



ZOOM Meeting ID No. 828 8961 1335
Passcode: 645296

AGENDA Regular Meeting

BOARD OF DIRECTORS

May 19, 2022 | 6:00 p.m.

Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

Meeting Information

This meeting will be conducted in hybrid in-person/virtual format. While the chamber will be open to maintain appropriate social distance, space is limited. For details on how to observe the meeting or participate virtually read the notice on page 2.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: John M. Phillips
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Salinas: Christie Cromeenes, *Vice President*
Salinas: Kimbley Craig
Salinas: Anthony Rocha
Gonzales: Elizabeth Silva
Soledad: Ben Jimenez, Jr.
Greenfield: Andrew Tipton, *Alt. Vice President*
King City: Robert S. Cullen

Alternate Directors

County: Luis Alejo
Salinas: Orlando Osornio
Gonzales: Scott Funk
Soledad: Carla Strobbridge
Greenfield: Robert White
King City: Darlene Acosta

TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

Translation Services in Spanish will only be available by logging in to Zoom.

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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.

CONSIDERATION

A. [A RESOLUTION MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE AUTHORITY VIA REMOTE TELECONFERENCING FOR A 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361](#)

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

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 April 28, 2022 Special Meeting](#)
- 2. [March 2022 Claims and Financial Reports](#)
- 3. [Member and Interagency Activities Report for April 2022](#)
- 4. [Tonnage and Diversion Report for the Quarter Ended March 31, 2022](#)

5. [A Resolution Establishing the Investment Policy](#)
6. [A Resolution Adopting the Revised Financial Policies](#)

CONSIDERATION

7. [UPDATE AND BUDGET DIRECTION ON SUN STREET TRANSFER STATION \(SSTS\) RELOCATION PROJECT](#)
 - A. Receive Report from Patrick Mathews, General Manager/CAO
 - B. Board Discussion
 - C. Public Comment
 - D. Recommended Action – Adopt Resolution

FUTURE AGENDA ITEMS

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

CLOSED SESSION

Receive public comment from audience before entering into closed session:

9. Pursuant to **Government Code Section 54957.6** to provide instruction to General Manager/CAO Patrick Mathews, General Counsel Roy C. Santos, and Labor Counsel Colin J. Tanner, to negotiate salaries and benefits of Non-management Administration unit, Operating Engineers Local Union No. 3, AFL-CIO, and at-will Management Employees.

RECONVENE

ADJOURNMENT

Meeting Information

In accordance with AB361 and State, County, and local recommendations on protocols to contain the spread of COVID-19, the Board meeting will be conducted in hybrid in-person/virtual format. While the chamber will be open, to maintain appropriate social distance, space will be limited.

To observe the meeting, go to our YouTube channel at <https://www.youtube.com/user/svswa831>.

To participate virtually during the meeting and make a general comment or comments on a specific agenda item as an item is being heard, join the meeting thru Zoom using the link below. Join with computer audio at:

https://us02web.zoom.us/j/82889611335?pwd=xGF1u_qFFYalBEOfl-jd7skOpe.1 When ready to make a public comment, click the Raise Hand icon.

To participate by telephone dial any of the numbers listed below and enter the meeting ID number and passcode:

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Public comments may also be submitted via e-mail to the Clerk of the Board at comment@svswa.org. Comment must be received by 4 p.m. on Thursday, May 19, 2022 and should be limited to 250 words or less. Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received via e-mail after 5 p.m. will be made part of the record if received prior to the end of the meeting. To assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the item number (i.e. Item No. 10).

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, May 13, 2022**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, June 16, 2022**. 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.salinavalleyrecycles.org. 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.*



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2022



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What's Your GHG Inventory?

Everyone's talking about carbon footprints and controlling those emissions to limit impacts of climate change. Regardless of how your thought process is related to climate, the inventory of those emissions is well underway to manage your contributions.

What that all means is that Monterey County is undertaking the task of developing a Climate Action Plan, as mandated in the General Plan, and that includes developing the greenhouse gas emissions (GHG) inventory of all things in Monterey County. That includes all economic sectors, buildings, septic tanks, and solid waste generation (note that the draft GHG inventory is only for unincorporated areas of our County).

Breaking this down further, when compiling the GHG inventory for Agriculture, elements that contribute to the overall emissions are livestock management, agricultural equipment, fertilizer applications, open burning, and water supply.

Yes, water supply, based on electricity usage associated with irrigation pumping and water-related emissions (agricultural run-off contributes to N2O emissions).

Other areas of GHG emissions include on-road transportation, building energy, solid waste management, off-road vehicles and equipment, wastewater treatment systems, and water supply systems.

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What's Your GHG Inventory?

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When all is tabulated together, the DRAFT GHG inventory in Monterey County attributes fully 33% of all GHG emissions to Agriculture. "Agriculture emissions were estimated using data available from the County, CARB {California Air Resources Board}, California Department of Food and Agriculture (CDFA), U.S. Department of Agriculture, and MBARD {Monterey Bay Air Resources District}," as stated in the draft GHG inventory report issued in January 2022. "Based on modeling conducted, emissions from the agriculture sector accounted for approximately 319,499 MTCO₂e in 2019, or 33 percent of the county's emissions."

So, let's examine this more closely, as that's a big number related to food production and our largest economic driver of the County. The draft report details emissions from livestock, which includes enteric fermentation and manure management, accounted for 50% of agricultural emissions, while off-road equipment, including diesel powered pumps, accounted for 28% of agricultural emissions. Fertilizer applications accounted for 22% of agricultural emissions.

In meetings with the County's consultants developing this GHG inventory, questions were raised about the number of total heads of livestock that were included, as well as what method was used to calculate the total emissions of these animals. The counts came from the various reports, including the USDA Census of Agriculture, and the calculation method used appears to be for confined animal operations, which do not exist here in our County.

We also questioned the count of diesel pumps included for the emissions inventory, as there have been a large number of pumps converted to electric energy using grant programs such as the Carl Moyer and FARMER programs. Again, these numbers appear to be coming from estimates that don't really apply to our County.

Reliance on models and theories doesn't always yield the best calculations, especially in a unique agricultural area such as the Salinas Valley. Broad scale models, either from state or federal sources, are not in great harmony with our particular brand of agriculture here.

Other GHG emissions, as noted in the draft inventory, come from on-road transportation (30%), non-residential building energy (18%), residential building energy (8%), and solid waste (7%). More minor amounts of emissions come from off-road vehicles and equipment (non-Ag) and wastewater treatment systems.

Aiming towards an accurate GHG inventory is desirable on a number of levels; this establishes the baseline of GHG emissions that will be used to develop management programs (such as the Climate Action Plan) to reduce these emissions in the coming decades, focusing on the areas where the greatest gains can be made by managing emissions to the benefit of each economic sector.

Getting this right is in everyone's best interest. We need transparency into how the calculations were generated, what models and theories were utilized

that have direct application in our County, and how carbon sequestration in farming and ranching operations can and do offset GHG emissions from food production.

Agriculture can add a lot to balance the GHG emissions by including carbon sequestration into this equation. For rangeland areas, which are about 400,000 acres in Monterey County, it is estimated that land use for grazing contains 10%-30% of the carbon stored in soils, making this land use critical for carbon sequestration.

It should be acknowledged that carbon sequestration in soils and crops is not an exact science and is difficult to exactly predict; currently, there are pretty good

tools for row crops like Monterey County, noting quick turns and multiple crops per season, so sequestration by these crops should improve the overall GHG inventory within the agricultural sector, but it will take some effort to figure this all out.

Each farm will, of course, vary in the amount of GHG emission and sequestration, and creating a climate action plan will need to keep in mind that flexibility is needed to manage goals for emissions. We cannot be locked into a one-size-fits-all scenario where some farms, particularly small farms, are penalized for their circumstances or crops produced. We also have vast amounts of rangeland and vineyards that contribute to sequestration credits.



Because, after all, it's about working the environment to produce the food products that are part of our healthy diet. While we should all look at our carbon footprint and how to manage our GHG emissions accordingly, the overriding consideration should be to keep our working lands in production, and thus, supporting the employees who rely on our farming sustainability. 



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How Supporting Citizenship Can Help Our Workforce

WRITTEN BY: [BRYAN LITTLE, FARM EMPLOYERS LABOR SERVICE](#)

California Farm Bureau and the National Immigration Forum's New American Workforce are teaming up to make citizenship services available to employees of California Farm Bureau members who may be eligible for U.S. citizenship.

New American Workforce has agreed to provide access to its citizenship application portal, along with free legal assistance to facilitate completing the citizenship application. Through Farm Bureau's alliance with New American Workforce, applicants will learn about the citizenship process, gain access to a secure online platform and be connected to a vetted legal service provider who will review the application remotely and answer any questions before final submission to U.S. Citizenship and Immigration Services.

This service is available at no cost to employees of California Farm Bureau members.

Farm Bureau's partnership with National Immigration Forum marks the first

time such high-quality, low-cost immigration assistance has been offered to employees in the agricultural sector. This cooperative effort with NIF will serve to secure a viable workforce for California agriculture's future.

California is America's largest agricultural producing state by dollar value with America's largest agricultural workforce. About one in every three farmworkers in the U.S. is in California. Researchers say about 800,000 Californians do some work in agriculture at some point in the year. Nationally, 14 million green card holders reside in the U.S., and more than 9 million are eligible for U.S. citizenship.

Since 2013, the National Immigration Forum has worked with some of America's largest employers to help

more than 10,000 employees and their family members become citizens. That commitment is now embraced by Farm Bureau, as the largest general membership organization in California agriculture partners with the Immigration Forum's New American Workforce business engagement programs.

"We are grateful to Farm Bureau for giving us access to nearly 31,000 Farm Bureau members whose employees can benefit from the services we offer," said Emily Foster, vice president of Corporate Engagement at the National Immigration Forum.

For decades, California Farm Bureau has led agriculture's efforts in Washington to create a rational immigration policy.

For example, we support the proposed federal Farm Workforce Modernization Act because it recognizes the domestic workforce needs of agriculture by offering a path to legal status to foreign-born employees who are contributing to their communities, paying their taxes and raising their families while they work to produce America's agricultural bounty. But many still face difficulty obtaining legal status.

Passage of the workforce act would streamline the existing agricultural worker visa program to accommodate future needs without displacing U.S. workers.

Until then, partnering with the National Immigration Forum is an important step for farmers, ranchers and their employees. "Offering farm employees who are eligible for U.S. citizenship a

low-cost means to access citizenship puts them on a path to fully share in the American bounty they work every day to create," said Farm Bureau President Jamie Johansson.

As part of the cooperative effort, the Immigration Forum and Farm Bureau are creating a web portal. It will allow users to input information needed to complete the N-400 citizenship application paperwork and provide access to additional high-quality, low-cost services to help navigate unique situations in the naturalization process.

Detailed information and tips are provided for complicated questions, and a help desk and technical assistance services will be available. While the USCIS application filing fees still apply, fee waiver eligibility and options can be explored during consultation with a legal provider.


The portal can be accessed by California Farm Bureau members at the Member Benefits page on Farm Bureau's website. Farm Bureau will pay costs to provide the portal and citizenship services to employees of Farm Bureau members.

With this partnership, California Farm Bureau hopes to help create a stable workforce for agriculture's future so we can continue to provide one-third of the fruit, vegetables and leafy greens consumed in America.

We can do this with a workforce that is stable because our employees can enjoy the benefits and security of citizenship if they are eligible, or they may find a path to legal status if they

have a long-standing and continuing relationship to agriculture.

As our workforce is stabilized, our farm employees can perform the important, essential work that feeds America and contributes mightily to California's success. They will help build and support our rural communities. They will provide for themselves and

their families, and forge prosperous futures as Californians. 


BRYAN LITTLE IS DIRECTOR OF EMPLOYMENT POLICY FOR THE CALIFORNIA FARM BUREAU AND CHIEF OPERATING OFFICER OF THE FARM EMPLOYERS LABOR SERVICE. HE MAY BE CONTACTED AT BLITTLE@CFBF.COM.



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The Deadly 1862 California Flood that Wiped Out and Reshaped the State

WRITTEN BY: KATIE DOWD FOR SFGATE



Like every day that month, it was raining when Leland Stanford awoke on the morning of his inauguration.

The storm pounded the roof of his Sacramento mansion as the soon-to-be California governor dressed in a neat black suit and ate a leisurely breakfast. A scan of the morning's newspaper brought only troubles: Californians bitterly split between Union and Confederacy, and reports of floods in every corner of the state.

Normally, Stanford could walk the short distance to the brand-new state Capitol building. But that day, Jan. 10, 1862, only the most intrepid or desperate soul would try. So Stanford got into a rowboat and floated, wave upon wave, to the Capitol.

Two weeks later, the waters still rising, the entire California Legislature packed up and fled to San Francisco.

"Nearly every house and farm over this immense region is gone. America has never before seen such desolation by flood," one local wrote in a letter to family back east. "... Many houses have partially toppled over; some have been carried from their foundations, several streets (now avenues of water) are blocked up with houses that have floated in them, dead animals lie about here and there – a dreadful picture.

"I don't think the city will ever rise from the shock, I don't see how it can."

Californians live with the specter of the Big One, but many don't realize "The One" may not be an earthquake.

One hundred and sixty years ago, the biggest flood in modern history wiped out California: 4,000 dead, one-third of all property destroyed, a quarter of the state's 800,000 cattle drowned or starved.

California went so utterly bankrupt that its governor, Legislature and state employees didn't draw a paycheck for 18 months. The newly installed telegraph system fizzled, just the tops of its poles visible under feet of water, and roads were impassable. Eggs cost \$3 a dozen (that's \$79 adjusted for inflation, if you thought today's supply chain issues were bad).

The catastrophe began with a snowstorm in the Sierra. In early December 1861, upwards of 15 feet of snow fell in California's eastern mountains. What followed, modern National Oceanic and Atmospheric Administration researchers believe, was a series of atmospheric rivers. For 40 days, they kept coming, bringing warm rain and high winds. All of the fresh

Californians live with the specter of the Big One, but many don't realize "The One" may not be an earthquake.

Sierra snow melted, turning frozen creeks into raging rivers as the water poured downstream.

The disaster struck the Sierra towns first. As rivers overflowed their banks, the churning floodwaters devoured everything in sight. Every last bridge in El Dorado County washed away, taking with it ferry boats and mills. Several towns disappeared overnight. Chinese immigrants, who were already banished to living in the worst parts of town, were disproportionately affected. Entire communities drowned in minutes, a fact met with characteristic callousness by white publications.

"The Folsom Telegraph thinks that those journalists who have centered many of their energies against Chinese immigration ought to be shocked at the superiority of water over their spirit in decreasing the 'Chinese nuisance,'" the paper joked, "for it is not to be doubted that two or three thousand Chinamen have perished in California since the commencement of the present rainy season."

After weeks of rain, the earth could absorb no more. Water began pooling on every surface, destroying roads, seeping into homes and smothering flora and fauna. Sacramento to the San Joaquin Valley – a distance 300 miles long by 20 miles wide – was completely underwater. In

the Central Valley, flooding was up to 30 feet deep. "From the Sierra Nevada to the Coast Range is apparently one sheet of yellow rippling water," the Marysville Appeal wrote.

To the north, snowmelt and rain combined to sweep through the burgeoning settlements near present-day Redding. "From the head settlement [Weaverville] to the mouth of the Trinity River, for a distance of one hundred and fifty miles, everything was swept to destruction," historian John Carr recalled in his 1891 book "Pioneer Days in California." "Not a bridge was left, or a mining-wheel or a sluice-box. Parts of ranches and miners' cabins met the same fate. The labor of hundreds of men, and their savings of years, invested in bridges, mines and ranches, were all swept away.

"In forty-eight hours the valley of the Trinity was left desolate."

Conditions were equally bad in Sacramento. The town was no stranger to floods; nestled in the confluence of the Sacramento and American rivers, the area flooded almost every year. But this was unlike anything residents had ever seen. A levee, built to keep water out, proved to be too short for the catastrophic storm. Water first poured in, then it stayed, turning Sacramento into a watery punch bowl. The first floors of just about every home and building in town were inundated. Sidewalks ceased to exist. The only viable method of transportation for weeks was rowboat.

Those who survived next faced starvation as livestock, farms and trade disappeared overnight. Many stubborn farmers, with nothing left but the plot of land somewhere beneath their feet, refused to leave. The Butte Democrat told the tale of one such man, who was seen holding his beloved pet bulldog above his head as the floodwaters raged around him. Finally, as the water began lapping the man's armpits, a rescue boat was able to reach him. He gently nestled his dog in the boat before clambering in himself. After thanking his rescuers, he mused aloud, "I wonder what has become of my wife and children."

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The Deadly 1862 California Flood that Wiped Out and Reshaped the State

← CONTINUED FROM PAGE 7

There was some respite, relatively speaking, in the Bay Area. Although the deluge overtook nearly every community there too, the impact was not as prolonged. The state legislature briefly relocated to San Francisco, which saw the upside to its many hills for the first time. From this lofty perch, they witnessed life slow to a halt. "Rails, portions of fences, gates, lumber, saw logs, everything buoyant enough for the greedy water may be seen passing downstream," the Napa Daily Reporter wrote.

A man named L.H. Powell recalled his journey from San Jose to San Francisco. It took 36 hours to navigate the sodden roads. As he went, he saw bodies floating past him in the swollen creeks. He stopped, he said, to retrieve the body of a boy and leave it where his parents might find him.

When the waters receded – which in some parts of California wasn't until the summer – the state was forever changed. A quarter of the economy had been destroyed in the course of a month, and more than \$3.1 billion in damage had been done (dwarfing the \$235 million in damage from the 1906 earthquake over 40 years later).

"Confidence in the future is gone," the Placer Herald wrote. "... Build our Babylonian town as high as we may, the Heavens are yet above and beyond us."

But Californians were a hearty bunch, a self-selected group who braved brutal ocean passages or deadly overland crossings to begin new lives in the West. Accustomed to starting over, the survivors rebuilt homes, roads and farms.

Some settlements, like Empire City and Mokelumne City, became ghost towns. The ranchos, once California's dominant economic system, finally unraveled, and the remaining massive cattle farms were broken into smaller parcels.

If a flood of this proportion seems like a problem of the past, heed this warning: Scientists believe California is overdue for another one. Sediment studies by the U.S. Geological Survey have shown California tends to flood this badly every 100 to 200 years. The Indigenous peoples of the West also had stories of catastrophic floods in their histories. When the rain wouldn't stop in 1862, newspapers noted Native Americans weren't surprised; their oral tradition told them such an event was not uncommon in California history.

Though the past holds warnings, it also holds hope.

In the aftermath of the great flood, Sacramento decided to boost up the entire town. Over the course of the next decade, every business and home in the flood zone

rebuilt up to 10 feet higher. Some did this by adding landfill, others jacked up existing buildings and many just turned their first floor into a basement.

"The system of raising its buildings has its advantages," Mark Twain quipped in 1869. "It makes the floor shady and this is something that is great in such a warm climate. It also enables the inquiring stranger to rest his elbows on the second-story windows and look in and criticize the bedroom arrangements of all the citizens."

Today, Sacramentans walk over the skeleton of their city. If you want a glimpse at what remains, you can book a tour with the Sacramento History Museum, which takes visitors down into the old alleys and buildings. But even from street level, you can still see one vestige of the flood renovations: colorful glass squares dotting the old town sidewalks. At first glance, they seem decorative, but if you view them from below, their purpose becomes clear. They're pretty little skylights, bringing sunshine down into the former living rooms of Sacramento. 



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Pesticides Are Necessary to Fight Hunger and Protect the Environment

WRITTEN BY: DREW JOHNSON FOR WASHINGTON EXAMINER



Within living memory, a scientist wrote a bestseller declaring “The battle to feed all of humanity is over.” It was 1968 when Paul Ehrlich declared that humans had lost the battle and predicted mass starvation and hundreds of millions of deaths in the years ahead.

Science made the scientist wrong – and Ehrlich’s population bomb was defused.

There are more people alive today than ever before, and yet hundreds of millions fewer people are hungry. Modern agricultural technologies, including genetic modifications, synthetic fertilizers,

and pesticides to control crop killers are increasing productivity. As a result, humans can produce more food on less land.

This use of technologies isn’t especially new. Farmers have been genetically engineering crops since the dawn of time. For millennia, humans have mixed seeds and grafted branches to create varieties of crops that grow better, produce more food, and are less attractive to pests. Modern techniques are just better than ever.

The same thing is true of pesticides.

Thousands of years ago, Sumerians used sulfur compounds to stop insects, while early Chinese civilizations deployed mercury and arsenic against body lice. These were dangerous chemicals, and humanity has moved toward safer ways to control pests.

Because of recent scientific advances, pesticide toxicity has plunged by 98%, and growers can use less than ever before while getting the same results. The benefits of pesticides are miraculous: without pesticides, up to 80% of many crops would be lost, and we would need much more land to grow enough food to feed the world’s 7.9 billion humans.

That means fewer places for people to live, and it means an increase in carbon emissions.

Agriculture already accounts for 10% of all greenhouse gas emissions. That number will increase dramatically if environmental activists are successful in vilifying pesticides.

Using pesticides to increase crop yields without clearing more land for farming is one of the greatest achievements in modern history. Here in the United States, for example, 120 million acres have been

spared because of the modernization of the agricultural industry since World War II.

As a Stanford University study points out, "Researchers estimate that if not for increased yields, additional greenhouse gas emissions from clearing land for farming would have been equal to as much as a third of the world's total output of greenhouse gasses since the dawn of the Industrial Revolution in 1850."


At the recent climate conference in Scotland, food security was one of the primary topics on the agenda. Most of sub-Saharan Africa is struggling to produce enough food. Leaders at the conference agreed that as more crops are planted (on

land cleared of trees and other natural growth), emissions rise. At the same time, poverty is greatly worsened and the need for social welfare increases. Food insecurity leads to political and social instability.

Over the next century, the Earth's population will swell by more than 2 billion before peaking at about 11 billion people. In order to continue feeding a growing global population and producing enough food to keep prices affordable for even the world's poorest people, policymakers will have to make the right choice.

Rather than promoting policies that seek to eliminate pesticides, which

would devastate the environment and kill millions of people through famine and malnutrition, global leaders must embrace the development of safer, more efficient pesticides.

Scientists must be encouraged to continue creating new pesticides that allow farmers to produce more food from less land. The result will be less starvation, more healthy people, fewer greenhouse gas emissions, and more land in its natural, unfarmed state. 

DREW JOHNSON IS A SENIOR FELLOW AT THE NATIONAL CENTER FOR PUBLIC POLICY RESEARCH. HE RESEARCHES ENERGY, ENVIRONMENTAL, AND TECH POLICY ISSUES.

“

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Aerated Static Pile Composting Facility, located at the Johnson Canyon Landfill, Gonzales, CA

Compost is the Key to Climate Smart Agriculture in Salinas Valley

WRITTEN BY: [SALINAS VALLEY RECYCLES](#)

As farms on the Central Coast increasingly experience the effects of the climate crisis, including hotter summers, longer fire seasons and extreme droughts, growers must adapt and develop climate smart agriculture that builds their crops' resiliency.

California law SB 1383, the Short-Lived Climate Pollutant Reduction Strategy, was passed in 2016, to respond to the climate crisis. Starting this year, the law will implement statewide organic waste recycling, in turn increasing compost available to farmers. The use of nutrient-rich compost provides multiple benefits and should be a key part of any climate smart soil management plan.

According to CalRecycle, one of the fastest ways we can address the climate crisis is to reduce our state's methane emissions. Organic waste, like food scraps and yard trimmings, make up half of our landfill waste. When organic waste decomposes in our landfills, it emits 20% of the state's methane. Methane is a climate super pollutant 84 times more potent than

carbon dioxide. SB 1383 sets the target of capturing 75% of the state's organic waste by 2025. Some of this organic waste will be diverted away from landfills to be converted into nutrient-rich compost, in turn helping to cycle valuable nutrients back into the soil.

Salinas Valley Recycles is committed to meeting this goal and turning collected organic waste into high-quality compost for our farmers. We recently spoke with Cole Smith, a Research Associate with University of California Agriculture and Natural Resources program, about the benefits and importance of using compost to build crop resilience. Through the Healthy Soils Initiative, Mr. Smith works with farmers and growers in California to implement healthy soil solutions.

"Composting can help store more soil carbon, and research has shown that compost application can help build yield resiliency through yield stability, meaning less fluctuations in year on year total yields," said Smith. It does this by increasing the soil's organic matter and therefore its water holding capacity and nutrient reserves. It also helps diversify the soil's biological life. Increased crop resiliency is especially important in the Salinas Valley where many fresh vegetables are grown. "Climate change is going to threaten these very temperature sensitive crops," Smith said, "and temperatures are increasing as well as extreme storm events."

Another benefit of using compost, according to Smith, is reducing growers' reliance on synthetic nitrogen fertilizers, which are regulated due to their contribution to groundwater and surface water contamination. "Our research is showing [growers] can reduce their fertilizer [use] and achieve the same yields" by applying compost, said Smith. This is because compost introduces new Nitrogen, Phosphorus, Potassium, and micronutrients into the soil and improves soil nutrient retention.

Farmers can be assured that compost made from organic waste, like food scraps, is safe to use on food crops. Per California pathogen reduction

regulations, compost created in the state must undergo a heating and stabilizing process which includes reaching 131 degrees Fahrenheit for 72 hours, effectively eliminating harmful pathogens such as E. Coli and salmonella. Vision Recycling, the company that produces our compost, uses an Extended Aerated Static Pile system which uses computers and forced air to control temperatures and provide temperature data. Compost is also tested to ensure that harmful pathogens have been eliminated. Growers can request documentation of these tests from their compost producer.

There are many resources available to growers who are interested in integrating compost into their soil management strategy. One is the California Department of Food and Agriculture's Healthy Soils Incentive Program, which provides financial incentives to California growers and ranchers to implement conservation management practices that sequester carbon and improve soil health. Participating growers monitor and collect data on the climate change benefits of their management practices. "I would encourage growers that are interested to contact their local resource conservation district. They can help facilitate and connect you with the incentive program," Smith advised.

There are also various online tools that can help growers plan how to best use compost in their soil management. The USDA COMET-Farm tool helps farmers plan out management practices that reduce greenhouse gas emissions from their farms. Additionally, the UC Davis Geissler Lab provides free online tools for calculating soil nitrogen and nitrogen

availability for compost and other organics amendments.

Growers in the Salinas Valley have long been stewards of our healthy soils. With climate change becoming more and more evident and state action being taken to address it, the time is ripe for growers to ramp up their soil resilience strategies. A key component of this is applying compost and returning food waste nutrients back into the soil so that we

can continue providing fresh food to the state and country.

If you are interested in purchasing locally produced compost, contact Vision Recycling at <https://www.visionrecycling.com/products/>. Or if your farm has excess crops or unsellable packaged produce to be diverted for composting, please contact Salinas Valley Recycles at: <https://svswa.org/about-us/contact-information/> or call (831) 775-3000. 




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Buried in the Infrastructure Bill: Taxing Your Miles Driven

WRITTEN BY: NORM GROOT, EXECUTIVE DIRECTOR, MONTEREY COUNTY FARM BUREAU



When the Biden Administration's Infrastructure Bill was passed by Congress and signed into law last year, there was a little-known provision for a national program that will test assessing drivers for the miles driven by their vehicles.

On pages 508-519 of the 2,702-page bill, there is a pilot program for a national motor vehicle per-mile user fee which is basically a long-term plan to tax drivers for their pavement use. This pilot program is intended "to provide recommendations relating to the adoption and implementation of a national motor vehicle per mile user fee." Plain and simple language in a bill that was hardly noticed.

Supposedly, volunteers from each state will test different ways to log their miles

driven, both in private and commercial vehicles, to provide a basis for establishing the per-mile tax structure. Passenger vehicles, light trucks, and commercial heavy-duty trucks will be included in this pilot program in all 50 states.

For those of us in rural counties, like Monterey County, the road congestion tax will hit harder because of the further distances driven for both private trips as well as commercial transportation of goods and services. Even some farms and ranches are miles long, so it is unclear if just traversing your farm or ranch driveway will be included in this mileage tax.

Several years ago, I participated in a pilot program for miles driven here in California. My vehicle at the time was a

medium size SUV, driven mostly for daily commuting and work-related activities. I chose to install an electronic device that plugged directly into the vehicle's computer, to track my miles, which included some off-road travel on farms and ranches. I also kept careful track of my fuel expenses (meaning, my fuel taxes paid, as that is what the mileage tax is intended to replace, or so we are to assume).

After several months of driving, reporting my locations of longer trips on-line, and numerous surveys, the pilot revealed that my mileage tax would result in more revenue for the state than what I had paid for in fuel taxes. Of course, every new tax is intended to create more revenue for the state treasury.

What was really intended in this pilot was to find out how much electric vehicles could contribute above and beyond the avoided fuel taxes, as well as how much fuel tax would be replaced by a per-mile charge. While the environmental benefit of electric vehicles is recognized and encouraged, avoiding the fuel tax was putting a strain on state transportation funds.


The federal pilot program aims to gather the same information, meaning how much of the federal fuel tax can be replaced by a mileage fee (assuming there is indeed a repeal of the fuel tax). The infrastructure bill describes a variety of methods for collecting this information: on-board diagnostic devices (similar to what I installed in my vehicle), smartphone applications, telemetric data collected by automakers, data from car insurance companies, and data collected from fueling stations.

At what point does privacy enter into this conversation? Won't individual privacy be compromised by the miles-driven concept yet the federal government claims to keep our data safe and free from inadvertent downloads? We are all to be reminded that the FBI currently mines the "Whatsapp" website for meta data every 15 minutes every day.

Also of note is that the Secretary of the Treasury will establish the per-mile charge annually, with varying amounts based on vehicle type. The assumption here is that commercial fleets will pay more, due to more miles traveled and the number of wheels on the pavement, so that means goods and services will most likely need to cost more to cover those additional fees.

If successful, this pilot program will justify a national VMT (vehicle mile tax) to counter the negative impacts on fuel tax revenues

by the fuel efficiency gains of all vehicles and the phasing in of electric vehicles.

So, to counter the improved efficiency of our vehicles we all must give up more of our privacy and incur a penalty for living in a rural area. As was stated by Peter Eckersley of the Electronic Frontier Foundation, "If you think about it, you'll realize that your location history indicates where you sleep, work, have business meetings, attend church, attend political meetings and shop. These facts about people are astonishingly sensitive and we don't want to build a permanent tracking system for those by accident." 



NORM GROOT HAS BEEN THE EXECUTIVE DIRECTOR OF MONTEREY COUNTY FARM BUREAU SINCE 2010; HE CAN BE REACHED AT NORM@MONTEREYCFB.COM.



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Young Farmers & Ranchers Sells Out Another Crab Feed!

On Saturday, January 29th, Central Coast Young Farmers & Ranchers held their 17th annual Crab Feed, returning to an in-person event after skipping the 2021 event date due to the pandemic. After two years, it was readily apparent that folks were anxious to feast and party together!

Tickets sold out two months in advance of the event! Sitting at tables of eight, 320 enjoyed all-you-can-eat crab, pasta, salad, and garlic bread ... and then dessert. Dinner was prepared by the Central Coast Young Farmers & Ranchers with Savanna Lindow heading the committee for the event. After dinner, dancing commenced with a DJ spinning everyone's favorite tunes.

Service of food and other logistics was aided by the Monterey County 4-H Council volunteers, and Young Farmers & Ranchers donated a portion of the proceeds to their organization.

Funds raised from this event go towards the scholarship program for new and returning college students majoring

in an agricultural curriculum. Each year, Central Coast Young Farmers & Ranchers awards 10-12 scholarships to

deserving students who graduated from high school in Monterey and San Benito Counties. [FB](#)

SAVE THE DATE! 2023 Crab Feed on January 28th

17th Annual CC YFR
CRAB FEED

Central Coast Young Farmers & Ranchers would like to thank our
2022 Crab Feed Sponsors

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WHO IS ELIGIBLE?

CCCE customers who own commercial agriculture businesses or businesses directly supporting the Ag industry located within the counties of Monterey, San Benito, San Luis Obispo, Santa Barbara and Santa Cruz.

WHY ELECTRIFY?

- The Central Coast Ag community communicated an interest to invest in cleaner technology to improve air quality for surrounding communities and farmworkers
- Replacing fossil fuel powered equipment with new electric equipment will reduce regional greenhouse gas emissions
- Providing extra incentives for small and medium farming operations will tighten up gaps in equitable access to cleaner technologies
- **Switching to new electric equipment provides cost savings opportunities**

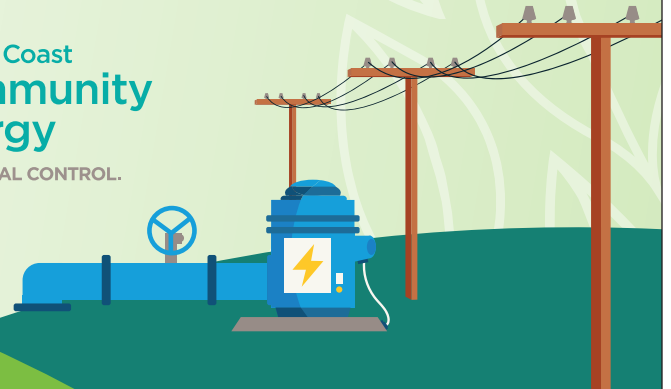
WHEN ARE PROGRAM INCENTIVES AVAILABLE?

- The Ag Electrification program runs through October 2021 - September 2022
- **Incentives support up to 70-100% of total project cost, not to exceed \$30,000 (depending on project type)**
- Incentives are available on a first come, first served basis until funds are fully reserved



Central Coast
**Community
Energy**

CLEAN ENERGY. LOCAL CONTROL.





Regulations Costs Impact the Farming Bottom Line

WRITTEN BY: NORM GROOT, EXECUTIVE DIRECTOR, MONTEREY COUNTY FARM BUREAU

It's no secret that the bottom line of farm and ranch operations is getting thinner by the year. These past two years have brought increased financial challenges related to COVID-19 workplace requirements and disruption in the marketplace; production costs will continue to increase for labor, supplies and services while the revenue at the wholesale level will most likely continue to remain flat.

Added insult to injury are the increases in fuel costs and supply chain issues leading to inflated prices for fertilizers; the costs of inputs and energy are increasingly becoming more impactful to farming's financial stability.

Farmers know what it takes to grow and sell a crop, and are price-takers generally. Few outside farming realize or understand the risks involved, including weather, labor availability, input costs, and pests; consumers are quick to criticize the price of food by placing blame on the farmer. Somehow, public perception is that food production should be done without making a profit.

That's a big threat to our farms and ranches; if operations are unable to maintain financial stability, there will be changes in farm ownership and land use that will alter the food production paradigm, destabilizing many farm and ranch operations. Or worse, sending that production off-shore.

One area of the costs-of-doing-business equation that has dramatically risen is the cost of compliance with regulations; farms and ranches of California continue to see a nearly annual rise in the regulatory requirements for air, water, logistics, and workplace rules. The State Water Board is once again looking at increased fees for irrigated Agriculture.

Here on the Central Coast a new iteration of the Irrigated Lands Regulatory Program was adopted in 2021. A coalition of agricultural organizations, including Monterey County Farm Bureau, funded a study to determine the economic impacts of this new regulatory program before it was adopted. What the study projected is that financial impacts would exceed the 5% to 6% of the costs of production that the Regional Water Board characterized as "small." That "small" amount could very well be their margin per acre of the crops produced. Of course, the study was ignored during the adoption process and farms are now facing significant increases in water quality monitoring and reporting.

Groundwater quantity is now challenging all water users to determine how to balance their resources through SGMA sustainability plans, submitted in January and costing millions to develop; these plans include management practices and potential water resource projects which could cost hundreds of millions. Farms and ranches will be paying for plan implementation for the next 20 years, adding significant costs per acre or per acre foot of water used. For the Salinas Valley landowners of small farms, this could be an unsustainable cost.

We should all be mindful of the deferred maintenance of our reservoirs, providing critical water storage for aquifer recharge that the community has to figure out to pay for, mandated by yet another state agency.

Other regulatory programs challenge farms and ranches each day. The constant retirement and replacement of on-farm and on-road equipment not yet considered too old to operate is requiring significant capital. Small farms and ranches are being pushed into expensive investments that yield little in beneficial returns to the bottom line or overall air quality.

Even before the recent jump in fuel prices, transportation costs continued to climb; in an era where farmers depend on trucking for primary movement of goods, lowering driving hours creates artificial cost increases. Significant disruptions in supply chain management, including trucking and export capacity, have multiplied costs exponentially.

Workplace requirements for additional paid-time-off benefits, increased costs due to COVID-19 worker safety and health

claims, high worker compensation rates, overtime rule changes, and minimum wage increases all add up to substantial overhead costs. Since many of our specialty crops are dependent on hand harvesting, increasing labor costs reflect negatively on the bottom line.

Add in all the other costs of doing business and this becomes an untenable financial situation for many farms and ranches. Trash hauling, water recycling, business permits and fees, fire emergency plans, hazardous waste disposal ... the list goes on and on.

Monterey County Farm Bureau commissioned a study on the regulatory cost burdens of lettuce producers on the Central Coast. What came back was an alarming 795% increase in regulatory costs from 2006-2017, while actual costs of production increased by 25%. This is should be a canary-in-the-coalmine indicator of just how spiraling costs of regulatory compliance are impacting farming.

Clearly, business economics in California are hostile towards farm and ranch

operations. Elected officials and activist groups continue to push more costs onto agriculture, forcing farms and ranches to make hard decisions to maintain financial viability. While consumers may prefer small farms and ranches to survive, reality is driving in the opposite direction with continued regulatory hurdles thrown at all farms and ranches. Small farms are giving up and leasing or selling their land; these are generational family farms that are no longer financially sustainable.

Cumulative regulatory costs are a big component of pushing the family farm into financial ruin.

If we truly desire a domestic food supply system that produces the bountiful, cheapest, and safest products for our nation's dinner tables each night, our focus should be on public policy that supports farming and ranching in the context that each year needs to be profitable in order to survive. We should take the example of other countries where farming and ranching is supported, indeed revered, as a necessary element of a successful economy for food security. 🌱





Monterey County Farm Bureau

P.O. Box 1449

Salinas, CA 93902

Phone: 831.751.3100

Email: administration@montereycfb.com

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Report to the Board of Directors

ITEM NO. A

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 19, 2022

From: R. Patrick Mathews, General Manager/CAO

Title: A Resolution Making Findings Related to the Continued Existence of a State of Emergency Due to Covid-19 and Re-Authorizing the Conduct of Public Meetings of the Legislative Bodies of the Authority Via Remote Teleconferencing for a 30-Day Period Pursuant to the Ralph M. Brown Act as Amended by Assembly Bill No. 361

RECOMMENDATION

Staff recommends that the Board approve the Resolution authorizing the conduct of public meetings of the legislative bodies of the Authority via remote teleconferencing.

STRATEGIC PLAN RELATIONSHIP

This item does not relate to the Board's Strategic Plan but does however reflect one of the Authority's key core values to be "Fiscally Prudent."

FISCAL IMPACT

No fiscal impact.

DISCUSSION & ANALYSIS

On September 16, 2021, Governor Newsom signed AB 361 into law. AB 361 allows legislative bodies to continue to utilize remote/virtual platforms for meetings. To implement remote meetings under AB 361, one of three criteria must be met at the time the Authority is holding a meeting during a proclaimed state of emergency by the Governor that includes area within the jurisdictional boundaries of the Authority:

- State or local officials have imposed or recommended measures to promote social distancing; or
- For the purpose of determining, by majority vote, whether as a result of the state of emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- The Board of Directors has previously determined, by majority vote, that, as a result of the state of emergency, meeting in person would present imminent risks to the health or safety of attendees.

In other words, the Board of Directors can meet remotely under AB 361, during a declared state of emergency that includes the Authority, if the Board of Directors determines that one of the following is also true:

- State or local officials have imposed or recommended social distancing; or
- The Salinas Valley Solid Waste Authority holds a remote meeting to determine by a majority vote whether to hold remote future meetings; or
- The Salinas Valley Solid Waste Authority holds a meeting having already determined by a majority vote to hold remote meetings.

If one of these three criteria is met, then the Salinas Valley Solid Waste Authority can conduct meetings remotely via Government Code sections 54953(e) *et seq.* For the first and second conditions, the Salinas Valley Solid Waste Authority must determine, by majority vote and by adoption of a resolution, the grounds for electing to continue with remote meeting procedures.

The Authority has considered the existing conditions of the state of emergency in the State of California, County of Monterey and the Authority and, consistent with the provisions of Government Code section 54953(e), finds and determines that: (1) a proclaimed state of emergency and a proclaimed local emergency related to COVID-19 are both currently in effect and persist in the jurisdictional boundaries of the Authority; and (2) State, local and CDC officials have recommended measures to promote social distancing in connection with the COVID-19 emergency.

BACKGROUND

In March of 2020, at the onset of the COVID-19 pandemic, Governor Newsom enacted Executive Order N-25-20 allowing legislative bodies to meet using remote/virtual platforms pursuant to health orders. Since that time several other Executive Orders were issued that waived Brown Act requirements for the Board of Directors of the Salinas Valley Solid Waste Authority, staff, or the public to appear in person for meetings.

These executive orders allowed the Board of Directors, and other committees to modify how meetings were conducted to ensure both the health and safety of staff and the public, while ensuring the transparency and accessibility for open and public meetings.

ATTACHMENT(S)

1. Resolution

RESOLUTION NO. 2022 -

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE AUTHORITY VIA REMOTE TELECONFERENCING FOR AN INITIAL 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority ("Authority") are committed to preserving and nurturing public access and participation in meetings of the legislative bodies (as that term is defined in Government Code section 54952, including commissions, boards and committees subject to the Brown Act) of the Authority (collectively, the "Legislative Bodies"); and

WHEREAS, all meetings of the Legislative Bodies are open and public as required by the Ralph M. Brown Act, codified as Government Code sections 54950 *et seq.*, so that any member of the public may attend, participate, and observe the Legislative Bodies conduct their business; and

WHEREAS, the Brown Act, at Government Code section 54953(e), as amended by Assembly Bill (AB) 361 effective October 1, 2021, makes provision for remote teleconferencing participation in public meetings by members of a Legislative Body without compliance with the provisions of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition under Government Code section 54953(e) is that the meeting is held during a state of emergency that has been declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation can be made under circumstances including conditions when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the Authority's boundaries, caused by natural, technological, or human-caused disasters

WHEREAS, it is further required that state or local officials continue to impose or recommend measures to promote social distancing, or that the legislative body is meeting to determine or has previously determined that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor proclaimed a state of emergency for the State of California and thereafter issued a number of executive orders aimed at containing COVID-19; and

WHEREAS, in March of 2020, the Authority adopted Resolution declaring and

proclaiming the existence of a local emergency in the Authority in response to COVID-19. The Legislative Bodies have since conducted many of their meetings via remote teleconferencing consistent with the declaration of local emergency and executive orders issued by the Governor; and

WHEREAS, the Governor's proclaimed state of emergency, the County of Monterey's proclaimed local emergency and the Authority's proclaimed local emergency related to COVID-19 remain in effect and encompass the jurisdictional boundaries of the Authority. State of California and County of Monterey Public Health officials have recommended measures to promote social distancing, and the Centers for Disease Control and Prevention ("CDC") continue to recommend physical distancing; and

WHEREAS, the Authority as a consequence of the persisting state of emergency and the recommended social distancing measures, the Legislative Bodies may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of Government Code section 54953, and that the Legislative Bodies may comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Government Code section 54953; and

WHEREAS, consistent with AB 361, during the effectiveness of this Resolution, the Legislative Bodies and their staff may choose to avail themselves with AB 361 and give notice of the manner by which members of the public may access the Legislative Bodies' meetings and offer public comment; identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option; and allow members of the public to access the meeting, and the agenda shall include an opportunity for members of the public to address the Legislative Body directly.

NOW, THEREFORE, the Board of Directors of the Salinas Valley Solid Waste Authority do hereby resolve as follows:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. The Authority has considered the existing conditions of the state of emergency in the State of California, County of Monterey and the Authority and, consistent with the provisions of Government Code section 54953(e), hereby finds and determines that: (1) a proclaimed state of emergency and a proclaimed local emergency related to COVID-19 are both currently in effect and persist in the jurisdictional boundaries of the Authority; and (2) State, local and CDC officials have recommended measures to promote social distancing in connection with the COVID-19 emergency.

SECTION 3. The Board of Directors of the Salinas Valley Solid Waste Authority hereby acknowledges and affirms the continued effectiveness of the proclaimed state of emergency, the County of Monterey's proclaimed local emergency and the Authority's proclaimed local emergency (as may have been amended since their initial proclamation) which encompass their jurisdictional boundaries.

SECTION 4. The Legislative Bodies and staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, which may include the alternative of conducting all open and public meetings of the Legislative Bodies in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

SECTION 5. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) June 19, 2022, or (ii) such time as the Board of Directors of the Salinas Valley Solid Waste Authority adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Legislative Bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Government Code section 54953.

SECTION 6. Should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 19 day of May 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
SPECIAL BOARD MEETING
APRIL 28, 2022**

Gonzales City Council Chambers | 117 Fourth Street, Gonzales, CA 93926.

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

The flag salute was recited.

ROLL CALL**Board Directors**

County of Monterey	John M. Phillips	Absent
County of Monterey	Chris Lopez, <i>President</i>	Absent
County of Monterey	Luis Alejo (<i>alternate</i>)	Present
City of Salinas	Christie Cromeenes, <i>Vice President</i>	Present
City of Salinas	Kimbley Craig	Absent
City of Salinas	Anthony Rocha	Present
City of Salinas	Orlando Osornio (<i>alternate</i>) (<i>arrived at 6:23 pm</i>)	Present
City of Gonzales	Elizabeth Silva	Present
City of Soledad	Ben Jimenez, Jr.	Present
City of Greenfield	Andrew Tipton, <i>Alt. Vice President</i>	Present
City of King	Robert Cullen	Present

Staff Member Present

Patrick Mathews, General Manager/CAO	Virtual
Cesar Zuñiga, Asst. GM/Operations Manager	Virtual
Ray Hendricks, Finance and Administration Manager	Present
Mandy Brooks, Resource Recovery Manager	Present
Brian Kennedy, Engineering and Environmental Compliance Manager	Present
Estela Gutierrez, Resource Recovery Technician	Present
Roy C. Santos, General Counsel	Virtual
Rosie Ramirez, Administrative Assistant	Present
Erika J. Trujillo, Clerk of the Board	Present

MEETING ANNOUNCEMENTS

(6:03) Vice President Cromeenes announced the availability of translation services in Spanish via Zoom.

GENERAL MANAGER COMMENTS

(6:04) General Manager/CAO Mathews requested to pull item number seven from the Consent Agenda to provide an update on behalf of Director Phillips.

DEPARTMENT MANAGER COMMENTS

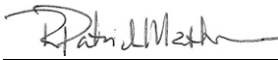
(6:05) Resource Recovery Manager Brooks commented on the kitchen pails provided to each member agency for the kitchen scraps composting program.

BOARD DIRECTORS' COMMENTS

(6:06) Director Cullen commended Authority staff on the pails and commented on the cleanup event that took place in King City. Director Tipton commented on the upcoming clean up event taking place on Saturday April 30th in Greenfield. Vice President Cromeenes commented on the

ITEM NO. 1

Agenda Item



General Manager/CAO

R. Santos by E.T.

Authority General Counsel
Approval

cleanup event that took place in the City of Salinas. Ms. Cromeenes also commented on the opportunity to continue virtual meetings. Director Rocha and Alternate Director Alejo expressed their support to continue virtual meetings.

AUTHORITY GENERAL COUNSEL COMMENTS

General Counsel Santos commented on the requirements to conduct virtual meetings.

PUBLIC COMMENT

(6:07) Felix Huerta with the Operating Engineers Local Union Number 3 commented on the bargaining process currently underway between the bargaining teams, the expectations of the negotiations, and representatives.

CONSENT AGENDA (6:15)

1. Minutes of the March 17, 2022 Regular Meeting
2. February 2022 Claims and Financial Reports
3. Member and Interagency Activities Report for March 2022
4. March 2022 Quarterly Investments Report
5. Resolution No. 2022-14 Approving an Adjustment to the Operating Budget for Fiscal Year 2021-22
6. Resolution No. 2022-15 Approving Annual Expenditure in an Amount Over \$50,000 for Equipment Maintenance Parts and Services with Cutting Edge Supply for Fiscal Year 2021-22 and Resolution No. 2022-16 Approving Annual Expenditure in an Amount Over \$50,000 for Equipment Maintenance Parts and Services with Green Rubber-Kennedy Ag for Fiscal Year 2021-22
7. ~~Update on the Sun Street Transfer Station Relocation Project~~
8. Resolution No. 2022-17 Awarding a Sole Source Purchase of a New 2023 Walking Floor Transfer Trailer to Western Trailer for and Amount of \$105,641

Board Discussion: None

Public Comment: None

Motion: Director Cullen made a motion to approve the consent agenda as presented. Director Tipton seconded the motion.

Votes: Motion carried 7,0

Ayes: Alejo (Alt.), Cromeenes, Cullen, Jimenez, Rocha, Silva, Tipton

Noes: None

Abstain: None

Absent: Craig, Lopez, Phillips

7. UPDATE ON THE SUN STREET TRANSFER STATION RELOCATION PROJECT

(6:17) General Manager/CAO Mathews reported that the relocation project is expected to be delayed approximately seven to eight months due to permit issues. He indicated that Director Phillips, his staff, and Republic Services are working diligently to resolve the unforeseen issue of the land use permit. Mr. Mathews reported that an adjustment to the Authority's budget and rate schedule will likely be required due to the new relocation deadline.

Board Discussion: The Board discussed the report.

Public Comment: None

Motion: Director Tipton made a motion to accept the report. Director Silva seconded the motion.

Votes: Motion carried 7,0
Ayes: Alejo (Alt.), Cromeenes, Cullen, Jimenez, Rocha, Silva, Tipton
Noes: None
Abstain: None
Absent: Craig, Lopez, Phillips

PRESENTATION

9. ATLAS ORGANICS

(6:22) Resource Recovery Manager Brooks introduced Eli Stilwell, Project Manager with Atlas Organics' Development Department. Ms. Stilwell introduced the staff from Atlas attending the meeting. She provided a presentation on the designs, construction transition plan, marketing efforts, and hiring process taking place to ensure a smooth transition of the operations at the composting & organics processing area at the Johnson Canyon Landfill.

Board Discussion: The Board discussed the presentation.

Public Comment: None

Motion: None; Informational Only

10. RECYCLING RECOGNITION

(6:39) Resource Recovery Technician Gutierrez provided a presentation recognizing Natividad School for the implementation of their Food Scraps & Diversion Program and Green Team. She reviewed in detail the work completed by the school staff and students that made the program successful. Mrs. Gutierrez also presented a recognition to Paletería y Nevería Maru located in Greenfield for the implementation of their Food Scraps & Diversion Program. She highlighted the process of implementing the food scraps collection and the total diversion of food waste.

Board Discussion: The Board commended the recipients for their dedication to divert organics from the landfills.

Public Comment: None

Motion: None; Informational Only

FUTURE AGENDA ITEMS

11. AGENDA ITEMS – VIEW AHEAD SCHEDULE

(6:54) The Board reviewed the future agenda items.

CLOSED SESSION

(6:55) Vice President Cromeenes invited Public Comment related to closed session item number 12.

12. 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)** Property, APN: 003-051-077-000, located at 126-128 Sun Street, Salinas, CA: **2)** Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA.

PUBLIC COMMENT

None

ADJOURNED

(6:56) Vice President Cromeenes adjourned the meeting into closed session to discuss item numbered 12.

RECONVENE

(7:27) Vice President Cromeenes reconvened the meeting to open session. Legal Counsel Santos indicated that there were no reportable actions taken in closed session.

CONSIDERATION

- 13. RESOLUTION NO. 2022-18 OF AUTHORIZING THE ACQUISITION OF ONE PARCEL, APN 003-051-077, AND AUTHORIZING THE GENERAL MANAGER/CHIEF ADMINISTRATIVE OFFICER TO EXECUTE A PROPERTY SALES AGREEMENT WITH NEXIS PARTNERS, LLC AND FRIEDRICH ENTERPRISES, LLC IN THE AMOUNT OF \$3,957,000, A BUDGET ALLOCATION OF \$4,017,000, AND FINDING THE ACQUISITION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

(7:27) General Manager/CAO Mathews provided a brief background on the negotiation of the agreements and gave a general overview of the agreements.

Board Discussion: The Board discussed the report.

Public Comment: None

Motion: Director Cullen made a motion to adopt Resolution No. 2022-18. Alternate Vice President Tipton seconded the motion.

Votes: Motion carried 8,0

Ayes: Alejo (Alt.), Cromeenes, Cullen, Jimenez, Osornio (Alt.), Rocha, Silva, Tipton

Noes: None

Abstain: None

Absent: Craig, Lopez, Phillips

CLOSED SESSION

(7:36) Vice President Cromeenes invited Public Comment related to closed session item numbered 14.

- 14.** Pursuant to **Government Code Section 54957.6** to provide instruction to General Manager/CAO Patrick Mathews, General Counsel Roy C. Santos, and Labor Counsel Colin J. Tanner, to negotiate salaries and benefits of Non-management Administration unit, Operating Engineers Local Union No. 3 unit, and at-will Management Employees.

PUBLIC COMMENT

Felix Huerta with the Operating Engineers Local Union Number 3 commented on the title listed on agenda item number fourteen.

ADJOURNED

(7:38) Vice President Cromeenes adjourned the meeting into closed session to discuss item numbered 14.

RECONVENE

(8:06) Vice President Cromeenes reconvened the meeting to open session. Legal Counsel Santos indicated that there were no reportable actions taken in closed session.

ADJOURNED

(8:07) Vice President Cromeenes adjourned the meeting.

APPROVED: _____
Christopher M. Lopez, 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

Authority General Counsel

Date: May 19, 2022

From: C. Ray Hendricks, Finance and Administration Manager

Title: March 2022 Claims and Financial Reports

RECOMMENDATIONS

Staff requests that the Executive Committee recommends acceptance of the March 2022 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of March for a summary of the Authority's financial position as of March 31, 2022. The following are highlights of the Authority's financial activity for the month of March.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of March 2022, operating revenues exceeded expenditures by \$814,078.

Revenues (Consolidated Statement of Revenues and Expenditures)

	Budget	Actual	Over/(Under)
Tipping Fees - Solid Waste	1,128,644	1,249,914	121,270
Tipping Fees - Diverted Materials	275,080	260,016	(15,064)
Total Revenue	1,959,318	2,040,852	81,534

Solid Waste revenues for March were \$121,270 or 10.7% over budgeted amounts. Diverted Material revenues for March were \$15,064 or 5.5% under budgeted amounts. March total revenue was \$81,534, or 4.2% over budgeted amounts.

	Y-T-D Budget	Y-T-D Actual	Over/(Under)
Tipping Fees - Solid Waste	10,618,036	12,158,323	1,540,287
Tipping Fees - Diverted Materials	2,366,817	2,376,689	9,872
Total Revenue	17,247,733	18,911,319	1,663,586

Solid Waste revenues year to date as of March were \$1,540,287 or 14.5% over budgeted amounts. Diverted Material revenues year to date as of March were \$9,872 or 0.4% over budgeted amounts. Year to date total revenue as of March was \$1,663,586 or 9.6% over budgeted amounts.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of March 31, 2022 (75% of the fiscal year), year-to-date operating expenditures totaled \$14,620,583. This is 70.5% of the operating budget of \$20,725,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of March 2022, capital project expenditures totaled \$103,640. \$35,365 was for the CH Postclosure Maintenance. \$14,023 was for the Community-Based Social Marketing. \$13,825 was for the JC Litter Control Barrier. \$10,755 was for the JC Module Engineering and Construction. \$10,364 was for the JC Partial Closure.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of March 2022 is attached for review and acceptance. March disbursements total \$1,253,230.55 of which \$554,978.03 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 March 2022.

Vendor	Services	Amount
Quinn Company	836H Compactor Repairs & All Sites Equipment Maintenance	\$113,765.96
Southern Counties Lubricants	Feb. All Sites Vehicle & Equipment Fuel	\$82,509.28
Admanor, Inc.	CCRMC Dec. – Feb. Marketing Services	\$50,793.08

Cash Balances

The Authority's cash position increased \$604,369.32 during March to \$35,793,874.19. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below. Cash for Capital Improvements and post closure funded from operations is transferred at the beginning of the year. Additionally, debt service payments are made on August 1 and February 1. While these transfers and payments leave the balance available for operations with a negative balance, it is expected that profitable operations will improve the balance to a positive amount by year end.

Restricted by Legal Agreements:

Johnson Canyon Closure Fund	4,945,666.68
Restricted for Pension Liabilities (115 Trust)	270,142.86
State & Federal Grants	12,924.91
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-

Funds Held in Trust:

Central Coast Media Recycling Coalition	59,234.09
Employee Unreimbursed Medical Claims	8,230.43

Committed by Board Policy:

AB939 Services	872,578.55
Designated for Capital Projects Reserve	5,702,715.89
Designated for Environmental Impairment Reserve	2,272,084.68
Designated for Operating Reserve	3,078,750.00
Expansion Fund (South Valley Revenues)	8,688,454.49

Assigned for Post Closure and Capital Improvements

Crazy Horse Post Closure	895,589.81
Lewis Road Post Closure	239,093.56
Jolon Road Post Closure	155,716.42
Johnson Canyon Post Closure	2,091,810.96
Capital Improvement Projects	6,738,549.59

Available for Operations: (237,668.73)

Total	<u><u>35,793,874.19</u></u>
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ATTACHMENTS

1. March 2022 Consolidated Statement of Revenues and Expenditures
2. March 2022 Consolidated Grant and CIP Expenditures Report
3. March 2022 Checks Issued Report

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2022

	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	14,385,000	1,249,914	12,158,323	84.5 %	2,226,677	0	2,226,677
Tipping Fees - Surcharge	1,486,800	111,347	1,039,132	69.9 %	447,668	0	447,668
Tipping Fees - Diverted Materials	3,188,250	260,016	2,376,689	74.5 %	811,561	0	811,561
AB939 Service Fee	3,460,000	288,334	2,595,006	75.0 %	864,994	0	864,994
Charges for Services	141,300	24,171	145,349	102.9 %	(4,049)	0	(4,049)
Sales of Materials	245,500	22,580	337,598	137.5 %	(92,098)	0	(92,098)
Gas Royalties	290,000	80,257	223,768	77.2 %	66,232	0	66,232
Investment Earnings	75,000	4,233	35,454	47.3 %	39,546	0	39,546
Total Revenue	23,271,850	2,040,850	18,911,319	81.3 %	4,360,531	0	4,360,531
<u>Expense Summary</u>							
Executive Administration	494,100	36,074	366,981	74.3 %	127,119	60,793	66,327
Administrative Support	447,900	36,849	291,338	65.0 %	156,562	30,718	125,844
Human Resources Administration	265,100	22,467	166,896	63.0 %	98,204	916	97,288
Clerk of the Board	205,100	21,749	137,268	66.9 %	67,832	11,495	56,337
Finance Administration	840,800	47,000	529,973	63.0 %	310,827	2,039	308,788
Operations Administration	590,100	44,803	380,385	64.5 %	209,715	59	209,656
Resource Recovery	1,201,700	79,696	713,387	59.4 %	488,313	7,897	480,417
Marketing	71,850	0	6,828	9.5 %	65,022	0	65,022
Public Education	313,950	6,750	144,477	46.0 %	169,473	19,230	150,244
Household Hazardous Waste	772,800	52,751	403,884	52.3 %	368,916	97,892	271,024
C & D Diversion	385,000	354	70,457	18.3 %	314,543	84,279	230,264
Organics Diversion	1,998,100	20,391	1,056,630	52.9 %	941,470	835,985	105,484
Diversion Services	30,000	4,095	27,345	91.2 %	2,655	0	2,655
JR Transfer Station	672,500	44,607	434,422	64.6 %	238,078	35,785	202,293
JR Recycling Operations	182,300	10,765	94,231	51.7 %	88,069	20	88,049

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
ML Transfer Station	0	0	0	0.0 %	0	0	0
SS Transfer Station	0	0	0	0.0 %	0	0	0
SS Disposal Operations	1,143,500	87,342	802,950	70.2 %	340,550	63,397	277,153
SS Transfer Operations	1,375,200	118,075	913,757	66.4 %	461,443	221,199	240,244
SS Recycling Operations	712,200	49,986	468,662	65.8 %	243,538	52,041	191,497
JC Landfill Operations	3,382,100	323,103	2,641,751	78.1 %	740,349	306,526	433,824
JC Recycling Operations	479,800	39,888	299,457	62.4 %	180,343	5,167	175,177
Johnson Canyon ECS	483,500	49,858	281,488	58.2 %	202,012	54,091	147,921
Sun Street ECS	157,400	7,793	71,075	45.2 %	86,325	38,197	48,129
Debt Service - Interest	1,279,000	0	1,278,956	100.0 %	44	0	44
Debt Service - Principal	1,855,000	0	1,855,000	100.0 %	0	0	0
Closure/Post Closure Set-Aside	336,000	29,666	286,784	85.4 %	49,216	0	49,216
Cell Construction Set-Aside	1,050,000	92,707	896,201	85.4 %	153,799	0	153,799
Total Expense	20,725,000	1,226,772	14,620,583	70.5 %	6,104,417	1,927,723	4,176,694
Revenue Over/(Under) Expenses	2,546,850	814,078	4,290,736	168.5 %	(1,743,886)	(1,927,723)	183,837

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2022

	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 Post-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	763,681	35,365	267,591	35.0 %	496,090	123,155	372,935
Total Fund 131 - Crazy Horse Post-Closure	1,163,181	35,365	267,591	23.0 %	895,590	123,155	772,435
<u>Fund 141 - Lewis Road Post-Closure Fund</u>							
141 9402 LR LFG Well Replacement	50,000	0	0	0.0 %	50,000	0	50,000
141 9403 LR Postclosure Maintenance	330,532	7,634	141,438	42.8 %	189,094	35,840	153,254
Total Fund 141 - Lewis Road Post-Closure F	380,532	7,634	141,438	37.2 %	239,094	35,840	203,254
<u>Fund 161 - Jolon Road Post-Closure Fund</u>							
161 9604 JR Postclosure Maintenance	369,616	7,770	213,900	57.9 %	155,716	10,998	144,718
Total Fund 161 - Jolon Road Post-Closure F	369,616	7,770	213,900	57.9 %	155,716	10,998	144,718
<u>Fund 180 - Expansion Fund</u>							
180 9804 Long Range Facility Needs EIR	335,395	0	0	0.0 %	335,395	0	335,395
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	0	463,783
<u>Fund 211 - Grants</u>							
211 9220 Tire Amnesty 2019-20	4,121	0	3,675	89.2 %	447	0	447
211 9228 Tire Amnesty 2021-22	77,757	0	0	0.0 %	77,757	0	77,757
211 9229 Carton Council of North America	5,000	0	5,000	100.0 %	0	0	0
211 9247 Cal Recycle - CCP	12,559	3,325	9,915	78.9 %	2,644	2,625	19
211 9257 Cal Recycle - 2019-20 CCP	15,910	0	15,910	100.0 %	0	0	0
211 9258 Cal Recycle - 2020-21 CCP	21,552	550	11,271	52.3 %	10,281	3,500	6,781
Total Fund 211 - Grants	136,899	3,875	45,771	33.4 %	91,129	6,125	85,004

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Fund 216 - Reimbursement Fund							
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
Fund 800 - Capital Improvement Projects Fund							
800 9104 Organics System Expansion Study	31,756	0	0	0.0 %	31,756	0	31,756
800 9105 Concrete Grinding	80,000	0	75,386	94.2 %	4,614	0	4,614
800 9107 Scale House Software Upgrade	100,000	0	0	0.0 %	100,000	0	100,000
800 9108 Emergency Generators	222,568	0	2,858	1.3 %	219,710	159,106	60,603
800 9214 Organics Program 2016-17	563,340	0	27,104	4.8 %	536,236	0	536,236
800 9222 Community-Based Social Marketing	170,000	14,023	104,508	61.5 %	65,492	55,392	10,100
800 9223 Outdoor Education Center	185,000	0	19,166	10.4 %	165,834	106,727	59,108
800 9501 JC LFG System Improvements	109,465	0	9,047	8.3 %	100,418	0	100,418
800 9505 JC Partial Closure	100,000	10,364	35,807	35.8 %	64,193	35,712	28,481
800 9506 JC Litter Control Barrier	70,490	13,825	15,865	22.5 %	54,625	0	54,625
800 9507 JC Corrective Action	260,362	0	0	0.0 %	260,362	0	260,362
800 9509 JC Groundwater Well	250,000	0	14,309	5.7 %	235,691	40,473	195,219
800 9526 JC Equipment Replacement	1,216,025	0	0	0.0 %	1,216,025	0	1,216,025
800 9527 JC Module Engineering and Constr	2,149,120	10,755	1,155,806	53.8 %	993,314	27,649	965,665
800 9528 Roadway Improvements	300,049	0	0	0.0 %	300,049	0	300,049
800 9601 JR Transfer Station Improvements	357,138	0	0	0.0 %	357,138	0	357,138
800 9602 JR Equipment Purchase	240,000	0	0	0.0 %	240,000	182,750	57,250
800 9603 JR Well Replacement	150,000	28	12,609	8.4 %	137,391	39,945	97,446
800 9701 SSTS Equipment Replacement	598,568	0	0	0.0 %	598,568	556,966	41,602
800 9703 SSTS Improvements and Cleanup	160,934	0	0	0.0 %	160,934	0	160,934
Total Fund 800 - Capital Improvement Projects	7,314,814	48,996	1,472,465	20.1 %	5,842,348	1,204,718	4,637,630
Total CIP Expenditures	10,150,386	103,640	2,141,165	21.1 %	8,009,221	1,380,836	6,628,385

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
22-00391-DFT	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION Monthly Fuel	3/3/2022	2,345.67	2,345.67
22-00393-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites Electrical Services	3/8/2022	20,500.26	20,500.26
22-00411-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites CNG Fuel	3/9/2022	7,348.03	7,348.03
28613	ALESHIRE & WYNDER, LLP Monthly Legal Services	3/3/2022	8,661.60	8,661.60
28614	AMERICAN SUPPLY CO. All Sites Janitorial Supplies	3/3/2022	287.45	287.45
28615	AT&T SERVICES INC All Sites Telephone Services	3/3/2022	940.87	940.87
28616	BRENDAN OSMER JC Equipment Maintenance	3/3/2022	12,125.50	12,125.50
28617	CALIFORNIA WATER SERVICE SS & JRTS Water Services	3/3/2022	1,367.07	1,367.07
28618	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance	3/3/2022	1,513.99	1,513.99
28619	COASTAL TRACTOR JC Equipment Maintenance Supplies	3/3/2022	520.92	520.92
28620	COMCAST Monthly Internet Service	3/3/2022	419.50	419.50
28621	CSC OF SALINAS/YUMA All Sites Vehicle Maintenance	3/3/2022	458.38	458.38
28622	ERNEST BELL D. JR All Sites Janitorial Services	3/3/2022	3,100.00	3,100.00
28623	F.A.S.T. SERVICES Monthly Board Interpreting Services	3/3/2022	180.00	180.00
28624	GEOLOGIC ASSOCIATES, INC. All Sites Non Routine GW Monitoring JC & JR Groundwater Well Siting Monthly Groundwater Monitoring Service	3/3/2022	10,611.70 27.60 16,088.00	26,727.30
28625	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Equipment & Vehicle Maintenance	3/3/2022	7,445.27	7,445.27
28626	GONZALES ACE HARDWARE HHW Equipment Maintenance Supplies All Sites Facility & Vehicle Maintenance	3/3/2022	114.12 202.94	317.06

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28627	GREEN RUBBER - KENNEDY AG, LP JC Maintenance Supplies	3/3/2022	1,418.88	1,418.88
28628	GUARDIAN SAFETY AND SUPPLY, LLC SS Safety Supplies	3/3/2022	78.60	78.60
28629	ICONIX WATERWORK (US) INC. JC Maintenance Supplies	3/3/2022	436.52	436.52
28630	INFINITY STAFFING SERVICES, INC. JC & JR Contract Labor	3/3/2022	4,009.91	4,009.91
28631	JT HOSE & FITTINGS JC Facility Maintenance Supplies	3/3/2022	259.68	259.68
28632	KING CITY HARDWARE INC. JR Facility Maintenance Supplies	3/3/2022	58.01	58.01
28633	MISSION LINEN SUPPLY All Sites Uniform Service	3/3/2022	361.07	361.07
28634	OFFICE DEPOT All Sites Office Supplies	3/3/2022	225.92	225.92
28635	PACE ANALYTICAL SERVICES, LLC All Sites Lab Analysis	3/3/2022	61.00	61.00
28636	PITNEY BOWES GLOBAL Adm Postage Machine Lease	3/3/2022	417.93	417.93
28637	PRICILLIA RODRIGUEZ SS Hauling Services	3/3/2022	1,943.37	1,943.37
28638	PROBUILD COMPANY LLC JC Facility Maintenance	3/3/2022	25.12	25.12
28639	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	3/3/2022	2,035.45	2,035.45
28640	SALINAS NEWSPAPERS, INC. Public Notice: NOA JRLF Well	3/3/2022	225.50	225.50
28641	SCS FIELD SERVICES All Sites Routine Engineering Services	3/3/2022	712.50	712.50
28642	SECURITY SHORING & STEEL PLATES, INC. SS Equipment Rental	3/3/2022	674.00	674.00
28643	SOLID WASTE ASSOCIATION OF NORTH AMERICA Association Membership	3/3/2022	253.00	253.00
28644	TODD V. RAMEY JC Partial Closure CQA	3/3/2022	1,312.50	1,312.50

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28645	TRUCKSIS ENTERPRISES INCORPORATED Public Outreach SB 1383 Brochure	3/3/2022	2,229.47	2,229.47
28646	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	3/3/2022	1,685.00	1,685.00
28647	VALLEY FABRICATION, INC. All Sites Facility Maintenance Supplies	3/3/2022	4,206.32	4,206.32
28648	VEGETABLE GROWERS SUPPLY, INC. JC Safety Supplies	3/3/2022	522.84	522.84
28649	VERIZON WIRELESS SERVICES JC, Org, JR & RR Internet Service	3/3/2022	152.04	152.04
28650	WEST COAST NETTING, INC. JC Litter Control Fence Supplies	3/3/2022	300.76	300.76
28651	WEST COAST RUBBER RECYCLING, INC JC Tire Diversion Services	3/3/2022	1,950.00	1,950.00
28652	WESTERN EXTERMINATOR COMPANY All Sites Vector Control	3/3/2022	307.65	307.65
28653	WESTERN TRAILER COMPANY SS Vehicle Maintenance	3/3/2022	896.63	896.63
28654	ACTION RESEARCH Community Based Social Marketing	3/10/2022	14,023.06	14,023.06
28655	ADMANOR, INC CCRMCM Monthly Media & Marketing Service	3/10/2022	13,922.53	13,922.53
28656	AT&T SERVICES INC HHW Internet Services	3/10/2022	548.44	548.44
28657	CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS SS Vehicle Maintenance	3/10/2022	195.00	195.00
28658	CITY OF GONZALES Community Event Sponsorship	3/10/2022	400.00	400.00
28659	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance	3/10/2022	21.58	21.58
28660	EAST BAY TIRE CO. Vehicle Maintenance	3/10/2022	35.20	35.20
28661	F.A.S.T. SERVICES Monthly Board Interpreting Services	3/10/2022	180.00	180.00
28662	FERGUSON ENTERPRISES INC #795 JC Maintenance Supplies	3/10/2022	4,992.07	4,992.07

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28663	FRESNO OXYGEN JC Facility Maintenance SS Vehicle Maintenance	3/10/2022	238.04 247.12	485.16
28664	GONZALES ACE HARDWARE All Sites Facility Supplies	3/10/2022	9.96	9.96
28665	INFINITY STAFFING SERVICES, INC. JC, Org & JR Contract Labor	3/10/2022	2,858.35	2,858.35
28666	JT HOSE & FITTINGS JC Equipment Maintenance	3/10/2022	107.76	107.76
28667	KANEKO AND KRAMMER CORP. Compensation Study	3/10/2022	4,760.00	4,760.00
28668	KING CITY HARDWARE INC. JR Facility Maintenance	3/10/2022	13.01	13.01
28669	MISSION LINEN SUPPLY All Sites Uniforms	3/10/2022	720.83	720.83
28670	OFFICE DEPOT Adm Office Supplies	3/10/2022	664.15	664.15
28671	PACE ANALYTICAL SERVICES, LLC All Sites Lab Analysis	3/10/2022	41.20	41.20
28672	PROBUILD COMPANY LLC JC Closure Supplies	3/10/2022	104.75	104.75
28673	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	3/10/2022	541.84	541.84
28674	SALINAS NATIONAL LITTLE LEAGUE Community Event Sponsorship	3/10/2022	500.00	500.00
28675	Sara Papineau-Brandt Safety Boots	3/10/2022	182.58	182.58
28676	SCS ENGINEERS AB1383 Ad Tech Review	3/10/2022	2,651.50	2,651.50
28677	SCS FIELD SERVICES All Sites Remote Monitoring Engineering Services	3/10/2022	925.00	925.00
28678	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/10/2022	31,927.07	31,927.07
28679	SWANA Central California Sierra Chapter Western Regional Conference Registration	3/10/2022	2,000.00	2,000.00
28680	TELCO BUSINESS SOLUTIONS Monthly Network Support	3/10/2022	245.35	245.35

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28681	TODD V. RAMEY JC Partial Closure CQA	3/10/2022	2,212.00	2,212.00
28682	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	3/10/2022	1,062.50	1,062.50
28683	VALLEY FABRICATION, INC. JC Equipment Maintenance	3/10/2022	308.63	308.63
28684	W&W MARKETING GROUP, INC. RR-Special Dept. Uniforms	3/10/2022	347.71	347.71
28685	WESTERN EXTERMINATOR COMPANY All Sites Vector Control	3/10/2022	154.10	154.10
28686	WILLDAN FINANCIAL SERVICES Bond Disclosure Services	3/10/2022	250.00	250.00
28687	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION New Portal Fuel Card Setup	3/10/2022	46.00	46.00
28688	HOME DEPOT All Sites Facility Maintenance	3/10/2022	67.71	67.71
28689	US BANK CORPORATE PAYMENT SYSTEM Cal Chamber: HR Supplies Amazon: Admin Office Supplies Cellotape: HHW Supplies Walmart: RR Supplies Experian: Credit Checks Intermedia: Monthly Exchange Server Hosting Smart & Final: SS Office Supplies ATT.COM: JC Internet Service Reynolds Farm Equipment: All Sites Support Hyatt Place Austin: Compost2022 Conference Alaska Airlines: Compost2022 Conference Bearing Engineering: JC Improvement Supplies Zoom: Monthly Subscription Republic Parking: Compost2022 Conference Ink Technologies: Admin Supplies USCC: Composting Operation Training Amazon: Admin Supplies Constant Contact: RR Subscriptions Home Depot: RR Supplies SWANA: Ops Admin Certification Amazon: JC Ops Facility Maintenance	3/17/2022	512.47 30.46 848.45 90.24 49.95 424.65 50.38 70.00 957.60 983.24 50.43 58.93 146.96 168.00 51.13 1,144.00 10.91 243.00 44.32 250.00 43.59	6,228.71
28690	**Void**	3/17/2022	-	-
28691	**Void**	3/17/2022	-	-

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28692	A & G PUMPING, INC JC Org & JR Portable Toilets	3/17/2022	424.13	424.13
28693	ADMANOR, INC CCRMC Monthly Media & Marketing Service	3/17/2022	36,870.55	36,870.55
28694	ASBURY ENVIRONMENTAL SERVICES ABOP HHW Disposal	3/17/2022	95.00	95.00
28695	AT&T SERVICES INC All Sites Telephone Services	3/17/2022	383.67	383.67
28696	BECKS SHOES AND REPAIR All Sites Safety Supplies	3/17/2022	800.85	800.85
28697	BLUE STRIKE ENVIRONMENTAL SB 1383 - Edible Food Recovery Planning	3/17/2022	2,625.00	2,625.00
28698	BRYAN EQUIPMENT All Sites Equipment Maintenance	3/17/2022	30.31	30.31
28699	CARLON'S FIRE EXTINGUISHER SALES & SERVICE Fire Extinguisher Inspection	3/17/2022	710.47	710.47
28700	CITY OF GONZALES JC Water Service Monthly Hosting Fee	3/17/2022	114.84 20,833.33	20,948.17
28701	CLARK PEST CONTROL, INC Adm Pest Control	3/17/2022	95.00	95.00
28702	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC. Monthly HHW Disposal & Supplies	3/17/2022	15,632.75	15,632.75
28703	CLINTON HENDRICKS PARMA Annual Conference Travel Reimbursement	3/17/2022	1,668.95	1,668.95
28704	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance	3/17/2022	861.43	861.43
28705	DATAFLOW BUSINESS SYSTEMS INC. Printer Network Support	3/17/2022	21.16	21.16
28706	DOUGLAS NOLAN School Assembly Program	3/17/2022	900.00	900.00
28707	ESTELA GUTIERREZ USCC Compost Operations	3/17/2022	298.00	298.00
28708	FRESNO OXYGEN JC Facility Maintenance	3/17/2022	92.44	92.44
28709	FULL STEAM STAFFING LLC SS Contract Labor	3/17/2022	718.20	718.20

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28710	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Equipment & Vehicle Maintenance	3/17/2022	7,985.24	7,985.24
28711	GONZALES TIRE & AUTO SUPPLY All Sites Facility & Vehicle Maintenance	3/17/2022	254.30	254.30
28712	GRAINGER JC Safety Supplies Outdoor Convex	3/17/2022	253.44 275.27	528.71
28713	HYDROTURF, INC JC Facility Maintenance	3/17/2022	527.55	527.55
28714	INTERSTATE BATTERIES SS Vehicle Maintenance	3/17/2022	127.68	127.68
28715	JT HOSE & FITTINGS All Sites Facility Maintenance	3/17/2022	394.12	394.12
28716	LANDSCAPE MAINTENANCE OF AMERICA HIGHWAY LITTER ABATEMENT	3/17/2022	650.00	650.00
28717	MALLORY CO. INC HHW Facility Maintenance Supplies	3/17/2022	3,940.45	3,940.45
28718	MANAGEMENT PARTNERS INC. Strategic Planning Session Facilitation	3/17/2022	8,580.00	8,580.00
28719	MANUEL PEREA TRUCKING, INC. All Sites Hauling Services	3/17/2022	1,540.00	1,540.00
28720	MISSION LINEN SUPPLY All Sites Uniforms	3/17/2022	542.83	542.83
28721	MONTEREY COUNTY TREASURER/TAX COLLECTOR Annual Property Taxes All Sites	3/17/2022	15,919.27	15,919.27
28722	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY SS Monthly Sewer Service	3/17/2022	1,271.65	1,271.65
28723	NEXIS PARTNERS, LLC Monthly Adm Building Rent	3/17/2022	9,935.00	9,935.00
28724	ODOR NO MORE, INC. SS Special Dept Supplies	3/17/2022	8,378.64	8,378.64
28725	OFFICE DEPOT All Sites Office Supplies	3/17/2022	1,329.18	1,329.18
28726	ONE STOP AUTO CARE/V & S AUTO CARE, INC RR Vehicle Maintenance	3/17/2022	335.62	335.62
28727	PENINSULA MESSENGER LLC All Sites Courier Service	3/17/2022	1,089.00	1,089.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28728	PURE WATER BOTTLING All Sites Water Service	3/17/2022	316.00	316.00
28729	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	3/17/2022	3,436.62	3,436.62
28730	**Void**	3/17/2022	-	-
28731	R.D. OFFUTT COMPANY SS EQUIPMENT MAINTENANCE SUPPLIES	3/17/2022	187.67	187.67
28732	REPUBLIC SERVICES #471 Ops Adm Building Monthly Trash	3/17/2022	85.30	85.30
28733	ROBERT BIXBY ASSOCIATES, INC. JC Equipment Maintenance	3/17/2022	409.69	409.69
28734	RODOLFO RAMIREZ AYALA All Sites Equipment Maintenance	3/17/2022	5,745.00	5,745.00
28735	**Void**	3/17/2022	-	-
28736	ROSSI BROS TIRE & AUTO SERVICE Tire Repair & Replacement Service	3/17/2022	4,193.10	4,193.10
28737	Salinas Public Library Rent Cesar Chavez Conference Room	3/17/2022	321.88	321.88
28738	SAUL CARDENAS-IBARRA Recycling Video Production for Schools	3/17/2022	1,860.00	1,860.00
28739	SCS FIELD SERVICES All Sites Routine & Non-Routine Environmental Services	3/17/2022	30,133.28	30,133.28
28740	SHARPS SOLUTIONS, LLC Sharps Recycling Service	3/17/2022	250.00	250.00
28741	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/17/2022	30,233.26	30,233.26
28742	SPECIALTY DISTRIBUTORS INC. JC Equipment Maintenance Supplies	3/17/2022	509.56	509.56
28743	TOMMY DIAZ Medical DOT Renewal	3/17/2022	150.00	150.00
28744	ULINE, INC. RR Diversion Supplies	3/17/2022	596.91	596.91
28745	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	3/17/2022	7,385.00	7,385.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28746	VOSTI'S INC All Sites Facility Supplies	3/17/2022	11.59	11.59
28747	**Void**	3/17/2022	-	-
28748	**Void**	3/17/2022	-	-
28749	**Void**	3/17/2022	-	-
28750	WEST COAST NETTING, INC. JC Litter Control Fence Net	3/17/2022	13,227.48	13,227.48
28751	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION Monthly Fuel Supply	3/17/2022	2,234.93	2,234.93
28752	ZUKUNFT INC. SS Vehicle Maintenance	3/17/2022	2,513.18	2,513.18
28753	AON RISK INSURANCE SERVICES WEST, INC . Insurance - Business Auto	3/22/2022	5,462.00	5,462.00
28754	ASBURY ENVIRONMENTAL SERVICES Used Oil Recycling	3/22/2022	95.00	95.00
28755	COAST COUNTIES TRUCK & EQUIPMENT CO. SS Vehicle Maintenance Supplies	3/22/2022	43.15	43.15
28756	CUTTING EDGE SUPPLY JC Equipment Maintenance Supplies	3/22/2022	721.73	721.73
28757	DocuSign, Inc. DocuSign Annual Subscription	3/22/2022	1,575.01	1,575.01
28758	FIRST ALARM Alarm Monitoring Service	3/22/2022	530.46	530.46
28759	GONZALES ACE HARDWARE JC Facility Maintenance Supplies	3/22/2022	38.68	38.68
28760	GUERITO SS & JC Portable Toilets	3/22/2022	1,243.00	1,243.00
28761	HOPE SERVICES Monthly SS Litter Abatement	3/22/2022	11,497.34	11,497.34
28762	INFINITY STAFFING SERVICES, INC. ALL Sites Contract Labor	3/22/2022	5,544.37	5,544.37
28763	JULIO GIL SS Vehicle Maintenance	3/22/2022	5,021.55	5,021.55

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28764	LANDSCAPE MAINTENANCE OF AMERICA Litter Abatement	3/22/2022	750.00	750.00
28765	Maestro Health FSA Service Fee	3/22/2022	150.00	150.00
28766	MALLORY CO. INC HHW Safety Supplies	3/22/2022	2,212.88	2,212.88
28767	OFFICE DEPOT Adm Office Supplies	3/22/2022	759.28	759.28
28768	PACE ANALYTICAL SERVICES, LLC All Sites Lab Analysis	3/22/2022	11,900.00	11,900.00
28769	PACIFIC CREST ENGINEERING INC JC Landfill Closure Engineering	3/22/2022	6,235.00	6,235.00
28770	PROBUILD COMPANY LLC JC Facility Supplies	3/22/2022	229.30	229.30
28771	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	3/22/2022	1,464.42	1,464.42
28772	SCALES UNLIMITED JC & SS Scalehouse Maintenance Supplies	3/22/2022	5,982.40	5,982.40
28773	SCS ENGINEERS JC Partial Closure Engineering	3/22/2022	500.00	500.00
28774	SOCIAL VOCATIONAL SERVICES, INC. JC Litter abatement Services	3/22/2022	5,668.24	5,668.24
28775	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Fuel	3/22/2022	8,237.03	8,237.03
28776	The EcoHero Show LLC School Assembly Program	3/22/2022	2,475.00	2,475.00
28777	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	3/22/2022	200.00	200.00
28778	VEGETABLE GROWERS SUPPLY, INC. JC Safety Supplies	3/22/2022	236.35	236.35
28779	W&W MARKETING GROUP, INC. Admin Logo Wear	3/22/2022	1,541.78	1,541.78
28780	AT&T SERVICES INC All Sites Telephone Services	3/31/2022	768.54	768.54
28781	AUTOZONE LLC. All Sites Equipment Maintenance Supplies	3/31/2022	403.41	403.41

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28782	CALIFORNIA WATER SERVICE SS & JRTS Water Services	3/31/2022	1,535.43	1,535.43
28783	CARLON'S FIRE EXTINGUISHER SALES & SERVICE Annual Fire Extinguisher Training	3/31/2022	564.55	564.55
28784	CESAR ZUÑIGA SWANA: Annual Western Regional Symposium	3/31/2022	221.00	221.00
28785	COMCAST Monthly Internet Service	3/31/2022	419.50	419.50
28786	EDGES ELECTRICAL GROUP, LLC SS Facility Maintenance	3/31/2022	28.74	28.74
28787	ERNEST BELL D. JR All Sites Janitorial Services	3/31/2022	4,952.00	4,952.00
28788	F.A.S.T. SERVICES Monthly Board Interpreting Services	3/31/2022	180.00	180.00
28789	FERGUSON ENTERPRISES INC #795 SS Vehicle Maintenance	3/31/2022	42.56	42.56
28790	FRESNO OXYGEN SS Facility Maintenance	3/31/2022	196.87	196.87
28791	FULL STEAM STAFFING LLC JC Contract Labor	3/31/2022	1,808.10	1,808.10
28792	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Equipment & Vehicle Maintenance	3/31/2022	2,395.88	2,395.88
28793	GONZALES ACE HARDWARE All Sites Facility & Vehicle Maintenance	3/31/2022	43.00	43.00
28794	GREEN RUBBER - KENNEDY AG, LP JC Maintenance Supplies JR Facility Maintenance	3/31/2022	523.48 303.94	523.48
28795	GREEN VALLEY INDUSTRIAL SUPPLY, INC SS Equipment Maintenance	3/31/2022	116.03	116.03
28796	GUARDIAN SAFETY AND SUPPLY, LLC SS Safety Supplies	3/31/2022	991.87	991.87
28797	HOME DEPOT All Sites Facility Maintenance Supplies	3/31/2022	658.32	658.32
28798	HYDROTURF, INC JR Facility Maintenance	3/31/2022	542.37	542.37
28799	ICONIX WATERWORK (US) INC. JC Maintenance Supplies	3/31/2022	489.19	489.19

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28800	JT HOSE & FITTINGS All Sites Facility Maintenance	3/31/2022	148.79	148.79
28801	JUAN CAMACHO SWANA 51st Annual Meeting	3/31/2022	221.00	221.00
28802	KING CITY HARDWARE INC. JR Facility Maintenance	3/31/2022	30.19	30.19
28803	LIEBERT CASSIDY WHITMORE HR Legal Services	3/31/2022	613.50	613.50
28804	MISSION LINEN SUPPLY All Sites Uniforms	3/31/2022	817.65	817.65
28805	OFFICE DEPOT All Sites Office Supplies	3/31/2022	362.00	362.00
28806	ONE STOP AUTO CARE/V & S AUTO CARE, INC Ops Adm Vehicle Maintenance	3/31/2022	151.64	151.64
28807	ONSET COMPUTER CORPORATION CH Maintenance Supplies	3/31/2022	2,331.79	2,331.79
28808	QUINN COMPANY 836H Cat Compactor Repairs	3/31/2022	102,696.73	102,696.73
28809	QUINN COMPANY All Sites Equipment & Vehicle Maintenance	3/31/2022	3,590.90	3,590.90
28810	RONNIE G. REHN Adm Special Dept Supplies	3/31/2022	852.53	852.53
28811	SECURITY SHORING & STEEL PLATES, INC. SS Equipment Rental	3/31/2022	291.00	291.00
28812	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	3/31/2022	250.00	250.00
28813	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/31/2022	12,111.92	12,111.92
28814	Southern Counties Oil Co., a CA Limited Partnership SS & JR Biodiesel Fuel	3/31/2022	6,960.65	6,960.65
28815	SPECIALTY DISTRIBUTORS INC. SS Facility Maintenance	3/31/2022	34.76	34.76
28816	VALERIO VARELA JR All Sites Vehicle & Equipment Maintenance	3/31/2022	1,200.00	1,200.00
28817	VALLEY FABRICATION, INC. JC Org Facility Maintenance	3/31/2022	598.47	598.47

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2022 to 3/31/2022

Check #	Name	Check Date	Amount	Check Total
28818	VERIZON WIRELESS SERVICES Monthly Internet Service	3/31/2022	152.04	152.04
28819	WEST COAST RUBBER RECYCLING, INC SS Tire Diversion	3/31/2022	2,145.00	2,145.00
28820	WESTERN EXTERMINATOR COMPANY All Sites Vector Control	3/31/2022	307.65	307.65
28821	WHITE CAP, L.P. CH Facility Maintenance	3/31/2022	131.44	131.44
	Subtotal			698,252.52
	Payroll Disbursements			554,978.03
	Grand Total			1,253,230.55



Report to the Board of Directors

Date: May 19, 2022

From: Mandy Brooks, Resource Recovery Manager

Title: Member and Interagency Activities Report for April 2022

ITEM NO. 3

N/A

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

N/A

Authority General Counsel

RECOMMENDATION

Staff recommends that the Board accept this item. The report is intended to keep the Board apprised of activities and communications with member agencies and regulators.

STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVR Services and Programs to the Community.

The Authority provides a wide array of recycling and waste recovery services and programs to the public including local businesses, schools, multifamily complexes and participates in numerous community events and cleanups. Providing monthly reports highlighting these activities ensures that the strategic plan goal is being met.

FISCAL IMPACT

This agenda item is a routine operational item and does not have a direct budget impact.

DISCUSSION & ANALYSIS

Monterey County Environmental Health Bureau (Local Enforcement Agency - LEA)

Sun Street Transfer Station: The monthly inspection for the Sun Street Transfer Station was conducted on April 26. No areas of concern or violations were noted during the inspection.

Johnson Canyon Landfill & Composting Facility: The monthly inspection for the Johnson Canyon Landfill and Composting Facility was conducted on April 27. No violations or areas of concern were noted during the inspections.

Jolon Road Transfer Station: The monthly inspection for Jolon Road Transfer Station was conducted on April 27. No areas of concern or violations were noted for the inspection.

5-Year Review Permit Revision: On May 4, the Authority submitted the 5-year review application for the Jolon Road Transfer Station to the LEA.

Central Coast Regional Water Quality Control Board

The annual inspections of the Authority's four landfills were conducted on April 21 at: Lewis Rd Landfill (Closed), Crazy Horse Canyon Landfill (Closed), Jolon Rd Landfill (Closed), and Johnson Canyon Landfill. No areas of concern or violations were noted for any of the inspections.

Gonzales Clothing Closet

The clothing closet is open Tuesdays - Thursdays from 3:00pm to 5:00pm.

CY 2022	# of Volunteers	Hours	Clothing Items Distributed	# of Families Served	# of Family Members Served
April 2022	4	65.5	425	26	119
May 2022	-	-	-	-	-
June 2022	-	-	-	-	-
TOTALS	4	65.5	425	26	119

Clean Up Events

A 2022 community cleanup schedule has been developed by each of the cities/county and franchise haulers and is included in the events list below. Five (5) cleanup events occurred in April with the results from four (4) of them listed below:

- **Soledad Mayor's Special Neighborhood Cleanup:** Tri-Cities Disposal and volunteers conducted a one-day cleanup on April 16 along Main St. between Market & Monterey Streets. The event collected approximately 2.1 tons of trash and 3.45 tons of recyclable materials resulting in a 62% diversion rate for the event. SVR's staff also collected 210 lbs. of ABOP materials at the event.
- **King City Cleanup:** Waste Management and community volunteers conducted a one-day cleanup on April 23 at the SV Fairgrounds parking lot. The event collected approximately 13.3 tons of trash and recyclable materials resulting in a 47% diversion rate for the event. SVR's staff also collected over 1,200 lbs. of ABOP materials at the event.
- **Salinas – Earth Day Cleanup:** Republic Services and city staff conducted a one-day cleanup on April 23 at Sherwood Park. The event collected approximately 6.45 tons of trash and 10.7 tons of recyclable materials resulting in a 62% diversion rate for the event.
- **Greenfield Cleanup:** Tri-Cities Disposal and City staff conducted a one-day cleanup on April 30 at the City's Public Works Corp. Yard. The event collected approximately 9 tons of trash and 10.5 tons of recyclable materials resulting in a 54% diversion rate for the event. SVR's staff also collected over 1,750 lbs. of ABOP materials at the event.

FY 21-22 Current and Future Events with SVR Staff Participation

Gonzales:	4/01 – 5/31 06/11/22 11/12/22	Tire Amnesty Collection Event, Johnson Canyon Landfill Community Cleanup & ABOP Event, Fairview Middle School Community Cleanup & ABOP Event, Fairview Middle School
Greenfield:	08/13/22 10/22/22	Community Cleanup & ABOP Event, Public Works Yard Community Cleanup & ABOP Event, Public Works Yard
King City:	4/01 – 5/31 06/25/22 11/05/22	Tire Amnesty Collection Event, Jolon Rd Transfer Station Community Cleanup & ABOP Event, SV Fairgrounds Community Cleanup & ABOP Event, SV Fairgrounds
Salinas:	4/01 – 5/31 05/14/22 05/20/22 05/21/22	Tire Amnesty Collection Event, Sun St Transfer Station Composting Workshop, Natividad Creek Park Garden Recycling & Composting Presentations, Rancho SJ High School Mayor's Community Cleanup Event

	05/25/22	Event, Family Resource Center Fair, El Gabilan School
	06/11/22	District 5 Community Cleanup Event
	08/20/22	District 1 Community Cleanup Event
	09/17/22	District 2 Community Cleanup Event
	10/08/22	District 3 Community Cleanup Event
	11/05/22	Citywide Community Cleanup Event, Madison Lane TS
Soledad:	05/14/22	Community Cleanup & ABOP Event, Soledad High School
	9/24/22	Community Cleanup & ABOP Event, Soledad High School
Mo. Co.:	05/21/22	Aromas Community Cleanup & ABOP Event
	06/18/22	Composting Workshop, Rancho Cielo Garden
	09/10/22	Prunedale Community Cleanup & ABOP Event
	09/17/22	Lockwood Community Cleanup & ABOP Event
	10/01/22	Bradley Community Cleanup & ABOP Event
	10/08/22	San Ardo Community Cleanup & ABOP Event
	11/19/22	Pajaro Community Cleanup & ABOP Event

BACKGROUND

Established in November 2014 as part of the FY 14-15 Strategic Plan 3-year goal to increase public access, involvement, and awareness of Salinas Valley Recycles activities, the monthly report keeps the Board apprised of communications with member agencies and regulators. In addition, the report has evolved over the years to also include a current and future event list to inform Board members and the public of community events and cleanups occurring in each member agency's service area.

ATTACHMENT(S) None



Report to the Board of Directors

ITEM NO. 4

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

N/A

Authority General Counsel

Date: May 19, 2022

From: Elia Zavala, Contracts & Grants Analyst

Title: Tonnage and Diversion Report for the
Quarter Ended March 31, 2022

RECOMMENDATION

Staff recommends that the Board accept this report. This item is provided to keep the Board apprised of the quarterly tonnage data which corresponds to the Authority's budget and the regional agency's annual AB 939 compliance reporting.

STRATEGIC PLAN RELATIONSHIP

This agenda item is a routine operational item and does not relate to the Board's Strategic Plan but does reflect on one of the Authority's key core values, "fiscal prudence".

FISCAL IMPACT

Tipping fees for landfill, diversion materials and franchise transportation services account for 70.2% of the quarter's revenue. For the quarter ending March 31, 2022, the Authority received \$4.5 million in tipping fees.

DISCUSSION & ANALYSIS

TONS LANDFILLED BY SERVICE AREA

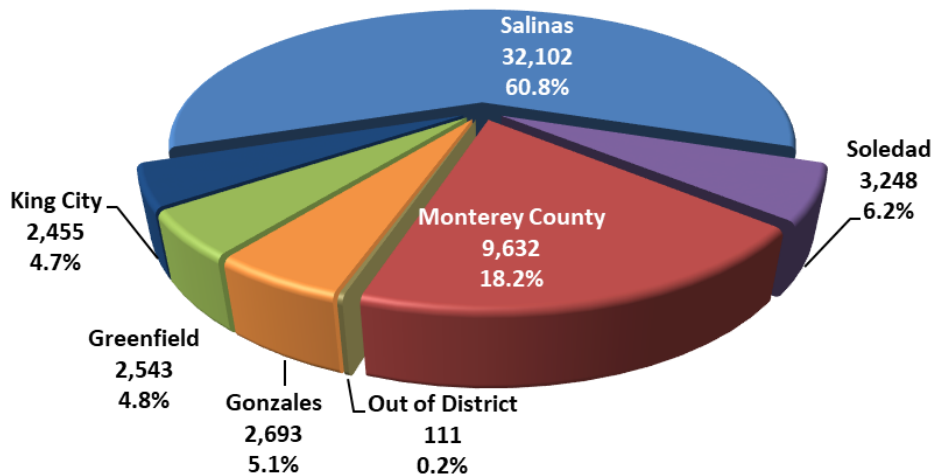
The Authority landfilled 52,784 tons of solid waste in the quarter ended March 2022, of which 52,673 tons were from the Authority service area and 111 tons were from outside the service area. This resulted in 0.2% increase in landfilled waste from the same quarter of 2021.

<u>Service Area</u>	<u>Jan-Mar 2022 Tonnage</u>	<u>Jan-Mar 2021 Tonnage</u>	<u>Change in Tonnage</u>	<u>% Change</u>
Authority Service Area	52,673	52,611	62	0.1%
Out of District	111	73	38	51.6%
Total Landfilled	52,784	52,684	100	0.2%

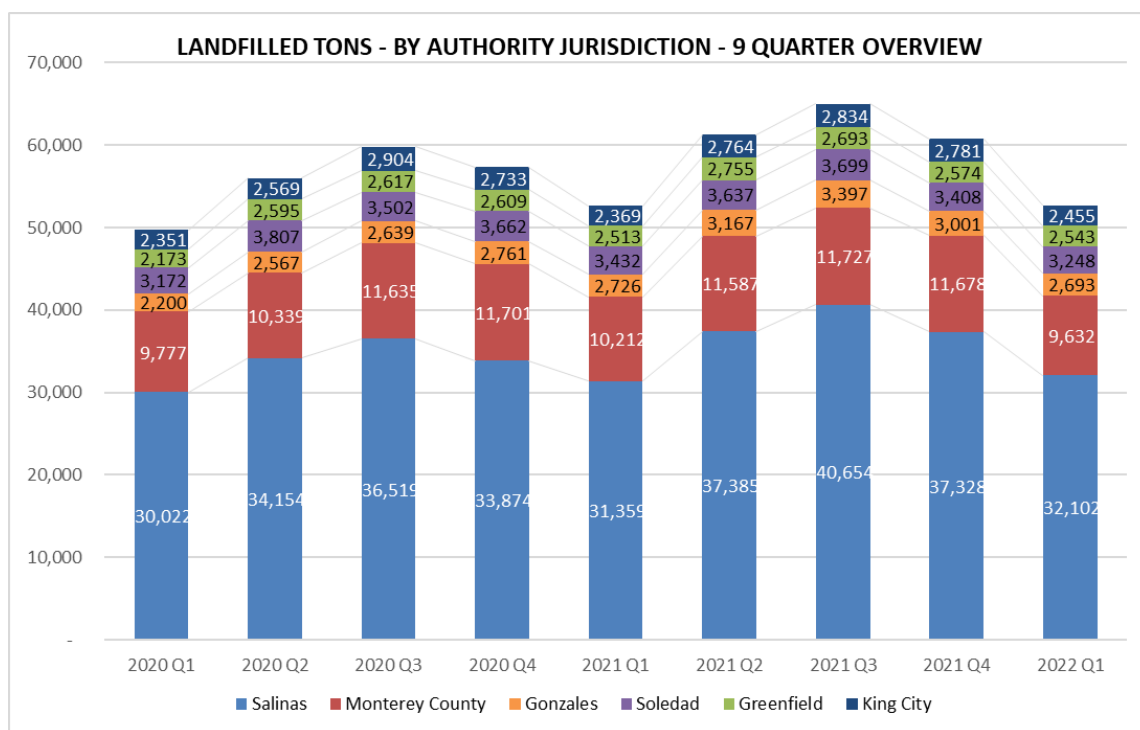
TONNAGE LANDFILLED SUMMARY

As noted in the chart below, the landfilled waste for this quarter was made up from 60.8% from the City of Salinas, 18.2% from the County, and 20.8% from the south county cities. The 111 tons of self-hauled material from outside the service area made up 0.2% and came from Santa Cruz County (28 tons), western Monterey County non-Authority area (58 tons), Santa Clara County (24 tons), and San Benito County (3 tons).

**LANDFILLED TONS - 52,784
BY ORIGIN FOR QUARTER ENDED MARCH 31, 2022**



The chart below provides an overview of landfilled tons by jurisdiction for the past nine quarters, that includes three-year tonnage data for Quarter 1 (Jan-Mar).



TONNAGE DIVERTED SUMMARY

The table below summarizes the total tonnage processed and diverted by the Authority for the quarter ended March 2022. Compared to the quarter ended March 2021, the total tons processed decreased by -0.44% and diverted materials decreased by -5.6%, resulting in a net increase of 0.2% of tons landfilled. Alternative Daily Cover (ADC), although a beneficial reuse material, is not shown as diverted material since it is ultimately landfilled and not truly diverted. This quarter's increase in ADC tonnage is due to the receipt of almost 300 tons of biosolids solids, while the same quarter last year did not receive any. This quarter also

received less asphalt and concrete, resulting in a -25.8% decrease in Beneficial Reuse material.

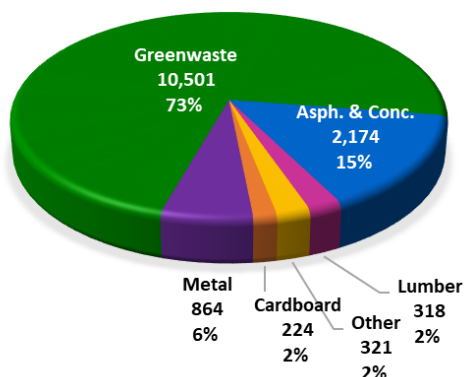
	Jan-Mar 2022		Jan-Mar 2021		Change in	%
	Tonnage	%	Tonnage	%	Tonnage	Change
Total Tons Processed	69,347		69,651		(304)	-0.44%
Less Used for ADC	2,160	3.1%	1,717	2.5%	443	25.8%
Net Tons Processed	67,186		67,934		(748)	-1.1%
Less Diverted Materials	10,819		11,034		(215)	-2.0%
Less Beneficial Reuse	2,174		2,769		(595)	-21.5%
JC market materials	335		352		(17)	-4.8%
SS market materials	954		949		5	0.5%
JR market materials	120		146		(26)	-17.9%
Total Diverted Materials	14,402	20.8%	15,251	21.9%	(849)	-5.6%
Total Landfilled	52,784	76.1%	52,684	75.6%	100	0.2%

DIVERTED MATERIALS

The pie chart below illustrates the composition of the 14,402 tons of diverted materials for the quarter ended March 2022. Diversion does not include tons of construction & demolition material and biosolids, which are currently being used in the landfill as ADC. Included in the diversion chart are 1,409 tons of recyclables salvaged from the waste stream at Authority facilities and sent directly to market (Johnson Canyon – 335 tons, Sun Street – 954 tons, and Jolon Road – 120 tons).

The table below provides a year-over-year comparison of diverted materials tonnage for the same quarter. The total 14,402 tons of diverted materials for the quarter ended March 2022, resulted in a -5.6% decrease over the same quarter of the previous year. The decrease in diverted material is due mainly to the collection less construction material than the same quarter last year. The amount of lumber or asphalt & concrete collected is dependent on the amount of construction activity for that particular quarter.

QUARTER ENDED MAR 31, 2022 DIVERTED MATERIALS - 14,402



	2022 Q1	2021 Q1	% Diff
Greenwaste	10,501	10,533	-0.3%
Asphalt & Concrete	2,174	2,769	-21.5%
Lumber	318	803	-60.4%
Metal	864	501	72.5%
Cardboard	224	279	-19.7%
*Other	321	366	-12.3%
	14,402	15,251	-5.6%

* Includes Mattresses, Tires, Mixed Rec, etc.

ATTACHMENTS

None



Report to the Board of Directors

Date: May 19, 2022

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Establishing the Investment Policy

ITEM NO. 5

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.
Authority General Counsel

RECOMMENDATION

Staff requests that the Executive Committee recommends adoption of the resolution to the Board.

STRATEGIC PLAN RELATIONSHIP

The recommended action is routine in nature.

FISCAL IMPACT

Investment returns have decreased substantially during the past year, due to lower returns available. Conservative practices should net the Authority modest returns.

DISCUSSION & ANALYSIS

The investment policy has no changes from the current policy. The Investment Policy allows investment in all investment vehicles permitted by State law. However, in actual practice, the funds managed by the Treasurer have historically been invested in the Local Agency Investment Fund (LAIF). At the end of March 2022, LAIF was yielding .365%.

BACKGROUND

In order to properly handle the Authority's investments, the Board is asked to adopt the attached Investment Policy. California Government Code Section 53646(a) (2) states that the treasurer or chief fiscal officer of a local agency may render annually to the legislative body of the local agency an investment policy, which the legislative body shall consider at a public meeting. State law further requires the Treasurer or Chief Financial Officer to submit detailed information on all securities, investments, and monies of the Authority on a quarterly basis. The next report is due in August 2022.

ATTACHMENT(S)

1. Resolution
2. Investment Policy

RESOLUTION NO. 2022 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY ESTABLISHING THE INVESTMENT POLICY

WHEREAS the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5921 and 53630 et seq.; and

WHEREAS the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern and has passed legislation to restrict permissible investments and promote oversight procedures; and

WHEREAS it is necessary to establish the policy and guidelines for the Authority to invest public funds in a manner which will provide a high level of safety and security of principal; and

WHEREAS the Finance and Administration Manager/Treasurer/Controller of Salinas Valley Solid Waste Authority shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; and

WHEREAS the Authority's Investment Policy has been developed and presented to this Board on May 19, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Salinas Valley Solid Waste Authority that it does hereby adopt the attached Investment Policy, marked "Exhibit A," and authorizes and directs the Finance Manager/Treasurer to use said Policy in the investment of Authority funds.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at the regular meeting duly held on the 19th day of May 2022 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Exhibit A

SALINAS VALLEY SOLID WASTE AUTHORITY INVESTMENT POLICY

PURPOSE

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment process and to organize and formalize investment-related activities. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The goal is to enhance the economic status of the Authority while protecting its invested cash.

The investment policies and practices of the Salinas Valley Solid Waste Authority are based on state law and prudent money management. All funds will be invested in accordance with the Authority's Investment Policy and the authority governing investments for local governments as set forth in the California Government Code, Sections 53601 through 53686. The provisions of relevant bond documents restrict the investments of bond proceeds.

OBJECTIVE

The Authority has a fiduciary responsibility to maximize the productive use of all the assets entrusted to its care and to invest and wisely and prudently manage those public funds. As such, the Authority shall strive to maintain the level of investment of all idle funds as near 100% as possible through daily and projected cash flow determinations, investing in those investment vehicles deemed prudent and allowable under current legislation of the State of California and the ordinances and resolutions of the Salinas Valley Solid Waste Authority.

SCOPE

It is intended that this policy cover all funds and investment activities of the Salinas Valley Solid Waste Authority. This investment policy applies to all Authority transactions involving the financial assets and related activity of all funds. Any additional funds that may be created from time to time shall also be administered with the provisions of this policy and comply with current State Government Code.

The Authority will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies regarding investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

AUTHORIZATION

The Board of Directors has delegated investment authority to the Finance Manager/Treasurer. This delegation is further authorized by Section 53600, et seq. of the Government Code of the State of California, which specifies the various permissible investment vehicles, collateralization levels, portfolio limits, and reporting requirements.

GUIDELINES

Government Code Section 53600.5 states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objective of the trustee shall be to safeguard the principal of funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control."

Simply stated, *safety of principal* is the foremost objective, followed by *liquidity* and *return on investment* (known as yield). Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from market erosion or security defaults.

1. Government Code Section 53601 authorizes the following investment vehicles:

Permitted Investments/Deposits	Maximum Percentages of Portfolio	Maximum Maturity	Minimum Quality Requirements
U.S. Treasury Obligations	Unlimited	5 Years*	None
U.S. Agencies Obligations ^(a)	Unlimited	5 Years*	None
Non-Negotiable Certificates of Deposit	Unlimited	5 Years*	None
Negotiable Certificates of Deposit	30%	5 Years*	None
Bankers Acceptances	40% ^(b)	180 Days	None
Commercial Paper	25% ^(c)	270 Days	A-1/P-1/F-1
L.A.I.F.	\$75 Million ^(d)	N/A	None
CalTRUST Investment Pool ^(e)	Unlimited	N/A	None
Repurchase Agreements	Unlimited	1 Year	None
Reverse Repurchase Agreements	20%	92 Days	None
Mutual Funds and Money			
Market Mutual Funds	20%	N/A	Multiple ^(f,g)
Medium Term Notes ^(h)	30%	5 Years*	"A" rating

* Maximum term unless expressly authorized by Governing Body and within the prescribed time frame for said approval

a) Includes U.S. Government Sponsored Enterprise Obligations

b) No more than 30 percent of the agency's money may be in Bankers' Acceptances of any one commercial bank.

c) 10 percent of the outstanding commercial paper of any single corporate issuer.

d) Limit set by LAIF Governing Board, not the Government Code.

e) Investment Trust of California dba CalTRUST

- f) A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years of experience investing in instruments authorized by Government Code sections 53601 and 53635.
 - g) A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years of experience investing in money market instruments with assets under management in excess of \$500 million.
 - h) "Medium-term notes" are defined in Government Code Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating with the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S."
2. Criteria for selecting investments, and the order of priority, are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest, or a combination of these amounts. Investments of the Salinas Valley Solid Waste Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The Authority only invests in those instruments that are considered very safe.

B. Liquidity

This refers to the ability to "cash in" at any moment with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the unexpected need for funds occurs. The Salinas Valley Solid Waste Authority investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements, which might be reasonably anticipated. It is the Authority's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

C. Yield

Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return. The Salinas Valley Solid Waste Authority investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the Authority's investment risk constraints and the cash flow characteristics of the portfolio.

3. An amount of money deemed sufficient to meet one payroll and two weeks claims shall be maintained in highly liquid investment vehicles such as the State Local Agency Investment Fund, or other similar investment instrument.
4. The Authority will attempt to obtain the highest yield obtainable when selecting investments, provided that criteria for safety and liquidity are met. Ordinarily, through a positive yield curve, (i.e., longer term investment rates are higher than those of shorter maturities), the Authority attempts to ladder its maturities to meet anticipated cash maturities that carry a higher rate than is available in the extremely short market of 30 days or less.
5. Most investments are highly liquid, except for certificates of deposit held by banks and savings and loans. Investments in Certificate of Deposit shall be fully insured or collateralized. When insurance is pledged, it shall be through the FDIC. Collateralization shall be in the amount of 110% of principal when government securities are pledged or 150% of principal when backed by first deeds of trust. Maturities are selected to anticipate cash needs, thereby obviating the need for forced liquidation.
6. When investing in Bankers Acceptances, Treasury Bills and Notes, Government Agency Securities and Commercial Paper, securities for these investments shall be conducted on a delivery-versus-payment basis. Securities are held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts when such delivery directly to the Authority would be impractical.
7. Except for Treasury Notes and other government Agency Issues, the maturity of any given investment shall not exceed 1 year.
8. Bond Proceeds shall include any notes, bonds or other instruments issued on behalf of the Salinas Valley Solid Waste Authority for which the members of the Board of Directors serve as the governing body. Should the Salinas Valley Solid Waste Authority elect to issue bonds for any purpose, the Indenture of Trust shall be the governing document specifying allowable investments for the proceeds of the issue as prescribed by law.
9. Investment income shall be shared by all funds on a proportionate ratio of each funds balance to total pooled cash with investment income distributed accordingly on a quarterly basis.
10. Investments in any other vehicle like Repurchase and Reverse Repurchase Agreements shall not be authorized unless the investment is made through the pooled money portfolio of the Local Agency Investment Fund.

11. The Treasurer shall annually render to the Board of Directors for consideration at a public meeting, a statement of investment policy. The Treasurer will also render an investment report to the Board of Directors at the first regular Board Meeting occurring after the end of each calendar quarter. The quarterly report shall include type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Salinas Valley Solid Waste Authority. The report shall state compliance with the investment policy or way the portfolio is not in compliance. It shall also include a statement denoting the ability to meet the Authority's expenditure requirement for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.
12. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Salinas Valley Solid Waste Authority Investment Policy and supersede all previous language.
13. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions.

The basic premises underlying the Authority's investment philosophy are, and will continue to be, to safeguard principal, to meet the liquidity needs of the organization and to return an acceptable yield.

May 19, 2022



Report to the Board of Directors

ITEM NO. 6

Finance and Administration Manager,
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 19, 2022

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Adopting the Revised Financial Policies

RECOMMENDATION

Staff requests that the Executive Committee recommends adoption of the resolution.

STRATEGIC PLAN RELATIONSHIP

This agenda item is not related to any particular strategic plan goal. It is part of the Authority's overall fiscal sustainability plan.

FISCAL IMPACT

This item has no immediate fiscal impact, but it provides the policies used to manage Authority funds.

DISCUSSION & ANALYSIS

The policies were last approved on November 18, 2021 in order to ensure that compliance with Gov. Code 8855(i), which state how Bond proceeds are held, used, and tracked.

The current financial policies contain a capitalization threshold of \$25,000. However, in practice, staff capitalizes items with a cost of \$5,000 or more. While staff would like to increase the amount used, \$25,000 is too high. After discussing with our auditors, staff feels that \$15,000 is a more appropriate threshold and ensures that any material purchases are accounted for.

Beginning in 2018, the Board has used year end undesignated cash balances to pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts prior to any allocation to reserves. Adding language to the financial policies to continue to make this a priority will help ensure that the retirement fund continues to be fully funded going forward.

There are no other changes to the policy.

BACKGROUND

The financial policies were approved on November 18, 2021. Prior to this, the policies had remained unchanged since April 17, 2014. In order to ensure that the policies remained current with actual procedures, staff committed to review and bring back to the Board for approval annually.

ATTACHMENT(S)

1. Resolution
2. Red-lined changes to Financial Policies
3. Financial Policies (revised May 19, 2022)

RESOLUTION NO. 2022 –

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

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority last approved the financial policies by adoption of Resolution No. 2021-48 on November 18, 2021; and,

WHEREAS, a recent review of the policies found that the capitalization threshold did not match actual practice; and,

WHEREAS, maintaining a fully funded retirement program has been a priority of the agency; and,

WHEREAS, the Authority strives to promote transparency in its fiscal affairs and fiscal accountability; and,

NOW, THEREFORE, 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 approved and adopted.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 19th day of May 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Salinas Valley Solid Waste Authority

Financial Policies

SUMMARY

The Salinas Valley Solid Waste Authority (Authority) 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 post-closure costs in accordance with California Department of Resources Recycling and Recovery (CalRecycle) 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.

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.
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, 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 not 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 to not 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. Funding the Reserves

After completion of the annual audit, any undesignated cash balance will be first used to pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts. Remaining funds shall 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.

B. 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.

C. Use of Operating Reserve

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

D. 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 average annual capital needs of the Authority.

Salinas Valley Solid Waste Authority Financial Policies

E. Environmental Impairment Reserve

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. It is highly unlikely that all sites would need corrective action at the same time. Therefore, the funding goal is the Capital Improvement costs at the highest of the sites.

F. 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 considered 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. The CIP plan will be reviewed every year while discussions of the operating budget take place. The CAO will develop guidelines for what projects to include in the CIP budget. 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 budget will be in conformance with and support the Authority's major planning documents and 3-year Strategic Plans.

B. Capital Improvement Budget

The CIP plan 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 of current revenues.
2. Use of the Capital Projects Reserve.
3. Borrow money through debt issuance.

Salinas Valley Solid Waste Authority Financial Policies

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

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 projects 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

H. Post Issuance Administration / Internal Control

Investment of Proceeds

The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of 1) safety, 2) liquidity, and 3) yield, and may be held as cash. The Authority's investment guidelines and bond indentures will govern objectives and criteria for investment of bond proceeds. The Finance and Administration Manager will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.

Use of Proceeds

Bond proceeds will be deposited and recorded in separate accounts to ensure that funds are not comingled with other Authority funds. To ensure proceeds from bond sales are used in accordance with legal requirements, all invoices will be submitted to the Finance and Administration Manager for approval prior to payment. The Finance and Administration Manager will be tasked with monitoring the expenditure of bond proceeds to ensure that they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the Authority will meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.

Arbitrage Compliance

The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The Finance and Administration Manager shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if a rebate payment is due, such payment is made in a timely manner.

Salinas Valley Solid Waste Authority
Financial Policies

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 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 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 post closure costs in accordance with CalRecycle requirements.

A. Closure Funding

In accordance with CalRecycle 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. Post closure Funding

In accordance with the Financial Assurances, the Authority shall fund post closure costs from future revenues when those costs are incurred. The Authority has entered into a Pledge of Revenue agreement with CalRecycle 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 monthly to the Closure funds based on tonnage landfilled. Post closure expense incurred because 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 during the 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. Status Report on Capital Projects

A summary report on capital projects completed and the status of the Authority's various capital projects will be prepared as part of the monthly financial reports and presented to the Board.

D. Compliance with Board Policy Statements

The Financial Policies will be reviewed annually 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.

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.

Salinas Valley Solid Waste Authority Financial Policies

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

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

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

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

Salinas Valley Solid Waste Authority

Financial Policies

13 - CAPITAL ASSETS

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

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

1. Capital assets are recorded as expenditures in governmental funds at the time the assets are received, and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements. Enterprise fixed assets are recorded as assets within the fund when purchased and a liability is incurred.

I. GASB 34 defines Capital Assets as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and ~~that~~ have initial useful lives extending beyond a single reporting period.

II. GASB 34 defines Infrastructure Assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings that are an ancillary part of a network of infrastructure assets are included.

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

B. Capitalization

Generally, all capital assets with an original cost of ~~\$25,000~~\$15,000 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~~\$15,000 or more.

Salinas Valley Solid Waste Authority Financial Policies

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~~ \$15,000.
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 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 that~~ extend the useful life of the related capital asset ~~and therefore~~ will be subject to capitalization if the cost exceeds \$15,000.
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 any time. 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.

Salinas Valley Solid Waste Authority Financial Policies

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 Asset

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:

- ❖ 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.

Salinas Valley Solid Waste Authority Financial Policies

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

Salinas Valley Solid Waste Authority Financial Policies

<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 \$15,000 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 \$15,000 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.

Salinas Valley Solid Waste Authority

Financial Policies

SUMMARY

The Salinas Valley Solid Waste Authority (Authority) 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 post-closure costs in accordance with California Department of Resources Recycling and Recovery (CalRecycle) 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.

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.
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, 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 not 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 to not 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. Funding the Reserves

After completion of the annual audit, any undesignated cash balance will be first used to pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts. Remaining funds shall 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.

B. 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.

C. Use of Operating Reserve

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

D. 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 average annual capital needs of the Authority.

Salinas Valley Solid Waste Authority Financial Policies

E. Environmental Impairment Reserve

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. It is highly unlikely that all sites would need corrective action at the same time. Therefore, the funding goal is the Capital Improvement costs at the highest of the sites.

F. 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 considered 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. The CIP plan will be reviewed every year while discussions of the operating budget take place. The CAO will develop guidelines for what projects to include in the CIP budget. 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 budget will be in conformance with and support the Authority's major planning documents and 3-year Strategic Plans.

B. Capital Improvement Budget

The CIP plan 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 of current revenues.
2. Use of the Capital Projects Reserve.
3. Borrow money through debt issuance.

Salinas Valley Solid Waste Authority Financial Policies

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

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 projects 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

H. Post Issuance Administration / Internal Control

Investment of Proceeds

The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of 1) safety, 2) liquidity, and 3) yield, and may be held as cash. The Authority's investment guidelines and bond indentures will govern objectives and criteria for investment of bond proceeds. The Finance and Administration Manager will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.

Use of Proceeds

Bond proceeds will be deposited and recorded in separate accounts to ensure that funds are not comingled with other Authority funds. To ensure proceeds from bond sales are used in accordance with legal requirements, all invoices will be submitted to the Finance and Administration Manager for approval prior to payment. The Finance and Administration Manager will be tasked with monitoring the expenditure of bond proceeds to ensure that they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the Authority will meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.

Arbitrage Compliance

The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The Finance and Administration Manager shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if a rebate payment is due, such payment is made in a timely manner.

**Salinas Valley Solid Waste Authority
Financial Policies**

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 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 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 post closure costs in accordance with CalRecycle requirements.

A. Closure Funding

In accordance with CalRecycle 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. Post closure Funding

In accordance with the Financial Assurances, the Authority shall fund post closure costs from future revenues when those costs are incurred. The Authority has entered into a Pledge of Revenue agreement with CalRecycle 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 monthly to the Closure funds based on tonnage landfilled. Post closure expense incurred because 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 during the 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. Status Report on Capital Projects

A summary report on capital projects completed and the status of the Authority's various capital projects will be prepared as part of the monthly financial reports and presented to the Board.

D. Compliance with Board Policy Statements

The Financial Policies will be reviewed annually 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.

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.

Salinas Valley Solid Waste Authority Financial Policies

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

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

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

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

Salinas Valley Solid Waste Authority

Financial Policies

13 - CAPITAL ASSETS

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

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

1. Capital assets are recorded as expenditures in governmental funds at the time the assets are received, and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements. Enterprise fixed assets are recorded as assets within the fund when purchased and a liability is incurred.
 - I. GASB 34 defines Capital Assets as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and 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 \$15,000 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 \$15,000 or more.

Salinas Valley Solid Waste Authority Financial Policies

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 \$15,000.
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 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 that extend the useful life of the related capital asset will be subject to capitalization if the cost exceeds \$15,000.
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 any time. 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.

Salinas Valley Solid Waste Authority Financial Policies

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 Asset

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:

- ❖ 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.

Salinas Valley Solid Waste Authority Financial Policies

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

Salinas Valley Solid Waste Authority Financial Policies

<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 \$15,000 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 \$15,000 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

Date: May 19, 2022

From: Patrick Mathews, General Manager/CAO

Title: Update and Budget Direction on Sun Street Transfer Station (SSTS) Relocation Project

ITEM NO. 7

N/A

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

C. Tanner by E.T.

Authority General Counsel

RECOMMENDATION

Staff recommends that the Board of Directors accept this report and provide direction on which budget and rate adjustment scenario staff should bring back at the June 2022 Board meeting for consideration.

STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVR Services and Programs to the Community.

The Authority provides a wide array of essential recycling and waste recovery services and programs to the local businesses, schools, and residents. Re-establishment of the Authority's SSTS AB 939 recycling services and waste recovery programs in a more permanent location meets the long-term public needs and supports the "Excellent Infrastructure" goals of the City of Salinas.

FISCAL IMPACT

Recent information from the County of Monterey indicates that permitting related delays associated with the Madison Lane Transfer Station (MLTS) may push back the Authority relocation to MLTS to between the end of 2022 and first half of 2023. This anticipated delay will require adjustments to the FY 2022/23 budget and rates adopted in March 2022. As the Board is aware, our approved FY 2022/23 budget included some concessions in rates and reductions in staff positions along with the understanding that the Authority would relocate on or before July 1st and commence waste transfer operations for Republic Services with the existing Authority fleet.

Staff has evaluated budget/rate revision alternatives, operational impacts, and solutions to bridge this unexpected delay and have received input from the Executive Committee. Adjustments to rates and/or the previously approved FY 2022/23 budget will be needed by the end of the FY 2021/22 to sustain operations into and possibly through the coming FY 22/23.

DISCUSSION & ANALYSIS

Five (5) FY 2022/23 budget and rate adjustment scenarios are outlined below for Board discussion and consideration to address this unexpected delay in the Sun Street Transfer Station Relocation Project. Each of these scenarios have both budgetary and labor related impacts for the transition period before relocation to MLTS can be authorized by Republic Services, and impacts after the relocation is completed.

SCENARIO 1

Defer implementation of the Master Transportation Agreement with Republic Services for up to 1-year, continue operations at SSTS on a status quo basis similar to the current 2021/22 operations, prioritize franchise waste to Sun Street up to permit limits with MLTS receiving all overflow. This scenario requires returning one (1) position eliminated during the previous FY 2022/23 Budget adoption and returning the Solid Waste rate back to its current \$68.50/ton (from the approved 22/23 rate reduction of \$64.75/ton). The one (1) added position would be eliminated at the time of relocation.

SCENARIO 2a

Implement the Master Transportation Agreement with Republic Services on July 1, 2022, as planned. Prioritize franchise waste flow to MLTS with overflow franchise waste directed to SSTS along with all self-haul materials. This scenario requires adding one (1) of the positions eliminated in the approved FY 2022/23 Budget and returning the Solid Waste rate back to its current \$68.50/ton (from the approved 22/23 rate reduction of \$64.75/ton). The one (1) added position would be eliminated at the time of relocation. This scenario also requires hiring two temporary contract drivers and trucks to handle the increased waste and recyclable materials transfer tonnage for both MLTS and SSTS until the SSTS relocation occurs.

SCENARIO 2b

Implement the Master Transportation Agreement with Republic Services on July 1, 2022, as planned. Prioritize franchise waste flow to MLTS with overflow franchise waste directed to SSTS along with all self-haul materials. This scenario requires adding one (1) of the positions eliminated in the approved FY 2022/23 Budget and implementing the approved 22/23 rate reduction of \$64.75/ton. The one (1) added position would be eliminated at the time of relocation. This scenario also requires hiring of two (2) temporary contract drivers and trucks to handle the increased waste and recyclable materials transfer tonnage for both MLTS and SSTS until the SSTS relocation occurs.

SCENARIO 3

Terminate the Master Transportation Agreement with Republic Services and prioritize franchise waste flow to MLTS. All overflow franchise waste would be directed to SSTS along with all self-haul materials and the Authority would provide overflow franchise waste transportation services until the SSTS relocation occurs. This scenario requires eliminating one (1) of the positions included in the approved FY 2022/23 Budget and returning the Solid Waste rate back to its current \$68.50/ton (from the approved 22/23 rate reduction of \$64.75/ton). Five (5) additional positions would be eliminated at the time of relocation. Republic Services would assume all transfer operations at MLTS and the Authority would only provide Recycling and HHW services at MLTS.

SCENARIO 4

Terminate the Master Transportation Agreement with Republic Services, and temporarily convert SSTS into a self-haul public service facility only. This scenario requires eliminating three (3) positions included in the approved FY 2022/23 Budget and returning the Solid Waste rate back to its current \$68.50/ton (from the approved 22/23 rate reduction of \$64.75/ton), along with applying the transportation surcharge to all customers at transfer stations only. Three (3)

additional positions would be eliminated at the time of relocation. Republic Services would assume all transfer operations at MLTS and the Authority would only provide Recycling and HHW services at MLTS.

All of these scenarios, with the exception of 2b (most expensive), would require some level of renegotiation of the existing approved Lease and Master Transportation Agreements with Republic Services, under consultation with the City of Salinas. All of these scenarios would also require some form of meet and confer with the affected employee organizations(s), at a minimum over impacts and effects. With the exception of Scenario 1 and 4, the rest of the scenarios require prioritizing the maximum use of MLTS under its interim 500 ton per day limit with SSTS handling all franchise waste overflow not handled at MLTS. Attachment 1 provides a summary of each scenario's respective budget and staffing impacts, for interim operations and after SSTS relocation and closure.

BACKGROUND

In order to facilitate continued communication and coordination between all of the regional stakeholders, the Board has recommended more organized communication between all the respective agencies and organizations involved with the subject project. The stakeholders for this project are City of Salinas, County of Monterey, Republic Services, and the Authority.

According to Republic Services, the lease improvements needed for relocation of Authority services to Madison Lane Transfer Station (MLTS) are continuing to move forward. However, a final completion date is not yet available as permitting requirements are still under discussion with the County. Construction of these improvements are anticipated to start as soon as the permitting actions are completed. In accordance with the Authority's lease at MLTS, the Authority will have 60 days to complete its relocation once all of the required lease site improvements are completed, and Republic has relocated its scale house facilities to accommodate the expected increase in traffic within the property boundaries.

The primary stakeholder group topics and updates for discussion are outlined below. Staff and stakeholders would appreciate any additional Board input on the core topics and recommendations for any other stakeholders that should be at the table for these discussions.

The following relocation related topics and initial actions/progress were discussed at the coordinating meetings:

- 1) Community outreach meeting date/time/location, stakeholder participants, topics for presentation, and sharing of any public feedback received to-date (All)
 - a. March 31st meeting was postponed allowing more time for the County and Republic to resolve permitting needs and timing for the facility improvements and .
- 2) Site improvements, timing, and relocation challenges
 - a. Republic previously indicated that design and permitting challenges had revised the estimated completion date for lease site improvements to May 1st, which would obligate the Authority to be relocated by July 1st and close

Sun Street Transfer Station Operations. This timeline has now been revised to the end of 2022 based on initial discussion with the County.

- b. The Authority had a contingency plan for continuing operations should the relocation date be pushed beyond July 1st due to any delays in completion of Republic's lease site improvements or permitting. However, this contingency was only for short term delays and now appears these delays will extend at least to mid-fiscal year, creating a budget shortfall without further Board action.
- 3) Relocation plan, timing and community/customer noticing and marketing campaign (Authority)
 - a. Authority staff have engaged our local media consultant to assist with a comprehensive media plan for the community on the upcoming Sun Street Closure and relocation of our AB 939 recycling programs to MLTS. Mandy Brooks, Resource Recovery Manager, presented the marketing campaign at the February 2022 Board meeting and staff is ready to start the comprehensive information campaign once our relocation date is known.
- 4) Project impact mitigation measures (current and future) including litter/illegal dumping, traffic/noise and Rossi Road extension (All)
 - a. Republic Services will provide added staff and resources to increase litter abatement in and around MLTS once the Authority relocates. All stakeholders will continue to monitor and coordinate response any increase in illegal dumping.
 - b. A County staff report was provided at the March 17, 2022, Board meeting related to the Rossi Road Extension project which could address increased traffic from MLTS operations and other proposed housing and commercial projects in South Boronda.
 - c. A County staff report was provided at the March 17, 2022, Board meeting related to addressing and improving enforcement associate with excessive illegal parking on Madison Lane that has created a safety hazard for all businesses and customers of businesses located on Madison Lane.

In accordance with our September 21, 2021, Lease Agreement with Republic Services, the Authority is prepared to relocate within the required 60 days' notice from Republic Services of completion of required lease and facility improvements needed to support our relocation. The required improvements include: 1) repairs, improvements and modifications to the Authority's lease space, and 2) relocation of Republic's scale facility to accommodate the expected increase in traffic to the facility once SSTS closes. All traffic to MLTS must be fully contained within the property per State and local permit requirements.

ATTACHMENT(S)

- 1. Cost and Labor Impact Summary for 5 Budget Revision Scenarios

Scenario Summary

1 -Status Quo (ML is overflow) - MLTS Transportation Agreement is deferred

3 -SVSWA Transports for both SS and ML (SS is overflow)

2 -Status Quo (SS is overflow) - MLTS Transportation Agreement is Cancelled

4 - SS is Self Haul only - MLTS Transportation Agreement is Cancelled

Scenario	1	2	2b	3	4
SW Tipping Fee	\$ 68.50	\$ 68.50	\$ 64.75	\$ 68.50	\$ 68.50
Apply Transportation Surcharge to Self Haul	\$ -	\$ -	\$ -	\$ -	\$ 18.75
Republic Tons at SS	52,000	26,000	26,000	26,000	-
Increased Solid Waste Tonnage Estimate (SS Self Haul)	6,000	6,000	6,000	6,000	6,000
Increased Organics Tonnage Estimate (SS Self Haul)	5,000	5,000	5,000	5,000	5,000
Increased C&D Tonnage Estimate (SS Self Haul)	1,000	1,000	1,000	1,000	1,000
Revenue					
Reduction in MLTS Transfer	(2,122,000)	(622,000)	(622,000)	(2,122,000)	(2,122,000)
SS Transportation	975,000	487,500	487,500	487,500	-
Self Haul Surcharge	-	-	-	-	375,000
Solid Waste Tipping Fee Increase	806,250	806,250	-	806,250	806,250
Self Haul Tonnage Increase	388,500	388,500	388,500	388,500	388,500
Organics Self Haul Tonnage Increase	285,000	285,000	285,000	285,000	285,000
C&D Self Haul	87,250	87,250	64,750	87,250	87,250
Other Revenues	160,000	160,000	160,000	160,000	160,000
Total Revenues	580,000	1,592,500	763,750	92,500	(20,000)
Expenditures					
FY 2021-22 Dept 3710 (no labor)	420,600	420,600	420,600	420,600	420,600
Transportation Budget Changes	-	190,900	190,900	(188,400)	(292,050)
Organics Processing	190,550	190,550	190,550	190,550	190,550
Add one Equipment Lead	155,000	155,000	155,000	155,000	-
Temporary Contract Truck and Driver	-	133,000	133,000	-	-
Temporary Contract Truck and Driver	-	133,000	133,000	-	-
Reduce one SVSWA driver	-	-	-	(133,000)	(133,000)
Reduce one SVSWA driver	-	-	-	(133,000)	(133,000)
Reduce one SVSWA driver	-	-	-	-	(133,000)
Total Expenditures	766,150	1,223,050	1,223,050	311,750	(79,900)
Net Surplus/(Shortfall)	(186,150)	369,450	(459,300)	(219,250)	59,900
Total Employee Count on 07-01-2022 (Approved Budget Assumes 61)	62	62	62	60	58
Net Staff Allocation change on 07-01-2022	1	1	1	(1)	(3)
Net Staff Allocation change on SS Closure	(1)	(1)	(1)	(5)	(3)
Total Allocation Change	-	-	-	(6)	(6)

SVR Agenda Item - View Ahead 2022

ITEM NO. 8

	June	30-Jun-22	Jul	Aug	Sep	Oct	
A							
1	Minutes	Board of Directors Strategic Planning Session	MEETINGS RECESS	Minutes	Minutes	Minutes	
2	Claims/Financials (EC)			May Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	
3	Member Agencies Activities Report			June Claims/Financials (EC)	Member Agencies Activities Report	Member Agencies Activities Report	
4	CCPP Supplemental Appropriation (EC)			June 30 Cash & Investments Report (EC)	New FY Grants & CIP Budget (EC)	September 30 Cash & Investments Report	
5	Agreements for Equipment Maintenance Services			Member Agencies Activities Report	2019-2020 SVR Annual Report	BD/EC Meetings Schedule	
6	Geo-Logic Associates Amend. No. 2 Groundwater Monitoring Services Agrmt.			2nd Qtr. Tonnage & Diversion Report	Social Media Campaign	Salinas Bowmen Agreement	
7	Social Vocational Services Amend. No. 1 Litter Abatement Services						Audit Report Previous FY (EC)
8	SGA Marketing Amend. No. 1 Media Marketing Services						Regional Franchise Procurement (EC)
9	Vision Engineering Amend No. 1 JC Closure CQA Services						G/M Evaluation (EC)
10	Supplemental Appropriation Grant Award SB 1383						
11	Adoption of AB 361						
12	Organics Technology Review						
13	Edible Food Recovery Funding						
14	Update on Sun St. AB 939 Programs Relocation Project (EC)						

Consent
Presentation
Consideration
Closed Session

[Other] (Public Hearing, Recognition, Informational, etc.)
(EC) Executive Committee
(sp) Strategic Plan Item

Consent
Presentation
Consideration
Closed Session
<p>【Other】(Public Hearing, Recognition, Informational, etc.)</p> <p>(EC) Executive Committee</p> <p>(sp) Strategic Plan Item</p>