



AGENDA Regular Meeting

BOARD OF DIRECTORS

November 21, 2019, 6:00 p.m.

Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: John M. Phillips
County: Chris Lopez, *Alt. Vice President*
Salinas: Gloria De La Rosa, *Vice President*
Salinas: John Villegas
Salinas: Christie Cromeenes
Gonzales: Elizabeth Silva
Soledad: Marisela Lara
Greenfield: Andrew Tipton
King City: Robert S. Cullen, *President*

Alternate Directors

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

TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

GENERAL MANAGER/CAO COMMENTS

DEPARTMENT MANAGER COMMENTS

BOARD DIRECTOR COMMENTS

PUBLIC COMMENT

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

CONSENT AGENDA:

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

1. [Minutes of the October 24, 2019 Meeting](#)
2. [September 2019 Claims and Financial Reports](#)
3. [Member and Interagency Activities Report for October 2019 and Upcoming Events](#)
4. [Tonnage and Diversion Report for the Quarter Ended September 30, 2019](#)
5. [A Resolution Approving the Allocation of Cash Balances for Fiscal Year 2018-19, and Supplemental Appropriation for Capital Improvements and Pay Down of CalPERS Unfunded Actuarial Liability](#)
6. [Monterey County Health Department, Environmental Health Bureau, Calendar Year 2018 Used Motor Oil and Filter Recycling Program Annual Report](#)
7. [A Resolution Approving a Five-Year Service Agreement with McGilloway, Ray, Brown & Kaufman for Audit Services](#)

PRESENTATIONS

8. [RECYCLING RECOGNITION](#)
 - A. Receive Report from Mandy Brooks, Resource Recovery Manager

- B. Board Discussion
- C. Public Comment
- D. Recommended Action – None; Informational Only

9. **UPDATE ON THE CITY OF SALINAS' ONE YEAR NOTICE OF INTENT TO WITHDRAWAL FROM THE JOINT POWERS AGREEMENT WITH THE SALINAS VALLEY SOLID WASTE AUTHORITY**

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

CONSIDERATION

10. **APPOINTMENT OF NOMINATING COMMITTEE FOR THE 2020 ELECTION OF OFFICERS**

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

11. **A RESOLUTION APPROVING THE LETTER TO SENATOR ANA CABALLERO, SENATOR BILL MONNING, ASSEMBLY MEMBER MARK STONE, AND ASSEMBLY MEMBER ROBERT RIVAS EXPRESSING CONCERNS WITH PG&E'S PUBLIC SAFETY POWER SHUTOFFS (PSPS) AND THE FISCAL IMPACTS**

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

FUTURE AGENDA ITEMS

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

CLOSED SESSION

Receive public comment from audience before entering into closed session:

13. 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 General Counsel Roy C. Santos, concerning the possible terms and conditions of acquisition, lease, exchange or sale of **1)** Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA: **2)** APN 002-021-005, located at 356 W. Market St., Salinas, CA: **3)** APN 002-021-006, located at 346 W. Market St., Salinas, CA: **4)** APN 002-021-007, located at 330 W. Market St., Salinas, CA: and **5)** APN 002-021-008, located at 320 W. Market St., Salinas, CA

RECONVENE

ADJOURNMENT

.....
 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 **Friday, November 15, 2019**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, December 19, 2019**. 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.salinassvalleyrecycles.org ▶ Public Library Branches in Gonzales, Prunedale and Soledad. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Erika J. Trujillo, Clerk of the Board at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II). Spanish interpretation will be provided at the meeting. *Se proporcionará interpretación a Español.*

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
OCTOBER 24, 2019**

CALL TO ORDER

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

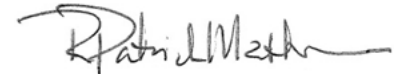
ROLL CALL

The following Board Directors were present:

County of Monterey	Chris Lopez (<i>arrived 6:53 pm</i>)
City of Salinas	John Tony Villegas
City of Salinas	Gloria De La Rosa, Vice President
City of Salinas	Christie Cromeenes
City of Gonzales	Elizabeth Silva
City of Soledad	Marisela Lara
City of Greenfield	Robert White (Alternate)
City of King	Robert Cullen, President

ITEM NO. 1

Agenda Item



General Manager/CAO

R. Santos by E.T.

General Counsel Approval

The following Board Directors were absent:

County of Monterey	John M. Phillips
City of Greenfield	Andrew Tipton

Staff Members Present:

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

Brian Kennedy, Engineering and Environmental Compliance Manager
Rosie Ramirez, Administrative Assistant
Erika J. Trujillo, Clerk of the Board
Roy Santos, General Counsel

MEETING ANNOUNCEMENTS

(6:01) President Cullen announced the availability of translation services. No member from the public requested the service.

GENERAL MANAGER COMMENTS

(6:02) General Manager/CAO Mathews commented on his attendance to the WASTCON Annual Conference. He noted a new prevalent chemical had been identified in the world (PFAS/PFOS) making landfills a potential concentration point.

DEPARTMENT MANAGER COMMENTS

(6:06) Resource Recovery Manager Brooks commented on the upcoming City of Salinas city wide clean up even being held at the Madison Lane Transfer Station.

BOARD DIRECTORS COMMENTS

(6:07) Vice President De La Rosa commented on the success of the cleanup event held in the Ricco St/Rossi Road area. President Cullen commented on the King City cleanup event taking place November 2. He stated he will not be able to attend the November Board meeting. Vice President De La Rosa state she will not be able to attend the November Board meeting.

PUBLIC COMMENT

(6:08) None

CONSENT AGENDA (6:08)

1. Minutes of the September 19, 2019 Meeting
2. August 2019 Claims and Financial Reports
3. Member and Interagency Activities Report for September 2019 and Upcoming Events
4. September 2019 Quarterly Investment Report
5. Resolution No. 2019-37 Approving the Regular Board of Directors and Executive Committee Meetings Calendar for 2020
6. Resolution No. 2019-38 Awarding the Purchase of a New Portable 6-Person Sort Line to Green Rock Equipment for an Amount of \$231,123.75
7. Resolution No. 2019-39 Awarding the Purchase of a Fabric Cover Structure for the Organics De-Packaging Facility to Clear Span for an Amount of \$238,439.13
8. Approval of the Release of a Request for Proposals for Senate Bill 1383 Planning and Organics Technical Assistance

Public Comment: None

Motion: Director Silva made a motion to approve the consent agenda as presented. Director Cromeenes seconded the motion.

Votes: Motion carried 7,0

Ayes: Cromeenes, Cullen, De La Rosa, Lara, Silva, Villegas, White (Alt.)

Noes: None

Abstain: None

Absent: Lopez, Phillips, Tipton

CONSIDERATION

9. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(6:08) Finance and Administration Manager Hendricks presented an overview of the audit report. He commended the Finance staff for their work and dedication. Mr. Hendricks indicated the Authorities net position increased by \$6,928,280 to \$12,377,088 in the past fiscal year. Mr. Hendricks introduced Jacinto Acosta Bernal, Auditor Manager with McGilloway, Ray Brown & Kaufman. McGilloway, Ray Brown & Kaufman provided an unmodified opinion of the Authority's finances. They indicated all accounting standards were met, timelines where met early, and that they had no problems working with management during the audit. The Authority will once again apply for the Certificate of Achievement for Excellence in Financial Reporting award.

Board Comment: The Board discussed the presentation commending staff.

Public Comment: None

Motion: Director Cromeenes made a motion to accept the report. Vice President De La Rosa seconded the motion.

Votes: Motion carried 7,0

Ayes: Cromeenes, Cullen, De La Rosa, Lara, Silva, Villegas, White (Alt.)

Noes: None

Abstain: None

Absent: Lopez, Phillips, Tipton

PRESENTATION

10. RESULTS OF THE SALINAS VALLEY WASTE CHARACTERIZATION STUDY 2019

(6:27) Resource Recovery Manager Brooks explained the objectives of the presentation and introduced Dieter Eckels, Project Director and Andrea Lai, Project Manager from Cascadia Consulting Group. Mr. Eckels thanked the Board for the opportunity to work with the Authority providing a brief overview of the presentation process. Ms. Lai provided an overview of the project logistics and the key findings. A total of 659 samples were characterized by six jurisdictions covered: Cities of Salinas, Gonzales, Greenfield, Soledad, and King City, and unincorporated county areas within the Authority's service area. The study results demonstrated that 53% of the waste is from the commercial sector; 61% of all the overall waste is recyclable; Organics is the most prevalent material in all of the six jurisdictions; and food waste is approximately 30% of the overall waste stream with approximately 24% potentially donatable. Mr. Eckels provided a brief summary of SB 1383 requirements and goals. He provided a comparison of the study key finding between the current study and the study conducted in 2007. Mrs. Brooks reported on the current efforts being done by the Authority to identify ways to meet the new mandates and divert the recyclable material being landfilled.

Board Comment: The Board discussed the presentation commenting on the number of organics in the waste stream.

Public Comment: None

Motion: None; Informational Only

11. 2018-19 SALINAS VALLEY SOLID WASTE AUTHORITY ANNUAL REPORT

(6:47) General Manager/CAO Mathews presented the Agency's annual report highlighting the financial sustainability of the agency. He commended the Operations staff for all the inhouse work conducted that has helped the agency increase its net position and commended the Finance and Administration Manager for his fiduciary financial responsibility. The report includes the last tonnage report, statistics on diversion, information on community events participation, the expansion of the Organics program, marketing efforts and more.

Board Comment: The Board discussed the presentation commending staff for the production of the report.

Public Comment: None

Motion: None; Informational Only

12. UPDATE ON THE CITY OF GONZALES MICROGRID PROJECT

(7:08) General Manager/CAO Mathews reported that the City of Gonzales has developed the Gonzales Electric Authority (GEA) and has asked the Authority to participate. He has had the opportunity work with the City of Gonzales City Manager on their need for more energy independence and development of electrical power microgrid to be less reliant on PG&E. Mr. Mathews presented the PowerPoint presentation presented to the City of Gonzales City Council by the GEA that included the system components available and the potential customer base for the microgrid development program.

Board Comments: The Board discussed the report.

Public Comments: Roman Barba, City of Gonzales resident, expressed his concern with the lack of public outreach regarding the microgrid project. Mr. Barba expressed his desire for there to be public meetings and a presentation to the City of Gonzales Planning Commission.

Motion: None; Informational Only

CONSIDERATION**13. RESOLUTION NO. 2019-40 APPROVING THE REVISED PERSONNEL ALLOCATIONS EFFECTIVE OCTOBER 1, 2019, ADDING ONE HEAVY EQUIPMENT OPERATOR POSITION, ONE SOLID WASTE TECH POSITION, ONE SCALE HOUSE CASHIER POSITION, AND ONE DIVERSION WORKER I/II POSITION**

(7:21) Assistant General Manager/Operations Manager Zuñiga provided a report on the increases in vehicle trip counts and tonnage received at each of Authority's South County facilities since the initial takeover of their operations and establishment of the current staffing levels. He provided a three-year comparison of the amount of overtime and compensation time accrued by the current employees, as well as a seven-year overview of the number of accidents/injuries that demonstrate a trending increase in reportable incidents. Mr. Zuñiga indicated that since the establishment of the staffing levels the Authority has gone from one closed landfill to three with the amount of regulatory compliance responsibilities and maintenance requirements significantly increasing. He detailed the cost for each position being requested; one Solid Waste Tech I/II, one Heavy Equipment Operator, one Scale House Cashier, and one Diversion Worker I/II. Mr. Zuñiga acknowledged that two of the positions and all external recruitment would be contingent upon the City of Salinas decision on their withdrawal from the Authority's Joint Powers Agency.

Board Comments: The Board discussed the report.

Public Comments: None

Motion: Director Cromeenes made to adopt Resolution No. 2019-40. Vice President De La Rosa seconded the motion.

Votes: Motion carried 8,0

Ayes: Cromeenes, Cullen, De La Rosa, Lara, Lopez, Silva, Villegas, White (Alt.)

Noes: None

Abstain: None

Absent: Phillips, Tipton

14. UPDATE ON THE CITY OF SALINAS' ONE YEAR NOTICE OF INTENT TO WITHDRAWAL FROM THE JOINT POWERS AGREEMENT WITH THE SALINAS VALLEY SOLID WASTE AUTHORITY

(7:33) General Manager/CAO Mathews provided brief overview of the letter received from the City of Salinas City Manager dated September 20, 2019. Mr. Mathews expressed the Authority's concerns with the statement in the letter that an Authority public facility is not welcomed within the City limits or future growth areas. President Cullen indicated a response letter was sent out on September 27, 2019 further requesting that the City of Salinas Council issue an official response with the revised withdrawal date.

Board Comments: Vice President De La Rosa and Director Villegas indicated the City of Salinas Council is expected to receive a report at either the November 5 or 19 City Council meeting. President Cullen requested the City of Salinas Directors ask that City Council take official action in regard to the delay to extend the withdrawal date. Director Cromeenes expressed her support for the request of President Cullen.

Public Comments: None

Motions: None; Informational Only

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

(7:42) The Board reviewed the future agenda items. General Counsel Santos indicated he will not be at the November Board meeting.

CLOSED SESSION

(7:42) President Cullen invited public comment related to the following closed session items:

- 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 General Counsel Roy C. Santos, concerning the possible terms and conditions of acquisition, lease, exchange or sale of **1)** Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA: **2)** APN 002-021-005, located at 356 W. Market St., Salinas, CA: **3)** APN 002-021-006, located at 346 W. Market St., Salinas, CA: **4)** APN 002-021-007, located at 330 W. Market St., Salinas, CA: and **5)** APN 002-021-008, located at 320 W. Market St., Salinas, CA
- 17.** Pursuant to **Government Code Section 54957 (b)** to consider the Performance Evaluation of the General Manager/Chief Administrative Officer Patrick Mathews for 2019

Public Comment: None

(7:42) President Cullen adjourned the meeting to closed session to discuss Item Nos. 16 and 17.

RECONVENE

(8:05) President Cullen reconvened the meeting to open session with no reportable action taken in closed session.

ADJOURNED

(8:06) President Cullen adjourned the meeting.

APPROVED: _____
Robert Cullen, President

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



Report to the Board of Directors

ITEM NO. 2

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

N/A

General Counsel

Date: November 21, 2019

From: C. Ray Hendricks, Finance and Administration Manager

Title: September 2019 Claims and Financial Reports

RECOMMENDATIONS

The Executive Committee recommends acceptance of the September 2019 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of September for a summary of the Authority's financial position as of September 30, 2019. The following are highlights of the Authority's financial activity for the month of September.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of September 2019, operating revenues exceeded expenditures by \$1,043,376. Fiscal year 2019-20 to date operating revenues exceeded expenditures by \$460,802.

Revenues (Consolidated Statement of Revenues and Expenditures)

After three months of the fiscal year, (25.00% of the fiscal year), revenues total \$6,094,579 or 29.9% of the total annual revenues forecast of \$20,369,805. September Tipping Fees totaled \$1,326,466 or 32.1% of the forecasted total of \$13,015,000.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of September 30, 2019 (25.00% of the fiscal year), year-to-date operating expenditures totaled \$5,633,777. This is 30.9% of the operating budget of \$18,234,000.

Capital Project Expenditures (Consolidated CIP Expenditures Report)

For the month of September 2019, capital project expenditures totaled \$766,994. \$614,143 was for the JC Module 7 Engineering and Construction. \$123,139 was for the Organics Program. \$22,140 was for Crazy Horse Postclosure Maintenance.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of September 2019 is attached for review and acceptance. September disbursements total \$1,544,091.05 of which \$453,510.49 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of September 2019.

Vendor	Services	Amount
Wood Brothers, Inc.	Module 7 Construction	\$514,129.36
United Rentals, Inc.	2013 Wheel Loader & Routine Equipment Rental	\$92,980.24
Geosyntec Consultants, Inc.	Module 7 Construction CQA	\$71,011.54

Cash Balances

The Authority's cash position increased \$407,936.16 during September to \$27,887,980.51. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below. The debt principal and interest payments totaling \$2,645,332.36 on September 1, 2019 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	4,593,286.67
State & Federal Grants	(77,609.02)
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-

Funds Held in Trust:

Central Coast Media Recycling Coalition	112,444.41
Employee Unreimbursed Medical Claims	4,942.55

Committed by Board Policy:

AB939 Services	67,969.80
Undesignated Reserves	2,939,153.40
Designated for Capital Projects Reserve	3,089,712.87
Designated for Environmental Impairment Reserve	1,148,432.29
Designated for Operating Reserve	1,148,432.29
Expansion Fund (South Valley Revenues)	8,464,790.89

Assigned for Post Closure and Capital Improvements

Crazy Horse Post Closure	828,090.44
Lewis Road Post Closure	217,278.31
Jolon Road Post Closure	107,007.36
Capital Improvement Projects	6,411,929.55

Available for Operations:

(1,167,881.30)

Total

27,887,980.51

ATTACHMENTS

1. September 2019 Consolidated Statement of Revenues and Expenditures
2. September 2019 Consolidated CIP Expenditures Report
3. September 2019 Checks Issued Report

Salinas Valley Solid Waste Authority

Consolidated Statement of Revenues and Expenditure

For Period Ending September 30, 2019

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Revenue Summary</u>							
Tipping Fees - Solid Waste	13,015,000	1,326,466	4,179,460	32.1 %	8,835,540	0	8,835,540
Tipping Fees - Surcharge	1,421,775	115,445	353,261	24.8 %	1,068,514	0	1,068,514
Tipping Fees - Diverted Materials	2,236,430	227,596	724,267	32.4 %	1,512,163	0	1,512,163
AB939 Service Fee	2,733,000	227,750	683,250	25.0 %	2,049,750	0	2,049,750
Charges for Services	130,800	22,065	34,968	26.7 %	95,832	0	95,832
Sales of Materials	267,800	26,278	47,357	17.7 %	220,443	0	220,443
Gas Royalties	265,000	72,016	72,016	27.2 %	192,984	0	192,984
Investment Earnings	300,000	0	0	0.0 %	300,000	0	300,000
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	0	0	0.0 %	0	0	0
Total Revenue	20,369,805	2,017,616	6,094,579	29.9 %	14,275,226	0	14,275,226
<u>Expense Summary</u>							
Executive Administration	476,600	30,128	88,055	18.5 %	388,545	98,936	289,609
Administrative Support	414,100	37,405	118,759	28.7 %	295,341	127,373	167,968
Human Resources Administration	208,400	16,819	46,904	22.5 %	161,496	11,955	149,541
Clerk of the Board	178,600	12,697	41,237	23.1 %	137,363	5,836	131,528
Finance Administration	754,900	46,613	159,031	21.1 %	595,869	39,723	556,146
Operations Administration	486,200	32,744	91,062	18.7 %	395,138	6,168	388,971
Resource Recovery	952,300	70,165	199,035	20.9 %	753,265	8,460	744,805
Marketing	75,000	4,377	10,102	13.5 %	64,898	61,193	3,705
Public Education	226,100	3,955	16,490	7.3 %	209,610	124,924	84,685
Household Hazardous Waste	855,800	64,103	154,226	18.0 %	701,574	224,911	476,663
C & D Diversion	136,000	0	0	0.0 %	136,000	0	136,000
Organics Diversion	1,307,200	8,479	25,030	1.9 %	1,282,170	992,965	289,205
Diversion Services	24,000	3,900	7,650	31.9 %	16,350	16,100	250

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending September 30, 2019

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
JR Transfer Station	568,800	48,356	135,678	23.9 %	433,122	149,085	284,038
JR Recycling Operations	160,700	8,875	27,611	17.2 %	133,089	3,728	129,361
SS Disposal Operations	1,133,600	106,851	308,239	27.2 %	825,361	230,982	594,380
SS Transfer Operations	1,188,500	95,065	291,834	24.6 %	896,666	548,265	348,401
SS Recycling Operations	698,600	39,822	130,612	18.7 %	567,988	130,874	437,114
JC Landfill Operations	2,858,800	176,182	590,437	20.7 %	2,268,363	1,225,080	1,043,283
JC Recycling Operations	428,000	22,694	77,940	18.2 %	350,060	47,159	302,902
Johnson Canyon ECS	355,600	15,077	43,048	12.1 %	312,552	183,487	129,066
Sun Street ECS	161,100	1,400	15,626	9.7 %	145,474	66,578	78,896
Debt Service - Interest	1,452,400	0	747,670	51.5 %	704,730	0	704,730
Debt Service - Principal	1,897,700	0	1,897,663	100.0 %	37	0	37
Closure Set-Aside	285,000	30,416	96,275	33.8 %	188,725	0	188,725
Cell Construction Set-Aside	950,000	98,116	313,565	33.0 %	636,435	0	636,435
Total Expense	18,234,000	974,240	5,633,777	30.9 %	12,600,223	4,303,781	8,296,442
Revenue Over/(Under) Expenses	2,135,805	1,043,376	460,802	21.6 %	1,675,003	(4,303,781)	5,978,784

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending September 30, 2019

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 131 - Crazy Horse Closure Fund</u>							
131 9316 CH Corrective Action Program	253,000	0	0	0.0 %	253,000	0	253,000
131 9319 CH LFG System Improvements	146,500	0	0	0.0 %	146,500	0	146,500
131 9321 CH Postclosure Maintenance	560,000	22,140	131,547	23.5 %	428,453	192,531	235,922
Total Fund 131 - Crazy Horse Closure Fund	959,500	22,140	131,547	13.7 %	827,953	192,531	635,422
<u>Fund 141 - Lewis Road Closure Fund</u>							
141 9402 LR LFG Well Replacement	35,000	0	0	0.0 %	35,000	0	35,000
141 9403 LR Postclosure Maintenance	235,000	5,412	53,181	22.6 %	181,819	72,778	109,041
Total Fund 141 - Lewis Road Closure Fund	270,000	5,412	53,181	19.7 %	216,819	72,778	144,041
<u>Fund 161 - Jolon Road Closure Fund</u>							
161 9604 JR Postclosure Maintenance	260,000	2,160	152,993	58.8 %	107,007	21,628	85,379
Total Fund 161 - Jolon Road Closure Fund	260,000	2,160	152,993	58.8 %	107,007	21,628	85,379
<u>Fund 180 - Expansion Fund</u>							
180 9804 Long Range Facility Needs EIR	335,395	0	0	0.0 %	335,395	335,395	0
180 9806 Long Range Financial Model	28,388	0	0	0.0 %	28,388	0	28,388
180 9807 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
Total Fund 180 - Expansion Fund	463,783	0	0	0.0 %	463,783	335,395	128,388
<u>Fund 211 - Grants</u>							
211 9214 Organics Program 2016-17	243,264	26,419	64,285	26.4 %	178,979	162,882	16,097
211 9220 Tire Amnesty 2019-20	90,000	0	0	0.0 %	90,000	0	90,000
211 9247 Cal Recycle - CCPP	60,456	0	0	0.0 %	60,456	3,660	56,796
211 9253 Cal Recycle - 2017-18 CCPP	13,575	0	1,363	10.0 %	12,212	0	12,212
211 9256 Cal Recycle - 2018-19 CCPP	21,848	0	1,100	5.0 %	20,748	550	20,198
Total Fund 211 - Grants	429,143	26,419	66,748	15.6 %	362,395	167,092	195,303

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending September 30, 2019

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
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
Total Fund 216 - Reimbursement Fund	321,560	0	0	0.0 %	321,560	0	321,560
<u>Fund 800 - Capital Improvement Projects Fund</u>							
800 9104 Organics System Expansion Study	143,841	0	0	0.0 %	143,841	5,000	138,841
800 9105 Concrete Grinding	20,000	0	0	0.0 %	20,000	0	20,000
800 9106 Waste Composition Study	29,543	0	0	0.0 %	29,543	29,543	0
800 9107 Scale House Software Upgrade	100,000	0	0	0.0 %	100,000	0	100,000
800 9214 Organics Program 2016-17	850,000	96,720	107,694	12.7 %	742,306	135,150	607,156
800 9501 JC LFG System Improvements	79,177	0	0	0.0 %	79,177	0	79,177
800 9506 JC Litter Control Barrier	61,343	0	0	0.0 %	61,343	0	61,343
800 9507 JC Corrective Action	225,000	0	0	0.0 %	225,000	0	225,000
800 9526 JC Equipment Replacement	643,708	0	0	0.0 %	643,708	94,710	548,998
800 9527 JC Module 7 Engineering and Construction	2,674,088	614,143	1,472,768	55.1 %	1,201,321	873,930	327,390
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	108,399	0	0	0.0 %	108,399	0	108,399
800 9603 JR Well Replacement	100,000	0	0	0.0 %	100,000	0	100,000
800 9701 SSTS Equipment Replacement	413,858	0	0	0.0 %	413,858	0	413,858
800 9703 SSTS Improvements	10,934	0	0	0.0 %	10,934	0	10,934
Total Fund 800 - Capital Improvement Projects Fund	7,678,826	710,863	1,580,462	20.6 %	6,098,365	1,138,332	4,960,032
Total CIP Expenditures	10,382,814	766,994	1,984,931	19.1 %	8,397,883	1,927,757	6,470,126

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23345	A-7 AUSTIN, LTD AP CHECKS	9/5/2019	277.16	277.16
23346	ADMANOR, INC CCRMC - MEDIA CAMPAIGN SVR MARKETING/BRANDING	9/5/2019	15,130.85 4,376.74	19,507.59
23347	AON RISK INSURANCE SERVICES WEST, INC . WORKER'S COMP PREMIUMS	9/5/2019	16,201.90	16,201.90
23348	BAUDVILLE, INC EMPLOYEE RECOGNITION AWARDS	9/5/2019	1,358.08	1,358.08
23349	DLT SOLUTIONS LLC AUTOCAD ANNUAL LICENSE RENEWAL	9/5/2019	1,891.40	1,891.40
23350	FULL STEAM STAFFING LLC ALL SITES DIVERSION WORKERS & CONTRACT LABOR	9/5/2019	777.11	777.11
23351	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE	9/5/2019	890.95	890.95
23352	GONZALES ACE HARDWARE JC FACILITY MAINTENANCE SUPPLIES	9/5/2019	2.68	2.68
23353	KING CITY HARDWARE INC. JC FACILITY MAINTENANCE	9/5/2019	29.99	29.99
23354	MANUEL PEREA TRUCKING, INC. ALL SITES HAULING SERVICES	9/5/2019	750.00	750.00
23355	MISSION LINEN SUPPLY ALL SITES UNIFORMS	9/5/2019	112.56	112.56
23356	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY SS MRWPCA & SEWER SERVICES	9/5/2019	1,228.85	1,228.85
23357	PACIFIC GAS AND ELECTRIC COMPANY ALL SITES ELECTRICAL SERVICES	9/5/2019	11,290.39	11,290.39
23358	PHILIP SERVICES CORP MONTHLY HHW DISPOSAL & DISPOSAL SUPPLIES	9/5/2019	13.00	13.00
23359	QUINN COMPANY ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE	9/5/2019	10,764.59	10,764.59
23360	ROSALINDA RAMIREZ WEEK 1 - BUDDY LUNCH WEEK 2 - BUDDY LUNCH WEEK 3 - BUDDY LUNCH WEEK 4 - BUDDY LUNCH	9/5/2019	38.00 38.00 38.00 38.00	152.00
23361	SALINAS NEWSPAPERS, INC. ADM NEWSPAPER SUBSCRIPTION	9/5/2019	150.82	150.82
23362	SCS FIELD SERVICES ALL SITES ROUTINE ENGINEERING SERVICES	9/5/2019	5,395.00	5,395.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23363	SKINNER EQUIPMENT REPAIR, INC. ALL SITES EQUIPMENT & VEHICLE MAINTENANCE	9/5/2019	2,202.67	2,202.67
23364	SOUTHERN COUNTIES OIL CO., A CA LIMITED PARTNERSHIP ALL SITES EQUIPMENT & VEHICLE FUEL	9/5/2019	5,896.11	5,896.11
23365	US COMPOSTING COUNCIL US COMPOSTING COUNCIL ANNUAL MEMBERSHIP	9/5/2019	150.00	150.00
23366	AMERICAN SUPPLY CO. ALL SITES JANITORIAL SUPPLIES	9/13/2019	276.73	276.73
23367	AON RISK INSURANCE SERVICES WEST, INC . BUSINESS AUTO INSURANCE	9/13/2019	1,422.00	1,422.00
23368	ASBURY ENVIRONMENTAL SERVICES HHW DISPOSAL	9/13/2019	160.00	160.00
23369	ASSOCIATED REBAR, INC. ORGANICS CONSTRUCTION SUPPLIES	9/13/2019	335.03	335.03
23370	BARTEL ASSOCIATES, LLC GASB 68 ACTUARIAL SERVICES GASB 75 ACTUARIAL SERVICES	9/13/2019	1,300.00 2,000.00	3,300.00
23371	BRADLEY TANKS, INC. REFUNDING CREDIT BALANCE ON ACCOUNT	9/13/2019	21,321.27	21,321.27
23372	CALIFORNIA SURVEYING & DRAFTING SUPPLY INC JC SPECIAL DEPARTMENT SUPPLIES	9/13/2019	2,189.85	2,189.85
23373	CARLON'S FIRE EXTINGUISHER SALES & SERVICE ADMINISTRATION FIRE EXTINGUISHERS	9/13/2019	128.45	128.45
23374	COAST COUNTIES TRUCK & EQUIPMENT CO. SS VEHICLE MAINTENANCE SUPPLIES	9/13/2019	1,455.69	1,455.69
23375	CSC OF SALINAS/YUMA ALL SITES VEHICLE MAINTENANCE	9/13/2019	188.31	188.31
23376	CUTTING EDGE SUPPLY SS EQUIPMENT MANAGEMENT	9/13/2019	1,611.73	1,611.73
23377	DOUGLAS NOLAN SCHOOL ASSEMBLY PROGRAM	9/13/2019	1,750.00	1,750.00
23378	EAST BAY TIRE CO. ALL SITES VEHICLE MAINTENANCE	9/13/2019	331.93	331.93
23379	FERGUSON ENTERPRISES INC #795 CH FACILITY MAINTENANCE ORGANICS CONSTRUCTION SUPPLIES	9/13/2019	1,052.07 5,687.94	6,740.01
23380	FULL STEAM STAFFING LLC TEMPORARY LABOR	9/13/2019	3,492.09	3,492.09
23381	GEOLOGIC ASSOCIATES, INC. JC MODULE VII ENGINEER CONSULTING	9/13/2019	6,251.75	6,251.75

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23382	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE	9/13/2019	8,610.46	8,610.46
23383	GONZALES ACE HARDWARE JC ORGANICS FACILITY MAINTENANCE JC FACILITY MAINTENANCE SUPPLIES ORGANICS CONSTRUCTION SUPPLIES	9/13/2019	36.09 138.03 200.14	374.26
23384	**VOID**	9/13/2019	-	-
23385	GRAINGER CH FACILITY MAINTENANCE ORGANICS CONSTRUCTION SUPPLIES	9/13/2019	83.82 163.39	247.21
23386	GREEN RUBBER - KENNEDY AG, LP CH, SS & JC FACILITY MAINTENANCE	9/13/2019	110.22	110.22
23387	GREEN VALLEY INDUSTRIAL SUPPLY, INC SS FACILITY MAINTENANCE	9/13/2019	353.97	353.97
23388	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 SS FACILITY MAINTENANCE ORGANICS CONSTRUCTION SUPPLIES	9/13/2019	98.19 6,512.07	6,610.26
23389	HOME DEPOT ALL SITES FACILITY MAINTENANCE	9/13/2019	1,767.29	1,767.29
23390	**VOID**	9/13/2019	-	-
23391	INFINITY STAFFING SERVICES, INC. JR CONTRACT LABOR	9/13/2019	918.94	918.94
23392	KING CITY HARDWARE INC. JC FACILITY MAINTENANCE	9/13/2019	29.53	29.53
23393	MCMASTER-CARR SUPPLY COMPANY SS FACILITY MAINTENANCE	9/13/2019	62.25	62.25
23394	MICHAEL SILVA CH & LR OPS FACILITY SECURITY	9/13/2019	95.78	95.78
23395	MISSION LINEN SUPPLY ALL SITES UNIFORMS	9/13/2019	124.72	124.72
23396	OFFICE DEPOT ALL SITES OFFICE SUPPLIES	9/13/2019	352.58	352.58
23397	OVERHEAD DOOR COMPANY OF SALINAS SS FACILITY MAINTENANCE	9/13/2019	200.00	200.00
23398	PENINSULA MESSENGER LLC ALL SITES COURIER SERVICES	9/13/2019	620.00	620.00
23399	PINNACLE MEDICAL GROUP PRE-EMPLOYMENT PHYSICAL JRTS	9/13/2019	75.00	75.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23400	QUINN COMPANY ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE EQUIPMENT PARTS RETURN	9/13/2019	15,915.25 (731.54)	15,183.71
23401	SCOTT JOHNSON SS VEHICLE MAINTENANCE	9/13/2019	58.01	58.01
23402	SKINNER EQUIPMENT REPAIR, INC. ALL SITES EQUIPMENT & VEHICLE MAINTENANCE	9/13/2019	5,064.45	5,064.45
23403	SOUTHERN COUNTIES OIL CO., A CA LIMITED PARTNERSHIP ALL SITES EQUIPMENT & VEHICLE FUEL	9/13/2019	16,758.98	16,758.98
23404	SPRINT NEXTEL SS & JR CELL PHONE SERVICES	9/13/2019	401.15	401.15
23405	STATE TREASURER'S OFFICE LAIF CONFERENCE REGISTRATION	9/13/2019	150.00	150.00
23406	STERICYCLE, INC SHREDDING SERVICE	9/13/2019	173.28	173.28
23407	TELCO BUSINESS SOLUTIONS MONTHLY NETWORK SUPPORT	9/13/2019	242.00	242.00
23408	TRUCKSIS ENTERPRISES INCORPORATED SCHOOL RECYCLING FLYER	9/13/2019	291.70	291.70
23409	ULINE, INC. SS FACILITY MAINTENANCE	9/13/2019	1,726.07	1,726.07
23410	UNITED RENTALS (NORTHWEST), INC EQUIPMENT RENTAL	9/13/2019	932.71	932.71
23411	VALERIO VARELA JR SS VEHICLE MAINTENANCE	9/13/2019	1,000.00	1,000.00
23412	VALLEY TROPHIES & DETECTORS NEW EMPLOYEE OFFICE NAMEPLATE	9/13/2019	15.84	15.84
23413	VEGETABLE GROWERS SUPPLY, INC. JC SAFETY SUPPLIES	9/13/2019	20.38	20.38
23414	WOOD BROTHERS, INC. JC MODULE 7 CONSTRUCTION	9/13/2019	514,129.36	514,129.36
23415	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION MONTHLY VEHICLE FUEL	9/13/2019	3,036.33	3,036.33
23416	A-7 AUSTIN, LTD FINANCE DEPARTMENT SUPPLIES	9/19/2019	214.16	214.16
23417	AON RISK INSURANCE SERVICES WEST, INC . WORKER'S COMP PREMIUMS	9/19/2019	2,905.00	2,905.00
23418	AT&T SERVICES INC ALL SITES TELEPHONE SERVICES	9/19/2019	4,511.76	4,511.76

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23419	CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS CSMFO ANNUAL CONFERENCE - REGISTRATION	9/19/2019	425.00	425.00
23420	CALIFORNIA WATER SERVICE SS & JR WATER SERVICE	9/19/2019	1,408.40	1,408.40
23421	CALIFORNIA WATER SERVICE SS & JR WATER SERVICE	9/19/2019	126.68	126.68
23422	CITY OF GONZALES JC WATER SERVICES MONTHLY HOSTING FEE	9/19/2019	1,203.34 20,833.33	22,036.67
23423	ERNEST BELL D. JR ADM, SS & JC JANITORIAL SERVICES	9/19/2019	2,600.00	2,600.00
23424	FIRST ALARM ALL SITES SECURITY SERVICES	9/19/2019	1,374.39	1,374.39
23425	GEOLOGIC ASSOCIATES, INC. JC MODULE VII ENGINEER CONSULTING JC MODULE VII & COMPOST POND - LEAK DETECTION	9/19/2019	3,100.00 19,650.00	22,750.00
23426	GUERITO JC & SSTs PORTABLE TOILETS JC & SSTs PORTABLE TOILETS	9/19/2019	688.00 340.00	1,028.00
23427	JULIO GIL SS FACILITY MAINTENANCE	9/19/2019	628.14	628.14
23428	LOUIS MARTINEZ COMPOST OPERATIONS TRAINING COURSE	9/19/2019	259.78	259.78
23429	MAESTRO HEALTH FSA ADMINISTRATION FEE	9/19/2019	150.00	150.00
23430	NEXIS PARTNERS, LLC MONTHLY ADMIN BUILDING RENT	9/19/2019	9,212.00	9,212.00
23431	PACIFIC GAS AND ELECTRIC COMPANY ALL SITES ELECTRICAL SERVICES	9/19/2019	5,672.78	5,672.78
23432	PHILIP SERVICES CORP MONTHLY HHW DISPOSAL MONTHLY HHW DISPOSAL SUPPLIES	9/19/2019	17,314.90 2,832.00	20,146.90
23433	PITNEY BOWES GLOBAL POSTAGE	9/19/2019	415.67	415.67
23434	RAMON N VALLEJO DOJ LIVE SCANS	9/19/2019	114.00	114.00
23435	CALIFORNIA WATER SERVICE DEPOSIT FOR JR WATER METER	9/19/2019	2,400.00	2,400.00
23436	AMERICAN NATIONAL RED CROSS & ITS CONSTITUENT CHAPTERS & BRANCHES CPR RECERTIFICATIONS EMPLOYEE CPR TRAINING	9/26/2019	970.00 790.00	1,760.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23437	AMERICAN SUPPLY CO. ALL SITES JANITORIAL SUPPLIES	9/26/2019	380.97	380.97
23438	BECKS SHOES AND REPAIR SS & JC UNIFORMS	9/26/2019	405.73	405.73
23439	BIOENERGY ASSOCIATION OF CALIFORNIA ANNUAL MEMBERSHIP	9/26/2019	2,750.00	2,750.00
23440	CLARK PEST CONTROL, INC ADMIN PEST CONTROL	9/26/2019	93.00	93.00
23441	COAST COUNTIES TRUCK & EQUIPMENT CO. SS VEHICLE MAINTENANCE SUPPLIES	9/26/2019	5,466.39	5,466.39
23442	COASTLINE MARKETING GROUP, INC. WEBSITE MAINTENANCE	9/26/2019	1,875.00	1,875.00
23443	COMCAST ADMIN INTERNET SERVICES	9/26/2019	271.91	271.91
23444	CSC OF SALINAS/YUMA ALL SITES VEHICLE MAINTENANCE	9/26/2019	262.44	262.44
23445	FULL STEAM STAFFING LLC ALL SITES DIVERSION WORKERS & CONTRACT LABOR	9/26/2019	14,948.57	14,948.57
23446	GEOSYNTEC CONSULTANTS, INC. CQA JC MODULE 7	9/26/2019	71,011.54	71,011.54
23447	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE	9/26/2019	16,727.25	16,727.25
23448	**VOID**	9/26/2019	-	-
23449	**VOID**	9/26/2019	-	-
23450	GONZALES ACE HARDWARE ALL SITES MAINTENANCE SUPPLIES	9/26/2019	353.10	353.10
23451	**VOID**	9/26/2019	-	-
23452	GRAINGER HHW SAFETY SUPPLIES	9/26/2019	97.15	97.15
23453	GREEN RUBBER - KENNEDY AG, LP ALL SITES FACILITY MAINTENANCE SUPPLIES	9/26/2019	1,301.90	1,301.90
23454	GUARDIAN SAFETY AND SUPPLY, LLC SS SAFETY SUPPLIES	9/26/2019	131.71	131.71
23455	KING CITY HARDWARE INC. JC FACILITY MAINTENANCE	9/26/2019	67.98	67.98

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23456	LIEBERT CASSIDY WHITMORE LEGAL SERVICES	9/26/2019	1,292.00	1,292.00
23457	MISSION LINEN SUPPLY ALL SITES UNIFORMS	9/26/2019	269.81	269.81
23458	MONTEREY AUTO SUPPLY INC SS VEHICLE MAINTENANCE	9/26/2019	23.45	23.45
23459	OFFICE DEPOT ALL SITES OFFICE SUPPLIES	9/26/2019	98.03	98.03
23460	PRICILLIA RODRIGUEZ SS HAULING SERVICES	9/26/2019	4,993.23	4,993.23
23461	PURE WATER BOTTLING ALL SITES BOTTLED WATER	9/26/2019	606.25	606.25
23462	QUINN COMPANY ALL SITES EQUIPMENT AND VEHICLE MAINTENANCE	9/26/2019	4,792.82	4,792.82
23463	REPUBLIC SERVICES #471 ADM BUILDING MONTHLY TRASH SERVICE	9/26/2019	82.22	82.22
23464	RONNIE G. REHN OFFICE KEY DUPLICATION	9/26/2019	247.11	247.11
23465	SCALES UNLIMITED SS & JR SCALE MAINTENANCE	9/26/2019	2,274.00	2,274.00
23466	SCS FIELD SERVICES ALL SITES ENVIRONMENTAL SERVICES NON ROUTINE ALL SITES ROUTINE ENGINEERING SERVICES	9/26/2019	192.50 20,147.50	20,340.00
23467	SHARPS SOLUTIONS, LLC HHW HAULING AND DISPOSAL	9/26/2019	160.00	160.00
23468	SKINNER EQUIPMENT REPAIR, INC. ALL SITES EQUIPMENT & VEHICLE MAINTENANCE	9/26/2019	5,117.93	5,117.93
23469	SOCIAL VOCATIONAL SERVICES, INC. JC LITTER ABATEMENT	9/26/2019	6,298.88	6,298.88
23470	SOLEDAD TIRE & WHEEL SERVICE, INC. JC VEHICLE MAINTENANCE	9/26/2019	583.29	583.29
23471	SOUTHERN COUNTIES OIL CO., A CA LIMITED PARTNERSHIP ALL SITES EQUIPMENT & VEHICLE FUEL	9/26/2019	18,559.50	18,559.50
23472	ULINE, INC. SS VEHICLE SUPPLIES	9/26/2019	201.89	201.89
23473	UNITED RENTALS (NORTHWEST), INC CARPET BLOWER RENTAL	9/26/2019	28.59	28.59
23474	UNITED RENTALS (NORTHWEST), INC JC RENTAL EQUIPMENT	9/26/2019	5,737.05	5,737.05

Salinas Valley Solid Waste Authority
Checks Issued Report for 9/1/2019 to 9/30/2019

Check #	Name	Check Date	Amount	Check Total
23475	UNITED RENTALS (NORTHWEST), INC 2013 WHEEL LOADER - CASE 521F	9/26/2019	86,200.00	86,200.00
23476	UNITED RENTALS (NORTHWEST), INC COMPOST CONSTRUCTION	9/26/2019	81.89	81.89
23477	VALERIO VARELA JR JC ORGANICS FACILITY MAINTENANCE SS & JC FACILITY, EQUIPMENT & VEHICLE MAINTENANCE	9/26/2019	600.00 1,640.50	2,240.50
23478	VERIZON WIRELESS SERVICES JC & RR INTERNET SERVICES	9/26/2019	76.02	76.02
23479	WEST COAST RUBBER RECYCLING, INC TIRE DIVERSION SERVICES	9/26/2019	3,900.00	3,900.00
23480	WESTERN EXTERMINATOR COMPANY SS EXTERMINATOR SERVICE	9/26/2019	358.00	358.00
	Subtotal			<u>1,090,580.56</u>
	Payroll Disbursements			453,510.49
	Grand Total			<u>1,544,091.05</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: November 21, 2019

From: Mandy Brooks, Resource Recovery Manager

Title: Member and Interagency Activities Report for October 2019 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 (SSTS) was conducted on October 30 with no areas of concern observed or noted during the inspection. A violation will be issued for the continued tonnage exceedances. Tonnage exceedances on October 8 of 25.85 tons and October 22 of 7.92 tons were reported to the LEA due to larger volumes of materials from the homeless encampment clean ups and from self-haul customers. No customers were turned away to prevent illegal dumping and continue providing service.

The monthly inspections for the Johnson Canyon Landfill (JCLF) and the Composting Facility were conducted on October 14 with no areas of concern or violations noted for the inspections.

The monthly inspection of the Jolon Road Transfer Station was completed on October 21. No areas of concern or violations were observed during either inspection.

Regional Water Quality Control Board

On October 4, the Regional Water Quality Control Board conducted a formal inspection of the new landfill cell, Module 7. No areas of concern or violations were issued during the inspection which will allow for waste to be placed in the new module pending the CQA final report.

Gonzales Clothing Closet Stats

The table below summarizes the first month in 2Q FY 19-20 for the Clothing Closet's distributions.

FY19-20 2Q	# of Volunteers	Hours	Clothing Items Distributed	# of Families Served	# of Family Members Served
Oct 2019	5	57	418	36	177
Nov 2019	-	-	-	-	-
Dec 2019	-	-	-	-	-
TOTALS	5 (avg.)	57	418	36	177

Clean Up Events

One litter abatement event and two community clean up events were conducted in October. The litter abatement event results are included below but the two community cleanup events were not available at the time of this report and will be reported in subsequent reports. The results from the three September clean ups are also included below.

- **Soledad:** Tri-Cities & Disposal & Recycling conducted a Litter Abatement Event on Oct 26 that was staffed by volunteers supporting Soledad High School Aztec Cross-Country team. The volunteers collected 180 pounds of micro-trash and litter (e.g. cigarette butts, candy wrappers, plastic straws, coffee cup lids, etc.) throughout the entire downtown area.
- **San Ardo:** Waste Management conducted a one-day cleanup on Sept 21 at the Monterey County Public Works Yard on Main St and collected approximately 4.6 tons of trash and 5.1 tons of recyclable materials resulting in a 53 % diversion rate for the event. Approximately 1,201 lbs. of ABOP (Antifreeze, Batteries, Motor Oil and Paint) waste materials were also collected during the event by SVR staff.
- **Salinas, District 4** Neighborhood Cleanup, on Sept 28 at Closter Park and collected approximately 6.6 tons of trash and 10.4 tons of recyclable materials resulting in a 61% diversion rate for the event.
- **Soledad:** Tri-Cities Disposal & Recycling conducted the fifth annual one-day Reuse, Recycle & Clean Up Day on Sept. 28 at the Soledad High School Parking Lot. Approximately 10.6 tons of trash and 13.3 tons of recyclable materials resulting in a 56% diversion rate for the event. Approximately 2,066 lbs. of ABOP (Antifreeze, Batteries, Motor Oil and Paint) waste materials were also collected during the event by SVR staff.

FY 19-20 Current and Future Events with SVR Staff Participation

(Opportunities for Board Member Participation)

Gonzales:	12/4	Composting Presentation, St Theodore Church
Greenfield:	11/16	Community Clean Up Day & ABOP Collection, Public Work's yard
King City:	11/18 1/30/20	Recycling & Composting Presentation, Santa Lucia School Booth at Farm Day Event, Salinas Valley Fairgrounds
Salinas:	11/18 12/1	Organics Recycling Meeting, City of Salinas Staff Float - Holiday Parade of Lights, South Main St
Soledad:	11/21 12/7	Waste Assessment, Main St Middle School Float – Holiday Parade- tentative



Report to the Board of Directors

ITEM NO. 4

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

N/A

General Counsel

Date: November 21, 2019

From: Elia Zavala, Contracts & Grants Analyst

Title: Tonnage and Diversion Report for the
Quarter Ended September 30, 2019

RECOMMENDATION

Staff recommends that the Board accept this report.

STRATEGIC PLAN RELATIONSHIP

None. This is a routine information item.

FISCAL IMPACT

Tipping fees account for 74.9% of the quarter's revenue. For the quarter ending September 30, 2019, the Authority received \$15.3 million in tipping fees.

DISCUSSION & ANALYSIS

The Authority has been submitting quarterly disposal reporting to the County of Monterey would then submits the reports to the State. Starting with this quarter, each reporting entity will be required to report to the State directly via an online system.

TONNAGE LANDFILLED AND DIVERTED SUMMARY

The table below summarizes the total tonnage processed and diverted by the Authority for the third quarter ended September 2019. Compared to the third quarter in 2018, the total tons processed increased by 13.5% and diverted material increased by 32.5%, resulting in a net increase of 8.9% tons landfilled. Even though the use is beneficial, Alternative Daily Cover (ADC) is not shown as diverted material since it is ultimately landfilled and not truly diverted. The increase in diverted material compared to last year's quarter is due mainly to the collection of over 2,500 tons more of organic material.

	Jul-Sep 2019 Tonnage	%	Jul-Sep 2018 Tonnage	%	Change in Tonnage	% Change
Total Tons Processed	82,126		72,343		9,783	13.5%
Less Used for ADC	5,202	6.3%	4,151	5.7%	1,051	25.3%
Net Tons Processed	76,924		68,192		8,732	12.8%
Less Diverted Materials	10,097		7,086		3,011	42.5%
Less Beneficial Reuse	3,297		2,488		809	32.5%
JC market materials	182		459		(277)	-60.4%
SS market materials	1,064		970		94	9.7%
JR market materials	171		175		(4)	-2.5%
Total Diverted Materials	14,811	18.0%	11,179	15.5%	3,632	32.5%
Total Landfilled	62,113	75.6%	57,013	78.8%	5,100	8.9%

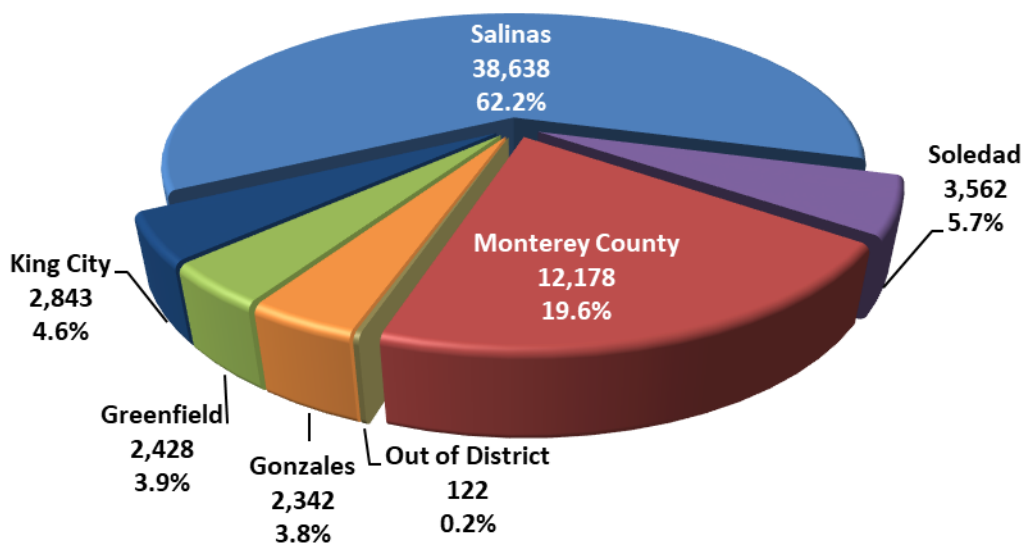
TONS LANDFILLED BY SERVICE AREA

The Authority landfilled 62,113 tons of solid waste in the quarter ended September 2019, of which 61,991 were from the Authority service area and 122 tons were from outside the Authority's service area. This quarter had an 8.9% increase in landfilled waste from the same quarter of 2018.

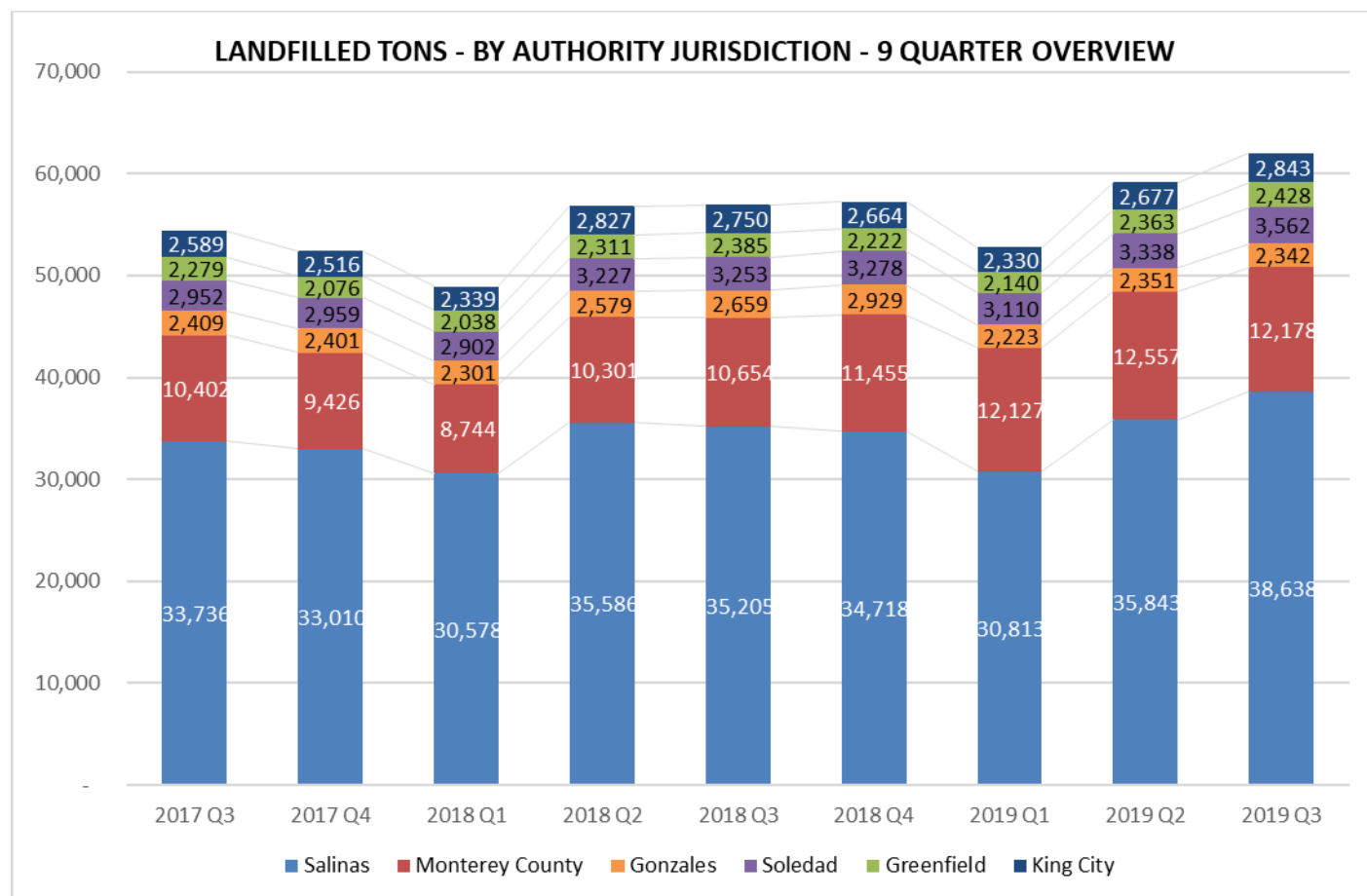
<u>Service Area</u>	<u>Jul-Sep 2019 Tonnage</u>	<u>Jul-Sep 2018 Tonnage</u>	<u>Change in Tonnage</u>	<u>% Change</u>
Authority Service Area	61,991	56,906	5,085	8.9%
Out of District	122	107	15	14.0%
Total Landfilled	62,113	57,013	5,100	8.9%

The Authority service area landfilled waste for this quarter was made up from 62.2% from the City of Salinas, 19.6% from the County, and 18.0% from the south county cities. The 122 tons from outside the service area came from Santa Cruz County (87 tons), western Monterey County non-Authority area (19 tons), Santa Clara County (15 tons), and San Benito County (1 tons).

**LANDFILLED TONS - 62,113
BY ORIGIN FOR QUARTER ENDED SEPTEMBER 30, 2019**



The chart below provides an overview of landfilled tons by jurisdiction for the past nine quarters, that includes three-year tonnage data for Quarter 3 (July - September).



DIVERTED MATERIALS

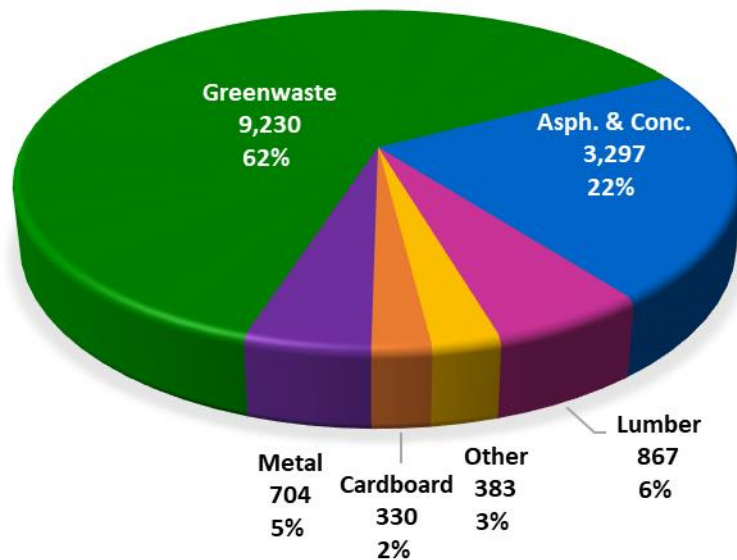
The table below provides a year-over-year comparison of diverted materials tonnage for the same quarter. The total 14,811 tons of diverted materials for the quarter ended September 2019, resulted in an increase of 3,632 tons or 32.5% over the same quarter of the previous year total of 11,179. The amount of asphalt & concrete is dependent on the amount of construction activity for that particular quarter.

	2019 Q3	2018 Q3	% Diff
Greenwaste	9,230	6,584	40.2%
Asphalt & Concrete	3,297	2,488	32.5%
Metal	704	1,022	-31.1%
Lumber	867	502	72.7%
Cardboard	330	265	24.5%
*Other	383	318	20.4%
	14,811	11,179	32.5%

** Includes Mattresses, Tires, Mixed Rec, etc.*

The chart below illustrates the composition of the 14,811 tons of diverted materials for the quarter ended September 2019. Diversion does not include tons of construction & demolition material, biosolids, and overs (from green waste and wood waste processing) which are currently being used in the landfill as Alternative Daily Cover (ADC). The chart includes 1,417 tons of recyclables salvaged from the waste stream at Authority facilities and sent directly to market (Johnson Canyon – 182 tons, Sun Street – 1,064, and Jolon Road - 171 tons).

QUARTER ENDED SEPTEMBER 30, 2019
DIVERTED MATERIALS - 14,811



ATTACHMENTS

None



Report to the Board of Directors

ITEM NO. 5

Finance and Administration Manager,
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Legal Counsel

Date: November 21, 2019

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Approving the Allocation of Cash Balances for Fiscal Year 2018-19, and Supplemental Appropriation for Capital Improvements and Pay Down of CalPERS Unfunded Actuarial Liability

RECOMMENDATION

Executive Committee recommends adoption of the resolution.

STRATEGIC PLAN RELATIONSHIP

This is a routine annual financial item.

FISCAL IMPACT

This item designates cash balances at year-end, 06-30-2019. A supplemental appropriation of \$224,000 will be made to pay down CalPERS Unfunded Actuarial Liability at June 30, 2018. A supplemental appropriation of \$200,000 will be made to the Capital Improvement Budget to fund the purchase and installation of emergency generators at 3 of the facilities. An additional supplemental appropriation of \$1,200,000 was approved by the Board for Capital Improvement Budgets on September 19, 2019. All three of these supplemental appropriations will be funded using cash balances at 06-30-2019 prior to allocation to designated reserves in accordance with Board policy.

(continued to next page)

DISCUSSION & ANALYSIS

To determine the cash balance at 06-30-2019, the total of cash and investments at 06-30-2019 was reduced by the funds held by legal agreements, committed by Board policy, held in trust, or previously assigned by Board direction. Calculations are as follows:

Cash Balance at 06-30-2019	<u>28,954,250.33</u>
<u>Restricted by Legal Agreement</u>	
JC Closure Fund	4,497,011.51
State Grants	(143,983.71)
<u>Funds Held in Trust</u>	
CCRMC Trust	65,014.91
Employees FSA Trust	4,786.25
<u>Committed by Board Policy</u>	
Designated for Capital Projects Reserve	2,969,712.87
Designated for Operations Reserve	1,148,432.29
Designated for Environmental Impairment Reserve	1,148,432.29
Expansion Fund	8,414,580.66
<u>Assigned by Budget</u>	
Assigned for Capital Projects	6,711,109.86
Total Available for Surplus Allocation at 06-30-2019	<u>4,139,153.40</u>

On September 19, 2019, the Board approved \$1,200,000 in new CIPs to be funded from FY 2018-19 surplus.

Using \$224,000 of the remaining fund balance to pay off the Authority's unfunded retirement liability would save the Authority nearly \$150,000 in interest payments over the scheduled amortization through 2034. Any gains or losses in investments from CalPERS, or changes in assumptions, will affect our funded status going forward. The budget will continue to have an allocation to pay off changes in in this liability in the shortest reasonable time frame possible.

Using \$200,000 to fund a CIP for emergency generators for the Crazy Horse Environmental Control Systems, Johnson Canyon Environmental Control Systems, and Johnson Canyon Compost Facility is critical to the operation of these systems. PG&E instituted rolling blackouts a few weeks ago leaving Johnson Canyon without power for over 48 hours. Extended power outages could create potential fire hazards and odors at the compost facility, damage the liner at Crazy Horse, or create violations with the environmental controls at Johnson Canyon.

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

Total Available for Surplus Allocation at 06-30-2019	4,139,153.40
Supplemental CIPs approved on 09-19-2019	(1,200,000.00)
Emergency Generator Install (3 sites)	(200,000.00)
Payoff of PERS UAL at 06-30-2018	<u>(224,000.00)</u>
Adjusted Allocation Amount	<u>2,515,153.40</u>

Capital Projects Reserve (60%)	1,509,092.04
Operations Reserve (20%)	503,030.68
Environmental Impairment Reserve (20%)	<u>503,030.68</u>
Total Surplus Allocation	<u>2,515,153.40</u>

Following is a summary of the reserve balances at 11-21-2019, if approved by the Board, followed by a brief analysis.

<u>Designated for Capital Projects Reserve</u>	
Balance at 06-30-2019	2,969,712.87
Final Repayment of Reserve Loan from Jolon Road	120,000.00
FY 2018-19 Surplus Allocation	<u>1,509,092.04</u>
Ending Balance	<u>4,598,804.91</u>

During the FY 2016-17 budget process, to minimize the rate increase, the Board elected to use the CIP reserves to fund \$398,581 of the \$600,000 CIP for Jolon Road equipment needed to begin staff run operations at Jolon Road Transfer Station. The remaining amount was funded from budgeted operating surpluses. The FY 2019-20 budget included the final \$120,000 repayment. Future years will include \$120,000 budget for Capital Equipment so that we can set aside cash (Pay-As-You-Go) to replace the equipment that was bought with this internal loan when it is necessary.

<u>Designated for Operations Reserve</u>	
Balance at 06-30-2019	1,148,432.29
FY 2018-19 Surplus Allocation	<u>503,030.68</u>
Ending Balance (Goal \$2.9M)	<u>1,651,462.97</u>

The Operating Reserve goal is 15% of the Operations Budget. The \$1,651,463 balance is 9.1% of the \$18,234,000 FY 2019-20 Operations Budget.

Designated for Environmental Impairment Reserve

Balance at 06-30-2019	1,148,432.29
FY 2018-19 Surplus Allocation	<u>503,030.68</u>
Ending Balance	<u>1,651,462.97</u>

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

Landfill-Action	Capital			Total
	Improvements	Maintenance	Contingency	
Johnson Canyon	\$ 443,340	\$ 376,688	\$ -	\$ 820,028
Crazy Horse	3,462,678	7,838,712	-	11,301,390
Jolon Road	-	1,550,240	-	1,550,240
Lewis Road	130,609	240,568	37,256	408,433
Total Corrective Actions	<u>\$ 4,036,627</u>	<u>\$ 10,006,208</u>	<u>\$ 37,256</u>	<u>\$ 14,080,091</u>

* Maintenance period covers up to 30 years

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

Under the financial assurance agreements with CalRecycle, the Authority has covenanted that it will provide the necessary funding when required. This means that the Authority would increase rates as necessary to cover the above expenses. However, it is highly unlikely that all three sites would need corrective action at the same time. The funding goal is the Capital Improvement costs at Crazy Horse, the highest of the three sites. The \$1,651,463 balance is 47.7% of the \$3.46 million capital funding goal for Corrective Action at Crazy Horse.

BACKGROUND

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

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

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

ATTACHMENT(S)

1. Resolution
2. Exhibit A - Allocation of Cash Balances for FY 2018-19 Sheet
3. Resolution 2014-11

RESOLUTION NO. 2019 –

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING THE ALLOCATION OF CASH BALANCES FOR FISCAL YEAR 2018-19 AND
SUPPLEMENTAL APPROPRIATIONS FOR CAPITAL IMPROVEMENTS AND PAYDOWN OF CALPERS
UNFUNDED ACTUARIAL LIABILITY**

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

WHEREAS, the Fiscal Year 2018-19 fund balance is to be allocated as follows: Operating Reserves (20%), Capital Projects Reserves (60%), and Environmental Impairment Reserves (20%); and,

WHEREAS, on September 19, 2019, the Board approved \$1,200,000 in new CIPs to be funded from FY 2018-19 fund balance; and,

WHEREAS, a new CIP in the amount of \$200,000 for Emergency Generators at three facilities is to be funded from FY 2018-19 fund balance; and,

WHEREAS, using \$224,000 of the remaining fund balance to pay off the Authority's unfunded retirement liability would save the Authority nearly \$150,000 in interest payments over the scheduled amortization through 2034;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the allocation of cash balances for FY 2017-18, attached hereto and marked "Exhibit A" is hereby approved; and,

BE IT FURTHER RESOLVED, that a Supplemental Appropriation of \$224,000 for paydown of CalPERS unfunded liability is hereby approved; and,

BE IT FURTHER RESOLVED, that a Supplemental Appropriation of \$200,000 to the Capital Improvements Budget is hereby approved; and,

BE IT FURTHER RESOLVED, that the General Manager/CAO is hereby authorized and directed by the Salinas Valley Solid Waste Authority to implement the allocation in accordance with the Authority's financial policies.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 21st day of November 2019, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Robert Cullen, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Exhibit A

Total Available for Surplus Allocation at 06-30-2019	4,139,153.40
Supplemental CIPs approved on 09-19-2019	(1,200,000.00)
Emergency Generator Install (3 sites)	(200,000.00)
Payoff of PERS UAL at 06-30-2018	<u>(224,000.00)</u>
Adjusted Allocation Amount	<u>2,515,153.40</u>
Capital Projects Reserve (60%)	1,509,092.04
Operations Reserve (20%)	503,030.68
Environmental Impairment Reserve (20%)	<u>503,030.68</u>
Total Surplus Allocation	<u>2,515,153.40</u>

RESOLUTION NO. 2014 - 11

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

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

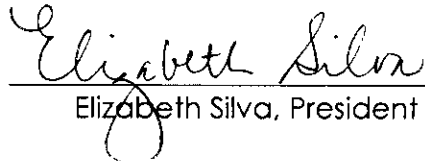
PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at the regular meeting duly held on the 17th day of April 2014 by the following vote:

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


NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: MORENO

ABSTAIN: BOARD MEMBERS: NONE


Elizabeth Silva, President

ATTEST:


Elia Zavala, Clerk of the Board

Salinas Valley Solid Waste Authority

Financial Policies

Exhibit A

SUMMARY

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

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

Salinas Valley Solid Waste Authority Financial Policies

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

Salinas Valley Solid Waste Authority

Financial Policies

1 - REVENUES

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

A. User Fees

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

B. Tipping Fees

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

C. One Time Revenues

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

D. Revenue Estimates

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

E. Revenue Collection and Administration

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

Salinas Valley Solid Waste Authority

Financial Policies

2 - EXPENDITURES

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

A. Current Funding Basis

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

B. Avoidance of Operating Deficits

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

C. Maintenance of Capital Assets

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

D. Periodic Program Reviews

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

E. Purchasing

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

Salinas Valley Solid Waste Authority

Financial Policies

3 - FUND BALANCE/RESERVES

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

A. Operating Reserve

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

B. Funding the Reserves

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

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

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

C. Capital Projects Reserve

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

E. Use of Operating Reserve

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

F. Environmental Impairment Reserve

Salinas Valley Solid Waste Authority

Financial Policies

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

G. Annual Review of Reserves

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

Salinas Valley Solid Waste Authority

Financial Policies

4 - CAPITAL EXPENDITURES AND IMPROVEMENTS

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

A. Capital Improvement Plan

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

B. Capital Improvement Budget

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

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

CIP funding will be based on the following priorities:

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

C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

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

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

D. Capital Projects Reserve Fund

Salinas Valley Solid Waste Authority

Financial Policies

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

E. Capital Projects Management

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

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

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

Salinas Valley Solid Waste Authority

Financial Policies

5 - DEBT

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

A. Use of Debt Financing

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

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

B. Conditions for Debt Issuance

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

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

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

C. Debt Structure

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

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

Salinas Valley Solid Waste Authority

Financial Policies

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

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

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

D. Call Provisions

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

E. Debt Refunding

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

F. Interest Earnings

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

G. Lease/Purchase Agreements

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

Salinas Valley Solid Waste Authority

Financial Policies

6 - INVESTMENTS

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

A. Investment Policy

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

B. Interest Earnings

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

Salinas Valley Solid Waste Authority

Financial Policies

7 - GRANTS

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

A. Grant Guidelines

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

B. Indirect Costs

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

C. Grant Review

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

D. Grant Program Termination

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

Salinas Valley Solid Waste Authority

Financial Policies

8 - CLOSURE FUNDING

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

A. Closure Funding

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

B. Postclosure Funding

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

C. Closure Funding Calculations

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

Salinas Valley Solid Waste Authority

Financial Policies

9 - FISCAL MONITORING

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

A. Financial Status and Performance Reports

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

B. Five-year Forecast of Revenues and Expenditures

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

C. Semi-Annual Status Report on Capital Projects

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

D. Compliance with Board Policy Statements

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

Salinas Valley Solid Waste Authority

Financial Policies

10 - ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

A. Conformance to Accounting Principles

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

B. Popular Reporting

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

Salinas Valley Solid Waste Authority

Financial Policies

11 - INTERNAL CONTROLS

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

A. Proper Authorizations

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

B. Separation of Duties

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

C. Proper Recording

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

D. Access to Assets and Records

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

E. Independent Checks

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

F. Costs and Benefits

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

Salinas Valley Solid Waste Authority

Financial Policies

12 - OPERATING BUDGET

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

A. Budget Format

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

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

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

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

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

B. Estimated Revenues

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

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

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

C. Appropriations

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

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

Salinas Valley Solid Waste Authority

Financial Policies

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

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

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

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

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

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

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Financial Policies

13 - CAPITAL ASSETS

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

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

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

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

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

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

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functional.

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

C. Leased Assets-

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

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

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

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

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

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

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

- ❖ Bond Proceeds
- ❖ State Grants

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

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

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

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

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

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



Report to the Board of Directors

ITEM NO. 6

N/A

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: November 21, 2019

From: Janna Faulk, Recycling Coordinator

Title: Monterey County Health Department,
Environmental Health Bureau, Calendar Year 2018
Used Motor Oil and Filter Recycling Program Annual
Report

RECOMMENDATION

Staff recommends that the Board accept the report.

STRATEGIC PLAN RELATIONSHIP

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

FISCAL IMPACT

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

A total of \$139,707 was awarded to MCEHB from the California Department of Resources Recycling and Recovery's (CalRecycle) 9th Cycle of the Used Oil Payment Program (OPP) funding. This funding was allocated to MCEHB to administer the program as the Lead Agency. MCEHB uses the funding to provide countywide used oil and oil filter recycling services and education.

DISCUSSION & ANALYSIS

When the member cities assigned their funds to MCEHB, the Authority's Board required a series of goals and objectives from MCEHB including an annual report for the Board. The attached report was received on October 18, 2019 and covers the period of January 1, 2018 through December 31, 2018.

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

CY 2018

Program Highlights:

- Residential Drop-off Centers: A total of 84,705 gallons of used oil and 19,750 used oil filters were collected at the 26 Certified Collection Centers countywide. Of that, 81% of the used oil (68,360 gallons) and 84% of the filters (16,500) came from the Authority's service area. This represents an approximate increase of 5% in used

oil collected in the Authority's service area compared to CY 2017. Seven of the drop off locations did not report filter counts for 2018 thus, comparing the oil filter collection numbers to 2017 is not an accurate statistic of program results.

- Residential Curbside Collection: A total of 29,267 gallons of used oil and 10,982 used oil filters were collected countywide. Of that, 67% of the used oil (19,533 gallons) and 90% of the filters (9,874) came from the Authority's service area. This represents an approximate decrease of 8% in used oil and decrease of 5% in used oil filters collected in the Authority's service area compared to CY 2017.
- Filter Exchange Events: Five filter exchange events were incorporated into South County community clean up events. MCEHB staff provided a total of 81 vouchers for a free filter from a local auto store in exchange for a used oil filter dropped off for recycling at the event.
- Agricultural Oil and Filter Drop off Program: A total of 46,275 gallons of used oil and 22,500 filters were collected from Agricultural Oil & Filter Collection Centers, all of which are located within the Authority's service area. This represents a 107% increase in used oil and a 34% increase in used oil filters collected compared to calendar year 2017.

In the upcoming year, MCEHB plans to promote the used oil and filter recycling program through direct education, outreach and media advertisements. MCEHB also plans to hold additional filter exchange events and attend community events, whenever possible, to increase program participation.

BACKGROUND

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

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

ATTACHMENTS

1. Monterey County Used Oil & Filter Recycling Program Annual Report, CY 2018

County of Monterey

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

Administrator

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

Executive Summary

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

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

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

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

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

To cast a wider net, services are also advertised using radio, newspaper, website, and other sources. As the administrators of the program, MCEHB staff conducts annual site visits with each of the CCC's and supplies haulers providing curbside collection in Monterey County with an adequate inventory of used oil containers. The program also ensures the collection equipment located at various collection centers are in good working condition. Lastly, MCEHB ensures compliance with all requirements by preparing and submitting reports to CalRecycle and other agencies regarding the progress and success of the program.

While MCEHB administers the program for the entire Monterey County, this report focuses on data and activities conducted within the SVSWA service area during the 2018 calendar year.

MCEHB will continue to promote the residential, agricultural and boating programs through direct education and outreach, as well as increase media advertisements. In the upcoming year, MCEHB plans to increase the number of take back events throughout the County to give residents more incentive opportunities when recycling their used oil filter.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

1. Residential Drop-off Centers Program: Calendar Year 2018

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

There is a total of 26 CCC sites in Monterey County that collected a total of 84,705 gallons of used oil and approximately 19,750 filters in 2018. Table 1a includes data collected from 20 CCC's in the SVSWA service area. A total of 68,360 gallons of used oil and 16,500 oil filters were collected from residential drop-off centers in the Salinas Valley Solid Waste Authority (SVSWA) area. The data shows that the gallons of used oil collected at CCC sites increased by 4.63% and number of filters decreased by 45% compared to 2017. However, the decrease in filters collected could be attributed to the fact that the O'Reilly certified collection centers filter data did not get reported for 2018.

MCEHB incorporated 6 filter exchange events into three of the South County cities Community Clean Up events in 2018. MCEHB staff was onsite to provide do-it-yourselfers who brought in a used oil filter for recycling, a voucher to receive a FREE new filter at the local auto store. Location and dates of the event are listed in Section 5. Staff also attended the Agricultural Expo and Environmental Compliance Workshop to provide education on proper disposal and recycling of used oil and used oil filters, increase awareness of the CCC's around the County and provide rags, funnels, used oil recycling kits and filter wrenches.

Methodology

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

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

Table 1a. Residential Drop-off Collection Data for 2018 Calendar Year

Drop-off Center	City/Area	Used Oil			Filters		
		2016	2017	2018	2016	2017	2018
*AutoZone #5509	Gonzales	3,955	2,690	3,370	3,500	1,750	1,500
*AutoZone #5510	King City	3,700	3,140	2,600	1,425	1,750	1,250
*AutoZone #6290	Soledad	0	1,870	1,855	0	1,750	1,250
*AutoZone #5512	Salinas	8,400	8,210	7,110	3,000	3,250	3,000
*AutoZone #5513	Prunedale	4,350	4,250	3,895	2,200	3,250	2,250
*AutoZone # 5514	Salinas	7,225	8,893	9,940	6,200	0	2500
*AutoZone #3744	Salinas	9,500	9,760	9,650	6,050	3,250	3,000
*AutoZone #6281	Salinas	0	915	2,105	0	500	1,750
Bridgestone Firestone Store	Salinas	27	20	0	3	0	0
Jiffy Lube #2330	Salinas	0		0	0	500	0
O'Reilly Auto Parts # 2702	Salinas	4,850	4,390	4,675	0	1,000	Totals were not reported
O'Reilly Auto Parts # 2991	Salinas	4,190	4,470	4,850	0	500	Totals were not reported
O'Reilly Auto Parts # 3133	King City	2,700	2,920	3,350	1,325	750	Totals were not reported
O'Reilly Auto Parts # 2554	Salinas	2,965	2,440	2,520	0	750	Totals were not reported
O'Reilly Auto Parts # 3538	Salinas	4,300	4,935	5,770	750	500	Totals were not reported
O'Reilly Auto Parts # 3566	Soledad	3,800	3,150	3,270	1,950	750	Totals were not reported
O'Reilly Auto Parts # 4731	Greenfield	3,765	3,285	3,400	0	750	Totals were not reported
Oil Can Henry's	Salinas	118	0	0	0	0	0
Owens Chevron	King City	0	0	0	0	0	0
Mobil 1 Lube Express*	Salinas	0	0	0	10,000	9,000	0
Total		63,845	65,338	68,360	36,403	30,000	16,500
Difference			1,493	3,022		-6,403	-13,500
Percent Difference			2%	4.63%		-18%	-45%

State approved formula for converting drums to number of filters. (55-gallon drum crushed filters= 750 filters & 55-gallon drum uncrushed filters= 250 filters). This calculation is used to compare the total number of filters collected to other facilities and by year.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

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

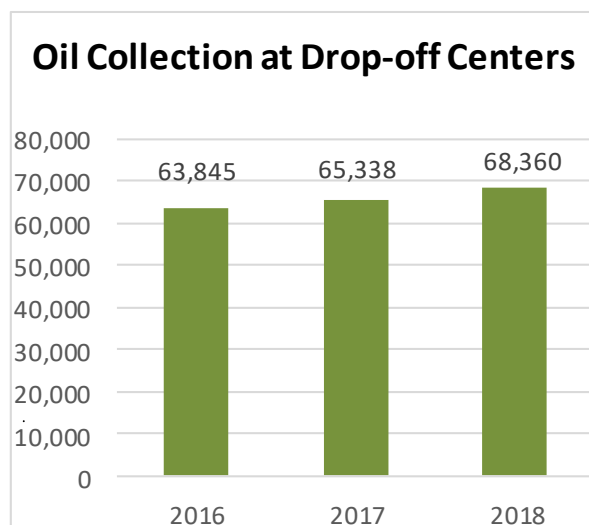
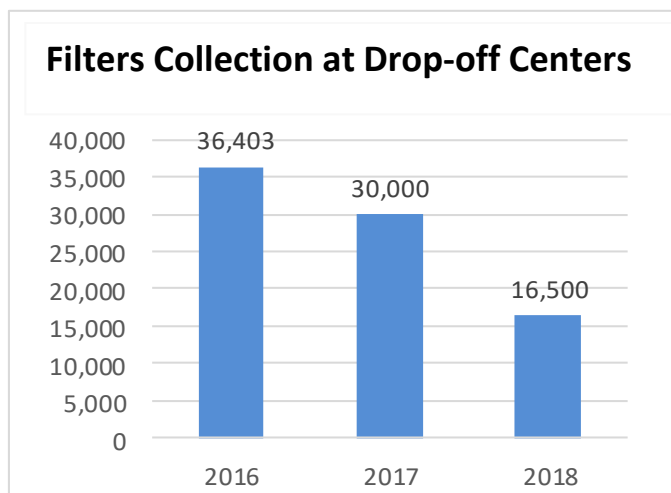


Chart 1c. Number of filters collected from residential CCC sites in SVSWA area



Residential Curbside Collection Program: Calendar Year 2018

A total of 29,267 gallons of used oil and 10,982 filters were collected throughout Monterey County. Of these, 66% of all oil collected and 90% of filters collected come from residents in the SVSWA area. Table 2a includes a breakdown of the data reported to MCEHB from Republic Services of Salinas, Tri-Cities Disposal and Waste Management, the three solid waste haulers that provide collection services in the SVSWA service area. MCEHB ensures the franchise haulers in Monterey County are provided with supply of oil containers and filter bags. During the 2018 calendar year, MCEHB went into contract with Rancho Cielo to provide assembly and transportation of oil containers.

There was a slight 8% decrease in used oil collected and a slight 5% decrease in filters collected compared to the collection data from 2017. MCEHB promotes collection of used oil and filters via curbside through radio in both English and Spanish radio, newspaper, and tabling. At tabling events MCEHB provides used oil and filter collection kit that includes a 2.5-gallon container, filter bag, rag, filter wrench, filter drainer and oil funnel.

Methodology

MCEHB receives oil and filter collection data from Waste Management on a monthly basis and collects data directly from Bayside Oil, the County's contracted oil hauler. MCEHB provides containers, filter bags and technical assistance to the franchise haulers as necessary.

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

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

		Used Oil			Filters		
Hauler	City/Area	2016	2017	2018	2016	2017	2018
Republic Services of Salinas	Salinas	6,517	9,821	6,805	2,700	1,000	1,000
Tri-Cities Disposal	Soledad	2,883	2,856	2,808	2,751	2,834	2,745
Tri-Cities Disposal	Gonzales	1,447	1,581	1,418	1,382	1,637	1,384
Tri-Cities Disposal	Greenfield	4,514	4,273	4,275	4,315	4,321	3,948
Tri-Cities Disposal	CSD of Spreckles	0	8	9	0	10	7
Waste Management, Inc.	King City	348	260	1,407	53	57	221
Waste Management, Inc.	Unincorporated Monterey County	2,103	2,480	2,811	415	506	569
	Total	17,812	21,279	19,533	11,616	10,365	9,874
			3,467	(1,746)		(1,251)	-491
	Percent Difference		19%	-8%		-11%	-5%
	County wide collection			29,697			10,982
	Percent coming from Salinas Valley			66%			90%

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

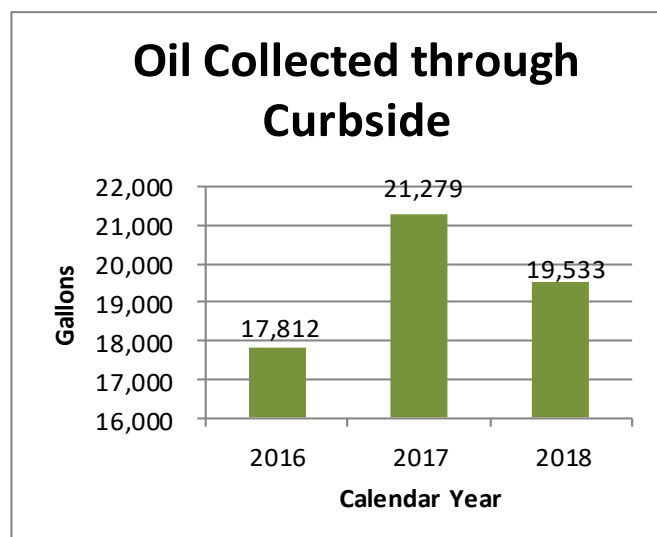
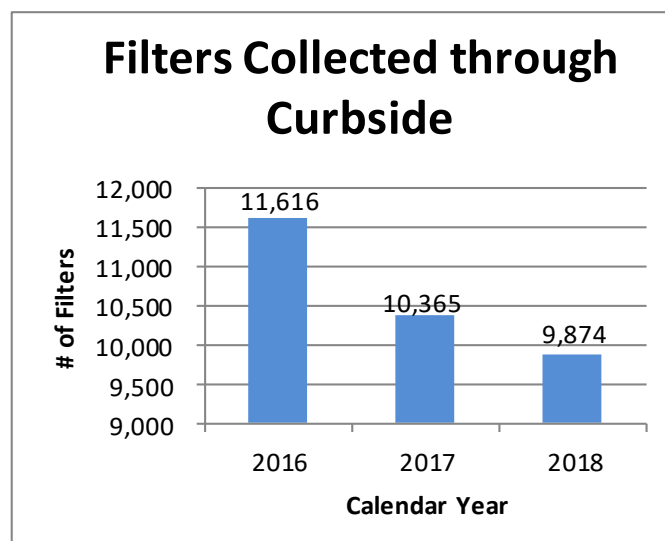


Chart 2c. Number of filters collected through residential curbside in SVSWA



**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

3. Agricultural Oil and Filter Drop off Program: Calendar Year 2018

A total of 46,275 gallons of used oil and 22,500 filters were collected from Agricultural Oil & Filter Collection Centers (Ag Centers) in Monterey County. Table 3a below includes data from the three Agricultural CCC sites serving small farmers in Monterey County, all of which are located within the SVSWA service area. The data below shows a 107% increase in used oil and a 34% increase in used oil filters collected compared to calendar year 2017.

MCEHB also published advertisements in Monterey County Herald highlighting these collection centers to increase awareness of this program.

Methodology

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

**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

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

	Used Oil			Filters		
Ag Center	2016	2017	2018	2016	2017	2018
Sturdy Oil, Salinas	8,105	22,110	45,585	15,750	16,250	22,500
Monterey County Ag Commissioner, King City	0	275	0	250	500	0
Mo.Co. Public Works Yard	900	0	690	500	0	0
Total	9,005	22,385	46,275	16,500	16,750	22,500
Difference		13,380	23,890		250	5,750
Percent Difference		149%	107%		2%	34%

State approved formula for converting drums to number of filters. (55-gallon drum crushed filters= 750 filters & 55-gallon drum uncrushed filters= 250 filters). This calculation is used to compare the total number of filters collected to other facilities and through the year

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

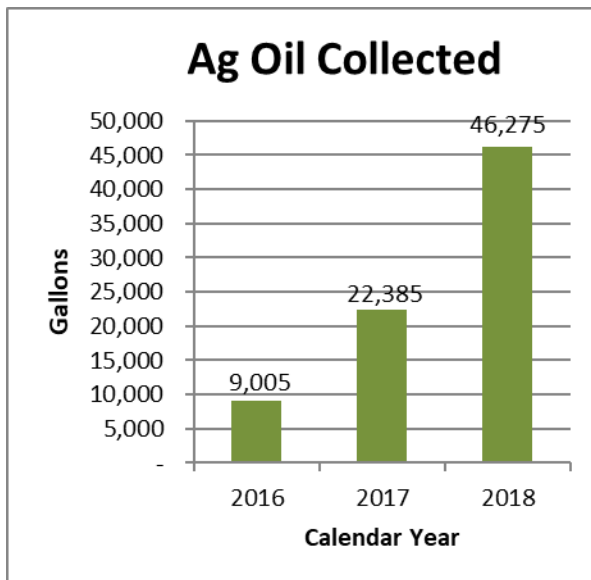
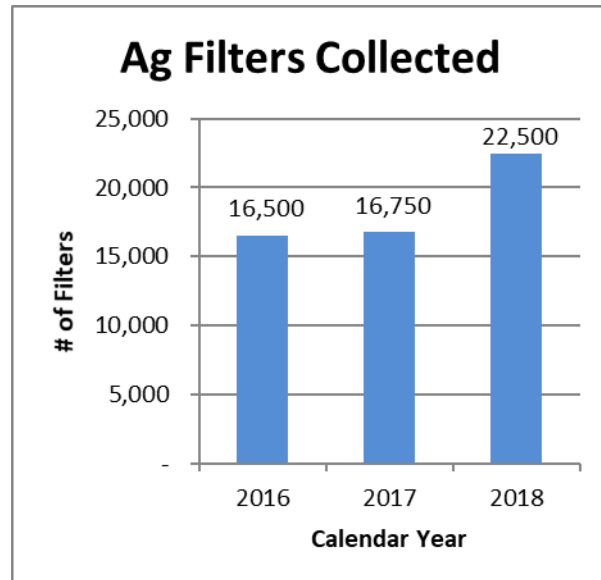


Chart 3c. Number of filters collected from agricultural centers



**Monterey County Used Oil & Filter Recycling Program
Annual Report to the Salinas Valley Solid Waste Authority
Calendar Year 2018**

4. Education and Outreach

4A. Used Oil & Filter Recycling Community Outreach

Date	Event	Location	Filters Exchanged
May 19, 2018	Filter Exchange Event	Soledad, Ca	1
June 23, 2018	Filter Exchange Event	Gonzales, Ca	11
September 29, 2018	Filter Exchange Event	Soledad, Ca	14
October 13, 2018	Filter Exchange Event	Gonzales, Ca	29
October 20, 2018	Filter Exchange Event	Greenfield, Ca	26

- Attended the Monterey Bay Regional Ag Expo, Salinas, March 7, 2018
- Attended the South County Environmental Compliance Workshop, King City, April 25, 2018
- Attended the Dia Del Trajabador, Greenfield, August 26, 2018
- Conducted site visits to **19** Certified Collection Centers within the SVSWA

4B. Media during this Reporting Period

Paid for 14 advertisements in local newspapers including the Soledad Bee, King City Rustler, Greenfield News, Gonzales Tribune.
Paid for 1,387 radio ads in both Spanish and English radio; KRKC 104.1AM & 1490AM, iHeartMedia KDON 102.5 FM., La TriColor (KLOK) promoting curbside oil collection and agricultural collection program
Paid for 2 advertisements, 2 banners focusing on the Agricultural collection centers in the Monterey County Herald

4C. Work to be completed during next reporting period

MCEHB will continue to promote the residential, agricultural and boating programs through direct education and outreach, as well as media advertisements. MCEHB replenished the supply of oil containers and will continue to provide the containers, filter bags, labels and other equipment as needed. In the upcoming year, MCEHB plans to increase the amount of take back events throughout Monterey County.



Report to the Board of Directors

ITEM NO. 7

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T

Legal Counsel

Date: November 21, 2019

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Approving a Five-Year Service Agreement with McGilloway, Ray, Brown & Kaufman for Audit Services

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action is a routine administrative action.

FISCAL IMPACT

The budget for this item will be included in future budgets.

DISCUSSION & ANALYSIS

McGilloway, Ray, Brown & Kaufman have provided a five-year proposal for performing the Authority's basic audit as well as drafting the Comprehensive Annual Financial Report. Estimated Audit Fees are as follows:

Fiscal Year Ended	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Audit Services					
Authority's Basic Audit	\$ 23,731.00	\$ 24,443.00	\$ 25,176.00	\$ 25,932.00	\$ 26,709.00
Drafting	\$ 2,653.00	\$ 2,733.00	\$ 2,815.00	\$ 2,899.00	\$ 2,986.00
Total	\$ 26,384.00	\$ 27,176.00	\$ 27,991.00	\$ 28,831.00	\$ 29,695.00

For each of the last six years, McGilloway, Ray, Brown & Kaufman has helped the Finance team complete the Consolidated Annual Financial Report, which has received the award for excellence in financial reporting from the Government Finance Officers Association every year it has been submitted. Staff has been very pleased with their services and recommends continuation of this service agreement.

BACKGROUND

McGilloway, Ray, Brown & Kaufman have been the Authority's auditors since the Authority was formed in 1997. They are very familiar with the Authority operations.

ATTACHMENTS

1. Resolution
2. Exhibit A – Audit Engagement Letter

RESOLUTION NO. 2019 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING
A FIVE-YEAR SERVICE AGREEMENT WITH MCGILLOWAY, RAY, BROWN & KAUFMAN
FOR AUDIT SERVICES**

WHEREAS, in the case of professional services, qualifications and experience to the benefit of the Authority shall receive first consideration; and,

WHEREAS, McGilloway, Ray, Brown & Kaufman have been the Authority's independent auditors since 1997 and have an in-depth knowledge of Authority operations;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute a five-year Service Agreement with McGilloway, Ray, Brown & Kaufman for audit services, as attached hereto and marked "Exhibit A."

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 21st day of November 2019, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Robert Cullen, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel



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

October 10, 2019

Salinas Valley Solid Waste Authority
Attn: R. Patrick Mathews, General Manager & CAO
128 Sun Street, Suite 101
Salinas, CA 93902

GAAP Audit Engagement Letter

To the President and Board,

We are pleased to confirm our understanding of the services we are to provide Salinas Valley Solid Waste Authority for the years ended June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 2024. We will audit the financial statements of net position, revenues, expenses and changes in net position, and cash flows, including the related notes to the financial statements, which collectively comprise the basic financial statements of Salinas Valley Solid Waste Authority as of and for the years ended June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Salinas Valley Solid Waste Authority's 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. As part of our engagement, we will apply certain limited procedures to Salinas Valley Solid Waste Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of Authority's Proportionate Share of the Net Pension Liability and Related Ratios as of Measurement Date – Cost Sharing Defined Benefit Pension Plan
3. Schedule of Statutorily Required Employer Contributions – Pension Plan
4. Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios As of Measurement Date
5. Schedule of Employer OPEB Contributions

Gerald Ray, CPA | Patricia Kaufman, CPA, CGMA | Jesus Montemayor, CPA | Smriti Shrestha, CPA

Sarita Shannon, CPA | Sukhdev Singh, CPA | Whitney Ernest, CPA | Devvyn MacBeth, CPA | Deanna Thomas, CPA

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Introduction
2. Statistical Section

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Salinas Valley Solid Waste Authority's financial statements. Our report will be addressed to the President and Board of Salinas Valley Solid Waste Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, with in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures: General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets

that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures: Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures: Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Salinas Valley Solid Waste Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of Salinas Valley Solid Waste Authority in conformity with U.S. generally accepted accounting principles based on information provided by you.

The other services are limited to the financial statement services as previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparations and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to using the auditor's report, you understand that you must obtain in our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with the engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Hiring of Employees

We have a significant investment in the training and development of our staff, and they are valued employees of McGilloway, Ray, Brown & Kaufman. If you should hire one of our shareholders, managers, or professional employees either during the audit or within one year after the completion of this engagement, you agree to pay a personnel placement fee of 50% of their annual salary to compensate McGilloway, Ray, Brown & Kaufman.

Management also has the responsibility to ensure that they have not caused McGilloway, Ray, Brown & Kaufman's independence to be impaired by hiring a former or current McGilloway, Ray, Brown & Kaufman shareholder, manager, or professional employee in a key position, as defined in the Code of Professional Conduct of the American Institute of Certified Public Accountants (AICPA), that could cause a violation of the AICPA Code of Professional Conduct or other applicable independence rules. Any offer of employment to members of the team prior to issuance of our report may impair our independence, and may result in our inability to complete the engagement and issue a report.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order or additional engagement letter for such additional work.

The audit documentation for this engagement is the property of McGilloway, Ray, Brown & Kaufman and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency of its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings,

or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of McGilloway, Ray, Brown & Kaufman personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties or its designee. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Our firm subscribes to the AICPA Peer Review program, mandated by the California Board of Accountancy for all California licensed firms. As part of that program this engagement could be selected for review. If selected, we will retain the strictest confidentiality rules.

Patricia M. Kaufman is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We estimate that our fees for these services will be as follows:

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Audit Services					
Authority's Basic Audit	\$ 23,731	\$ 24,443	\$ 25,176	\$ 25,932	\$ 26,709
Drafting	\$ 2,653	\$ 2,733	\$ 2,815	\$ 2,899	\$ 2,986
Total	<u>\$ 26,384</u>	<u>\$ 27,176</u>	<u>\$ 27,991</u>	<u>\$ 28,831</u>	<u>\$ 29,695</u>

You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Currently, our rates range from \$100 per hour for clerical to \$280 per hour for partners. You will receive the final audited financial statements in one bound copy as well as an electronic (PDF) version. If you would like additional bound copy versions printed for you, the charge will be \$20 per copy.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. The fee estimate will be subject to adjustments based on unanticipated changes in the scope of our work and/or the incomplete and untimely receipt by us of the information on the client participation list such as:

1. Anticipated cooperation from the Authority's personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement
6. Material changes in current or prior period financial reporting
7. Multiple adjustments to the financial statements
8. Accounting assistance outside the scope of the audit (e.g., researching accounting topics, assistance with other accounting matters, etc.)

These fees shall be in addition to the above quoted fee for audit services. All billings for additional audit fees or services will be billed as these services are provided at our standard billing rate in effect at the time services are rendered.

Our estimated fee does not include implementation of any additional GASB standards updates which may be applied in the years we are engaged in preparing Salinas Valley Solid Waste Authority's audit. If GASB implementation is effective during the time which we are engaged as auditor, management will determine the level of assistance needed, and we will provide an agreed upon fee for these additional services.

Accounts past due over 30 days are considered delinquent and will be subject to an annual finance charge of twelve percent (12%), or a monthly rate of one percent (1%). There will be a minimum finance charge of \$1.00. Payments received on account will first be credited against any delinquency charges. Further, we will cease performing services on delinquent accounts if the account becomes 60 days or more overdue and will not be resumed until your account is paid in full. All expenses incurred to collect past due accounts, including collection fees will be added to any amount due. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we accept the use of arbitration for resolution.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentation to us.

Our audit engagement ends on delivery of our audit report and prepared financial statements. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to Salinas Valley Solid Waste Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



McGilloway, Ray, Brown & Kaufman

Response:

This letter correctly sets forth the understanding of Salinas Valley Solid Waste Authority.

Management Signature: _____

Print: _____

Title: _____

Date: _____

Governance Signature: _____

Print: _____

Title: _____

Date: _____



Report to the Board of Directors

Date: November 21, 2019
From: Mandy Brooks, Resource Recovery Manager
Title: Recycling Recognition

ITEM NO. 8

N/A

Finance Manager/Controller-Treasurer

N/A

General Manager/CAO

N/A

Legal Counsel

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

Recycling Recognition

Dole Fresh Vegetables, Soledad Facility

SALINAS VALLEY RECYCLES, BOARD OF DIRECTORS MEETING
NOVEMBER 21, 2019

1



CONTAMINATION -TRASH

2



3



4



Report to the Board of Directors

Date: November 21, 2019

From: Patrick Mathews, General Manager/CAO

Title: Update on the City of Salinas' One Year Notice of Intent to Withdrawal from the Joint Powers Agreement with the Salinas Valley Solid Waste Authority

ITEM NO. 9

N/A

Finance Manager/Controller-Treasurer

N/A

General Manager/CAO

N/A

Legal Counsel

**AN UPDATE WILL BE GIVEN
AT THE MEETING**



Report to the Board of Directors

ITEM NO. 10

N/A

Finance and Administration Manager,
Controller/Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: November 21, 2019

From: Patrick Mathews, General Manager/CAO

Title: Appointment of Nominating Committee for the
2020 Election of Officers

RECOMMENDATION

Staff recommends that the Board appoint two members to the Elections Nominating Committee to provide a recommendation for the 2020 election of officers at the January 23, 2020 Regular Board of Directors meeting.

STRATEGIC PLAN RELATIONSHIP

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

FISCAL IMPACT

None

DISCUSSION & ANALYSIS

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

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

BACKGROUND

The Joint Powers Authority Agreement and Authority Code provides for the election by the Authority Board for the office of President, Vice President, and Alternate Vice President for a term of one year commencing upon election at the regular meeting held in January and ending upon election of a successor at the regular meeting the following January. A Board Member may serve no more than two consecutive terms. Authority Code Sections 2.01.010 and 2.01.011 specify that each elected Office shall rotate between a representative from the City of Salinas, a south county city (i.e., Gonzales, Greenfield, King City, and Soledad) and the County of Monterey but shall not be from the same member agency's legislative body. The Authority Code further allows a discretionary appointment of the Immediate Past President to the Executive Committee for a one-year transitional period.

ATTACHMENT(S)

- 1) Elections Procedures
- 2) Elected Officers History
- 3) Attendance Record for 2019

AUTHORITY CODE

2.01.010 SELECTION OF PRESIDENT AND VICE-PRESIDENT

The Authority Board shall choose one of its members to be President and one of its members to be Vice-President. The board member nominated to the office of President shall rotate between a representative from the City of Salinas, a south county city (i.e., Gonzales, Greenfield, King City, and Soledad) and the County of Monterey. The board member nominated to the office of Vice-President shall rotate in the same manner as the office of President, but shall not be from the same member agency's legislative body as the board member elected as President. (Ord. 005, 12/11/2003)

2.01.011 SELECTION OF ALTERNATE VICE-PRESIDENT

In the manner prescribed by the JPA, this section adds the additional office of Alternate Vice-President to be elected in the same manner established in Section 2.01.010. Board shall select an additional officer, designated as the Alternate Vice-President. The Alternate Vice-President shall serve as the Vice-President in the absence of the Vice-President. The Board member elected to the office of Alternate Vice-President shall rotate in the same manner as the office of President and Vice-President, but shall not be from the same member agency's legislative body as the member elected as President and the member selected as Vice-President. (Ord. 005, 12/11/2003)

2.01.040 TERM OF OFFICE

The term of office for the President and Vice-President shall be one year commencing upon election at the regular meeting held in January and ending upon election of a successor at the regular meeting the following January. A Board Member may serve no more than two consecutive terms. (Ord. 99-04, 2/18/1999)

2.06.010 BOARDS AND COMMISSIONS

An Executive Committee is hereby formed consisting of the President, Vice-President and Alternate Vice-President. The Committee shall conduct meetings as needed and shall receive direction from, and report directly to, the Board of Directors on all matters considered. Bylaws or procedures may be adopted by Resolution of the Board to provide direction or guidance of the duties and responsibilities delegated to the Committee. (Ord. 005, 12/11/2003)

A majority of the Board may determine from time to time to appoint the Authority's immediate Past President as a fourth member of the Executive Committee, in which case the Board shall specify the term of such appointment. (Ord. 08, 2/18/2010)

JOINT POWERS AGREEMENT

1. **TERMS OF OFFICE:** The term of office of each member of the Authority Board shall be one year and shall not exceed the term of the elective office which the member holds.

2. **OFFICERS OF THE AUTHORITY BOARD:** At its first meeting and thereafter at the first meeting of each calendar year, the Board of Directors shall elect a President, Vice-President; and such other officers as the Authority Board shall find appropriate, to serve the Authority Board for a term of one year unless sooner terminated at the pleasure of the Authority Board. In the event the officer so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Authority Board held following the occurrence of the vacancy. In the absence or inability of the President to act, the Vice-President shall act as President. The President, or in the absence of the President, the Vice-President, shall preside at and conduct all Authority Board meetings.

Officers of the Salinas Valley Solid Waste Authority

TERM	PRESIDENT	VICE PRESIDENT	ALTERNATE VICE PRESIDENT
2020			
2019	Rob Cullen South County	Gloria De La Rosa City of Salinas	Chris Lopez County of Monterey
2018	Simon Salinas County of Monterey	Rob Cullen South County	Gloria De La Rosa City of Salinas
2017	Simon Salinas County of Monterey	Rob Cullen South County	Gloria De La Rosa City of Salinas
2016	Jyl Lutes ¹ City of Salinas	Simon Salinas County of Monterey	Richard Perez ² City of Soledad
2015	Elizabeth Silva City of Gonzales	Jyl Lutes City of Salinas	Simon Salinas County of Monterey
2014	Elizabeth Silva City of Gonzales	Jyl Lutes City of Salinas	Simon Salinas County of Monterey
2013	Fernando Armenta County of Monterey	Elizabeth Silva City of Gonzales	Jyl Lutes City of Salinas
2012	Fernando Armenta County of Monterey	Elizabeth Silva City of Gonzales	Dennis Donohue City of Salinas
2011	Gloria De La Rosa City of Salinas	Fernando Armenta County of Monterey	Elizabeth Silva City of Gonzales
2010	Gloria De La Rosa City of Salinas	Richard Ortiz ³ City of Soledad	Fernando Armenta County of Monterey
2009	Lou Calcagno Monterey County	Gloria De La Rosa City of Salinas	Richard Ortiz City of Soledad
2008	George Worthy City of Gonzales	Lou Calcagno Monterey County	Gloria De La Rosa City of Salinas
2007	George Worthy City of Gonzales	Lou Calcagno Monterey County	Gloria De La Rosa City of Salinas
2006	Janet Barnes City of Salinas	George Worthy City of Gonzales	Lou Calcagno Monterey County
2005	Janet Barnes City of Salinas	George Worthy City of Gonzales	Lou Calcagno Monterey County
2004	Fernando Armenta Monterey County	Janet Barnes City of Salinas	George Worthy City of Gonzales
2003	Fernando Armenta Monterey County	Janet Barnes City of Salinas	N/A
2002	Zeke Bañales ⁴ City of Greenfield	Fernando Armenta Monterey County	N/A
2001	Jan Collins ⁵ City of Salinas	Zeke Bañales City of Greenfield	N/A
2000	Simon Salinas ⁶ County of Monterey	Jan Collins City of Salinas	N/A
1999	Gary Gerbrandt City of Soledad	Simon Salinas County of Monterey	N/A
1998	Gary Gerbrandt City of Soledad	Simon Salinas County of Monterey	N/A
1997	Juan Olivarez City of Salinas	Fabian Barrera City of Soledad	N/A

¹ Was not re-elected to City Council

² Was not re-elected to City Council

³ Was not re-elected to City Council

⁴ Was not re-elected to City Council

⁵ Declined second term – leaving office at end of year

⁶ Left office of County Supervisor

Board of Directors Attendance Record for 2019 (Jan-Oct)

10 BD Meetings

BOARD	Jan	Feb	Mar (Special)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Phillips (County)		1	1	1			1		1	1				6
Lopez (County)	1	1	1	1	1	1	1			1	1			9
De La Rosa (Salinas)	1	1	1	1	1	1			1	1	1			9
Cromeenes (Salinas)	1		1	1	1	1			1		1			7
Villegas (Salinas)	1	1	1	1	1	1	1		1	1	1			10
Silva (Gonzales)	1	1	1	1	1	1	1		1		1			9
Lara (Soledad)	1	1	1	1	1	1				1	1			8
Tipton (Greenfield)	1	1		1	1	1	1		1	1				8
Cullen (King City)	1	1	1		1		1		1	1	1			8

Alternates	Jan	Feb	Mar (Special)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Alejo (County)									1					1
Gunter (Salinas)		1					1			1				3
Funk (Gonzales)										1				1
Stewart (Soledad)									1					1
White (Greenfield)			1								1			2
Acosta (King City)				1										1

10 EC Meetings

EXECUTIVE	Jan	Feb	Mar (Special)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cullen (President)	1	1		1	1	1	1		1	1				9
De La Rosa (Vice President)	1	1		1	1		1		1	1	1	1		9
Lopez (Alt. Vice President)		1		1	1	1	1				1	1		7



Report to the Board of Directors

ITEM NO. 11

Finance and Administration Manager,
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Legal Counsel

Date: November 21, 2019

From: Patrick Mathews, General Manager/CAO

Title: A Resolution Approving the Letter to Senator Ana Caballero, Senator Bill Monning, Assembly Member Mark Stone, and Assembly Member Robert Rivas Expressing Concerns with PG&E's Public Safety Power Shutoffs (PSPS) and the Fiscal Impacts

RECOMMENDATION

The Executive Committee recommends adoption of the resolution.

STRATEGIC PLAN RELATIONSHIP

This is a routine legislative item, that reflects the Authority commitment to financial sustainability by controlling costs.

FISCAL IMPACT

Staff has currently identified an estimated \$200,000 in new capital needs to provide continuous power service for the Johnson Canyon and Crazy Horse Landfill Gas extraction and treatment systems, and for the new Aerated Static Pile Compost System and Depackaging System. This funding will cover the installation of large propane fueled generators at each of the three critical sites including switch gear, foundations, enclosures and propane storage tanks. Some additional switch gear may also be needed for smaller demand items such as water supply wells, air compressors and pumps. These additional items can be covered under existing site maintenance budgets and serviced by smaller off-the-shelf generators.

DISCUSSION & ANALYSIS

The recent Public Safety Power Shut (PSPS) offs conducted by PG&E have raised new concerns and challenges for Authority operations that will result in addition unanticipated capital costs to prepare for these likely events in the future. The Authority has 4 landfills and a newly constructed compost and organics recovery system that all require continuous supply of electricity to operate safely. Two of our landfills have significant landfill gas extraction systems that cannot sustain safe and compliant landfill operations during an extended loss of electrical service. As a result, staff has identified the need to install new large generator systems to allow continuous operations of the landfill gas extraction systems in the event of an extended power shut down.

The new Aerated Static Pile Compost System also requires substantial power to maintain airflow and safe/compliant operations. An extended loss of airflow in this system can result in significant increases in odors, disruption of the composting process and compost fires.

The Depackaging System will also be critical to the demands of our agricultural industry that will continue production during these PSPS events and require Authority depackaging services.

BACKGROUND

This item is being brought forward for formal Board action at the request of the Executive Committee.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Draft Letter regarding fiscal impacts of PGE Public Safety Power Shutoffs

RESOLUTION NO. 2019 –

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
APPROVING THE TRANSMITTAL OF A LETTER TO SENATOR ANA CABALLERO, SENATOR BILL
MONNING, ASSEMBLY MEMBER MARK STONE, AND ASSEMBLY MEMBER ROBERT RIVAS
EXPRESSING CONCERNS WITH PG&E'S PUBLIC SAFETY POWER SHUTDOWNS (PSPS) AND THE
FISCAL IMPACTS**

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority have expressed concerns over the recent PSPS impacts across the entire County of Monterey; and,

WHEREAS, the PSPS impacts have specifically raised new issues related to the safe and compliant operation of landfills and resource recovery operations during these outages; and,

WHEREAS, the length of PSPS outages poses a serious health and safety risk to these facilities and their operations; and,

WHEREAS, the potential for these PSPS outages to last days or weeks based on future weather patterns is substantial based on this year's events; and,

WHEREAS, safe and compliant operations of these facilities and new facilities mandated under the passage of SB 1383 are critical to meeting the State's Greenhouse Reduction objectives and require a secure source of energy; and,

WHEREAS, the Salinas Valley Solid Waste Authority has already identified \$200,000 in new, emergency generation equipment necessary to protect these vital utility operations from physical damage and/or environmental degradation.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, is submitting these concerns regarding current and future PSPS outages to our local legislators through written correspondence marked "Exhibit A" and is hereby approved; and,

BE IT FURTHER RESOLVED, that the Board of Directors of the Salinas Valley Solid Waste Authority is requesting the State legislation and our representatives to take all reasonable and necessary actions to reduce or eliminate further degradation of electrical supply and the resulting cost impacts to our community utility services; and,

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 21st day of November 2019, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Robert Cullen, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Exhibit A

(Letter Attached)



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

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

November 15, 2019

[Legislator]

Subject: FISCAL AND SAFETY IMPACTS OF PG&E PUBLIC SAFETY POWER SHUTOFFS

Dear [Legislator],

The recent Public Safety Power Shutoffs (PSPS) by Pacific Gas and Electric (PGE) have raised new fiscal, safety and operational concerns with our landfill and resource recovery operations. As a public utility service mandated under various State laws such as AB 939 and SB 1383, continued and uninterrupted service is critical to public needs, safety and environmental compliance.

The recent PSPS events have identified the potential for new and significant future disruptions of critical services and the need to invest in unanticipated capital to prevent damage or impacts to environmental services and controls. The Authority has 4 landfills and a newly constructed compost and organics recovery system that all require continuous supply of electricity to operate safely and meet public service needs. Two of our landfills have significant landfill gas extraction systems that cannot sustain safe and compliant landfill operations during an extended loss of electrical service. As a result, staff has identified the need to install new large generator systems to allow continuous operations of the landfill gas extraction systems in the event of an extended power shut down.

The new Aerated Static Pile Compost System (associated with SB 1383 infrastructure) also requires substantial power to maintain airflow and safe/compliant operations. An extended loss of airflow in this system can result in significant increases in odors, disruption of the composting process and compost fires. Our Depackaging System is also be critical to meet the demands of our agricultural industry that will continue production during these PSPS events and require Authority depackaging services as part of the industry's SB 1383 compliance prog.

The Board of Directors of the Salinas Valley Solid Waste Authority is requesting the State legislation and our representatives take all reasonable and necessary actions to reduce or eliminate further degradation of electrical supply and the resulting cost impacts to our community utility services.

Sincerely,

Robert Cullen, President
Salinas Valley Solid Waste Authority

Attachments: Board of Directors Report and Resolution of November 21, 2019

SVR Agenda Item - View Ahead 2019 - 2020

Item No. 12

	Dec	Jan	Feb	Mar	Apr	May
A	<i>Meeting Tentative</i>	Election of Officers				
1	Minutes	Minutes	Minutes	Minutes	Minutes	Claims/Financials (EC)
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Member Agencies Activities Report
3	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	1st Qtr Tonnage & Diversion Report
4	Notice of Completion JCLF MOD VII Construction Project	December 31 Cash & Investments Report	4th Qtr Tonnage & Diversion Report	Public Hearing: Rates & Fee Sched (EC)	March 31 Cash & Investments Report	
5	Award of SB1383 & Compost Ops. Contracts	Mid-Year Budget Adjustments (EC)	FY 20-21 Preliminary Budget (EC)	Update on Gloria/Iverson Rd Project	FY Investment Policy (EC)	
6	CH Land Lease Agreement w/Vision Recycling	4th Qtr Facilities Customer Survey	Board Policy Updates (EC)	New FY 20-21 Budget (EC)		
7	Vision Recycling Services Agmt Amendment	Annual Employee Survey Results (EC)				
8	Update on the COS Notice of Withdrawal (EC)	FY 20-21 Budget Direction (EC)				
9	<i>GM Evaluation (EC)</i>					
10						
11						
12						
13						
14						
15						
16						

Consent

Presentation

Consideration

Closed Session

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

(EC) Executive Committee

(sp) Strategic Plan Item