,746                  | 4,477,954                  | 5,543,829      | 5,009,213      | 6,815,921      |
| Non-operating revenues (expenses)           |                |                |                |                |                |                            |                            |                |                |                |
| Interest income                             | 764,812        | 289,760        | 233,541        | 52,658         | 39,180         | 28,013                     | 36,631                     | 64,248         | 95,624         | 303,212        |
| Gain(loss) on disposition of capital assets | -              | -              | (848,017)      | -              | -              | -                          | -                          | -              | -              | -              |
| Interest expense                            | (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)    | (1,482,988)    |
| Grant income                                | -              | -              | -              | -              | -              | -                          | -                          | -              | -              | -              |
| Other revenue(expense), net                 | 1,481          | 43,678         | 149,793        | 168,493        | 17,619         | -                          | -                          | -              | -              | 167,367        |
| Rental Income                               | -              | -              | -              | -              | -              | 9,914                      | 6,191                      | 7,214          | 53,114         | 60,166         |
| Cost of bond issuance                       | -              | -              | -              | -              | -              | (561,881)                  | -                          | -              | -              | -              |
| Total non-operating revenues (expense), net | (1,458,903)    | (1,844,457)    | (2,597,196)    | (1,864,171)    | (1,969,315)    | (2,247,967)                | (1,514,708)                | (1,478,213)    | (1,372,883)    | (952,243)      |
| Changes in net position                     | \$ (5,942,469) | \$ 1,128,706   | \$ 186,673     | \$ 157,205     | \$ (185,073)   | \$ 1,346,779               | \$ 2,963,246               | \$ 4,065,616   | \$ 3,636,330   | \$ 5,863,678   |
| Net assets by component:                    |                |                |                |                |                |                            |                            |                |                |                |
| Net Investment in capital assets            | \$(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) | \$ (2,956,872) |
| Restricted for debt service                 | 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         | 72,858         |
| Restricted per lease agreement              | -              | -              | -              | -              | -              | -                          | 242,326                    | -              | -              | -              |
| Restricted for capital projects             | 4,055,358      | -              | -              | -              | -              | -                          | -                          | -              | -              | -              |
| Restricted for closure reserve              | -              | -              | -              | 504,876        | 402,927        | 357,450                    | 797,572                    | 1,006,091      | 951,651        | 883,918        |
| Unrestricted                                | (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      | 7,448,904      |
| Total Net Position                          | \$(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)   | \$ 5,448,808   |

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<br>for<br>Services | Sales<br>of<br>Materials | Operating Grants<br>and<br>Contributions | Total<br>Operating<br>Revenues |
|-------------------------|----------------------------|--------------------------|--|--------------------------------|
| 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 | 17,542,289                 | 594,054                  | 116,780                                  | 18,253,123                     |
| (As Restated) 6/30/2015 | 16,096,863                 | 583,734                  | 116,641                                  | 16,797,238                     |
| 06/30/16                | 17,678,305                 | 618,784                  | 148,077                                  | 18,445,166                     |
| 06/30/17                | 20,148,726                 | 646,673                  | 66,117                                   | 20,861,516                     |
| 06/30/18                | 21,472,434                 | 701,566                  | 332,789                                  | 22,506,789                     |

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<br>Services | Contractural<br>Services | Operating<br>Contracts | Supplies  | Insurance | Building<br>Rent | Taxes and<br>Permits | Utilities | Closure/<br>Postclosure<br>Maintenance | Hazardous<br>Waste | Other      | Total<br>Operating<br>Expenses |
|-------------------------|-----------------------|--------------------------|------------------------|-----------|-----------|------------------|----------------------|-----------|--|--------------------|------------|--------------------------------|
| 6/30/2009               | \$ 2,704,352          | \$ 1,916,644             | \$ 5,539,953           | \$230,557 | \$233,477 | \$ 99,190        | \$ 735,705           | \$134,839 | \$ 5,435,843                           | \$168,862          | \$ 171,429 | \$17,370,851                   |
| 6/30/2010               | 3,273,902             | 1,561,538                | 5,326,362              | 319,126   | 216,357   | 96,814           | 733,494              | 155,505   | 556,332                                | 174,900            | 195,970    | 12,610,300                     |
| 6/30/2011               | 3,697,152             | 1,136,289                | 4,422,103              | 361,401   | 189,062   | 99,310           | 685,116              | 160,573   | 641,333                                | 171,496            | 156,574    | 11,720,409                     |
| 6/30/2012               | 3,593,200             | 1,390,036                | 4,804,124              | 382,533   | 220,868   | 99,606           | 742,681              | 133,416   | 897,535                                | 173,359            | 116,902    | 12,554,260                     |
| 6/30/2013               | 3,763,121             | 1,454,029                | 4,783,575              | 454,034   | 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              | 488,034   | 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              | 687,375   | 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              | 687,779   | 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              | 697,561   | 178,486   | 116,045          | 520,155              | 131,476   | 2,944,468                              | 202,372            | 266,290    | 14,432,350                     |
| 6/30/2018               | 5,924,325             | 2,450,412                | 2,038,226              | 808,707   | 128,141   | 186,831          | 528,695              | 130,160   | 1,234,202                              | 208,637            | 440,789    | 14,079,125                     |

Data Source: Salinas Valley Solid Waste Authority Finance Division



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

| <u>Fiscal<br/>Year</u> | <u>Solid Waste<br/>Landfilled (tons)</u> |
|------------------------|--|
| 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                                  |
| 6/30/2018              | 213,714                                  |

Data Source: Salinas Valley Solid Waste Authority Finance Division - CalRecycle Worksheet for Johnson Canyon Landfill

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> | <u>6/30/2018</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Tipping Fee                             | \$ 58            | \$ 63            | \$ 63            | \$ 64            | \$ 64            | \$ 67            | \$ 67            | \$ 67            | \$ 67            | \$ 69            | \$ 69            |
| Surcharge on Salinas<br>franchise waste | -                | -                | 6                | 5                | 5                | 8                | 11               | 14               | 17               | 17               | 18               |
| AB939 Fee (1)                           | -                | -                | -                | -                | -                | -                | 12               | 12               | 15               | 11               | 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                         | 6/30/2018         |                        |
|----------------------------------|-------------------|------------------------|
|                                  | Tons<br>Processed | Percentage<br>of Total |
| Republic Services of Salinas     | 82,106            | 26.78%                 |
| Waste Management - Madison Lane  | 58,398            | 19.05%                 |
| Rural Dispose-All                | 16,687            | 5.44%                  |
| City Of Soledad                  | 10,596            | 3.46%                  |
| King City Disposal               | 10,535            | 3.44%                  |
| Randazzo Enterprises Inc.        | 9,587             | 3.13%                  |
| City Of Greenfield               | 8,160             | 2.66%                  |
| A.J. Excavation Inc.             | 7,313             | 2.39%                  |
| Tri-Cities Disposal              | 6,481             | 2.11%                  |
| Underground Construction Company | 6,258             | 2.04%                  |
| All Other Customers              | 90,447            | 29.50%                 |
| Total Tons for All Customers     | <u>306,568</u>    | <u>100.00%</u>         |

| Customer                               | 6/30/2009         |                        |
|--|-------------------|------------------------|
|  | Tons<br>Processed | Percentage<br>of Total |
| Republic Services Of Salinas           | 107,942           | 35.59%                 |
| Recology South Valley                  | 84,486            | 27.85%                 |
| Waste Management                       | 31,487            | 10.38%                 |
| Rural Dispose-All                      | 23,085            | 7.61%                  |
| City Of Soledad                        | 6,980             | 2.30%                  |
| City Of Greenfield                     | 6,617             | 2.19%                  |
| City of Gonzales                       | 3,643             | 1.20%                  |
| Tri-Cities Disposal                    | 3,556             | 1.17%                  |
| Correctional Transfer Facility Soledad | 2,560             | 0.84%                  |
| West Valley Construction               | 2,304             | 0.76%                  |
| All Other Customers                    | 30,675            | 10.11%                 |
| Total Tons for All Customers           | <u>303,335</u>    | <u>100.00%</u>         |

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,<br>Series 2002 | Installment<br>Purchase<br>Agreement | 2014 Series A<br>Bonds Payable | 2014 Series A    |  | 2014 Series B<br>Bonds Payable | Eq Lease<br>Payable | Total        |                      |                                     |
|----------------------|-------------------------------|--------------------------------------|--------------------------------|------------------|--|--------------------------------|---------------------|--------------|----------------------|-------------------------------------|
|                      |                               |                                      |                                | Bonds<br>Premium |  |                                |                     | Total<br>(1) | Per<br>Capita<br>(2) | As a Share<br>of Personal<br>Income |
| 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                   | 0.18%                               |
| 6/30/2017            | -                             | -                                    | 27,815,000                     | 1,734,012        |  | 2,615,000                      | 1,735,668           | 33,899,680   | 77                   | N/A                                 |
| 6/30/2018            | -                             | -                                    | 27,670,000                     | 1,564,985        |  | 2,280,000                      | 985,802             | 32,500,787   | 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                       | 6/30/2009           | 6/30/2010          | 6/30/2011          | 6/30/2012          | 6/30/2013          | (As Restated)      | (As Restated)      | 6/30/2016          | 6/30/2017          | 6/30/2018          |
|-----------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                   |                     |                    |                    |                    |                    | 6/30/2014          | 6/30/2015          |                    |                    |                    |
| Operating Income (see Schedule 2) | \$ (4,483,566)      | \$2,973,163        | \$2,783,869        | \$2,021,376        | \$1,784,242        | \$3,594,746        | \$4,477,952        | \$5,543,829        | \$5,009,213        | \$6,815,921        |
| Investment Earnings               | 650,090             | 289,760            | 233,541            | 52,658             | 39,180             | 28,013             | 36,631             | 64,248             | 95,624             | 303,212            |
| Closure/Postclosure Expense       | 2,400,249           | 556,332            | 641,333            | 897,535            | 712,257            | 639,510            | (267,617)          | 476,570            | 2,944,468          | 1,234,202          |
| Lewis Rd Postclosure              | (154,128)           | (99,706)           | (134,012)          | (135,362)          | (103,497)          | (97,684)           | (115,654)          | (76,393)           | (188,946)          | (175,649)          |
| Jolon Rd Postclosure              | (38,081)            | (37,209)           | (35,581)           | (21,935)           | (29,946)           | (29,657)           | (34,437)           | (19,870)           | (162,615)          | (168,022)          |
| Depreciation and Amortization     | 2,411,454           | 552,132            | 566,286            | 698,156            | 1,359,411          | 1,412,742          | 1,180,131          | 1,228,692          | 1,419,953          | 1,611,743          |
| Total                             | <u>\$ 786,018</u>   | <u>\$4,234,472</u> | <u>\$4,055,436</u> | <u>\$3,512,428</u> | <u>\$3,761,647</u> | <u>\$5,547,670</u> | <u>\$5,277,006</u> | <u>\$7,217,075</u> | <u>\$9,117,697</u> | <u>\$9,621,407</u> |
| Annual Debt Service               | <u>\$ 2,754,916</u> | <u>\$2,753,154</u> | <u>\$2,753,091</u> | <u>\$2,753,092</u> | <u>\$2,754,954</u> | <u>\$2,879,137</u> | <u>\$1,920,876</u> | <u>\$1,908,648</u> | <u>\$1,907,820</u> | <u>\$2,051,271</u> |
| Coverage Percentage               | 29%                 | 154%               | 147%               | 128%               | 137%               | 193%               | 275%               | 378%               | 478%               | 469%               |
| 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<br>Rate<br>(1) | Population<br>(2) | Personal<br>Income<br>(000)<br>(3) | Personal<br>Income<br>Per Capita<br>(4) |
| 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           | 19,164,943                         | 44,034                                  |
| 6/30/2017           | 5.5%                        | 437,907           | N/A                                | N/A                                     |
| 6/30/2018           | 4.2%                        | 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               | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>SALINAS MSA</b>             |              |              |              |              |              |              |              |              |              |
| Total                          |              |              |              |              |              |              |              |              |              |
| No. of Businesses              | 11,770       | 11,895       | 12,022       | 11,195       | 11,717       | 11,038       | 12,180       | 12,274       | 12,681       |
| No. of Employees               | 146,140      | 148,321      | 150,224      | 155,869      | 158,846      | 160,954      | 170,385      | 170,383      | 173,386      |
| Payroll (in thousands)         | \$ 1,283,014 | \$ 1,341,043 | \$ 1,406,250 | \$ 1,450,658 | \$ 1,507,712 | \$ 1,565,332 | \$ 1,684,580 | \$ 1,823,620 | \$ 1,868,529 |
| <b>Agriculture</b>             |              |              |              |              |              |              |              |              |              |
| No. of Businesses              | 546          | 529          | 529          | 532          | 540          | 546          | 539          | 520          | 530          |
| No. of Employees               | 54,635       | 56,258       | 58,401       | 60,673       | 62,874       | 66,033       | 67,029       | 66,347       | 67,159       |
| Payroll (in thousands)         | \$380,582    | \$416,294    | \$448,534    | \$472,663    | \$520,761    | \$557,753    | \$596,901    | \$658,994    | \$675,089    |
| <b>Utilities</b>               |              |              |              |              |              |              |              |              |              |
| No. of Businesses              | 21           | 19           | 20           | 21           | 21           | 22           | 20           | 20           | 20           |
| No. of Employees               | 500          | 482          | 557          | 868          | 872          | 763          | 789          | 784          | 804          |
| Payroll (in thousands)         | \$11,086     | \$10,735     | \$14,754     | \$19,317     | \$21,089     | \$183,131    | \$20,427     | \$21,753     | \$22,014     |
| <b>Construction and Mining</b> |              |              |              |              |              |              |              |              |              |
| No. of Businesses              | 930          | 866          | 824          | 787          | 825          | 857          | 886          | 914          | 951          |
| No. of Employees               | 4,578        | 4,314        | 3,997        | 4,673        | 4,823        | 5,080        | 5,538        | 6,067        | 6,416        |
| Payroll (in thousands)         | \$59,777     | \$54,275     | \$51,117     | \$58,685     | \$62,188     | \$65,513     | \$75,409     | \$91,161     | \$94,666     |

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- (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 publicly identifying the names of individual employers.
- (7) 2018 Data is not yet available.

Definitions of Terms and Source Notes

<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                      | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Manufacturing</b>                  |           |           |           |           |           |           |           |           |           |
| No. of Businesses                     | 255       | 256       | 244       | 248       | 265       | 267       | 259       | 264       | 271       |
| No. of Employees                      | 5,861     | 5,457     | 5,869     | 5,287     | 5,439     | 5,337     | 5,685     | 5,529     | 5,759     |
| Payroll (in thousands)                | \$56,038  | \$57,445  | \$66,066  | \$63,429  | \$59,826  | \$60,774  | \$65,737  | \$69,340  | \$73,079  |
| <b>Wholesale Trade</b>                |           |           |           |           |           |           |           |           |           |
| No. of Businesses                     | 402       | 391       | 377       | 377       | 368       | 411       | 384       | 375       | 366       |
| No. of Employees                      | 4,940     | 5,281     | 5,120     | 5,480     | 5,227     | 4,710     | 5,459     | 5,548     | 5,868     |
| Payroll (in thousands)                | \$74,947  | \$79,735  | \$83,299  | \$88,422  | \$92,922  | \$59,857  | \$94,037  | \$101,499 | \$99,856  |
| <b>SALINAS MSA</b>                    |           |           |           |           |           |           |           |           |           |
| <b>Retail Trade</b>                   |           |           |           |           |           |           |           |           |           |
| No. of Businesses                     | 1,221     | 1,227     | 1,200     | 1,195     | 1,175     | 1,358     | 1,199     | 1,212     | 1,188     |
| No. of Employees                      | 14,877    | 15,251    | 15,530    | 15,812    | 16,144    | 16,969    | 16,366    | 16,356    | 16,241    |
| Payroll (in thousands)                | \$107,453 | \$111,004 | \$122,602 | \$120,195 | \$120,072 | \$114,448 | \$128,116 | \$134,773 | \$134,980 |
| <b>Transportation and Warehousing</b> |           |           |           |           |           |           |           |           |           |
| No. of Businesses                     | 241       | 239       | 227       | 230       | 239       | 240       | 269       | 266       | 283       |
| No. of Employees                      | 3,032     | 2,942     | 2,715     | 3,085     | 3,309     | 2,814     | 3,907     | 3,817     | 3,493     |
| Payroll (in thousands)                | \$34,856  | \$36,081  | \$36,164  | \$37,895  | \$40,049  | \$26,107  | \$48,726  | \$46,978  | \$45,508  |

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Definitions of Terms and Source Notes

<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                          | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Information</b>                        |           |           |           |           |           |           |           |           |           |
| No. of Businesses                         | 98        | 106       | 99        | 102       | 102       | 119       | 84        | 88        | 87        |
| No. of Employees                          | 1,671     | 1,619     | 1,532     | 1,525     | 1,517     | 2,307     | 1,325     | 1,126     | 1,036     |
| Payroll (in thousands)                    | \$24,735  | \$23,894  | \$24,061  | \$23,229  | \$23,947  | \$31,249  | \$23,019  | \$17,431  | \$15,534  |
| <b>Finance and Insurance</b>              |           |           |           |           |           |           |           |           |           |
| No. of Businesses                         | 363       | 367       | 363       | 345       | 333       | 375       | 333       | 354       | 349       |
| No. of Employees                          | 2,857     | 2,630     | 2,528     | 2,480     | 2,235     | 3,711     | 2,247     | 2,354     | 2,430     |
| Payroll (in thousands)                    | \$47,648  | \$46,824  | \$43,452  | \$46,190  | \$43,238  | \$50,791  | \$45,027  | \$49,584  | \$51,645  |
| <b>Real Estate and Rental and Leasing</b> |           |           |           |           |           |           |           |           |           |
| No. of Businesses                         | 393       | 386       | 360       | 369       | 380       | 428       | 387       | 382       | 390       |
| No. of Employees                          | 1,730     | 1,745     | 1,654     | 1,753     | 1,639     | 2,313     | 1,781     | 1,803     | 1,933     |
| Payroll (in thousands)                    | \$15,087  | \$15,752  | \$17,044  | \$17,891  | \$18,071  | \$20,400  | \$20,113  | \$22,487  | \$22,408  |
| <b>Services</b>                           |           |           |           |           |           |           |           |           |           |
| No. of Businesses                         | 7,300     | 7,509     | 7,779     | 6,989     | 7,469     | 6,415     | 7,820     | 7,879     | 8,246     |
| No. of Employees                          | 51,459    | 52,342    | 52,321    | 54,233    | 54,767    | 50,917    | 60,259    | 60,652    | 62,247    |
| Payroll (in thousands)                    | \$470,805 | \$489,004 | \$499,157 | \$502,741 | \$505,549 | \$395,309 | \$567,068 | \$609,620 | \$633,751 |

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- (4) Data is reported at September 30 each year.
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- (7) 2018 Data is not yet available.

Definitions of Terms and Source Notes

<http://www.labormarketinfo.edd.ca.gov/LMID/Size of Business Data.html>

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

| <u>Fiscal<br/>Year</u> | <u>New Single<br/>Family Residence</u> | <u>Other<br/>Residential</u> | <u>Total<br/>Residential</u> | <u>Nonresidential</u> | <u>Total<br/>All Building Permits</u> |
|------------------------|--|------------------------------|------------------------------|-----------------------|---------------------------------------|
| 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                                 |
| 6/30/2018              | 830                                    | 2,196                        | 3,026                        | 513                   | 3,539                                 |

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<br/>Year</u> | <u>Single Family<br/>Residential</u> | <u>Multiple</u> | <u>Mobile<br/>Homes</u> | <u>Total<br/>All Housing</u> |
|------------------------|--------------------------------------|-----------------|-------------------------|------------------------------|
| 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<br/>Residential<br/>Detached</u> | <u>Single Family<br/>Residential<br/>Attached</u> | <u>Multiple<br/>Two to Four</u> | <u>Multiple<br/>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               |
| 1/1/2018    | 88,711  | 8,899   | 12,555                          | 24,436                        | 5,729               |

Source:

CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State, 1/1/2011-2018, with 2010 Census Benc

Salinas Valley Solid Waste Authority  
Operating and Capacity Indicators (unaudited)  
Last Ten Fiscal Years

| Fiscal<br>Year | Authority's Employees by Department |         |             |            |           |
|----------------|-------------------------------------|---------|-------------|------------|-----------|
|                | Administration                      | Finance | Engineering | Operations | Diversion |
| 6/30/2009      | 6                                   | 4       | 1           | 9          | 8         |
| 6/30/2010      | 6                                   | 4       | 2           | 15         | 8         |
| 6/30/2011      | 6                                   | 4       | 2           | 15         | 8         |
| 6/30/2012      | 6                                   | 4       | 1           | 22         | 5         |
| 6/30/2013      | 6                                   | 4       | 1           | 19         | 5         |
| 6/30/2014      | 6                                   | 3       | 1           | 21         | 5         |
| 6/30/2015      | 6                                   | 3       | 1           | 29         | 5         |
| 6/30/2016      | 6                                   | 3       | 1           | 33         | 5         |
| 6/30/2017      | 6                                   | 3       | 1           | 37         | 5         |
| 6/30/2018      | 6                                   | 3       | 2           | 36         | 7         |

| Fiscal<br>Year | Other Operating and Capacity Indicators |                     |                                   |
|----------------|---|---------------------|-----------------------------------|
|                | Authority Area<br>(Square Miles)        | Landfill<br>Acreage | Daily Landfill<br>Capacity (tons) |
| 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                         |
| 6/30/2018      | 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                              | 6/30/2009 | 6/30/2010 | 6/30/2011 | 6/30/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Administration</b>                 |           |           |           |           |           |           |           |           |           |           |
| Vehicles                              | 1         | 1         | 1         | 1         | 1         | 1         | 2         | 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         | 3         | 3         | 3         | 3         |
| <b>Operations</b>                     |           |           |           |           |           |           |           |           |           |           |
| Vehicles                              | 12        | 12        | 12        | 13        | 13        | 14        | 17        | 26        | 26        | 26        |
| Machinery & Equipment                 |           |           |           |           |           |           |           |           |           |           |
| Forklifts/Hydraulic Lifts             | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Heavy Equipment                       | 2         | 3         | 5         | 6         | 6         | 7         | 10        | 13        | 15        | 15        |
| Water Truck                           | -         | -         | 1         | 1         | 1         | 1         | 3         | 4         | 4         | 4         |
| Bulldozers                            | -         | -         | -         | -         | -         | -         | 2         | 2         | 2         | 2         |
| Computer Equipment                    | 8         | 8         | 8         | 8         | 8         | 8         | 9         | 9         | 9         | 9         |
| Fuel Tanks                            | -         | -         | 1         | 1         | 2         | 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         | 5         | 5         |
| Site Security Systems                 | 2         | 1         | 1         | 1         | 1         | 1         | 1         | 3         | 4         | 4         |
| Leachate Systems                      | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         |
| Gas Monitoring Wells                  | 38        | 40        | 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 | -         | -         | -         | -         | -         | 1         | 1         | 1         | 1         | 1         |
| <b>Resource Recovery</b>              |           |           |           |           |           |           |           |           |           |           |
| Vehicles                              | 3         | 3         | 3         | 3         | 3         | 3         | 2         | 3         | 4         | 4         |
| Computer Equipment                    | 5         | 5         | 5         | 5         | 5         | 5         | 6         | 6         | 6         | 6         |

Data Source: Salinas Valley Solid Waste Authority Finance Division



# Comprehensive Annual Financial Report

Board of Directors Meeting

October 18, 2018

Published 10/17/18

## Comprehensive Annual Financial Report

- Auditors
  - McGilloway, Ray, Brown & Kaufman
- Finance Staff
  - Ray Hendricks – Finance and Administration 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



## New Accounting Standards

- Implemented in FY 2017-2018
  - GASB Statement No 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- To be implemented in FY 2018-2019
  - GASB Statement No 83 – *Certain Assets Retirement Obligation*.  
Landfills are a common Assets Retirement Obligation (ARO), but they are already covered in the GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* and the GASB Statement No. 73, *Certain Asset Retirement Obligations* does not change their current accounting and reporting.



# Financial Highlights

- Operating Revenues (p.5)
  - Increase \$1,642,632
- Operating Expenses (p.5)
  - Decreased \$161,435
    - Post-Closure Liability Adjustment 2016-17 (\$1.75M)
- Tons Landfilled (p.7)
  - Increased 14,257 tons



## Salinas Valley Solid Waste Authority Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Years Ended June 30, 2018 and 2017

|   | 2018                | 2017                | Change              | % Change |
|---|---------------------|---------------------|---------------------|----------|
| Operating Revenues                                |                     |                     |                     |          |
| Charges for Services                              | \$ 21,463,882       | \$ 20,142,815       | \$ 1,321,067        | 6.6%     |
| Sales of Materials                                | 701,566             | 646,673             | 54,893              | 8.5%     |
| Operating Grants and Contributions                | 332,789             | 66,117              | 266,672             | 403.3%   |
| Total Operating Revenues                          | 22,498,237          | 20,855,605          | 1,642,632           | 7.9%     |
| Operating Expenses                                | 15,690,868          | 15,852,303          | (161,435)           | -1.0%    |
| Operating Income/(Loss)                           | 6,807,369           | 5,003,302           | 1,804,067           | 36.1%    |
| Non-Operating Revenues                            |                     |                     |                     |          |
| Investment Earnings                               | 303,212             | 95,624              | 207,588             | 217.1%   |
| Other Non-operating Revenue                       | 236,085             | 59,025              | 177,060             | 300.0%   |
| Total Non-Operating Revenues                      | 539,297             | 154,649             | 384,648             | 248.7%   |
| Non-Operating Expenses                            |                     |                     |                     |          |
| Interest Expense                                  | (1,482,988)         | (1,521,621)         | 38,633              | -2.5%    |
| Change in Net Position                            | 5,863,678           | 3,636,330           | 2,227,348           | 61.3%    |
| Total Net Position Beginning                      | (404,354)           | (4,040,684)         | 3,636,330           | -90.0%   |
| Prior Year Adjustment Related to OPEB Liabilities | (10,516)            |                     |                     |          |
| <b>Net Position End of Year</b>                   | <b>\$ 5,448,808</b> | <b>\$ (404,354)</b> | <b>\$ 5,853,162</b> |          |



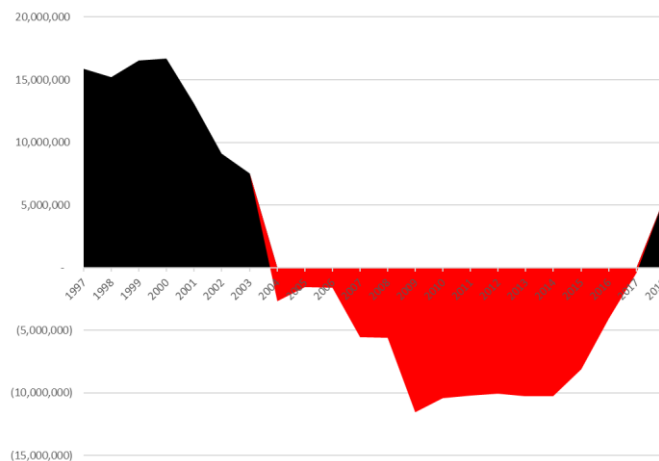


## Net Position

- FY 2016-17 Comprehensive Annual Financial Report
  - Deficit of \$404,354
- FY 2017-18 Comprehensive Annual Financial Report
  - \$5,448,808



## Authority Net Position



# Salinas Valley Solid Waste Authority -Audit Presentation-

**Patricia Kaufman, Audit Partner**

**McGilloway, Ray, Brown & Kaufman  
Accountants & Consultants**

## Required Auditor Communications Letter

- Management is responsible for the selection and use of appropriate accounting policies. –
  - We noted no transactions entered into by the Organization during the year for which there is lack of authoritative guidance or consensus.
- All significant transactions have been recognized in the financial statements in the proper period.
- Accounting estimates –
  - Evaluated the underlying assumptions in estimates and found them to be appropriate.
- We encountered no difficulties in working with management in performing the audit and found that staff was well prepared and provided us all of the documentation requested.
- Timing of the audit – Timing went according to schedule and we found no delays, and we had no disagreements with management.

## Uncorrected Misstatements

- No material misstatements left uncorrected!

## Management Letter Material Deficiency

**None noted!**

**SVR Agenda Items - View Ahead 2018**
**Item No. 13**

|          | Nov  | Dec                                  | Jan  | Feb                                      | Mar   | Apr                                      |
|----------|--|--------------------------------------|--|--|---|--|
| <b>A</b> |  |                                      | Election of Officers   |  |   |  |
| <b>B</b> |  |                                      | New Hire   |  |   |  |
| 1        | Minutes  | Minutes                              | Minutes  | Minutes                                  | Minutes   | Minutes                                  |
| 2        | Claims/Financials<br>(EC)                          | Claims/Financials<br>(EC)            | Claims/Financials<br>(EC)  | Claims/Financials<br>(EC)                | Claims/Financials<br>(EC)                       | Claims/Financials<br>(EC)                |
| 3        | Member Agencies<br>Activities Report               | Member Agencies<br>Activities Report | QTE December<br>Cash & Investments<br>(EC)                                       | Member Agencies<br>Activities Report     | Member Agencies<br>Activities Report            | Member Agencies<br>Activities Report     |
| 4        | 3rd Qtr<br>Tonnage & Diversion<br>Report           | Strategic Plan Update                | Member Agencies<br>Activities Report/BD<br>Public Outreach<br>Participation (sp) | 4th Qtr<br>Tonnage & Diversion<br>Report | Strategic Plan Updae                            | Strategic Plan Update                    |
| 5        | Fund Balance<br>Reserves (EC)                      | LTFN EIR Qtrly<br>Update (sp)        | Strategic Plan Updae   | Strategic Plan Updae                     | LTFN EIR Qtrly<br>Update (sp)                   | QTE March<br>Cash & Investments          |
| 6        | Strategic Plan<br>Approval                         | <i>GM Evaluation</i>                 | Mid-Year Budget<br>Adjustments (EC)  | FY 19-20<br>Preliminary Budget<br>(EC)   | <b>Public Hearing:</b><br>Rate & Fee Sched (EC) | 1st Qtr<br>Facilities Customer<br>Survey |
| 7        | Compost Processing<br>Controls                     |                                      | 4th Qtr<br>Facilities Customer<br>Survey   |  | FY 19-20 Proposed<br>Budget (EC)                |  |
| 8        | Module 7 - Plans and<br>Specs                      |                                      | Annual County Used<br>Oil Report   |  |   |  |
| 9        | Collaboration MOU<br>w/MRWMD Update<br>(EC)        |                                      | <b>Public Hearing:</b><br>CH Organics CEQA                                       |  |   |  |
| 10       | CAG Annual Report                                  |                                      | <b>Annual Employee<br/>Survey Results (EC)</b>                                   |  |   |  |
| 11       | <b>Legacy Liabilities<br/>Funding Options (sp)</b> |                                      | CH Landfill<br>Organics Lease  |  |   |  |
| 12       | C&D Recycling<br>Program<br>(EC) (sp)              |                                      | FY 19-20 Budget<br>Direction (EC)  |  |   |  |
| 13       | New Officers<br>Nominating<br>Committee            |                                      | Board Policy<br>Updates (EC)   |  |   |  |
| 14       | <i>GM Evaluation (EC)</i>                          |                                      | <i>GM Evaluation</i>   |  |   |  |
| 15       | <i>Real Property<br/>Negotiations<br/>(EC)</i>     |                                      | <i>Real Property<br/>Negotiations<br/>(EC)</i>                                   |  |   |  |
| 16       |  |                                      |  |  |   |  |
| 17       |  |                                      |  |  |   |  |

Consent

Presentation

Consideration

Closed Session

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

(EC) Executive Committee

(sp) Strategic Plan Item