

# A G E N D A Regular Meeting

# **BOARD OF DIRECTORS**

October 20, 2022 | 6:00 p.m.

Gonzales City Council Chambers 117 Fourth Street, Gonzales, California

# Passcode: 224200

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.

#### **Board Norms**

- ✓ Avoid assuming intent or motives.
- ✓ Commit to the shared success of the Authority.
- ✓ Govern as a body.

**Meeting Information** 

- ✓ Maintain an Authority perspective and balance it with individual city/county interests.
- ✓ Recognize the success of employees.
- ✓ Hold regular meetings between the General Manager and

one-on- ones with Board members.

- ✓ Communicate effectively with the public.
- ✓ Respect the form of government.
- ✓ Avoid criticizing staff or each other in public; coach privately.
- ✓ Refrain from using technology during Board meetings.
- ✓ Approach the business of government in a professional manner.

# **CALL TO ORDER**

# PLEDGE OF ALLEGIANCE

# **ROLL CALL**

# **Board Directors**

County: John M. Phillips

County: Chris Lopez, President

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: Vacant
Greenfield: Robert White
Kina City: Darlene Acosta

# TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

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

Meeting ID: 860 8098 2457 | Passcode: 224200

# **APPROVAL OF AGENDA**

# **GENERAL MANAGER/CAO COMMENTS**

## **DEPARTMENT MANAGER COMMENTS**

# **BOARD DIRECTOR COMMENTS**

## **PUBLIC COMMENT**

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

# **CONSENT AGENDA:**

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

- 1. Minutes of the September 15, 2022 Meeting
- 2. August 2022 Claims and Financial Report
- 3. Member and Interagency Activities Report for September 2022

- 4. September 2022 Quarterly Investment Report
- 5. <u>A Resolution Approving the Regular Board of Directors and Executive Committee Meetings</u>
  Calendar for 2023
- 6. 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
- 7. <u>A Resolution Approving a Supplemental Appropriation of \$100,000 for CalRecycle's</u>
  Household Hazardous Waste Grant 39th Cycle (HD39) 2022-23 Small Projects Cycle Grant
- 8. A Resolution Approving a Memorandum of Understanding with the Operating Engineers Local Union No. 3, AFL-CIO Operations Engineering Unit (OE3) for Fiscal Years 2022-2023 through 2025-2026
- 9. <u>A Resolution Approving a Revised Personnel Allocation Effective on August 22, 2022 and a Revised Personnel Allocation Effective October 3, 2022</u>
- 10. <u>A Resolution Declaring Surplus Property and Authorizing the General Manager /CAO to Dispose of Property</u>
- 11. <u>A Resolution Approving Annual Expenditures in an Amount of \$65,000 for Project</u>

  <u>Management Services for the Regional SB 1383 Grant Programs with Blue Strike Environmental</u>
  for Fiscal Year 2022-23 and Fiscal Year 2023-24
- 12. <u>A Resolution Approving the Repair and Coating of the Administration Office Roof by SSB</u>
  Construction in the Amount of \$76,150
- 13. <u>A Resolution Awarding Sole Sourcing the Purchase of a New 2023 Walking Floor Transfer Trailer to Western Trailers for an Amount of \$108,766.08</u>
- 14. <u>Clarify Guidelines Related to Board Agendas and Supporting Documentation</u>
- 15. Quarterly Update on the Strategic Plan Goals and Priorities
- 16A. <u>A Resolution Approving Annual Expenditures in an Amount of \$70,000 with AMCON Environmental for landfill Alternative Daily Cover Supplies for Fiscal Year 2022-23</u>
- 16B. <u>A Resolution Approving Annual Expenditures in an Amount of \$120,000 with Arroyo</u>

  Construction for Facility Maintenance and Improvements Services for Fiscal Year 2022-23
- 16C. A Resolution Approving Annual Expenditures in an Amount of \$60,000 with Don Chapin Company for Facility Maintenance and Improvements Services for Fiscal Year 2022-23
- 16D. <u>A Resolution Approving Annual Expenditures in an Amount of \$60,000 with Home Depot to Supply Facility Maintenance Supplies and Services for Fiscal Year 2022-23</u>
- 16E. A Resolution Approving Annual Expenditures in an Amount of \$100,000 with Infinity Staffing for Staffing Support Services for Fiscal Year 2022-23
- 16F. <u>A Resolution Approving Annual Expenditures in an Amount of \$60,000 with San Lorenzo</u>
  Lumber to Supply Facility Maintenance Supplies and Services for Fiscal Yar 2022-23
- 16G. <u>A Resolution Approving Annual Expenditures in an Amount of \$60,000 with Skinner Equipment</u>
  Repair for Equipment Maintenance Services for Fiscal Year 2022-23
- 16H. <u>A Resolution Approving Annual Expenditures in an Amount of \$600,000 with Southern Counties</u>
  Lubricants for Fuel Delivery Services for Fiscal Year 2022-23
- 161. A Resolution Approving Annual Expenditures in an Amount of \$60,000 with West Coast Rubber Recycling for Tire Recycling Services for Fiscal Year 2022-23

# **PRESENTATION**

- Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022
  - A. Receive Report from Ray Hendricks, Finance and Administration Manager
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action None; Informational Only
- 18. 2021 Franchise Waste Haulers Performance Report
  - A. Receive Report from Elia Zavala, Contracts and Grants Analyst
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action None; Informational Only

# **FUTURE AGENDA ITEMS**

19. AGENDA ITEMS - VIEW AHEAD SCHEDULE

# **CLOSED SESSION**

Receive public comment from audience before entering into closed session:

- **20.** 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 Operating Engineers Local Union No. 3, AFL-CIO.
- 21. Pursuant to Government Code Section 54957 (b) to consider the Performance Evaluation of the General Manager/Chief Administrative Officer R. Patrick Mathews for 2022

# **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 <a href="https://www.youtube.com/user/svswa831">https://www.youtube.com/user/svswa831</a>.

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: <a href="https://us02web.zoom.us/j/86080982457?pwd=N0VvSUZYODM3S1drc1VTUkFuVE1pQT09">https://us02web.zoom.us/j/86080982457?pwd=N0VvSUZYODM3S1drc1VTUkFuVE1pQT09</a>. 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:

+1 669 900 9128	+1 253 215 8782		+1 346 248 7799	
+1 301 715 8592	+ 1 312 626 6799		+ 1 646 558 8656	
Enter <b>Meeting ID</b> : <b>860 8098 2457</b> #	<b>!</b>	Passcode: <b>224200</b>		
To Raise your Hand press *9		To Mute and Unmute yourself press *6		

Public comments may also be submitted via e-mail to the Clerk of the Board at <a href="comment@svswa.org">comment@svswa.org</a>. Comment must be received <a href="by-4-p.m.">by-4-p.m.</a> on Thursday, October 20, 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 4 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 **Thursday, October 13, 2022**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, November 17, 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.salinasvalleyrecycles.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.* 



#### Mission

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

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

September 29, 2022

# **VIA ELECTRONIC MAIL ONLY**

Claudia Warkentin General Manager 5501 N Golden State Blvd Fresno, CA 93722

Re: Request to Utilize Subcontractor for Unforeseen Staff Shortage

Dear Mrs. Warkentin,

We would like to request authorization to utilize a subcontractor occasionally as needed to backfill any staff shortages to our transportation fleet associated with paid time off (PTO), call offs, illness, extended leaves, vacations, breakdowns and/or seasonal increases in waste flow attributed to the agriculture economy in the Salinas Valley which runs from April to October.

Pursuit to our Master Transportation Agreement:

16.1 Contractor may not assign (whether by operation of law or otherwise), in whole or in part, its rights or delegate its duties pursuant to this Agreement or any Statement of Work without Republic's prior written consent, which Republic may grant or withhold in its sole and absolute discretion. Contractor may not subcontract, in whole or in part, its rights or delegate its duties pursuant to this Agreement or any Statement of Work without Republic's prior written consent, which Republic shall not unreasonably withhold; provided, however, in the event that Republic consents to such subcontracting, Contractor shall (a) cause any and all subcontractors to be bound by all the terms and conditions set forth in this Agreement and any Statement of Work (and provide evidence of such to Republic), and (b) remain liable to Republic for any breaches of, and obligations set forth in, this Agreement and any Statement of Work.

Base on the above language cited from the Master Transportation Agreement between Republic Services and SVSWA, the Authority would like to formally request approval to use Ritchie's Trucking to provide assistances with hauling solid waste from Madison Lane Transfer Station to the Johnson Canyon Landfill. Our proposed hauler has experience in hauling MSW and currently hauls for other Solid Waste Companies such as Green Waste Recovery (Charles Street Facility) and Recology (South Valley Disposal Single Stream Recycling).

The approval of the above request will provide us assistance as needed to address any unanticipated shortages and/or increases in demand, as well as coverage during employee time off. Adding Ritchie's Trucking as a subcontractor will ensure the Authority remains efficient and promptly removes waste from Madison Lane. We look forward to your written consent to the Authority adding Ritchie Trucking as a subcontractor.

Sincerely,

Cesar Zuñiga

Assistant General Manager / Operations Manager

Cc: R. Patrick Mathews Roy C. Santos



5501 N Golden State Blvd Fresno, CA 93722 o: 559-277-4048

October 10, 2022

Dear Cesar,

I am writing in response to your request that N Leasing (Republic) consent to the SVSWA's request to allow the SVSWA to subcontract transportation services under our Master Transportation Agreement to Ritchie's Trucking.

As you will recall, Republic agreed, at the request of the City of Salinas, to contract with the SVSWA for the transportation of Salinas waste to Johnson Canyon to ensure that the SVSWA's transfer van drivers would remain employed after the closure of Sun Street. The price Republic agreed to pay the SVSWA for its transfer services was much higher than could be obtained by Republic using its existing subcontractors. This was done to enable the SVSWA to meet the salary and benefit costs of the SVSWA's drivers, who are members of the Operating Engineer's union. In return, the City agreed to reimburse Republic for its higher transportation costs for Salinas waste.

We understand that the Operating Engineers local has objected to the SVSWA's plan to subcontract transportation services rather than employ additional Operating Engineers members to haul waste from Madison Lane to Johnson Canyon.

We are concerned that if we grant the SVSWA's subcontracting request, which will involve having the work performed by Ritchie's Trucking, a non-union company, Madison Lane may become embroiled in a labor dispute between the Operating Engineers and SVSWA. Republic may even be subject to secondary picketing at Madison Lane.

Furthermore, the City of Salinas has requested that Republic perform any needed waste transportation from Madison Lane to Johnson Canyon that the SVSWA cannot handle, using Republic's existing and previously qualified subcontractors. The City has asked us to report on these loads handled by Republic's subcontractor, so the City can make appropriate adjustments in the rates it authorizes Republic to collect from the City for disposal of City of Salinas waste.

Therefore, at this time, we are not willing to agree to your subcontracting request. If you would like to discuss this matter further, please give me a call.

Sincerely,

Claudia Warkentin General Manager

Cc: Patrick Mathews, Roy Santos

# MINUTES OF THE SALINAS VALLEY SOLID WASTE AUTHORITY BOARD MEETING SEPTEMBER 15, 2022

This meeting was conducted in hybrid in-person/virtual format.

# **CALL TO ORDER**

Alternate Vice President Tipton called the meeting to order at 6:00 p.m.

# PLEDGE OF ALLEGIANCE

The flag salute was recited.

# **ROLL CALL**

# **Board Directors**

County of Monterey	John M. Phillips	Virtual
City of Salinas	Anthony Rocha (arrived at 6:30 pm)	In-Person
City of Salinas	Kimbley Craig	In-Person
City of Gonzales	Elizabeth Silva	In-Person
City of Soledad	Ben Jimenez, Jr.	Virtual
City of Greenfield	Andrew Tipton, Alt. Vice President	In-Person

## **Absent**

County of Monterey	Chris Lopez, President
City of Salinas	Christie Cromeenes, Vice President
City of King	Robert Cullen

# **Staff Member Present**

Patrick Mathews, General Manager/CAO	In-Person
Cesar Zuñiga, Asst. GM/Operations Manager	In-Person
Mandy Brooks, Resource Recovery Manager	In-Person
Ray Hendricks, Finance and Administration Manager	In-Person
Brian Kennedy, Engineering and Environmental Compliance Manager	In-Person
Janna Faulk, Recycling Coordinator	In-Person
Mike Silva, Solid Waste Technician	In-Person
Fernando Orejel, Equipment Maintenance Technician	In-Person
Roy Santos, General Counsel	Virtual
Colin Tanner, General Counsel	Virtual
Rosie Ramirez, Administrative Assistant	In-Person
Erika J. Trujillo, Clerk of the Board	In-Person

# **MEETING ANNOUNCEMENTS**

(6:01) Alternate Vice President Tipton announced the availability of translation services in Spanish via Zoom.

# APPROVAL OF AGENDA

No Changes to the Agenda.

# **GENERAL MANAGER/CAO COMMENTS**

(6:02) General Manager/CAO Mathews reported on the following.

• The final execution of the Greenwaste Processing Agreement Termination between Republic Services and the Authority was executed.

**Authority General Counsel** 

Approval

- The successful closure of the Sun Street Transfer Station on September 10 and the opening of the Recycling and Household Hazardous Waste facilities at Madison Lane on September 12.
- The pending site improvements at Madison Lane by Republic Services as per the lease agreements.
- The timeline on the clean-up of the Sun Street Transfer Station property.

# **DEPARTMENT MANAGER COMMENTS**

(6:04) Asst. General Manager/Operations Manager Zuñiga provided further details on the closure of Sun Street Transfer Station, the winterization preparation needed and the cleaned up of the property.

Finance and Administration Manager Hendricks commented on the financial impacts of having the Sun Street Transfer Station open for over a one month longer than the budgeted amount. He indicated a budget adjustment will be needed and will be presented to the Board at the November Board meeting.

Resource Recovery Manager Brooks provided information on the upcoming composting workshop scheduled for Sept 17.

# **BOARD DIRECTOR COMMENTS**

(6:07) None

# **PUBLIC COMMENT**

(6:08) Matt Gourley with Gourley Construction commented on his adverse experience at the Maddison Lane Transfer Station managed by Republic Services. He indicated he had to wait two and half hour in line, and the tipping fees were higher. He expressed his concern for the financial impacts the long waits and fees will have on his company and indicated that in his opinion there is a lack of training of the staff when it comes to dealing with the number of customers they are receiving. He requested these issues be addressed and information on how they will be resolved be provided to him.

Felix Huerta, OE3 requested to comment on item number 11 or to move item number 11 to the beginning of the agenda.

Alternate Vice President Tipton informed Mr. Huerta that at this time he could only comment on items not on the agenda and that item number 11 would be discussed in the order it was agenized.

Richard Copeland with Associated Services in Salinas commented on his similar unpleasant experience at the Maddison Lane Transfer Station as Mr. Gourley. He indicated his commercial charge account set up with the Authority does not work at the Maddison Lane Transfer Station and is problematic as he now has to give his employees a credit card, cash or have them drive to the Johnson Canyon Landfill. He requested these issues also be addressed.

# **RECOGNITION**

# A. 2022 EMPLOYEE OF THE YEAR

(6:14) Asst. General Manage/Operations Manager Zuñiga introduced Mike Silva, Solid Waste Technician who was selected by his peers as the 2022 Employee of the Year. Mr. Silva addressed the Board to express his gratitude for the award and recognition.

Public Comment: None

**Board Discussion:** Alternate Vice President Tipton commended Mr. Silva for his hard work and

dedication to the Authority.

**Motion:** None; Informational Only

#### **B.** INTRODUCTION OF NEW EMPLOYEE

(6:18) The following employees hired since July 1, 2021 were introduced and present at the meeting.

- Sara Papineau-Brandt, Resource Recovery Technician I
- Fernando Orejel, Equipment Maintenance Technician II

The following employees hired since July 1, 2021 were mentioned to Board but were not in attendance.

- Isidro Lopez, HHW Maintenance Worker II
- Oswaldo Olalde, HHW Maintenance Worker II
- Jose Luis Garcia, Diversion Worker II

Public Comment: None Board Discussion: None

**Motion:** None; Informational Only

# **CONCENT AGENDA** (6:24)

- 1. Minutes of the August 18, 2022 Meeting
- 2. July 2022 Claims and Financial Report
- 3. Member and interagency Activities Report for August 2022
- **4.** Resolution No. 2022-51 Approving the Grants and Capital Improvement Projects Budget for Fiscal Year 2022-23
- 5. Resolution No. 2022-52 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
- **6.** Resolution No. 2022-53 Approving a Five-year License Agreement with Salinas Bowmen, Inc. for property Located at Crazy Horse Landfill
- 7. Resolution No. 2022-54 Authorizing the Purchase of One Used 2019 John Deere 210L Tractor for the Salinas Area Material Recycling Center from Pape Machinery for an Amount of \$79,223.72

Public Comment: None Board Discussion: None

**Motion:** Director Craig made a motion to approve the consent agenda as

presented. Director Silva seconded the motion.

**Votes:** Motion carried 5,0

Ayes: Craia, Jimenez, Phillips, Silva, Tipton

Noes: None Abstain: None

Absent: Cromeenes, Cullen, Rocha, Lopez

#### **PRESENTATION**

# 8. 2021-22 SALINAS VALLEY RECYCLES ANNUAL REPORT

(6:25) General Manager/CAO Mathews provided an overview of the 2020-21 Annual Report, highlighting the many accomplishments, events, and activities of the previous fiscal year. The report included statistics on landfilled and diversion tonnages, a seven-year comparison of customer trip counts that demonstrates an increase since 2015-16 fiscal year, information on the programs and events that the Authority managed and attended throughout the year, and much more.

Public Comment: None Board Discussion: None

**Motion:** None; Informational Only

## 9. MARKETING AND MEDIA OVERVIEW 2021-22

(6:37) Recycling Coordinator Faulk provided a report on the previous fiscal year's marketing and media efforts to reach the public. She highlighted the campaign created for Senate Bill 1383, the expansion of the social media outreach, the update and restructuring of the Authority website, and the in-person events attended by staff. Mrs. Faulk briefly explained the marketing and media goals for the 2022-23 fiscal year.

Public Comment: None Board Discussion: None

**Motion:** None; Informational Only

# **FUTURE AGENDA ITEMS**

# 10. AGENDA ITEM - VIEW AHEAD SCHEDULE

(6:48) The Board reviewed the future agenda items.

## **CLOSED SESSION**

(6:50) Alternate Vice President Tipton invited Public Comment related to closed session item number 11.

11. 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.

# **PUBLIC COMMENT**

Felix Huerta, union representative. with the Operating Engineers Local Union Number 3 commented on the bargaining process currently. He indicated there are two pending items and therefore two proposals were submitted for Board consideration during closed session in an attempt to come to an agreement.

#### **ADJOURNED**

(6:53) Alternate Vice President Tipton adjourned the meeting into closed session to discuss item numbered 11.

## **RECONVENE**

(7:30) Alternate Vice President Tipton reconvened the meeting to open session. Legal Counsel Santos indicated that there were no reportable actions taken in closed session.

## **ADJOURNED**

(7:32) Alternate Vice President Tipton adjourned the meeting.

	APPROVED:	
		Christopher M. Lopez, President
Attest:		
Erika J. Trujillo, Clerk of the Board		



**Date:** October 20, 2022

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

Manager

**Title:** August 2022 Claims and Financial Reports

# Finance and Administration Manager/Controller/Treasurer General Manager/CAO N/A

**Authority General Counsel** 

# **RECOMMENDATIONS**

The Executive Committee recommends acceptance of the August 2022 Claims and Financial Reports.

## **DISCUSSION & ANALYSIS**

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

Results of Operations (Consolidated Statement of Revenues and Expenditures)
For the month of August 2022, operating expenditures exceeded revenues by \$2,026,498, this is due to the annual payment of the principal balance on our Bonds that is due on August 1.

Revenues (Consolidated Statement of Revenues and Expenditures)

	August	August	
	Budget	Actual	Over/(Under)
Tipping Fees - Solid Waste	1,220,806	1,386,057	165,251
Tipping Fees - Diverted Materials	291,954	356,343	64,389
Other Revenues	535,702	560,748	25,046
Total Revenue	2,048,462	2,303,148	254,686

Solid Waste revenues for August were \$165,251 or 13.5% over budgeted amounts. Diverted Material revenues for August were \$64,389 or 22.1% over budgeted amounts. August total revenue was \$254,686 or 12.4% over budgeted amounts.

	Y-T-D	Y-T-D	
	Budget	Actual	Over/(Under)
Tipping Fees - Solid Waste	2,422,915	2,649,924	227,009
Tipping Fees - Diverted Materials	570,491	671,235	100,744
Other Revenues	1,075,220	1,081,024	5,804
Total Revenue	4,068,626	4,402,183	333,557

Solid Waste revenues year to date as of August were \$227,009 or 9.4% over budgeted amounts. Diverted Material revenues year to date as of August were \$100,744 or 17.7% over budgeted amounts. Year to date total revenue as of August was \$333,557 or 8.2% over budgeted amounts.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures) As of August 31, 2022 (16.7% of the fiscal year), year-to-date operating expenditures totaled \$5,612,654. This is 26.9% of the operating budget of \$20,851,000.

<u>Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)</u>
For the month of August 2022, capital project expenditures totaled \$265,765. \$182,539 was for JR Equipment Purchase. \$32,523 was for CH Postclosure Maintenance. \$19,901 was for Emergency Generators. \$12,979 was for JC Module Engineering and Construction.

# Claims Checks Issued Report

The Authority's Checks Issued Report for the month of August 2022 is attached for review and acceptance. August disbursements total \$1,475,888.39 of which \$569,863.59 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of August 2022.

Vendor	Services	Amount
Coast Counties Truck & Equipment	2023 Peterbilt Tractor & Vehicle	\$184,851.81
	Maintenance Supplies	
Vision Recycling Inc.	May Organics Processing	\$118,790.98
Pricillia Rodriguez	SS Hauling Services	\$72,869.76
Southern Counties Lubricants LLC	All Sites Equipment & Vehicle Fuel	\$70,354.86

# Cash Balances

The Authority's cash position decreased \$3,212,173.11 during August to \$29,797,437.09. 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, cash for debt service payments are recorded in August and January. While these transfers and payments leave the balance available for operations with a negative balance, profitable operations should improve the balance to a positive amount by the end of the fiscal year.

Restricted by Legal Agreements: Johnson Canyon Closure Fund Restricted for Pension Liabilities (115 Trust) State & Federal Grants BNY - Bond 2022A Payment	4,982,856.10 250,268.48 268,611.95
Funds Held in Trust:  Central Coast Media Recycling Coalition Employee Unreimbursed Medical Claims	42,323.33 9,332.94
Committed by Board Policy:  AB939 Services Undesignated Fund Balance Designated for Capital Projects Reserve Designated for Environmental Impairment Reserve Designated for Operating Reserve Expansion Fund (South Valley Revenues)	(351,897.70) 2,434,730.34 2,702,715.89 2,272,084.68 3,078,750.00 4,757,304.98
Assigned for Post Closure and Capital Improvements Crazy Horse Post Closure Lewis Road Post Closure Jolon Road Post Closure Johnson Canyon Post Closure Capital Improvement Projects	1,233,241.42 381,022.50 198,116.07 2,214,263.57 10,742,245.02
Available for Operations:	(5,630,705.59)
Total	29,585,263.98

# **ATTACHMENTS**

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

# Consolidated Statement of Revenues and Expenditure For Period Ending August 31, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Revenue Summary							
Tipping Fees - Solid Waste	13,532,700	1,386,057	2,649,924	19.6 %	10,882,776	0	10,882,776
Tipping Fees - Surcharge	255,000	71,319	152,914	60.0 %	102,086	0	102,086
Tipping Fees - Diverted Materials	3,287,200	356,343	671,235	20.4 %	2,615,965	0	2,615,965
AB939 Service Fee	3,633,000	302,750	605,500	16.7 %	3,027,500	0	3,027,500
Charges for Services	2,267,000	167,213	303,144	13.4 %	1,963,856	0	1,963,856
Sales of Materials	200,000	19,466	19,466	9.7 %	180,534	0	180,534
Gas Royalties	290,000	0	0	0.0 %	290,000	0	290,000
Investment Earnings	50,000	0	0	0.0 %	50,000	0	50,000
Total Revenue	23,514,900	2,303,149	4,402,184	18.7 %	19,112,716	0	19,112,716
Expense Summary							
Executive Administration	508,300	35,878	61,460	12.1 %	446,840	1,027	445,813
Administrative Support	465,800	29,644	75,201	16.1 %	390,599	5,818	384,781
Human Resources Administration	269,200	17,601	36,640	13.6 %	232,560	1,772	230,788
Clerk of the Board	202,500	20,354	32,029	15.8 %	170,471	27	170,444
Finance Administration	926,000	71,144	153,671	16.6 %	772,329	17,537	754,792
Operations Administration	611,600	42,849	81,845	13.4 %	529,755	8,119	521,636
Resource Recovery	1,258,300	129,261	193,146	15.3 %	1,065,154	3,870	1,061,284
Marketing	75,600	2,750	3,338	4.4 %	72,262	69,500	2,762
Public Education	279,300	23,817	46,661	16.7 %	232,639	83,009	149,630
Household Hazardous Waste	813,000	33,851	59,937	7.4 %	753,063	20,931	732,132
C & D Diversion	480,700	4,144	6,211	1.3 %	474,489	0	474,489
Organics Diversion	2,084,200	183,459	244,289	11.7 %	1,839,911	1,559,772	280,140
Diversion Services	30,000	2,145	2,145	7.2 %	27,855	0	27,855
JR Transfer Station	716,200	55,293	109,176	15.2 %	607,024	7,437	599,586
JR Recycling Operations	196,400	12,787	21,342	10.9 %	175,058	27	175,031

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# Consolidated Statement of Revenues and Expenditure For Period Ending August 31, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
SS Disposal Operations	70,000	74,444	107,590	153.7 %	(37,590)	12,008	(49,597)
SS Transfer Operations	76,000	81,924	107,817	141.9 %	(31,817)	6,237	(38,054)
SS Recycling Operations	109,500	46,567	73,083	66.7 %	36,417	0	36,417
ML Transportation Operations	1,582,100	140,049	258,946	16.4 %	1,323,154	21,990	1,301,164
ML Recycling Operations	769,900	16,830	47,769	6.2 %	722,131	146,135	575,996
JC Landfill Operations	3,502,400	233,390	598,729	17.1 %	2,903,671	243,765	2,659,906
JC Recycling Operations	527,900	34,224	56,957	10.8 %	470,943	493	470,451
Johnson Canyon ECS	550,400	13,725	15,665	2.8 %	534,735	8,286	526,449
Sun Street ECS	251,000	100	67,630	26.9 %	183,370	41,100	142,270
Debt Service - Interest	415,300	182,661	182,661	44.0 %	232,639	0	232,639
Debt Service - Principal	2,700,000	2,700,000	2,700,000	100.0 %	0	0	0
Closure/Post Closure Set-Aside	334,400	34,123	65,144	19.5 %	269,256	0	269,256
Cell Construction Set-Aside	1,045,000	106,633	203,575	19.5 %	841,425	0	841,425
Total Expense	20,851,000	4,329,647	5,612,654	26.9 %	15,238,346	2,258,861	12,979,485
Revenue Over/(Under) Expenses	2,663,900	(2,026,498)	(1,210,470)	-45.4 %	3,874,370	(2,258,861)	6,133,230

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# Consolidated CIP Expenditure Report For Period Ending August 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 131 - Crazy Horse Post-Closure Fund							
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	918,084	32,523	114,042	12.4 %	804,041	19,603	784,438
Total Fund 131 - Crazy Horse Post-Closure	1,317,584	32,523	114,042	8.7 %	1,203,541	19,603	1,183,938
Fund 141 - Lewis Road Post-Closure Fund							
141 9402 LR LFG Well Replacement	65,000	0	0	0.0 %	65,000	0	65,000
141 9403 LR Postclosure Maintenance	375,990	2,619	60,503	16.1 %	315,487	6,620	308,866
Total Fund 141 - Lewis Road Post-Closure F	440,990	2,619	60,503	13.7 %	380,487	6,620	373,866
Fund 161 - Jolon Road Post-Closure Fund							
161 9604 JR Postclosure Maintenance	398,915	0	200,799	50.3 %	198,116	0	198,116
Total Fund 161 - Jolon Road Post-Closure F	398,915	0	200,799	50.3 %	198,116	0	198,116
Fund 211 - Grants							
211 9228 Tire Amnesty 2021-22	38,482	0	0	0.0 %	38,482	0	38,482
211 9230 SB1383 Local Assistance Grant Pro	332,235	0	0	0.0 %	332,235	0	332,235
211 9258 Cal Recycle - 2020-21 CCPP	3,259	0	0	0.0 %	3,259	0	3,259
211 9261 Cal Recycle - 2021-22 CCPP	21,393	0	0	0.0 %	21,393	0	21,393
Total Fund 211 - Grants	395,369	0	0	0.0 %	395,369	0	395,369
Fund 800 - Capital Improvement Projects Fu							
800 9105 Concrete Grinding	29,614	0	0	0.0 %	29,614	0	29,614
800 9107 Scale House Software Upgrade	100,000	0	0	0.0 %	100,000	0	100,000
800 9108 Emergency Generators	59,515	19,901	19,901	33.4 %	39,614	0	39,614
800 9109 Organics Infrastructure Upgrades	3,000,000	0	0	0.0 %	3,000,000	0	3,000,000
800 9110 Administration Office Improvements	350,000	0	0	0.0 %	350,000	0	350,000
800 9214 Organics Program 2016-17	735,733	0	0	0.0 %	735,733	0	735,733
800 9222 Community-Based Social Marketing	50,000	3,575	3,575	7.2 %	46,425	3,046	43,379

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# Consolidated CIP Expenditure Report For Period Ending August 31, 2022

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9223 Outdoor Education Center	56,963	4,292	4,292	7.5 %	52,671	0	52,671
800 9501 JC LFG System Improvements	188,268	5,705	5,817	3.1 %	182,451	1,000	181,451
800 9505 JC Partial Closure	140,846	1,632	3,844	2.7 %	137,002	0	137,002
800 9506 JC Litter Control Barrier	79,625	0	0	0.0 %	79,625	0	79,625
800 9507 JC Corrective Action	250,070	0	0	0.0 %	250,070	0	250,070
800 9509 JC Groundwater Well	400,000	0	0	0.0 %	400,000	0	400,000
800 9526 JC Equipment Replacement	2,016,025	0	0	0.0 %	2,016,025	0	2,016,025
800 9527 JC Module Engineering and Constr	2,113,797	12,979	19,012	0.9 %	2,094,786	0	2,094,786
800 9528 Roadway Improvements	400,049	0	0	0.0 %	400,049	0	400,049
800 9601 JR Transfer Station Improvements	882,138	0	0	0.0 %	882,138	0	882,138
800 9602 JR Equipment Purchase	360,000	182,539	182,539	50.7 %	177,461	211	177,250
800 9603 JR Well Replacement	235,622	0	0	0.0 %	235,622	0	235,622
800 9701 MLTS Equipment Replacement	303,100	0	0	0.0 %	303,100	0	303,100
800 9703 SSTS Improvements and Cleanup	160,934	0	0	0.0 %	160,934	0	160,934
Total Fund 800 - Capital Improvement Proje	11,912,300	230,624	238,980	2.0 %	11,673,320	4,257	11,669,063
Total CIP Expenditures	14,465,157	265,765	614,323	4.2 %	13,850,833	30,481	13,820,352

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Check #	Name	Check Date	Amount	Check Total
29541	US BANK CORPORATE PAYMENT SYSTEM	8/4/2022		
270-11	Bakery Station CM	07 47 2022	(10.65)	
	US Composting Council: RR Training		25.00	
	Experian: Credit Reports		49.95	
	Lands End: Ops Supplies		457.37	
	Toms Key Co.: SS Vehicle Maintenance		94.95	
			229.40	
	Lowes: JC Maintenance Supplies			
	4Imprint: Ops Supplies		1,180.88	
	Santa Fe: JC Safety Supplies		42.72	
	AT&T: Finance Internet		43.23	
	Indeed: Recruitment Ad		260.00	
	Bakery Station: Board Retreat Supplies		225.54	
	Lehigh Safety: RR Safety Supplies		210.82	
	Amazon: Admin Office Supplies		220.42	
	Harbor Freight: JC Supplies		46.97	
				3,076.60
29542	**Void**	8/4/2022		
			-	
29543	AT&T SERVICES INC	8/4/2022		-
27010	Adm Telephone Services	07 17 2022	394.21	
	Admirolophone solvices		074.21	394.21
29544	CALIFORNIA WATER SERVICE	8/4/2022		074.21
27544	SS Water Service	0/4/2022	1 700 E1	
	33 Waler Service		1,728.51	1,728.51
29545	ENRIQUE CARRILLO JR.	8/4/2022		1,/20.51
27545	All Sites Tire Service	0/4/2022	4 OOE OO	
	All siles file service		4,005.99	4.005.00
00547	ODEEN DURDED WENNEDWAY ID	0.4.4.0000		4,005.99
29546	GREEN RUBBER - KENNEDY AG, LP	8/4/2022	7 701 57	
	JR Facility Maintenance		7,721.57	7.701.57
				7,721.57
29547	KANTOLA TRAINING SOLUTIONS LLC	8/4/2022		
	HR Harassment Training		19.75	
				19.75
29548	VISION RECYCLING INC	8/4/2022		
	Monthly Organics & C&D Processing		118,790.98	
				118,790.98
29549	ASBURY ENVIRONMENTAL SERVICES	8/4/2022		
	HHW Hauling & Disposal		95.00	
				95.00
29550	Association of Public Treasurers of the United States and Canada	8/4/2022		
	Annual Membership		159.00	
	·			159.00
29551	AT&T SERVICES INC	8/4/2022		
	HHW & JC Telephone Service	,	840.64	
	Time and reliabilities derived		0 10.0 1	840.64
29552	BAUDVILLE, INC	8/4/2022		0 10.0 1
2/002		0/4/2022	122.77	
	Employee Recognition Award		122.//	122.77
20552	DITIE CIDINE EVINIDUMIVAENITAT	0/4/0000		122.//
29553	BLUE STRIKE ENVIRONMENTAL	8/4/2022	1 000 00	
	Special Event Recycling		1,920.00	1 000 00
				1,920.00

Check #	Name	Check Date	Amount	Check Total
29554	CALIFORNIA RESOURCE RECOVERY ASSOCIATION CRRA Bronze Level Sponsorship CRRA Conference Registration	8/4/2022	2,500.00 1,760.00	
29555	CALIFORNIA WATER SERVICE	8/4/2022		4,260.00
	JR Water Service		548.56	548.56
29556	CESAR ZUÑIGA Cal-Osha Conference	8/4/2022	182.00	100.00
29557	DOUGLAS NOLAN School Assembly Program	8/4/2022	10,650.00	182.00
29558	ERNEST BELL D. JR	8/4/2022	10,000.00	10,650.00
	All Sites Janitorial Services		3,710.00	3,710.00
29559	Fabian Orejel JC Safety Supplies	8/4/2022	187.71	
29560	FEDEX Ops Adm overnight Shipments	8/4/2022	28.26	187.71
29561	FIRST ALARM	8/4/2022	20.20	28.26
2,00.	HHW & SS Alarm Services	5, 1, 2022	175.00	175.00
29562	FULL STEAM STAFFING LLC SS Contract Labor	8/4/2022	927.36	
29563	GOLDEN STATE TRUCK & TRAILER REPAIR	8/4/2022	2 (04 40	927.36
29564	All Sites Vehicle Maintenance  GONZALES ACE HARDWARE	8/4/2022	3,684.48	3,684.48
27001	All Sites Vehicle & Equipment Maintenance	G/ 1/2022	205.46	205.46
29565	INFINITY STAFFING SERVICES, INC. JC Contract Labor	8/4/2022	3,103.28	
29566	JT HOSE & FITTINGS	8/4/2022	100.07	3,103.28
29567	ML Vehicle Maintenance LS&G Electrical Contractors, Inc.	8/4/2022	192.37	192.37
27007	JC Improvements	0/4/2022	6,992.34	6,992.34
29568	MICHAEL SILVA Admin Building Network Supplies	8/4/2022	394.32	
29569	MISSION LINEN SUPPLY	8/4/2022	070 47	394.32
29570	All Sites Uniforms  MONICA AMBRIZ	8/4/2022	270.47	270.47
2/3/0	2022 CalOSHA Conference	0)4)2022	981.00	981.00
29571	OLDTOWN SALINAS FOUNDATION Salinas Food & Wine Sponsorship	8/4/2022	250.00	
				250.00

Check #	Name	Check Date	Amount	Check Total
29572	ONE STOP AUTO CARE/V & S AUTO CARE, INC Admin Prius Maintenance	8/4/2022	1,233.79	1 000 70
29573	QUINN COMPANY JC & JR Equipment Maintenance	8/4/2022	3,272.61	1,233.79
29574	R.D. OFFUTT COMPANY JC Equipment Maintenance	8/4/2022	42.33	3,272.61
29575	TELCO BUSINESS SOLUTIONS Monthly Network Support	8/4/2022	245.35	245.35
29576	VITALITY MEDICAL, INC. Sharp Containers	8/4/2022	3,981.46	3,981.46
29577	ASSOCIATED HEATING AIR CONDITIONING & SHEETMETAL, INC Common Area Maintenance	8/11/2022	441.00	441.00
29578	CORE & MAIN LP  JC Maintenance Supplies	8/11/2022	6,818.33	6,818.33
29579	CSC OF SALINAS/YUMA  JR Equipment Maintenance	8/11/2022	135.90	·
29580	CUTTING EDGE SUPPLY JC Equipment Maintenance	8/11/2022	1,439.75	135.90
29581	Elevator Service Co. of Central California Inc. Common Area Elevator Maintenance	8/11/2022	175.00	1,439.75
29582	FEDEX Ops Adm Overnight Shipments	8/11/2022	22.08	175.00
29583	FIRST ALARM All Sites Alarm Services	8/11/2022	350.00	22.08
29584	FRESNO OXYGEN SS Facility Maintenance	8/11/2022	37.71	350.00
29585	FULL STEAM STAFFING LLC All Sites Contract Labor	8/11/2022	7,285.56	37.71
29586	GOLDEN STATE TRUCK & TRAILER REPAIR SS Vehicle Maintenance	8/11/2022	90.37	7,285.56
29587	GONZALES ACE HARDWARE JC Org Facility Maintenance	8/11/2022	13.04	90.37
29588	JC Vehicle Maintenance  GRAINGER	8/11/2022	39.12	52.16
29589	JC & SS Maintenance Supplies  GREEN RUBBER - KENNEDY AG, LP	8/11/2022	183.04	183.04
	JC Facility Maintenance		856.37	856.37

Check #	Name	Check Date	Amount	Check Total
29590	JT HOSE & FITTINGS SS Vehicle Maintenance	8/11/2022	141.40	141.40
29591	LS&G Electrical Contractors, Inc. JC Improvements	8/11/2022	12,909.05	12,909.05
29592	MISSION LINEN SUPPLY All Sites Uniforms	8/11/2022	222.21	222.21
29593	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	8/11/2022	1,035.56	1,035.56
29594	PENINSULA MESSENGER LLC All Sites Courier Service	8/11/2022	1,170.00	·
29595	QUINN COMPANY JC Equipment Maintenance	8/11/2022	7.08	1,170.00
29596	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	8/11/2022	250.00	7.08
29597	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Equipment & Vehicle Fuel	8/11/2022	24,869.21	250.00
29598	VALERIO VARELA JR SS Vehicle Maintenance	8/11/2022	2,410.00	24,869.21
29599	WEST COAST RUBBER RECYCLING, INC SS Tire Diversion	8/11/2022	2,145.00	2,410.00
29600	WESTERN EXTERMINATOR COMPANY JC & Adm Exterminator Service	8/11/2022	169.55	2,145.00
29601	WESTERN TRAILER COMPANY JC Equipment Maintenance	8/11/2022	4,907.50	169.55
29602	AMERICAN SUPPLY CO. Janitorial Supplies	8/15/2022	443.34	4,907.50
29603	AT&T SERVICES INC Telephone Service	8/15/2022	1,020.43	443.34
29604	AXIS CONSTRUCTION Refund Credit Balance to Customer	8/15/2022	703.51	1,020.43
29605	CALIFORNIA WATER SERVICE SS Water Service	8/15/2022	204.52	703.51
29606	CITIZEN COMMUNICATIONS LLC Recyclist Data Import	8/15/2022	1,000.00	204.52
29607	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC. HHW June Disposal	8/15/2022	16,406.36	1,000.00
	HHW June Supplies		1,347.13	17,753.49

Check #	Name	Check Date	Amount	Check Total
29608	GEOLOGIC ASSOCIATES, INC.	8/15/2022		
	June GW Monitoring Services	-, -, -	2,974.50	
				2,974.50
29609	GOLDEN STATE TRUCK & TRAILER REPAIR	8/15/2022	878.16	
	JC Equipment Maintenance		0/0.10	878.16
29610	INFINITY STAFFING SERVICES, INC.	8/15/2022		
	Contract Labor		2,430.55	
00/11	A CONTERENT OF THE PERMANENT OF THE PERM	0.415.40000		2,430.55
29611	MONTEREY COUNTY HEALTH DEPARTMENT  Mo.Co. Quarterly Regional Fee	8/15/2022	30,235.14	
	Mo.co. Quarterly Regional Fee		30,233.14	30,235.14
29612	RODOLFO RAMIREZ AYALA	8/15/2022		
	All Sites Equipment & Vehicle Maintenance		900.00	
00/10	000 5110115500	0.415.40000		900.00
29613	SCS ENGINEERS	8/15/2022	1 000 00	
	JC Engineering Services		1,000.00	1,000.00
29614	SECURITY SHORING & STEEL PLATES, INC.	8/15/2022		1,000.00
	SS Steel Plate Rental		306.00	
				306.00
29615	SWANA LEGISLATIVE TASK FORCE	8/15/2022	1 000 00	
	Agency Membership		1,000.00	1,000.00
29616	S. GRONER ASSOCIATES	8/16/2022		1,000.00
	Amnesty Event Campaign		6,480.88	
				6,480.88
29617	US BANK CORPORATE PAYMENT SYSTEM	8/17/2022	45.40	
	Amazon: Admin Office Supplies Northern Tool: Ops Memberships		65.62 39.99	
	USCC: RR Membership		450.00	
	Experian: Credit Reports		99.90	
	Smart & Final: RR Supplies		8.73	
	Indeed: Recruitment Advertisement		589.00	
	Intermedia: Email Exchange		12.68	
	Amazon: Admin Network Supplies Quill: SS Safety Supplies		174.70 178.03	
	Intermedia: Email Exchange		436.11	
	AT&T: JC Ops Internet		70.00	
	Amazon: SS Facility Maintenance		327.76	
	Costco: SS Ops Supplies		726.03	
	Amazon: SS Ops Supplies		22.39	
	CRRA: Annual Conference		1,403.79	
	Vrbo: CRRA Conference Amazon: Admin Network Supplies		280.00 523.31	
	Wal-Mart: Admin Supplies		53.53	
	08.04.22 US Bank CM		(302.25)	
	CSMFO: Intermediate Governmental Training		200.00	
	OWP Sac State: QISP Certification		190.00	
	Amazon: ML Facility Maintenance		633.65	
	SHRM: HR Annual Membership Zoom: Meeting Software		229.00 146.96	
	Amazon: Admin Office Supplies		271.13	
	SurveyMonkey: Subscription Services		99.00	
				6,929.06

Check #	Name	Check Date	Amount	Check Total
29618	**Void**	8/17/2022	-	
29619	**Void**	8/17/2022	_	-
29620	**Void**	8/17/2022		-
29621	A & G PUMPING, INC	8/18/2022	-	-
29622	All Sites Portable Toilets  ACME CAR WASH	8/18/2022	404.13	404.13
20,722	All Sites Vehicle Maintenance	0/10/0000	180.00	180.00
29623	AGRI-FRAME, INC JC Facility Maintenance SS Facility Maintenance	8/18/2022	860.78 112.75	
29624	AMERICAN SUPPLY CO.  JC Janitorial Supplies	8/18/2022	246.37	973.53
29625	ASBURY ENVIRONMENTAL SERVICES	8/18/2022		246.37
29626	HHW Hauling & Disposal  AT&T SERVICES INC	8/18/2022	285.00	285.00
00.407	Adm Telephone Service		417.28	417.28
29627	AUTOZONE LLC. All Sites Equipment Maintenance Supplies	8/18/2022	275.01	275.01
29628	CALIFORNIA WATER SERVICE SS Water Service	8/18/2022	257.54	257.54
29629	CITY OF GONZALES JC Water Service	8/18/2022	219.24	237.34
29630	Monthly Hosting Fees  COAST COUNTIES TRUCK & EQUIPMENT CO.	8/18/2022	20,833.33	21,052.57
	Peterbilt 389 Tractor		182,539.00	182,539.00
29631	COAST COUNTIES TRUCK & EQUIPMENT CO.  ML Vehicle Maintenance  SS Vehicle Maintenance	8/18/2022	858.20 450.56	
29632	CSC OF SALINAS/YUMA JR Vehicle Maintenance	8/18/2022	464.92	1,308.76
	SS Vehicle Maintenance		13.44	478.36
29633	DATAFLOW BUSINESS SYSTEMS INC. Printer Network Support	8/18/2022	29.05	29.05

Check #	Name	Check Date	Amount	Check Total
29634	EAST BAY TIRE CO.	8/18/2022		
	ML Vehicle Maintenance		488.12	
	Ops Adm Vehicle Maintenance		37.69	
				525.81
29635	FIRST ALARM	8/18/2022	1 40 00	
	All Sites Alarm Services		140.00	1.40.00
29636	FRESNO OXYGEN	8/18/2022		140.00
27000	JC Equipment Maintenance	0, 10, 2022	25.48	
	SS Facility Maintenance		145.63	
	·			171.11
29637	FULL STEAM STAFFING LLC	8/18/2022		
	JC Contract Labor		890.40	
00/00	COLDEN STATE TRUCK & TRAILED DEDAID	0.410.40000		890.40
29638	GOLDEN STATE TRUCK & TRAILER REPAIR	8/18/2022	1,683.84	
	JC & SS Equipment Maintenance		1,000.04	1,683.84
29639	GONZALES ACE HARDWARE	8/18/2022		1,000.04
	JC Facility Maintenance	5, 15, 2322	766.85	
				766.85
29640	**Void**	8/18/2022		
			-	
00/41	O O VIZ M FO TIPE A MUTO OMPRIM	0.410.40000		-
29641	GONZALES TIRE & AUTO SUPPLY	8/18/2022	005.04	
	All Sites Equipment Maintenance		985.04	985.04
29642	GREEN RUBBER - KENNEDY AG, LP	8/18/2022		705.04
27012	JC Org Facility Maintenance	3, 13, 2322	511.10	
	, i i i i i i i i i i i i i i i i i i i			511.10
29643	ICONIX WATERWORK (US) INC.	8/18/2022		
	JC Maintenance Supplies		722.34	
		0.44.0.000		722.34
29644	JT HOSE & FITTINGS	8/18/2022	000.10	
	ML Vehicle Maintenance		822.19	822.19
29645	JULIO GIL	8/18/2022		022.17
27010	HHW Facility Maintenance	3/10/2022	765.80	
	JR Vehicle Maintenance		422.26	
				1,188.06
29646	KING CITY HARDWARE INC.	8/18/2022		
	JR Facility Maintenance		90.32	
00/47	A face about 11 a million	0./10./0000		90.32
29647	Maestro Health Maestro Monthly Fees	8/18/2022	150.00	
	Maesiro Moriirily rees		150.00	150.00
29648	MISSION LINEN SUPPLY	8/18/2022		100.00
	All Sites Uniforms Service		165.24	
				165.24
29649	ODP BUSINESS SOLUTIONS, LLC	8/18/2022		
	All Sites Office Supplies		2,630.12	
00750	DUDE WATER ROTTUNG	0./10./0000		2,630.12
29650	PURE WATER BOTTLING All Sites Water Service	8/18/2022	351 OF	
	VII 21162 AAGIBI 26IAIC6		351.85	351.85
				551.65

Check #	Name	Check Date	Amount	Check Total
29651	RAMON N VALLEJO HR Livescans	8/18/2022	57.00	57.00
29652	REPUBLIC SERVICES #471 Adm Bldg. Monthly Trash	8/18/2022	85.30	57.00 85.30
29653	RODOLFO RAMIREZ AYALA ML & JR Vehicle Maintenance	8/18/2022	4,680.00	
29654	**Void**	8/18/2022	-	4,680.00
29655	ROSSI BROS TIRE & AUTO SERVICE All Sites Equipment Maintenance	8/18/2022	3,532.31	-
29656	**Void**	8/18/2022	-	3,532.31
29657	SECURITY SHORING & STEEL PLATES, INC. SS Equipment Rental	8/18/2022	138.00	-
29658	SOLID WASTE ASSOCIATION OF NORTH AMERICA SWANA Membership - RH	8/18/2022	275.00	138.00
29659	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Vehicle & Equipment Fuel	8/18/2022	13,782.01	275.00
29660	SPECIALTY DISTRIBUTORS INC.  JC Equipment Maintenance	8/18/2022	478.59	13,782.01
29661	STERICYCLE, INC Adm Shredding Services	8/18/2022	120.43	478.59
29662	TODD V. RAMEY JC Consulting Engineering	8/18/2022	350.00	120.43
29663	VALERIO VARELA JR ML Vehicle Maintenance	8/18/2022	1,025.00	350.00
29664	VOSTI'S INC JC Facility Maintenance	8/18/2022	562.32	1,025.00
29665	WESTERN EXTERMINATOR COMPANY SS Exterminator Services	8/18/2022	338.45	562.32
29666	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION All Sites Vehicle Fuel	8/18/2022	2,702.38	338.45
29667	ADMANOR, INC Community Based Social Marketing	8/25/2022	3,575.00	2,702.38
29668	AMERICAN SUPPLY CO.  JC Janitorial Supplies	8/25/2022	2,555.40	3,575.00
	зо заптопагоорию		2,000.40	2,555.40

Check #	Name	Check Date	Amount	Check Total
29669	ASSOCIATED HEATING AIR CONDITIONING & SHEETMETAL, INC Common Area Maintenance	8/25/2022	375.00	375.00
29670	AT&T SERVICES INC Ops Adm Telephone Service	8/25/2022	1,375.84	1,375.84
29671	Atlas Copco USA Holdings Inc JC Maintenance Supplies	8/25/2022	3,512.02	3,512.02
29672	BAGLEY ENTERPRISES, INC JR Facility Maintenance	8/25/2022	1,020.00	·
29673	BLUE STRIKE ENVIRONMENTAL RR Consulting Services	8/25/2022	1,722.25	1,020.00
29674	CALPELRA Investigations CALPELRA training	8/25/2022	325.00	1,722.25
29675	CDW GOVERNMENT Annual Antivirus Subscription	8/25/2022	1,924.24	325.00
29676	CLARK PEST CONTROL, INC Adm Exterminator Service	8/25/2022	100.00	1,924.24
29677	COAST COUNTIES TRUCK & EQUIPMENT CO.  ML Vehicle Maintenance	8/25/2022	1,004.05	100.00
29678	COMCAST Common Area Maintenance	8/25/2022	248.04	1,004.05
00.470	Monthly Internet Service	0.405.40000	300.64	548.68
29679	COMPLETE PAPERLESS SOLUTIONS, LLC Laserfiche Annual Support	8/25/2022	6,960.00	6,960.00
29680	CUTTING EDGE SUPPLY JC Equipment Maintenance JC Vehicle Maintenance	8/25/2022	6,756.73 631.03	
29681	DBA ELECTRIC INC Main Office Parking Lot Light Repairs	8/25/2022	1,536.86	7,387.76
29682	FEDEX Ops Adm Overnight Shipment	8/25/2022	88.21	1,536.86
29683	FULL STEAM STAFFING LLC All Sites Contract Labor	8/25/2022	4,124.61	88.21
29684	GOLDEN STATE TRUCK & TRAILER REPAIR ML Vehicle Maintenance	8/25/2022	20,318.03	4,124.61
29685	GONZALES ACE HARDWARE	8/25/2022		20,318.03
	JC Facility Maintenance		39.52	39.52

Check #	Name	Check Date	Amount	Check Total
29686	GRAINGER JC Org Facility Maintenance	8/25/2022	1,280.07	1,280.07
29687	GREEN RUBBER - KENNEDY AG, LP JC Facility Maintenance	8/25/2022	4,269.50	4,269.50
29688	GREEN VALLEY INDUSTRIAL SUPPLY, INC JR Vehicle Maintenance	8/25/2022	98.61	98.61
29689	GUERITO SS & JC Portable Toilets	8/25/2022	1,243.00	1,243.00
29690	ICONIX WATERWORK (US) INC. JC Maintenance Supplies	8/25/2022	1,160.33	1,160.33
29691	INFINITY STAFFING SERVICES, INC. JC Contract Labor	8/25/2022	5,866.20	·
29692	JINQUAN CHEN Worm bins	8/25/2022	3,060.00	5,866.20
29693	JOHN NAEGLE Work Boots	8/25/2022	220.00	3,060.00
29694	MANUEL PEREA TRUCKING, INC. SS & JC Equipment Rental	8/25/2022	1,365.00	220.00
29695	MICROSOFT CORPORATION Microsoft: Office 365 Annual Subscription	8/25/2022	2,673.00	1,365.00
29696	MISSION LINEN SUPPLY All Sites Uniforms	8/25/2022	684.59	2,673.00
29697	MONTEREY COUNTY HEALTH DEPARTMENT ML Vehicle Safety Inspection	8/25/2022	3,319.00	684.59
29698	NEU-SCAPES, INC. Common Area Maintenance	8/25/2022	1,675.00	3,319.00
29699	ODP BUSINESS SOLUTIONS, LLC Ops Adm Office Supplies	8/25/2022	46.03	1,675.00
29700	ONE STOP AUTO CARE/V & S AUTO CARE, INC RR Vehicle Maintenance	8/25/2022	90.41	46.03
29701	PACE ANALYTICAL SERVICES, LLC Adm Special dept Supplies	8/25/2022	43.44	90.41
29702	LR Lab Water Analysis PRICILLIA RODRIGUEZ	8/25/2022	1,529.42	1,572.86
29703	SS Hauling Services  QUINN COMPANY	8/25/2022	72,869.76	72,869.76
	All Sites Equipment & Vehicle Maintenance	-,,	2,993.56	2,993.56

Check #	Name	Check Date	Amount	Check Total
29704	**Void**	8/25/2022	-	
29705	ROSSI BROS TIRE & AUTO SERVICE All Sites Vehicle & Equipment Maintenance Return Tires	8/25/2022	29,139.66 (25,206.76)	-
29706	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	8/25/2022	200.00	3,932.90
29707	SOCIAL VOCATIONAL SERVICES, INC. JC Litter Abatement	8/25/2022	7,856.84	200.00
29708	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Fuels JC & ML Fuel	8/25/2022	20,738.23 10,965.41	7,856.84
29709	Southern Counties Oil Co., a CA Limited Partnership JR Monthly Fuel	8/25/2022	7,583.80	31,703.64
29710	TELCO BUSINESS SOLUTIONS Server Upgrade	8/25/2022	17,473.92	7,583.80
29711	TOYOTA MATERIAL HANDLING HHW Equipment Maintenance	8/25/2022	462.56	17,473.92
29712	VALERIO VARELA JR All Sites Equipment Maintenance	8/25/2022	3,147.50	462.56 3,147.50
29713	VALLEY FABRICATION, INC. JC Facility Maintenance	8/25/2022	217.18	217.18
29714	VEGETABLE GROWERS SUPPLY, INC. JC Safety Supplies	8/25/2022	201.94	201.94
29715	VERIZON WIRELESS SERVICES Monthly Internet Service	8/25/2022	177.80	177.80
29716	WESTERN EXTERMINATOR COMPANY SS Exterminator Services	8/25/2022	338.45	338.45
29717	WESTERN TRAILER COMPANY JR Vehicle Maintenance	8/25/2022	61.36	61.36
23-00093-DFT	HOME DEPOT All Sites Facility Supplies	8/8/2022	607.64	607.64
23-00094-DFT	HOME DEPOT All Sites Facility Supplies	8/8/2022	2,071.25	2,071.25
23-00095-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites Electrical Services	8/3/2022	17,698.08	17,698.08
				.,,,,,,,,,,,

Check #	Name	Check Date	Amount	Check Total
23-00113-DFT	REPUBLIC SERVICES #471 ML Rent	8/31/2022	16,234.17	
23-00115-DFT	CarMax Business Services, LLC 2022 Ford Maverick	8/17/2022	45,210.19	16,234.17
23-00116-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites CNG	8/18/2022	11,285.23	45,210.19
23-00137-DFT	HOME DEPOT All Sites Facility Supplies	8/31/2022	1,436.72	11,285.23
	Subtotal			906,024.80
	Payroll Disbursements			569,863.59
	Grand Total			1,475,888.39



# Report to the Board of Directors

**Date:** October 20, 2022

From: Mandy Brooks, Resource Recovery Manager

**Title:** Member and Interagency Activities Report for

September 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 is 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)

<u>Sun Street Transfer Station:</u> On Sept. 10, 2022, the Sun Street Transfer Station officially closed. The LEA conducted a closure inspection of the facility on Sept. 30 with no violations or areas of concern. The Solid Waste Facility permit will remain active to complete the facility-wide remediation process and will continue to be inspected monthly until the process is complete.

<u>Madison Lane Recycling & HHW Facility</u>: The Recycling Center at the Madison Lane Facility is not permitted by the LEA and therefore will not be inspected on a monthly basis. The HHW Facility will continue to be inspected annually by the Health Dept's Environmental Health Bureau's Hazardous Materials Management Services.

<u>Johnson Canyon Landfill & Composting Facility:</u> The monthly inspection for the Johnson Canyon Landfill and Composting Facility was conducted on Sept. 22. No violations or areas of concern were noted during the inspection.

<u>Jolon Road Transfer Station:</u> The monthly inspection for Jolon Road Transfer Station was conducted in Sept. 27. No areas of concern or violations were noted for the inspection.

<u>Closed Landfills</u>: The quarterly inspections for the Crazy Horse Transfer Station and Landfill (*closed*) and Lewis Road Landfill (*closed*) were conducted on September 28; no areas of concern or violations were issued.

# Monterey Bay Air Resources District (MBARD)

On September 16, the Monterey Bay Air Resources District conducted the annual inspection at the Johnson Canyon Landfill and Composting Facility. A Notice to Comply (NTC) (similar to a warning) was issued after the inspection of the Composting Facility for lack of composting reporting data available on-site. Staff followed up and provided the required reports so the NTC will be removed.

# **Gonzales Clothing Closet**

The Clothing Closet was closed for a week during Sept due to the extreme heat episode. September's donations exceeded items distributed so additional items were sent to families in-need in Mexico. The Clothing Closet continues to be open Tuesdays - Thursdays from 3:00pm to 5:00pm.

CY 2022	# of Volunteers	Hours	Clothing Items Distributed	# of Families Served	# of Family Members Served
July 2022	3	48	362	21	100
Aug 2022	2	56	500	24	102
Sept 2022	2	40	202	14	66
TOTALS	2.3 (AVG)	144	1.064	59	268

# **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. Four (4) clean up events occurred in September with the results listed in the table below. The results from the Salinas Aug. cleanup is also listed.

Date	Location	Hauler/ Volunteer Group	Trash (tons)	Recycling (tons)	ABOP Materials (SVR)	Diversion %
Aug 20	Salinas District 1	Republic Services	4.7	8.1	n/a	63%
Sept 10	Prunedale	Waste Management	4.9	4.5	1.2 tons	48%
Sept 17	Salinas District 2	Republic Services	4.9	4.7	n/a	49.5%
Sept 17	Lockwood	Waste Management	2.8	2.5	0.91 tons	48%
Sept 24	Soledad	Tri-Cities Disposal	11.7	12.1	1.03 tons	51%

# FY 22-23 Current & Future Events with SVR Staff Participation

Gonzales: 10/15–11/12 Tire Amnesty Collection Event, Johnson Canyon Landfill

10/12/22 Waste Audit for Misionero Vegetables, Johnson Canyon Landfill 11/12/22 Community Cleanup & ABOP Event, Fairview Middle School

Greenfield:	10/22/22	Community Cleanup & ABOP Event, Public Works Yard
King City:	<b>10/15–11/12</b> 11/05/22	<b>Tire Amnesty Collection Event, Jolon Rd Transfer Station</b> Community Cleanup & ABOP Event, SV Fairgrounds
Salinas:	10/02/22 10/08/22 10/15/22 11/03/22 11/05/22 11/12/22	Booth at Electric Vehicle Ride & Drive Event, Train Station District 3 Community Cleanup Event Composting Workshop, Jardin El Sol at Sun St Farm Day, Salinas Sports Complex Citywide Community Cleanup Event, Madison Lane TS Lithium-ion Battery Collection, CR Rotary Club, Sports Complex
Soledad:	11/12/22	Lithium-ion Battery Collection, CR Rotary Club, Circuit Family Fitness
Мо. Со.:	<b>10/15–11/12</b> 10/08/22 10/22/22 11/19/22	Tire Amnesty Collection Event, Madison Ln Recycling Center San Ardo Community Cleanup & ABOP Event Bradley Community Cleanup Event 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 appraised 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

**Date:** October 20, 2022

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

Manager

**Title:** September 2022 Quarterly Investments Report

# ITEM NO. 4

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

N/A

General Legal Counsel

# **RECOMMENDATION**

Staff recommends that the Board accepts the September 2022 Quarterly Investments Report.

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

#### STRATEGIC PLAN RELATIONSHIP

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

# FISCAL IMPACT

None

## **DISCUSSION & ANALYSIS**

The vast majority, \$31,000,648.95 (98.92%), of the Authority's investment portfolio is invested in the State's Local Agency Investment Fund (LAIF). For the month ended September 30, 2022, the LAIF effective yield was 1.513%. LAIF is invested as part of the State's Pooled Money Investment Account (PMIA) with a total of \$229.3 Billion as of August 31, 2022. The Authority's LAIF investment of \$31,000,648.95 represents .014% of the PMIA. Attached is a summary of the PMIA portfolio as of September 30, 2022.

# ATTACHMENT(S)

- 1. September 30, 2022 Cash and Investments Report
- 2. September 30, 2022 PMIA Portfolio Composition and Average Monthly Yields

# SALINAS VALLEY SOLID WASTE AUTHORITY Cash and Investments Report September 30, 2022

Issuer/Investment	Rate		Balance	Maturity	Moody's Rating
Investments Managed by Authority Treasurer:					
Petty Cash	_	\$	1,400.00	N/A	N/A
General Checking Account	_	Ψ	272,836.47	Same day	Aa2
Payroll Checking account	_		10,000.00	Same day	Aa2
General Deposit Account	-		51,955.69	Same day	Aa2
Scalehouse Deposit Account	-		12,809.70	Same day	Aa2
FSA Checking Account	-		9,438.61	Same day	Aa2
LAIF	1.513%		31,000,648.95	Same day	N/A
LAIF - FMV Adjustment			(419,843.52)		
BNY - Bond 2022A Payment Account			19,423.36		
CEPPT Restricted Fund			381,468.48		
	- -	\$	31,340,137.74		

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



# **PMIA/LAIF Performance Report** as of 10/06/22



# **PMIA Average Monthly** Effective Yields<sup>(1)</sup>

September 1.513 1.276 August 1.090 July

# **Quarterly Performance** Quarter Ended 06/30/22

LAIF Apportionment Rate<sup>(2)</sup>: 0.75

LAIF Earnings Ratio<sup>(2)</sup>: 0.00002057622201151

LAIF Fair Value Factor<sup>(1)</sup>: 0.987125414

PMIA Daily<sup>(1)</sup>: 0.99% PMIA Quarter to Date<sup>(1)</sup>: 0.69%

PMIA Average Life<sup>(1)</sup>: 311

# **Pooled Money Investment Account** Monthly Portfolio Composition (1) 08/31/22 \$229.3 billion

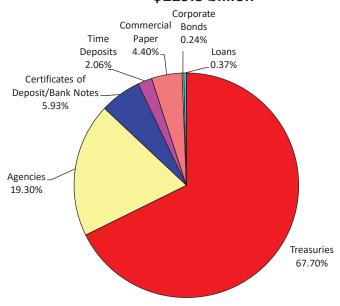


Chart does not include \$4,017,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

#### Daily rates are now available here. View PMIA Daily Rates

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of Calfiornia, Office of the Controller

Report to the Board of Directors

**Date:** October 20, 2022

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

**Title:** A Resolution Approving the Regular Board of

Directors and Executive Committee Meetings

Calendar for 2023

# ITEM NO. 5

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

## **RECOMMENDATION**

Staff recommends that the Board adopt the resolution.

## STRATEGIC PLAN RELATIONSHIP

This is an administrative item.

## FISCAL IMPACT

There is no fiscal impact.

## **DISCUSSION & ANALYSIS**

# January Meeting – no impact/remain as scheduled

Normally when the January Executive Committee falls near the New Year date, that meeting is held one week later than normal; however, the January 2023 meeting falls on January 5, four days after the holiday, therefore staff proposes to maintain that regular scheduled meeting date. The League of California New Mayors & Council Members Academy is scheduled for January 18-20 and February 1-3, which coincided with the Board of Directors regular meeting date. However, staff proposes to keep the regular meetings as Board members have the option to attend the Board meeting remotely. Maintaining the meetings as regularly scheduled enable staff to ensure that issues which need Executive Committee review are considered on a timely basis and to allow enough time to prepare reports for the upcoming Board meeting.

June Meeting (League of California Cities Mayors & Council Members Executive Forum)

Both the League of California Cities Annual Mayors and Council members Executive

Forum and the Annual Conference have not been scheduled. Staff is proposing to

maintain the regular scheduled meeting date and determine if a change is needed once
the conference is scheduled.

# September Meeting (League of California Cities Annual Conference) – Impacts Schedule

The League of California Cities Annual Conference has caused a quorum issue in past years. The League's 2023 Annual Conference is scheduled for September 20-22, which does coincide with the Board of Directors regular meeting date. Staff is proposing to maintain the regular scheduled meeting date and determine if a change is needed once the conference date approaches and Board member attendance is known.

#### **December Meeting Optional Cancellation**

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

#### **BACKGROUND**

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

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

#### ATTACHMENT(S)

- League of California Cities & California State Association of Counties short list of conferences
- 2. Resolution
- 3. Exhibit A 2023 Meetings Calendar

League of California Cities – 2023

Date	Event	Location
January 18-20 and February 1-3 2023	New Mayors & Council Members Academy	Sacrament, CA and Universal City
Dates No Available	Mayors & Council Members Executive Forum	Unknown
September 20-22, 2023	2023 Annual Conference & Sacramento, CA	

### California State Association of Counties - 2023

Date	Event	Location
Dates No Available	Legislative Conference	Unknown
Dates No Available	Annual Meeting	Unknown

#### **RESOLUTION NO. 2022 -**

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING DESIGNATING THE DATE, TIME AND PLACE FOR REGULAR BOARD AND EXECUTIVE COMMITTEE MEETINGS FOR CALENDAR YEAR 2023

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

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

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

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 20th day of October 2022, by the following vote:

Erika J. Trujil	lo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
		Christopher M. Longz President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	



## 2023 Meetings Calendar

January											
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15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
29	30	31					

	November					
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	December					
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24	25	26	27	28	29	30
31						

#### January

5 – Exec Committee

#### 19 – Board of Directors

#### February

2 – Exec Committee

16 – Board of Directors

#### March

2 – Exec Committee

16 – Board of Directors

#### April

6 – Exec Committee

20 – Board of Directors

#### May

4 – Exec Committee

18 – Board of Directors

#### June

1 – Exec Committee

15 – Board of Directors

#### July

Meetings Recess

#### August

3 – Exec Committee

17 – Board of Directors

#### September

7 – Exec Committee

21 – Board of Directors

#### October

5 – Exec Committee

19 – Board of Directors

#### November

2 – Exec Committee

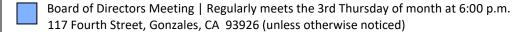
16 – Board of Directors

#### December - Tentative

7 – Exec Committee

21 – Board of Directors

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



League of California Cities New Mayors & Council Members Academy

League of California Cities Annual Conference & Expo

December Meetings Tentative (pending critical Board action items)

Agenda materials are normally posted to the website on Fridays before the next scheduled meeting. http://svswa.org/government/agendas-meeting-schedules/



# Report to the Board of Directors

**Date:** October 20, 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

#### ITEM NO. 6

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.
Authority General Counsel

#### **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 01255.0022/789363.1

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) November 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 20 day of October 2022, by the following vote:

Erika J. Truji	llo, Clerk of the Board	Roy C. Santos, Authority General Counse
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	



# Report to the Board of Directors

**Date:** October 20, 2022

From: Elia Zavala, Contracts & Grants Analyst

**Title:** A Resolution Approving a Supplemental

Appropriation of \$100,000 for CalRecycle's Household Hazardous Waste Grant 39<sup>th</sup> Cycle (HD39) 2022-23 Small Projects Cycle

Grant

# RECOMMENDATION

Staff recommends that the Board adopt the resolution.

#### STRATEGIC PLAN RELATIONSHIP

The recommended action supports the Authority's Mission, Vision, and Values by providing sustainable and cost-effective community-based waste reduction programs. This action provides free and safe disposal opportunities of household hazardous waste (HHW) materials at the Authority's most northern and southern rural areas through a partnership with Clean Earth who will collect, transport, and recycle the collected materials.

#### FISCAL IMPACT

This grant is funded on a reimbursement basis for work completed. It does not require matching funds.

The FY 2022-23 Budget was adopted in advance of notification of this grant award. Therefore, the budget needs to be amended to include the revenue and its associated expenditures, which is planned to be used as follows:

Grant Budget Items	Cost
HHW Collection	90,000
Media	10,000
Total Grant Funding	\$100,000

#### **DISCUSSION & ANALYSIS**

The Authority has a fully permitted HHW collection facility just outside of Salinas, now located on Madison Lane. The Authority is also permitted to collect limited HHW materials, referred to as ABOP materials (Antifreeze, Batteries, Oil, and Paints), at the Jolon Road Transfer Station near King City and the Johnson Canyon Landfill facility near Gonzales.

In addition, the Authority collects ABOP materials from residents at the community clean up events conducted by the franchise waste haulers in their respective cities or county areas. However, any other type of HHW material must be taken to the Madison Lane facility for

ITEM NO. 7

Finance and Administration Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

**Authority General Counsel** 

proper handling. The distance to the Madison Lane facility (previously the Sun St facility in Salinas) is often an inconvenience to the rural communities, especially the southern-most communities, resulting in residents storing unwanted products in their properties for extended periods of time. This grant funding will allow the Authority to partner with Clean Earth to host three HHW collection events in the Authority's most southern and northern communities: one in Pajaro, one in Lockwood, and one in King City.

These collection events will be planned to be concurrent with the local waste hauler's annual community cleanup events. The grant term will run through September 2025; however, it is anticipated that the events will be held in 2023, possibly 2024, as scheduling and funding permits. During each event, residents will be able to safely dispose of their unwanted household hazardous materials for free in their local communities. Clean Earth will provide the appropriate setup and equipment, and their trained staff will assist residents with their HHW disposal needs.

#### **BACKGROUND**

While SVSWA provides ABOP collection services at over twenty annual community cleanups annually, and has two ABOP facilities, there is a need for accessible full HHW collection services, particularly for the most southern and northern rural areas of the county. In May 2022 CalRecycle issued a notice of grant funds available and on June 29, 2022, the Authority submitted an application. The Authority received notice of award on September 28, 2022.

#### **ATTACHMENTS**

- 1. Resolution
- 2. Grant Agreement #HD39-22-0004

#### **RESOLUTION NO. 2022 –**

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A SUPPLEMENTAL APPROPRIATION OF \$100,000 FOR CALRECYCLE'S HOUSEHOLD HAZARDOUS WASTE GRANT 39TH CYCLE (HD39) 2022-23 SMALL PROJECTS CYCLE GRANT

**WHEREAS**, on March 17, 2022, the Board of Directors of the Salinas Valley Solid Waste Authority approved the Fiscal Year 2022-23 Operating Budget; and,

**WHEREAS**, on September 28, 2022, Salinas Valley Solid Waste Authority received a Notice of Award of funding from CalRecycle for the Household Hazardous Waste Grant 39<sup>th</sup> Cycle HD39 2022-23 Small Projects Cycle Grant; and,

**WHEREAS**, the grant funding will be used to partner with Clean Earth to hold mobile household hazardous waste collection events in the most southern and northern rural communities within the Authority service area; and,

**NOW, THEREFORE, BE IT RESOLVED,** by the Board of Directors of the Salinas Valley Solid Waste Authority that a Supplemental Appropriation of \$100,000 for CalRecycle's Household Hazardous Waste Grant 39<sup>th</sup> Cycle HD39 2022-23 Small Projects Cycle Grant is hereby approved; and,

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

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 20<sup>th</sup> day of October 2022, by the following vote:

Erika J. Trujil	lo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

# **Grant Agreement Cover Sheet**

Grant	F N	um	hor
GIRIII			oer.

HD39-22-0004

### **Name of Grant Program**

2022-23 Household Hazardous Waste Discretionary Grants

#### **Grantee Name**

Salinas Valley Solid Waste Authority

### Taxpayer's Federal Employer Identification Number

94-6000412

#### **Total Grant not to Exceed**

\$100,000.00

#### **Start of Grant Term**

Notice to Proceed Email Date

#### **End of Grant Term**

September 30, 2025

The Department of Resources Recycling and Recovery (CalRecycle) and Salinas Valley Solid Waste Authority (the "Grantee"), in mutual consideration of the promises made herein, agree to comply with the provisions of this Agreement, which consists of this Grant Agreement Cover Sheet and the following Exhibits, which are incorporated by this reference and made a part of this Agreement as if attached hereto:

Exhibit A – Terms and Conditions

Exhibit B – Procedures and Requirements

Exhibit C – Application with revisions, if any, and any amendments

This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CalRecycle. In witness whereof, the parties hereto have executed this Agreement as of the dates entered below.

Department/Grantor Name	Grantee Name
CalRecycle	Salinas Valley Solid Waste Authority
Signature of CalRecycle's Authorized Signatory	Signature of Grantee's Authorized Signatory (as authorized in Resolution, Letter of Commitment, or Letter of Designation)
X	
Printed Name of CalRecycle's Authorized Signatory	Printed Name of Grantee's Authorized Signatory
Brandy Hunt	
Title	Title
Deputy Director, CalRecycle	
Date	Date

Grantee Payment Address			
Resource Recovery			
128 Sun Street, Suite 101			
Salinas, CA 93901			

Revised	Grantee	Payment	Address	(if needed)

# **Certification of Funding**

Amount Encumbered by this Agreement	Prior Amount Encumbered for this Agreement	Total Amount Encumbered to Date
\$100,000.00		\$100,000.00
Grant Year/Program	Chapter	Statute Year
2022-23 Household Hazardous Waste Discretionary Grants	43	2022
Org Code	Reference	Fund
3970	101	0387
<b>Enactment Year</b>	Fiscal Year	Fund Title
2022	2022-23	IWMA

# **Fi\$Cal Expenditure Information**

Reporting Structure	Program (PGM-SUB-TSK)	Account/Alt Account
39707820	3700000224	5432000

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

Signature of CalRecycle Budget Office	Date
Dalma Gomez Dalma Gomez Dalma 2022.09.26 16:10:52-0700	Sep 26, 2022



## Report to the Board of Directors

**Date:** October 20, 2022

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

**Title:** A Resolution Approving a Memorandum of

Understanding with the Operating Engineers Local Union No. 3, AFL-CIO Operations Engineering Unit (OE3) for Fiscal Years 2022-

2023 through 2025-2026

#### ITEM NO. 8

Finance Manager/Controller-Treasurer

General Manager/CAO

<u>Colin J. Tanner by E.T.</u> General Legal Counsel

### **RECOMMENDATION**

The General Manager/CAO, in consultation with the Executive Committee and Board of Directors, recommends that the Board adopt the resolution.

#### STRATEGIC PLAN RELATIONSHIP

This action has no direct impact on our Strategic Plan goals or objectives, but does represent one of our key Authority values, fiscal prudency. The successor OE3 MOU 2022-26 was accomplished through the cooperative partnership with OE3 and Unit staff to continue to provide fair compensation, maintain a productive and market competitive workforce, while controlling net payroll costs and Authority funded pension and medical insurance contributions.

#### FISCAL IMPACT

The impact of the proposed successor OE3 MOU 2022-25 is a net 2.86% increase in non-OE3 Unit staff costs for FY 2022-23, at an estimated cost of \$144,500 for all OE3 represented employees. 2.86% of this increase is associated with OE3 negotiated adjustments to salaries and benefits and 0.25% for added equity adjustments for re-classification of 2 Diversion Workers to Diversion Systems Maintenance Workers. Sufficient funds are available in the adopted budget for FY 2022-23 to fund the costs associated with the successor OE3 MOU in FY 2022-23 and future budgets will be adjusted accordingly for years 2 thru 4 for costs associated with this MOU.

Please note that this MOU has removed the two Field Operations Supervisor position from the OE3 unit and will required a subsequent salary and benefits action by the Board once this MOU is approved. Staff will begin consultation with this group and provide a recommended action(s).

#### **DISCUSSION & ANALYSIS**

On November 18, 2021, OE3 submitted a compliant petition requesting formal recognition as an exclusive employee organization for representation of all operations staff referred to as the Operating Engineers Local Union No. 3, AFL-CIO Operations Engineering Unit (OE3). OE3 was formally recognized by the Authority on December 15, 2021, pursuant to Authority Personnel Policies (adopted April 15, 2004).

The major provisions of the proposed successor OE3 MOU 2022-26, applicable to OE3 represented Unit employees, are as follows:

- 1) The OE3 MOU 2022-26 authorizes salaries and benefits for a four-year period commencing retroactively on July 1, 2022 through June 30, 2026.
- 2) Effective the first full pay period on or after July 1, 2022, and July 1, 2023 Cost of Living Adjustments (COLA) for all OE3 represented Unit employees will be 4.0%; and effective July 1, 2024 and July 1, 2025, COLA adjustments will be based on the Consumer Price Index (CPI) for SF/Oakland/San Jose, Urban Wage Earners and Clerical Workers, using the twelve-month percentage increase from December to December of the prior year with a 2.0% minimum to 3.5% maximum adjustment.
- The two Diversion Workers assigned to the Organics De-packaging Facility will receive a re-classification to Diversion Systems Maintenance Workers (new classification) and an equity adjustment of 10%, effective on the date of Board approval of the new position description, August 18, 2022. This action was negotiated to reflect the increased responsibilities and skill set required for this work.
- 4) The 11<sup>th</sup> salary schedule step for all OE3 represented Unit employees will be equalized from 2.0% to 2.5%, consistent with existing steps 1-10.
- 5) All CalPERS "Classic" OE3 represented Unit employees will continue to contribute the maximum 7% employee contribution plus 1% of the employer contribution (attributable to the employee's account) for a total employee contribution of 8% towards their CalPERS retirement plan.
- 6) Protective footwear Voucher will be \$240/year and increase by \$10 per year for FY 23/24 and FY 24/25 for employees with duties requiring protective footwear.
- 7) The Paid Time-Off (PTO) accrual formula has been modified to even out distribution across years of employment with a cap of 33 days per year for employees in their 18<sup>th</sup> year of employment.
- 8) Lincoln's Birthday will be eliminated from the holiday schedule and replaced with Cesar Chavez Day.

Attached you will find the seven (7) signed tentative agreements executed during bargaining (Attachments 2) and the final MOU for Board consideration.

#### **BACKGROUND**

Negotiations for a successor OE3 MOU commenced after formal recognition of OE3 on December 15, 2021 and concluded on September 20, 2022. The General Manager in his designated capacity as the Personnel Officer, with assistance from Labor Counsel Colin Tanner and Assistant General Manager Cesar Zuniga (Authority bargaining team) and in consultation with the Board and Executive Committee, met regularly with the OE3 representatives and two Unit stewards to bargain on salaries and benefits for the successor OE3 MOU. The previous MOU with all Authority non-management employees expired on June 30, 2022. The Board's bargaining team and the OE3 representatives agreed to the attached Memorandum of Understanding for the Board's consideration. The tentatively agreed MOU has been ratified by the OE3 membership and formal Notification of Ratification (Attachment 4) was received by the Authority on October 10, 2022.

### ATTACHMENT(S)

- 1. Resolution
- 2. Exhibit A Tentative Agreements dated June 16, June 23, July 6, July 14, August 3, August 19 and 26, September 20, 2022
- 3. Exhibit B MOU between SVSWA and OE3 dated October 20, 2022
- 4. OE3 Unit Ratification Notice dated October 10, 2022

#### **RESOLUTION NO. 2022-**

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY (AUTHORITY)
APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE OPERATING ENGINEERS
LOCAL UNION NO. 3, AFL-CIO OPERATIONS ENGINEERING UNIT (OE3) FOR REPRESENTED UNIT
EMPLOYEES FOR FISCAL YEARS 2022-2023 THROUGH 2025-2026

**WHEREAS**, on November 18, 2021, OE3 representatives submitted a petition for formal recognition as the exclusive bargaining group for the non-management operations staff of the Authority referred to as the Operating Engineers Local Union No. 3, AFL-CIO Operations Engineering Unit (OE3); and,

**WHEREAS**, on December 15, 2021, OE3 was granted formal exclusive representation for the Operations Unit pursuant to Authority Personnel Policies adopted April 15, 2004; and,

**WHEREAS**, the General Manager in his designated capacity as the Personnel Officer, with assistance from Labor Counsel and the Assistant General Manager (Authority bargaining team) and in consultation with the Board and Executive Committee, has negotiated in good faith with OE3 representatives to develop the attached successor OE3 MOU 2022-26 presented herein for Board consideration.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors does hereby find, determine and resolve as follows:

**Section 1:** The Board of Directors approves and adopts the Tentative Agreements between the Authority and OE3 as attached hereto and marked "Exhibit A."

**Section 2:** The Memorandum of Understanding between the Authority and OE3 as attached hereto and marked "Exhibit B" is approved and adopted and implemented as of October 20 18, 2022 and pursuant to the provisions contained therein.

**Section 3:** The Clerk of the Board shall certify to the adoption of this Resolution and deem it effective as of October 20, 2022, but with some provisions therein being expressly retroactive to the first full pay period following July 1, 2022, or as otherwise stated in the MOU.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority this 20th day of October 2022 by the following vote:

		Christopher M. Lonez, President
(DO17 (II V.	DOT THE MEMBERS.	
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

ATTEST:	APPROVED AS TO FORM:
Erika J. Trujillo, Clerk of the Board	Roy C. Santos, Authority General Counsel

TA'S 6/14/22

#### MEMORANDUM OF UNDERSTANDING

#### BETWEEN

#### SALINAS VALLEY SOLID WASTE AUTHORITY

#### **AND**

#### OPERATING ENGINEERS LOCAL UNION NO. 3

# THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA

July 1, 2022 through June 30, 2026

[The Authority provides the following counter proposals to Union in response to Union's draft MOU. The Authority rejects Union's proposals on Timekeeping, Make-Up Time, Telecommuting, Paydays, Flexible Leave, Safety Rules, Employment Policies, Cell Phone, Vehicle Allowance, Safety Rules, and Waiver of Bargaining.]

# ARTICLE 1. PARTIES, TERM AND ADOPTION OF MEMORANDUM OF UNDERSTANDING

JA 1.1

Parties. This Memorandum of Understanding ("MOU") is made and entered into between the Salinas Valley Solid Waste Authority, a joint powers authority and a governmental entity separate from its member agencies and organized under the laws of the State of California pursuant to a Joint Powers Agreement (hereinafter referred to as the "Authority"), and Operating Engineers Local Union No. 3, AFL-CIO (hereinafter referred to as the "Union") pursuant to the Meyers-Milias-Brown Act (hereinafter referred to as the "MMBA") (Gov. Code § 3500 et seq.) of the State of California and the Authority's local labor relations rules.

JAHA

1.2 <u>Term.</u> This Memorandum of Understanding shall cover the period commencing July 1, 2022 and ending June 30, 2026.

ng July /\_\_\_\_/

1.3 Adoption. This Memorandum of Understanding shall be presented to the Board of Directors of the Authority as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2022 and ending June 30, 2026. Upon Ratification by the Union's membership at the Authority and approval by the Board of Directors of the Authority, this Memorandum of Understanding shall become binding between the Authority and the Union retroactive to July 1, 2022 except as otherwise expressly stated herein.

#### ARTICLE 2. RECOGNITION AND UNIT DESCRIPTION

Authority Representative. The Authority's Chief Administrative Officer ("CAO"), or any person or organization duly authorized by the CAO, is the representative of the Authority in employer-employee relations, as provided in Authority Resolution No.

2004-014.

2.2

2.1

<u>Union Recognition</u>. Union is the exclusive bargaining representative and recognized employee organization for the Operations and Engineering Unit (hereinafter the "Unit") which is comprised of the classifications listed in Section 2.3 below. The Authority recognizes the Union as the only organization entitled to meet and confer on matters within the scope of representation on behalf of Authority employees in the Unit, pursuant to the MMBA and the Authority's Personnel Policies Article 2.04.200 – 2.04.420 and any subsequent updates to the Authority's Employer-Employee Relations resolution.

- 2.3 <u>Bargaining Unit</u>. The Operations and Engineering Unit includes all employees who are employed by the Authority in the following classifications:
  - a. Diversion Worker I/II
  - b. Equipment Maintenance Tech I/II
  - c. Equipment Operator/Driver

- d. Equipment Operator/Driver Lead
- e. Field Operations Supervisor
- f. Heavy Equipment Operator
- g. Heavy Equipment Operator Lead
- h. HHW Maintenance Worker I/II
- i. HHW Technician
- i. Scalehouse Cashier
- k. Solid Waste Technician I/II

#### ARTICLE 3. EMPLOYMENT STATUS

- 3.1 <u>Probationary New Hire Appointment</u>. A newly hired Unit employee is a probationary at-will employee for the initial six (6) months of actual and continuous service in that job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position.
- 3.2 <u>Lateral Probationary Appointment</u>. An existing employee who applies for and is appointed to a new classification that is not a promotion becomes a probationary at-will employee in the new classification for the initial six (6) months of actual and continuous service in that new job position/classification. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a lateral appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided that a vacant position is then available. There is no "bumping rights" for this type of appointment.
- Promotional Probationary Appointment. A promoted Unit employee is a probationary employee for the initial six (6) months of actual and continuous service in that promoted job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a promotional appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided that a vacant position is then available. There is no "bumping rights" for this type of appointment.
  - Regular Full-Time Status. Regular full-time employees are those who are not in a part-time, temporary, seasonal, or probationary status and who are regularly scheduled to work at least 40 hours per week. These employees are entitled to receive all legally mandated benefits (Workers' Compensation, State Disability, Unemployment, Medicare Insurances, and similar benefits), and are also eligible for such other negotiated benefits (retirement, health insurance, vacation leave, sick leave, paid holidays, and similar benefits).

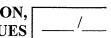
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<u>Probationary Extension Caused by Absence</u>. Any significant absence (30 days or more) will extend the above probationary periods by the length of the absence. Periods of time on paid or unpaid leave of one work week or more shall automatically extend the probationary period until the successful completion of the probationary period.

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<u>Probationary Extension upon Authority Notice.</u> If the Authority determines that the designated probationary period does not allow sufficient time to thoroughly evaluate an employee's performance, the probationary period may be extended for an additional three (3) month period at the Chief Administrative Officer's discretion with notice to the Union. Upon satisfactory completion of the initial probationary period, employees enter the "regular" employment classification.

ARTICLE 4. UNION MEMBERSHIP, NEW EMPLOYEE ORIENTATION, DISCLOSURE OF EMPLOYEE INFORMATION AND DUES DEDUCTIONS



- 4.1 <u>Union Membership</u>. The parties hereto recognize that membership in the Union is voluntary and that employees have the right to join, not join, maintain, or drop their membership in the Union and that neither party shall exert any pressure on or discriminate against an employee regarding such matters.
- 4.2 New Employee Orientation. The Authority agrees to provide, when possible, no less than ten (10) business days' notice in advance of any new employee orientations and provide the Union access to the orientation(s). Union shall have thirty (30) days from an employee's start date to conduct its own orientation of employee during employee's work hours. Orientation refers to any onboarding process, whether in person, online or through other means. Access shall be determined by the Union, which could mean representational attendance or correspondence. The Union shall advise the Authority reasonably in advance as to the type of access requested. The Authority agrees to provide such reasonable notice of current employees that have changed position status (i.e., part-time to full time, promotional).
- 4.3 <u>Disclosure of Employee Information</u>. The Authority agrees to provide the Union with the name, job title, department, work location, and work telephone number of newly hired employees within thirty (30) days of the date of hire. The Authority also agrees to provide the Union with the name, job title, department, work location, work, home and personal cellular telephone numbers, personal email addresses and home address of all Unit employees once a quarter: January, April, July and October.

#### 4.4 Dues Deduction.

a. Unit employees may choose to become a member of the Union. If the employee chooses to become a member, Union requests that the Authority deduct membership dues, initiation fees, and general assessments, as well as payment of any other membership benefit program sponsored by Union and/or supplemental benefits, from the wages and salaries of members of Union for all weeks worked. The phrase "weeks worked" excludes any

week other than a week in which the employee earned a wage. Union hereby certifies that it has and shall maintain all such deduction authorizations signed by the individual from whose salary or wages the deduction is to be made and shall not be required to provide a copy of an individual authorization to the Authority unless a dispute arises about the existence or terms of the authorization. Any request to begin dues deductions or cancel dues deductions must be made to Union and not to the Authority. Union is responsible for informing the Authority of the amount of dues deductions for employees. Union dues shall be deducted each pay period in accordance with Authority procedures and provisions of applicable law from the salary of each employee whose name is provided by Union.

- b. The Authority shall provide for payroll deductions on each payroll period (twenty-four times out of twenty-six payroll periods per calendar year). The Authority shall remit the total amount of deductions to the Union by the 15th of the month through an electronic transfer. Any changes in Union dues must be given to the Authority a minimum of thirty (30) days prior to change to accommodate changes to payroll.
- c. Employees in the Unit who are members of the Union may withdraw from the Union by sending notice to the Union. Union shall promptly certify to the Authority by correspondence (USPS) and by email to terminate dues deductions for any such employees, consistent with applicable law.
- d. Union shall defend and indemnify the Authority for any claims made by a Unit employee for deductions made under this Article.

# ARTICLE 5. ACCESS, REPRESENTATION, SHOP STEWARDS AND BULLETIN BOARDS

- 5.1 <u>Union Access to Work Locations</u>. The parties recognize and agree that in order to maintain good employee relations, it is necessary for Union Business Representatives to have access to work locations, to confer with Authority employees during working hours, to post bulletins on the Union designated bulletin board or assigned space on a designated bulletin board, inspect the working conditions, conduct worksite visits, investigate MOU violations, health and safety concerns, investigate and process grievances and disciplinary actions, or meet with members for the purpose of representing members in their relations with the Agency.
  - a. Union Business Representatives shall be granted access upon obtaining authorization from the Operations Manager and/or the CAO prior to entering a work location and after advising of the general nature of the business. The Operations Manager and/or the CAO shall not unreasonably withhold timely access to work locations. The Operations Manager and/or the CAO shall ensure that there is at all times someone designated who shall have full authority to approve access. However, the Operations Manager

- and/or the CAO may deny access or terminate access to work locations if, in their judgment, it is deemed that the visit would unduly interfere with the efficiency, safety, or security of agency operations. If a request is denied, the Operations Manager and/or their designee shall establish a mutually agreeable time for access to the employee.
- b. Union Business Representatives granted access to work locations shall limit such visits to a reasonable period of time, taking into consideration the nature of the concern, investigation, grievance or appeal. The Operations Manager and/or their designee may mutually establish with the Union Representative reasonable limits as to the number of visits authorized with the same employee on the same issue, and reasonable limits as to the number of employees who may participate in a visit when several employees are affected by a specific issue. The Agency shall not unduly interfere with Union' right to access work locations, so long as such access does not interfere with the performance of Authority business.
- 5.2 Shop Stewards. The Union may select two (2) Unit employees as Shop Stewards. The Shop Stewards shall be given reasonable release time on paid status to attend meetings with management representatives, or to be present at grievance and/or discipline meetings or hearings where matters within the scope of representation or grievances or discipline are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of Authority business. One Shop Steward shall be permitted release time, if needed, to attend Authority Board Meetings, when such meetings occur during the Shop Steward's scheduled work period.
- 5.3 <u>Union Bulletin Boards</u>. The Authority will provide Union access to a reasonable portion of existing bulletin board space for Union notices or provide Union access to install its own bulletin boards for such use. Only bulletin boards or bulletin board space designated by the Operations Manager and/or their designee may be used for posting of Union notices. Union shall be responsible for all postings and Authority shall be under no obligation to post for the Union. Designated bulletin boards or bulletin board space shall only be used for the following notices:
  - a. Scheduled Union meetings, agenda, and minutes;
  - b. Information on Union elections and the results;
  - c. Information regarding Union social, recreational, and related news bulletins;
  - d. Reports of official business of Union;
  - e. The OE3 Union Magazine;
  - f. Any OE3 official notice or publication; and

g. Union Flyers and notices.

Notices that are posted, distributed through the mail system, or placed in an employee's Authority mailbox shall not be obscene, derogatory, defamatory, or of a political nature, or directed at any employee or official in the Authority; nor shall they pertain to public issues which do not involve the Authority or its relations with Authority employees.

#### ARTICLE 6. NON-DISCRIMINATION

Consistent with state and federal law, there shall be no discrimination or harassment of any kind based on any statutorily (federal, state, or local) protected class, including but not limited to: race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (ex.: cancer), genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, pregnancy, political affiliation, military and veteran status or legitimate union activities, (as set forth in this MOU herein), against any employee or applicant for employment by the Union or the Authority. This Article does not preclude the Union from seeking redress from the Public Employment Relations Board (PERB) on any matter under their jurisdiction.

#### ARTICLE 7. EMPLOYEE RIGHTS

Pursuant to the MMBA Sections 3502 and 3504, employees of the Authority shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purposes of representation on all matters relating to employment conditions and employer-employee relations, including not limited to, wages, hours and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order. Employees of the Authority also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the Authority. Per MMBA Section 3506, the Authority and its employee organization(s) shall not interfere with, intimidate, restrain, coerce or discriminate against employees of the Authority because of their exercise of their rights under MMBA Section 3502.

#### ARTICLE 8. MANAGEMENT RIGHTS

The rights of the Authority include, but are not limited to, the exclusive right to determine the nature and extent of services to be performed, as well as the right to determine and implement its public function and responsibility; determine the mission of its constituent departments; manage and control all property, facilities and operations, including the methods, means and personnel by which the Authority's operations are to be conducted; set standards of service; determine the size and composition of the working force; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty for lack of work, funds or for other legitimate reasons; maintain the efficiency of governmental operations; determine the content of job descriptions and classifications; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion



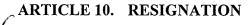


over its organization and technology of performing work; and take such other and further action as may be necessary to organize and operate the Authority in the most efficient and economical manner and in the best interest of the public it serves. The Authority agrees to meet and confer over changes in any wages, benefits or conditions of employment within the scope of representation as defined by MMBA and PERB.



#### ARTICLE 9. ACCESS TO PERSONNEL FILES

Personnel files are the property of the Authority and access to the information they contain is restricted as determined by the Authority and state law. Generally, only members of management staff of the Authority, who have a legitimate business reason to review information in a personnel file, are allowed to do so. Pursuant to Labor Code section 1198.5, every current and former employee, or their representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employee's performance or to any grievance concerning the employee. Any request for inspection of a personnel file or copy thereof relating to the employee's performance or to any grievance concerning the employee shall be done with reasonable advance notice as required by law and shall be made to the Authority's Director of Human Resources and CAO. The Authority is entitled to take reasonable steps to verify the identity of any current or former employee or their authorized representative and allow personnel file inspection in the presence of authorized management personnel. For purposes of this Article, "representative" means a person authorized in writing by the employee to inspect, or receive a copy of, their personnel records.



- 10.1 Resignation is defined as employment separation initiated by an employee who chooses to leave the Authority voluntarily. Resigning employees must submit a written Notice of Resignation (available from Human Resources) and are asked to give no less than two (2) weeks' notice. This advance notice does not include any leave time or any other compensated or non-compensated working time.
- 10.2 Circumstances may exist where the Authority may exercise its right to accept a resignation immediately and/or to accelerate the final date of employment. If the Authority accepts the resignation and separates the employee for no cause earlier than the employee's tendered resignation date, then the Authority shall pay the employee the balance of the amount of base salary that would be owed to the employee had they worked up until their stated resignation date. Whether the date designated by the employee or an earlier date selected by the Authority becomes the employee's last day of work, the employee's personnel records will normally indicate voluntary resignation, unless terminated for cause.
- 10.3 Employees who fail to report to work for three (3) consecutive work shifts without proper notification will be considered to have abandoned their job and to have voluntarily resigned from the Authority. Unless the employee submits a written resignation notice, the Authority shall serve a Notice of Proposed Discipline Termination and provide for pre-disciplinary response and post discipline appeal.



#### ARTICLE 11. COMPLIANCE WITH MOU AND EMPLOYER POLICIES

The Authority's personnel policies are included in its Employee Handbook, Personnel Policies, and various Administrative Procedures. In the event of any violation of the terms of this MOU or the Authority's Employee Handbook, Personnel Policies, or Administrative Procedures, responsible and authorized representatives of the Union and/or the Employer, shall promptly take such affirmative action as is within their power to correct and terminate such violation for the purpose of bringing any unauthorized persons into compliance with the terms of the policy, procedure or rule at issue. Individuals acting or conducting themselves in violation of the terms of such policy, procedure or rule may be subject to discipline, up to and including discharge. Notwithstanding the preceding language, any alleged violations of the Authority's separate policies, procedures or rules shall not be deemed a violation of this MOU, but would still be subject to the Authority's grievance procedure and/or PERB jurisdiction.



# ARTICLE 12. SENIORITY FOR SCHEDULING, ASSIGNMENTS, ROUTES, VACATIONS, OVERTIME, ETC.

- 12.1 The Authority shall endeavor to approve requests for vacation leave in a timely manner. Vacations, work schedules, including Holidays, shift assignments and training assignments shall be done in accordance with seniority within each job classification group. The Authority shall endeavor to provide two consecutive days or three consecutive days off when scheduling shift assignments, if operational needs allow it.
- 12.2 Unit employees shall bid for particular work schedules assigned by the Authority to a classification group on the basis of seniority within classification group to the extent that doing so reasonably meets the business and operational needs of the Authority.
- 12.3 PTO leave requests are to be submitted to the employee's Supervisor by the 10<sup>th</sup> day of each month. The Supervisor will review all such requests received and will approve or reject the requests based on Seniority by the 20<sup>th</sup> of each month with a rolling six (6) months. Example: A November PTO leave request should be submitted by May 10th in order to be designated by Seniority. After the 20<sup>th</sup> of May, all available dates for November would be open on a first come first serve basis. Requests are considered no more than six months (180 days) in advance.

#### ARTICLE 13. POSTING OF POSITIONS

The Authority shall post all open positions on bulletin boards where employees in the Union work when recruitment begins. The Authority shall endeavor to recruit open positions internally before proceeding to external recruitment but reserves the right in its sole discretion based on business needs and efficiency to recruit internally, externally or both concurrently.

#### ARTICLE 14. SALARIES

14.1 Cost of Living Adjustment 2022/23. Effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later, all Unit employees will receive a cost of living adjustment of 3% of base pay.

- 14.2 <u>Cost of Living Adjustment 2023/24</u>. Effective the first full pay period in July 2023, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2022 to January 2023.
- 14.3 <u>Cost of Living Adjustment 2024/25</u>. Effective the first full pay period in July 2024, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2023 to January 2024.
- 14.4 <u>Cost of Living Adjustment 2025/26</u>. Effective the first full pay period in July 2025, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2024 to January 2025.
- 14.5 <u>Bilingual Pay</u>. The Authority shall designate which Unit employee job classifications require the ability to speak Spanish and English. Unit employees assigned to one of these classifications who successfully demonstrate the ability to fluently speak, read and write both Spanish and English shall be eligible for bilingual pay equal to 5% of the employee's base pay. If the Authority determines that other languages are needed, the same concept shall apply for bilingual pay for those additional languages. An employee cannot be compelled to provide bilingual services if they are not compensated.

Longevity Pay. Unit employees shall be eligible for longevity pay on their 10th, 15th and 20th year anniversary of hire as follows: 2.5% increase in base pay on their 10th year anniversary, 5% increase in base pay on their 15th year anniversary, and 7.5% increase in base pay on their 20th year anniversary.

Out of Class Appointment Pay. Government Code section 20480 defines an "out-of-class appointment" to mean an appointment of an employee to an upgraded position or higher classification by an employer or governing board or body in a vacant position for a limited duration shall not exceed a total of 960 hours in each fiscal year. For purposes of this section, a "vacant position" refers to a position that is vacant during recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence. An employee who is appointed by the Division Manager with approval from the Chief Administrative Officer to perform all the duties of a higher classification shall receive ten percent (10%) Out of Class Pay while performing those duties. Such pay shall start on the first day of the appointment effective date and be based on the employee's established salary. Out of Class Pay will be paid within the pay period in which the Out of Class Pay was worked.

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- Additional Duties Pay. Unit employees who are formally assigned to take on duties outside their classification must be assigned to do so in writing signed by their Division Manager. Additionally, the CAO must authorize the extra duties and extra pay. Documentation of these approvals shall have a set end date and be placed in the employee's personnel file. Additional Duties Pay shall be at least a five percent (5%) and may be up to ten (10%) increase to the base salary of the employee based on the degree of duties assigned for the duration of the assignment at the sole discretion of the Authority and shall not apply where employees are formally appointed to act and work in a higher temporarily vacant and budgeted position.
- 14.9 On-Call Pay. Represented employees assigned to on-call status shall be compensated \$250 per two-week assignment. On call will be assigned by Seniority and on a rotating basis to designated employees for environmental control systems and public safety call outs. The on-call period will be the same as the established biweekly pay period and will rotate between designated employees as established by the Chief Administrative Officer or their designee. Additionally, an employee who responds to a site when called out will be compensated for a minimum of two (2) hours of pay or for the actual hours worked, whichever is greater. An employee who is on call and fails to respond to a call shall forfeit \$50 of on-call pay per occurrence, not to exceed \$250 per pay period.

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14.10 Compensation and Benefits Study 2025/26. In the final year of this MOU, the Authority will commission a Total Compensation and Benefits Study for all Unit classifications to determine how competitive the Authority is within its labor market by collecting and analyzing total compensation inclusive of monthly base salary and benefits data. Each Unit employee shall have the opportunity to review their respective job description to ensure accuracy of duties and responsibilities. The Authority and the Union shall meet and confer to approve the scope of work defining the process by which the Study is conducted, how positions are compared, and which agencies will be surveyed. The Study will take place and be completed by January 4th of the final year of the MOU.

### ARTICLE 15. COMPENSATION STRUCTURE, SALARY RANGES AND STEPS

Compensation Structure. The Authority and the Union strive to establish equitable wage rates and benefits so that every employee is paid according to the working conditions, responsibilities, and requirements of the job. We try to keep wages and benefits equal to or better than that of employees performing similar services in comparable public agencies in our industry. Exhibit A, Salary Ranges, shall be the agreed upon Unit employee salary ranges effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later. Each range consists of 11 Steps and each step within the salary range shall be 2.5% between steps. Initial probationary increases awarded at the end of a probationary period will not exceed one step (2.5%) and shall never exceed Step 11, which is the highest allowed step.

- 15.2 Evaluation/Anniversary Increases. The Authority believes in rewarding employees based on their individual performance through probationary and annual Evaluation / Anniversary increases based on a number of factors, including job performance. Employee performance is measured against standards of performance for their particular job. Subsequent Evaluation/Anniversary increases shall take place on the annual evaluation date. Regular employees are eligible for, but not guaranteed, a Evaluation/Anniversary increase. Failure to complete an evaluation by the Authority on the probationary or annual evaluation period, shall not be a bar to any potential increase. Changes to an employee pay range or step shall be effective with the pay period inclusive of the effective date of the change. Annual Evaluation/Anniversary salary range step increases are based on a numerical scale to correspond with level of performance: Meets standards = 2.5%, Exceeds = 5%, and Outstanding = 7.5%. Employees who have reached Step 11 will not be eligible for an Evaluation/ Anniversary increase. An employee receiving a less than satisfactory evaluation may not receive an Evaluation/ Anniversary increase, but they may appeal the evaluation to the CAO for a final determination, without any other right of grievance or appeal.
- Classification Levels. The Authority employs alternate staffing whereby a position may be filled at one of several related levels within a classification. Under alternate staffing, the Board establishes the allocation in the classification. The position may then be filled at any class level as determined by management. An employee can decide not to seek movement to the next higher level. Movement between levels within a classification is evaluated by experience and time in a classification, and is not considered a promotion and does not create a new probationary period. Movement to the next higher class level is also not automatic. Managers/supervisors will objectively evaluate the performance of each employee and an employee will not be appointed to the next higher class level until the employee's immediate manager/supervisor has certified that the employee has the skills necessary to perform the duties of the higher class level satisfactorily. Appointment to the next class level shall always include a pay increase and may occur at:
  - a. The completion of an employee's probationary period and
  - b. The completion of an employee's annual performance evaluation.

#### ARTICLE 16 BENEFITS

16.1 Health Insurance. The Authority will continue to offer PERS provided medical insurance, as well as Dental and Vision Services coverage and shall contribute ninety percent (90%) of the total 2022 premium amount. Employees electing medical, dental and/or vision coverage shall pay ten percent (10%) of the total 2022 premium amount. Authority and employees acknowledge that the premium amounts are established by the respective insurance providers and are subject to change. Any subsequent changes in premiums from those established in 2022 (baseline) shall be equally and additionally shared by the Employee and Authority for the term of this Agreement. The employee's contribution toward the premium

amount is based on the Employee selected Plans and levels of dependent care coverage and will be paid as a pre-tax payroll deduction. 16.2 Section 125 Flexible Benefits Plan. Employees may elect to use pre-tax earnings for supplemental benefits for cancer insurance, intensive care insurance, accident insurance, hospital indemnity insurance, special health events, medical expenses reimbursement, or dependent care reimbursements. The Authority shall continue to pay the Administrative Fee associated with this benefit. 16.3. Employee Assistance Program. Employees, their dependents, spouse or domestic partner may seek family counseling and professional services referrals through Concern Employee Assistance Program for areas such as finances, family legal, alcohol, drugs and health. The current plan provides for up to five (5) visits per issue per twelve (12) month period. Short and Long Term Disability. Employees participate in the worker-funded State of California State Disability Insurance program at the cost established by the Employment Development Department. Long-term disability insurance is offered at no cost to employees. The Authority covers 100% of the premium for the employee. The benefit will provide up to 60% of compensation and a maximum of \$7,500 per month up to age 65 with a 90-day waiting period due to a non-workrelated disability. Employees participate in the State funded short-term disability program. <u>Life Insurance</u>. The Authority provides employees a life and AD&D insurance policy at one-time their annual salary, with a minimum coverage of \$50,000 and a maximum coverage of \$200,000. 16.6. California Public Employee Retirement System ("CalPERS"). Unit employees defined by CalPERS as "Classic Members" shall pay the Employee's contribution to CalPERS as determined by CalPERS, currently 7% of earnable compensation. The Authority's CalPERS contract provides that represented employees who are Classic Members shall make an additional 1% cost sharing contribution to the employer's contribution to CalPERS with the additional 1% credited to the employee's account. Unit employees defined by CalPERS as "PEPRA" members are subject to the Public Employees' Pension Reform Act of 2013, according to which they are required to contribute 50% of normal costs as required by CalPERS. 16.7. <u>Deferred Compensation</u>. The Authority shall offer an opportunity for employees to voluntarily contribute to an IRS 457 Deferred Compensation Plan through pretax payroll deductions. 16.8. Education Assistance. The Authority will reimburse a non-management employee for books and tuition for a job-related course of study up to \$2,000/year maximum. Reimbursement shall be for trade school and/or accredited 2 or 4-year college

16.9. 16.10 course work. The employee will receive reimbursement upon successful completion of the course with a "pass" or grade of "C" or better.

<u>Physical Fitness/Wellness Program</u>. The Authority will reimburse employees up to \$500 annually toward the cost of employee's health or fitness club membership.

16.10 Protective Footwear Allowance. Represented employees will receive a purchase voucher from their Department Manager or Supervisor annually for up to \$240.00 for safety boots that meet the approved Protective Footwear specifications. This allowance shall increase annually by \$10 per year on July 1st of each subsequent year of this MOU. The department manager will check and verify employee's last purchase date and ensure that employee did not purchase safety boots less than twelve (12) months prior when requesting new safety boots. Approved Protective Footwear Specifications:

- ° Steel Toe/Plate
- <sup>o</sup> Puncture Resistant
- ° Laced up with ankle support
- ° Oil Resistant

If the employee chooses to purchase the safety footwear with the approved specs from a non-vendor, the Authority will reimburse up to \$240.00 per employee, per twelve (12) month period for the acquisition, replacement and or/repair of safety boots purchase. No more than one (1) pair of safety boots will be reimbursed in a twelve (12) month period. Each employee shall provide original proof of purchase and/or repair for approval by the department Manager, prior to receiving reimbursement. Costs in excess of \$240.00 is the responsibility of the employee.

#### ARTICLE 17 LEAVES

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Paid Time Off. Represented employees are provided with Paid Time Off ("PTO") as set forth below effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later. Unit employees are provided with Paid Time Off (PTO) which can be used for such things as vacation, sick leave, family leave, etc. PTO accrual rates are based upon length of service as defined in the table below. New employees earn 22 days per year which then increases one day per year for the first 6 years of service and then 0.5 (one half) day per year of service up to a maximum of 33 days per year. Employees may request PTO cash-out provided an Employee has taken at least 10 days of leave during the preceding year and that an irrevocable request is made in one fiscal year and paid out in a subsequent fiscal year. The maximum accrual for PTO shall be 400 hours. New accrual rates will begin effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves

this MOU, whichever is later, based on Employee's current number of service years and will not be applied retroactively.

An employee who exceeds the maximum accrued hours will receive a payment equal to forty (40) hours of the employee's current base hourly pay rate in the regular pay check following the date when the maximum was exceeded, regardless of the PTO leave taken in the preceding calendar year. In lieu of payment, an employee may submit a leave request for forty (40) hours of PTO or may elect to donate the hours to the Paid Time Off Donation Program.

Employment Year	Days accrued	Hours accrued
	per year	per biweekly pay period
1st year	22	6.77 hours/pay period
2nd year	23	7.08 hours/pay period
3trd year	24	7.38 hours/pay period
4th year	25	7.69 hours/pay period
5th year	26	8.00 hours/pay period
6th year	27	8.31 hours/pay period
7th year	27.5	8.46 hours/pay period
8th year	28	8.62 hours/pay period
9th year	28.5	8.77 hours/pay period
10th year	29	8.92 hours/pay period
11th year	29.5	9.08 hours/pay period
12th year	30	9.23 hours/pay period
13th year	30.5	9.38 hours/pay period
14th year	31	9.54 hours/pay period
15th year	31.5	9.69 hours/pay period
16th year	32	9.85 hours/pay period
17th year	32.5	10.00 hours/pay period
18th year to separation or retirement	33	10.15 hours/pay period

17.2 <u>PTO Cash Out</u>. \*The above PTO accrual chart reflects an employee who regularly works 40 hours per week.

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The length of eligible service is calculated on the basis of an anniversary year, which is the 12-month period that begins when the employee completes their probationary period.

To use PTO, represented employees must make a written request to and receive written approval from their supervisor. Requests will be reviewed and considered based on a number of factors, including Seniority, business needs and staffing requirements. PTO is paid at the employee's base hourly pay rate at the time it is used and does not include overtime or any special forms of compensation such as incentives or bonuses.

A represented employee may request cash-out of PTO bank hours. The maximum PTO bank cash-out payments in a calendar year is eighty (80) hours for employees with less than twenty (20) years of service and one hundred twenty (120) hours for employees with over 20 years of service. Employees requesting a cash-out must have taken at least eighty (80) hours of PTO during the preceding 12-month period to receive a cash-out payment of PTO. Further, the employee must irrevocably designate the amount of PTO to be cashed-out on or before December 1 of each year on a form to be provided by the Authority, which will be paid in the following calendar year after the accruals for the new calendar year are deposited in the employee's PTO bank and as directed by the employee on their cash-out designation form.

Attendance and Punctuality. To maintain a safe and productive work environment, the Authority expects all employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on working operations. In the event that you become aware of an anticipated tardiness or absence please notify your supervisor or the HR/Organizational Development Manager as soon as possible, and no later than one (1) hour prior to the beginning of your scheduled shift. If it is before or after normal working hours, you should notify your supervisor by leaving a message with a return number. The supervisor and/or Manager will return the call and/or acknowledge the call within an hour by text or by returning the call.

Excessive absenteeism (excused or not), including early departures, will not be tolerated and may result in counseling or corrective action, up to and including termination of employment. Each situation of excessive absenteeism or tardiness shall be evaluated on a case-by-case basis.

<u>Unscheduled PTO</u>. Unscheduled PTO is to be used for illness or injury, and the following provisions shall apply:

a. Failure to follow reporting procedures outlined above or herein may result in an unexcused absence;

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- b. A doctor's certificate may be required as proof of need for absence of three (3) or more days and to medically release an employee to return to work;
- c. Up to one-half of the current year's PTO accrual can be used for the injury or illness of the employee's child, parent, spouse, domestic partner or domestic partner's child.
- d. If a supervisor/manager has reason to believe that an employee is not using their unscheduled PTO appropriately, e.g., unusual pattern of sick use, excessive use of incidental sick use, etc., the employer may place the employee on a sick use reporting requirement. Employees placed on Sick Use Reporting will be required to bring a doctor's note for all absences until they are released from this requirement. The steps for this process shall be as follows:
  - 1. The supervisor/manager will meet with the employee and provide a list of problem absences. Absences subject to FMLA or workplace injury (workers' compensation) or other protected leave shall not be included in the list of problem absences.
  - 2. The supervisor/manager will provide the employee with written documentation that specifically outlines the employer's concerns and expectations. The employee will be notified in writing of the timelines and the goals they are expected to achieve.
  - 3. The employee and the supervisor/manager will meet at least quarterly to discuss this issue until the employee is removed from the Sick Use Reporting requirement.
  - 4. Nothing herein shall preclude the Authority from taking disciplinary action for abuse of unscheduled PTO in accordance with existing MOU provisions in addition to following the procedures outlined above.
- e. Unscheduled PTO can be used for an absence necessitated by the employee's incapacitation from the performance of regular duties due to personal illness, injury or pregnancy.
- f. Unscheduled PTO can be used for medical, optical or dental office appointments.
- g. Unscheduled PTO can be used for absence due to the illness of a family member. Family Member for the purpose of this provision is defined as any person related by blood or marriage and includes domestic partners that have been certified with the Secretary of State's office in accordance with AB 26 (Chapter 588, Statutes of 1999).
- h. Unscheduled PTO can be used for any other situation not described above and which is prescribed or required by state and/or federal law.

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- 17.5 <u>Catastrophic Leave Donation Program</u>. In the unfortunate event that an employee is required to take an extended period of time off for either their own serious illness or an immediate family emergency, other employees may opt to donate or transfer accrued PTO that they have in excess of forty (40) hours. Donations can be made by filling out a PTO Request Form and forwarding it to the HR/Organizational Development Manager. Payroll will confirm the donated hours and make the transfer to the PTO Bank. To qualify for donated PTO, an employee must have a need in excess of their current PTO balance.
- 17.6 <u>Flexible Leave</u>. Represented employees are provided sixty (60) hours of Flexible Leave on January 1st of each year. The flexible leave benefit allows an employee to take time off with approval of their supervisor, or to cash-out all or part of the Flexible Leave balance. Flex Leave cannot be requested for a period more than 180 days in the future. Flexible Leave cannot be carried over beyond the calendar year received and any employee who has an accumulated balance as of the final pay date of any calendar year will receive payment of the accrued hours at their then current base hourly rate of pay. Individuals not employed as of January 1 of any calendar year shall receive a pro-rated leave amount based on the number of pay periods remaining in the calendar year. Should an employee separate employment, any accrued flex leave shall be paid out with the employee's final paycheck.
- 17.7 <u>Holiday Leave</u>. The Authority recognizes the following holidays for Union represented employees. The landfill and transfer stations will be closed on those holidays marked with a (\*):

New Year's Day *	January 1st
Martin Luther King Jr. Day	Third Monday in January
Presidents' Day	Third Monday in February
Cesar Chavez Day	March 31st
Memorial Day	Last Monday in May
Juneteenth Day	June 19th
Independence Day *	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day *	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Eve Day	December 24th
Christmas Day *	December 25 <sup>th</sup>

All regular full and part-time, bargaining unit employees who do not work on a designated holiday due to the facility closure associated with the holiday (\*) above, will receive holiday pay at their regular rate of pay (as of the date of the holiday) times the number of hours that employee is scheduled to work on the day of closure. OE3 represented Employees are granted one Floating Holiday to be used at employee's discretion subject to approval. Requests for the use of floating holidays will be the same as vacation day requests. The first time an employee uses a full day of eight (8) hours of PTO will be considered an employee's election to use their Floating Holiday. PTO will not be counted as hours worked for the purposes of determining overtime and shall not be counted as days worked prior to or after the holiday for purposes of entitlement to holiday pay. All regular full and part-time, bargaining unit employees who work on a designated holiday will receive holiday pay at their regular rate of pay for the number of hours actually worked that day. All holidays shall be observed on the dates designated above, and not on any other dates regardless of whether they fall on a weekend.

Easter Sunday is a non-recognized holiday for employees scheduled to work on that Sunday. Employees scheduled to work on Easter Sunday will be provided the option to flex their schedule or use PTO hours.

Employees must work the last scheduled day before a holiday and the first scheduled working day following the holiday to be eligible for holiday pay. If an employee has a preapproved and/or excused absence on a holiday, the supervisor may authorize providing holiday pay in lieu of reducing an employee's paid absence (e.g., PTO).

## ARTICLE 18. EMERGENCY RESPONSE

Any Unit employee who is called to work other than on a scheduled basis shall be compensated for actual hours worked with a minimum of two (2) hours at time and one-half (1½) the employee's current hourly rate of pay commencing at the time the employee reaches the place where they are directed to report and continues until they are released or the work is completed, whichever is earlier. This provision shall not apply to situations where the employee is called in early to a scheduled shift or held over after a scheduled shift.

## ARTICLE 19. WORK WEEK, WORK SCHEDULES, OVERTIME, AND REST AND MEAL PERIODS

- 19.1 <u>Work Week</u>. The workweek at the Authority begins at 12:00 a.m. on Monday and ends seven (7) consecutive days later on Sunday at 11:59 p.m.
- 19.2 <u>Work Schedules</u>. Employee work schedules are set up for at least a 40-hour work week schedule and to meet both specific work location, public hours of operation, and opening and closing requirements. Work schedules shall be posted monthly. Any changes once posted must be discussed with the Union prior to any change, but this



does not pertain to individual employees being asked or required to cover employee shifts due to PTO leave or any other absences.

Employees assigned to the Jolon Road Transfer Station are designated to work a 4.5-4.75 hr. workday on Saturdays due to a half-day (8am-12pm) operation designated by its operating permit. The remainder of the work week schedule will be set up to accomplish a 40-hour work week to allow for opening and closing operation.

The Johnson Canyon Landfill has coverage assigned at least ½ hr. before opening and after closing to allow for startup and closure requirements. Employees schedules are set up to meet a 40-hour work week schedule. Unforeseen circumstances associated with weather, natural disasters, and unforeseen staffing issues may require staff assist beyond scheduled times.

The Sun Street Transfer Station has coverage assigned at least ½ hr. before opening and ½ hr. after closing to allow for startup and closure requirements. Employee schedules are set up to meet a 40-hour work week schedule. Unforeseen circumstances associated with weather, natural disasters, and unforeseen staffing issues may require staff assist beyond scheduled times.

Transport Operations work week schedules are established to have spacing between drivers to avoid inefficiencies. Employee schedules are set up to allow for transportation of waste six (6) days a week. Driver start times vary and range from 5:30 am-7:00 am. Drivers are assigned to move at least four (4) loads on a shift. Additional loads may be assigned to drivers depending on operational needs and end facility closure time. Schedules required to work Saturdays have split days off. Prescheduled "blitz" weeks are posted for employee knowledge in advance and if carried out calls for a six (6) day work week for that week due to the need to remove excess accumulated waste. Time worked on a "blitz" day is mandatory and will be paid as overtime, though volunteers by seniority will be accepted first before any employee is mandated to participate.

The Sun Street Transfer Station is being proposed to be shut down sometime in the near future. This will require relocation of the Authority's Materials Recovery Center and Household Hazardous Waste Facility to the Madison Lane Transfer Station. On July 1, 2022, the Authority will begin waste transfer operations at the Madison Lane Transfer Station under contract. These changes will result in the Authority becoming a vendor to the Madison Lane Transfer Station and likely impact work schedules and staffing. If requested, the Union and the Authority will meet and confer regarding the impacts of this relocation.

19.3 Overtime. Under the federal Fair Labor Standards Act (FLSA), non-exempt employees shall be entitled to overtime pay for hours worked over 40 in a work week at a rate not less than time and one-half their regular rates of pay. Unscheduled overtime may occur from time to time at the end of a work shift. The employee will notify their supervisor of the status of their work, route or shift and the need to work overtime to complete the work. The supervisor will authorize the overtime to complete

the work, route of shift. Scheduled overtime will be announced and posted for all who may desire to work overtime. Scheduled overtime will be assigned by seniority, by classification and by work location. The most senior employee in the classification by location will be offered the overtime assignment. If they refuse the assignment, then the next senior employee will be offered the assignment unit the work is assigned. If no one accepts the overtime, the Authority will then assign the overtime in reverse order of seniority.

- 19.4 Rest Periods. Unit employees are authorized and permitted to take one ten-minute rest period during each four (4) hour work period. Rest periods are not provided if the total daily work schedule is less than 3-1/2 hours. To the extent possible, rest periods are to be taken in the middle of work periods. Rest periods may not be combined or added to meal periods. Rest periods will not unduly interfere with the efficient operations of the Authority. Employees are not required to clock in and out for rest periods. Since this time is counted and paid as time worked, employees shall not be absent from their workstation beyond the allotted time. Equipment Operator/Drivers and Equipment Operator/Driver Leads are permitted to take rest periods when they arrive at the designated Transfer Station loading dock for load 2 & 4 for operational efficiencies, unless unexpected circumstances delay arrival; waiting in line is not considered a break.
- Meal Periods. Unit employees who are scheduled for shifts in excess of five (5) hours will be provided with one unpaid meal period of 30 minutes or 60 minutes in length as determined by the Authority based on site specific needs. Meal periods are determined by individual flexible schedules or management will schedule meal periods to accommodate operation requirements and will relieve the employee of all active responsibilities and restrictions during meal periods. Meal periods are unpaid and employees are required to document in and out for meal periods. If an employee's work shift is six (6) hours, they may waive the unpaid meal period but must do so in writing on a form provided by the Authority. Employees who fail to take meal periods are not entitled to any additional compensation other than being paid for their actual work hours. The Authority may stager employee breaks and meal periods based on start times for operational purposes.
- 19.6 Meal Periods for Commercial Drivers. Employees who are Equipment Operator/Drivers and Equipment Operator/Driver Leads are required to take a meal period of not less than 30 minutes, beginning no later than five (5) hours after the beginning of the workday. For example, a Equipment Operator/Driver or Equipment Operator/Driver Lead whose workday begins at 6:00 a.m. must take a 30-minute meal break beginning no later than 11:00 a.m. In the event they are scheduled or required to work 10 hours or more in a single workday, the employee is eligible for and required to take a second meal period of no less than 30 minutes. During a 30 minute meal period, Equipment Operator/Drivers and Equipment Operator/Driver Leads are relieved of all duties and the meal period does not count as hours worked. The Authority may stager these employee breaks and meal periods based on start times for operational purposes.

19.7 <u>Meal Periods for Scalehouse Cashiers</u>. Scalehouse cashiers are required to take onduty meal periods which are counted as time worked and scheduled as straight time as the nature of the work prevents relief from all duties. If multiple scalehouse cashiers are scheduled to work at the same job site, then an unpaid meal break may be taken as detailed above.

## ARTICLE 20 GRIEVANCE PROCEDURE

- 20.1 <u>Grievance Defined</u>. A grievance is a complaint that there has been a violation of this MOU, the personnel policies of the Authority, and/or local, state or federal law. The represented Unit employee and/or their designated representative bringing such a complaint shall state how the violation affects their wages, hours, working conditions, or job security, as provided for in this MOU, the personnel policies of the Authority, and/or local, state or federal law.
- Informal Discussion. When a represented Unit employee has a grievance complaint, the employee and/or their designated representative shall first informally discuss the matter with the employee's immediate supervisor within fifteen (15) working days from the incident or decision generating the grievance. If after the discussion with the immediate supervisor, the complaint has not been satisfactorily resolved, the employee and/or their designated representative shall have the right to informally discuss the complaint with the supervisor's immediate superior. If after such a discussion, the complaint has not been satisfactorily resolved, the represented Unit employee shall have the right to file a formal written grievance on a form to be supplied to the Union by the Authority.
- 20.3 <u>Formal Grievance Procedure</u>. A formal written grievance shall be used to resolve a represented Unit member's grievance complaint which the employee believes has not been satisfactorily resolved by the informal discussion process described above. The procedure is as follows:
  - a. A represented Unit employee shall have the right to present a formal grievance, in writing, within fifteen (15) working days after the discussion of the grievance with the immediate supervisor and the immediate supervisor's superior, if applicable. All formal written grievances shall state: (1) the violation of this MOU, the personnel policies of the Authority, and/or local, state or federal law; (2) how it affects the employee's wages, hours, working conditions or job security; and (3) the employee's requested remedy.
  - b. The formal written grievance shall be presented to the Division Manager. The Division Manager shall discuss the grievance with the represented Unit employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal written grievance, the Division Manager shall render a written decision regarding its merits. If the Division Manager's decision does not satisfactorily resolve the grievance complaint, the employee and/or their designated representative may present the formal

grievance to the CAO. The grievance shall be considered resolved and no further administrative review of the subject matter of the grievance shall be permitted when the employee does not seek further review of the grievance within fifteen (15) working days after the receipt of the decision of the Division Manager. Failure of the Division Manager to render a written decision on the grievance within fifteen (15) working days constitutes a decision denying the grievance and the employee may proceed to the next step in the grievance process.

- C. When a represented Unit employee presents a formal grievance to the CAO, the CAO shall discuss the grievance with the employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal grievance, the CAO shall render a written decision regarding its merits. The decision of the CAO shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Authority's administrative process. Should the CAO fail to render a written decision within fifteen (15) working days, the grievance shall be deemed denied and the administrative procedures completed.
- 20.4 <u>No Reprisals</u>. The Authority shall not institute any reprisals against any represented Unit employee or their designated representative resulting from the use of the grievance procedure.

## ARTICLE 21 DISCIPLINE

- 21.1 Purpose. Except as modified herein, the employment policies of the Authority are described in the Employee Handbook. Adherence to standards of performance and conduct is necessary for the Authority to operate in the most effective manner possible. Disciplinary procedures have been established to handle rule violations, or any other misconduct, which has or may have a detrimental effect on the Authority, its operations, or its employees.
- 21.2 <u>Types of Discipline</u>. Discipline shall include verbal counseling, written counseling, a performance improvement plan, suspension, salary reduction, demotion, and termination as appropriate for the specific situation. While discipline should be progressive and commensurate with the nature and degree of the misconduct or poor performance at issue, certain conduct or performance problems may result in termination even for the first offense. Verbal counseling and/or written counseling may be subject to a grievance, but are not entitled to any form of pre-disciplinary notice and response rights nor any form of post-discipline imposition due process appeal rights.
- 21.3 <u>Performance Improvement Plan</u>. Performance deficiencies may be addressed through a Performance Improvement Plan on a stand-alone basis based upon recent performance issues, as part of an employee performance review, or as part of a counseling or discipline process. The primary objective is to establish a formal plan of action for improvement, observe the employee's progress, evaluate the

- employee's work performance, and to determine the employee's continued suitability for the position they hold.
- 21.4 <u>Pre-Disciplinary Notice and Response Rights</u>. A represented employee may be subject to discipline by a Division Manager. When suspension, salary reduction, demotion, or termination is being proposed against a represented employee who has passed probation, the employee shall be afforded pre-disciplinary notice and response rights starting with a NOTICE OF PROPOSED DISCIPLINARY ACTION ("NOTICE") from the disciplining authority which shall include the following:
  - a. The type of discipline being proposed;
  - b. The date the proposed discipline is intended to be effective;
  - c. The specific grounds and particular facts upon which the proposed discipline is based;
  - d. A copy of all written materials, reports or documents upon which the proposed action is based;
  - e. A statement of the employee's right to respond either orally or in writing to the proposed discipline within five (5) work days of service of the NOTICE; and
  - f. A statement that failure to respond at or by the time specified shall constitute a waiver of the right to respond prior to discipline being imposed.
- 21.5 <u>Notice Of Disciplinary Action Being Imposed</u>. After the response, or the expiration of the employee's time to respond, to the NOTICE OF PROPOSED DISCIPLINARY ACTION, the appropriate disciplining authority shall:
  - a. Consider the employee's response;
  - b. Decide whether to uphold, modify or rescind the proposed disciplinary action; and
  - c. Serve the employee with a written NOTICE OF DISCIPLINARY ACTION BEING IMPOSED, which shall include the reasons for the disciplinary action being imposed, the effective date for imposition of the disciplinary action, and the employee's rights of appeal.
- 21.6 <u>Post-Discipline Appeal</u>. Employees who disagree with the decision to discipline for a suspension, salary reduction, demotion or termination may appeal that decision to the Authority's Chief Administrative Officer. Any such appeals must be in writing and received by the Chief Administrative Officer no less than ten (10) days following the date on which the employee received the NOTICE OF DISCIPLINARY ACTION BEING IMPOSED. Failure to file such a request

- within the aforementioned time frame will result in the employee having waived their right to an appeal hearing and appeal of the discipline.
- 21.7 <u>Post-Discipline Appeal Hearing</u>. The Chief Administrative Officer may conduct the appeal hearing themself, or refer it to a third party to conduct the appeal hearing and issue an advisory decision to the Chief Administrative Officer.
  - a. <u>Hearing Date</u>. After the selection of a hearing officer, a date shall be selected by the hearing officer for the hearing. The employee shall be notified in writing at least ten (10) working days prior to the hearing of the scheduled date. The hearing officer shall have sole discretion of hearing date calendaring and/or extensions.
  - b. <u>Prehearing Notice of Witnesses and Exhibits</u>. Five (5) working days prior to the hearing, each party shall identify to the opposing party all witnesses and documents which the party disclosing the information intends to use at the hearing. Failure to disclose a witness or document shall require its exclusion from the hearing, unless used for impeachment purposes or submitted with reasonable justification to the hearing officer as determined in their sole discretion.
  - c. <u>Closed Hearing</u>. The hearing shall be a closed hearing unless the employee requests in writing five (5) working days prior to the hearing that the hearing be open to the public.
  - d. <u>Record of Hearing</u>. The hearing shall be recorded, either electronically or by a court reporter, at the option of the hearing officer and at no expense to the employee.
  - e. <u>Employee Appearance</u>. The employee shall appear personally before the hearing officer at the time and place set for the disciplinary appeal hearing. The employee may be represented by any person they may select so long as they are not a witness in the hearing.

## 21.8 Conduct at the Disciplinary Hearing.

- a. All testimony shall be by oath or affirmation;
- b. The conduct and decorum of the hearing shall be under the control of the hearing officer.
- c. Direct and cross-examination of witnesses shall be permitted.
- d. Hearings need not be conducted according to technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determining the truth.

- e. The Authority shall bear the burden of proof by a preponderance of the evidence that sufficient grounds exist to justify the employee's discipline. The inquiry of the hearing officer shall be whether the greater weight of the evidence supports the Authority's decision to discipline the employee or not.
- f. The hearing officer shall not have the power to alter, amend, change, add to, or subtract from any of the terms of these rules bearing upon the matter.

## 21.9 <u>Disciplinary Hearing Decision</u>.

- a. Within forty-five (45) days of the conclusion of the hearing, the hearing officer, if they be the Chief Administrative Officer, shall make findings and a final administrative decision with reference to the discipline imposed.
- b. Within forty-five (45) days of the conclusion of the hearing, if the hearing officer is not the Chief Administrative Officer, the hearing officer shall make advisory findings and an administrative decision with reference to the discipline imposed and transmit same to the parties and the Chief Administrative Officer. The Chief Administrative Officer shall then consider same and issue a decision adopting or modifying the decision as deemed appropriate by the Chief Administrative Officer based upon their complete review of the record of the hearing.
- c. A copy of the Chief Administrative Officer's decision may be sent by US mail with proof of service that reflects delivery to the last known address of the employee. It shall be the responsibility of the employee to inform the Authority of their address for such purposes.
- d The decision of the Chief Administrative Officer is final except for judicial review pursuant to Code of Civil Procedure §1094.5. There is no process for reconsideration.
- e. Pursuant to Code of Civil Procedure section 1094.6, the parties have ninety (90) days from the date of the proof of service of mailing of the written findings and decision to appeal the Authority's decision on the appeal to the Superior Court in and for the County of Monterey.

## ARTICLE 22 LAYOFF/REDUCTION IN WORKFORCE

Layoff/reduction in workforce is defined as involuntary employment separation initiated by the Authority. Under some circumstances, the Authority may need to restructure or reduce its workforce. If it becomes necessary to restructure operations or reduce the number of employees, the Authority will provide at least thirty (30) days advance notice to the Union and the affected represented employee. The Union may request to meet and confer over the impact and effect of a proposed layoff. Any layoff will be done by classification, by Seniority in that classification and then by previous successor seniority, if necessary. If possible, employees subject to

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restructure or reductions will be informed of the nature and the foreseeable duration of the restructure or reduction, whether short-term, long-term or permanent.

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## ARTICLE 23 UNION AND AUTHORITY PROHIBITED CONDUCT

- 23.1 The Union, its officers, agents, representatives and/or members agree that during the term of this MOU they will not cause nor condone any strike, walkout, slowdown, sick-out, or any other concerted job action by withholding or refusing to perform services. A violation of this Article by any Unit member shall constitute a just cause for discipline.
- 23.2 In the event that the Union, its officers, agents, representatives and/or members cause or condone any employee strike, walkout, slowdown, sick-out, or any other concerted job action by withholding or refusing to perform services, the Union shall immediately instruct any persons engaging in such conduct that their conduct is a violation of this MOU, and require all such represented persons to immediately cease engaging in the prohibited conduct and return to work.
- During the term of this MOU, neither the Authority nor any of its agents, shall authorize, institute, aid or promote any lockout of employees covered by this MOU.

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## ARTICLE 24 PRINTING NEW CONTRACT BOOKS

The Union shall print this and any new, revised versions of this MOU or amendments thereto, in adequate quantity and quality for distribution to all bargaining unit and management personnel.



## ARTICLE 25 SAVINGS CLAUSE

Any provision of this MOU, which conflicts with any State or Federal statute, or Executive Order having the same effect as law, now existing or hereinafter enacted, or declared by a court of competent jurisdiction to be unlawful, unenforceable or not in accordance with applicable statutes shall not affect the remainder of the MOU which shall remain in full force and effect for the term of the MOU. The parties will meet as soon as practical to negotiate the effects of any invalidated provision.



## ARTICLE 26 JOINT DRAFTING

In recognition of the fact that the parties had an equal opportunity to negotiate the language of, and draft, this MOU, the parties acknowledge and agree that there is no single drafter of this MOU and, therefore, the general rule that ambiguities are to be construed against the drafter is, and shall be, inapplicable. If any language in this MOU is found or claimed to be ambiguous, each party shall have the same opportunity to present evidence as to the actual intent of the parties with respect

to any such ambiguous language without any inference or presumption being drawn against any party hereto.



## ARTICLE 27 MODIFICATION



This MOU may only be modified or amended by written agreement between the parties which must then be ratified by the Union and formally approved by resolution of the Board of the Authority.

On Behalf of the Salinas Valley Solid Waste Authority:	Operating Engineers Local Union No. 3. AFL-CIO:				
By	By:				
R. Patrick Mathews, General Manager/CAO	Felix Mario Huerta Jr.				
	Organizer/Business Representative				
	Operating Engineers Local Union No.				
	3. AFL-CIO				
$\mathbf{B}\mathbf{y}$	By:				
Cesar Zuniga, Assistant General Manager	Michael Moore				
	<b>Business Representative</b>				
	Operating Engineers Local Union No				
	3. AFL-CIO				
	By:				
	John Naegle				
	Operations Engineering Unit				
	Bargaining Team Member				
	By:				
	Roberto Rodriguez				
	Operations Engineering Unit				
•	Bargaining Team Member				

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## MEMORANDUM OF UNDERSTANDING

## BETWEEN

## SALINAS VALLEY SOLID WASTE AUTHORITY

## **AND**

OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO

## THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA

July 1, 2022 through June 30, 2026

[The Authority provides the following counter proposals to Union in response to Union's draft MOU. The Authority rejects Union's proposals on Timekeeping, Overtime, Work Weeks, Make-Up Time, Telecommuting, Paydays, Pay Deductions, Flexible Leave, Safety Rules, Employment Policies, Cell Phone, Vehicle Allowance, Safety Rules, and Waiver of Bargaining.]

## ARTICLE 2. RECOGNITION AND UNIT DESCRIPTION

- 2.3 Bargaining Unit. The Operations and Engineering Unit includes all employees who are employed by the Authority in the following classifications:
  - a. Diversion Worker I/II
  - b. Equipment Maintenance Tech I/II
  - c. Equipment Operator/Driver
  - d. Equipment Operator/Driver Lead
  - e. Heavy Equipment Operator
  - f. Heavy Equipment Operator Lead
  - g. HHW Maintenance Worker I/II
  - h. HHW Technician
  - i. Scalehouse Cashier
  - j. Solid Waste Technician

## ARTICLE 14. SALARIES

14.9 On-Call Pay. Represented employees assigned to on-call status shall be compensated \$250 per two-week assignment. On call will be assigned by Seniority and on a rotating basis to designated employees for environmental control systems and public safety call outs. The on-call period will be the same as the established biweekly pay period and will rotate between designated employees as established by the Chief Administrative Officer or their designee. Additionally, an employee who responds to a site when called out will be compensated for a minimum of two (2) hours of pay or for the actual hours worked, whichever is greater. An employee who is on call and fails to respond to a call shall forfeit \$50 of on-call pay per occurrence, not to exceed \$350 per pay period.

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## ARTICLE 17. LEAVES

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<u>Holiday Leave</u>. The Authority recognizes the following holidays for Union represented employees. The landfill and transfer stations will be closed on those holidays marked with a (\*):

New Year's Day *	January 1st
Martin Luther King Jr. Day	Third Monday in January
Presidents' Day	Third Monday in February
Cesar Chavez Day	March 31st
Memorial Day	Last Monday in May
Independence Day *	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day *	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Day after Thanksgiving	·

All regular full and part-time, bargaining unit employees who do not work on a designated holiday due to the facility closure associated with the holiday (\*) above, will receive holiday pay at their regular rate of pay (as of the date of the holiday) times the number of hours that employee is scheduled to work on the day of closure. OE3 represented Employees are granted two (2) Floating Holiday to be used at employee's discretion subject to approval. Requests for the use of floating holidays will be the same as vacation day requests. The first time an employee uses a full day of eight (8) hours of PTO will be considered an employee's election to use their Floating Holiday. PTO will not be counted as hours worked for the purposes of determining overtime and shall not be counted as days worked prior to or after the holiday for purposes of entitlement to holiday pay. All regular full and part-time, bargaining unit employees who work on a designated holiday will receive holiday pay at their regular rate of pay for the number of hours actually worked that day. All holidays shall be observed on the dates designated above, and not on any other dates regardless of whether they fall on a weekend.

Easter Sunday is a non-recognized holiday for employees scheduled to work on that Sunday. Employees scheduled to work on Easter Sunday will be provided the option to flex their schedule or use PTO hours.

Employees must work the last scheduled day before a holiday and the first scheduled working day following the holiday to be eligible for holiday pay. If an employee has a preapproved and/or excused absence on a holiday, the supervisor may authorize providing holiday pay in lieu of reducing an employee's paid absence (e.g., PTO).

ARTICLE 19.

9. HOURS OF WORK, WORK WEEK, WORK SCHEDULES,
72/27 OVERTIME, AND REST AND MEAL PERIODS

Work Week. The workweek at the Authority begins at 12:00 a.m. on Monday and ends seven (7) consecutive days later on Sunday at 11:59 p.m.

19.2

Hours of Work and Work Schedules. Employee work schedules are set up for at least a 40-hour work week schedule and to meet both specific work location, public hours of operation, and opening and closing requirements. Work schedules shall be posted monthly. Any changes once posted must be discussed with the Union prior to any change, but this does not pertain to individual employees being asked or required to cover employee shifts due to PTO leave or any other absences.

Employees assigned to the Jolon Road Transfer Station are designated to work a 4.5-4.75 hr. workday on Saturdays due to a half-day (8am-12pm) operation designated by its operating permit. The remainder of the work week schedule will be set up to accomplish a 40-hour work week to allow for opening and closing operation.

The Johnson Canyon Landfill has coverage assigned at least ½ hr. before opening and after closing to allow for startup and closure requirements. Employees schedules are set up to meet a 40-hour work week schedule. Unforeseen circumstances associated with weather, natural disasters, and unforeseen staffing issues may require staff assist beyond scheduled times.

The Sun Street Transfer Station has coverage assigned at least ½ hr. before opening and ½ hr. after closing to allow for startup and closure requirements. Employee schedules are set up to meet a 40-hour work week schedule. Unforeseen circumstances associated with weather, natural disasters, and unforeseen staffing issues may require staff assist beyond scheduled times.

Transport Operations work week schedules are established to have spacing between drivers to avoid inefficiencies. Employee schedules are set up to allow for transportation of waste six (6) days a week. Driver start times vary and range from 5:30 am-7:00 am. Drivers are assigned to move at least four (4) loads on a shift. Additional loads may be assigned to drivers depending on operational needs and end facility closure time. Schedules required to work Saturdays have split days off. Pre-scheduled "blitz" weeks are posted for employee knowledge in advance and if carried out calls for a six (6) day work week for that week due to the need to remove excess accumulated waste. Time worked on a "blitz" day is mandatory and will be

paid as overtime, though volunteers by seniority will be accepted first before any employee is mandated to participate.

The Sun Street Transfer Station is being proposed to be shut down sometime in the near future. This will require relocation of the Authority's Materials Recovery Center and Household Hazardous Waste Facility to the Madison Lane Transfer Station. On July 1, 2022, the Authority will begin waste transfer operations at the Madison Lane Transfer Station under contract. These changes will result in the Authority becoming a vendor to the Madison Lane Transfer Station and likely impact work schedules and staffing. If requested, the Union and the Authority will meet and confer regarding the impacts of this relocation.

19.4

Rest Periods. Unit employees are authorized and permitted to take one ten-minute rest period during each four (4) hour work period. Rest periods are not provided if the total daily work schedule is less than 3-1/2 hours. To the extent possible, rest periods are to be taken in the middle of work periods. Rest periods may not be combined or added to meal periods. Rest periods will not unduly interfere with the efficient operations of the Authority. Employees are not required to clock in and out for rest periods. Since this time is counted and paid as time worked, employees shall not be absent from their workstation beyond the allotted time. Equipment Operator/Drivers and Equipment Operator/Driver Leads are permitted to take rest periods when they arrive at the designated Transfer Station loading dock for load 2 & 4 for operational efficiencies, unless unexpected circumstances delay arrival; waiting in line is not considered a break.

19.5

Meal Periods. Unit employees who are scheduled for shifts in excess of five (5) hours will be provided with one unpaid meal period of 30 minutes or 60 minutes in length as determined by the Authority based on site specific needs. Meal periods are determined by individual flexible schedules or management will schedule meal periods to accommodate operation requirements and will relieve the employee of all active responsibilities and restrictions during meal periods. Meal periods are unpaid and employees are required to document in and out for meal periods. If an employee's work shift is six (6) hours, they may waive the unpaid meal period but must do so in writing on a form provided by the Authority. Employees who fail to take meal periods are not entitled to any additional compensation other than being paid for their actual work hours. The Authority may stager employee breaks and meal periods based on start times for operational purposes.

19.6

Meal Periods for Commercial Drivers. Employees who are Equipment Operator/Drivers and Equipment Operator/Driver Leads are required to take a meal period of not less than 30 minutes, beginning no later than five (5) hours after the beginning of the workday. For example, a Equipment Operator/Driver or Equipment Operator/Driver Lead whose workday begins at 6:00 a.m. must take a 30-minute meal break beginning no later than 11:00 a.m. In the event they are scheduled or required to work 10 hours or more in a single workday, the employee is eligible for and required to take a second meal period of no less than 30 minutes. During a 30 minute meal period, Equipment Operator/Drivers and Equipment

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Operator/Driver Leads are relieved of all duties and the meal period does not count as hours worked. The Authority may stager these employee breaks and meal periods based on start times for operational purposes.

<u>Meal Periods for Scalehouse Cashiers</u>. Scalehouse cashiers are required to take onduty meal periods which are counted as time worked and scheduled as straight time as the nature of the work prevents relief from all duties.

## ARTICLE 20 GRIEVANCE PROCEDURE

20.1 20.1 20.1 20.1 20.1 <u>Grievance Defined</u>. A grievance is a complaint that there has been a violation of this MOU, the personnel policies of the Authority, and/or local, state or federal law. An employee, a group of employees or the Union may file a grievance. The represented Unit employee and/or their designated representative bringing such a complaint shall state how the violation affects their wages, hours, working conditions, or job security, as provided for in this MOU, the personnel policies of the Authority, and/or local, state or federal law.

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Informal Discussion. When a represented Unit employee, a group of employees or the Union has a grievance, they shall first informally discuss the matter with the employee's or group of employees' immediate supervisor within fifteen (15) working days from the incident or decision generating the grievance. If after the discussion with the immediate supervisor, the grievance has not been satisfactorily resolved, the employee(s) and/or their designated representative shall have the right to informally discuss the grievance with the supervisor's immediate superior. If after such a discussion, the grievance has not been satisfactorily resolved, the represented Unit employee, group of employees or the Union shall have the right to file a formal written grievance on a form mutually agreed upon by the Union and the Authority.

20.3

<u>Formal Grievance Procedure</u>. A formal written grievance shall be used to resolve a represented Unit member's grievance which the employee, group of employees or the Union believes has not been satisfactorily resolved by the informal discussion process described above. The procedure is as follows:

A represented Unit employee, a group of employees or the Union shall have the right to present a formal grievance, in writing, within fifteen (15) working days after the discussion of the grievance with the immediate supervisor and the immediate supervisor's superior, if applicable. All formal written grievances shall state: (1) the violation of this MOU, the personnel policies of the Authority, and/or local, state or federal law; (2) how it affects the employee's wages, hours, working conditions or job security; and (3) the employee's requested remedy.

The formal written grievance shall be presented to the Division Manager or their designee. The Division Manager or their designee shall discuss the grievance with the represented Unit employee and/or their designated

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representative. Within fifteen (15) working days after receipt of the formal written grievance, the Division Manager or their designee shall render a written decision regarding its merits. If the Division Manager or their designee's decision does not satisfactorily resolve the grievance, the employee, group of employees and/or their designated representative may present the formal grievance to the CAO. The grievance shall be considered resolved and no further administrative review of the subject matter of the grievance shall be permitted when the employee, group of employees and/or Union does not seek further review of the grievance within fifteen (15) working days after the receipt of the written decision of the Division Manager or their designee. If after the discussion with the Division Manager or their designee, the grievance has not been satisfactorily resolved, the employee, group of employees, or the Union shall have the right to formally present the grievance to the Chief Administrative Officer (CAO).

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When a represented Unit employee, group of employees or the Union presents a formal grievance to the CAO, the CAO shall discuss the grievance with the employee(s) and/or their designated representative. Within fifteen (15) working days after receipt of the formal grievance, the CAO shall render a written decision regarding its merits. The decision of the CAO shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Authority's administrative process.

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No Reprisals. The Authority shall not institute any reprisals against any represented Unit employee or their designated representative resulting from the use of the grievance procedure.

## **ARTICLE 21**

## DISCIPLINE

21.1

<u>Purpose</u>. Except as modified herein, the employment policies of the Authority are described in the Employee Handbook. Adherence to standards of performance and conduct is necessary for the Authority to operate in the most effective manner possible. Disciplinary procedures have been established to handle rule violations, or any other misconduct, which has or may have a detrimental effect on the Authority, its operations, or its employees.

21.2

Types of Discipline. Discipline shall include verbal counseling, written reprimand, a performance improvement plan, suspension, salary reduction, demotion, and termination as appropriate for the specific situation. While discipline should be progressive and commensurate with the nature and degree of the misconduct or poor performance at issue, certain conduct or performance problems may result in termination even for the first offense. Verbal counseling and/or written reprimand may be subject to a grievance, but are not entitled to any form of pre-disciplinary notice and response rights nor any form of post-discipline imposition due process appeal rights.

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<u>Performance Improvement Plan</u>. Performance deficiencies may be addressed through a Performance Improvement Plan on a stand-alone basis based upon recent performance issues, as part of an employee performance review, or as part of a counseling or discipline process. The primary objective is to establish a formal plan of action for improvement, observe the employee's progress, evaluate the employee's work performance, and to determine the employee's continued suitability for the position they hold.

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<u>Pre-Disciplinary Notice and Response Rights</u>. A represented employee may be subject to discipline by a Division Manager. When suspension, salary reduction, demotion, or termination is being proposed against a represented employee who has passed probation, the employee shall be afforded pre-disciplinary notice and response rights starting with a NOTICE OF PROPOSED DISCIPLINARY ACTION ("NOTICE") from the disciplining authority which shall include the following:

- a. The type of discipline being proposed;
- b. The date the proposed discipline is intended to be effective;
- c. The specific grounds and particular facts upon which the proposed discipline is based;
- d. A copy of all written materials, reports or documents upon which the proposed action is based;
- e. A statement of the employee's right to respond either orally or in writing to the proposed discipline within five (5) work days of service of the NOTICE; and
- f. A statement that failure to respond at or by the time specified shall constitute a waiver of the right to respond prior to discipline being imposed.

Notice Of Disciplinary Action Being Imposed. After the response, or the expiration of the employee's time to respond, to the NOTICE OF PROPOSED DISCIPLINARY ACTION, the appropriate disciplining authority shall:

- a. Consider the employee's response;
- b. Decide whether to uphold, modify or rescind the proposed disciplinary action; and
- c. Serve the employee with a written NOTICE OF DISCIPLINARY ACTION BEING IMPOSED, which shall include the reasons for the disciplinary action being imposed, the effective date for imposition of the disciplinary action, and the employee's rights of appeal.

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21.8 Conduct at the Disciplinary Hearing.

- a. All testimony shall be by oath or affirmation;
- b. The conduct and decorum of the hearing shall be under the control of the hearing officer.
- c. Direct and cross-examination of witnesses shall be permitted.
- d. Hearings need not be conducted according to technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determining the truth.
- e. The Authority shall bear the burden of proof by a preponderance of the evidence that sufficient grounds exist to justify the employee's discipline. The inquiry of the hearing officer shall be whether the greater weight of the evidence supports the Authority's decision to discipline the employee or not.
- f. The hearing officer shall not have the power to alter, amend, change, add to, or subtract from any of the terms of these rules bearing upon the matter.

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## MEMORANDUM OF UNDERSTANDING

## **BETWEEN**

## SALINAS VALLEY SOLID WASTE AUTHORITY

## **AND**

OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO

## THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA

July 1, 2022 through June 30, 2026

[The Authority provides the following counter proposals to Union in response to Union's draft MOU. The Authority rejects Union's proposals on Timekeeping, Overtime, Work Weeks, Make Up Time, Telecommuting, Paydays, Pay Deductions, Flexible Leave, Safety Rules, Employment Policies, Cell Phone, Vehicle Allowance, Safety Rules, and Waiver of Bargaining.]

## ARTICLE 1. PARTIES, TERM AND ADOPTION OF MEMORANDUM OF UNDERSTANDING

1.3 Adoption. This Memorandum of Understanding shall be presented to the Board of Directors of the Authority as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2022 and ending June 30, 2026. Upon Ratification by the Union's membership at the Authority and approval by the Board of Directors of the Authority, this Memorandum of Understanding shall become binding between the Authority and the Union retroactive to July 1, 2022 except as otherwise expressly stated herein.

## ARTICLE 2.

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<u>Bargaining Unit</u>. The Operations and Engineering Unit includes all employees who are employed by the Authority in the following classifications:

- a. Diversion Worker I/II
- b. Diversion Systems Maintenance Worker
- b.c. Equipment Maintenance Tech I/II
- e.d. Equipment Operator/Driver
- d.e. Equipment Operator/Driver Lead
- e.f. Field Operations Supervisor
- £g. Heavy Equipment Operator
- g.h. Heavy Equipment Operator Lead
- h-i. HHW Maintenance Worker I/II
- i.j. HHW Technician
- i.k. Scalehouse Cashier
- L. Solid Waste Technician I/II

## ARTICLE 3. EMPLOYMENT STATUS

3.2 <u>Lateral Probationary Appointment</u>. An existing employee who applies for and is appointed to a new classification that is not a promotion becomes a probationary at-will employee in the new classification for the initial six (6) months of actual and continuous service in that new job position/classification. During this time, management and the new employee closely evaluate the compatibility, abilities, and

interest in the position. In the event a lateral appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.

3.3 <u>Promotional Probationary Appointment</u>. A promoted Unit employee is a probationary employee for the initial six (6) months of actual and continuous service in that promoted job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a promotional appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided then that a vacant position is then available provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.

## ARTICLE 14. SALARIES

- 14.1 Cost of Living Adjustment 2022/23. Effective the first full pay period in July 2022 or the first full payroll period after the Authority's Board approves this MOU, whichever is later, all Unit employees will receive a cost of living adjustment of 3.5% of base pay.
- 14.2 Cost of Living Adjustment 2023/24. Effective the first full pay period in July 2023, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2022 to January 2023.
- 14.3 Cost of Living Adjustment 2024/25. Effective the first full pay period in July 2024, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2023 to January 2024.
- 14.4 Cost of Living Adjustment 2025/26. Effective the first full pay period in July 2025, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2024 to January 2025.
- 14.9 On-Call Pay. Represented employees assigned to on-call status shall be compensated \$250 per two-week assignment. On call will be assigned by Seniority and on a rotating basis to designated employees for environmental control systems and public safety call outs. The on-call period will be the same as the established biweekly pay period and will rotate between designated employees as established by the Chief Administrative Officer or their designee. Additionally, an employee who responds to a site when called out will be compensated for a minimum of two (2) hours of pay or for the actual hours worked, whichever is greater. An employee who is on call and fails to respond to a call shall forfeit \$50 of on-call pay per occurrence, not to exceed \$250 per pay period.

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14.11 Equity Adjustments. The Authority and OE3 agree to reclassify two (2) existing positions from Diversion Worker I/II to the new title of Diversion Systems

Maintenance Worker with a salary equity adjustment of 10.0% increase to the base pay range. This reclassification will be applied to the two (2) existing Diversion Worker I/IIs operating the Organic Recovery Systems at the Johnson Canyon Landfill.

ARTICLE 15. COMPENSATION STRUCTURE, SALARY RANGES AND STEPS

JANZ SMJ Compensation Structure. The Authority and the Union strive to establish equitable wage rates and benefits so that every employee is paid according to the working conditions, responsibilities, and requirements of the job. We try to keep wages and benefits equal to or better than that of employees performing similar services in comparable public agencies in our industry. Exhibit A, Salary Ranges, shall be the agreed upon Unit employee salary ranges effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later. Each range consists of 11 Steps and each step within the salary range shall be 2.5% between steps. Initial probationary increases awarded at the end of a probationary period will not exceed one step (2.5%) and shall never exceed Step 11, which is the highest allowed step.

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Evaluation/Anniversary Increases. The Authority believes in rewarding employees based on their individual performance through probationary and annual Evaluation / Anniversary increases based on a number of factors, including job performance. Employee performance is measured against standards of performance for their particular job. Subsequent Evaluation/Anniversary increases shall take place on the annual evaluation date. Regular employees are eligible for, but not guaranteed, a Evaluation/Anniversary increase. Failure to complete an evaluation by the Authority on the probationary or annual evaluation period, shall not be a bar to any potential increase. Changes to an employee pay range or step shall be effective with the pay period inclusive of the effective date of the change. Annual Evaluation/Anniversary salary range step increases are based on a numerical scale to correspond with level of performance: Meets standards = 2.5%, Exceeds = 5%, and Outstanding = 7.5%. Employees who have reached Step 11 will not be eligible for an Evaluation/ Anniversary increase. An employee receiving a less than satisfactory evaluation may not receive an Evaluation/ Anniversary increase, but they may appeal the evaluation to the CAO for a final determination, without any other right of grievance or appeal.

## ARTICLE 16. BENEFITS

16.1 <u>Health Insurance</u>. The Authority will continue to offer PERS provided medical insurance, as well as Dental and Vision Services coverage and shall contribute ninety percent (90%) of the total 2022 premium amount. Employees electing medical, dental and/or vision coverage shall pay ten percent (10%) of the total 2022 premium amount. Authority and employees acknowledge that the premium amounts are established by the respective insurance providers and are subject to change.

Any subsequent changes in premiums from those established in 2022 (baseline) shall be equally and additionally shared by the Employee and Authority for the term of this Agreement Effective January 1, 2023 through the term of this MOU, the Authority shall pay 85% of all selected health care premiums and the Employee shall 15% of all selected health care premiums.

The employee's contribution toward the premium amount is based on the Employee selected Plans and levels of dependent care coverage and will be paid as a pre-tax payroll deduction.

16.6. California Public Employee Retirement System ("CalPERS"). Unit employees defined by CalPERS as "Classic Members" shall pay the Employee's contribution to CalPERS as determined by CalPERS, currently 7% of earnable compensation. The Authority's CalPERS contract provides that represented employees who are Classic Members shall make an additional 1% cost sharing contribution to the employer's contribution to CalPERS with the additional 1% credited to the employee's account.

Unit employees defined by CalPERS as "PEPRA" members are subject to the Public Employees' Pension Reform Act of 2013, according to which they are required to contribute 50% of normal costs as required by CalPERS.

## ARTICLE 17. LEAVES

Flexible Leave. Represented employees are provided sixty (60) hours of Flexible Leave on January 1st of each year. The flexible leave benefit allows an employee to take time off with approval of their supervisor, or to cash-out all or part of the Flexible Leave balance. Flex Leave cannot be requested for a period more than 180 days in the future. Flexible Leave cannot be carried over beyond the calendar year received and any employee who has an accumulated balance as of the final pay date of any calendar year will receive payment of the accrued hours at their then current base hourly rate of pay. Individuals not employed as of January 1 of any calendar year shall receive a pro-rated leave amount based on the number of pay periods remaining in the calendar year. Should an employee separate employment, any accrued flex leave shall be paid out with the employee's final paycheck.

## ARTICLE 19. HOURS OF WORK, WORK WEEK, WORK SCHEDULES, OVERTIME, AND REST AND MEAL PERIODS

19.3 Overtime. Under the federal Fair Labor Standards Act (FLSA), non-exempt employees shall be entitled to overtime pay for hours worked over 40 in a work week at a rate not less than time and one-half their regular rates of pay. Unscheduled overtime may occur from time to time at the end of a work shift. The employee will notify their supervisor of the status of their work, route or shift and the need to work overtime to complete the work. The supervisor will authorize the overtime to complete the work, route of shift. Scheduled overtime will be announced and

posted for all who may desire to work overtime. Scheduled overtime will be assigned by seniority, by classification and by work location. The most senior employee in the classification by location will be offered the overtime assignment. If they refuse the assignment, then the next senior employee will be offered the assignment unit the work is assigned. If no one accepts the overtime, the Authority will then assign the overtime in reverse order of seniority.

## ARTICLE 20 GRIEVANCE PROCEDURE

## 20.3 Formal Grievance Procedure.

c. When a represented Unit employee, a group of employees or the Union presents a formal grievance to the CAO, the CAO shall discuss the grievance with the employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal grievance, the CAO shall render a written decision regarding its merits. The decision of the CAO shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Authority's administrative process.

## ARTICLE 21 DISCIPLINE

- 21.6 <u>Post-Discipline Appeal</u>. Employees who disagree with the decision to discipline for a suspension, salary reduction, demotion or termination may appeal that decision to the Authority's Chief Administrative Officer. Any such appeals must be in writing and received by the Chief Administrative Officer no less than ten (10) days following the date on which the employee received the NOTICE OF DISCIPLINARY ACTION BEING IMPOSED. Failure to file such a request within the aforementioned time frame will result in the employee having waived their right to an appeal hearing and appeal of the discipline.
- 21.7 <u>Post-Discipline Appeal Hearing</u>. The Chief Administrative Officer may conduct the appeal hearing themself, or refer it to a third party to conduct the appeal hearing and issue an advisory decision to the Chief Administrative Officer.
  - a. <u>Hearing Date</u>. After the selection of a Arbitrator/hearing officer, a date shall be selected by the hearing officer for the hearing. The employee shall be notified in writing at least ten (10) working days prior to the hearing of the scheduled date. The hearing officer shall have sole discretion of hearing date calendaring and/or extensions.
  - b. Prehearing Notice of Witnesses and Exhibits. Five (5) working days prior to the hearing, each party shall identify to the opposing party all witnesses and documents which the party disclosing the information intends to use at the hearing. Failure to disclose a witness or document shall require its exclusion from the hearing, unless used for impeachment purposes or submitted with reasonable justification to the hearing officer as determined in their sole discretion.

- c. <u>Closed Hearing</u>. The hearing shall be a closed hearing unless the employee requests in writing five (5) working days prior to the hearing that the hearing be open to the public.
- d. <u>Record of Hearing</u>. The hearing shall be recorded, either electronically or by a court reporter, at the option of the hearing officer and at no expense to the employee.
- e. <u>Employee Appearance</u>. The employee shall appear personally before the hearing officer at the time and place set for the disciplinary appeal hearing. The employee may be represented by any person they may select so long as they are not a witness in the hearing.

## 21.9 <u>Disciplinary Hearing Decision</u>.

- a. Within forty-five (45) days of the conclusion of the hearing, the hearing officer, if they be the Chief Administrative Officer, shall make findings and a final administrative decision with reference to the discipline imposed.
- b. Within forty-five (45) days of the conclusion of the hearing, if the hearing officer is not the Chief Administrative Officer, the hearing officer shall make advisory findings and an administrative decision with reference to the discipline imposed and transmit same to the parties and the Chief Administrative Officer. The Chief Administrative Officer shall then consider same and issue a decision adopting or modifying the decision as deemed appropriate by the Chief Administrative Officer based upon their complete review of the record of the hearing.
- c. A copy of the Chief Administrative Officer's decision may be sent by US mail with proof of service that reflects delivery to the last known address of the employee. It shall be the responsibility of the employee to inform the Authority of their address for such purposes.
- d. The decision of the Chief Administrative Officer is final except for judicial review pursuant to Code of Civil Procedure §1094.5. There is no process for reconsideration.
- e. Pursuant to Code of Civil Procedure section 1094.6, the parties have ninety (90) days from the date of the proof of service of mailing of the written findings and decision to appeal the Authority's decision on the appeal to the Superior Court in and for the County of Monterey.

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## MEMORANDUM OF UNDERSTANDING

## **BETWEEN**

## SALINAS VALLEY SOLID WASTE AUTHORITY

**AND** 

OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO

THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO **OPERATIONS ENGINEERING UNIT AT SVSWA** 

July 1, 2022 through June 30, 2026

### ARTICLE 1. PARTIES, TERM AND ADOPTION OF MEMORANDUM OF **UNDERSTANDING**

1.3 Adoption. This Memorandum of Understanding shall be presented to the Board of Directors of the Authority as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2022 and ending June 30, 2026. Upon Ratification by the Union's membership at the Authority and approval by the Board of Directors of the Authority, this Memorandum of Understanding shall become binding between the Authority and the Union retroactive to July 1, 2022 except as otherwise expressly stated herein.

## ARTICLE 2.

- 2.3 Bargaining Unit. The Operations and Engineering Unit includes all employees who are employed by the Authority in the following classifications:
  - Diversion Worker I/II a.
  - b. Diversion Systems Maintenance Worker
  - c. Equipment Maintenance Tech I/II
  - d. Equipment Operator/Driver
  - e. Equipment Operator/Driver Lead
  - f. Heavy Equipment Operator
  - g. Heavy Equipment Operator Lead
  - h. HHW Maintenance Worker I/II
  - i. HHW Technician
  - į. Scalehouse Cashier
  - L. Solid Waste Technician I/II

### ARTICLE 3. **EMPLOYMENT STATUS**

3.2 Lateral Probationary Appointment. An existing employee who applies for and is appointed to a new classification that is not a promotion becomes a probationary atwill employee in the new classification for the initial six (6) months of actual and continuous service in that new job position/classification. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a lateral appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification



- provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.
- 3.3 <u>Promotional Probationary Appointment</u>. A promoted Unit employee is a probationary employee for the initial six (6) months of actual and continuous service in that promoted job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a promotional appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided then that a vacant position is then available provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.

### ARTICLE 14. **SALARIES**

- Cost of Living Adjustment 2022/23. Effective the first full pay period in July 2022 or 14.1 the first full payroll period after the Authority's Board approves this MOU, whichever is later, all Unit employees will receive a cost of living adjustment of 3.5% of base pay as reflected in the attached Salary Schedule, Attachment 1.
- 14.2 Cost of Living Adjustment 2023/24. Effective the first full pay period in July 2023, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2022 to January 2023.
- 14.3 Cost of Living Adjustment 2024/25. Effective the first full pay period in July 2024, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2023 to January 2024.
- Cost of Living Adjustment 2025/26. Effective the first full pay period in July 2025, all 14.4 Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2024 to January 2025.
- 14.9 On-Call Pay. Represented employees assigned to on-call status shall be compensated \$350 per two-week assignment. On call will be assigned by Seniority and on a rotating basis to designated employees for environmental control systems and public safety call outs. The on-call period will be the same as the established biweekly pay period and will rotate between designated employees as established by the Chief Administrative Officer or their designee. Additionally, an employee who responds to a site when called out will be compensated for a minimum of two (2) hours of pay or for the actual hours worked, whichever is greater. An employee who is on call and fails to respond to a call shall forfeit \$50 of on-call pay per occurrence, not to exceed \$350 per pay period.

## ARTICLE 16. BENEFITS

16.1 <u>Health Insurance</u>. The Authority will continue to offer PERS provided medical insurance, as well as Dental and Vision Services coverage and shall contribute ninety percent (90%) of the total 2022 premium amount. Employees electing medical, dental and/or vision coverage shall pay ten percent (10%) of the total 2022 premium amount. Authority and employees acknowledge that the premium amounts are established by the respective insurance providers and are subject to change.

Effective January 1, 2023, through the term of this MOU, the Authority shall pay eighty five percent (85%) of all Employee selected health care premiums and the Employee shall pay fifteen (15%) of all their selected health care premiums. Payroll deductions for the January 1, 2023, medical insurance premiums (and all future monthly medical insurance premiums) occur in the month prior to premium due date.

The employee's contribution toward the premium amount is based on the Employee selected Plans and levels of dependent care coverage and will be paid as a pre-tax payroll deduction.

16.6. California Public Employee Retirement System ("CalPERS"). Unit employees defined by CalPERS as "Classic Members" shall pay the Employee's contribution to CalPERS as determined by CalPERS, currently 7% of earnable compensation. The Authority's CalPERS contract provides that represented employees who are Classic Members shall make an additional 1% cost sharing contribution to the employer's contribution to CalPERS with the additional 1% credited to the employee's account.

Unit employees defined by CalPERS as "PEPRA" members are subject to the Public Employees' Pension Reform Act of 2013, according to which they are required to contribute 50% of normal costs as required by CalPERS.

## ARTICLE 19. HOURS OF WORK, WORK WEEK, WORK SCHEDULES, OVERTIME, AND REST AND MEAL PERIODS

19.3 Overtime. Under the federal Fair Labor Standards Act (FLSA), non-exempt employees shall be entitled to overtime pay for hours worked over 40 in a work week at a rate not less than time and one-half their regular rates of pay. Unscheduled overtime may occur from time to time at the end of a work shift. The employee will notify their supervisor of the status of their work, route or shift and the need to work overtime to complete the work. The supervisor will authorize the overtime to complete the work, route of shift. Scheduled overtime will be announced and posted for all who may desire to work overtime. Scheduled overtime will be assigned by seniority, by classification and by work location. The most senior employee in the classification by location will be offered the overtime assignment.

If they refuse the assignment, then the next senior employee will be offered the assignment unit the work is assigned. If no one accepts the overtime, the Authority will then assign the overtime in reverse order of seniority.

### **ARTICLE 20** GRIEVANCE PROCEDURE

### 20.3 Formal Grievance Procedure.

When a represented Unit employee, a group of employees or the Union presents a formal grievance to the CAO, the CAO shall discuss the grievance with the employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal grievance, the CAO shall render a written decision regarding its merits. The decision of the CAO shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Authority's administrative process.

### ARTICLE 21 DISCIPLINE

- 21.6 <u>Post-Discipline Appeal</u>. Employees who disagree with the decision to discipline for a suspension, salary reduction, demotion or termination may appeal that decision to the Authority's Chief Administrative Officer. Any such appeals must be in writing and received by the Chief Administrative Officer no less than ten (10) days following the date on which the employee received the NOTICE OF DISCIPLINARY ACTION BEING IMPOSED. Failure to file such a request within the aforementioned time frame will result in the employee having waived their right to an appeal hearing and appeal of the discipline.
- 21.7 Post-Discipline Appeal Hearing. The Chief Administrative Officer may conduct the appeal hearing themself, or refer it to a third party to conduct the appeal hearing and issue an advisory decision to the Chief Administrative Officer.
  - Hearing Date. After the selection of a Arbitrator/hearing officer, a date shall a. be selected by the hearing officer for the hearing. The employee shall be notified in writing at least ten (10) working days prior to the hearing of the scheduled date. The hearing officer shall have sole discretion of hearing date calendaring and/or extensions.
  - Prehearing Notice of Witnesses and Exhibits. Five (5) working days prior b. to the hearing, each party shall identify to the opposing party all witnesses and documents which the party disclosing the information intends to use at the hearing. Failure to disclose a witness or document shall require its exclusion from the hearing, unless used for impeachment purposes or submitted with reasonable justification to the hearing officer as determined in their sole discretion.

- c. Closed Hearing. The hearing shall be a closed hearing unless the employee requests in writing five (5) working days prior to the hearing that the hearing be open to the public.
- d. Record of Hearing. The hearing shall be recorded, either electronically or by a court reporter, at the option of the hearing officer and at no expense to the employee.
- e. Employee Appearance. The employee shall appear personally before the hearing officer at the time and place set for the disciplinary appeal hearing. The employee may be represented by any person they may select so long as they are not a witness in the hearing.

### 21.9 Disciplinary Hearing Decision.

- Within forty-five (45) days of the conclusion of the hearing, the hearing a. officer, if they be the Chief Administrative Officer, shall make findings and a final administrative decision with reference to the discipline imposed.
- Within forty-five (45) days of the conclusion of the hearing, if the hearing b. officer is not the Chief Administrative Officer, the hearing officer shall make advisory findings and an administrative decision with reference to the discipline imposed and transmit same to the parties and the Chief Administrative Officer. The Chief Administrative Officer shall then consider same and issue a decision adopting or modifying the decision as deemed appropriate by the Chief Administrative Officer based upon their complete review of the record of the hearing.
- A copy of the Chief Administrative Officer's decision may be sent by US c. mail with proof of service that reflects delivery to the last known address of the employee. It shall be the responsibility of the employee to inform the Authority of their address for such purposes.
- d. The decision of the Chief Administrative Officer is final except for judicial review pursuant to Code of Civil Procedure §1094.5. There is no process for reconsideration.
- e. Pursuant to Code of Civil Procedure section 1094.6, the parties have ninety (90) days from the date of the proof of service of mailing of the written findings and decision to appeal the Authority's decision on the appeal to the Superior Court in and for the County of Monterey.

## ARTICLE 14. SALARIES

Equity Adjustments. The Authority and OE3 agree to reclassify two (2) existing positions from Diversion Worker I/II to the new title of Diversion Systems Maintenance Worker with a salary equity adjustment of 10.0% increase to the base pay range. This reclassification will be applied to the two (2) existing Diversion Worker I/IIs operating the Organic Recovery Systems at the Johnson Canyon Landfill.

## ARTICLE 19. HOURS OF WORK, WORK WEEK, WORK SCHEDULES, OVERTIME, AND REST AND MEAL PERIODS

19.3

Overtime. Under the federal Fair Labor Standards Act (FLSA), non-exempt employees shall be entitled to overtime pay for hours worked over 40 in a work week at a rate not less than time and one-half their regular rates of pay. Unscheduled overtime may occur from time to time at the end of a work shift. The employee will notify their supervisor of the status of their work, route or shift and the need to work overtime to complete the work. The supervisor will authorize the overtime to complete the work, route of shift. Scheduled overtime will be announced and posted for all who may desire to work overtime. Scheduled overtime will be assigned by seniority, by classification and by work location. The most senior employee in the classification by location will be offered the overtime assignment. If they refuse the assignment, then the next senior employee will be offered the assignment unit the work is assigned. If no one accepts the overtime, the Authority will then assign the overtime in reverse order of seniority.

TA'S 8/19/22 & 8/21/22

### MEMORANDUM OF UNDERSTANDING

### **BETWEEN**

# SALINAS VALLEY SOLID WASTE AUTHORITY

**AND** 

OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO

THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO **OPERATIONS ENGINEERING UNIT AT SVSWA** 

July 1, 2022 through June 30, 2026

# ARTICLE 1. PARTIES, TERM AND ADOPTION OF MEMORANDUM OF UNDERSTANDING

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Adoption. This Memorandum of Understanding shall be presented to the Board of Directors of the Authority as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2022 and ending June 30, 2026. Upon Ratification by the Union's membership at the Authority and approval by the Board of Directors of the Authority, this Memorandum of Understanding shall become binding between the Authority and the Union retroactive to July 1, 2022, except as otherwise expressly stated herein.

## ARTICLE 3. EMPLOYMENT STATUS

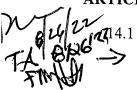
3.2 2/9/27 3.2 1/9/27 1/2<sup>2</sup>

<u>Lateral Probationary Appointment</u>. An existing employee who applies for and is appointed to a new classification that is not a promotion becomes a probationary atwill employee in the new classification for the initial six (6) months of actual and continuous service in that new job position/classification. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a lateral appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.

3.3

<u>Promotional Probationary Appointment</u>. A promoted Unit employee is a probationary employee for the initial six (6) months of actual and continuous service in that promoted job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a promotional appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided then that a vacant position is then available provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.

### ARTICLE 14. SALARIES



Cost of Living Adjustment 2022/23. Effective the first full pay period in July 2022 all Unit employees will receive a cost of living adjustment of 4.0% of base pay as reflected in the attached Salary Schedule, Attachment 1.

- 14.2 <u>Cost of Living Adjustment 2023/24</u>. Effective the first full pay period in July 2023, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2022 to January 2023.
- 14.3 <u>Cost of Living Adjustment 2024/25</u>. Effective the first full pay period in July 2024, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5%

and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2023 to January 2024.

14.4 Cost of Living Adjustment 2025/26. Effective the first full pay period in July 2025, all Unit employees will receive a cost of living base pay increase of a minimum of 1.5% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from January 2024 to January 2025.

14.9 8/9/12 3/11/2

On-Call Pay. Represented employees assigned to on-call status shall be compensated \$350 per two-week assignment. On call will be assigned by Seniority and on a rotating basis to designated employees for environmental control systems and public safety call outs. The on-call period will be the same as the established biweekly pay period and will rotate between designated employees as established by the Chief Administrative Officer or their designee. Additionally, an employee who responds to a site when called out will be compensated for a minimum of two (2) hours of pay or for the actual hours worked, whichever is greater. An employee who is on call and fails to respond to a call shall forfeit \$50 of on-call pay per occurrence, not to exceed \$350 per pay period.

### ARTICLE 16. BENEFITS

16.1 <u>Health Insurance</u>. The Authority will continue to offer PERS provided medical insurance, as well as Dental and Vision Services coverage and shall contribute ninety percent (90%) of the total 2022 premium amount. Employees electing medical, dental and/or vision coverage shall pay ten percent (10%) of the total 2022 premium amount. Authority and employees acknowledge that the premium amounts are established by the respective insurance providers and are subject to change.

Effective January 1, 2023, through the term of this MOU, the Authority shall pay eighty five percent (85%) of all Employee selected health care premiums and the Employee shall pay fifteen (15%) of all their selected health care premiums. Payroll deductions for the January 1, 2023, medical insurance premiums (and all future monthly medical insurance premiums) occur in the month prior to premium due date.

The employee's contribution toward the premium amount is based on the Employee selected Plans and levels of dependent care coverage and will be paid as a pre-tax payroll deduction.

16.6. 1012 16.6.

<u>California Public Employee Retirement System ("CalPERS")</u>. Unit employees defined by CalPERS as "Classic Members" shall pay the Employee's contribution to CalPERS as determined by CalPERS, currently 7% of earnable compensation. The Authority's CalPERS contract provides that represented employees who are

Classic Members shall make an additional 1% cost sharing contribution to the employer's contribution to CalPERS with the additional 1% credited to the employee's account.

Unit employees defined by CalPERS as "PEPRA" members are subject to the Public Employees' Pension Reform Act of 2013, according to which they are required to contribute 50% of normal costs as required by CalPERS.

### ARTICLE 20 GRIEVANCE PROCEDURE

20.3 Formal Grievance Procedure.

c. When a represented Unit employee, a group of employees or the Union presents a formal grievance to the CAO, the CAO shall discuss the grievance with the employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal grievance, the CAO shall render a written decision regarding its merits. The decision of the CAO shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Authority's administrative process.

### ARTICLE 21 DISCIPLINE

<u>Post-Discipline Appeal</u>. Employees who disagree with the decision to discipline for a suspension, salary reduction, demotion or termination may appeal that decision to the Authority's Chief Administrative Officer. Any such appeals must be in writing and received by the Chief Administrative Officer no less than ten (10) days following the date on which the employee received the NOTICE OF DISCIPLINARY ACTION BEING IMPOSED. Failure to file such a request within the aforementioned time frame will result in the employee having waived their right to an appeal hearing and appeal of the discipline.

<u>Post-Discipline Appeal Hearing</u>. The Chief Administrative Officer may conduct the appeal hearing themself, or refer it to a third party to conduct the appeal hearing and issue an advisory decision to the Chief Administrative Officer.

- a. <u>Hearing Date</u>. After the selection of a Arbitrator/hearing officer, a date shall be selected by the hearing officer for the hearing. The employee shall be notified in writing at least ten (10) working days prior to the hearing of the scheduled date. The hearing officer shall have sole discretion of hearing date calendaring and/or extensions.
- b. <u>Prehearing Notice of Witnesses and Exhibits</u>. Five (5) working days prior to the hearing, each party shall identify to the opposing party all witnesses and documents which the party disclosing the information intends to use at the hearing. Failure to disclose a witness or document shall require its exclusion from the hearing, unless used for impeachment purposes or

21.7 21.7 2/19/22 0/1/22

- submitted with reasonable justification to the hearing officer as determined in their sole discretion.
- c. <u>Closed Hearing</u>. The hearing shall be a closed hearing unless the employee requests in writing five (5) working days prior to the hearing that the hearing be open to the public.
- d. <u>Record of Hearing</u>. The hearing shall be recorded, either electronically or by a court reporter, at the option of the hearing officer and at no expense to the employee.
- e. <u>Employee Appearance</u>. The employee shall appear personally before the hearing officer at the time and place set for the disciplinary appeal hearing. The employee may be represented by any person they may select so long as they are not a witness in the hearing.

# 21.9 <u>Disciplinary Hearing Decision</u>.

- a. Within forty-five (45) days of the conclusion of the hearing, the hearing officer, if they be the Chief Administrative Officer, shall make findings and a final administrative decision with reference to the discipline imposed.
- b. Within forty-five (45) days of the conclusion of the hearing, if the hearing officer is not the Chief Administrative Officer, the hearing officer shall make advisory findings and an administrative decision with reference to the discipline imposed and transmit same to the parties and the Chief Administrative Officer. The Chief Administrative Officer shall then consider same and issue a decision adopting or modifying the decision as deemed appropriate by the Chief Administrative Officer based upon their complete review of the record of the hearing.
- c. A copy of the Chief Administrative Officer's decision may be sent by US mail with proof of service that reflects delivery to the last known address of the employee. It shall be the responsibility of the employee to inform the Authority of their address for such purposes.
- d. The decision of the Chief Administrative Officer is final except for judicial review pursuant to Code of Civil Procedure §1094.5. There is no process for reconsideration.
- e. Pursuant to Code of Civil Procedure section 1094.6, the parties have ninety (90) days from the date of the proof of service of mailing of the written findings and decision to appeal the Authority's decision on the appeal to the Superior Court in and for the County of Monterey.

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# 21.10 Disciplinary Appeals Supported by the Union

- a. The Authority shall utilize a neutral, third-party as the Hearing Officer for appeals of suspensions greater than 40 hours, demotions or terminations. The same rules stated above in 21.6 through 21.09 that apply to the Chief Administrative Officer conducting the hearing shall apply to the third party Hearing Officer. The parties shall select such neutral Hearing Officer by each providing the names of at least five (5) potential Hearing Officers to the other party within fifteen (15) calendar days of the filing of the appeal. If the parties are unable to mutually agree upon a Hearing Officer within thirty (30) calendar days of the filing of the appeal, then the parties shall retain Administrative Law Judge (ALJ) services through the Office of Administrative Hearings (OAH). The Authority and the Union shall share the costs of using the ALJ and OAH equally, with each side paying their share as and when required by the neutral, third-party or the OAH. If either party wishes to have a court reporter document the proceedings, then that party shall bear the cost of such court reporter. In the event that both parties wish to have a court reporter document the proceedings, then the parties shall split the cost of such court reporter. Absent alternative agreement between the parties, each party shall bear the costs of any transcript(s), if requested.
- b. The parties may mutually agree to extend any of the timelines set forth in the foregoing subsections of this Article.

TA's 9/20/22

### MEMORANDUM OF UNDERSTANDING

### **BETWEEN**

## SALINAS VALLEY SOLID WASTE AUTHORITY

**AND** 

OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO

THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA

July 1, 2022 through June 30, 2026

SVSWA Counter to OE3 less TA's thru 9-16-2022

### ARTICLE 14. SALARIES

2 <u>Cost of Living Adjustment 2023/24</u>. Effective the first full pay period in July 2023, all Unit employees will receive a cost of living base pay increase of 4%.

Cost of Living Adjustment 2024/25. Effective the first full pay period in July 2024, all Unit employees will receive a cost of living base pay increase of a minimum of 2% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from December 2022 to December 2023.

Cost of Living Adjustment 2025/26. Effective the first full pay period in July 2025, all Unit employees will receive a cost of living base pay increase of a minimum of 2% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from December 2023 to December 2024.

### ARTICLE 16. BENEFITS

4.4

16.1

Health Insurance. The Authority will continue to offer CalPERS provided medical insurance, as well as Dental and Vision Services coverage and shall contribute ninety percent (90%) of the total 2022 premium amount. Employees electing medical, dental and/or vision coverage shall pay ten percent (10%) of the total 2022 premium amount. Authority and employees acknowledge that the premium amounts are established by the respective insurance providers and are subject to change.

Effective January 1, 2023, through the term of this MOU, the Authority shall pay eighty five percent (85%) of all Employee selected health care premiums and the Employee shall pay fifteen (15%) of all their selected health care premiums.

Payroll deductions for the January 1, 2023, medical insurance premiums (and all future monthly medical insurance premiums) occur in the month prior to premium due date.

The employee's contribution toward the premium amount is based on the Employee selected Plans and levels of dependent care coverage and will be paid as a pre-tax payroll deduction.

### MEMORANDUM OF UNDERSTANDING

### **BETWEEN**

## SALINAS VALLEY SOLID WASTE AUTHORITY (SVSWA)

### **AND**

# THE OPERATING ENGINEERS LOCAL UNION NO. 3, AFL-CIO, REPRESENTING THE OPERATIONS AND ENGINEERING UNIT AT SVSWA

July 1, 2022 through June 30, 2026

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# ARTICLE 1. PARTIES, TERM AND ADOPTION OF MEMORANDUM OF UNDERSTANDING

- 1.1 Parties. This Memorandum of Understanding ("MOU") is made and entered into between the Salinas Valley Solid Waste Authority, a joint powers authority and a governmental entity separate from its member agencies and organized under the laws of the State of California pursuant to a Joint Powers Agreement (hereinafter referred to as the "Authority"), and the Operating Engineers Local Union No. 3, AFL-CIO (hereinafter referred to as the "Union") pursuant to the Meyers-Milias-Brown Act (hereinafter referred to as the "MMBA") (Gov. Code § 3500 et seq.) of the State of California and the Authority's local labor relations rules.
- 1.2 <u>Term.</u> This Memorandum of Understanding shall cover the period commencing July 1, 2022 and ending June 30, 2026.
- 1.3 Adoption. This Memorandum of Understanding shall be presented to the Board of Directors of the Authority as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2022 and ending June 30, 2026. Upon Ratification by the Union's membership at the Authority and approval by the Board of Directors of the Authority, this Memorandum of Understanding shall become binding between the Authority and the Union retroactive to July 1, 2022, except as otherwise expressly stated herein.

### ARTICLE 2. RECOGNITION AND UNIT DESCRIPTION

- 2.1 <u>Authority Representative</u>. The Authority's Chief Administrative Officer ("CAO"), or any person or organization duly authorized by the CAO, is the representative of the Authority in employer-employee relations, as provided in Authority Resolution No. 2004-014.
- 2.2 <u>Union Recognition</u>. Union is the exclusive bargaining representative and recognized employee organization for the Operations and Engineering Unit (hereinafter the "Unit") which is comprised of the classifications listed in Section 2.3 below. The Authority recognizes the Union as the only organization entitled to meet and confer on matters within the scope of representation on behalf of Authority employees in the Unit, pursuant to the MMBA and the Authority's Personnel Policies Article 2.04.200 2.04.420 and any subsequent updates to the Authority's Employer-Employee Relations resolution.
- 2.3 <u>Bargaining Unit</u>. The Operations and Engineering Unit includes all employees who are employed by the Authority in the following classifications:
  - a. Diversion Worker I/II
  - b. Diversion Systems Maintenance Worker
  - c. Equipment Maintenance Tech I/II

- d. Equipment Operator/Driver
- e. Equipment Operator/Driver Lead
- f. Heavy Equipment Operator
- g. Heavy Equipment Operator Lead
- h. HHW Maintenance Worker I/II
- i. HHW Technician
- i. Scalehouse Cashier
- k. Solid Waste Technician I/II

### ARTICLE 3. EMPLOYMENT STATUS

- 3.1 <u>Probationary New Hire Appointment</u>. A newly hired Unit employee is a probationary at-will employee for the initial six (6) months of actual and continuous service in that job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position.
- 3.2 <u>Lateral Probationary Appointment</u>. An existing employee who applies for and is appointed to a new classification that is not a promotion becomes a probationary at-will employee in the new classification for the initial six (6) months of actual and continuous service in that new job position/classification. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a lateral appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.
- Promotional Probationary Appointment. A promoted Unit employee is a probationary employee for the initial six (6) months of actual and continuous service in that promoted job position. During this time, management and the new employee closely evaluate the compatibility, abilities, and interest in the position. In the event a promotional appointee is unsuccessful in completing the probationary period, the employee may be returned to their prior classification provided then that a vacant position is then available provided that a vacant position is then available. There are no "bumping rights" for this type of appointment.
- 3.4 <u>Regular Full-Time Status</u>. Regular full-time employees are those who are not in a parttime, temporary, seasonal, or probationary status and who are regularly scheduled to work at least 40 hours per week. These employees are entitled to receive all legally mandated benefits (Workers' Compensation, State Disability, Unemployment, Medicare Insurances, and similar benefits), and are also eligible for such other

- negotiated benefits (retirement, health insurance, vacation leave, sick leave, paid holidays, and similar benefits).
- 3.5 <u>Probationary Extension Caused by Absence</u>. Any significant absence (30 days or more) will extend the above probationary periods by the length of the absence. Periods of time on paid or unpaid leave of one work week or more shall automatically extend the probationary period until the successful completion of the probationary period.
- 3.6 <u>Probationary Extension upon Authority Notice.</u> If the Authority determines that the designated probationary period does not allow sufficient time to thoroughly evaluate an employee's performance, the probationary period may be extended for an additional three (3) month period at the Chief Administrative Officer's discretion with notice to the Union. Upon satisfactory completion of the initial probationary period, employees enter the "regular" employment classification.

# ARTICLE 4. UNION MEMBERSHIP, NEW EMPLOYEE ORIENTATION, DISCLOSURE OF EMPLOYEE INFORMATION AND DUES DEDUCTIONS

- 4.1 <u>Union Membership</u>. The parties hereto recognize that membership in the Union is voluntary and that employees have the right to join, not join, maintain, or drop their membership in the Union and that neither party shall exert any pressure on or discriminate against an employee regarding such matters.
- 4.2 New Employee Orientation. The Authority agrees to provide, when possible, no less than ten (10) business days' notice in advance of any new employee orientations and provide the Union access to the orientation(s). Union shall have thirty (30) days from an employee's start date to conduct its own orientation of employee during employee's work hours. Orientation refers to any onboarding process, whether in person, online or through other means. Access shall be determined by the Union, which could mean representational attendance or correspondence. The Union shall advise the Authority reasonably in advance as to the type of access requested. The Authority agrees to provide such reasonable notice of current employees that have changed position status (i.e., part-time to full time, promotional).
- 4.3 <u>Disclosure of Employee Information</u>. The Authority agrees to provide the Union with the name, job title, department, work location, and work telephone number of newly hired employees within thirty (30) days of the date of hire. The Authority also agrees to provide the Union with the name, job title, department, work location, work, home and personal cellular telephone numbers, personal email addresses and home address of all Unit employees once a quarter: January, April, July and October.

### 4.4 Dues Deduction.

a. Unit employees may choose to become a member of the Union. If the employee chooses to become a member, Union requests that the Authority deduct membership dues, initiation fees, and general assessments, as well as payment of any other membership benefit program sponsored by Union and/or supplemental

benefits, from the wages and salaries of members of Union for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. Union hereby certifies that it has and shall maintain all such deduction authorizations signed by the individual from whose salary or wages the deduction is to be made and shall not be required to provide a copy of an individual authorization to the Authority unless a dispute arises about the existence or terms of the authorization. Any request to begin dues deductions or cancel dues deductions must be made to Union and not to the Authority. Union is responsible for informing the Authority of the amount of dues deductions for employees. Union dues shall be deducted each pay period in accordance with Authority procedures and provisions of applicable law from the salary of each employee whose name is provided by Union.

- b. The Authority shall provide for payroll deductions on each payroll period (twenty-four times out of twenty-six payroll periods per calendar year). The Authority shall remit the total amount of deductions to the Union by the 15th of the month through an electronic transfer. Any changes in Union dues must be given to the Authority a minimum of thirty (30) days prior to change to accommodate changes to payroll.
- c. Employees in the Unit who are members of the Union may withdraw from the Union by sending notice to the Union. Union shall promptly certify to the Authority by correspondence (USPS) and by email to terminate dues deductions for any such employees, consistent with applicable law.
- d. Union shall defend and indemnify the Authority for any claims made by a Unit employee for deductions made under this Article.

# ARTICLE 5. ACCESS, REPRESENTATION, SHOP STEWARDS AND BULLETIN BOARDS

- 5.1 <u>Union Access to Work Locations</u>. The parties recognize and agree that in order to maintain good employee relations, it is necessary for Union Business Representatives to have access to work locations, to confer with Authority employees during working hours, to post bulletins on the Union designated bulletin board or assigned space on a designated bulletin board, inspect the working conditions, conduct worksite visits, investigate MOU violations, health and safety concerns, investigate and process grievances and disciplinary actions, or meet with members for the purpose of representing members in their relations with the Agency.
  - a. Union Business Representatives shall be granted access upon obtaining authorization from the Operations Manager and/or the CAO prior to entering a work location and after advising of the general nature of the business. The Operations Manager and/or the CAO shall not unreasonably withhold timely access to work locations. The Operations Manager and/or the CAO shall ensure that there is at all times someone designated who shall have full authority to approve access. However, the Operations Manager and/or the CAO may deny access or terminate access to work locations if, in their judgment, it is deemed that the visit would

- unduly interfere with the efficiency, safety, or security of agency operations. If a request is denied, the Operations Manager and/or their designee shall establish a mutually agreeable time for access to the employee.
- b. Union Business Representatives granted access to work locations shall limit such visits to a reasonable period of time, taking into consideration the nature of the concern, investigation, grievance or appeal. The Operations Manager and/or their designee may mutually establish with the Union Representative reasonable limits as to the number of visits authorized with the same employee on the same issue, and reasonable limits as to the number of employees who may participate in a visit when several employees are affected by a specific issue. The Agency shall not unduly interfere with Union' right to access work locations, so long as such access does not interfere with the performance of Authority business.
- 5.2 <u>Shop Stewards</u>. The Union may select two (2) Unit employees as Shop Stewards. The Shop Stewards shall be given reasonable release time on paid status to attend meetings with management representatives, or to be present at grievance and/or discipline meetings or hearings where matters within the scope of representation or grievances or discipline are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of Authority business. One Shop Steward shall be permitted release time, if needed, to attend Authority Board Meetings, when such meetings occur during the Shop Steward's scheduled work period.
- 5.3 <u>Union Bulletin Boards</u>. The Authority will provide Union access to a reasonable portion of existing bulletin board space for Union notices or provide Union access to install its own bulletin boards for such use. Only bulletin boards or bulletin board space designated by the Operations Manager and/or their designee may be used for posting of Union notices. Union shall be responsible for all postings and Authority shall be under no obligation to post for the Union. Designated bulletin boards or bulletin board space shall only be used for the following notices:
  - a. Scheduled Union meetings, agenda, and minutes;
  - b. Information on Union elections and the results;
  - c. Information regarding Union social, recreational, and related news bulletins;
  - d. Reports of official business of Union;
  - e. The OE3 Union Magazine;
  - f. Any OE3 official notice or publication; and
  - g. Union Flyers and notices.

Notices that are posted, distributed through the mail system, or placed in an employee's Authority mailbox shall not be obscene, derogatory, defamatory, or of a political

nature, or directed at any employee or official in the Authority; nor shall they pertain to public issues which do not involve the Authority or its relations with Authority employees.

### ARTICLE 6. NON-DISCRIMINATION

Consistent with state and federal law, there shall be no discrimination or harassment of any kind based on any statutorily (federal, state, or local) protected class, including but not limited to: race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (ex.: cancer), genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, pregnancy, political affiliation, military and veteran status or legitimate union activities, (as set forth in this MOU herein), against any employee or applicant for employment by the Union or the Authority. This Article does not preclude the Union from seeking redress from the Public Employment Relations Board (PERB) on any matter under their jurisdiction.

### ARTICLE 7. EMPLOYEE RIGHTS

Pursuant to the MMBA Sections 3502 and 3504, employees of the Authority shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purposes of representation on all matters relating to employment conditions and employer-employee relations, including not limited to, wages, hours and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order. Employees of the Authority also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the Authority. Per MMBA Section 3506, the Authority and its employee organization(s) shall not interfere with, intimidate, restrain, coerce or discriminate against employees of the Authority because of their exercise of their rights under MMBA Section 3502.

### ARTICLE 8. MANAGEMENT RIGHTS

The rights of the Authority include, but are not limited to, the exclusive right to determine the nature and extent of services to be performed, as well as the right to determine and implement its public function and responsibility; determine the mission of its constituent departments; manage and control all property, facilities and operations, including the methods, means and personnel by which the Authority's operations are to be conducted; set standards of service; determine the size and composition of the working force; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty for lack of work, funds or for other legitimate reasons; maintain the efficiency of governmental operations; determine the content of job descriptions and classifications; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion over its organization and technology of performing work; and take such other and further action as may be necessary to organize and operate the Authority in the most efficient and economical manner and in the best interest of the public it serves. The Authority agrees to meet and confer

over changes in any wages, benefits or conditions of employment within the scope of representation as defined by MMBA and PERB.

### ARTICLE 9. ACCESS TO PERSONNEL FILES

Personnel files are the property of the Authority and access to the information they contain is restricted as determined by the Authority and state law. Generally, only members of management staff of the Authority, who have a legitimate business reason to review information in a personnel file, are allowed to do so. Pursuant to Labor Code section 1198.5, every current and former employee, or their representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employee's performance or to any grievance concerning the employee. Any request for inspection of a personnel file or copy thereof relating to the employee's performance or to any grievance concerning the employee shall be done with reasonable advance notice as required by law and shall be made to the Authority's Director of Human Resources and CAO. The Authority is entitled to take reasonable steps to verify the identity of any current or former employee or their authorized representative and allow personnel file inspection in the presence of authorized management personnel. For purposes of this Article, "representative" means a person authorized in writing by the employee to inspect, or receive a copy of, their personnel records.

### ARTICLE 10. RESIGNATION

- 10.1 Resignation is defined as employment separation initiated by an employee who chooses to leave the Authority voluntarily. Resigning employees must submit a written Notice of Resignation (available from Human Resources) and are asked to give no less than two (2) weeks' notice. This advance notice does not include any leave time or any other compensated or non-compensated working time.
- 10.2 Circumstances may exist where the Authority may exercise its right to accept a resignation immediately and/or to accelerate the final date of employment. If the Authority accepts the resignation and separates the employee for no cause earlier than the employee's tendered resignation date, then the Authority shall pay the employee the balance of the amount of base salary that would be owed to the employee had they worked up until their stated resignation date. Whether the date designated by the employee or an earlier date selected by the Authority becomes the employee's last day of work, the employee's personnel records will normally indicate voluntary resignation, unless terminated for cause.
- 10.3 Employees who fail to report to work for three (3) consecutive work shifts without proper notification will be considered to have abandoned their job and to have voluntarily resigned from the Authority. Unless the employee submits a written resignation notice, the Authority shall serve a Notice of Proposed Discipline Termination and provide for pre-disciplinary response and post discipline appeal.

### ARTICLE 11. COMPLIANCE WITH MOU AND EMPLOYER POLICIES

The Authority's personnel policies are included in its Employee Handbook, Personnel Policies, and various Administrative Procedures. In the event of any violation of the terms of this MOU or the Authority's Employee Handbook, Personnel Policies, or Administrative Procedures, responsible and authorized representatives of the Union and/or the Employer, shall promptly take such affirmative action as is within their power to correct and terminate such violation for the purpose of bringing any unauthorized persons into compliance with the terms of the policy, procedure or rule at issue. Individuals acting or conducting themselves in violation of the terms of such policy, procedure or rule may be subject to discipline, up to and including discharge. Notwithstanding the preceding language, any alleged violations of the Authority's separate policies, procedures or rules shall not be deemed a violation of this MOU, but would still be subject to the Authority's grievance procedure and/or PERB jurisdiction.

# ARTICLE 12. SENIORITY FOR SCHEDULING, ASSIGNMENTS, ROUTES, VACATIONS, OVERTIME, ETC.

- 12.1 The Authority shall endeavor to approve requests for vacation leave in a timely manner. Vacations, work schedules, including Holidays, shift assignments and training assignments shall be done in accordance with seniority within each job classification group. The Authority shall endeavor to provide two consecutive days or three consecutive days off when scheduling shift assignments, if operational needs allow it.
- 12.2 Unit employees shall bid for particular work schedules assigned by the Authority to a classification group on the basis of seniority within classification group to the extent that doing so reasonably meets the business and operational needs of the Authority.
- 12.3 PTO leave requests are to be submitted to the employee's Supervisor by the 10<sup>th</sup> day of each month. The Supervisor will review all such requests received and will approve or reject the requests based on Seniority by the 20<sup>th</sup> of each month with a rolling six (6) months. Example: A November PTO leave request should be submitted by May 10th in order to be designated by Seniority. After the 20<sup>th</sup> of May, all available dates for November would be open on a first come first serve basis. Requests are considered no more than six months (180 days) in advance.

### ARTICLE 13. POSTING OF POSITIONS

The Authority shall post all open positions on bulletin boards where employees in the Union work when recruitment begins. The Authority shall endeavor to recruit open positions internally before proceeding to external recruitment but reserves the right in its sole discretion based on business needs and efficiency to recruit internally, externally or both concurrently.

### **ARTICLE 14. SALARIES**

14.1 <u>Cost of Living Adjustment 2022/23</u>. Effective the first full pay period in July 2022 all Unit employees will receive a cost-of-living adjustment of 4.0% of base pay as reflected in the attached Salary Schedule, Attachment 1.

- 14.2 <u>Cost of Living Adjustment 2023/24</u>. Effective the first full pay period in July 2023, all Unit employees will receive a cost-of-living base pay increase of 4% as reflected in the attached Salary Schedule, Attachment 2.
- 14.3 <u>Cost of Living Adjustment 2024/25</u>. Effective the first full pay period in July 2024, all Unit employees will receive a cost-of-living base pay increase of a minimum of 2% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from December 2022 to December 2023.
- 14.4 Cost of Living Adjustment 2025/26. Effective the first full pay period in July 2025, all Unit employees will receive a cost-of-living base pay increase of a minimum of 2% and maximum of 3.5% as determined by the Consumer Price Index US City Average Urban Wage Earner and Clerical Worker (CPI-W) percentage increase from December 2023 to December 2024.
- 14.5 <u>Bilingual Pay</u>. The Authority shall designate which Unit employee job classifications require the ability to speak Spanish and English. Unit employees assigned to one of these classifications who successfully demonstrate the ability to fluently speak, read and write both Spanish and English shall be eligible for bilingual pay equal to 5% of the employee's base pay. If the Authority determines that other languages are needed, the same concept shall apply for bilingual pay for those additional languages. An employee cannot be compelled to provide bilingual services if they are not compensated.
- 14.6 <u>Longevity Pay</u>. Unit employees shall be eligible for longevity pay on their 10th, 15th and 20th year anniversary of hire as follows: 2.5% increase in base pay on their 10th year anniversary, 5% increase in base pay on their 15th year anniversary, and 7.5% increase in base pay on their 20th year anniversary.
- Out of Class Appointment Pay. Government Code section 20480 defines an "out-of-class appointment" to mean an appointment of an employee to an upgraded position or higher classification by an employer or governing board or body in a vacant position for a limited duration shall not exceed a total of 960 hours in each fiscal year. For purposes of this section, a "vacant position" refers to a position that is vacant during recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence. An employee who is appointed by the Division Manager with approval from the Chief Administrative Officer to perform all the duties of a higher classification shall receive ten percent (10%) Out of Class Pay while performing those duties. Such pay shall start on the first day of the appointment effective date and be based on the employee's established salary. Out of Class Pay will be paid within the pay period in which the Out of Class Pay was worked.
- 14.8 <u>Additional Duties Pay</u>. Unit employees who are formally assigned to take on duties outside their classification must be assigned to do so in writing signed by their Division Manager. Additionally, the CAO must authorize the extra duties and extra pay.

Documentation of these approvals shall have a set end date and be placed in the employee's personnel file. Additional Duties Pay shall be at least a five percent (5%) and may be up to ten (10%) increase to the base salary of the employee based on the degree of duties assigned for the duration of the assignment at the sole discretion of the Authority and shall not apply where employees are formally appointed to act and work in a higher temporarily vacant and budgeted position.

- 14.9 On-Call Pay. Represented employees assigned to on-call status shall be compensated \$350 per two-week assignment. On call will be assigned by Seniority and on a rotating basis to designated employees for environmental control systems and public safety call outs. The on-call period will be the same as the established biweekly pay period and will rotate between designated employees as established by the Chief Administrative Officer or their designee. Additionally, an employee who responds to a site when called out will be compensated for a minimum of two (2) hours of pay or for the actual hours worked, whichever is greater. An employee who is on call and fails to respond to a call shall forfeit \$50 of on-call pay per occurrence, not to exceed \$350 per pay period.
- 14.10 Compensation and Benefits Study 2025/26. In the final year of this MOU, the Authority will commission a Total Compensation and Benefits Study for all Unit classifications to determine how competitive the Authority is within its labor market by collecting and analyzing total compensation inclusive of monthly base salary and benefits data. Each Unit employee shall have the opportunity to review their respective job description to ensure accuracy of duties and responsibilities. The Authority and the Union shall meet and confer to approve the scope of work defining the process by which the Study is conducted, how positions are compared, and which agencies will be surveyed. The Study will take place and be completed by January 4th of the final year of the MOU.
- 14.11 <u>Equity Adjustments</u>. The Authority and OE3 agree to reclassify two (2) existing positions from Diversion Worker I/II to the new title of Diversion Systems Maintenance Worker with a salary equity adjustment of 10.0% increase to the base pay range. This reclassification will be applied to the two (2) existing Diversion Worker I/IIs operating the Organic Recovery Systems at the Johnson Canyon Landfill.

### ARTICLE 15. COMPENSATION STRUCTURE, SALARY RANGES AND STEPS

15.1 <u>Compensation Structure</u>. The Authority and the Union strive to establish equitable wage rates and benefits so that every employee is paid according to the working conditions, responsibilities, and requirements of the job. We try to keep wages and benefits equal to or better than that of employees performing similar services in comparable public agencies in our industry. Exhibit A, Salary Ranges, shall be the agreed upon Unit employee salary ranges effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later. Each range consists of 11 Steps and each step within the salary range shall be 2.5% between steps. Initial probationary increases awarded at the end of a probationary period will not exceed one step (2.5%) and shall never exceed Step 11, which is the highest allowed step.

- 15.2 Evaluation/Anniversary Increases. The Authority believes in rewarding employees based on their individual performance through probationary and annual Evaluation / Anniversary increases based on a number of factors, including job performance. Employee performance is measured against standards of performance for their particular job. Subsequent Evaluation/Anniversary increases shall take place on the annual evaluation date. Regular employees are eligible for, but not guaranteed, a Evaluation/Anniversary increase. Failure to complete an evaluation by the Authority on the probationary or annual evaluation period, shall not be a bar to any potential increase. Changes to an employee pay range or step shall be effective with the pay period inclusive of the effective date of the change. Annual Evaluation/Anniversary salary range step increases are based on a numerical scale to correspond with level of performance: Meets standards = 2.5%, Exceeds = 5%, and Outstanding = 7.5%. Employees who have reached Step 11 will not be eligible for an Evaluation/ Anniversary increase. An employee receiving a less than satisfactory evaluation may not receive an Evaluation/ Anniversary increase, but they may appeal the evaluation to the CAO for a final determination, without any other right of grievance or appeal.
- 15.3 Classification Levels. The Authority employs alternate staffing whereby a position may be filled at one of several related levels within a classification. Under alternate staffing, the Board establishes the allocation in the classification. The position may then be filled at any class level as determined by management. An employee can decide not to seek movement to the next higher level. Movement between levels within a classification is evaluated by experience and time in a classification and is not considered a promotion and does not create a new probationary period. Movement to the next higher class level is also not automatic. Managers/supervisors will objectively evaluate the performance of each employee and an employee will not be appointed to the next higher-class level until the employee's immediate manager/supervisor has certified that the employee has the skills necessary to perform the duties of the higher class level satisfactorily. Appointment to the next class level shall always include a pay increase and may occur at:
  - a. The completion of an employee's probationary period and
  - b. The completion of an employee's annual performance evaluation.

### **ARTICLE 16. BENEFITS**

- 16.1 <u>Health Insurance</u>. The Authority will continue to offer CalPERS provided medical insurance, as well as Dental and Vision Services coverage and shall contribute ninety percent (90%) of the total 2022 premium amount. Employees electing medical, dental and/or vision coverage shall pay ten percent (10%) of the total 2022 premium amount. Authority and employees acknowledge that the premium amounts are established by the respective insurance providers and are subject to change.
  - Effective January 1, 2023, through the term of this MOU, the Authority shall pay eighty five percent (85%) of all Employee selected health care premiums and the Employee shall pay fifteen (15%) of all their selected health care premiums.

Payroll deductions for the January 1, 2023, medical insurance premiums (and all future monthly medical insurance premiums) occur in the month prior to premium due date.

The employee's contribution toward the premium amount is based on the Employee selected Plans and levels of dependent care coverage and will be paid as a pre-tax payroll deduction.

- 16.2 <u>Section 125 Flexible Benefits Plan</u>. Employees may elect to use pre-tax earnings for supplemental benefits for cancer insurance, intensive care insurance, accident insurance, hospital indemnity insurance, special health events, medical expenses reimbursement, or dependent care reimbursements. The Authority shall continue to pay the Administrative Fee associated with this benefit.
- 16.3. <u>Employee Assistance Program</u>. Employees, their dependents, spouse or domestic partner may seek family counseling and professional services referrals through Concern Employee Assistance Program for areas such as finances, family legal, alcohol, drugs and health. The current plan provides for up to five (5) visits per issue per twelve (12) month period.
- 16.4. Short and Long Term Disability. Employees participate in the worker-funded State of California State Disability Insurance program at the cost established by the Employment Development Department. Long-term disability insurance is offered at no cost to employees. The Authority covers 100% of the premium for the employee. The benefit will provide up to 60% of compensation and a maximum of \$7,500 per month up to age 65 with a 90-day waiting period due to a non-work-related disability. Employees participate in the State funded short-term disability program.
- 16.5. <u>Life Insurance</u>. The Authority provides employees a life and AD&D insurance policy at one-time their annual salary, with a minimum coverage of \$50,000 and a maximum coverage of \$200,000.
- 16.6. California Public Employee Retirement System ("CalPERS"). Unit employees defined by CalPERS as "Classic Members" shall pay the Employee's contribution to CalPERS as determined by CalPERS, currently 7% of earnable compensation. The Authority's CalPERS contract provides that represented employees who are Classic Members shall make an additional 1% cost sharing contribution to the employer's contribution to CalPERS with the additional 1% credited to the employee's account.
  - Unit employees defined by CalPERS as "PEPRA" members are subject to the Public Employees' Pension Reform Act of 2013, according to which they are required to contribute 50% of normal costs as required by CalPERS.
- 16.7. <u>Deferred Compensation</u>. The Authority shall offer an opportunity for employees to voluntarily contribute to an IRS 457 Deferred Compensation Plan through pre-tax payroll deductions.

- 16.8. <u>Education Assistance</u>. The Authority will reimburse a non-management employee for books and tuition for a job-related course of study up to \$2,000/year maximum. Reimbursement shall be for trade school and/or accredited 2 or 4-year college course work. The employee will receive reimbursement upon successful completion of the course with a "pass" or grade of "C" or better.
- 16.9. <u>Physical Fitness/Wellness Program</u>. The Authority will reimburse employees up to \$500 annually toward the cost of employee's health or fitness club membership.
- 16.10 Protective Footwear Allowance. Represented employees will receive a purchase voucher from their Department Manager or Supervisor annually for up to \$240.00 for safety boots that meet the approved Protective Footwear specifications. This allowance shall increase annually by \$10 per year on July 1st of each subsequent year of this MOU. The department manager will check and verify employee's last purchase date and ensure that employee did not purchase safety boots less than twelve (12) months prior when requesting new safety boots. Approved Protective Footwear Specifications:
  - ° Steel Toe/Plate
  - ° Puncture Resistant
  - ° Laced up with ankle support
  - ° Oil Resistant

If the employee chooses to purchase the safety footwear with the approved specs from a non-vendor, the Authority will reimburse up to \$240.00 per employee, per twelve (12) month period for the acquisition, replacement and or/repair of safety boots purchase. No more than one (1) pair of safety boots will be reimbursed in a twelve (12) month period. Each employee shall provide original proof of purchase and/or repair for approval by the department Manager, prior to receiving reimbursement. Costs in excess of \$240.00 is the responsibility of the employee.

### **ARTICLE 17. LEAVES**

17.1 Paid Time Off. Represented employees are provided with Paid Time Off ("PTO") as set forth below effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later. Unit employees are provided with Paid Time Off (PTO) which can be used for such things as vacation, sick leave, family leave, etc. PTO accrual rates are based upon length of service as defined in the table below. New employees earn 22 days per year which then increases one day per year for the first 6 years of service and then 0.5 (one half) day per year of service up to a maximum of 33 days per year. Employees may request PTO cash-out provided an Employee has taken at least 10 days of leave during the preceding year and that an irrevocable request is made in one fiscal year and paid out in a subsequent fiscal year. The maximum accrual for PTO shall be 400 hours. New accrual rates will begin

effective the first full pay period in July 2022 or the first payroll period after the Authority's Board approves this MOU, whichever is later, based on Employee's current number of service years and will not be applied retroactively.

An employee who exceeds the maximum accrued hours will receive a payment equal to forty (40) hours of the employee's current base hourly pay rate in the regular pay check following the date when the maximum was exceeded, regardless of the PTO leave taken in the preceding calendar year. In lieu of payment, an employee may submit a leave request for forty (40) hours of PTO or may elect to donate the hours to the Paid Time Off Donation Program.

Employment Year	Days accrued per year	Hours accrued per biweekly pay period
1st year	22	6.77 hours/pay period
<u> </u>		
2nd year	23	7.08 hours/pay period
3trd year	24	7.38 hours/pay period
4th year	25	7.69 hours/pay period
5th year	26	8.00 hours/pay period
6th year	27	8.31 hours/pay period
7th year	27.5	8.46 hours/pay period
8th year	28	8.62 hours/pay period
9th year	28.5	8.77 hours/pay period
10th year	29	8.92 hours/pay period
11th year	29.5	9.08 hours/pay period
12th year	30	9.23 hours/pay period
13th year	30.5	9.38 hours/pay period
14th year	31	9.54 hours/pay period
15th year	31.5	9.69 hours/pay period
16th year	32	9.85 hours/pay period
17th year	32.5	10.00 hours/pay period
18th year to separation or retirement	33	10.15 hours/pay period

17.2 <u>PTO Cash Out.</u> \*The above PTO accrual chart reflects an employee who regularly works 40 hours per week.

The length of eligible service is calculated on the basis of an anniversary year, which is the 12-month period that begins when the employee completes their probationary period.

To use PTO, represented employees must make a written request to and receive written approval from their supervisor. Requests will be reviewed and considered based on a number of factors, including Seniority, business needs and staffing requirements. PTO is paid at the employee's base hourly pay rate at the time it is used and does not include overtime or any special forms of compensation such as incentives or bonuses.

A represented employee may request cash-out of PTO bank hours. The maximum PTO bank cash-out payments in a calendar year is eighty (80) hours for employees with less than twenty (20) years of service and one hundred twenty (120) hours for employees with over 20 years of service. Employees requesting a cash-out must have taken at least eighty (80) hours of PTO during the preceding 12-month period to receive a cash-out payment of PTO. Further, the employee must irrevocably designate the amount of PTO to be cashed-out on or before December 1 of each year on a form to be provided by the Authority, which will be paid in the following calendar year after the accruals for the new calendar year are deposited in the employee's PTO bank and as directed by the employee on their cash-out designation form.

Attendance and Punctuality. To maintain a safe and productive work environment, the Authority expects all employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on working operations. In the event that you become aware of an anticipated tardiness or absence please notify your supervisor or the HR/Organizational Development Manager as soon as possible, and no later than one (1) hour prior to the beginning of your scheduled shift. If it is before or after normal working hours, you should notify your supervisor by leaving a message with a return number. The supervisor and/or Manager will return the call and/or acknowledge the call within an hour by text or by returning the call.

Excessive absenteeism (excused or not), including early departures, will not be tolerated and may result in counseling or corrective action, up to and including termination of employment. Each situation of excessive absenteeism or tardiness shall be evaluated on a case-by-case basis.

- 17.4 <u>Unscheduled PTO</u>. Unscheduled PTO is to be used for illness or injury, and the following provisions shall apply:
  - a. Failure to follow reporting procedures outlined above or herein may result in an unexcused absence.

- b. A doctor's certificate may be required as proof of need for absence of three (3) or more days and to medically release an employee to return to work.
- c. Up to one-half of the current year's PTO accrual can be used for the injury or illness of the employee's child, parent, spouse, domestic partner or domestic partner's child.
- d. If a supervisor/manager has reason to believe that an employee is not using their unscheduled PTO appropriately, e.g., unusual pattern of sick use, excessive use of incidental sick use, etc., the employer may place the employee on a sick use reporting requirement. Employees placed on Sick Use Reporting will be required to bring a doctor's note for all absences until they are released from this requirement. The steps for this process shall be as follows:
  - 1. The supervisor/manager will meet with the employee and provide a list of problem absences. Absences subject to FMLA or workplace injury (workers' compensation) or other protected leave shall not be included in the list of problem absences.
  - 2. The supervisor/manager will provide the employee with written documentation that specifically outlines the employer's concerns and expectations. The employee will be notified in writing of the timelines and the goals they are expected to achieve.
  - 3. The employee and the supervisor/manager will meet at least quarterly to discuss this issue until the employee is removed from the Sick Use Reporting requirement.
  - 4. Nothing herein shall preclude the Authority from taking disciplinary action for abuse of unscheduled PTO in accordance with existing MOU provisions in addition to following the procedures outlined above.
- e. Unscheduled PTO can be used for an absence necessitated by the employee's incapacitation from the performance of regular duties due to personal illness, injury or pregnancy.
- f. Unscheduled PTO can be used for medical, optical or dental office appointments.
- g. Unscheduled PTO can be used for absence due to the illness of a family member. Family Member for the purpose of this provision is defined as any person related by blood or marriage and includes domestic partners that have been certified with the Secretary of State's office in accordance with AB 26 (Chapter 588, Statutes of 1999).
- h. Unscheduled PTO can be used for any other situation not described above and which is prescribed or required by state and/or federal law.

- Catastrophic Leave Donation Program. In the unfortunate event that an employee is 17.5 required to take an extended period of time off for either their own serious illness or an immediate family emergency, other employees may opt to donate or transfer accrued PTO that they have in excess of forty (40) hours. Donations can be made by filling out a PTO Request Form and forwarding it to the HR/Organizational Development Manager. Payroll will confirm the donated hours and make the transfer to the PTO Bank. To qualify for donated PTO, an employee must have a need in excess of their current PTO balance.
- 17.6 Flexible Leave. Represented employees are provided sixty (60) hours of Flexible Leave on January 1st of each year. The flexible leave benefit allows an employee to take time off with approval of their supervisor, or to cash-out all or part of the Flexible Leave balance. Flex Leave cannot be requested for a period more than 180 days in the future. Flexible Leave cannot be carried over beyond the calendar year received and any employee who has an accumulated balance as of the final pay date of any calendar year will receive payment of the accrued hours at their then current base hourly rate of pay. Individuals not employed as of January 1 of any calendar year shall receive a prorated leave amount based on the number of pay periods remaining in the calendar year. Should an employee separate employment, any accrued flex leave shall be paid out with the employee's final paycheck.
- 17.7 Holiday Leave. The Authority recognizes the following holidays for Union represented employees. The landfill and transfer stations will be closed on those holidays marked with a (\*):

New Year's Day *	January 1st
Martin Luther King Jr. Day	Third Monday in January
Presidents' Day	Third Monday in February
Cesar Chavez Day	March 31st
Memorial Day	Last Monday in May
Independence Day *	July 4th
1	•
Labor Day	
	First Monday in September
Labor Day	First Monday in SeptemberNovember 11th
Labor Day  Veteran's Day	First Monday in September November 11th Fourth Thursday in November
Labor Day  Veteran's Day  Thanksgiving Day *	First Monday in SeptemberNovember 11thFourth Thursday in NovemberFourth Friday in November

All regular full and part-time, bargaining unit employees who do not work on a designated holiday due to the facility closure associated with the holiday (\*) above, will receive holiday pay at their regular rate of pay (as of the date of the holiday) times

the number of hours that employee is scheduled to work on the day of closure. OE3 represented Employees are granted two (2) Floating Holiday to be used at employee's discretion subject to approval. Requests for the use of floating holidays will be the same as vacation day requests. The first time an employee uses a full day of eight (8) hours of PTO will be considered an employee's election to use their Floating Holiday. PTO will not be counted as hours worked for the purposes of determining overtime and shall not be counted as days worked prior to or after the holiday for purposes of entitlement to holiday pay. All regular full and part-time, bargaining unit employees who work on a designated holiday will receive holiday pay at their regular rate of pay for the number of hours actually worked that day. All holidays shall be observed on the dates designated above, and not on any other dates regardless of whether they fall on a weekend.

Easter Sunday is a non-recognized holiday for employees scheduled to work on that Sunday. Employees scheduled to work on Easter Sunday will be provided the option to flex their schedule or use PTO hours.

Employees must work the last scheduled day before a holiday and the first scheduled working day following the holiday to be eligible for holiday pay. If an employee has a preapproved and/or excused absence on a holiday, the supervisor may authorize providing holiday pay in lieu of reducing an employee's paid absence (e.g., PTO).

## ARTICLE 18. EMERGENCY RESPONSE

Any Unit employee who is called to work other than on a scheduled basis shall be compensated for actual hours worked with a minimum of two (2) hours at time and one-half (1½) the employee's current hourly rate of pay commencing at the time the employee reaches the place where they are directed to report and continues until they are released or the work is completed, whichever is earlier. This provision shall not apply to situations where the employee is called in early to a scheduled shift or held over after a scheduled shift.

# ARTICLE 19. WORK WEEK, WORK SCHEDULES, OVERTIME, AND REST AND MEAL PERIODS

- 19.1 <u>Work Week</u>. The workweek at the Authority begins at 12:00 a.m. on Monday and ends seven (7) consecutive days later on Sunday at 11:59 p.m.
- 19.2 <u>Hours of Work and Work Schedules</u>. Employee work schedules are set up for at least a 40-hour work week schedule and to meet both specific work location, public hours of operation, and opening and closing requirements. Work schedules shall be posted monthly. Any changes once posted must be discussed with the Union prior to any change, but this does not pertain to individual employees being asked or required to cover employee shifts due to PTO leave or any other absences.

Employees assigned to the Jolon Road Transfer Station are designated to work a 4.5-4.75 hr. workday on Saturdays due to a half-day (8am-12pm) operation designated by

its operating permit. The remainder of the work week schedule will be set up to accomplish a 40-hour work week to allow for opening and closing operation.

The Johnson Canyon Landfill has coverage assigned at least ½ hr. before opening and after closing to allow for startup and closure requirements. Employees schedules are set up to meet a 40-hour work week schedule. Unforeseen circumstances associated with weather, natural disasters, and unforeseen staffing issues may require staff assist beyond scheduled times.

The Sun Street Transfer Station has coverage assigned at least ½ hr. before opening and ½ hr. after closing to allow for startup and closure requirements. Employee schedules are set up to meet a 40-hour work week schedule. Unforeseen circumstances associated with weather, natural disasters, and unforeseen staffing issues may require staff assist beyond scheduled times.

Transport Operations work week schedules are established to have spacing between drivers to avoid inefficiencies. Employee schedules are set up to allow for transportation of waste six (6) days a week. Driver start times vary and range from 5:30 am-7:00 am. Drivers are assigned to move at least four (4) loads on a shift. Additional loads may be assigned to drivers depending on operational needs and end facility closure time. Schedules required to work Saturdays have split days off. Pre-scheduled "blitz" weeks are posted for employee knowledge in advance and if carried out calls for a six (6) day work week for that week due to the need to remove excess accumulated waste. Time worked on a "blitz" day is mandatory and will be paid as overtime, though volunteers by seniority will be accepted first before any employee is mandated to participate.

The Sun Street Transfer Station is being proposed to be shut down sometime in the near future. This will require relocation of the Authority's Materials Recovery Center and Household Hazardous Waste Facility to the Madison Lane Transfer Station. On July 1, 2022, the Authority will begin waste transfer operations at the Madison Lane Transfer Station under contract. These changes will result in the Authority becoming a vendor to the Madison Lane Transfer Station and likely impact work schedules and staffing. If requested, the Union and the Authority will meet and confer regarding the impacts of this relocation.

19.3 Overtime. Under the federal Fair Labor Standards Act (FLSA), non-exempt employees shall be entitled to overtime pay for hours worked over 40 in a work week at a rate not less than time and one-half their regular rates of pay. Unscheduled overtime may occur from time to time at the end of a work shift. The employee will notify their supervisor of the status of their work, route or shift and the need to work overtime to complete the work. The supervisor will authorize the overtime to complete the work, route of shift. Scheduled overtime will be announced and posted for all who may desire to work overtime. Scheduled overtime will be assigned by seniority, by classification and by work location. The most senior employee in the classification by location will be offered the overtime assignment. If they refuse the assignment, then the next senior

- employee will be offered the assignment unit the work is assigned. If no one accepts the overtime, the Authority will then assign the overtime in reverse order of seniority.
- 19.4 Rest Periods. Unit employees are authorized and permitted to take one ten-minute rest period during each four (4) hour work period. Rest periods are not provided if the total daily work schedule is less than 3-1/2 hours. To the extent possible, rest periods are to be taken in the middle of work periods. Rest periods may not be combined or added to meal periods. Rest periods will not unduly interfere with the efficient operations of the Authority. Employees are not required to clock in and out for rest periods. Since this time is counted and paid as time worked, employees shall not be absent from their workstation beyond the allotted time. Equipment Operator/Drivers and Equipment Operator/Driver Leads are permitted to take rest periods when they arrive at the designated Transfer Station loading dock for load 2 & 4 for operational efficiencies, unless unexpected circumstances delay arrival; waiting in line is not considered a break.
- 19.5 Meal Periods. Unit employees who are scheduled for shifts in excess of five (5) hours will be provided with one unpaid meal period of 30 minutes or 60 minutes in length as determined by the Authority based on site specific needs. Meal periods are determined by individual flexible schedules or management will schedule meal periods to accommodate operation requirements and will relieve the employee of all active responsibilities and restrictions during meal periods. Meal periods are unpaid and employees are required to document in and out for meal periods. If an employee's work shift is six (6) hours, they may waive the unpaid meal period but must do so in writing on a form provided by the Authority. Employees who fail to take meal periods are not entitled to any additional compensation other than being paid for their actual work hours. The Authority may stager employee breaks and meal periods based on start times for operational purposes.
- 19.6 Meal Periods for Commercial Drivers. Employees who are Equipment Operator/Drivers and Equipment Operator/Driver Leads are required to take a meal period of not less than 30 minutes, beginning no later than five (5) hours after the beginning of the workday. For example, a Equipment Operator/Driver or Equipment Operator/Driver Lead whose workday begins at 6:00 a.m. must take a 30-minute meal break beginning no later than 11:00 a.m. In the event they are scheduled or required to work 10 hours or more in a single workday, the employee is eligible for and required to take a second meal period of no less than 30 minutes. During a 30-minute meal period, Equipment Operator/Drivers and Equipment Operator/Driver Leads are relieved of all duties and the meal period does not count as hours worked. The Authority may stager these employee breaks and meal periods based on start times for operational purposes.
- 19.7 <u>Meal Periods for Scalehouse Cashiers</u>. Scalehouse cashiers are required to take on-duty meal periods which are counted as time worked and scheduled as straight time as the nature of the work prevents relief from all duties.

### ARTICLE 20. GRIEVANCE PROCEDURE

- 20.1 <u>Grievance Defined</u>. A grievance is a complaint that there has been a violation of this MOU, the personnel policies of the Authority, and/or local, state or federal law. An employee, a group of employees or the Union may file a grievance. The represented Unit employee and/or their designated representative bringing such a complaint shall state how the violation affects their wages, hours, working conditions, or job security, as provided for in this MOU, the personnel policies of the Authority, and/or local, state or federal law.
- 20.2 <u>Informal Discussion</u>. When a represented Unit employee, a group of employees or the Union has a grievance, they shall first informally discuss the matter with the employee's or group of employees' immediate supervisor within fifteen (15) working days from the incident or decision generating the grievance. If after the discussion with the immediate supervisor, the grievance has not been satisfactorily resolved, the employee(s) and/or their designated representative shall have the right to informally discuss the grievance with the supervisor's immediate superior. If after such a discussion, the grievance has not been satisfactorily resolved, the represented Unit employee, group of employees or the Union shall have the right to file a formal written grievance on a form mutually agreed upon by the Union and the Authority.
- 20.3 <u>Formal Grievance Procedure</u>. A formal written grievance shall be used to resolve a represented Unit member's grievance which the employee, group of employees or the Union believes has not been satisfactorily resolved by the informal discussion process described above. The procedure is as follows:
  - a. A represented Unit employee, a group of employees or the Union shall have the right to present a formal grievance, in writing, within fifteen (15) working days after the discussion of the grievance with the immediate supervisor and the immediate supervisor's superior, if applicable. All formal written grievances shall state: (1) the violation of this MOU, the personnel policies of the Authority, and/or local, state or federal law; (2) how it affects the employee's wages, hours, working conditions or job security; and (3) the employee's requested remedy.
  - b. The formal written grievance shall be presented to the Division Manager or their designee. The Division Manager or their designee shall discuss the grievance with the represented Unit employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal written grievance, the Division Manager or their designee shall render a written decision regarding its merits. If the Division Manager or their designee's decision does not satisfactorily resolve the grievance, the employee, group of employees and/or their designated representative may present the formal grievance to the CAO. The grievance shall be considered resolved and no further administrative review of the subject matter of the grievance shall be permitted when the employee, group of employees and/or Union does not seek further review of the grievance within fifteen (15) working days after the receipt of the written decision of the Division Manager or their designee. If after the discussion with the Division Manager or their designee, the grievance has not

been satisfactorily resolved, the employee, group of employees, or the Union shall have the right to formally present the grievance to the Chief Administrative Officer (CAO).

- c. When a represented Unit employee, a group of employees or the Union presents a formal grievance to the CAO, the CAO shall discuss the grievance with the employee and/or their designated representative. Within fifteen (15) working days after receipt of the formal grievance, the CAO shall render a written decision regarding its merits. The decision of the CAO shall resolve the grievance and no further review of the subject matter of the grievance shall be permitted within the Authority's administrative process.
- 20.4 <u>No Reprisals</u>. The Authority shall not institute any reprisals against any represented Unit employee or their designated representative resulting from the use of the grievance procedure.

### ARTICLE 21. DISCIPLINE

- 21.1 <u>Purpose</u>. Except as modified herein, the employment policies of the Authority are described in the Employee Handbook. Adherence to standards of performance and conduct is necessary for the Authority to operate in the most effective manner possible. Disciplinary procedures have been established to handle rule violations, or any other misconduct, which has or may have a detrimental effect on the Authority, its operations, or its employees.
- 21.2 <u>Types of Discipline</u>. Discipline shall include verbal counseling, written reprimand, a performance improvement plan, suspension, salary reduction, demotion, and termination as appropriate for the specific situation. While discipline should be progressive and commensurate with the nature and degree of the misconduct or poor performance at issue, certain conduct or performance problems may result in termination even for the first offense. Verbal counseling and/or written reprimand may be subject to a grievance, but are not entitled to any form of pre-disciplinary notice and response rights nor any form of post-discipline imposition due process appeal rights.
- 21.3 <u>Performance Improvement Plan.</u> Performance deficiencies may be addressed through a Performance Improvement Plan on a stand-alone basis based upon recent performance issues, as part of an employee performance review, or as part of a counseling or discipline process. The primary objective is to establish a formal plan of action for improvement, observe the employee's progress, evaluate the employee's work performance, and to determine the employee's continued suitability for the position they hold.
- 21.4 <u>Pre-Disciplinary Notice and Response Rights</u>. A represented employee may be subject to discipline by a Division Manager. When suspension, salary reduction, demotion, or termination is being proposed against a represented employee who has passed probation, the employee shall be afforded pre-disciplinary notice and response rights

starting with a NOTICE OF PROPOSED DISCIPLINARY ACTION ("NOTICE") from the disciplining authority which shall include the following:

- a. The type of discipline being proposed;
- b. The date the proposed discipline is intended to be effective;
- c. The specific grounds and particular facts upon which the proposed discipline is based:
- d. A copy of all written materials, reports or documents upon which the proposed action is based;
- e. A statement of the employee's right to respond either orally or in writing to the proposed discipline within five (5) workdays of service of the NOTICE; and
- f. A statement that failure to respond at or by the time specified shall constitute a waiver of the right to respond prior to discipline being imposed.
- 21.5 <u>Notice Of Disciplinary Action Being Imposed</u>. After the response, or the expiration of the employee's time to respond, to the NOTICE OF PROPOSED DISCIPLINARY ACTION, the appropriate disciplining authority shall:
  - a. Consider the employee's response;
  - b. Decide whether to uphold, modify or rescind the proposed disciplinary action; and
  - c. Serve the employee with a written NOTICE OF DISCIPLINARY ACTION BEING IMPOSED, which shall include the reasons for the disciplinary action being imposed, the effective date for imposition of the disciplinary action, and the employee's rights of appeal.
- 21.6 <u>Post-Discipline Appeal</u>. Employees who disagree with the decision to discipline for a suspension, salary reduction, demotion or termination may appeal that decision to the Authority's Chief Administrative Officer. Any such appeals must be in writing and received by the Chief Administrative Officer no less than ten (10) days following the date on which the employee received the NOTICE OF DISCIPLINARY ACTION BEING IMPOSED. Failure to file such a request within the aforementioned time frame will result in the employee having waived their right to an appeal hearing and appeal of the discipline.
- 21.7 <u>Post-Discipline Appeal Hearing</u>. The Chief Administrative Officer may conduct the appeal hearing themself, or refer it to a third party to conduct the appeal hearing and issue an advisory decision to the Chief Administrative Officer.
  - a. <u>Hearing Date</u>. After the selection of a Arbitrator/hearing officer, a date shall be selected by the hearing officer for the hearing. The employee shall be notified in writing at least ten (10) working days prior to the hearing of the scheduled date.

The hearing officer shall have sole discretion of hearing date calendaring and/or extensions.

- b. Prehearing Notice of Witnesses and Exhibits. Five (5) working days prior to the hearing, each party shall identify to the opposing party all witnesses and documents which the party disclosing the information intends to use at the hearing. Failure to disclose a witness or document shall require its exclusion from the hearing, unless used for impeachment purposes or submitted with reasonable justification to the hearing officer as determined in their sole discretion.
- c. <u>Closed Hearing</u>. The hearing shall be a closed hearing unless the employee requests in writing five (5) working days prior to the hearing that the hearing be open to the public.
- d. Record of Hearing. The hearing shall be recorded, either electronically or by a court reporter, at the option of the hearing officer and at no expense to the employee.
- e. <u>Employee Appearance</u>. The employee shall appear personally before the hearing officer at the time and place set for the disciplinary appeal hearing. The employee may be represented by any person they may select so long as they are not a witness in the hearing.

## 21.8 <u>Conduct at the Disciplinary Hearing.</u>

- a. All testimony shall be by oath or affirmation.
- b. The conduct and decorum of the hearing shall be under the control of the hearing officer.
- c. Direct and cross-examination of witnesses shall be permitted.
- d. Hearings need not be conducted according to technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determining the truth.
- e. The Authority shall bear the burden of proof by a preponderance of the evidence that sufficient grounds exist to justify the employee's discipline. The inquiry of the hearing officer shall be whether the greater weight of the evidence supports the Authority's decision to discipline the employee or not.
- f. The hearing officer shall not have the power to alter, amend, change, add to, or subtract from any of the terms of these rules bearing upon the matter.

## 21.9 <u>Disciplinary Hearing Decision</u>.

- a. Within forty-five (45) days of the conclusion of the hearing, the hearing officer, if they be the Chief Administrative Officer, shall make findings and a final administrative decision with reference to the discipline imposed.
- b. Within forty-five (45) days of the conclusion of the hearing, if the hearing officer is not the Chief Administrative Officer, the hearing officer shall make advisory findings and an administrative decision with reference to the discipline imposed and transmit same to the parties and the Chief Administrative Officer. The Chief Administrative Officer shall then consider same and issue a decision adopting or modifying the decision as deemed appropriate by the Chief Administrative Officer based upon their complete review of the record of the hearing.
- c. A copy of the Chief Administrative Officer's decision may be sent by US mail with proof of service that reflects delivery to the last known address of the employee. It shall be the responsibility of the employee to inform the Authority of their address for such purposes.
- d. The decision of the Chief Administrative Officer is final except for judicial review pursuant to Code of Civil Procedure §1094.5. There is no process for reconsideration.
- e. Pursuant to Code of Civil Procedure section 1094.6, the parties have ninety (90) days from the date of the proof of service of mailing of the written findings and decision to appeal the Authority's decision on the appeal to the Superior Court in and for the County of Monterey.

### 21.10 <u>Disciplinary Appeals Supported by the Union</u>

a. The Authority shall utilize a neutral, third-party as the Hearing Officer for appeals of suspensions greater than 40 hours, demotions or terminations. The same rules stated above in 21.6 through 21.09 that apply to the Chief Administrative Officer conducting the hearing shall apply to the third-party Hearing Officer. The parties shall select such neutral Hearing Officer by each providing the names of at least five (5) potential Hearing Officers to the other party within fifteen (15) calendar days of the filing of the appeal. If the parties are unable to mutually agree upon a Hearing Officer within thirty (30) calendar days of the filing of the appeal, then the parties shall retain Administrative Law Judge (ALJ) services through the Office of Administrative Hearings (OAH). The Authority and the Union shall share the costs of using the ALJ and OAH equally, with each side paying their share as and when required by the neutral, third-party or the OAH. If either party wishes to have a court reporter document the proceedings, then that party shall bear the cost of such court reporter. In the event that both parties wish to have a court reporter document the proceedings, then the parties shall split the cost of such court reporter. Absent alternative agreement between the parties, each party shall bear the costs of any transcript(s), if requested.

b. The parties may mutually agree to extend any of the timelines set forth in the foregoing subsections of this Article.

#### ARTICLE 22. LAYOFF/REDUCTION IN WORKFORCE

Layoff/reduction in workforce is defined as involuntary employment separation initiated by the Authority. Under some circumstances, the Authority may need to restructure or reduce its workforce. If it becomes necessary to restructure operations or reduce the number of employees, the Authority will provide at least thirty (30) days advance notice to the Union and the affected represented employee. The Union may request to meet and confer over the impact and effect of a proposed layoff. Any layoff will be done by classification, by Seniority in that classification and then by previous successor seniority, if necessary. If possible, employees subject to restructure or reductions will be informed of the nature and the foreseeable duration of the restructure or reduction, whether short-term, long-term or permanent.

#### ARTICLE 23. UNION AND AUTHORITY PROHIBITED CONDUCT

- 23.1 The Union, its officers, agents, representatives and/or members agree that during the term of this MOU they will not cause nor condone any strike, walkout, slowdown, sick-out, or any other concerted job action by withholding or refusing to perform services. A violation of this Article by any Unit member shall constitute a just cause for discipline.
- 23.2 In the event that the Union, its officers, agents, representatives and/or members cause or condone any employee strike, walkout, slowdown, sick-out, or any other concerted job action by withholding or refusing to perform services, the Union shall immediately instruct any persons engaging in such conduct that their conduct is a violation of this MOU, and require all such represented persons to immediately cease engaging in the prohibited conduct and return to work.
- 23.3 During the term of this MOU, neither the Authority nor any of its agents, shall authorize, institute, aid or promote any lockout of employees covered by this MOU.

#### ARTICLE 24. PRINTING NEW CONTRACT BOOKS

The Union shall print this and any new, revised versions of this MOU or amendments thereto, in adequate quantity and quality for distribution to all bargaining unit and management personnel.

#### ARTICLE 25. SAVINGS CLAUSE

Any provision of this MOU, which conflicts with any State or Federal statute, or Executive Order having the same effect as law, now existing or hereinafter enacted, or declared by a court of competent jurisdiction to be unlawful, unenforceable or not in accordance with applicable statutes shall not affect the remainder of the MOU which shall remain in full force and effect for the term

of the MOU. The parties will meet as soon as practical to negotiate the effects of any invalidated provision.

#### ARTICLE 26. JOINT DRAFTING

In recognition of the fact that the parties had an equal opportunity to negotiate the language of, and draft, this MOU, the parties acknowledge and agree that there is no single drafter of this MOU and, therefore, the general rule that ambiguities are to be construed against the drafter is, and shall be, inapplicable. If any language in this MOU is found or claimed to be ambiguous, each party shall have the same opportunity to present evidence as to the actual intent of the parties with respect to any such ambiguous language without any inference or presumption being drawn against any party hereto.

#### **ARTICLE 27. MODIFICATION**

This MOU may only be modified or amended by written agreement between the parties which must then be ratified by the Union and formally approved by resolution of the Board of the Authority.

On Behalf of the Salinas Valley Solid Waste Authority:	Operating Engineers Local Union No. 3. AFL-CIO:
By	By:
R. Patrick Mathews, General Manager/CAO	Felix Mario Huerta Jr. Organizer/Business Representative Operating Engineers Local Union No. 3. AFL-CIO
By	By:
By Cesar Zuniga, Assistant General Manager	Michael Moore
	<b>Business Representative</b>
	Operating Engineers Local Union No. 3. AFL-CIO
	By:
	John Naegle
	<b>Operations Engineering Unit</b>
	Bargaining Team Member
	By:
	Roberto Rodriguez
	<b>Operations Engineering Unit</b>
	Bargaining Team Member

#### Attachment No. 1

## SALINAS VALLEY SOLID WASTE AUTHORITY DRAFT SALARY SCHEDULE (4.0% COLA) THE OPERATING LOCAL UNION NO.3 AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA (OE3) EFFECTIVE: 07-11-22

Attachment 1

POSITION	1 1	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11
		000000000000000000000000000000000000000	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
	,											
	Hourly	32.953	33.777	34.622	35.487	36.374	37.284	38.216	39.171	40.151	41.154	42.183
Equipment Maintenance Technician II	Bi-Weekly	2,636.28	2,702.18	2,769.74	2,838.98	2,909.95	2,982.70	3,057.27	3,133.70	3,212.05	3,292.35	3,374.66
	Monthly	5,711.93	5,854.73	6,001.10	6,151.12	6,304.90	6,462.52	6,624.09	6,789.69	6,959.43	7,133.42	7,311.75
	Annual	68,543.16	70,256.73	72,013.15	73,813.48	75,658.82	77,550.29	79,489.05	81,476.27	83,513.18	85,601.01	87,741.03
	Hourly	32.953	33.777	34.622	35.487	36.374	37.284	38.216	39.171	40.151	41.154	42.183
Solid Waste Technician II	Bi-Weekly	2,636.28	2,702.18	2,769.74	2,838.98	2,909.95	2,982.70	3,057.27	3,133.70	3,212.05	3,292.35	3,374.66
	Monthly	5,711.93	5,854.73	6,001.10	6,151.12	6,304.90	6,462.52	6,624.09	6,789.69	6,959.43	7,133.42	7,311.75
	Annual	68,543.16	70,256.73	72,013.15	73,813.48	75,658.82	77,550.29	79,489.05	81,476.27	83,513.18	85,601.01	87,741.03
	I Uzzaki I	00.450	32,953	33,777	04.000	35.487	36.374	37.284	38,216	00.474	40.450.1	44.454
HHW Technician	Hourly Bi-Weekly	32.150 2,571.96	2,636.26	2,702.17	34.622 2,769.72	2,838.96	2,909.94	2,982.69	38.210	39.171 3,133.69	40.150 3,212.03	41.154 3,292.33
nnw recillician		5,572.58	5,711.90	5,854.70	6,001.06	6,151.09	6,304.87	6,462,49	6,624.05	6,789.65	6,959,39	7,133.38
	Monthly Annual	66,871.00	68,542.78	70,256.35	72,012.75	73,813.07	75,658.40	77,549.86	79,488.61	81,475.82	83,512.72	85,600.54
	Ailiuai	00,871.00	00,542.76	70,230.33	72,012.73	7 3,8 13.07	73,038.40	77,549.00	7 9,400.01	01,47 3.02	03,312.72	83,000.34
	Hourly	29.853	30.600	31.365	32.149	32.952	33.776	34.621	35.486	36.373	37.283	38.215
Equipment Maintenance Technician I	Bi-Weekly	2,388.26	2,447.96	2,509.16	2,571.89	2,636.19	2,702.09	2,769.64	2,838.89	2,909.86	2,982.60	3,057.17
<b></b>	Monthly	5,174.55	5,303.92	5,436.52	5,572.43	5,711.74	5,854.53	6,000.90	6,150.92	6,304.69	6,462.31	6,623.87
	Annual	62,094.66	63,647.02	65,238.20	66,869.15	68,540.88	70,254.40	72,010.76	73,811.03	75,656.31	77,547.72	79,486.41
	Hourly	29.853	30.600	31.365	32.149	32.952	33.776	34.621	35.486	36.373	37.283	38.215
<b>Equipment Operator Lead</b>	Bi-Weekly	2,388.26	2,447.96	2,509.16	2,571.89	2,636.19	2,702.09	2,769.64	2,838.89	2,909.86	2,982.60	3,057.17
	Monthly	5,174.55	5,303.92	5,436.52	5,572.43	5,711.74	5,854.53	6,000.90	6,150.92	6,304.69	6,462.31	6,623.87
	Annual	62,094.66	63,647.02	65,238.20	66,869.15	68,540.88	70,254.40	72,010.76	73,811.03	75,656.31	77,547.72	79,486.41
90	Hourly	29.853	30.600	31.365	32.149	32.952	33.776	34.621	35.486	36.373	37.283	38.215
Heavy Equipment Operator Lead	Bi-Weekly	2,388.26	2,447.96	2,509.16	2,571.89	2,636.19	2,702.09	2,769.64	2,838.89	2,909.86	2,982.60	3,057.17
	Monthly	5,174.55	5,303.92	5,436.52	5,572.43	5,711.74	5,854.53	6,000.90	6,150.92	6,304.69	6,462.31	6,623.87
	Annual	62,094.66	63,647.02	65,238.20	66,869.15	68,540.88	70,254.40	72,010.76	73,811.03	75,656.31	77,547.72	79,486.41
	Housely I	29.853	30.600	31.365	32.149	32.952	33.776	34.621	35.486	36.373	37.283	38.215
Solid Waste Technician I	Hourly Bi-Weekly	29.853	2,447.96	2,509.16	2,571.89	2,636.19	2,702.09	2,769.64	2,838.89	2,909.86	2,982.60	38.215
Solid Waste Technician	Monthly	5,174.55	5,303.92	5,436.52	5,572.43	5,711.74	5,854.53	6,000.90	6,150.92	6,304.69	6,462.31	6,623.87
	Annual	62,094.66	63,647.02	65,238.20	66,869.15	68,540.88	70,254.40	72,010.76	73,811.03	75,656.31	77,547.72	79,486.41
	Ailliuu	02,034.00	00,041.02	00,200.20	00,003.10	00,040.00	10,204.40	12,010.10	10,011.00	10,000.01	11,041.12	1 3,400.41
	Hourly	27.046	27.722	28.415	29.126	29.854	30.600	31.365	32.149	32.953	33.777	34.621
Equipment Operator/Driver	Bi-Weekly	2,163.70	2,217.79	2,273.24	2,330.07	2,388.32	2,448.03	2,509.23	2,571.96	2,636.26	2,702.16	2,769.72
	Monthly	4,688.01	4,805.22	4,925.35	5,048.48	5,174.69	5,304.06	5,436.66	5,572.58	5,711.89	5,854.69	6,001.06
	Annual	56,256.18	57,662.58	59,104.15	60,581.75	62,096.30	63,648.70	65,239.92	66,870.92	68,542.69	70,256.26	72,012.67
	Hourly	27.046	27.722	28.415	29.126	29.854	30.600	31.365	32.149	32.953	33.777	34.621
Heavy Equipment Operator	Bi-Weekly	2,163.70	2,217.79	2,273.24	2,330.07	2,388.32	2,448.03	2,509.23	2,571.96	2,636.26	2,702.16	2,769.72
	Monthly	4,688.01	4,805.22	4,925.35	5,048.48	5,174.69	5,304.06	5,436.66	5,572.58	5,711.89	5,854.69	6,001.06
	Annual	56,256.18	57,662.58	59,104.15	60,581.75	62,096.30	63,648.70	65,239.92	66,870.92	68,542.69	70,256.26	72,012.67

## SALINAS VALLEY SOLID WASTE AUTHORITY DRAFT SALARY SCHEDULE (4.0% COLA) THE OPERATING LOCAL UNION NO.3 AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA (0E3) EFFECTIVE: 07-11-22

POSITION		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11
100 - 100 (100 (100 (100 (100 (100 (100		110000000000000000000000000000000000000	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
	Hourly	25.115	25.743	26.386	27.046	27.722	28.415	29.126	29.854	30.600	31.365	32.1
HHW Maintenance Worker II	Bi-Weekly	2,009.20	2,059.43	2,110.91	2,163.69	2,217.78	2,273.22	2,330.05	2,388.30	2,448.01	2,509.21	2,571.
	Monthly	4,353.26	4,462.09	4,573.64	4,687.98	4,805.18	4,925.31	5,048.45	5,174.66	5,304.02	5,436.62	5,572.
	Annual	52,239.12	53,545.09	54,883.72	56,255.82	57,662.21	59,103.77	60,581.36	62,095.89	63,648.29	65,239.50	66,870.4
	Hourly	25.115	25.743	26.386	27.046	27.722	28.415	29.126	29.854	30.600	31.365	32.1
Scalehouse Cashier	Bi-Weekly	2,009.20	2,059.43	2,110.91	2,163.69	2,217.78	2,273.22	2,330.05	2,388.30	2,448.01	2,509.21	2,571.9
	Monthly	4,353.26	4,462.09	4,573.64	4,687.98	4,805.18	4,925.31	5,048.45	5,174.66	5,304.02	5,436.62	5,572.
	Annual	52,239.12	53,545.09	54,883.72	56,255.82	57,662.21	59,103.77	60,581.36	62,095.89	63,648.29	65,239.50	66,870.
513.520.53.3.3	Hourly	22.752	23.321	23.904	24.502	25.114	25.742	26.385	27.045	27.721	28.414	29.13
HHW Maintenance Worker I	Bi-Weekly	1,820.17	1,865.67	1,912.31	1,960.12	2,009.12	2,059.35	2,110.83	2,163.61	2,217.70	2,273.14	2,329.9
	Monthly	3,943.69	4,042.29	4,143.34	4,246.93	4,353.10	4,461.93	4,573.48	4,687.81	4,805.01	4,925.13	5,048.
	Annual	47,324.33	48,507.43	49,720.12	50,963.12	52,237.20	53,543.13	54,881.71	56,253.75	57,660.10	59,101.60	60,579.
	Hourly	21.655	22.196	22.751	23.320	23.903	24.501	25.113	25.741	26.384	27.044	27.7
Diversion Systems Maintenance Worker	Bi-Weekly	1,732.39	1,775.70	1,820.09	1,865.59	1,912.23	1,960.04	2,009.04	2,059.27	2,110.75	2,163.52	2,217.0
	Monthly	3,753.51	3,847.35	3,943.53	4,042.12	4,143.18	4,246.75	4,352.92	4,461.75	4,573.29	4,687.62	4,804.8
	Annual	45,042.15	46,168.20	47,322.41	48,505.47	49,718.11	50,961.06	52,235.09	53,540.96	54,879.49	56,251.47	57,657.
	Hourly	10 610	20 100 [	20.612	21 127	21 655	22 107	22 752	23 320	23 003	24 501	25.1
Diversion Worker II	Hourly	19.619	20.109	20.612	21.127	21.655	22.197	22.752	23.320	23.903	24.501	
Diversion Worker II	Bi-Weekly	1,569.48	1,608.72	1,648.94	1,690.16	1,732.42	1,775.73	1,820.12	1,865.62	1,912.26	1,960.07	2,009.0
Diversion Worker II	Bi-Weekly Monthly	1,569.48 3,400.55	1,608.72 3,485.56	1,648.94 3,572.70	1,690.16 3,662.02	1,732.42 3,753.57	1,775.73 3,847.41	1,820.12 3,943.60	1,865.62 4,042.19	1,912.26 4,143.24	1,960.07 4,246.82	2,009.0 4,352.9
Diversion Worker II	Bi-Weekly	1,569.48	1,608.72	1,648.94	1,690.16	1,732.42	1,775.73	1,820.12	1,865.62	1,912.26	1,960.07	2,009. 4,352.
Diversion Worker II	Bi-Weekly Monthly Annual	1,569.48 3,400.55 40,806.60	1,608.72 3,485.56 41,826.77	1,648.94 3,572.70 42,872.44	1,690.16 3,662.02 43,944.25	1,732.42 3,753.57 45,042.86	1,775.73 3,847.41 46,168.93	1,820.12 3,943.60 47,323.15	1,865.62 4,042.19 48,506.23	1,912.26 4,143.24 49,718.89	1,960.07 4,246.82 50,961.86	2,009. 4,352. 52,235.
Diversion Worker II  Diversion Worker I	Bi-Weekly Monthly Annual	1,569.48 3,400.55 40,806.60	1,608.72 3,485.56 41,826.77	1,648.94 3,572.70 42,872.44 18.673	1,690.16 3,662.02 43,944.25	1,732.42 3,753.57 45,042.86	1,775.73 3,847.41 46,168.93	1,820.12 3,943.60 47,323.15	1,865.62 4,042.19 48,506.23	1,912.26 4,143.24 49,718.89 21.655	1,960.07 4,246.82 50,961.86	2,009. 4,352. 52,235.
	Bi-Weekly Monthly Annual	1,569.48 3,400.55 40,806.60	1,608.72 3,485.56 41,826.77	1,648.94 3,572.70 42,872.44	1,690.16 3,662.02 43,944.25	1,732.42 3,753.57 45,042.86	1,775.73 3,847.41 46,168.93	1,820.12 3,943.60 47,323.15	1,865.62 4,042.19 48,506.23	1,912.26 4,143.24 49,718.89	1,960.07 4,246.82 50,961.86	25.11 2,009.0 4,352.9 52,235.9 22.75 1,820.1 3,943.6

## SALINAS VALLEY SOLID WASTE AUTHORITY DRAFT SALARY SCHEDULE (4.0% COLA) THE OPERATING LOCAL UNION NO.3 AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA (OE3) EFFECTIVE: 07-10-23

Attachment 2

POSITION		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11
2014 (3000 MOVING 2014 MOVING 100			2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
	Hourly	34.272	35.128	36.007	36.907	37.829	38.775	39.745	40.738	41.757	42.801	43.871
Equipment Maintenance Technician II	Bi-Weekly	2,741.73	2,810.27	2,880.53	2,952.54	3,026.35	3,102.01	3,179.56	3,259.05	3,340.53	3,424.04	3,509.64
	Monthly	5,940.41	6,088.92	6,241.14	6,397.17	6,557.10	6,721.03	6,889.05	7,061.28	7,237.81	7,418.75	7,604.22
	Annual	71,284.88	73,067.00	74,893.68	76,766.02	78,685.17	80,652.30	82,668.61	84,735.32	86,853.71	89,025.05	91,250.67
	Hourly	34.272	35.128	36.007	36.907	37.829	38.775	39.745	40.738	41.757	42.801	43.871
Solid Waste Technician II	Bi-Weekly	2,741.73	2,810.27	2,880.53	2,952.54	3,026.35	3,102.01	3,179.56	3,259.05	3,340.53	3,424.04	3,509.64
	Monthly	5,940.41	6,088.92	6,241.14	6,397.17	6,557.10	6,721.03	6,889.05	7,061.28	7,237.81	7,418.75	7,604.22
	Annual	71,284.88	73,067.00	74,893.68	76,766.02	78,685.17	80,652.30	82,668.61	84,735.32	86,853.71	89,025.05	91,250.67
	Hourly	33.436	34.271	35.128	36.006	36.907	37.829	38.775	39.744	40.738	41.756	42.800
HHW Technician	Bi-Weekly	2,674.84	2,741.71	2,810.25	2,880.51	2,952.52	3,026.34	3,101.99	3,179.54	3,259.03	3,340.51	3,424.02
	Monthly	5,795.49	5,940.37	6,088.88	6,241.11	6,397.13	6,557.06	6,720.99	6,889.01	7,061.24	7,237.77	7,418.71
	Annual	69,545.84	71,284.49	73,066.60	74,893.26	76,765.60	78,684.74	80,651.85	82,668.15	84,734.85	86,853.23	89,024.56
_0 0 = 00000000 0 _0 0 0 0 0 0	Hourly	31.047	31.824	32.619	33.435	34.270	35.127	36.005	36.906	37.828	38.774	39.743
Equipment Maintenance Technician I	Bi-Weekly	2,483.79	2,545.88	2,609.53	2,674.77	2,741.64	2,810.18	2,880.43	2,952.44	3,026.25	3,101.91	3,179.46
	Monthly	5,381.54	5,516.08	5,653.98	5,795.33	5,940.21	6,088.71	6,240.93	6,396.96	6,556.88	6,720.80	6,888.82
	Annual	64,578.44	66,192.90	67,847.73	69,543.92	71,282.52	73,064.58	74,891.19	76,763.47	78,682.56	80,649.63	82,665.87
	Hourly	31.047	31.824	32.619	33.435	34.270	35.127	36.005	36.906	37.828	38.774	39.743
Equipment Operator Lead	Bi-Weekly	2,483.79	2,545.88	2,609.53	2,674.77	2,741.64	2,810.18	2,880.43	2,952.44	3,026.25	3,101.91	3,179.46
	Monthly	5,381.54	5,516.08	5,653.98	5,795.33	5,940.21	6,088.71	6,240.93	6,396.96	6,556.88	6,720.80	6,888.82
	Annual	64,578.44	66,192.90	67,847.73	69,543.92	71,282.52	73,064.58	74,891.19	76,763.47	78,682.56	80,649.63	82,665.87
	Hourly	31.047	31.824	32.619	33.435	34.270	35.127	36.005	36.906	37.828	38.774	39.743
Heavy Equipment Operator Lead	Bi-Weekly	2,483.79	2,545.88	2,609.53	2,674.77	2,741.64	2,810.18	2,880.43	2,952.44	3,026.25	3,101.91	3,179.46
	Monthly	5,381.54	5,516.08	5,653.98	5,795.33	5,940.21	6,088.71	6,240.93	6,396.96	6,556.88	6,720.80	6,888.82
	Annual	64,578.44	66,192.90	67,847.73	69,543.92	71,282.52	73,064.58	74,891.19	76,763.47	78,682.56	80,649.63	82,665.87
W. 1070000 A. 144 A. 144 A. 1	Hourly	31.047	31.824	32.619	33.435	34.270	35.127	36.005	36.906	37.828	38.774	39.743
Solid Waste Technician I	Bi-Weekly	2,483.79	2,545.88	2,609.53	2,674.77	2,741.64	2,810.18	2,880.43	2,952.44	3,026.25	3,101.91	3,179.46
	Monthly	5,381.54	5,516.08	5,653.98	5,795.33	5,940.21	6,088.71	6,240.93	6,396.96	6,556.88	6,720.80	6,888.82
	Annual	64,578.44	66,192.90	67,847.73	69,543.92	71,282.52	73,064.58	74,891.19	76,763.47	78,682.56	80,649.63	82,665.87
	Hourly	28.128	28.831	29.552	30.291	31.048	31.824	32.620	33.435	34.271	35.128	36.006
Equipment Operator/Driver	Bi-Weekly	2,250.25	2,306.50	2,364.17	2,423.27	2,483.85	2,545.95	2,609.60	2,674.84	2,741.71	2,810.25	2,880.51
	Monthly	4,875.54	4,997.42	5,122.36	5,250.42	5,381.68	5,516.22	5,654.13	5,795.48	5,940.37	6,088.88	6,241.10
	Annual	58,506.43	59,969.09	61,468.31	63,005.02	64,580.15	66,194.65	67,849.52	69,545.76	71,284.40	73,066.51	74,893.17
			20.05.						20.45-1			
or the state of th	Hourly	28.128	28.831	29.552	30.291	31.048	31.824	32.620	33.435	34.271	35.128	36.006
Heavy Equipment Operator	Bi-Weekly	2,250.25	2,306.50	2,364.17	2,423.27	2,483.85	2,545.95	2,609.60	2,674.84	2,741.71	2,810.25	2,880.51
	Monthly	4,875.54	4,997.42	5,122.36	5,250.42	5,381.68	5,516.22	5,654.13	5,795.48	5,940.37	6,088.88	6,241.10
	Annual	58,506.43	59,969.09	61,468.31	63,005.02	64,580.15	66,194.65	67,849.52	69,545.76	71,284.40	73,066.51	74,893.17

#### Attachment 2

## SALINAS VALLEY SOLID WASTE AUTHORITY DRAFT SALARY SCHEDULE (4.0% COLA) THE OPERATING LOCAL UNION NO.3 AFL-CIO OPERATIONS ENGINEERING UNIT AT SVSWA (OE3) EFFECTIVE: 07-10-23

POSITION		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10	STEP 11
			2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
				_			•			-	•	
	Hourly	26.120	26.773	27.442	28.128	28.831	29.552	30.291	31.048	31.824	32.620	33.43
HHW Maintenance Worker II	Bi-Weekly	2,089.56	2,141.80	2,195.35	2,250.23	2,306.49	2,364.15	2,423.25	2,483.84	2,545.93	2,609.58	2,674.8
	Monthly	4,527.39	4,640.57	4,756.59	4,875.50	4,997.39	5,122.33	5,250.38	5,381.64	5,516.19	5,654.09	5,795.4
	Annual	54,328.68	55,686.90	57,079.07	58,506.05	59,968.70	61,467.92	63,004.61	64,579.73	66,194.22	67,849.08	69,545.3
				3 2	i ii	- 0						
	Hourly	26.120	26.773	27.442	28.128	28.831	29.552	30.291	31.048	31.824	32.620	33.43
Scalehouse Cashier	Bi-Weekly	2,089.56	2,141.80	2,195.35	2,250.23	2,306.49	2,364.15	2,423.25	2,483.84	2,545.93	2,609.58	2,674.8
	Monthly	4,527.39	4,640.57	4,756.59	4,875.50	4,997.39	5,122.33	5,250.38	5,381.64	5,516.19	5,654.09	5,795.4
	Annual	54,328.68	55,686.90	57,079.07	58,506.05	59,968.70	61,467.92	63,004.61	64,579.73	66,194.22	67,849.08	69,545.3
		-										
	Hourly	23.662	24.254	24.860	25.482	26.119	26.772	27.441	28.127	28.830	29.551	30.29
HHW Maintenance Worker I	Bi-Weekly	1,892.97	1,940.30	1,988.80	2,038.52	2,089.49	2,141.73	2,195.27	2,250.15	2,306.40	2,364.06	2,423.1
	Monthly	4,101.44	4,203.98	4,309.08	4,416.80	4,527.22	4,640.40	4,756.41	4,875.33	4,997.21	5,122.14	5,250.1
	Annual	49,217.30	50,447.73	51,708.93	53,001.65	54,326.69	55,684.86	57,076.98	58,503.90	59,966.50	61,465.66	63,002.3
	Hourly	22.521	23.084	23.661	24.253	24.859	25.481	26.118	26.770	27.440	28.126	28.82
Diversion Systems Maintenance Worker	Bi-Weekly	1,801.69	1,846.73	1,892.90	1,940.22	1,988.72	2,038.44	2,089.40	2,141.64	2,195.18	2,250.06	2,306.3
	Monthly	3,903.65	4,001.24	4,101.28	4,203.81	4,308.90	4,416.63	4,527.04	4,640.22	4,756.22	4,875.13	4,997.0
	Annual	46,843.84	48,014.93	49,215.31	50,445.69	51,706.83	52,999.50	54,324.49	55,682.60	57,074.67	58,501.53	59,964.0
	Hourly	20.403	20.913	21.436	21.972	22.521	23.084	23.662	24.253	24.859	25.481	26.11
Diversion Worker II	Bi-Weekly	1,632.26	1,673.07	1,714.90	1,757.77	1,801.71	1,846.76	1,892.93	1,940.25	1,988.76	2,038.47	2,089.4
	Monthly	3,536.57	3,624.99	3,715.61	3,808.50	3,903.71	4,001.31	4,101.34	4,203.87	4,308.97	4,416.69	4,527.1
	Annual	42,438.87	43,499.84	44,587.34	45,702.02	46,844.57	48,015.68	49,216.08	50,446.48	51,707.64	53,000.33	54,325.3
	Hourly	18.485	18.947	19.420	19.906	20.403	20.914	21.436	21.972	22.522	23.085	23.66
Diversion Worker I	Bi-Weekly	1,478.76	1,515.73	1,553.63	1,592.47	1,632.28	1,673.09	1,714.91	1,757.79	1,801.73	1,846.77	1,892.9
	Monthly	3,203.99	3,284.09	3,366.19	3,450.34	3,536.60	3,625.02	3,715.64	3,808.53	3,903.75	4,001.34	4,101.3
	Annual	38,447.85	39,409.05	40,394.27	41,404.13	42,439.23	43,500.21	44,587.72	45,702.41	46,844.97	48,016.10	49,216.5



### OPERATING ENGINEERS LOCAL UNION No. 3

1620 SOUTH LOOP ROAD, ALAMEDA, CA 94502-7089 • (510) 748-7438 • FAX (510) 521-4886

Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands



### **Public Employees Division**

October 10, 2022

Patrick Mathews, General Manager, CAO Salinas Valley Solid Waste Authority 128 Sun St #101, Salinas, CA 93901

RE: The Operating Engineers Local Union No. 3, IUOE AFL-CIO, Ratification Vote

Mr. Patrick Mathews, General Manager/CAO:

The Operating Engineers Local Union No. 3, AFL-CIO would like to inform you that the membership has ratified the Tentative Agreements.

We request to meet to finalize the draft MOU, gather final signatures and discuss the implementation of the MOU. We would like to discuss how the retroactive monies would be distributed to the employees.

If you have any question call or email.

Sincerely,

Felix Mario Huerta Jr.

Operating Engineers Local Union No. 3 AFL-CIO

Eliz Mario Hurth.

Business Representative/Organizer

Cc: Bargaining Team

**Date:** October 20, 2022

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

Manager

**Title:** A Resolution Approving a Revised Personnel

Allocation Effective on August 22, 2022 and a Revised Personnel Allocation Effective October 3,

2022.

#### ITEM NO. 9

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

#### **RECOMMENDATION**

The Executive Committee recommends that the Board adopt the Resolution.

#### **FISCAL IMPACT**

The reclassification of two existing Diversion Worker II employees to the new position of Diversion Systems Maintenance Worker that is effective August 22, 2022 is expected to have an initial annual impact of \$15,000 per year. Only one of the 3 staff allocations being reduced on October 3, 2022 was active as of July 1, 2022. The estimated impact of keeping this position open for the additional 3 months of Sun Street Operations and clean-up that they were needed is \$5,000.

#### **DISCUSSION & ANALYSIS**

The approval of the August 22, 2022 personnel allocation reclassifies two Diversion Workers I/II working at the agricultural depackager to the new Diversion Systems Maintenance Workers position. The operation of the depackager equipment requires additional skills and duties that are not a part of the Diversion Workers I/II position such as adjusting the control panel settings for different feed stocks processed through the facility, basic maintenance of the depackager and other mechanized diversion equipment, and process monitoring. The Board approved the new Job Description for the Diversion Systems Maintenance Worker on August 18, 2022. However, the staff allocations were not approved at the time since MOU negotiations with the Operating Local Union No.3 AFL-CIO Operations Engineering Unit at SVSWA (OE3) had not been completed. With tentative agreement of the MOU, the staff allocation is being brought forward, and requested to be retroactive to August 22, 2022. The August 22, 2022 effective date is the start of the first pay period after the Board approved the job descriptions.

The Fiscal Year 2022-23 Budget was written with the assumption that Sun Street Transfer Station would close on or prior to July 1, 2022 with its HHW and recycling operations moving to a leased portion of the Madison Lane Transfer Station owned by Republic Services and adjacent to Republic's transfer operations. The closure of Sun Street would require the reduction of three allocated positions; Two Equipment Operator/Driver/Leads, and one Scalehouse Cashier. The scalehouse cashier has been vacant since early 2022, and one of the Equipment Operator Leads accepted a vacant position effective July 1, 2022. The other Equipment Operator Lead remained at Sun Street to assist with the

prolonged operations and transfer of material remaining at the facility after closure. The lead accepted a vacant position effective October 3, 2022. This revised staff allocation will remove the three currently vacant positions that are no longer needed with the closure of Sun Street.

#### **BACKGROUND**

As part of SB1383, the Authority established organic processing programs to assist member agencies in meeting the organic diversion mandates established by SB1383. The depackager was brought online in May 2020. It is used to process packaged organics and packaged food waste delivered to the facility in Gonzales.

The Sun Street Transfer Station closed on September 10, 2022 with a portion of its HHW and recycling operations moving to a leased portion of Republic's Madison Lane Transfer Station effective September 12, 2022.

#### ATTACHMENT(S)

- 1. Resolution
- 2. Personnel Allocation effective August 22, 2022
- 3. Personnel Allocation effective October 3, 2022

#### **RESOLUTION NO. 2022–**

## A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A REVISED PERSONNEL ALLOCATION EFFECTIVE AUGUST 22, 2022 AND A REVISED PERSONNEL ALLOCATIONS EFFECTIVE OCTOBER 3, 2022.

**WHEREAS** the depackager was installed to assist the Authority with diversion of agricultural organics to meet mandates set forth by SB1383; and,

**WHEREAS**, some of the tasks being performed at the depackager are unique to the staff currently assigned to operate the depackager; and,

**WHEREAS**, the Board of Directors approved the Diversion Systems Maintenance Worker job description on August 18, 2022 and this approval reclassifies two Diversion Workers I/II allocated to the depackager to the new Diversion Systems Maintenance Worker positions; and,

**WHEREAS**, the Sun Street Transfer Station closed on September 10, 2022 with its Household Hazardous Waste and recycling operations moving to a leased portion of Republic's Madison Lane Transfer Station effective September 12, 2022 and required the reduction of three allocated positions.

**NOW THEREFORE BE IT RESOLVED**, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the Personnel Allocation Schedule attached here and marked "Exhibit A" reclassifies two Diversion Workers I/II working at the depackager to the new Diversion Systems Maintenance Workers position effective August 22, 2022 is hereby approved; and,

**BE IT FURTHER RESOLVED**, that the Personnel Allocation Schedule attached here and marked "Exhibit B" reduces the allocation by two Equipment Operator Leads, and one Scalehouse Cashier effective October 3, 2022 is hereby approved.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a meeting duly held on the 20st day of October 2022, by the following vote:

Erika J. Trujilla	o, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

## SALINAS VALLEY SOLID WASTE AUTHORITY PERSONNEL ALLOCATION PROPOSED EFFECTIVE DATE 08-22-2022

Program and Position	19-20 Effective 12/01/19	20-21 Effective 07/01/20	20-21 Effective 01/21/21	21-22 Effective 07/01/21	22-23 Proposed 08/22/22
Program and Position	12/01/17	07/01/20	01/21/21	07/01/21	06/22/22
Executive Administration General Manager/CAO	1.0	1.0	1.0	1.0	1.0
Assistant General Manager	**	**	**	**	**
Clerk of the Board	1.0	1.0	1.0	1.0	1.0
Total Executive Administration	2.0	2.0	2.0	2.0	2.0
Finance and Administration					
Finance and Administration Manager	1.0	1.0	1.0	1.0	1.0
Human Resources Supervisor	1.0	1.0	1.0	1.0	1.0
Business Services Supervisor	1.0	1.0	1.0	1.0	1.0
Accounting Technician I/II	2.0	2.0	2.0	2.0	2.0
Administrative Support Assistant I/II	2.0	2.0	2.0	2.0	2.0
Total Finance and Administration	7.0	7.0	7.0	7.0	7.0
Resource Recovery					
Resource Recovery Manager	1.0	1.0	1.0	1.0	1.0
Contracts & Grants Analyst	1.0	1.0	1.0	1.0	1.0
Recycling Coordinator	1.0	1.0	1.0	1.0	1.0
Resource Recovery Technician I/II	3.0	3.0	3.0	4.0	4.0
Marketing Intern	0.5	0.5	0.5	0.5	0.5
Total Resource Recovery	6.5	6.5	6.5	7.5	7.5
Engineering					
Engineering and Environmental Compliance Manager	1.0	1.0	1.0	1.0	1.0
Solid Waste Technician I/II	2.0	2.0	3.0	3.0	3.0
Total Engineering	3.0	3.0	4.0	4.0	4.0
Operations					
Operations Manager	1.0	1.0	1.0	1.0	1.0
Field Operations Supervisor I	2.0	2.0	2.0	2.0	2.0
Equipment Maintenance Technician I/II	-	1.0	1.0	2.0	2.0
Household Hazardous Waste Technician	1.0	1.0	1.0	1.0	1.0
Equipment Operator/Driver/Lead	3.0	3.0	3.0	3.0	3.0
Heavy Equipment Operator/Lead	1.0	1.0	1.0	1.0	1.0
Equipment Operator/Driver	6.0	7.0	7.0	7.0	7.0
Heavy Equipment Operator	4.0	4.0	4.0	4.0	4.0
Scalehouse Cashier	5.0	5.0	5.0	5.0	5.0
HHW Maintenance Worker I/II	3.0	3.0	3.0	3.0	3.0
Diversion Systems Maintenance Worker	-	-	-	-	2.0
Diversion Worker I/II  Total Operations	15.0 <b>41.0</b>	15.0 <b>43.0</b>	15.0 <b>43.0</b>	15.0 <b>44.0</b>	13.0 <b>44.0</b>
-					
Total Full Time Equivalents	59.5	61.5	62.5	64.5	64.5

<sup>\*\*</sup> The Assistant General Manager position and duties are assigned to a Division Manager by the GM.

Currently this assignment is being held by the Operations Manager.

## SALINAS VALLEY SOLID WASTE AUTHORITY PERSONNEL ALLOCATION PROPOSED EFFECTIVE DATE 10-03-2022

Program and Position	20-21 Effective 07/01/20	20-21 Effective 01/21/21	21-22 Effective 07/01/21	22-23 Proposed 08/22/22	22-23 Proposed 10/03/22
	07/01/20	01/21/21	07/01/21	00/22/22	10/03/22
Executive Administration General Manager/CAO	1.0	1.0	1.0	1.0	1.0
Assistant General Manager	**	**	**	**	**
Clerk of the Board	1.0	1.0	1.0	1.0	1.0
Total Executive Administration	2.0	2.0	2.0	2.0	2.0
Finance and Administration					
Finance and Administration Manager	1.0	1.0	1.0	1.0	1.0
Human Resources Supervisor	1.0	1.0	1.0	1.0	1.0
Business Services Supervisor	1.0	1.0	1.0	1.0	1.0
Accounting Technician I/II	2.0	2.0	2.0	2.0	2.0
Administrative Support Assistant I/II	2.0	2.0	2.0	2.0	2.0
Total Finance and Administration	7.0	7.0	7.0	7.0	7.0
Resource Recovery					
Resource Recovery Manager	1.0	1.0	1.0	1.0	1.0
Contracts & Grants Analyst	1.0	1.0	1.0	1.0	1.0
Recycling Coordinator	1.0	1.0	1.0	1.0	1.0
Resource Recovery Technician I/II	3.0	3.0	4.0	4.0	4.0
Marketing Intern	0.5	0.5	0.5	0.5	0.5
Total Resource Recovery	6.5	6.5	7.5	7.5	7.5
Engineering					
Engineering and Environmental Compliance Manager	1.0	1.0	1.0	1.0	1.0
Solid Waste Technician I/II	2.0	3.0	3.0	3.0	3.0
Total Engineering	3.0	4.0	4.0	4.0	4.0
Operations					
Operations Manager	1.0	1.0	1.0	1.0	1.0
Field Operations Supervisor I	2.0	2.0	2.0	2.0	2.0
Equipment Maintenance Technician I/II	1.0	1.0	2.0	2.0	2.0
Household Hazardous Waste Technician	1.0	1.0	1.0	1.0	1.0
Equipment Operator/Driver/Lead	3.0	3.0	3.0	3.0	1.0
Heavy Equipment Operator/Lead	1.0	1.0	1.0	1.0	1.0
Equipment Operator/Driver	7.0	7.0	7.0	7.0	7.0
Heavy Equipment Operator	4.0	4.0	4.0	4.0	4.0
Scalehouse Cashier	5.0	5.0	5.0	5.0	4.0
HHW Maintenance Worker I/II	3.0	3.0	3.0	3.0	3.0
Diversion Systems Maintenance Worker	150	-	150	2.0	2.0
Diversion Worker I/II  Total Operations	15.0 <b>43.0</b>	15.0 <b>43.0</b>	15.0 <b>44.0</b>	13.0 <b>44.0</b>	13.0 <b>41.0</b>
-					
Total Full Time Equivalents	61.5	62.5	64.5	64.5	61.5

<sup>\*\*</sup> The Assistant General Manager position and duties are assigned to a Division Manager by the GM.

Currently this assignment is being held by the Operations Manager.



### Report to the Board of Directors

**Date:** October 20, 2022

From: Cesar Zuñiga, Assistant General

Manager/Operations Manager

**Title:** A Resolution Declaring Surplus Property and

Authorizing the General Manager /CAO to

Dispose of Property

#### ITEM NO. 10

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

#### **RECOMMENDATION**

Staff recommends that the Board adopt the resolution.

#### STRATEGIC PLAN RELATIONSHIP

This is an operational item and does not relate to the Board's strategic plan.

#### **FISCAL IMPACT**

The sale of surplus property may generate some revenue. The surplus units will be appraised and place for sale. Reasonable offers will be considered for sale of surplus units. Staff would also like to request authority to consider trading cash value equivalent fleet and / or equipment maintenance services for some of the surplus items should the opportunity arise. If authorized, staff will seek fleet and / or equipment maintenance repairs be completed to existing units that are equal trade value.

#### **DISCUSSION & ANALYSIS**

The Authority has a replacement schedule that allows staff to replace equipment that may exceed its value due to repairs needed to keep the unit in operational status or may no longer meet California Air Resources Board (CARB) requirements. Staff would like to surplus the equipment listed below due to their overall cost to repair compared to the equipment's value and due to the closure of the Sun Street Transfer Station which leaves the agency with excess property.

Description	Vin Number	Reason for	Estimated	Estimated
		Surplus	Value	Revenue from:
2005 Ford F-150	1FTRW14W75FB37449	Excess	\$3200-	Sale
		equipment /	\$6000	
		wear		
2012 Caterpillar	CAT0950KJR4A00644	Wear / Repairs	\$40,000-	Sale
950K Loader		exceed value	\$75,000	
2003 Cat R60	4BJ00061	Repairs exceed	\$4,000	Sale / Barter
Forklift		value		

Truck Scales	N/A	Excess	\$7,500-	Sale
(Crazy Horse)		Equipment	\$30,000	

Staff would like to surplus the above-listed equipment based on its condition, operational status, age, and cost to repair. Staff has gotten their money's worth out of all the equipment listed above.

#### **BACKGROUND**

The Authority purchased the requested surplus equipment between 1997-2012 to assist with the daily operations at the Authorities facilities. The repairs or need for the surplus property due exceed their value at this time and surplus is recommended.

#### ATTACHMENT(S)

1. Resolution

#### **RESOLUTION NO. 2022 -**

## A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY DECLARING SURPLUS PROPERTY AND AUTHORIZING THE GENERAL MANAGER / CAO TO DISPOSE OF SURPLUS PROPERTY

**WHEREAS**, the Authority has a replacement schedule that allows staff to replace equipment that may exceed its value specific criteria or non-compliant with CARB rules; and,

**WHEREAS**, various items of equipment have been identified based on their operational status, age, compliance, and cost to repair that exceed their value; and,

WHEREAS, at times parts are obsolete and not available for aged equipment; and,

**WHEREAS**, the below-described property is no longer necessary, useful or suitable for the Authority purposes and can be declared surplus.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the following property is hereby declared surplus to the needs of the authority:

2005 Ford F-150
 2012 Caterpillar 950K Loader
 2003 Cat R60 Forklift
 VIN No. 1FTRW14W75FB37449
 VIN No. CAT0950KJR4A00644
 VIN No. CATR604BJ00061

• 2-Crazy Horse Landfill Truck Scales

**BE IT FURTHER RESOLVED** that the General Manager is hereby authorized and directed, for and on behalf of the Salinas Valley Solid Waste Authority, to dispose of surplus property for fair market cash-value or in-kind fleet maintenance services.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at the meeting duly held on the 20th day of October 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:

Roy C. Santos, Authority General Counse

Report to the Board of Directors

Date: October 20, 2022

From: Mandy Brooks, Resource Recovery Manager

Title: A Resolution Approving Annual Expenditures in

an Amount of \$65,000 for Project

Management Services for the Regional SB 1383

Grant Programs with Blue Strike Environmental

for FY 22-23 & FY 23-24

#### ITEM NO. 11

Finance and Administration Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

**Authority General Counsel** 

#### **RECOMMENDATION**

Staff recommends that the Board adopt the resolution for annual expenditures in the amount over \$50,000 for project management services related to SB 1383 grant programs.

#### STRATEGIC PLAN RELATIONSHIP

The recommended action will assist the Authority in supporting the Strategic Plan Goal to "Select and Implement Facilities (e.g., Salinas Area Material Recovery Center) and Programs that Lead to Achievement of at Least 75% Waste Diversion."

#### **FISCAL IMPACT**

The Authority annually contracts with Blue Strike Environmental (BSE) for Special Event Recycling services, Edible Food Recovery Program development, and most recently for SB 1383 Quarterly Organic Waste Sampling services. While each of these contracts are less than \$50,000, total payments to the vendor will exceed \$50,000 for both fiscal years requiring Board approval.

At the June 16, 2022 Board of Director's meeting, the Board approved the supplemental appropriation of \$332,235 for the CalRecycle SB 1383 Grant funds. There is sufficient funding to cover the expenses associated with the SB 1383 project management services. The grant funding includes a total of approximately \$65,000 for project management services; \$37,000 for FY 2022-23 and \$28,000 for FY 2023-24.

#### **DISCUSSION & ANALYSIS**

Blue Strike Environmental (BSE) will exceed the \$50,000 limit in annual SB 1383 support services. In order to continue using BSE, a resolution approving the expenditure over \$50,000 must be approved by the Board of Directors. This resolution will be valid for both fiscal year 2022-23 and 2023-24 to coincide with the grant term.

The Authority will act as the grant administrator for expenditure reporting and program reporting, and BSE will act as the project manager to implement the regional grant funded programs in coordination with ReGen Monterey (formerly Monterey Regional Waste Management District) and their member jurisdictions. These regional programs

include implementation of an edible food recovery app., education & outreach materials for edible food generators (Tier 1 & Tier 2), and new procurement programs.

#### **BACKGROUND**

SB 1383 requires increasing or expanding edible food recovery programs and implementing compost or mulch procurement programs for member agencies. This is new work that has not been previously conducted by the Authority.

#### ATTACHMENT(S)

1. Resolution

#### **RESOLUTION NO. 2022 -**

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$65,000 WITH BLUE STRIKE ENVIRONMENTAL FOR REGIONAL SB 1383 GRANT SERVICES FOR FISCAL YEARS 2022-23 & 2023-24

**WEHERAS**, on June 16, 2022, the Salinas Valley Solid Waste Authority Board of Directors approved the supplemental appropriation of \$332,235 for the CalRecycle SB 1383 Grant funds; and,

**WHEREAS**, Blue Strike Environmental will act as the project manager for the regional grant program administration and

**WHEREAS**, the Authority currently contracts with Blue Strike on multiple other contracts which may exceed \$50,000 annually; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to approve expenditures in an amount of \$65,000 with Blue Strike Environmental for project management services for Regional SB 1383 Grant Services with Blue Strike Environmental for FY 2022-23 and 2023-24 as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 20<sup>th</sup> day of October 2022, by the following vote:

Erika J. Trujil	lo, Clerk of the Board	Roy C. Santos, Authority General Counse
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	



#### Report to the Board of Directors

**Date:** October 20, 2022

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

Manager

**Title:** A Resolution Approving the Repair and

Coating of the Administration Office Roof by SSB Construction in the Amount of \$76,150.

#### ITEM NO. 12

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

#### **RECOMMENDATION**

Staff recommends approval of the resolution for the repair and coating of the Administration Office Roof by SSB Construction in the amount of \$76,150.

#### STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVSWA Services and Programs to the Community by creating a permanent hub for the Authority administrative services and community education programs in the heart of Salinas, our largest service customer.

#### **FISCAL IMPACT**

The Board approved a Budget for \$350,000 for upgrades/repairs to the Administration Office at the September meeting, which includes the amount of this item.

#### **DISCUSSION & ANALYSIS**

SVSWA purchased the building that our administrative offices are located in with the intent to move the offices to the larger suite located adjacent to the current location. During the due diligence process, one of the inspections found that portions of the roof needed to be repaired. The seller credited SVSWA \$15,000 to pay for a portion of the repairs. However, the repairs are only a short-term solution as they are only guaranteed for 5 years and do not ensure that the entire roof remains in good repair. Staff solicited quotes to cut and repair all deteriorated sections of the roof, replace all of the skylights, and apply a rubber coating to the entire roof. This would ensure that the entire roof is in good condition for many years to come.

Below are the two quotes received:

Vendor	Quote	Warranty		
Premo Roofing	\$98,870	25 Years		
SSB Construction	\$76,150	20 Years		

Staff recommends that we award the work to SSB Construction. Their bid was \$22,630 (23%) lower than the other bid that staff was able to obtain from Premo Roofing.

#### **BACKGROUND**

SVSWA purchased the building that our administrative offices are located in with the intent to move the offices to the larger suite located adjacent to the current location. In order to prepare the building, several items need to be completed such as replacing the flooring, painting the interior, network install/upgrades, as well as other items to improve security of the building. Additionally, the roof and gutters need to be cleaned and coated. The Authority received a credit for a portion of this work in the final negotiated purchase price of the building. The estimated amount to complete all of these tasks is \$350,000, including a small contingency.

#### ATTACHMENT(S)

- 1. Resolution
- 2. Exhibit A Quote

#### **RESOLUTION NO. 2022 -**

### A RESOLUTION APPROVING THE REPAIR AND COATING OF THE ADMINISTRATION OFFICE ROOF BY SSB CONSTRUCTION IN THE AMOUNT OF \$76,150.

**WHEREAS** on April 28, 2022 SVSWA Board authorized the purchase of the building that our administrative offices are located in with the intent to move the offices to the larger suite located adjacent to the current location; and,

**WHEREAS** in order to prepare the building, several items need to be completed such as replacing the flooring, painting the interior, network install/upgrades, as well as other items to improve security of the building.; and,

**WHEREAS** staff solicited quotes to cut and repair all deteriorated sections of the roof, replace all of the skylights, and apply a rubber coating to the entire roof.; and,

WHEREAS, SSB Construction had the lowest bid.

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to award the repair of the administration offices to SSB Construction in the amount of \$76,150.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at the meeting duly held on the 20th day of October 2022, by the following vote:

Erika J. Truji	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	



### **PROPOSAL FOR:**

S.V.S.W.A

128 Sun St, Suite 101 Salinas, CA 93901 June 06, 2022

RE: Roof Coating

128 Sun Street, Suite 101 Salinas, CA 93901



### **SCOPE OF WORK**

#### Metal Roof "A" (10,710sf)

- Cut-out and repair any sections of severely deteriorated roofing material and patch with 26ga. sheet metal, then seal with AcryShield A400 elastomeric coating with T272 polvester fabric embedded.
- Remove and replace (9) existing skylights with new 26ga.
   metal roof panels, then seal with AcryShield A400 elastomeric coating with T272 polyester fabric embedded.
- Pressure wash the entire roof surface and gutters of all grime and oil and allow surface to dry.
- Apply A120 RustShield inhibitive primer as needed.
- Apply AcryShield A400 elastomeric coating with T272 polyester fabric at all panel laps, seams, existing penetrations, and any areas not exhibiting a positive seal.
- Apply Butyl-backed caps at all fastener locations, then hand seal with AcryShield A400 elastomeric coating.
- Apply two coats of AcryShield A400 elastomeric coating over the roof surface at not less than 12mils dry film thickness per coat.
- Includes aerial lift equipment rental.
- 10-year Manufacturer's Warranty.
- Allow (10) working days to complete project.

Total Value: \$33,046.00

#### **New Gutters (Roof "A")**

Supply and install approximately (340lf) of new gutter with downspouts. Color to be determined by the owner. Please note that the gutter profile and color will not match the existing exactly.

Total Budget Value: \$15,563.00





#### Metal Roof "B" (5,995sf)

- Cut-out and repair approximately (20) sections of severely deteriorated roofing material and patch with 26ga. sheet metal, then seal with AcryShield A400 elastomeric coating with T272 polyester fabric embedded.
- Pressure wash the entire roof surface and gutters of all grime and oil and allow surface to dry.
- Apply A120 RustShield inhibitive primer as needed.
- Apply AcryShield A400 elastomeric coating with T272
  polyester fabric at all panel laps, seams, existing penetrations, and any areas not exhibiting a
  positive seal.
- Apply Butyl-backed caps at all fastener locations, then hand seal with AcryShield A400 elastomeric coating.
- Apply two coats of AcryShield A400 elastomeric coating over the roof surface at not less than 12mils dry film thickness per coat.
- Includes aerial lift equipment rental.
- 10-year Manufacturer's Warranty.
- Allow (7) working days to complete project.

Total Value: \$23,214.00

#### Cap Sheet Roof "C" (312sf)

- Pressure the entire roof surface of all debris, grime, and oil and allow surface to dry.
- Apply roof slope at low roof areas to help mitigate water ponding.
- Apply a basecoat and a seal coat of AcryShield A503 elastomeric coating at the parapet wall cap and any areas not exhibiting a positive seal with T272 polyester fabric embedded.
- Apply a basecoat and a seal coat of AcryShield A503 elastomeric coating over the entire roof surface with 40" T272 polyester fabric embedded.
- Apply two finish coats of AcryShield A400 elastomeric coating over the entire roof surface at not less than 12mils dry film thickness per coat.
- 20-year Manufacturer's Warranty.

Total Value: \$4,327.00

**Exclusions:** Permits, fees, replacement of gutters/downspouts or vents, coating of exterior or interior gutter, elimination of existing or future standing water, plywood repair/replacement, protection of contents within building, wall panels, insulation, windows, landscaping, removal/relocation of piping/conduits/antennas, HVAC, electrical or anything not specifically mentioned.





#### Note

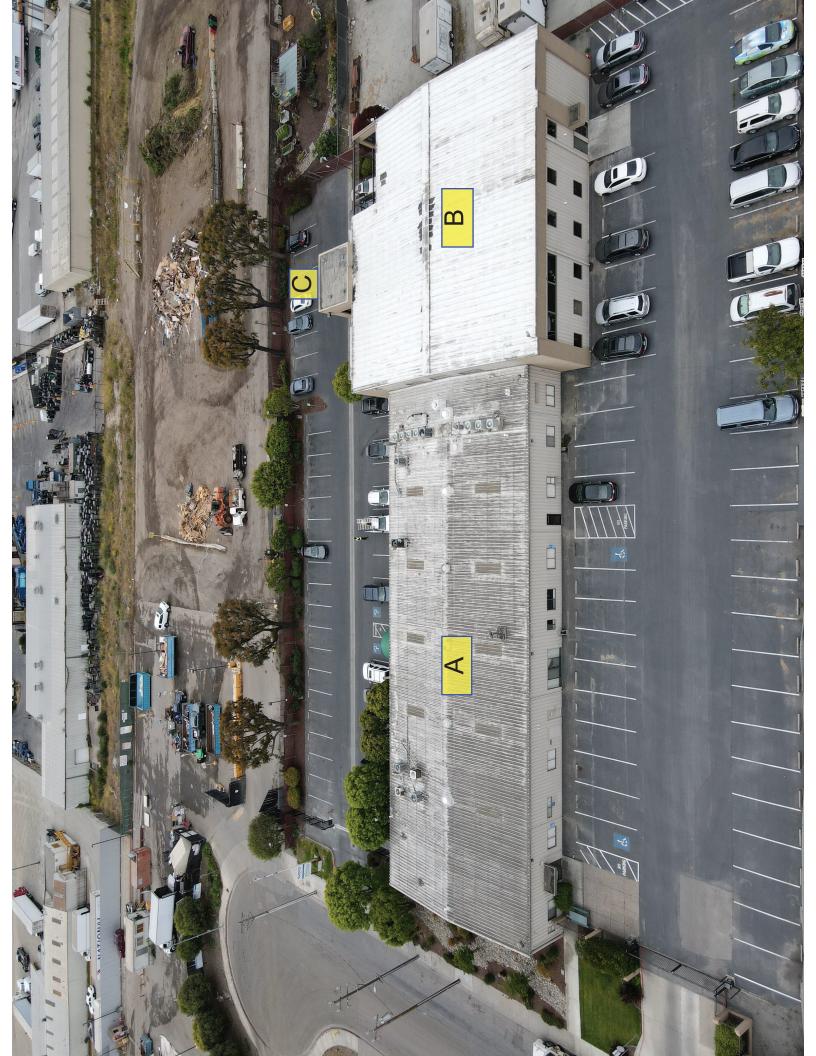
- Quality control will be closely monitored throughout the project with scheduling updates and progress photos provided to you via email. A sample of the final applied coating will be taken and submitted for your files, providing assurance that you are receiving the proper thickness.
- SSB Roof Coating materials are supplied by National Coatings, twice selected as the EPA's ENERGY STAR Partner of the Year, the only roofing products manufacturer to receive this award to date.
- Annual pressure washing is strongly recommended to preserve the life of your roof. SSB Roof Coating can provide this service.
- Compliance with all CAL OSHA safety regulations.
- Low to zero VOC
- UL Class A Fire Rated
- Extended payment options may be available.

#### **AGREED & ACCEPTED BY:**

If this proposal meets with your approval, please indicate by signing and returning a copy to SSB.

Name	Title
Company	Date
Signature	







#### Report to the Board of Directors

**Date:** October 20, 2022

From: Cesar Zuñiga, Assistant General Manager /

Operations Manager

**Title:** A Resolution Awarding Sole Sourcing the

Purchase of a New 2023 Walking Floor Transfer

Trailer to Western Trailers for an Amount of

\$108,766.08

#### ITEM NO. 13

Finance Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

#### **RECOMMENDATION**

Staff recommends adoption of the resolution sole sourcing the purchase of one (1) New Transfer Trailer to be used for Salinas Valley Solid Waste Authority Transfer Operations to Western Trailers for the amount of \$108,766.08.

#### STRATEGIC PLAN RELATIONSHIP

The purchase of the new transfer trailer supports Goal E: Reduce Costs and Improve Services at SVSWA Facilities. The new trailer will be used to transfer waste from the Authority's Jolon Road and Salinas Area Transfer Stations.

#### FISCAL IMPACT

Funding for this purchase is included in the 2022-23 Fiscal Year Budget. There is sufficient funding available within Capital Improvement Project (CIP) 9701 for the purchase of the 2023 Western Trailer Walking Floor Trailer.

#### **DISCUSSION & ANALYSIS**

On July 1, 2022, the Authority assumed the transfer operations of the Madison Lane Transfer Station owned by Republic Services which serves the City of Salinas franchise hauler, residents from Salinas and unincorporated Monterey County. On September 1, 2016, the Authority assumed the operations of the Jolon Road Transfer Station at the end of the existing agreement with Waste Management. The Jolon Road Transfer Station receives waste from the City of King and unincorporated Monterey County.

In order to maintain an efficient operation staff needs to replace older walking floor trailers that have met their working life standards and may require major repairs. The oldest walking floor trailers in the fleet are between 11-17 years old. All of the existing walking floor trailers currently owned by the Authority are made by Western Trailers. Standardizing our trailers allows us the ability to become familiar with repairs, part vendors and maintain a stock of required parts. The fleet of trailers is used by both facilities and serve as backups to ensure minimal disruption of services.

#### **BACKGROUND**

On July 1, 2022, the Authority assumed the transfer operations of the Madison Lane Transfer Station (MLTS) owned by Republic Services. The facility currently serves the local franchise hauler, City of Salinas, and north county residents. The MLTS processes an average of 450-600 tons of waste and 20-27 transfer truck trips per day.

On September 1, 2016, the Authority assumed the operations of the Jolon Road Transfer Station. The facility serves the local franchise hauler, Waste Management, the City of King, and unincorporated southern Monterey County. The facility receives between 100-120 tons a day and between 3-4 transfer truck trips out a day.

#### ATTACHMENT(S)

- 1. Resolution
- 2. Exhibit A Western Trailers Proposal

#### **RESOLUTION NO. 2022 -**

## A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY AWARDING THE SOLE SOURCE PURCHASE OF ONE WALKING FLOOR TRANSFER TRAILER TO WESTERN TRAILERS FOR AN AMOUNT OF \$108,766,08

**WHEREAS**, the Authority owns walking floor trailers in the fleet that are between 11-17 years old; and,

**WHEREAS**, to maintain an efficient operation staff needs to replace the older walking floor trailers that have met their working life standards and may require major repairs; and,

**WHEREAS**, all of the existing walking floor trailers currently owned by the Authority are made by Western Trailers allowing the standardization of the trailers for the ability to be familiarized with repairs, part vendors and maintain stock of required parts.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to sole source the purchase of a Walking Floor Transfer Trailer for the Transfer Station operations to Western Trailers, as attached hereto and marked "Exhibit A," and to carry out all responsibilities necessary.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a meeting duly held on the 20th day of October 2022, by the following vote:

Erika Trujillo,	, Clerk of the Board	Roy Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ADSLINI.	BOARD MEMBERS.	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	



1022-3



Western Trailers of California Inc. Custom Lightweight Trailers Since 1969 P. O. Box 5598 Boise, ID 83705 888-344-2539

Date

10/4/2022

SALINAS VALLEY SOLID WASTE AUTHORITY

PO BOX 2159

SALINAS VALLEY SOLID WASTE AUTHORITY 128 SUN STREET - SUITE 101

Sold To		AS, CA 93902 E: 831-775-3020	Ship To	SALINAS, CA 93901			
Date Shi 10/4/20	pped 022	Shipped VIA Terms	F.O.E BOIS	B. <b>SE, ID</b>	Salesman GILLESPIE		
	intity	Descripti			Price		Total
	1	NEW 2023 WESTERN 48' X 102" X 13'6" REFU LESS TARP SYSTEM 5DN144825PB000619	JSE LIVE F	FLOOR WEDGE TANDEM AIR	97,244.00	\$	97,244.00
			MENT FEE		65.00	\$	65.00
		TOTA	_SALES P	RICE		\$	97,309.00
		SALES	TAX (MON	TEREY COUNTY)	9.250%	\$	9,001.08
			HT CENSING F ECYCLING		2,400.00 EXEMPT 42.00 1.75	\$ \$ \$	2,400.00 42.00 14.00 108,766.08
		DEPOS	iIT				
J		BAL	ANCE DUE	<b>=</b>		\$	108,766.08



#### Report to the Board of Directors

**Date:** October 20, 2022

From: R. Patrick Mathews, General Manager/CAO

**Title:** Clarify Guidelines Related to Board Agendas

and Supporting Documentation

### ITEM NO. 14

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

#### **RECOMMENDATION**

Staff requests that the Board accept this report.

#### STRATEGIC PLAN RELATIONSHIP

This report meets one of the priorities identified within the Strategic Plan Goal A – Governance and collaboration.

#### **FISCAL IMPACT**

This item has no immediate fiscal impacts.

#### **DISCUSSION & ANALYSIS**

On June 30, 2022, the Board held its Strategic Planning Workshop with the facilitation assistance from Management Partners. During the workshop the Board discussed, and established priorities based on priority themes from individual interviews that were conducted by the facilitators prior to the workshop. On August 18, 2022, the Board adopted a set Board Norms to establish best practices for governance of the Authority, modifications to the existing Authority Mission, Vision and Values, and new Authority goals and FY 2022-23 Priorities.

Goal A - Governance and Collaboration prioritized "Clarify guidelines related to Board agendas and supporting documentation". Attached you will find information on the Brown Act noticing requirements of regular meetings, as well as the Authority procedures.

#### **BACKGROUND**

The Executive Committee lead the facilitator selection process in the fall of 2021 through issuance of a request for proposals, conducting facilitator interviews and making a final selection. Management Partners was selected from a final list of three top proposers based on skills, approach to facilitation, recommendations from other government agencies, and in-person interviews. On June 30, 2022, the Board held its Strategic Planning Workshop with the facilitation assistance from Management Partners (MP). MP started the process with a kick-off meeting with the General Manager and Clerk of the Board to help define the Strategic Planning Process and get background information on prior workshops and outcomes. MP then conducted phone interviews with each Board member and Department Manager to help guide their preparation for the workshop. Themes were compiled from the interviews and further used to create new Goals and establish priorities for FY 2022-23, and beyond.

**ATTACHMENT:** Brown Act Noticing Requirement and SVSWA Procedures

### The Brown Act Noticing Requirements:

- Post (English agenda only) 72 hours prior to the meeting at the location of the agency offices that is freely accessible to the public, and also on the agency's website
- Must include the time and location of the meeting.
- Must contain a brief general description of each item to be discussed or addressed, including closed-session items.
- Must distribute to those who request copies.

#### **SVSWA Procedures:**

- Agenda packet is posted at the Authority's Administration office, at the Gonzales City Council Chambers where the Board meeting are held, and on the Authority's website the Thursday or Friday before the meeting (approximately one full week or 168 hours before).
- Agenda includes the time and location of the meeting and contains a brief general description of each item to be discussed or addressed, including closed-session items.
- Agenda packet includes a fully translated Spanish agenda.
- Agenda packet includes a staff report for each item to be discussed, a resolution if applicable, supporting documentation and/or presentations (except for no-action recognition presentations).
- If new information is obtained related to an item on the agenda after distribution of the agenda packet supplemental material is added to the agenda packet no later than the Tuesday (72 hours) before the meeting.
- Email notification to those who have requested copies (one-time and standing requests) of the agenda is distributed at the time the agenda is posted and/or when supplemental material is added.

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

Agenda Item
Pan IMeth
General Manager/CAO

**ITEM NO. 15** 

#### STRATEGIC OBJECTIVES SUMMARY

July 2022 - June 2023

A. GOVERNANCE AND COLLABORATION							
WHEN	wнo	WHAT*	STATUS			COMMENTS	
			DONE	ON TARGET	REVISED		
FY 2022-23	GM and Clerk of the Board	Clarify Guidelines Related to Board Agendas and Supporting Documentation	Х			Included in October 20, 2022 agenda packet	
Ongoing	GM, Human Resources and Management Team	Invest in Training and Technology		Х			
Ongoing	GM, Management Team, and Staff	Provide Equitable Administrative Support		Х			
Ongoing	GM, Management Team and Board	Improve Governance and Board Relations		Х		GM to set up regular meeting with individual Board members	
FY 2022-23 and 2023-24	GM and Human Resources	Develop Succession Plan		Х			

• Bold indicates Board Selected Strategic Planning Priorities for FY 2022-23

B. FINANCIAL SUSTAINABILITY								
WHEN	wно	WHAT	STATUS		3	COMMENTS		
			DONE	ON TARGET	REVISED			
FY 2022-23 and Ongoing	GM and Finance Manager	Maintain Equitable and Reasonable Rates	Х			Achieved for FY 2022-23, equalized Greenwaste rates for all members and lowest landfill rates in County		
Annual	GM and Finance Manager	Continue to Pre-fund Liabilities and Debt	Х			Fund Balance allocation recommendation included in October 20, 2022 agenda packet		
Ongoing	GM and Finance Manager	Review the JPA member jurisdictions' contributions, governance alternatives, and orientation to the revenue forecast		Х				

• Bold indicates Board Selected Strategic Planning Priorities for FY 2022-23

C. <b>FACILITIES MASTER PLANNING</b>							
WHEN WHO		WHAT	STATUS		3	COMMENTS	
			DONE	ON TARGET	REVISED		
FY 2022-23	GM and Management Team	Relocate the Transfer Station (Sun St) and Lease Space at Madison Lane	Х			Achieved for FY 2022-23, effective 9-12-22	
Ongoing	GM and Resource Recovery Manager	Explore Alternative and Emerging Technologies to Reduce Landfill Dependance		Х		Presented Alternative Technologies report at June 2022 Board meeting	

<sup>•</sup> Bold indicates Board Selected Strategic Planning Priorities for FY 2022-23

D. COMPLY, ADAPT, AND RESPOND TO REGULATORY CHANGES					
wно	WHAT		STATUS	;	COMMENTS
		DONE	ON TARGET	REVISED	
GM and Management Team	Advocate against Unfunded Mandates		Х		Continuing monitoring of legislation and rulemaking in concert with SWANA Leg Task Force
GM, Management Team and Staff	Ensure Compliance with New Organics Diversion Requirements and Outreach		Х		Achieved for FY 2022-23, equalized Greenwaste rates for all members and lowest landfill rates in County
	WHO  GM and Management Team  GM, Management	WHO WHAT  GM and Management Team  GM, Management  Ensure Compliance with New Organics Diversion Requirements	WHO WHAT  DONE  GM and Management Team  GM, Management  Ensure Compliance with New Organics Diversion Requirements	WHO WHAT STATUS    DONE   ON TARGET	WHO WHAT STATUS    DONE

• Bold indicates Board Selected Strategic Planning Priorities for FY 2022-23

	E. HIGH-QUALITY COMMUNITY ENGAGEMENT					
WHEN	EN WHO WHAT		STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
Ongoing	Resource Recovery Manager and Public Education Team/Committee	Continue to Deliver Public Education Strategy		Х		Board Received reports on Social Marketing (August 18, 2022) and Marketing/Media Overview (September 15, 2022)
Annual	Resource Recovery Manager and Public Education Team/Committee	Maintain a Comprehensive Communication and Branding Strategy		Х		See Above

<sup>•</sup> Bold indicates Board Selected Strategic Planning Priorities for FY 2022-23

Report to the Board of Directors

**Date:** October 20, 2022

From: Cesar Zuñiga, Assistant General Manager /

Operations Manager

**Title:** Resolutions Approving Annual Expenditures in an

Amount Over \$50,000 for Vendors and Suppliers used for Fuel Delivery, Facility and Equipment Maintenance with Amcon Environmental, Arroyo Construction, Don Chapin Company, Home

Depot, Infinity Staffing, San Lorenzo Lumber, Skinner Equipment Repair, Southern Counties Lubricants, and West Coast Rubber Recycling for Fiscal Year

2022-23.

#### ITEM NO. 16

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

**Authority General Counsel** 

#### **RECOMMENDATION**

Staff recommends that the Board adopt the nine (9) attached resolutions for SVSWA Annual expenditures in the amount over \$50,000 for vendors and suppliers used for facility and equipment maintenance.

#### STRATEGIC PLAN RELATIONSHIP

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

#### **FISCAL IMPACT**

The facility maintenance accounts (62290, 62800, 63592) for all sites have a budget of \$522,100. The equipment maintenance accounts have a budget of \$633,200. The tire recycling account has a budget of \$30,000 and Capital Improvement Project (CIP) 9228 has an additional \$30,000 for Tire Amnesty. The facility fuel accounts have a budget of \$653,000. The Administration Office Improvements CIP has a remodeling budget of \$350,000 for FY 2022-23. There is sufficient funding to cover all expenses associated with vendors and suppliers used for facility and equipment maintenance at all sites.

#### **DISCUSSION & ANALYSIS**

Salinas Valley Solid Waste Authority runs the operations at the Madison Lane Material Recycling Center and Household Hazardous Waste Facility, Jolon Road Transfer Station, as well as the Johnson Canyon Landfill and recently purchased the administration building that is currently being remodeled to prepare it for the administration office to relocate.

To ensure the facilities are operated efficiently, we must ensure our equipment is properly maintained. All equipment requires service and maintenance on an ongoing basis from qualified professional vendors.

The facilities, both active and closed, require ongoing maintenance and repairs to ensure compliance with environmental control systems, as well as building maintenance, repairs, and remodeling. Every year the Authority completes repairs and improvements to its facilities. It uses different vendors to accomplish these repairs.

The vendors listed above will all exceed \$50,000 in annual facility and equipment maintenance, which requires Board approval. In order to continue using the current vendors, a Resolution approving the expenditure over \$50,000 must be approved by the Board of Directors for each vendor each fiscal year. These resolutions will be valid for fiscal year 2022-23.

Each vendor provides a specific service to the Authorities operations. Our transport equipment and offroad heavy equipment require maintenance and repair routinely. For these services we use Skinner Equipment Repair if our staff requires outside assistance. We also use Southern Counties Lubricants for equipment fluids, lubes, and fuel for all sites.

Arroyo Construction provides facility maintenance and repairs as needed at our active and closed facilities. They recently submitted a proposal to complete the improvements at the Administrative Offices, which was below \$50,000. However, when added to other repairs that may be completed throughout the year, they may exceed \$50,000 annual expenditure. The Don Chapin Company is used as needed for concrete ready mix associated with facility repairs and improvements.

Home Depot, San Lorenzo Lumber, and Amcon are vendors used throughout the fiscal year for purchase of construction supplies and repair materials needed at all active and closed facilities. Amcon is our landfill alternative daily cover vendor which provides us with landfill tarps annually.

As assistance is needed at each facility due to staff shortages due to unexpected illness, leaves of absences or increased litter associated with daily operations staff relies on temporary labor services to assist, only when absolutely necessary. Infinity Staffing provides assistance by providing temporary laborers on demand.

West Coast Rubber is our tire vendor used for recycling tires received from our customer at our facilities. They also provide the trailer used to transport the tires collected during our annual Tire Amnesty Collection events, which allows residential customers to dispose of their tires for free during the events held twice a year.

#### **BACKGROUND**

The Johnson Canyon Landfill operations were assumed on December 22, 2014, followed by the Jolon Road Transfer Station on September 1, 2016. The Sun Street Transfer Station MRC and HHW operations were recently relocated to 1104 Madison Lane and the operation is being set up to serve the public. SVSWA now has over 60 pieces of equipment made up of trucks, trailers, tractors, and portable equipment (i.e. light towers, compressors, and pumps) that require ongoing maintenance and service. SVSWA also operates three active facilities and three closed landfills that repair repairs and maintenance.

#### ATTACHMENT(S)

- 1. Resolution Amoon Environmental
- 2. Resolution Arroyo Construction

- 3. Resolution Don Chapin Company
- 4. Resolution Home Depot
- 5. Resolution Infinity Staffing
- 6. Resolution San Lorenzo Lumber
- 7. Resolution Skinner Equipment Repair
- 8. Resolution Southern Counties Lubricants
- 9. Resolution West Coast Rubber Recycling

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$70,000 WITH AMCON ENVIRONMENTAL FOR LANDFILL ALTERNATIVE DAILY COVER SUPPLIES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to provide supplies for all sites which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with Amcon Environmental and wishes to continue using them to provide alternative daily cover supplies to tarp waste at its facilities.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$70,000 with Amcon Environmental for landfill alternative daily cover supplies as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at regular meeting duly held on the 20<sup>th</sup> day of October 2022, by the following vote:

 Erika J. Truiil	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
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NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$120,000 WITH ARROYO CONSTRUCTION FOR FACILTY MAINTENANCE AND IMPROVEMENTS SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns three closed landfills and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to provide maintenance services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with Arroyo Construction services and wishes to continue using them for facility maintenance and improvement services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$120,000 with Arroyo Construction for Facility Maintenance and Improvement Services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at regular meeting duly held on the 20<sup>th</sup> day of October 2022 by the following vote:

ATTEST:  Erika J. Trujillo, Clerk of the Board		Roy C. Santos, Authority General Counsel
		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
A DCENIT.		
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$60,000 WITH DON CHAPIN COMPANY FOR FACILITY MAINTENANCE AND IMPROVEMENTS SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns three closed landfills and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to provide maintenance services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with Don Chapin Company services and wishes to continue using them for facility maintenance and improvement services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$60,000 with Don Chapin Company for Facility Maintenance and Improvement Services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at regular meeting duly held on the 20<sup>th</sup> day of October 2022 by the following vote:

Erika J. Truji	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
		-
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$60,000 WITH HOME DEPOT TO SUPPLY FACILITY MAINTENANCE SUPPLIES AND SERVICES FOR FISCAL YEAR 202223

**WHEREAS**, the Authority owns three closed landfills and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to supply facility maintenance supplies and services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with Home Depot and wishes to continue using them for facility maintenance support services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$60,000 with Home Depot for Facility Maintenance Supplies and Services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at meeting duly held on the 20th day of October 2022, by the following vote:

Erika J. Truji	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
A DCENIT.		
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

### A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$100,000 WITH INFINITY STAFFING FOR STAFFING SUPPORT SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to provide staffing support services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS,** the Authority is satisfied with Infinity Staffing services and wishes to continue using them for staffing support services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$100,000 with Infinity Staffing for Staffing Support Services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at regular meeting duly held on the 20<sup>th</sup> day of October 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. Trujill	o, Clerk of the Board	Roy C. Santos, Authority General Counsel

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$60,000 WITH SAN LORENZO LUMBER TO SUPPLY FACILITY MAINTENANCE SUPPLIES AND SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns three closed landfills and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to supply facility maintenance supplies and services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with San Lorenzo Supplies and wishes to continue using them for facility maintenance supplies and services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$60,000 with San Lorenzo Lumber for Facility Maintenance Supplies and Services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at meeting duly held on the 20th day of October 2022, by the following vote:

Erika J. Truji	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
A DCT A IN I		
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

# A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$60,000 WITH SKINNER EQUIPMENT REPAIR FOR EQUIPMENT MAINTENANCE SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to provide equipment maintenance services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with Skinner Equipment Repair services and wishes to continue using them for equipment maintenance support services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$60,000 with Skinner Equipment Repair for Equipment Maintenance Services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at regular meeting duly held on the 20<sup>th</sup> day of October 2022 by the following vote:

ATTEST:  Erika J. Trujillo, Clerk of the Board		Roy C. Santos, Authority General Counsel
		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ADCTAIL	DO ADD MEMBERS	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

### A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$600,000 WITH SOUTHERN COUNTIES LUBRICANTS FOR FUEL DELIVERY SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS**, staff uses multiple vendors to provide equipment maintenance services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with Southern Counties Lubricants and wishes to continue using them for fuel delivery services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$600,000 with Southern Counties for fuel delivery services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at regular meeting duly held on the 20<sup>th</sup> day of October 2022 by the following vote:

Erika J. Truii	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	

### A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING ANNUAL EXPENDITURES IN AN AMOUNT OF \$60,000 WITH WEST COAST RUBBER RECYCLING FOR TIRE RECYCLING SERVICES FOR FISCAL YEAR 2022-23

**WHEREAS**, the Authority owns and operates one active landfill and one transfer station to serve the residents of the Salinas Valley; and,

**WHEREAS**, the board policies require board approval for all vendors exceeding \$50,000 annually; and,

**WHEREAS,** staff uses multiple vendors to provide services which may exceed \$50,000 annually at all SVSWA facilities; and,

**WHEREAS**, the Authority is satisfied with West Coast Rubber Recycling services and wishes to continue using them for tire recycling services.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the Chief Administration Officer is hereby authorized and directed for and on behalf of the Salinas Valley Solid Waste Authority to approve annual expenditures in an amount of \$60,000 with West Coast Rubber Recycling for tire recycling services as long as it is within the approved operating budget.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at meeting duly held on the 20th day of October 2022, by the following vote:

Erika J. Truii	llo, Clerk of the Board	Roy C. Santos, Authority General Counsel
ATTEST:		APPROVED AS TO FORM:
		Christopher M. Lopez, President
ABSTAIN:	BOARD MEMBERS:	
A DCT A IN I		
ABSENT:	BOARD MEMBERS:	
NOES:	BOARD MEMBERS:	
AYES:	BOARD MEMBERS:	



#### Report to the Board of Directors

**Date:** October 20, 2022

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

Manager

**Title:** Annual Comprehensive Financial Report for

the Fiscal Year ended June 30, 2022

#### ITEM NO. 17

Finance and Administration Manager/Controller-Treasurer

General Manager/CAO

N/A

**Authority General Counsel** 

#### **RECOMMENDATION**

The Executive Committee recommends that the Board of Directors review and accept the report.

#### STRATEGIC PLAN RELATIONSHIP

This agenda item is a routine annual operational item.

#### **FISCAL IMPACT**

This item has no fiscal impact but does reflect continuing year-over-year improvements in the Authority's Net Position. It reports the results of the 2021-22 fiscal year's operations.

#### **DISCUSSION & ANALYSIS**

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

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

For the fiscal year ended June 30, 2022, the Authority adopted the following pronouncement of the Governmental Accounting Standards Board (GASB):

Statement No. 87: Leases

Statement No. 89: Accounting for Interest Cost Incurred before the End of a Construction Period

Statement No. 92: Omnibus 2020

Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

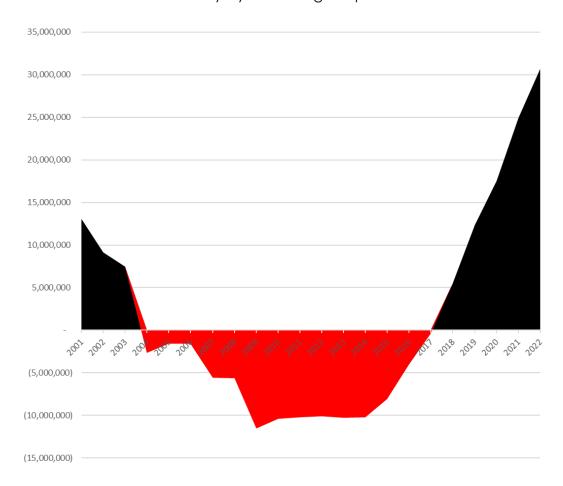
While these pronouncements are effective for our fiscal year ending June 30, 2022, the majority have a negligible effect on our financials. The one with the most impact is GASB 87, which requires recording offsetting assets and liabilities for all leases that the Authority has.

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

#### Net Position of \$30,680,209

The Net Position improved to \$30,680,209. This is an improvement of \$5,766,404 from a net position of \$24,913,805 in FY 2020-21.

The chart below shows the Authority's year ending net position since 2001.



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

- 1997 Authority was formed with a contribution of capital (landfills) from the County and the purchase of Crazy Horse Landfill from Salinas.
- 2001 Began expedited depreciation of Crazy Horse Landfill to prepare for original 2004 closure date.
- 2002 \$40M Bond Issue (\$2.5 million closing cost). Money was used to fund Capital Improvements necessary over the next several years necessary to rectify legacy violations and underfunded facility improvements.

- 2003 Lewis Road Closure Write off remaining assets. Closure Post-Closure Expense Catch Up
- 2007 Jolon Road Closure Write off remaining assets. Closure Post-Closure Expense Catch Up
- 2009 Crazy Horse Closure Write off remaining assets. Closure Post-Closure Expense Catch Up
- 2015 Bond Refunding, beginning of staff run operations at Johnson Canyon, and first Substantial Tonnage Increase in 10 years.
- 2017 Beginning of staff run operations at Jolon Road Transfer Station.

#### Positive Change in Net Position of \$5,766,404

Key elements of these year-over-year changes are as follows:

The Authority's activities increased the net position \$5,766,404 to \$30,680,209. Key elements of this change are as follows:

Operating revenues increased \$1,022,850 (4.2%). AB939 Fees increased by \$727,000. Solid waste tonnage received resulted in \$264,953 in increased revenues. Sales of Materials increased by \$120,817. Other Charges for services increased \$8,437. Diversion program tonnages resulted in a decrease of \$98,357 to revenues.

Operating expenses increased by \$2,337,501 (14.9%) to \$18,055,241. The \$2,778,424 decrease in personnel services is due to adjustments to pension and post employment benefits resulting in a reduction of \$3,101,602 year over year. Fuel costs increased by \$347,068. Depreciation increased \$1,213,538 in part due to an adjustment to the depreciated value of Johnson Canyon Landfill.

Closure/Post-Closure Maintenance Expenses increased \$3,158,402 due CPI increases of 4.1% to the liability for all sites, an adjustment in the closure and postclosure estimate for Johnson Canyon Landfill, as well as actual expenditures at the closed sites. Postclosure maintenance expenses for Crazy Horse Canyon Landfill were \$944,248. Postclosure maintenance expenses for Lewis Road Landfill were \$251,682. Postclosure maintenance expenses for Jolon Road Landfill were \$204,518. For the active Johnson Canyon Landfill, Closure and Postclosure Liabilities are expensed as a percentage of capacity used at the landfill. A new permit was approved during FY 2021-22 adjusting both the closure and post-closure estimates, as well as total capacity for the site. In conjunction with the new permit, the site was surveyed in order to better estimate the capacity remining. Johnson Canyon closure estimates were increased, resulting in \$904,284 for closure expenses. Estimates for postclosure were increased, resulting in \$541,766 in postclosure expenses.

The remaining increase of \$720,095 is due to increased costs to maintain our equipment and safely operate our facilities

#### **BACKGROUND**

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

#### ATTACHMENT(S)

- 1. Draft Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022
- 2. Draft Governance letter from McGilloway, Ray, Brown & Kaufman (To be provided at the meeting)

# SALINAS VALLEY SOLID WASTE AUTHORITY

## Monterey County, California ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022



### PREPARED BY THE AUTHORITY'S FINANCE DIVISION

C. Ray Hendricks

Finance and Administration Manager/Treasurer/Controller

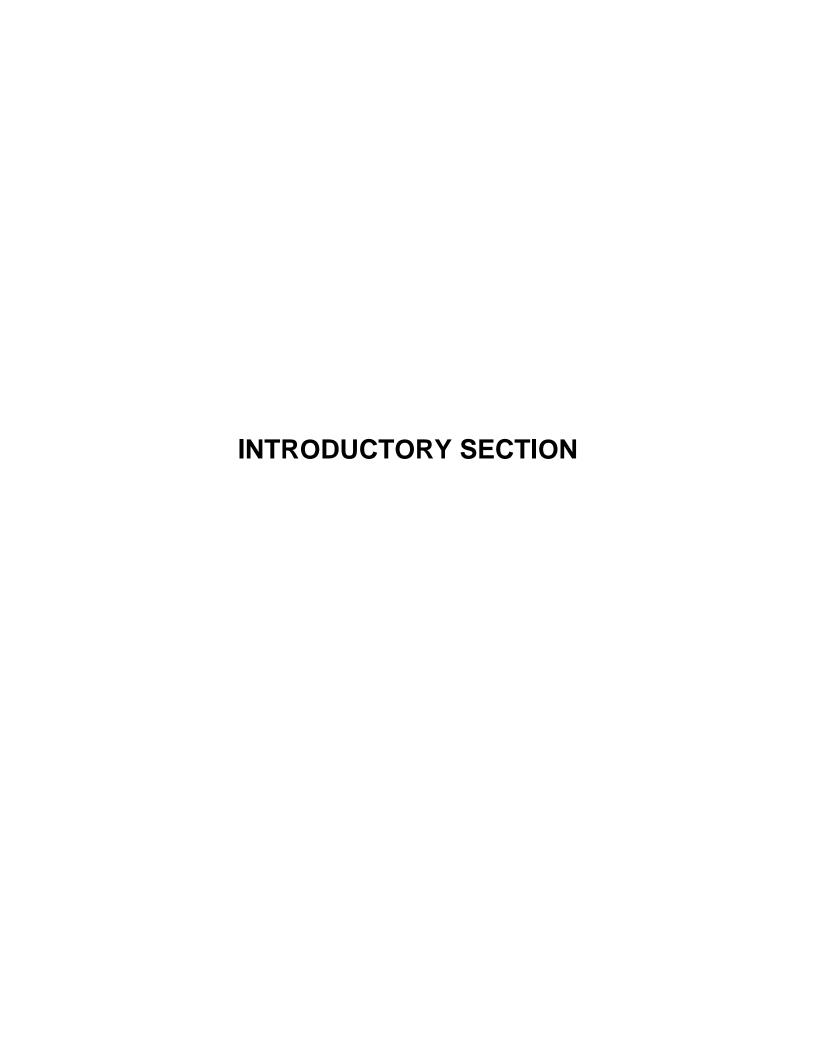
Ernesto Natera, Business Services Supervisor Linda Vasquez, Accounting Technician Salma Sandoval, Accounting Technician

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

October 6, 2022

Citizens and Board of Salinas Valley Solid Waste Authority:

We are pleased to submit the Salinas Valley Solid Waste Authority's (Authority) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. These statements combined with other information are analyzed in the narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the Authority.

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

McGilloway, Ray, Brown & Kaufman, an independent firm of certified public accountants, has audited the Authority's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

#### **Reporting Entity**

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

#### **Operating Results**

GAAP require that depreciation, estimated closure costs, and estimated post-closure maintenance costs be charged as a current expense. These expenses are allocated over the estimated remaining capacity of the landfills within the Authority's disposal system. Based on these requirements, the Salinas Valley Solid Waste Authority reports operating income of \$7,214,578 and an increase in net position of \$5,766,404 for the fiscal year ended June 30, 2022.

As part of its adopted Financial Policies, the Authority does not set aside funds for post-closure maintenance. Per the agreement with the California Integrated Waste Management Board, dated June 19, 1998, the Authority has pledged future revenue to cover the cost of post-closure maintenance. The Authority's tipping fees are not expected to cover the accrual of post-closure expenses in the current period. At June 30, 2022, the Authority has accrued post-closure liabilities totaling \$18,511,238 which will be paid out of future revenues through at least the first 30 years after the closure of Johnson Canyon Landfill.

The Authority's policy is to set aside funds for closure costs. As of June 30, 2022, \$4,970,642 has been set aside as required by CalRecycle. Closure liabilities are \$2,744,273 which are fully funded at June 30, 2022.

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

The Statement of Cash Flows for the fiscal year ended June 30, 2022, provides a detailed reconciliation of the Authority's cash, which decreased \$718,923 from \$33,513,515 to \$32,794,592.

#### **Financial Management**

The Authority carefully monitors its charges for services. Tonnage has increased significantly due to increased economic activity and reduced markets for recycled materials. Increases in disposal tonnage have allowed the Authority to not increase solid waste tipping fees since July 1, 2016, when the tipping fee increased \$1.50 to \$68.50 per ton. As part of the negotiations for the Madison Lane Transportation Agreement, the Authority agreed to reduce its landfill tipping fees for FY 2022-23 by \$3.75/ton (\$68.50 to \$64.75) in order to minimize the impacts to the rate payers. Effective July 1, 2013 the Board adopted an AB939 Fee, which generated \$3.46 million during the year ended June

30, 2022. This revenue is guaranteed for funding of non-landfill related AB 939 programs regardless of tonnage received. This will reduce the fluctuations in revenue due to changes in tonnage.

#### **CalPERS Pension Liabilities**

Since FY 2018-19, the Authority has used cash surpluses to pay off its entire Unfunded Actuarial Liability (UAL) any time there has been one for its retirement plan. The 21.3% returns reported on June 30, 2021 left the account overfunded. However, for fiscal year ended June 30, 2022, CalPERS reported a preliminary net investment return of -6.1%. The exact impact of those losses will not be known until FY 2023-24, with initial payments due in FY 2024-25. In order to help manage any future UAL, the Authority set up an account through the California Employers' Pension Prefunding Trust Program (CEPPT), a 115 trust. As of June 30, 2022, the Authority has \$250,268 in the trust, and is scheduled to deposit another \$100,000 in FY 2022-23. In addition to the funds set aside in CEPPT, the Authority Board updated its financial policies to prioritize using cash surpluses to pay off its entire Unfunded Actuarial Liability (UAL) whenever possible. It is expected that the combination of funds in the CEPPT and surpluses will allow the Authority to pay off the entire UAL in FY 2024-25, or soon after.

#### **Bond Issue 2022**

On February 22, 2022, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2022A) with a par value of \$25,595,000. The purpose of the bond issuance was to refund both the Alternative Minimum Taxable bonds (Series 2014A), and Taxable bonds (Series 2014B), which were issued to refund Series 2002 revenue bonds, and the Authority's 1997 Installment Purchase Agreement.

The maximum annual debt service is \$3,115,300 including interest at varying rates up to 2.481%. The prefunding allows the Authority to finish paying off the Bonds a year earlier while saving \$1.61 million in total debt service payments. The final interest and principal payment on the bonds is scheduled for August 1, 2030.

#### **Expansion Fund**

The "Expansion Fund" was established to collect proceeds from the sale of outside waste, pay costs associated with increased tonnage generated by outside waste, and pay the costs related to locating and permitting a new landfill site, and other long-term expansion costs. Over the term of the revised agreement with South Valley Disposal, revenue from the sale of outside waste was \$23.18 million, with costs estimated at \$4.9 million to operate Crazy Horse, \$1.8 million for landfill cell liners at Johnson Canyon, \$2.2 million in closure costs set asides, and \$1.8 million in taxes and fees. In addition to money allocated to CIPs related to expansion and conversion technologies, and investment earnings, the Board of Directors decided to use a portion of these funds for operations during the Great Recession until the economy recovered in order to avoid tipping fee increases. During FY 2021-22, the Board approved using a portion of these funds to purchase an office building to relocate its administration, education, and community service activities. The Board committed to repaying the funds from the future sale of the land where the Sun Street Transfer Station was located. On June 30, 2022, the Expansion Fund had cash balance of \$4,764,566.

#### **Summary**

Benefitting from continued better than expected economic activity, the Authority increased its net position by \$5,766,404 and ended the year with a Net Position of \$30,680,209. As the Authority makes payments to the 2022 Bonds, the Net Position is expected to continue to improve, allowing the Authority to set aside reserves and continue to prefund its long-term liabilities.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salinas Valley Solid Waste Authority for its Consolidated Annual Financial Report for the year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Salinas Valley Solid Waste Authority has received this award every year beginning with fiscal year ending June 30, 2014.

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

Respectfully submitted,

C. Ray Hendricks

Finance and Administration Manager/Treasurer/Controller



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

### Salinas Valley Solid Waste Authority California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Chustophe P. Morrill
Executive Director/CEO



### **List of Principal Officials**

As of June 30, 2022

Christopher M. Lopez, County of Monterey
President

Christie Cromeenes, City of Salinas

Vice President

Robert S. Cullen, City of King Board Member

Ben Jimenez Jr., City of Soledad Board Member

Anthony Rocha, City of Salinas
Board Member

**Andrew Tipton, City of Greenfield** 

Alternate Vice President

Kimbley Craig, City of Salinas
Board Member

John M. Phillips, County of Monterey
Board Member

Elizabeth Silva, City of Gonzales
Board Member

**Roy Santos** 

General Counsel

Cesar Zuniga

Assistant General Manager/ Operations Manager

C. Ray Hendricks

Finance & Administration Manager/Treasurer/Controller

R. Patrick Mathews

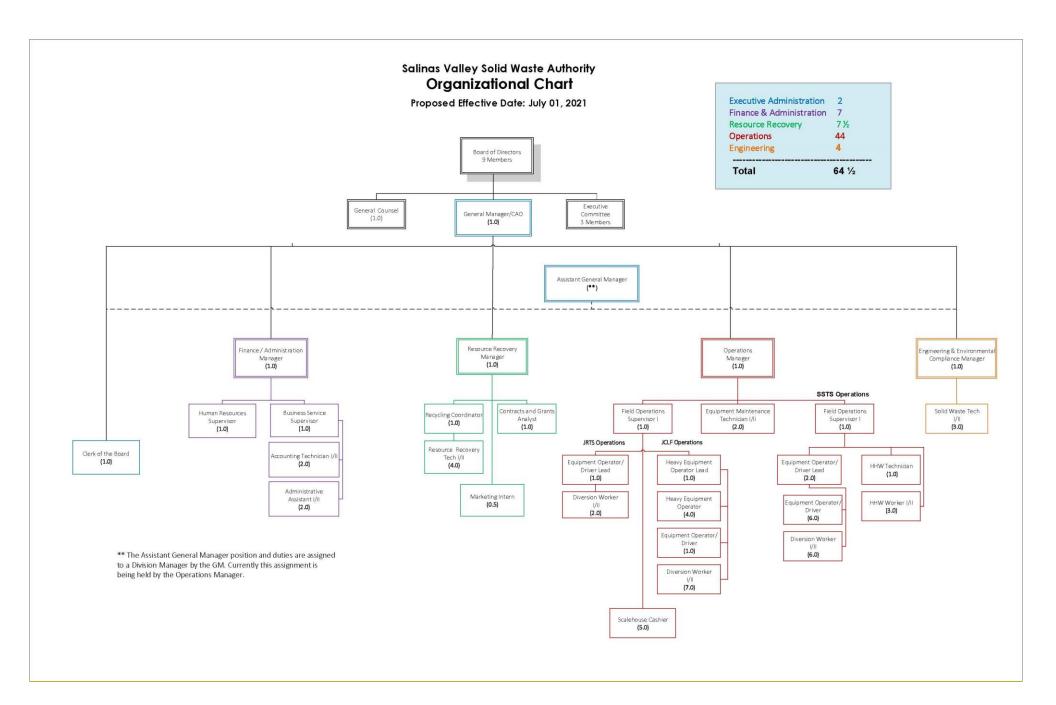
General Manager/ Chief Administrative Officer

**Mandy Brooks** 

Resource Recovery Manager

**Brian Kennedy** 

Engineering & Environmental Compliance Manager







2511 Garden Road Suite A180 Monterey, CA 93940 831-373-3337 Fax 831-373-3437 379 West Market Street Salinas, CA 93901 831-424-2737 Fax 831-424-7936

#### INDEPENDENT AUDITOR'S REPORT

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

#### **Opinion**

We have audited the accompanying financial statements of Salinas Valley Solid Waste Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Change in Accounting Principle**

As discussed in Note 1 and Note 16 to the financial statements, in 2022 the Authority adopted new accounting guidance, GASB No. 87, *Leases*. Our opinion was not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due
  to fraud or error, and design and perform audit procedures responsive to those risks. Such
  procedures include examining, on a test basis, evidence regarding the amounts and
  disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of Authority's proportionate share of the net pension liability and related ratios as of measurement date – cost sharing defined benefit pension plan, the schedule of statutorily required employer contributions-pension plan, the schedule of changes in the Authority's net OPEB liability and related ratios as of measurement date, and the schedule of employer OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during

our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Management is responsible for other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Report on Summarized Comparative Information**

We have previously audited the Authority's 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, with the exceptions of the restatement described in Note 16, in all material respects, with the audited financial statements from which it has been derived.

McGilloway, Ray, Brown & Kaufman

McGilloway, Ray, Brown & Kaufman

Salinas, California

October 6, 2022

#### Introduction

This section of the Salinas Valley Solid Waste Authority (Authority) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and comparative analysis of the financial activities of the Authority for the fiscal years ended June 30, 2022, and June 30, 2021. Please consider the information presented here in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal, and other portions of this ACFR.

For the fiscal year ended June 30, 2022, the Authority adopted the following pronouncements of the Governmental Accounting Standards Board (GASB):

- Statement No. 87, "Leases"
- Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period"
- Statement No. 92, "Omnibus 2020"
- Statement No. 97, "Certain Component Unit Criteria, and Accounting and financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an amendment of GASB Statement No. 14 and No. 84, and a suppression of GASB Statement No. 32"

#### **Financial Highlights**

- The Authority's net position increased \$5,766,404 to \$30,680,209.
- Operating revenues increased \$1,028,763 (4.3%) as the result of increases to AB 939 Fees, and increased organics and solid waste tonnage received at Authority facilities.
- Waste landfilled increased by 6,626 tons (2.9 %) from 231,463 tons in fiscal year 2021-22 to 238,089 tons in fiscal year 2021-22 as primarily the result of increased self-haul tonnage received at Sun Street Transfer Station, and franchise waste received from the City of Salinas.
- Operating expenses increased by \$2,337,501 (14.9%) to \$18,055,241 due primarily to an adjustment to the closure and post-closure estimate for Johnson Canyon Landfill, which increased the long-term liability.
- The Authority's total liabilities increased by \$4,146,687 to \$52,072,030.

#### **Overview of the Financial Statements**

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

#### **Basic Financial Statements**

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

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

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments.

#### **Notes to the Basic Financial Statements**

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

#### **Required Supplementary Information**

In addition to the basic financial statements, a ACFR also provides Required Supplementary Information that presents the funding progress of the Authority's retirement plan.

#### FINANCIAL STATEMENTS ANALYSIS

#### **Statement of Net Position**

The Statement of Net Position is a good indicator of the Authority's financial position. At the end of this fiscal year, the Authority closed with a net position of \$30,680,209, which is an increase of \$5,766,404 from the prior year net position of \$24,913,805.

Salinas Valley Solid Waste Authority Condensed Statement of Net Position June 30, 2022 and 2021

	2022	2021	Change	% Change
Assets				
Current Assets	\$ 30,120,743	\$ 30,790,279	\$ (669,536)	-2.2%
Other Assets	7,106,221	5,174,141	1,932,080	37.3%
Capital Assets, Net	42,210,712	36,156,009	6,054,703	16.7%
Total Assets	79,437,676	72,120,429	7,317,247	10.1%
Deferred Outflows of Resources	4,236,503	1,567,241	2,669,262	170.3%
Liabilities				
Current Liabilities	5,437,955	4,532,499	905,456	20.0%
Long-term Liabilities	46,634,075	43,392,844	3,241,231	7.5%
Total Liabilities	52,072,030	47,925,343	4,146,687	8.7%
Deferred Inflows of Resources	921,940	848,522	73,418	8.7%
Net Position				
Net Investment in				
Capital Assets	15,430,661	10,393,875	5,036,786	48.5%
Restricted	2,476,637	3,256,346	(779,709)	-23.9%
Unrestricted	12,772,911	11,263,584	1,509,327	13.4%
Total Net Position	\$ 30,680,209	\$ 24,913,805	\$ 5,766,404	23.1%

#### Statement of Revenues, Expenses and Changes in Net Assets

The following is the Condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2022, and 2021.

#### Salinas Valley Solid Waste Authority Condensed Statement of Revenues, Expenses and Changes in Net Position For the years ended June 30, 2022 and 2021

	2022	2021	Change	% Change
Operating Revenues				
Charges for Services	\$ 24,387,160	\$ 23,479,213	\$ 907,947	3.9%
Sales of Materials	800,507	679,691	120,816	17.8%
<b>Total Operating Revenues</b>	25,187,667	24,158,904	1,028,763	4.3%
Operating Expenses	18,055,241	15,717,740	2,337,501	14.9%
Operating Income	7,132,426	8,441,164	(1,308,738)	-15.5%
Non-operating Revenues				
Grants and Contributions	82,152	88,061	(5,909)	0.0%
Investment (Losses) Earnings	(323,781)	21,687	(345,468)	-1593.0%
Other Non-operating Revenue	23,611		23,611	0.0%
Total Non-operating Revenues	(218,018)	109,748	(327,766)	-298.7%
Non-operating Expenses				
Interest Expense	(776,122)	(1,209,230)	433,108	-35.8%
Bond Issuance Cost	(371,882)		(371,882)	0.0%
Total Non-operating Expenses	(1,148,004)	(1,209,230)	61,226	-5.1%
Income Before Capital Contribution	5,766,404	7,341,682	(1,575,278)	-21.5%
Capital Contribution	-	52,679	(52,679)	-100.0%
Change in Net Position	5,766,404	7,394,361	(1,627,957)	-22.0%
Total Net Position - Beginning of Year	24,913,805	17,519,444	7,394,361	42.2%
Net Position - Ending of Year	\$ 30,680,209	\$ 24,913,805	\$ 5,766,404	23.1%

The Authority's activities increased the net position \$5,766,404 to \$30,680,209. Key elements of this change are as follows:

Operating revenues increased \$1,028,763 (4.3%). AB939 Fees increased by \$727,000. Solid waste tonnage received resulted in \$264,953 in increased revenues. Sales of Materials increased by \$120,816. Other Charges for services increased \$38,704. Diversion program tonnages resulted in a decrease of \$98,357 to revenues.

Operating expenses increased by \$2,337,501 (14.9%) to \$18,055,241. The \$2,778,424 decrease in personnel services is due to adjustments to pension and post employment benefits resulting in a reduction of \$3,101,602 year over year. Fuel costs increased by \$347,068. The remaining increase of \$726,743 is due to increased costs to maintain our equipment and safely operate our facilities.

Depreciation increased \$1,213,542.

Closure/Post-Closure Maintenance Expenses increased \$3,158,402 due CPI increases of 4.1% to the liability for all sites, an adjustment in the closure and postclosure estimate for Johnson Canyon Landfill, as well as actual expenditures at the closed sites. Postclosure maintenance expenses for Crazy Horse Canyon Landfill were \$944,248. Postclosure maintenance expenses for Lewis Road

Landfill were \$251,682. Postclosure maintenance expenses for Jolon Road Landfill were \$204,518. For the active Johnson Canyon Landfill, Closure and Postclosure Liabilities are expensed as a percentage of capacity used at the landfill. A new permit was approved during FY 2021-22 adjusting both the closure and post-closure estimates, as well as total capacity for the site. In conjunction with the new permit, the site was surveyed in order to better estimate the capacity remining. Johnson Canyon closure estimates were increased, resulting in \$904,284 for closure expenses. Estimates for postclosure were increased, resulting in \$541,766 in postclosure expenses.

Investment earnings decreased by \$345,468 due to an adjustment to the fair value of the Authority's investments.

The \$1,148,004 in non-operating expenses is for interest paid on the Authority's long-term debt and bond issuance cost for the 2022A (Taxable) Revenue Bonds advance refunding.

A Capital Contribution Grant in the amount of \$1.3 million was received by the Authority during FY 2017-18 for the construction of a new composting facility and purchase of equipment needed to run the facility. The grant was completed, and the final \$52,679 was received during FY 2020-21.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### **Capital Assets**

At the end of the fiscal year, the Authority had \$42,210,712 invested in capital assets, primarily in landfills as summarized below. During this fiscal year, the Authority added \$8,203,304 in depreciable assets, and recorded depreciation expense of \$3,442,641. Additional information on the Authority's capital assets can be found in Note 6.

Salinas Valley Solid Waste Authority Condensed Statement of Capital Assets For the years ended June 30, 2022 and 2021

	2022	2021
Land	\$ 1,416,868	\$ 188,621
Buildings	3,285,467	569,470
Improvements other than buildings	64,779,693	64,305,856
Equipment	14,373,081	12,071,421
Right-to-use leased building	2,711,810	-
Construction in progress	337,737	271,944
Total Capital Assets	86,904,656	77,407,312
Accumulated Depreciation	(44,693,944)	(41,251,303)
Net Capital Assets	\$ 42,210,712	\$ 36,156,009

#### **Long-Term Debt**

At the end of this fiscal year, the Authority had \$25.6 million in long-term debt as shown below. On February 22, 2022, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2022A) in the amount of \$25,595,000 to refund both the Alternative Minimum Taxable bonds (Series 2014A), and Taxable bonds (Series 2014B). Which were issued to refund Series 2002 revenue bonds, and the Authority's 1997 Installment Purchase Agreement. Principal payments of \$1.86 million had been paid on the 2014 Bonds prior to the refunding, and \$154,373 of the \$1.24 million of the original issue premium was amortized prior to the refunding. The remaining balance was included in the \$1.53 million deferred loss on refunding of bonds and will be amortized over the life of the 2022

## SALINAS VALLEY SOLID WASTE AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Bonds. Additional information on the Authority's long-term debt can be found in Note 8. S&P Global Ratings ("S&P") has assigned a rating of "AA" to the Series 2022A Bonds

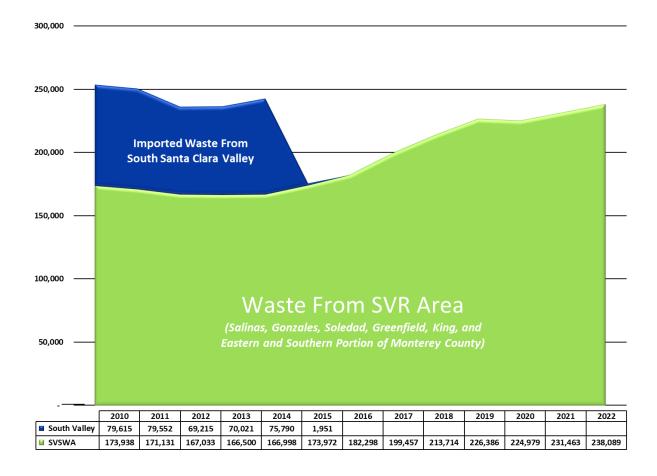
Salinas Valley Solid Waste Authority Condensed Statement of Long-Term Debt For the years ended June 30, 2022 and 2021

	 2022		2021
2014A (AMT) Refunding Revenue Bond	\$ 	\$	23,675,000
2014B (Taxable) Refunding Revenue Bond	-		1,210,000
2014 Refunding Revenue Bond Premium	-		1,076,442
2022A (Taxable) Refunding Revenue Bond	 25,595,000		_
Total	\$ 25,595,000	\$	25,961,442

#### ECONOMIC FACTORS AND NEXT YEAR'S RATES

The Authority's operations are dependent on the amount of solid waste that is received at the landfills. A recession can have a drastic effect on solid waste tonnage, as was the case from 2006 to 2012 when the Great Recession lead to a 25% decrease in landfilled tonnage. Tonnage remained largely unchanged from 2012 to 2014 and began an upward trend in 2015. In 2022 the Authority landfilled 238,089 tons. The FY 2022-23 budget was written with the assumption that the Sun Street Transfer Station would close in the spring prior to the beginning of the fiscal year. The closure was delayed but did occur on September 10, 2022. The budget assumes that half of the Sun Street self-haul tonnage will remain in our system, either through direct haul to Johnson Canyon Landfill, or through transfer from the Madison Lane Transfer Station, which is operated by the City of Salinas's Franchised Hauler Republic Services. Management has budgeted 209,000 tons during 2022-23 with a decrease in the tipping fee from \$68.50 per ton to \$64.75 per ton. The 2022-23 budget is balanced.

## SALINAS VALLEY SOLID WASTE AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022



#### CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If there are any questions about this report or need additional financial information, please contact the Authority's Finance Department, at the Salinas Valley Solid Waste Authority, 128 Sun Street, Suite 101, Salinas, California 93901.

# SALINAS VALLEY SOLID WASTE AUTHORITY STATEMENT OF NET POSITION

## JUNE 30, 2022

## With Comparative Totals as of June 30, 2021

with Comparative Totals as of June S	50, 2021	Restated
	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 27,503,149	\$ 28,334,960
Restricted Cash and Cash Equivalents	70,533	277,698
Receivables, Net	2,303,602	1,950,221
Lease Receivable - Current Portion	67,327	66,086
Accrued Interest Receivable	66,246	25,658
Prepaid Expenses	109,886	135,656
Total Current Assets	30,120,743	30,790,279
Noncurrent Assets		
Restricted Cash and Cash Equivalents	5,220,910	4,900,857
Lease Receivable, Less Current Portion	138,473	205,800
Capital Assets, Net	42,210,712	36,156,009
Net OPEB Assets	55,725	-
Net Pension Assets	1,691,113	67,484
Total Noncurrent Assets	49,316,933	41,330,150
Total Assets	79,437,676	72,120,429
Deferred Outflows of Resources		
Deferred Outflows Related to Pension Liabilities	2,517,897	1,194,954
Deferred Outflows Related to OPEB Liabilities	191,849	172,979
Deferred Loss on Refunding of Bonds	1,526,757	199,308
Total Deferred Outflows of Resources	4,236,503	1,567,241
Total Assets and Deferred Outflows of Resources	\$ 83,674,179	\$ 73,687,670

# SALINAS VALLEY SOLID WASTE AUTHORITY STATEMENT OF NET POSITION

#### JUNE 30, 2022

# With Comparative Totals as of June 30, 2021 (Continued)

	Restated
2022	2021
Liabilities	
Current Liabilities	
Accounts Payable \$897,077	\$ 876,384
Wages Payable 382,739	330,511
Accrued Leave 109,612	115,646
Interest Payable 162,653	545,027
Lease - Current Portion 185,549	-
Bonds Payable - Current Portion 2,700,000	2,009,373
Unearned Revenues 356,887	37,462
Postclosure Payable - Current Portion 643,438	618,096
Total Current Liabilities 5,437,955	4,532,499
Long Term Liabilities	
Accrued Leave 600,741	584,165
Lease 2,526,261	- -
Bonds Payable, Net 22,895,000	23,952,069
Closure Payable 2,744,273	1,839,989
Postclosure Payable, Less Current Portion 17,867,800	16,796,662
Net OPEB Liability -	219,959
Total Long Term Liabilities 46,634,075	43,392,844
Total Liabilities 52,072,030	47,925,343
Deferred Inflows of Resources	
Deferred Inflows related to leases 205,800	271,886
Deferred Inflows related to Pension Liabilities 427,741	474,931
Deferred Inflows related to OPEB Liabilities 288,399	101,705
Total Deferred Inflows of Resources 921,940	848,522
Total Liabilities and Deferred Inflows of Resources 52,993,970	48,773,865
Net Position	
Net Investment in Capital Assets 15,430,661	10,393,875
Restricted for Grants -	12,559
Restricted for Closure Reserve 2,226,369	3,060,868
Restricted for CALPERS Irrevocable Pension Trust Fund 115 250,268	182,919
Unrestricted 12,772,911	11,263,584
Total Net Position 30,680,209	24,913,805
Total Liabilities, Deferred Inflows of Resources	
and Net Position \$83,674,179	\$ 73,687,670

## SALINAS VALLEY SOLID WASTE AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR FISCAL YEAR ENDED JUNE 30, 2022

With Comparative Totals for fiscal year ended June 30, 2021

	2022	2021
Operating Revenues		
Charges for Services	\$ 24,387,160	\$ 23,479,213
Sales of Materials	800,507	679,691
Total Operating Revenues	25,187,667	24,158,904
Operating Expenses		
Personnel Services	3,917,139	6,695,563
Contractual Services	2,775,174	2,429,464
Operating Contracts	1,929,384	2,056,705
Supplies	1,309,849	911,215
Insurance	480,849	386,762
Building Rent	117,897	115,101
Taxes and Permits	621,199	590,999
Utilities	204,197	179,013
Depreciation and Amortization	3,442,641	2,229,099
Closure/Postclosure Maintenance	2,846,498	(311,904)
Hazardous Waste	214,515	209,369
Other	195,899	226,354
Total Operating Expenses	18,055,241	15,717,740
Operating Income	7,132,426	8,441,164
Non-Operating Revenues (Expenses)		
Grants and Contributions	82,152	88,061
Other Non-Operating Revenue	23,611	-
Investment (Losses) Earnings	(323,781)	21,687
Bond Issuance Cost	(371,882)	-
Interest Expense	(776,122)	(1,209,230)
Net Non-Operating Expenses	(1,366,022)	(1,099,482)
Income Before Capital Contribution	5,766,404	7,341,682
Capital Contribution		52,679
Change in Net Position	5,766,404	7,394,361
Total Net Position - Beginning of Year	24,913,805	17,519,444
Total Net Position - End of Year	\$ 30,680,209	\$ 24,913,805

## SALINAS VALLEY SOLID WASTE AUTHORITY STATEMENT OF CASH FLOWS

## FOR FISCAL YEAR ENDED JUNE 30, 2022

With Comparative Totals for Fiscal Year Ended June 30, 2021

	2022	2021
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 25,145,429	\$24,486,145
Payments to Suppliers	(8,733,892)	(8,242,950)
Payments to Employees	(6,964,186)	(6,902,127)
Net Cash Provided by Operating Activities	9,447,351	9,341,068
Cash Flows from Noncapital Financing Activities:		
Operating Grants and Contributions	82,152	88,061
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Refunding Bond	25,595,000	-
Insurance Proceeds Received for Property Destruction	23,611	-
Capital Grants Proceeds	-	52,679
Payments to Refunded Bonds Escrow Agent	(25,223,116)	-
Payments to Acquire Refunded Bonds	(371,882)	-
Acquisition and Construction of Capital Assets	(6,785,534)	(4,648,439)
Principal Paid on Capital Debt	(1,855,000)	(1,770,000)
Interest Paid on Capital Debt	(1,267,136)	(1,366,699)
Net Cash Used in Capital and Related Financing Activities	(9,884,057)	(7,732,459)
Cash Flows from Investing Activities:		
Interest Received	58,174	253,523
Increase in FMV of LAIF Investment	(422,543)	(147,642)
Net Cash (Used) Provided by Investing Activities	(364,369)	105,881
Net (Decrease) Increase in Cash and Cash Equivalents	(718,923)	1,802,551
Cash and Cash Equivalents at Beginning of Year	33,513,515	31,710,964
Cash and Cash Equivalents at End of Year	\$ 32,794,592	\$33,513,515
Cash and Cash Equivalents - Financial Statement Classification		
Unrestricted Cash and Investments	\$ 27,503,149	\$28,334,960
Restricted Cash and Investments	5,291,443	5,178,555
Total Cash and Cash Equivalents - Financial Statement Classification	\$ 32,794,592	\$33,513,515

## SALINAS VALLEY SOLID WASTE AUTHORITY STATEMENT OF CASH FLOWS

#### FOR FISCAL YEAR ENDED JUNE 30, 2022

# With Comparative Totals for Fiscal Year Ended June 30, 2021 (Continued)

	2022	2021
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 7,132,426	\$ 8,441,164
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	3,442,641	2,229,099
(Increase) Decrease in Receivables	(353,381)	315,788
(Increase) Decrease in Prepaid Expenses	(76,365)	(4,783)
Increase (Decrease) in Accounts Payable	20,693	(226,212)
Increase (Decrease) in Wages Payable	52,228	37,192
Increase (Decrease) in Accrued Leave	10,542	(45,592)
Increase (Decrease) in Unearned Revenue	319,425	11,453
Increase (Decrease) in Closure/Postclosure Payable	2,000,764	(1,218,877)
Increase (Decrease) in OPEB Liabilities and related deferrals	(107,860)	(78,538)
Increase (Decrease) in Pension Liabilities (Assets) and related deferrals	(2,993,762)	(119,626)
Total Adjustments to Net Income	2,314,925	899,904
Net Cash Provided by Operating Activities	\$ 9,447,351	\$ 9,341,068
Noncash Investing, Capital and Financing Activities		
Acquisition of Right-to-Use Building and Lease Payable	\$ 2,711,810	\$ -
Amortization of Bond Premium	\$ 1,076,442	\$ 158,751

#### 1. <u>Summary of Significant Accounting Policies:</u>

<u>Financial Reporting Entity:</u> The Salinas Valley Solid Waste Authority (Authority) is a joint exercise of powers authority, created pursuant to an agreement dated as of January 1, 1997, (the "Authority Agreement") among the County of Monterey and the cities of Salinas, Gonzales, Greenfield, Soledad and King (the "Members"). The Authority was established to acquire and manage the landfill assets of each member, ensure long-term landfill capacity of the Authority service area and provide unified and coordinated solid waste management for the member agencies.

The Authority is governed by a nine member governing board, consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one City Council member each from the cities of Gonzales, Greenfield, King City and Soledad. Pursuant to the Authority Agreement, the affirmative vote of at least one member of the Authority Board who is a member of the Salinas City Council is required to approve Board actions.

<u>Accounting Principles</u>: The accounting policies of the Authority conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountant (AICPA).

<u>Basis of Presentation:</u> The financial activities of the Authority are accounted for in a single enterprise fund that reports the operations of the solid waste system, which is financed primarily by tipping fees. The solid waste system includes landfills, transfer stations, and resource recovery facilities located in Monterey County. Solid waste collection services are provided by local municipalities and private companies.

<u>Basis of Accounting</u>: The Authority's single enterprise fund is accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when they are incurred.

Measurement Focus: The Authority's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total assets. The financial statements distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to residents and customers for waste collection and disposal and the revenues from the sale of processed waste materials. Operating expenses include the cost of waste disposal and recycling services, administrative expenses, closure and post closure maintenance, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

<u>Budgets</u>: The Authority adopts an annual operating budget as a financial plan for the year, pursuant to the legal requirements of the Authority's bond documents. The budget is adopted by the governing Board as an operating plan and budgetary basis financial statements are not presented because there is no legal requirement to report budgetary basis financial information.

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

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

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

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

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

<u>Prepaid Expenses</u>: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

<u>Restricted Cash</u>: Restricted cash of the Authority represent funds required to be set-aside for the eventual closure of the landfills under state law and California Public Employees' Retirement System (CalPERS) irrevocable pension trust to hold cash and investments that are legally restricted for use in administering the Authority's pension plan. Restricted resources are used first to fund expenses incurred for restricted purposes.

<u>Capital Assets</u>: Capital assets which include property, plant, equipment, and landfills are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of one year. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position.

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of capital assets other than landfill cells is computed using the straight-line method, beginning the following fiscal year, over the estimated useful lives of the assets, which are summarized as follows:

Buildings 20-40 years
Other Improvements 4-50 years
Equipment 5-10 years

Landfill cells are depreciated/amortized based on units of consumption. Units-of-consumption depreciation rates are determined annually for our operating landfill at Johnson Canyon. The rates are based on estimates provided by our engineers and accounting personnel and consider the information provided by airspace surveys, which are performed at least annually. Significant changes in estimates could materially increase our landfill depletion rates, which could have a material adverse effect on financial condition and results of operations. In addition, by the time a landfill stops accepting waste that landfill must be fully depreciated. This may lead to larger amounts of depreciation charged at the end of the landfill's life for projects capitalized in those latter years.

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

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

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

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

<u>Deferred Outflows and Inflows of Resources</u>: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

*Pensions* - for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Public Employees Retirement System (CalPERS) and additions to/deductions from CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Loss on Refunding - the item that qualifies in this category is the deferred loss on refunding reported in the Statement of Net Position (deferred outflow). Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

*Leases* – the item that qualifies in this category is the present value of for future long-term lease revenue and will not be recognized as an inflow of resources (revenue) until that time.

<u>Net Position</u>: The statement of net position reports all financial and capital resources. Net position represents total assets and deferred outflows of resources less liabilities and deferred inflow of resources. There are three components of net position.

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

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

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

<u>Operating Revenue Recognition</u>: Revenue from tipping fees is recognized when the service is provided for customers using the Authority's facilities. Credit customers are billed monthly and noncredit customers pay at the transfer station, landfill, or resource recovery facility.

<u>Grants</u>: In the normal course of operations, the Authority receives funds from state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits is not believed to be material.

<u>Restricted and Unrestricted Resources</u>: When both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

Comparative Prior Year Financial Information: Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's prior year financial statements, from which this selected financial data was derived.

<u>New Accounting Pronouncements</u>: The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 87	"Leases"	T
		fc

The provisions of this statement were effective for reporting periods beginning after June 15, 2021. The Authority has implemented this pronouncement for the fiscal year 2021-22. See note 16 for details of restatement of prior year comparative information.

Statement No. 89 "Accounting for Interest

Cost Incurred before the

End of a Construction

Period"

The provisions of this statement were effective for reporting periods beginning after December 15, 2020. The Authority has implemented this pronouncement for the fiscal year 2021-22.

Statement No. 92 "Omnibus 2020"

The provisions of this Statement were effective for reporting periods beginning after June 15, 2021. The Authority has implemented this pronouncement for the fiscal year 2021-22.

Statement No. 97 "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"

The provisions of this Statement were effective for reporting periods beginning after June 15, 2021. The Authority has implemented this pronouncement for the fiscal year 2021-22.

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

financial statement	s:	1
Statement No. 91	"Conduit Debt Obligations"	The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.
Statement No. 94	"Public-Private and Public- Public Partnerships and Availability Payments Arrangements"	The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.
Statement No. 99	"Omnibus 2022"	The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections" - An Amendment of GASB Statement No. 62	The provisions of this Statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this Statement are effective for fiscal years beginning after December 15, 2023.

#### Cash and Investments: 2.

Cash and Cash Equivalents

Cash managed by the Authority's Treasurer

Cash and Investments: The bank balance and carrying value of the Authority's cash and investments, including restricted balances, at June 30, 2022 were as follows:

Unrestricted Cash \$ 2	7,503,149
	5,291,443
Total Cash and Cash Equivalents \$ 3.	2,794,592
The Authority's cash and investments at June 30, 2022, were held as follows:	

Investments managed by the Authority's Treasurer 32,330,827 **Total Cash and Investments** 32,794,592

463,765

The Authority's investment policy conforms to state law (Government Code Sections 53601 through 53659). The investment of bond proceeds is governed by the specific Indenture of Trust. The investment policy is reviewed annually. The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment in State Investment Pool (LAIF): The Authority participates in the California Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF is a special fund of the California State Treasury through which local governments may pool investments. At June 30, 2022, the total fair value amount invested by all public agencies in LAIF is \$231,867,874,452 and managed by the State Treasurer. Of that amount, 1.88% is invested in medium-term and short-term structured notes and asset-back securities. No amounts were invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Pension Trust: The District established a trust account with California Public Employees' Retirement System (CalPERS) to hold assets that are legally restricted for use in administering the District's pension plan. The pension trust Funds specific cash and investments are managed by CalPERS under guidelines approved by the District to invest funds in California Employers' Pension Prefunding Trust (CEPPT) Strategy 2.

The Guidelines and investment policies are as follows:

Risk tolerance Capital Appreciation

Risk management The portfolio is constructed to control risk through five layers of

diversification - asset classes ( global equity, fixed income, cash equity, global real estate (REIRs), and treasury inflation protected

securities (TIPS))

Investment Objective The primary goal of the capital appreciation objective is growth

of principal. The major portion of the assets are invested in

equity securities and market fluctuations are expected.

Strategic Ranges 14% Global Equity (±5%)

73% Fixed Income (±5%)

8% REITs (±5%) 5% TIPS (±3%) 0% Cash (±2%)

<u>Disclosures Related to Fair Value Measurement:</u> The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

At June 30, 2022, the Authority had no leveled investments. The balance available for withdrawal is based on the accounting records maintained by LAIF and CEPPT, which are recorded on an amortized cost basis. Accordingly, the Authority's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

<u>Custodial Credit Risk</u>: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 3. According to the investment policy investment of bond proceeds are restricted by the provisions of relevant bond documents.

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

The LAIF managed by the State Treasurer, representing 99.2% of the investment portfolio, is not rated.

Investments held in trust accounts, such as a Section 115 pension trust, are governed by the trust documents. Irrevocable Pension Trust Fund 115 is managed by CalPERS, representing 0.8% of the investment portfolio, is not rated.

<u>Interest Rate Risk</u>: The Salinas Valley Solid Waste Authority uses the State of California's Local Agency Fund as its primary investment vehicle. LAIF spreads investments over various maturities minimizes the risk of portfolio depreciation due to a rise in interest rates. The table below shows the distribution of the Authority's investments by maturity.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in LAIF. The investment in LAIF Account, representing 99.2% of the portfolio are not considered a concentrated risk

The Authority was in compliance with these limitations at June 30, 2022. At June 30, 2022, certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	Investment Maturities				
Investment Type	Amount	0-6 Mths	6-12 Mths	1-5 years	% of Total
State of California Local Agency Investment Fund CALPERS Irrevocable	\$ 32,080,559	\$ 11,953,216	\$9,973,846	\$ 10,153,497	99.2
Pension Trust Fund 115	250,268	250,268			0.8
	\$ 32,330,827	\$ 12,203,484	\$9,973,846	\$ 10,153,497	100.0

#### 3. Receivables, Net:

Receivables and the related allowance for doubtful accounts at June 30, 2022, are summarized as follows:

Tipping Fee Accounts Receivable	\$ 1,780,098
Intergovernmental Grants Receivable	362,068
Sales of Recycling Materials	36,753
LFG Gas Royalties	70,419
Franchise Administration	17,127
Employees' Flexible Spending Account	5,660
Builders FirstSource Refund	106
Vision JC Electricity	14,014
Vision JC Fuel	2,652
Vision JCOrganic Blower Repairs	22,487
WM JR Electricity	1,118
Total Receivables	2,312,502
Allowance for Doubtful Accounts	(8,900)
Total Receivables, Net	\$ 2,303,602

#### 4. Loss on Bonds Refunding:

The Authority had a loss on the refunding of the Series 2002 and 2014 Revenue Bonds, which is a deferred outflow of resources.

Deferred Outflows of Resources balances for the year ended June 30, 2022 were as follows:

	June 30, 2021	Increases	Decreases	June 30, 2022
Loss on Refunding of Bonds:				
2014A (AMT) Refunding Revenue Bonds	\$ 193,696	\$ -	\$ (193,696)	\$ -
2014B (Taxable) Refunding Revenue Bonds	5,612	-	(5,612)	-
2022A (Taxable) Refunding Revenue Bonds		1,526,757		1,526,757
	\$ 199,308	\$ 1,526,757	\$ (199,308)	\$ 1,526,757

The loss is amortized using the effective interest rate method as principal payments are made and is attributed to each of the refunding series of bonds, as follows.

Fiscal Year Ending June 30,	2022	A (Taxable) Refunding Revenue Bond	Total
			 1000
2023	\$	313,518	\$ 313,518
2024		278,604	278,604
2025		243,495	243,495
2026		207,934	207,934
2027		171,791	171,791
2028-2031		311,415	311,415
	\$	1,526,757	\$ 1,526,757

## 5. Restricted Cash:

Cash and investments of \$5,291,443 are recorded as restricted assets at June 30, 2022.

Cash and investments of \$4,970,642 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of \$250,268 are restricted by the CalPERS irrevocable pension trust agreement.

Cash and investments of \$5,762 are restricted by the California Department of Resources Recycling and Recovery for various grants related to recycling programs.

Cash and investments of \$8,901 are restricted by the Flexible Spending Arrangement for employees' pay out-of-pocket health and child care costs.

Cash and investments of \$55,869 are restricted by agreement with the Central Coast Recycling Media Coalition. These funds are to be used for the Tri-County public/private cooperative marketing and advertising projects.

#### 6. Capital Assets, Net:

The changes in capital assets of the Authority for the year ended June 30, 2022, are summarized as follows:

	June 30, 2021	Increases	Decreases	June 30, 2022
Nondepreciable assets:				
Land	\$ 188,621	\$ 1,228,247	\$ -	\$ 1,416,868
Construction in Progress	271,944	278,453	(212,660)	337,737
Total nondepreciable assets	460,565	1,506,700	(212,660)	1,754,605
Total hondepreciable assets	400,505	1,500,700	(212,000)	1,754,005
Depreciable Assets:				
Buildings	569,470	2,715,997	-	3,285,467
Other Improvements	64,305,856	473,837	-	64,779,693
Machinery and Equipment	12,071,421	2,301,660	-	14,373,081
Right-to-Use Building	-	2,711,810	-	2,711,810
Total depreciable assets	76,946,747	8,203,304		85,150,051
Less Accumulated Depreciation	(41,251,303)	(3,442,641)		(44,693,944)
Total Depreciable Assets, Net	35,695,444	4,760,663		40,456,107
Total Capital Assets, Net	\$ 36,156,009	\$ 6,267,363	\$ (212,660)	\$ 42,210,712

The accumulated depreciation by major class is summarized as follows:

	June 30, 2021	Increases Decreases		June 30, 2022
Buildings	\$ (270,180)	\$ (23,684)	\$ -	\$ (293,864)
Other Improvements	(33,938,443)	(2,389,219)	-	(36,327,662)
Machinery and Equipment	(7,042,680)	(1,029,738)		(8,072,418)
Total	\$ (41,251,303)	\$ (3,442,641)	\$ -	\$ (44,693,944)

#### 7. Accrued Leave:

Employees are eligible to receive their entire unused paid time off upon separation, or can elect to be paid annually for a maximum of fifteen days of annual leave, depending on years of service. At June 30, 2022, the liability for this accrued leave is \$710,353.

The changes in accrued leave of the Authority for the year ended June 30, 2022, are summarized as follows:

	June 30, 2021		I1	Increases Decreases		June 30, 2022		
Accrued Leave								
Current	\$	115,646	\$	25,291	\$	(31,325)	\$	109,612
Noncurrent		584,165		80,485		(63,909)		600,741
Total	\$	699,811	\$	105,776	\$	(95,234)	\$	710,353

#### 8. <u>Long Term Liabilities:</u>

The following is a summary of long term liabilities for the year ended June 30, 2022:

	June 30,			June 30,	Due Within
	2021	Increases	Decreases	2022	One year
Direct Borrowings and					
Placements:					
2014A (AMT) Refunding					
Revenue Bonds	\$ 23,675,000	\$ -	\$ (23,675,000)	\$ -	\$ -
2014B (Taxable) Refunding					
Revenue Bonds	1,210,000	-	(1,210,000)	-	-
2014 Revenue Bonds					
Original Issue Premium	1,076,442	-	(1,076,442)	-	-
2022A (Taxable) Refunding					
Revenue Bonds		25,595,000	<u> </u>	25,595,000	2,700,000
<b>Total Direct Borrowings</b>					
and Placements	25,961,442	25,595,000	(25,961,442)	25,595,000	2,700,000
Leases	-	2,711,810	-	2,711,810	185,549
Closure Payable	1,839,989	904,284	-	2,744,273	-
Postclosure Payable	17,414,758	2,191,187	(1,094,707)	18,511,238	643,438
Total Long Term Liabilities	\$ 45,216,189	\$ 31,402,281	\$ (27,056,149)	\$ 49,562,321	\$ 3,528,987

Advance Refunding: On February 22, 2022, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2022A) with a par value of \$25,595,000. These refunding revenue bonds were sold at par value for \$25,595,000. The purpose of the bond issuance was to refund both the Alternative Minimum Taxable bonds (Series 2014A), and Taxable bonds (Series 2014B). Which were issued to refund Series 2002 revenue bonds, and the Authority's 1997 Installment Purchase Agreement.

The refinancing is an advanced refunding. Proceeds of the new refunding bonds were deposited in an escrow account to pay principal and interest on the refunded bonds until the prepayment date of August 1, 2024, at which time, the remaining 2014 bonds will be paid off by the escrow agent.

Under current federal tax laws, a tax-exempt refinancing could have only been completed in 2024. However, refinancing with taxable Bonds allowed the Authority to lock in lower interest rates and achieve substantial savings. The interest rates of the 2022 Bonds are between .636% and 2.481% compared to interest rates between 4.641% and 5.5% remaining for the 2014 bonds. The prefunding allows the Authority to finish paying off the Bonds a year earlier and saving \$1.61 million in debt service payments.

The annual debt service requirements for the 2022A (Taxable) Refunding Revenue Bond are as follows:

2022A (Taxable) Refunding Revenue Bond Direct Borrowings and Placements

Fiscal Year Ending June 30,	Principal Interest		Total	
2023	\$ 2,700,000	\$ 415,297	\$ 3,115,297	
2024	2,700,000	413,116	3,113,116	
2025	2,730,000	381,569	3,111,569	
2026	2,770,000	340,937	3,110,937	
2027	2,820,000	293,020	3,113,020	
2028-2032	11,875,000	565,675	12,440,675	
	\$ 25,595,000	\$ 2,409,614	\$ 28,004,614	

<u>Closure and Postclosure Payable</u>: The amounts accrued for Closure Payable and Postclosure Payable are mandated by the California Department of Resources, Recycling, and Recovery. This is the estimated liability for closing and maintaining for 30 years after closure the landfills of the Salinas Valley Solid Waste Authority.

#### 9. Unamortized Bond Premium:

The refunding bonds Series 2014A was sold at a premium of \$2,254,049. The premium was being amortized over the life of the bond issue and was fully amortized with the 2022A advance refunding.

The following is a summary of the 2014 Revenue Bonds unamortized premium at June 30, 2022:

	June 30,				Jui	ne 30,
	2021	Incre	eases	Decreases	2	022
Revenue Bonds, Series 2014	\$ 1,076,442	\$	-	\$ (1,076,442)	\$	-

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

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

The landfills are regulated by the California Department of Resources, Recycling, and Recovery (CalRecycle) which requires the Authority to set-aside funds annually for landfill closure and to fund postclosure maintenance for at least 30 years after closure. On June 19, 1998, the CalRecycle, approved the Authority's financial assurance mechanisms for closure and postclosure maintenance for the Authority's four landfills. Since then, the CalRecycle and the Authority have agreed to the financial assurance mechanism for corrective action for the Jolon Road, Johnson Canyon, Lewis Road, and Crazy Horse Landfills. The State found that the Enterprise Fund and Pledge of Revenue Agreement met the requirements of Title 27 of the California Code of Regulations and Federal Title 40 regulations. Under the terms of these agreements the Authority is to annually set-aside funds for the closure of the landfills. The postclosure maintenance and corrective action costs will be funded on a pay-as-you go basis when they are actually incurred and are secured by a pledge of revenue.

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

Postclosure maintenance costs are based on the level of service required to protect the environment during the postclosure period. These include the cost of equipment and facilities, such as leachate collection systems and final cover maintenance. Postclosure care costs extend over a 30 year period of time. For this reason, it is likely there will be unforeseen repair or replacement costs during the postclosure period. Some of these variances are due to changes in technologies, changes in operational conditions and physical changes at the landfills. Estimated current costs of closure and postclosure care are evaluated annually as required by Generally Accepted Accounting Principles (GAAP). The results of the annual evaluation can increase or decrease closure and postclosure costs depending on the various components here described.

The system estimated capacity at June 30, 2022 is presented as follows:

	Johnson Canyon
Permitted Capacity (cu. yd.)	16,280,000
Cumulative Capacity Used (cu. yd.)	(5,819,319)
Remaining Capacity (cu. yd.)	10,460,681

<u>System Capacity</u>: As of June 30, 2022, the Authority has 64.25% of its system capacity remaining. System capacity is based on the capacity of the one active landfill, Johnson Canyon. During the fiscal year ended June 30, 2022, the Authority landfilled a total of 238,089 tons of solid waste. As of June 30, 2022 the Authority has 40 years remaining landfill capacity.

<u>Johnson Canyon Landfill</u>: On December 21, 2021, Johnson Canyon was granted a revised permit by the California Integrated Waste Management Board increasing its landfill capacity. The site capacity estimates and closure and postclosure costs were revised as part of the permit process. Johnson Canyon Landfill has capacity to the year 2062 based on remaining capacity and current in-place density per 2022 calculations.

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

Closure and Postclosure Maintenance Costs: Estimated closure and postclosure maintenance costs and amounts set-aside for closure as of June 30, 2022, are presented as follows:

		Crazy	Johnson	Lewis	Jolon
	Total	Horse	Canyon	Road	Road
Estimated:					
Closure Cost	\$ 7,677,319	\$ -	\$ 7,677,319	\$ -	\$ -
Postclosure Maintenance Cost	22,524,969	12,893,789	6,246,586	1,855,326	1,529,268
Total Estimated	\$ 30,202,288	\$ 12,893,789	\$ 13,923,905	\$ 1,855,326	\$ 1,529,268
Expense:			_		
Closure	\$ 904,284	\$ -	\$ 904,284	\$ -	\$ -
Postclosure Maintenance	1,942,214	944,248	541,766	251,682	204,518
Total Expense	\$ 2,846,498	\$ 944,248	\$ 1,446,050	\$ 251,682	\$ 204,518
Outstanding Liability:					
Closure	\$ 2,744,273	\$ -	\$ 2,744,273	\$ -	\$ -
Postclosure Maintenance	18,511,238	12,893,789	2,232,855	1,855,326	1,529,268
Total Liability	\$ 21,255,511	\$ 12,893,789	\$ 4,977,128	\$ 1,855,326	\$ 1,529,268
Assets Set-Aside for Closure-Cash	\$ 4,970,642	\$ -	\$ 4,970,642	\$ -	\$ -
Cash over Closure Liability	\$ 2,226,369	\$ -	\$ 2,226,369	\$ -	\$ -

Crazy Horse Landfill estimated postclosure costs increased \$507,825 as a result of the revised CalRecycle inflation factor of 104.1%. Current year postclosure expenditures were \$436,423.

Johnson Canyon Landfill estimated closure costs decreased \$904,284 as a result of a revised estimate for closure/post closure approved by CalRecycle during the fiscal year, a CalRecycle inflation factor of 104.1%, and a survey of remaining capacity completed in the fiscal year.

Johnson Canyon Landfill estimated postclosure costs increased \$541,766 as a result of a revised estimate for closure/post closure approved by CalRecycle during the fiscal year, a CalRecycle inflation factor of 104.1%, and a survey of remaining capacity completed in the fiscal year.

Lewis Road Landfill estimated postclosure costs increased \$73,073 as a result of the revised CalRecycle inflation factor of 104.1%. Current year postclosure expenditures were \$178,609.

Jolon Road Landfill estimated postclosure costs decreased \$26,184 as a result of a revised estimate for postclosure, CalRecycle inflation factor of 104.1% and a reduction in the number of years required for the pledge of revenue. Current year postclosure expenditures were \$230,702.

The postclosure maintenance liability of \$18,511,238 will be funded from future revenues as expenditures take place.

#### 11. Deferred Compensation Plan:

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

The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The Deferred Compensation plan has a balance of \$1,446,638 as of June 30, 2022. Since these funds are held by the ICMA Retirement Corporation under a trust arrangement for the benefit of the employees, these funds are not reported on the financial statements.

#### 12. Retirement Programs:

#### A. General Information about the Pension Plan

<u>Plan Description</u>: All qualified employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members or beneficiaries. The Authority entered into a contract with CalPERS effective July 1, 2004 to provide 2% at 55 annual retirement benefits for Local Miscellaneous Members. The California Public Employees' Pension Reform Act (PEPRA) was approved in 2012. It provides a 2% at 62 annual retirement benefit for employees hired after January 1, 2013. All CalPERS participant pension benefits vest after five years of service. Once vested, the plan provides an annual pension at retirement using the following calculation. The employee's final eligible compensation, multiplied by the percentage that corresponds to the employee's age at retirement, multiplied by the number of years of service in the system.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous		
	Classic	PEPRA	
Hire date	*Prior to January 1, 2013	On or after January 1, 2013	
Benefit formula	2% @ 55	2.0% at 62	
Benefit vesting schedule	5 years service	5 years of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50-63	52-67	
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.000% to 2.500%	
Required employee contribution rates	7.00%	6.750%	
Required employer contribution rates	10.870%	7.470%	
Required Payment of Unfunded Liability	\$8,555	\$1,086	

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

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

contribution rate of employees. The CalPERS contract was amended effective July 2, 2018 to include a 1% cost sharing for classic local miscellaneous members. Employees began paying 1% of the required employer contribution rate in addition to the 7% required employee contribution rate.

The Authority's contributions were as follows:

	<u>F</u>	isca	l Year Paid	
		2021/22		
Misc. Classic		\$	232,280	
Misc. PEPRA			165,269	
		\$	397,549	

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

As of June 30, 2022, the Authority reported net pension liabilities (assets) for its proportionate share of the net pension liability (assets) as follows:

	Fiscal Year Ended	L	
	June 30, 2022		
Authority's Miscellaneous Plan	\$ (1,691,113	5)	
Total Net Pension Assets	\$ (1,691,113	<u>(i)</u>	

The Authority adopted and funded a Section 115 pension trust in fiscal year 2020-21 to help mitigate against the rising cost of pension contributions. At June 30, 2022 the Authority's Section 115 trust is reflected in the restricted cash balance of \$250,268. See Note 2 for further discussion.

The Authority's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 using standard update procedures. The Authority's proportion of the net pension liability was based on a projections of the Authority's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2022 and 2021 were follow:

	Percentage S	Share of Risk	Change:
	6/30/2022	6/30/2021	Increase/(Decrease)
Measurement date	6/30/2021	6/30/2020	
Percentage of Plan (PERF C) NPL	-0.03127%	-0.00062%	-0.03065%

For the year ended June 30, 2022, the Authority recognized pension expense of \$2,993,762. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows	
	of Resources	of Resources	
Differences between expected and actual experience	\$ -	\$ 189,640	
Net differences between projected and actual			
earnings on plan investments	1,476,252	-	
Change in employer's proportion	322,442	224,658	
Differences between the employer's contributions and			
the employer's proportionate share of contributions	321,654	13,443	
Pension contributions subsequent to measurement date	397,549	-	
Total	\$ 2,517,897	\$ 427,741	

\$397,549 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will recognized as a reduction of the net pension liability in the year ended June 30, 2023. Recognition of amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		
2023	\$	457,580
2024		421,009
2025		406,059
2026		407,959
Total	\$	1,692,607

Actuarial Methods and Assumptions Used to Determine Pension Liability: The total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021.

Total pension liability was based on the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of
	GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
•	Contract COLA up to 2.50% until Purchasing Power
Post Retirement Benefit	Protection Allowance Floor on Purchasing Power
Increase	applies

\*The Mortality table used was developed based on CalPERS' specific date. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of the scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

<u>Changes of Assumptions</u>: There were no changes in the discount rate for the PERF C, which remained at 7.15%.

<u>Discount Rate</u>: The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

<u>Long-term Expected Rate of Return:</u> The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class per the CalPERS' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022 were as follows:

	Assumed Asset	Real Return	Real Return	
Asset Class*	Allocation	Years 1-10**	Years 1-10***	
Global equity	50.00%	4.80%	5.98%	
Fixed income	28.00	1.00	2.62	
Inflation assets	-	0.77	1.81	
Private equity	8.00	6.30	7.23	
Real assets	13.00	3.75	4.93	
Liquidity	1.00	-	(0.92)	

<sup>\*</sup>In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

Amortization of Deferred Outflows and Deferred Inflows of Resources: The Net Difference Between Projected and Actual Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earning on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

<sup>\*\*</sup>An expected inflation of 2.00% used for this period

<sup>\*\*\*</sup>An expected inflation of 2.92% used for this period

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the June 30, 2021 measurement date is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of all active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability for each Plan, calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher that the current rate:

			Di	scount Rate		
		6.15%		7.15%		8.15%
	(1%	Decrease)	(C	urrent Rate)	(1	% Increase)
Measurement date			Ju	ne 30, 2021		
Fiscal Year End			Ju	ne 30, 2022		
Net Pension Liability (Asset)	\$	(234,227)	\$	(1,691,113)	\$	(2,895,500)

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

<u>Subsequent Events</u>: CalPERS announced a preliminary net investment return of -6.1% for the fiscal year that ended on June 30, 2022. The negative return will create an unfunded liability for the Authority's pension plans. However, the exact impact will not be known until the fall of 2023 when the actuarial that includes the negative returns is released. The first payment under this actuarial study will not be due until fiscal year 2024-25. The Authority has set aside funds in a 457 trust in order to help manage these unfunded liabilities as they occur and has also updated its financial policies to make paying these unfunded liabilities a priority if undesignated cash balances are available.

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

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

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

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

For this report, the following timeframes are used:

Valuation Date

June 30, 2021

Measurement Date

June 30, 2021

Measurement Period July 1, 2020 to June 30, 2021

<u>Plan Description</u>: The Authority joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2004. It is an agent multiple-employer plan administered by California Public

Employees' Retirement System (CalPERS). PEMHCA governs health care provided to employees and retirees under health care plans administered by CalPERS. All public agencies providing health care to their active employees through CalPERS PEMHCA plans are also required to offer health care under those plans to their retirees.

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

The plan information is as follows:

Fiscal Year End	June 30, 2022
Plan Type	Agent Multiple Employer
OPEB Trust	Yes
Special Funding Situations	No
Nonemployer Contributing Entities	No

Benefits Provided: PEHMCA provides employees who retire directly from the Authority after five years of service a cash subsidy for monthly medical insurance premiums. Employees with 20 years of service with the Authority that do not retire directly from the Authority can request benefits later. Benefits are also paid to the surviving spouse of retirees who elected CalPERS joint and survivor payment options, as well as spouses of an active employee who died while eligible to retire receiving CalPERS survivor's benefit. The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the PEMHCA. It was originally established as a specific dollar value with specified increases from calendar years 2004 through 2008. Starting in calendar year 2009, the calculated adjustments are based upon the medical care component of the Consumer Price Index-Urban (CPI-U). The Authority opted for the unequal method of distribution when it joined in 2004. Using this method, the Authority pays a percentage of the contribution, with the percentage paid increasing by 5% each year. The minimum amount in 2022 is \$149 per month, of which the Authority pays 90% or \$134. The Authority is scheduled to pay the full minimum amount in 2024.

<u>Employees Covered</u>: As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the PEMHCA Plan:

June 30, 2022 Fiscal Year End June 30, 2021 Measurement Date	Number of Covered
June 30, 2021 Valuation Date	Participants
Inactive Employees Currently	
Receiving Benefit Payments	3
Inactive Employees Entitled to but not	
yet Receiving Benefit Payments	5
Actives Employees	60
Total Employees	68

<u>Contributions</u>: In 2017, the Authority joined CERBT to prefund it's OPEB liability. The Authority will use the annual required contribution (ARC) of the employer for the future contributions, which is expected to prefund all unfunded liabilities by 2040. The cash contributions to this fund during the fiscal year ended June 30, 2022, were \$150,000. Authority payments for retired benefits, net investment earnings of the plan, and the estimated implied subsidy was \$25,964 resulting in total payments of \$175,964.

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

As of June 30, 2022, the authority reported net OPEB liability as follows:

Fiscal Year Ended	June 30, 2022		
Measurement Date	June 30, 2021		
Total OPEB Liability (TOL)	\$	1,034,899	
Fiduciary Net Position (FNP)		1,090,624	
Total Net OPEB Assets	\$	(55,725)	
Funded status (FNP/TOL)	105.4%		

<u>Changes in the OPEB Liability (Asset)</u>: The changes in the net OPEB liability (asset) for the Authority Plan are as follows:

	Total OPEB	Fiduciary	Net OPEB
	Liability	Net Position	Liability (Asset)
Changes in Net OPEB Liability	(a)	(b)	(a) - (b)
Balance at June 30, 2021			
(Measurement Date June 30, 2020)	\$ 1,036,645	\$ 816,686	\$ 219,959
Service Cost	93,929	-	93,929
Interest	61,551	-	61,551
Actual versus Expected Experience	(151,696)	-	(151,696)
Changes of Assumptions	17,370	-	17,370
Employer Contributions	-	172,979	(172,979)
Employee Contributions	-	-	-
Net Investment Income	-	124,262	(124,262)
Benefit Payments	(22,900)	(22,900)	-
Administrative Expenses		(403)	403
Net Changes	(1,746)	273,938	(275,684)
Balance at June 30, 2022			
(Measure Date June 30, 2021)	\$ 1,034,899	\$ 1,090,624	\$ (55,725)

<u>OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB</u>: For the fiscal year ended June 30, 2022, the Authority recognized OPEB expense of \$68,104. As of the fiscal year ended June 30, 2022, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences Between Expected and Actual				
Experience	\$	-	\$	221,922
Changes of Assumptions		15,885		3,433
Net Differences Between Projected and Actual				
Earnings on Plan Investments		-		63,044
Employer Contributions after Measurement Date		175,964		-
Total	\$	191,849	\$	288,399

Deferred outflows of resources in the amount of \$175,964 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2023	\$ (37,093)
2024	(39,065)
2025	(37,185)
2026	(36,385)
2027	(21,671)
Thereafter	(101,115)
Total	\$ (272,514)

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

Actuarial Methods and Assumptions Used to Determine the OPEB Liability: The Authority's net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that used to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

Fiscal Year End	June 30, 2022
Measurement Date	June 30, 2021
Valuation Date	June 30, 2021

Contribution Policy Authority plans to contribute at least the full ADC

Discount Rate and Long-Term 5.50% at June 30, 2021 Expected 5.50% at June 30, 2020

Rate of Return on Assets Expected Authority contributions projected to keep

sufficient plan assets to pay all benefits from trust

General Inflation 2.75% annually

Mortality, Retirement, Disability,

Termination CalPERS 1997-2015 Experience Study

Mortality Improvement Post-retirement mortality projected fully generational

with Scale MP-2020

Salary Increases Aggregate - 3% annually

Merit - CalPERS 1997-2015 Experience Study

Medical Trend Non-Medicare - 7.5% for 2022, decreasing to an

ultimate rate of 4.0% in 2076

Medicare - 6.1% for 2022, decreasing to an ultimate

rate of 4.0% in 2076

PEMHCA Minimum Increases 4.25% annually

Healthcare Participation Actives & surviving spouses:

\* Covered - 70%

Retirees & surviving spouses:

\* Covered - 100% \* Waived - 0%

Changes of assumptions Updated claims cost aging assumptions

Decreased medical trend rate for Kaiser Senior

Advantage

Mortality improvement scale was updated to Scale

MP-2020

Updated assumption for Medicare eligible implied

subsidy

Changes of benefit terms

Events subsequent to June 30, 2021 measurement date and

before June 30, 2022

None

CalPERS approved new CERBT asset allocations in March 2022. Estimated impact is an increase to the expected long-term rate of return assumption for

CERBT Strategy 3 of 0.50%.

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

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

Measurement Date	June 30, 2021		
CERBT Investment Strategy #3	Target	Expected Real	
Asset Class	Asset Allocation	Rate of Return	
Global Equity	22%	4.82%	
Fixed Income	49%	1.47%	
TIPS	16%	1.29%	
REITS	8%	3.76%	
Commodities	5%	0.84%	
Assumed Long-Term Rate of Inflation		2.75%	
Expected Long-Term Net Rate of Return, Rounded		5.50%	

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

		Discount Rate				
	(1%	Decrease)	(Current Rate)		(1% Increase)	
		4.50%	5.50%			6.50%
Net OPEB Liability (Assets)	\$	134,668	\$	(55,725)	\$	(208,123)

<u>Medical Trend Sensitivity Analysis:</u> The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	Healthcare Trend				
	(1% Decrease)	(Current Trend)	(1% Increase)		
Net OPEB Liability (Assets)	\$ (245,057)	\$ (55,725)	\$ 191,468		

#### 14. Concentrations:

The Authority received 60.82% of its Charges for Services (tipping fees) from two haulers: Republic Services and Waste Management. These two haulers comprised approximately \$1,379,883, (77.52%) of accounts receivable balances at June 30, 2022. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the Authority.

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

### 15. Commitments and Contingencies:

<u>Risk Management</u>: The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. Effective July 1, 2021, the Authority purchased worker's compensation insurance through the State Compensation Insurance Fund for its employees.

The Authority has the following commercial insurance policies:

Coverage	Detail	Limits	Deductible
Environmental Impairment Liability	Per Occurrence	\$ 10,000,000	\$ 25,000
Property Insurance	Aggregate	10,000,000	100,000
Environmental Excess Liability	Per Occurrence	5,000,000	-
Earthquake	Per Occurrence	3,932,102	50,000
General Liability	Per Occurrence	1,000,000	-
	Aggregate	2,000,000	-
Commercial Auto	Per Accident	1,000,000	1,000
Public Officials and Employment Practice Liability	y Each Act	1,000,000	10,000
Crime	Each Act	1,000,000	5,000
Cyber	Aggregate	1,000,000	5,000
Workers Compensation	-	1,000,000	-

There have been no significant reductions in any insurance coverage, nor have there been any insurance related settlements that exceeded insurance coverage during the past three fiscal years.

<u>Corrective Action Plan</u>: The California Code of Regulations requires landfill owners and operators to demonstrate the availability of financial resources to conduct corrective action activities for all known or reasonably foreseeable releases of contaminates from the disposal facility affecting water quality.

The Authority has conducted studies to determine the site remediation cost to mitigate those releases. These cost estimates are incorporated into the Final Closure and Postclosure Maintenance Plan for each of the landfills. These amounts have been reviewed and approved by CalRecycle and the Regional Water Quality Control Board.

The estimated cost of capital improvements and operations and maintenance costs to mitigate a potential release of contaminates at the Authority landfills is estimated as follows:

	Capital	Operations &			
Landfill - Action	Improvement	Maintenance	Contingency	Total	
Johnson Canyon	\$ 475,462	\$ 405,706	\$ -	\$ 881,168	
Crazy Horse	3,713,566	8,406,665	-	12,120,231	
Jolon Road	-	1,662,562	-	1,662,562	
Lewis Road	140,073	257,998	39,955	438,026	
Total Corrective Actions	\$ 4,329,101	\$ 10,732,931	\$ 39,955	\$ 15,101,987	

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 15 years for Lewis Road to 60 years for Johnson Canyon. If there should be a release at one of the landfill sites, the Authority would have to spend up to the amounts shown on capital improvements. If the capital improvements have to be completed, the Authority would be obligated to spend the maintenance amounts shown on the table for maintenance of the improvements.

These amounts have not been recorded as a liability because while some releases are possible, they are not considered probable or if they are considered probable, they are not sufficiently measurable.

#### 16. Leases:

On July 1, 2021, the Authority implemented the provisions of GASB Statement No. 87, *Leases*. This change in accounting principle required a retrospective application to prior periods resulting in the restatement of the comparative totals as of June 30, 2021 on the statement of net position. No significant adjustments to net positions at the beginning of the year were deemed necessary. A summary of the restated balance of the comparative totals as of June 30, 2021 is as follows:

	As Prev Repo	•	B Statement 87 Impact	 statement eported
Current Assets Lease Receivable - Current Portion	\$	_	\$ 66,086	\$ 66,086
Noncurrent Assets Lease Receivable, Less Current Portion		-	205,800	205,800
Deferred Inflows of Resources  Deferred Inflows related to leases		-	271,886	271,886

Lease Receivable: The Authority leases a waste management shop to a third party. The lease term is from September 2016 through June 2025, and the Authority will receive monthly payment of \$4,750 plus annual increases based on the consumer price index. Monthly payments for the year ended June 30, 2022 were \$5,554. The Authority recognized \$66,086 in lease revenue and \$567 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the Authority's receivable for lease payments was \$205,800; of which \$67,327 is classified as current. The Authority also has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$205,800.

<u>Lease Payable</u>: At the end of the current fiscal year, the Authority entered into a multi-year lease from July 2022 through September 2036 for the use of a building on Madison Lane. An initial lease liability was recorded in the amount of \$2,711,810 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$2,711,810. The Authority is required to make monthly principal and interest payments of \$16,234 plus annual increases based on the consumer price index for all urban consumers not to exceed 4%. The lease has an interest rate of 3.98%. The leased building has a 14 year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$2,711,810 and did not have accumulated depreciation as June 30, 2022.

The future principal and interest payments as of June 30, 2022, were as follows:

Year Ending June 30,	 Principal	Interest		 Total
2023	\$ 185,549	\$	3,501	\$ 189,050
2024	191,207		11,395	202,602
2025	191,109		19,598	210,707
2026	191,011		28,124	219,135
2027	190,914		36,986	227,900
2028 - 2032	953,102		330,655	1,283,757
2033 - 2037	808,918		499,957	 1,308,875
	\$ 2,711,810	\$	930,216	\$ 3,642,026

#### 17. Related Parties:

The Authority entered into a MOU with the City of Gonzales for mitigation issues for hosting the landfill, under this agreement, the Authority will pay the City \$20,833 per month commencing on the date of closure of the Crazy Horse landfill until the initial landfill expansion is entirely filled up by disposed solid waste.

Monterey County Environmental Health serves as the Local Enforcement Agency (LEA) for CalRecycle. They are empowered by CalRecycle to implement programs, locally designated activities, and has primary responsibility for ensuring the correct operation and closure of solid waste facilities. The Authority paid Monterey County Environmental Health \$81,274 in LEA permit fees for its facilities and an additional \$124,536 for its share of \$496,060 in Regional Fees, which are allocated by the percent of total annual county-wide tonnage disposed. After deduction of individual facility permit fees, the Regional Fees are used to fund the LEA's Load Checking Response Program, Illegal Dumping Response and Prosecution, Legislative Development, AB 939 Administration, Diversion/Recycling Programs, and other LEA related services. Total payments to Monterey County Environmental Health during FY 2021-22 were \$205,810.

#### 18. Net Position:

Net position represents total assets and deferred outflows of resources less liabilities and deferred inflows of resources. Designations of unrestricted net position represents the Authority Board of Director's intention for the use of resources.

The net position amounts at June 30, 2022 were as follows:

Net Investment in Capital Assets	\$ 15,430,661
Restricted:	
Restricted for Closure Reserve	2,226,369
Restricted for CALPERS Irrevocable Pension Trust Fund 115	250,268
Total Restricted	2,476,637
Unrestricted	
Designated	
Designated for Capital Projects Reserve	2,702,716
Designated for Operations Reserve	3,078,750
Designated for Environmental Impairment Reserve	2,272,085
	8,053,551
Undesignated	4,719,360
Total Unrestricted	12,772,911
Total Net Position	\$ 30,680,209

#### 19. Bond Rate Covenant:

Pursuant to the Master Indenture of the Revenue Bonds, Series 2022, the Authority has agreed to at all times while any of the Bonds remain Outstanding to set fees and charges and manage operations so as to yield Net Revenues during the fiscal year equal to at least one hundred fifteen percent (115%) of the bond's annual debt service for the fiscal year.

This calculation is based on Net Revenues as described in the Master Indenture. The calculation is based on operating income increased by investment earnings on all funds other than bond project funds and reduced by postclosure expense, depreciation and amortization, all non-cash items. At June 30, 2022, the calculation is 394%.

### SALINAS VALLEY SOLID WASTE AUTHORITY NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2022

Net revenue available for debt service for the year ended June 30, 2022, is determined as follows:

### Salinas Valley Solid Waste Authority Debt Service Coverage Ratio Calculations Fiscal year ended June 30, 2021

Revenues	
Operating revenues	\$ 25,187,667
Interest not on Project funds	(323,782)
Revised Revenues	24,863,885
Maintenance and Operations Costs	
GAAP Operating Expenses	18,055,241
Less the following items per Master Indenture	
Postclosure maintenance	(1,942,214)
Closure	(904,284)
Depreciation	(3,442,641)
Add Postclosure liability being paid	
Crazy Horse	436,423
Lewis Road	178,609
Jolon Road	230,702
Revised Maintenance and Operations Expenses	
per Master Indenture	 12,611,836
Net Revenues	\$ 12,252,049
Debt Service on 2014 Bond	\$ 3,133,956
Debt Service Coverage Ratio	391%
Debt Service Coverage Required	115%

#### **20.** Subsequent Events:

Management has evaluated subsequent events through October 6, 2022, the date which these financial statements were available to be issued.

On September 10, 2022, the Sun Street Transfer Station closed to accommodate the City of Salinas's plans for the re-development of the Alisal Marketplace and surrounding areas which includes the Sun Street Transfer Station property. The Recycling and Household Hazardous Waste (HHW) Facilities were relocated effective September 12, 2022 to a leased portion of the Madison Lane Transfer Station, which is owned and operated by Republic Services of Salinas, the franchised garbage, recycling, and organics hauler for the City of Salinas.

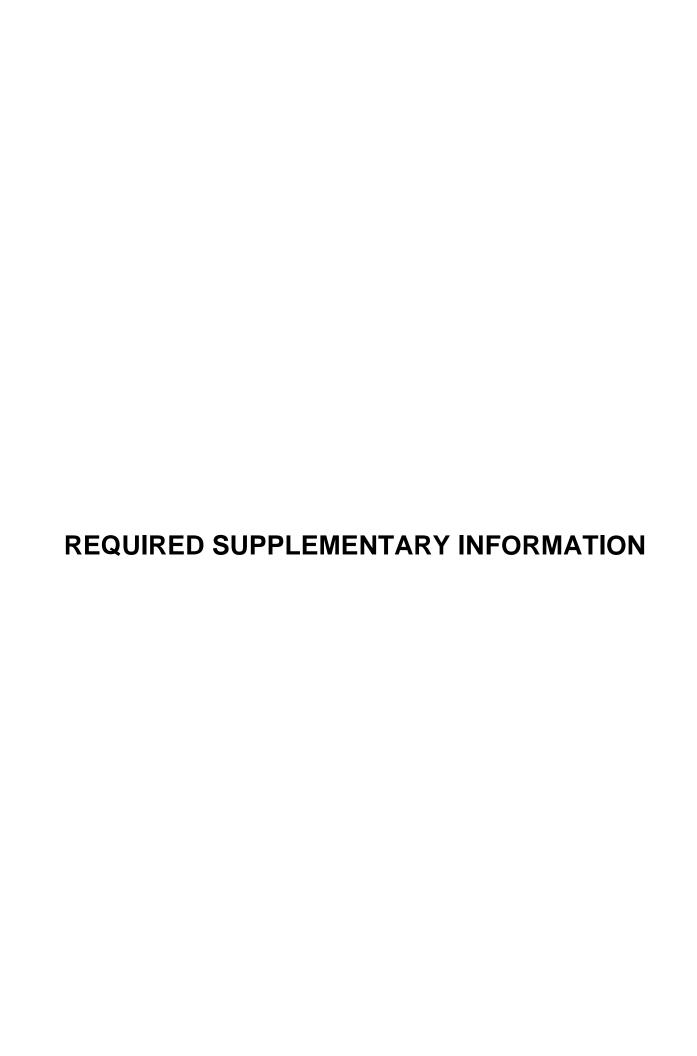
In connection with the Madison Lane Lease Agreement, the Authority also entered into a Master Transportation Services Agreement that was effective July 1, 2022 to provide Republic Services transfer services for materials destined for processing or disposal at the Johnson Canyon Landfill from the Madison Lane Transfer Station.

To offset the fully loaded transportation rates under the Master Transportation Services Agreement which are higher than the transportation rates paid by the member's franchise haulers and thereby reduce the impact to rate payers, the Authority agreed to reduce the solid waste tipping fee for Fiscal Year 2022-23 from \$68.50 to \$64.75. The FY 2022-23 budget was written with this rate reduction

### SALINAS VALLEY SOLID WASTE AUTHORITY NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2022

and an estimated reduction of 50% of the self-haul tonnage that was using the Sun Street Transfer Station and is balanced as written.

The Madison Lane Lease Agreement and Master Transportation Services Agreement each have a scheduled termination date of September 30, 2036. N Leasing Company may terminate such agreements prior to their scheduled termination dates upon the insolvency or other breach by the Authority. In addition, either party may terminate the Master Transportation Services Agreement for any reason commencing on the seven-year anniversary with a twelve-month prior written notice.



# Schedule of the Authority's Proportionate Share of the Net Pension Liability and Related Ratios as of Measurement Date Cost Sharing Defined Benefit Pension Plan Last 10 Years^

				Fiscal Y	ear End			
	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	06/30/17	06/30/16	06/30/15	06/30/14
Authority's proportion of the net pension liability	0.031270%	-0.000620%	0.000500%	0.010190%	0.01112%	0.01054%	0.00947%	0.01078%
Authority's proportionate share of the net pension liability	\$ (1,691,113)	\$ (67,484)	\$50,979	\$981,942	\$ 1,102,446	\$ 912,076	\$ -	\$670,697
Authority's covered payroll*	\$ 4,350,173	\$ 3,949,211	\$ 3,715,429	\$ 3,546,721	\$ 3,334,650	\$ 2,992,877	\$2,691,705	\$2,418,312
Authority's proportionate share of the net pension liability as a percentage of covered payroll	-38.87%	-1.71%	1.37%	27.69%	33.06%	30.47%	0.00%	27.73%
Plan's fiduciary net position as a percentage of the plan's total pension liability	88.29%	75.10%	75.26%	72.56%	73.31%	74.06%	78.40%	79.82%

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

<sup>\*</sup> For the year ending on the measurement date.

# Schedule of Statutorily Required Employer Contributions Pension Plan Last 10 Years^

Fiscal year ended:	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	
Actuarially determined contribution	\$ 397,549	\$ 391,238	\$ 329,307	\$ 342,983	\$ 315,704	\$ 296,695	\$ 220,619	\$ 285,581	
Contributions in relation to the									
actuarially determined contribution	397,549	482,094	653,073	1,431,107	388,865	358,695	250,906	285,581	
Contribution deficiency (excess)	\$ -	\$ (90,856)	\$ (323,766)	\$ (1,088,124)	\$ (73,161)	\$ (62,000)	\$ (30,287)	\$ -	
Authority's covered payroll *	\$4,528,388	\$4,350,173	\$3,949,211	\$ 3,715,429	3,715,429 \$3,546,721		\$2,992,877	\$2,691,705	
Contributions as a percentage of									
covered payroll	8.78%	11.08%	16.54%	38.52%	10.96%	10.76%	8.38%	10.61%	

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

<sup>\*</sup> For the fiscal year ended on the date shown.

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

Last 10 Years^

	Fiscal Year End												
	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18								
Measurement Date	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17								
Changes in total OPEB liability													
Service cost	\$ 93,929	\$ 91,193	\$ 98,324	\$ 95,460	\$ 93,000								
Interest	61,551	54,801	54,628	47,675	41,000								
Actual benefits payments	(22,900)	(29,073)	(21,880)	(17,286)	(14,000)								
Actual and expected experience difference	(151,696)	-	(112,552)	-	-								
Changes in benefits terms	-	-	-	-	-								
Changes in assumption	17,370		(4,645)										
Net changes in total OPEB liability	(1,746)	116,921	13,875	125,849	120,000								
Total OPEB liability - beginning	1,036,645	919,724	905,849	780,000	660,000								
Total OPEB liability - ending	\$ 1,034,899	\$ 1,036,645	\$ 919,724	\$ 905,849	\$ 780,000								
Changes in plan fiduciary net position													
Expected return	\$ -	\$ -	\$ -	\$ -	\$ -								
Employer contributions	172,979	179,176	155,690	455,464	-								
Nonemployer contributing entity													
contributions	-	-	-	-	-								
Employee contributions	-	-	-	-	-								
Net investment income	124,262	45,120	41,131	9,405	-								
Benefit payments	(22,900)	(29,073)	(21,880)	(17,286)	-								
Administrative expenses	(403)	(472)	(234)	(355)									
position	273,938	194,751	174,707	447,228	-								
Plan fiduciary net position - beginning	816,686	621,935	447,228										
Plan fiduciary net position - ending	\$ 1,090,624	\$ 816,686	\$ 621,935	\$ 447,228	\$ -								
Net OPEB liability													
Total OPEB liability	\$ 1,034,899	\$ 1,036,645	\$ 919,724	\$ 905,849	\$ 780,000								
Plan fiduciary net position	1,090,624	816,686	621,935	447,228	-								
Net OPEB liability	(55,725)	219,959	297,789	458,621	780,000								
Net OPEB liability funded percentage	105.4%	78.8%	67.6%	49.4%	0.0%								
Covered payroll *	\$ 4,350,173	\$ 3,949,211	\$ 3,715,429	\$ 3,546,721	\$ 3,334,650								
Net OPEB liability as a percent of covered													
payroll	-1.28%	5.57%	8.01%	12.93%	23.39%								

<sup>^</sup> Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

<sup>\*</sup> For the year ending on the measurement date.

### Schedule of Employer OPEB Contributions Last 10 Years^

Contributions for the fiscal year ended:	(	06/30/22	0	6/30/21		6/30/20		06/30/19	06/30/18		
Actuarially determined contribution	\$	116,717	\$	115,026 \$ 137,800		\$	133,700	\$	149,000		
Contributions in relation to the actuaria	lly										
determined contribution		175,964		172,979		179,176		155,690		455,000	
Contribution deficiency (excess)	\$ (59,247)		\$ (57,953)		\$	(41,376)	\$	(21,990)	\$	(306,000)	
Authority's covered payroll *	\$ 4,528,388		\$ 4,350,173		\$ 3,949,211		\$ 3,715,429		\$3	3,546,721	
Contributions as a percentage of											
covered-employee payroll	3.89%		3.98%		4.54%		4.19%			12.83%	

<sup>^</sup> Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

### Significant Actuarial Methods and Assumptions used for Actuarially Determined Contributions:

Valuation Date June 30, 2019

Actuarially Determined 2021/22 Fiscal Year

Contribution

Actuarial Cost Method Entry Age Normal, Level % of pay

Asset Valuation Method 

Investment gains and losses spread over 5-years rolling period

Discount Rate 5.50%
General Inflation 2.75%

Medical Trend Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076

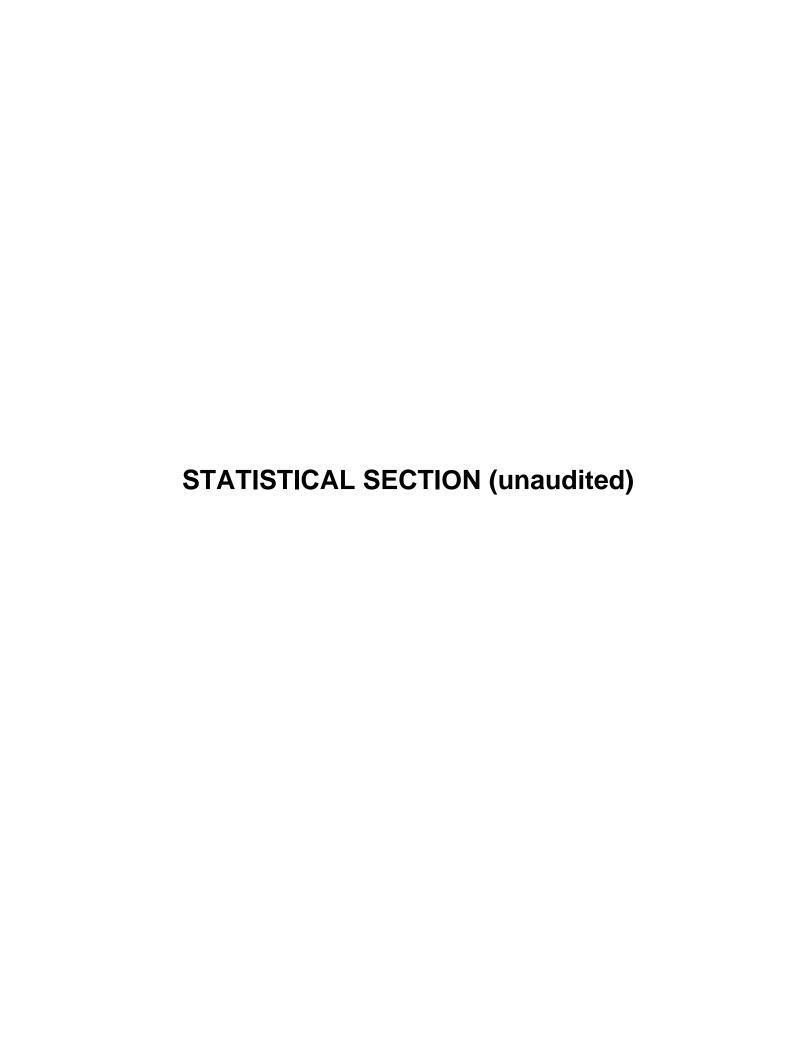
Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076

Amortization Method Level % of payroll

Amortization Period 18-year fixed period for the 2021/22 Mortality CalPERS 1997-2015 experience study

Mortality Improvement Mortality projected fully generational with scale MP-2019

<sup>\*</sup> For the fiscal year ended on the date shown.



### SALINAS VALLEY SOLID WASTE AUTHORITY

### Index to Statistical Section (unaudited)

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the Authority's overall financial health.

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### Salinas Valley Solid Waste Authority Net Position (unaudited) Last Ten Years (accrual basis of accounting)

Description	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Net investment in capital assets	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)	\$ (4,921,464)	\$ (3,830,703)	\$ (2,956,872)	\$ 1,564,130	\$ 6,082,771	\$ 10,393,875	\$ 15,430,661
Restricted	3,419,936	426,877	1,101,582	1,101,436	1,028,150	956,776	858,720	761,858	3,256,346	2,476,637
Unrestricted	(5,342,702)	(4,265,137)	(3,200,369)	(220,656)	2,398,199	7,448,904	9,954,238	10,674,815	11,263,584	12,772,911
Total Net Position	\$ (10,264,459)	\$ (10,238,316)	\$ (8,106,300)	\$ (4,040,684)	\$ (404,354)	\$ 5,448,808	\$ 12,377,088	\$ 17,519,444	\$ 24,913,805	\$ 30,680,209

Note: The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2003.

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

Description	6/30/2013	(As Restated) 6/30/2014	(As Restated) 6/30/2015	(As Restated) 6/30/2016	(As Restated) 6/30/2017	(As Restated) 6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	
Changes in Net Position:											
Operating Revenues	15,831,472	18,146,257	16,686,788	18,304,303	20,848,513	22,234,166	22,749,942	22,817,381	\$24,158,904	\$25,187,667	
Operating Expenses	12,837,292	13,245,635	11,139,153	11,672,645	14,432,350	14,079,124	14,579,026	15,687,957	13,488,641	14,612,600	
Depreciation and amortization	1,359,411	1,359,411 1,412,742 1,1		1,228,692	1,419,953	1,611,744	1,758,114	1,883,763	2,229,099	3,442,641	
Operating income	1,634,769	3,487,880	4,367,504	5,402,966	4,996,210	6,543,298	6,412,802	5,245,661	8,441,164	7,132,426	
Non-operating revenues (expenses)											
Investment earnings	39,180	28,013	36,631	64,248	95,624	303,212	732,658	674,151	21,687	(323,781)	
Grants and contributions	149,473	116,780	116,641	148,077	66,117	332,789	69,126	79,834	88,061	82,152	
Loss on disposition of capital assets	-	-	-	-	-	-	(26,942)	-	-	-	
Interest expense	(2,026,114)	(1,724,013)	(1,557,530)	(1,549,675)	(1,521,621)	(1,482,988)	(1,382,565)	(1,294,539)	(1,209,230)	(776,122)	
Capital Grant income	-	-	-	-	-	-	1,014,415	437,249	52,679	-	
Other revenue(expense), net	17,619	-	-	-	-	167,367	108,786	-	-	23,611	
Cost of bond issuance	-	(561,881)	-	-	-	-	-	-	-	(371,882)	
Total non-operating revenues											
(expense), net	(1,819,842)	(2,141,101)	(1,404,258)	(1,337,350)	(1,359,880)	(679,620)	515,478	(103,305)	(1,046,803)	(1,366,022)	
Changes in net position	\$ (185,073)	\$ 1,346,779	\$ 2,963,246	\$ 4,065,616	\$ 3,636,330	\$ 5,863,678	\$ 6,928,280	\$ 5,142,356	\$ 7,394,361	\$ 5,766,404	
Net position by component:											
Net Investment in capital assets	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)	\$ (4,921,464)	\$ (3,830,703)	\$ (2,956,872)	\$ 1,564,130	\$ 6,082,771	\$ 10,393,875	\$ 15,430,661	
Restricted for debt service	2,820,700	-	-	-	-	-	-	-	-	-	
Restricted for grants	196,309	69,427	61,684	95,345	76,499	72,858	60,456	41,628	12,559	-	
Restricted per lease agreement	-	-	242,326	-	-	-	-	-	-	-	
Restricted for pension trust fund	-	-	-	-	-	-	-	-	182,919	250,268	
Restricted for closure reserve	402,927	357,450	797,572	1,006,091	951,651	883,918	798,264	720,230	3,060,868	2,226,369	
Unrestricted	(5,342,702)	(4,265,137)	(3,200,369)	(220,656)	2,398,199	7,448,904	9,954,238	10,674,815	11,263,584	12,772,911	
Total Net Position	\$ (10,264,459)	\$ (10,238,316)	\$ (8,106,300)	\$ (4,040,684)	\$ (404,354)	\$ 5,448,808	\$ 12,377,088	\$ 17,519,444	\$ 24,913,805	\$ 30,680,209	

Note: The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2003.

# Salinas Valley Solid Waste Authority Operating Revenue by Source (unaudited) Last Ten Years (accrual basis of accounting)

Fiscal Year	 Charges for Services	N	Sales of Materials	Total Operating Revenues		
06/30/13	\$ 15,438,514	\$	392,958	\$	15,831,472	
(As Restated) 6/30/2014	17,552,203		594,054		18,146,257	
(As Restated) 6/30/2015	16,103,054		583,734		16,686,788	
(As Restated) 6/30/2016	17,685,519		618,784		18,304,303	
(As Restated) 6/30/2017	20,201,840		646,673		20,848,513	
(As Restated) 6/30/2018	21,532,600		701,566		22,234,166	
06/30/19	22,094,564		655,378		22,749,942	
06/30/20	22,242,891		574,276		22,817,167	
06/30/21	23,479,213		679,691		24,158,904	
06/30/22	24,387,160		800,507		25,187,667	

Salinas Valley Solid Waste Authority Operating Expense by Activity (unaudited) Last Ten Fiscal Years (accrual basis of accounting)

Fiscal Year	Personnel Services	Contractual Services	Operating Contracts	Supplies	Insurance	Building Rent	Taxes and Permits	Utilities	Closure/ Postclosure Maintenance	Hazardous Waste	Other	Total Operating Expenses
6/30/2013	\$ 3,763,121	\$ 1,454,029	\$ 4,783,575	\$ 454,034	\$ 219,004	\$ 104,508	\$ 728,267	\$ 137,788	\$ 712,257	\$ 192,176	\$ 288,533	\$ 12,837,292
(As Restated) 6/30/2014	4,089,204	1,666,686	4,737,350	488,034	238,921	104,658	736,419	138,820	639,510	172,520	233,513	13,245,635
(As Restated) 6/30/2015	4,093,952	1,714,543	3,313,514	687,375	287,724	105,070	610,254	146,427	(267,617)	202,715	245,196	11,139,153
6/30/2016	4,805,714	1,795,961	2,164,435	687,779	318,293	191,594	597,266	141,808	476,570	220,294	272,931	11,672,645
6/30/2017	5,148,507	2,210,991	2,015,999	697,561	178,486	116,045	520,155	131,476	2,944,468	202,372	266,290	14,432,350
(As Restated) 6/30/2018	5,924,325	2,517,115	2,038,226	808,707	128,141	184,777	528,695	130,160	1,234,202	208,637	376,139	14,079,124
6/30/2019	5,970,904	2,966,255	1,804,703	994,240	147,171	110,544	543,388	138,454	1,395,057	182,101	326,209	14,579,026
6/30/2020	6,885,626	3,051,057	1,759,573	900,096	81,765	110,894	555,550	162,765	1,798,906	198,142	183,583	15,687,957
6/30/2021	6,695,563	2,429,464	2,056,705	911,215	386,762	115,101	590,999	179,013	(311,904)	209,369	226,354	13,488,641
6/30/2022	3,917,139	2,775,174	1,929,384	1,309,849	480,849	117,897	621,199	204,197	2,846,498	214,515	195,899	14,612,600

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

Fiscal Year	Solid Waste Landfilled (tons)
6/30/2013	236,521
6/30/2014	242,788
6/30/2015	175,923
6/30/2016	182,298
6/30/2017	199,457
6/30/2018	213,714
6/30/2019	226,386
6/30/2020	224,979
6/30/2021	231,463
6/30/2022	238,089

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

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

Tipping Fees	6/30	/2013	6/30	/2014	6/30/2015		5 6/30/2016		6/30/2017		6/30/2018		6/30/2019		6/30/2020		6/30/2021		6/30/2022	
Tipping Fee Surcharge on Salina	\$ s	67	\$	67	\$	67	\$	67	\$	69	\$	69	\$	69	\$	69	\$	69	\$	69
franchise waste		8		11		14		17		17		18		18		18		18		19
AB939 Fee		-		12		12		15		11		11		10		12		12		15

### Salinas Valley Solid Waste Authority Principal Customers (unaudited) Current Fiscal Year and Nine Years Ago

	6/30/2	6/30/2022		6/30/	2013
	Tons	Percentage	•	Tons	Percentage
Customer	Processed	of Total	Customer	Processed	of Total
Republic Services Madison Lane	82,539	27.62%	Republic Services of Salinas	88,834	32.54%
Republic Services of Salinas	65,020	21.76%	Recology South Valley	70,021	25.65%
Rural Dispose-All	23,107	7.73%	Waste Management - Madison Lane	40,568	14.86%
City of Soledad	10,822	3.62%	Waste Management - Jolon Road	15,355	5.62%
King City Disposal	10,377	3.47%	City of Soledad	11,130	4.08%
City of Greenfield	9,570	3.20%	Rural Dispose-All	8,169	2.99%
Tri-Cities Disposal	8,753	2.93%	City of Greenfield	7,455	2.73%
City of Gonzales	4,735	1.58%	Tri-Cities	3,814	1.40%
Goodill Central Coast	2,740	0.92%	City of Gonzales	3,747	1.37%
Correctional Training Facility	1,806	0.60%	Correctional Training Facility	1,524	0.56%
All Other Customers	79,341	26.55%	All Other Customers	22,382	8.20%
Total Tons for All Customers	298,810	100.00%	Total Tons for All Customers	272,998	100.00%

Salinas Valley Solid Waste Authority Ratio of Outstanding Debt (unaudited) Last Ten Fiscal Years

									Total	
		Installment		2014 Series A					Per	As a Share
	Revenue Bonds,	Purchase	2014 Series A	Bonds	2014 Series B	Eq Lease	2020 Series A	Total	Capita	of Personal
FYE	Series 2002	Agreement	Bonds Payable	Premium	Bonds Payable	Payable	Bonds Payable	(1)	(2)	Income
6/30/2013	\$ 33,085,000	\$3,287,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$36,372,588	85	0.19%
(Restated) 6/30/2014	-	-	27,815,000	2,254,049	3,575,000	3,670,000	-	37,314,049	87	0.19%
(Restated) 6/30/2015	-	-	27,815,000	2,064,718	3,260,000	3,327,721	-	36,467,439	84	0.17%
6/30/2016	-	-	27,815,000	1,895,470	2,940,000	2,462,960	-	35,113,430	81	0.18%
6/30/2017	-	-	27,815,000	1,734,012	2,615,000	1,735,668	-	33,899,680	77	0.14%
6/30/2018	-	-	27,670,000	1,564,986	2,280,000	985,802	-	32,500,788	75	0.14%
6/30/2019	-	-	26,405,000	1,398,109	1,935,000	212,663	-	29,950,772	69	0.12%
6/30/2020	-	-	25,075,000	1,235,193	1,580,000	-	-	27,890,193	65	0.11%
6/30/2021	-	-	23,675,000	1,076,442	1,210,000	-	-	25,961,442	59	N/A
6/30/2022	-	-	-	-	-	-	25,595,000	25,595,000	N/A	N/A

<sup>(1)</sup> Data Source: Salinas Valley Solid Waste Authority Finance Division

<sup>(2)</sup> Amount of debt divided by population as provided by U.S. Census Bureau - see Schedule 10 (Demographic Statistics)

Salinas Valley Solid Waste Authority Pledged-revenue Coverage (unaudited) Last Ten Fiscal Years

Description	6/30/2013	6/30/2014	(As Restated) 6/30/2015	(As Restated) 6/30/2016	(As Restated) 6/30/2017	(As Restated) 6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Operating Income	\$ 1,634,769	\$ 3,487,880	\$ 4,367,504	\$ 5,402,966	\$ 4,996,210	\$ 6,543,298	\$ 6,412,802	\$ 5,245,661	\$ 8,441,164	\$ 7,132,426
Investment Earnings	39,180	28,013	36,631	64,248	95,624	303,212	732,658	674,151	21,687	(323,781)
Closure/Postclosure Expense	712,257	639,510	(267,617)	476,570	2,944,468	1,234,202	1,395,057	1,798,906	(311,904)	2,846,498
Crazy Horse Postclosure Lewis Rd Postclosure Jolon Rd Postclosure	(103,497) (29,946)	` ' '	(115,654) (34,437)	(76,393) (19,870)	(188,946) (162,615)	(175,649) (168,022)	(394,277) (174,286) (171,518)	(404,816) (194,550) (212,981)	(529,652) (179,918) (197,403)	(436,423) (178,609) (230,702)
Depreciation and Amortization	1,359,411	1,412,742	1,180,131	1,228,692	1,419,953	1,611,744	1,758,114	1,883,763	2,229,099	3,442,641
Total	\$ 3,612,174	\$ 5,440,804	\$ 5,166,558	\$ 7,076,213	\$ 9,104,694	\$ 9,348,785	\$ 9,558,550	\$ 8,790,134	\$ 9,473,073	\$ 12,252,050
Annual Debt Service	\$ 2,754,954	\$ 2,879,137	\$ 1,920,876	\$ 1,908,648	\$ 1,907,820	\$ 2,051,271	\$ 3,135,978	\$ 3,134,015	\$ 3,136,699	\$ 3,133,956
Coverage Percentage	131%	189%	269%	371%	477%	456%	305%	280%	302%	391%
Required Percentage	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%

### Salinas Valley Solid Waste Authority Demographic Statistics (unaudited) Last Ten Fiscal Years

	Monter	ey C	Count	у,	CP
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Year	Unemployment Rate (1)	Population (2)	Personal Income (000) (3)	Personal Income Per Capita (4)
6/30/2013	8.5%	429,123	19,233,171	44,851
6/30/2014	7.1%	431,344	19,889,054	46,109
6/30/2015	6.8%	433,898	21,623,627	49,836
6/30/2016	6.1%	435,232	19,164,943	44,034
6/30/2017	5.5%	437,907	23,819,797	54,395
6/30/2018	4.2%	435,594	24,477,179	53,625
6/30/2019	4.7%	434,061	25,973,189	56,545
6/30/2020	14.4%	430,906	26,504,847	61,510
6/30/2021	7.3%	437,325	N/A	N/A
6/30/2022	4.5%	N/A	N/A	N/A

#### Sources:

- (1) California Employment Development Department; Labor Market Info Division
- (2) U.S. Census Bureau
- (3) U.S. Department of Commerce, Bureau of Economic Analysis (in thousands)
- (4) U.S. Department of Commerce, Bureau of Economic Analysis

Salinas Valley Solid Waste Authority
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs) (unaudited)

MSA and Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SALINAS MSA										
Total										
No. of Businesses	11,195	11,717	11,038	12,180	12,274	12,681	13,380	13,648	13,735	13,907
No. of Employees	155,869	158,846	160,954	170,385	170,383	173,386	178,844	181,536	164,126	172,939
Payroll (in thousands)	\$1,451	\$1,508	\$1,565	\$1,684,580	\$1,823,620	\$1,868,529	\$1,946,321	\$2,030,131	\$1,947,964	\$2,209,513
Agriculture										
No. of Businesses	532	540	546	539	520	530	548	557	561	566
No. of Employees	60,673	62,874	66,033	67,029	66,347	67,159	69,481	70,231	67,795	68,579
Payroll (in thousands)	\$473	\$521	\$558	\$596,901	\$658,994	\$675,089	\$702,286	\$722,652	\$739,270	\$816,000
Utilities										
No. of Businesses	21	21	22	20	20	20	21	23	22	21
No. of Employees	868	872	763	789	784	804	788	803	829	538
Payroll (in thousands)	\$19	\$21	\$183	\$20,427	\$21,753	\$22,014	\$21,481	\$23,302	\$25,955	\$17,537
Construction and Mining										
No. of Businesses	787	825	857	886	914	951	1,042	1,066	1,095	1,104
No. of Employees	4,673	4,823	5,080	5,538	6,067	6,416	6,538	6,888	6,485	6,793
Payroll (in thousands)	\$59	\$62	\$66	\$75,409	\$91,161	\$94,666	\$94,772	\$108,057	\$104,888	\$112,696

- (1) Data are confidential if there are fewer than 3 businesses in a category or one employer makes up 80 percent or more of the employment in a category.
- (2) Data are suppressed because confidential data could be extrapolated if these totals were included.
- (3) Data do not include totals for government employment.
- (4) Data is reported at September 30 each year.
- (5) Data for the mining industry is combined with the construction industry beginning in 2008
- (6) Rules instituted by the Federal Bureau of Labor Statistics after September 11, 2001, prohibit state departments of labor or economic security from publicly identifying the names of individual employers.
- (7) 2022 Data is not yet available.

**Definitions of Terms and Source Notes** 

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

Salinas Valley Solid Waste Authority
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs) (unaudited)

MSA and Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Manufacturing										
No. of Businesses	248	265	267	259	264	271	289	296	276	292
No. of Employees	5,287	5,439	5,337	5,685	5,529	5,759	5,538	5,311	4,695	5,096
Payroll (in thousands)	\$63	\$60	\$61	\$65,737	\$69,340	\$73,079	\$69,305	\$71,060	\$66,334	\$72,847
Wholesale Trade										
No. of Businesses	377	368	411	384	375	366	375	379	376	387
No. of Employees	5,480	5,227	4,710	5,459	5,548	5,868	5,923	5,836	5,369	5,317
Payroll (in thousands)	\$88	\$93	\$60	\$94,037	\$101,499	\$99,856	\$101,941	\$100,277	\$98,253	\$103,086
SALINAS MSA										
Retail Trade										
No. of Businesses	1,195	1,175	1,358	1,199	1,212	1,188	1,199	1,193	1,220	1,222
No. of Employees	15,812	16,144	16,969	16,366	16,356	16,241	16,684	16,671	15,346	15,983
Payroll (in thousands)	\$120	\$120	\$114	\$128,116	\$134,773	\$134,980	\$141,741	\$147,826	\$148,372	\$169,595
Transportation and Warehousin	ng									
No. of Businesses	230	239	240	269	266	283	313	329	335	347
No. of Employees	3,085	3,309	2,814	3,907	3,817	3,493	3,352	3,531	2,995	3,236
Payroll (in thousands)	\$38	\$40	\$26	\$48,726	\$46,978	\$45,508	\$44,062	\$45,883	\$40,301	\$46,267

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Salinas Valley Solid Waste Authority
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs) (unaudited)

MSA and Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Information										
No. of Businesses	102	102	119	84	88	87	93	96	94	98
No. of Employees	1,525	1,517	2,307	1,325	1,126	1,036	1,028	994	735	852
Payroll (in thousands)	\$23	\$24	\$31	\$23,019	\$17,431	\$15,534	\$14,268	\$14,254	\$12,894	\$14,518
Finance and Insurance										
No. of Businesses	345	333	375	333	354	349	366	363	352	345
No. of Employees	2,480	2,235	3,711	2,247	2,354	2,430	2,514	2,442	2,290	2,155
Payroll (in thousands)	\$46	\$43	\$51	\$45,027	\$49,584	\$51,645	\$51,634	\$48,911	\$48,964	\$50,686
Real Estate and Rental and Lea	asing									
No. of Businesses	369	380	428	387	382	390	421	426	451	459
No. of Employees	1,753	1,639	2,313	1,781	1,803	1,933	2,032	1,960	1,780	1,978
Payroll (in thousands)	\$18	\$18	\$20	\$20,113	\$22,487	\$22,408	\$24,369	\$24,675	\$23,178	\$26,708
Services										
No. of Businesses	6,989	7,469	6,415	7,820	7,879	8,246	8,706	8,920	8,953	9,066
No. of Employees	54,233	54,767	50,917	60,259	60,652	62,247	64,714	66,869	55,807	62,412
Payroll (in thousands)	\$503	\$506	\$395	\$567,068	\$609,620	\$633,751	\$674,084	\$723,235	\$639,626	\$779,575

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**Definitions of Terms and Source Notes** 

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

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

Fiscal Year	New Single Family Residence	Other Residential	Total Residential	Nonresidential	Total All Building Permits
6/30/2013	118	1,578	1,696	522	2,218
6/30/2014	119	1,958	2,077	338	2,415
6/30/2015	204	2,340	2,544	452	2,996
6/30/2016	268	2,597	2,865	478	3,343
6/30/2017	892	2,076	2,968	470	3,438
6/30/2018	830	2,196	3,026	513	3,539
6/30/2019	764	1,948	2,712	554	3,266
6/30/2020	244	1,938	2,182	519	2,701
6/30/2021	126	2,130	2,256	169	2,425
6/30/2022	856	2,822	3,678	281	3,959

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

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

Date	Single Family Residential Detached	Single Family Residential Attached	Multiple Two to Four	Multiple Five Plus	Mobile Homes
1/1/2013	87,563	8,903	12,412	23,753	5,677
1/1/2014	87,723	8,910	12,494	24,005	5,685
1/1/2015	87,833	8,910	12,513	24,232	5,689
1/1/2016	88,062	8,911	12,496	24,269	5,697
1/1/2017	88,326	8,888	12,550	24,334	5,723
1/1/2018	88,711	8,899	12,555	24,436	5,729
1/1/2019	89,227	8,904	12,573	24,576	5,727
1/1/2020	89,107	8,933	12,661	24,742	5,727
1/1/2021	89,986	8,952	12,727	24,872	5,728
1/1/2022	91,437	9,048	13,055	25,779	5,806

### Source:

CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State

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

Fiscal		Authority's Employee	es by Department	
Year	Finance & Administration	Engineering	Operations	Diversion
6/30/2013	10	1	19	5
6/30/2014	9	1	21	5
6/30/2015	9	1	29	5
6/30/2016	9	1	33	5
6/30/2017	9	1	37	5
6/30/2018	9	2	36	7
6/30/2019	9	2	38	6
6/30/2020	9	3	41	6
6/30/2021	9	4	43	6
6/30/2022	9	4	44	7
	Other Ope	rating and Capacity I	ndicators	
Fiscal	Authority Area	Landfill	Daily Landfill	
Year	(Square Miles)	Acreage	Capacity (tons)	
6/30/2013	3,280.600	943	1,574	
6/30/2014	3,280.600	943	1,574	
6/30/2015	3,280.600	943	1,574	
6/30/2016	3,280.600	943	1,574	
6/30/2017	3,280.600	943	1,574	
6/30/2018	3,280.600	943	1,574	
6/30/2019	3,280.600	943	1,574	
6/30/2020	3,280.600	943	1,574	
6/30/2021	3,280.600	943	1,574	
6/30/2022	3,280.600	943	1,574	
Source:				
Authority Area -	U.S. Census Bureau			
Other data -	From Internal Sources			

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

Function	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2021
Finance & Administration										
Vehicles	1	1	2	2	2	2	2	2	2	2
Computer Equipment	10	10	9	9	9	9	9	9	9	9
Buildings	1	1	1	1	1	1	1	1	1	1
Buildings (square footage)	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	26,400
Operations										
Vehicles	13	14	17	26	26	26	26	27	29	29
Machinery & Equipment										
Forklifts/Hydraulic Lifts	2	2	2	2	2	2	2	3	3	4
Heavy Equipment	6	7	10	13	15	15	15	18	18	18
Water Truck	1	1	3	4	4	4	4	4	4	4
Bulldozers	-	-	2	2	2	2	2	3	3	3
Computer Equipment	8	8	9	9	9	9	9	10	10	10
Fuel Tanks	2	2	2	2	2	2	2	2	2	2
Buildings	10	10	10	10	10	10	10	10	10	10
Buildings (square footage)	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110
Landfills	4	4	4	4	4	4	4	4	4	4
Flares	4	4	4	4	5	5	5	5	5	5
Site Security Systems	1	1	1	3	4	4	4	4	4	4
Leachate Systems	3	3	3	3	3	3	3	3	3	3
Gas Monitoring Wells	40	40	40	40	40	40	40	40	40	40
Water Wells	48	48	48	48	48	48	48	48	48	48
Water Tanks	3	3	3	3	3	3	3	7	7	7
Land (acreage)	943	943	943	943	943	943	943	943	943	943
Landfill Gas to Energy-Gas Scrubber	-	1	1	1	1	1	1	1	1	1
Food Waste De-Packaging System	-	-	-	-	-	-	1	1	1	1
Composting System	-	-	-	-	-	-	-	1	1	1
Resource Recovery										
Vehicles	3	3	2	3	4	4	4	4	4	4
Computer Equipment	5	5	6	6	6	6	6	6	6	6



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October 6, 2022 Board of Directors of Salinas Valley Solid Waste Authority

We have audited the financial statements of Salinas Valley Solid Waste Authority (Authority) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 12, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 and 16 to the financial statements, the Authority changed accounting policies related to Leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, in 2022. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Net Position. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

During 2022, all of the Authority 's 2014 refunding revenue bonds were in-substance defeased through the issuance of advance refunding bonds. In accordance with GASB Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities, the difference between the amount placed in escrow to repay the refunded bonds and the carrying amount of the refunded bonds is being deferred and amortized as a component of interest expense over the remaining life of the refunded bonds.

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

Management's estimate of the allowance for doubtful accounts is based on historical collections and an analysis of the collectability of individual accounts.

Management's estimate of landfills is depreciated based on units-of-consumption. Units-of-consumption depreciation rates are determined annually for the operating landfill at Johnson Canyon.

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

Management's estimate of depreciation other than landfill cells is based on the straight-line method over the estimated useful lives of capital assets.

Management's estimate of closure and postclosure maintenance costs are based on studies performed by the Authority's engineers annually and submitted to the California Integrated Waste Management Board and the Regional Water Control Board annually.

Management's estimate of the net pension asset and related deferred outflows and inflows of resources are based on actuarially determined amounts in accordance with the parameters of GASB Statement No. 68.

Management's estimate of the net OPEB asset and related deferred outflows and inflows of resources are based on actuarially determined amounts in accordance with the parameters of GASB Statement No. 75.

Management's estimate of lease receivable and lease payable are based on the present value of future non-cancellable lease payments in accordance with GASB Statement No. 87.

We evaluated the key factors and assumptions used to these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

The disclosure of Landfill Closure and Postclosure Requirements in Note 10 to the financial statements describe the estimates and judgements used to calculate the cost and future liability for landfills.

The disclosure of Retirement Programs in Note 12 to the financial statements presents the net pension asset and related deferred outflows and inflows of resources using actuarial assumptions in accordance with GASB Statement No. 68 as of the measurement date of June 30, 2021.

The disclosure of Other Post-Employment Benefit (OPEB) Plan in Note 13 to the financial statements presents the net OPEB asset and related deferred outflows and inflows of resources using actuarial assumptions in accordance with GASB Statement No. 75 as of the measurement date of June 30, 2021.

The disclosure of Commitments and Contingencies in Note 15 to the financial statements present the risk management exposure of the Authority and the corrective action plan for the landfills.

The disclosure of Leases in Note 16 to the financial statements presents the effect of the implementation of GASB Statement No. 87 and describe the methods and assumptions used in determining the lease receivable and lease payable.

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

Difficulties Encountered in Performing the Audit

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

### Disagreements with Management

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

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2022.

### Management Consultations with Other Independent Accountants

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

### Other Audit Findings or Issues

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

The circumstances that led to an expected emphasis-of-matter paragraph related to the change in accounting principle were the effects of the implementation of GASB Statement No. 87, *Leases*. As described in Note 1 and Note 16, the Authority adopted new accounting guidance that required the recognition of a lease receivable and a lease payable on the Authority's financial statements. Our opinion was not modified with respect to this matter.

#### Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the schedule of the Authority's proportionate share of the net pension liability and related ratios as of measurement date – cost sharing defined benefit pension plan, the schedule of statutorily required employer contributions pension plan, the schedule of changes in the Authority's net OPEB liability and related ratios as of measurement date, and the schedule of employer OPEB contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section and the statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Restriction on Use

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

McGilloway, Ray, Brown & Kaufmar\_

McGilloway, Ray, Brown & Kaufman



# Annual Comprehensive Financial Report

Salinas Valley Solid Waste Authority Board of Directors October 20, 2022

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### **Annual Comprehensive Financial Report**

- Auditors
  - McGilloway, Ray, Brown & Kaufman
- Finance Staff
  - Ray Hendricks Finance and Administration
     Manager
  - Ernesto Natera Business Services Supervisor
  - Salma Sandoval Accounting Technician
  - Linda Vasquez Accounting Technician

### **Report Highlights**

- Annual Comprehensive Financial Report
  - Includes Statistical Section
  - Will be submitted to Government Finance Officers
     Association after the board meeting for review
     under the Certificate of Achievement for
     Excellence in Financial Reporting
  - No Management Letter

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### **New GASB Pronouncements**

- Statement No. 87
  - Leases
- Statement No. 89
  - Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 92
  - Omnibus 2020
- Statement No. 97
  - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

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## **Financial Highlights**

- Operating Revenues (p.5)
  - Increase \$ 1,022,850
- Operating Expenses (p.5)
  - Increased \$2,337,501
    - Depreciation Increase \$1,213,538
    - Closure/Post-Closure Increase \$3,158,402
    - Personnel Decrease (\$2,778,424)
    - Other Operating Increases \$743,985
- Tons Landfilled (p.7)
  - Increased 6,626 tons

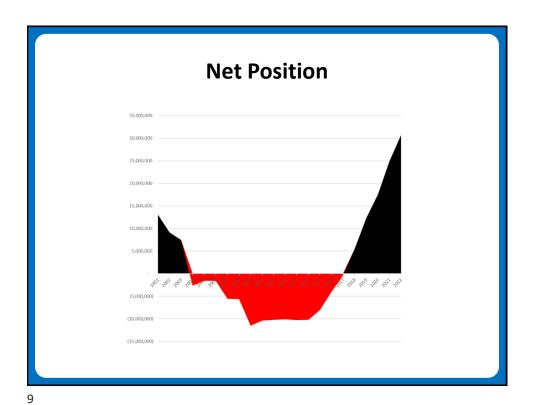
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Salinas Valley Solid Waste Authority								
Condensed Statement of Revenues, Expenses, and Changes in Net Position								
For the Years Ended June 30, 2022 and 2021								
	2022	2021	Change	% Change				
Operating Revenues								
Charges for Services	\$ 24,387,160	\$ 23,479,213	\$ 907,947	3.9%				
Sales of Materials	800,507	679,691	120,816	17.8%				
Total Operating Revenues	25,187,667	24,158,904	1,028,763	4.3%				
Operating Expenses	18,055,241	15,717,740	2,337,501	14.9%				
Operating Income/(Loss)	7,132,426	8,441,164	(1,308,738)	-15.5%				
Non-Operating Revenues								
Grants and Contributions	82,152	88,061	(5,909)	-6.7%				
Other Non-Operating Revenue	23,611	-	23,611					
Investment Earnings/(Losses)	(323,781)	21,687	(345,468)	-1593.0%				
Total Non-Operating Revenue	(218,018)	109,748	(327,766)					
Non-Operating Expenses		· · · · · · · · · · · · · · · · · · ·						
Bond Issuance Cost	(371,882)	-	(371,882)					
Interest Expense	(776,122)	(1,209,230)	433,108	-35.8%				
Total Non-Operating Expenses	(1,148,004)	(1,209,230)	61,226	-5.1%				
Income Before Capital Contribution	5,766,404	7,341,682	(1,575,278)	-21.5%				
Capital Contribution (Grant)		52,679	(52,679)	-100.0%				
Change in Net Position	5,766,404	7,394,361	(1,627,957)	-22.0%				
Total Net Position Beginning	24,913,805	17,519,444	7,394,361	42.2%				
Net Position End of Year	\$ 30,680,209	\$ 24,913,805	\$ 5,766,404	23.1%				

	2022	2021	Change
Assets:			
Current Assets	\$ 30,120,743	\$ 30,724,193	\$ (603,450)
Other Assets	7,106,221	4,968,341	2,137,880
Capital Assets, Net	42,210,712	36,156,009	6,054,703
Total Assets	79,437,676	71,848,543	7,589,133
Deferred Outflows of Resources	4,236,503	1,567,241	2,669,262
Liabilities:			
Current Liabilities	5,437,955	4,532,499	905,456
Long Term Liabilities	46,634,075	43,392,844	3,241,231
Total Liabilities	52,072,030	47,925,343	4,146,687
Deferred Inflows of Resources	921,940	576,636	345,304
Net Position			
Net Investment in Capital Assets	15,430,661	10,393,875	5,036,786
Restricted	476,637	3,256,346	(2,779,709)
Unrestricted	12,772,911	11,263,584	1,509,327
Total Net Assets (Deficit)	\$ 28,680,209	\$ 24,913,805	\$ 3,766,404

### **Net Position**

Fixed Assets (Net) Debt (Net) Net Change Investment in Capital Assets	2022	2021	Change
	42,210,712	36,156,009	6,054,703
	(26,942,706)	(26,307,161)	(635,545)
	15,268,006	9,848,848	5,419,158
OPEB/Pension (Net) Restricted Cash for Pension Net OPEB/Pension	3,740,444	638,822	3,101,622
	250,268	182,919	67,349
	3,990,712	821,741	3,168,971
Post Closure Payable	(18,511,238)	(17,414,758)	(1,096,480)
Closure Payable	(2,744,273)	(1,839,989)	(904,284)
Total Closure/Post Closure	(21,255,511)	(19,254,747)	(2,000,764)
Cash/Receivables/Payables (Net)  Total Net Position/(Deficit)	32,677,002 30,680,209	33,497,963 24,913,805	(820,961) - 5,766,404



Salinas Valley Solid Waste Authority
-Audit Presentation-

Jacinto Acosta Bernal Audit Manager

McGilloway, Ray, Brown & Kaufman
Accountants & Consultants

M R B K

# Required Auditor Communications Letter

- Management is responsible for the selection and use of appropriate accounting policies.
- We noted no transactions entered into by the Authority during the year for which there is lack of authoritative guidance or consensus.
- All significant transactions have been recognized in the financial statements in the proper period.
- Accounting Estimates allowance for uncollectible accounts, capitalization and depreciation of fixed assets and landfills, closure and postclosure liability, pension liability, other postemployment benefits, and deferred outflows and inflows of resources.
  - Evaluated the underlying assumptions in estimates and found them to be appropriate.



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## Required Auditor Communications Letter (continued)

- Sensitive Financial Statement Disclosures Note 10, Landfill Closure and Postclosure Requirements; Note 12, Retirement Programs; Note 13, Other Postemployment Benefit (OPEB); Note 15, Commitments and Contingencies; and Note 16, Leases.
- We encountered no difficulties in working with management in performing the audit and found that staff was well prepared and provided us all of the documentation requested.
- Management Consultations with Other Independent Accountants None
- Timing of the audit Timing went according to schedule and we found no delays, and we had no disagreements with management.
- Other Matters Required Supplementary Information, Other Information accompanying the financial statements that are not RSI, Restriction on Use.



### **Uncorrected Misstatements**

No Material Adjustments!



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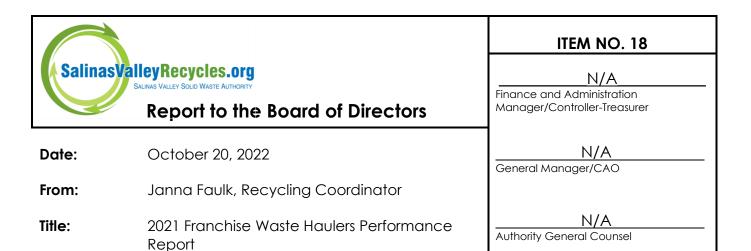
Management Letter Material Deficiency

None noted!



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Published 10/13/2022



# THE ATTACHED PRESENTATION WILL BE GIVEN AT THE MEETING

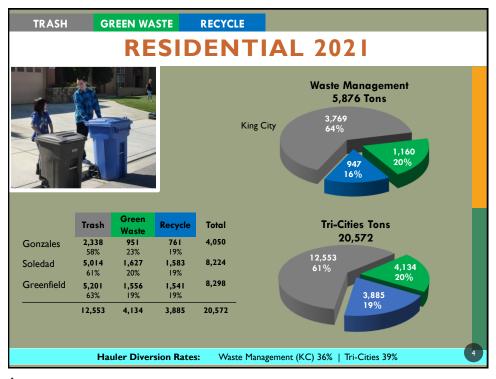
#### **ATTACHMENT**

1. Power Point Presentation

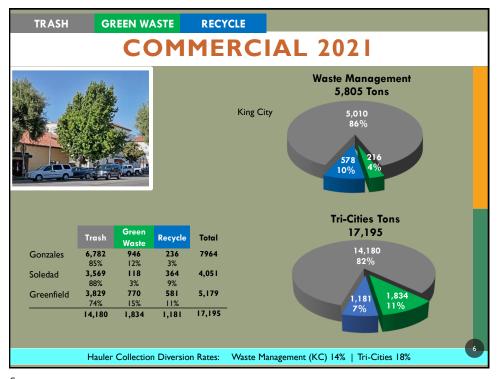






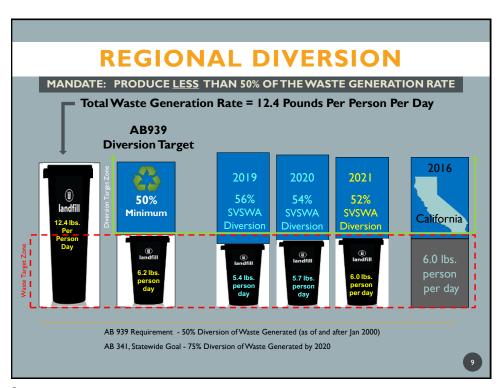


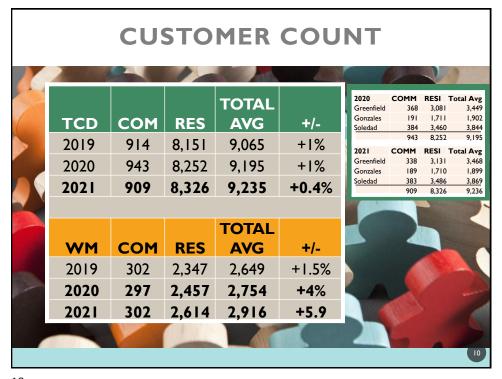




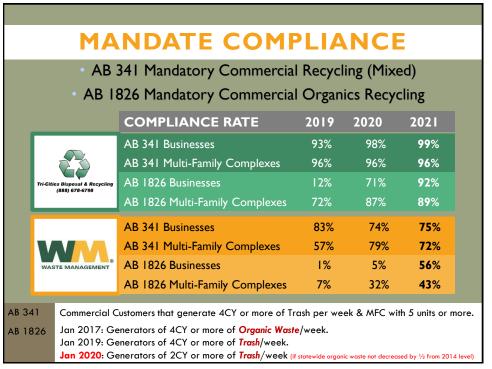


		<b></b>			24/24	
Year	2019	<b>TCDR</b> 2020	2021	2019	WM 2020	2021
rear	2019	2020	2021	2019	2020	2021
RESIDENTIAL	41%	42%	39%	34%	35%	36%
COMMERCIAL	18%	18%	18%	14%	14%	14%
TOTAL OVERALL	31%	31%	29%	24%	25%	25%







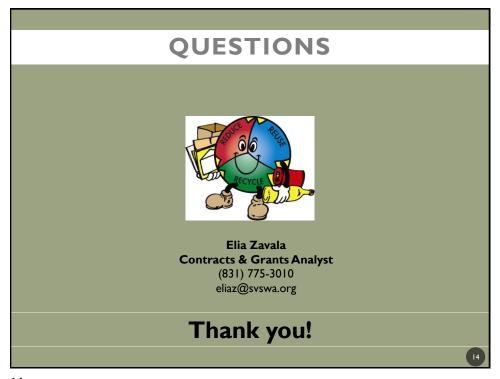


### CONCLUSION

- Haulers Meeting Obligations
- Mandate Compliance Progress
- Food Waste Diversion Commenced
- Waste Tonnage Increasing
- AB939 Regional Diversion Compliance (52%)



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		ITEM No. 19				
####	Nov	Dec	Jan	View Ahead 20	Mar	Apr
A			Election of Officers			
1	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	Member Agencies Activities Report	Member Agencies Activities Report	December 31 Cash & Investments Report	Member Agencies Activities Report	Member Agencies Activities Report	March 31 Cash & Investments Report
4	3rd Qtr. Tonnage & Diversion Report	Reinstate Adopting AB 361	Member Agencies Activities Report	4th Qtr. Tonnage & Diversion Report	Public Hearing: Rate & Fee Sched (EC)	Public Hearing: Rate & Fee Sched
5	Reinstate Adopting AB 361	GM Evaluation (EC)	Annual County Used Oil Report	Any/All Grants Application Authorization	FY 21-22 Proposed Budget (EC)	FY 21-22 Proposed Budget
6	Salaries and Benefits Field Operations Supervisors		Mid Year Budget Adjustment (EC)	Atlas Organics Update		
7	Fund Balance Reserves (EC)		Annual Employee Survey Results (EC)	FY 22-23 Preliminary Budget (EC)		
8	Water Delivery Agreement for JCLF		FY 22-23 Budget Direction (EC)			
9	Scalehouse Software Upgrade					
10	Recycling Recognition Awards					
11	Regional Franchise Procurement (EC)					
12	EFR Grant Awards					

Consent Presentation Consideration

New Officers Nominating

Committee

GM Evaluation (EC)

Closed Session

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

(sp) Strategic Plan Item