



AGENDA Regular Meeting

BOARD OF DIRECTORS

May 16, 2024 | 6:00 p.m.

Gonzales City Council Chambers
117 Fourth Street, Gonzales, California

This meeting will be held in-person.
Public participation remains available virtually via Zoom.
Meeting ID No. 851 6949 4270 | Passcode: 511412

Board Norms

- ✓ Avoid assuming intent or motives.
- ✓ Commit to the shared success of the Authority.
- ✓ Govern as a body.
- ✓ Maintain an Authority perspective and balance it with individual city/county interests.
- ✓ Recognize success.
- ✓ 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.
- ✓ Remain engaged and focused on the agenda and meeting.
- ✓ Approach the business of government in a professional manner.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Board Directors

County: Chris Lopez
 County: Glenn Church, *Alt. Vice President*
 Salinas: Anthony Rocha, *President*
 Salinas: Andrew Sandoval
 Salinas: Carla Viviana Gonzalez
 Gonzales: Elizabeth Silva
 Soledad: Fernando Ansaldo-Sánchez
 Greenfield: Drew Tipton
 King City: Robert S. Cullen

Alternate Directors

County: Luis Alejo
 Salinas: Orlando Osornio
 Gonzales: Scott Funk
 Soledad: Maria Corralejo
 Greenfield: Rachel Ortiz
 King City: Oscar Avalos

TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

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

Meeting ID: 851 6949 4270 | Passcode: 511412

APPROVAL OF AGENDA

GENERAL MANAGER/CAO COMMENTS

DEPARTMENT MANAGER COMMENTS

GENERAL LEGAL COUNCIL COMMENTS

BOARD DIRECTOR COMMENTS

PUBLIC COMMENT

Receive public comment from the 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 April 18, 2024 Meeting.](#)
2. [March 2024 Claims and Financial Report.](#)
3. [Member and Interagency Activities Report for April 2024.](#)
4. [Tonnage and Diversion Report for the Quarter Ended March 31, 2024.](#)
5. [A Resolution Establishing the Investment Policy.](#)

6. [A Resolution Adopting the Revised Financial Policies.](#)
7. [A Resolution Approving Amendment No. 3 Authorizing a One-Year Extension to the Professional Services Agreement with Blue Strike Environmental for SB 1383 Quarterly Organic Waste Sampling Services in an Amount of \\$33,500.](#)
8. [A Resolution Approving a Professional Service Agreement with Social Vocational Services Inc. for Materials Processing and Litter Abatement at the Johnson Canyon Landfill for an Amount of \\$202,000 for Two-Years with Two Optional One-Year Extensions.](#)
9. [A Resolution Approving a Professional Service Agreement with Hope Services Inc. for Materials Processing and Litter Abatement at the Johnson Canyon Landfill in the amount of \\$332,000 for a Two-Year Agreement with Two Optional 1 Year Extensions.](#)
10. [A Resolution Approving Amendment No. 3 Authorizing a Two-Year Extension of the Professional Services Agreement with S. Groner Associates \(SGA\) for Media Marketing Services in an Amount of \\$150,000.](#)
11. [A Resolution Approving Purchasing of Landfill Gas Pipe and Fittings from Core and Main in the Amount of \\$144,090.15.](#)

PRESENTATION

12. [RECYCLING RECOGNITIONS](#)
 - A. Receive Report from Sara Papineau-Brand, Resource Recovery Technician
 - B. Board Questions
 - C. Public Comment
 - D. Board Discussion and Action | *Recommended Action – None; Informational Only*
13. [YOUTH COUNCIL UPDATE](#)
 - A. Receive Report from Julia Brooker and Sara Papineau-Brand, Resource Recovery Technicians
 - B. Board Questions
 - C. Public Comment
 - D. Board Discussion and Action | *Recommended Action – None; Informational Only*
14. [2024 LEGISLATIVE UPDATES](#)
 - A. Receive Report from Patrick Mathews, General Manager/CAO
 - B. Board Questions
 - C. Public Comment
 - D. Board Discussion and Action | *Recommended Action – None; Informational Only*

FUTURE AGENDA ITEMS

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

CLOSED SESSION

Receive public comment from audience before entering into closed session:

16. Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, Finance and Administration Manager Ray Hendricks, and General Counsel Roy C. Santos, concerning the possible terms and conditions of acquisition, lease, exchange or sale of **1)** Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA.

RECONVENE

ADJOURNMENT

Meeting Information

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

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

<https://us02web.zoom.us/j/85169494270?pwd=S2lIRDl0bTJrQm9VeEdBeExNUmdHZz09>.

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 Meeting ID: 851 6949 4270#		Passcode: 511412
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 comment@svswa.org. Comments must be received by 3 p.m. on Thursday, May 16, 2024 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, 126 Sun St., Salinas, on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, and the Authority’s Website on **Thursday, May 9, 2024**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on **Thursday, June 20, 2024**. Staff reports for the Authority Board meetings are available for review at: ▶ Salinas Valley Solid Waste Authority: 126 Sun Street, 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.*

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
APRIL 18, 2024**

117 Fourth Street, Gonzales, Ca 93926

CALL TO ORDER

President Rocha called the meeting to order at 6:00 a.m.

ROLL CALL

Board Directors

City of Salinas	Anthony Rocha, <i>President</i>
City of Salinas	Andrew Sandoval (<i>virtually, logged in at 6:07pm</i>)
City of Gonzales	Liz Silva
City of Soledad	Fernando Ansaldo-Sánchez
City of Greenfield	Drew Tipton
City of King	Robert Cullen

Absent

County of Monterey	Christopher M. Lopez
County of Monterey	Glenn Church, <i>Alternate Vice President</i>
City of Salinas	Carla Viviana Gonzáles

Staff Member Present

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

MEETING ANNOUNCEMENTS

(6:03) Clerk of the Board Trujillo announced in Spanish the availability of translation services via Zoom and in person. No members from the public required the service.

APPROVAL OF AGENDA (6:04)

Staff Comments: None

Board Discussion: None

Public Comment: None

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

Votes: Motion carried 5,0

Ayes: Ansaldo-Sánchez, Cullen, Rocha, Silva, Tipton

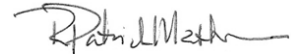
Noes: None

Abstain: None

Absent: Church, Gonzalez, Lopez, Sandoval

ITEM NO. 1

Agenda Item



General Manager/CAO

R. Santos by E.T.

Authority General Counsel
Approval

GENERAL MANAGER/CAO COMMENTS

(6:05) General Manager/CAO Mathews informed the Board that the May meeting will be conflicting with the King City Fair.

BOARD DIRECTOR COMMENTS

(6:05) Director Cullen and Silva indicated they would be absent for the May Board of Directors meeting as they will be attending the King City Fair.

DEPARTMENT MANAGER COMMENTS

(6:06) Finance and Administration Manager Hendricks commented on the scheduling of the rate hearings for the member agencies. Resource Recovery Manager Brooks commented on the Tire Recycling event, the City of Greenfield clean up event, and the Annual Natividad Creek clean up event. Mrs. Brooks reported that the Mattress Recycling Council informed the Authority that for calendar year 2023 the facilities diverted over 13,000 mattresses.

CONSIDERATION

A. Consideration of the Request by Board Member Sandoval to Participate Remotely Due to a Health-Related Medical Emergency that Prevents his Attendance In-Person in Accordance with Government Code § 54954.2(b)(4).

(6:07) General Legal Counsel Santos reported that Director Sandoval had submitted the request to participate remotely in accordance with Government Code §54954.2 (b)(4). He explained that this code does require Director Sandoval's camera to be turned on and if there is anyone accompanying him over the age of 18, they must announce who they are and their relationship to the Director.

Public Comment: None

Board Discussion: None

Motion: Director Cullen made a motion approve Item A. Director Silva seconded the motion.

Votes: Motion carried 5,0

Ayes: Ansaldo-Sánchez, Cullen, Rocha, Silva, Tipton

Noes: None

Abstain: Sandoval

Absent: Church, Gonzalez, Lopez

GENERAL LEGAL COUNSEL

(6:09) General Counsel Santos indicated that moving forward he will be providing updates on current legal affairs that the Authority is working on from a legal aspect and relative changes in law that may impact the Authority or its member agencies.

BOARD DIRECTOR COMMENTS

(6:10) President Rocha welcomed Director Ansaldo-Sánchez to the Board. Director Ansaldo-Sánchez commented on his appointment. Director Cullen commented on the King City town wide clean up event that took place and thanked the Authority for having the Household Hazardous Waste truck at the event. Director Silva commended staff for the Youth Council's Sustainability Fair and Grand Opening of the Education Center on April 6 at the Johnson Canyon Landfill.

PUBLIC COMMENT

(6:12) None

ELECTION OF OFFICERS

B. 2024 Election of Officer – Vice President

(6:13) Director Sandoval on behalf of the Nominating Committee recommended to appoint Director Liz Silva as Vice President.

Public Comment: None

Board Discussion: None

Motion: Director Tipton made a motion to appoint Director Silva as Vice President. Director Ansaldo-Sánchez seconded the motion.

Votes: Motion carried 6,0

Ayes: Ansaldo-Sánchez, Cullen, Rocha, Sandoval, Silva, Tipton

Noes: None

Abstain: None

Absent: Church, Gonzalez, Lopez

CONSENT AGENDA (6:15)

1. Minutes of the March 21, 2024 Meeting.
2. February 2024 Claims and Financial Report.
3. Member and Interagency Activities Report for March 2024.
4. March 2024 Quarterly Investments Report.
5. Resolution No. 2024-16 Approving an Adjustment to the Operating Budget for Fiscal Year 2023-24.
6. Resolution No. 2024-17 Approving a Supplemental Appropriation of \$722,025 for CalRecycle's SB 1383 Local Assistance Grant Program 2022-23, Cycle OWR4.
- 7A. Resolution No. 2024-18 Approving Annual Expenditures in an Amount of \$60,000 with Arroyo Construction for Facility Maintenance and Improvements Services for Fiscal year 2024-25.
- 7B. Resolution No. 2024-19 Approving Annual Expenditures in an Amount of \$60,000 with Cutting Edge Supply for Equipment Maintenance Services for Fiscal year 2024-25.
- 7C. Resolution No. 2024-20 Approving Annual Expenditures in an Amount of \$60,000 with Don Chapin Company for Facility Maintenance and Improvements Services for Fiscal year 2024-25.
- 7D. Resolution No. 2024-21 Approving Annual Expenditures in an Amount of \$60,000 with Emaculent Cleaning Services for Janitorial Services for Fiscal year 2024-25.
- 7E. Resolution No. 2024-22 Approving Annual Expenditures in an Amount of \$90,000 with Fanelli Equipment for Staffing Support Services for Fiscal year 2024-25.
- 7F. Resolution No. 2024-23 Approving Annual Expenditures in an Amount of \$55,000 with EC Tire for Equipment Maintenance Services for Fiscal year 2024-25.
- 7G. Resolution No. 2024-24 Approving Annual Expenditures in an Amount of \$150,000 with Golden State Truck and Trailer Repair to Supply Equipment Maintenance Parts and Services for Fiscal year 2024-25.
- 7H. Resolution No. 2024-25 Approving Annual Expenditures in an Amount of \$50,000 with Green Rubber-Kennedy Ag to Supply Facility Maintenance Parts and Services for Fiscal year 2024-25.
- 7I. Resolution No. 2024-26 Approving Annual Expenditures in an Amount of \$55,000 with Home Depot to Supply Facility Maintenance Supplies and Services for Fiscal year 2024-25.
- 7J. Resolution No. 2024-27 Approving Annual Expenditures in an Amount of \$85,000 with Iconix Water for Facility Maintenance Supplies for Fiscal year 2024-25.

- 7K.** Resolution No. 2024-28 Approving Annual Expenditures in an Amount of \$65,000 with Infinity Staffing for Staffing Support Services Fiscal year 2024-25.
- 7L.** Resolution No. 2024-29 Approving Annual Expenditures in an Amount of \$275,000 with Quinn Caterpillar of Salinas to Supply Equipment Maintenance Parts and Services for Fiscal year 2024-25.
- 7M.** Resolution No. 2024-30 Approving Annual Expenditures in an Amount of \$60,000 with Rossi Tire for Equipment Maintenance Services for Fiscal year 2024-25.
- 7N.** Resolution No. 2024-31 Approving Annual Expenditures in an Amount of \$60,000 with San Lorenzo Lumber to Supply Facility Maintenance Supplies and Services for Fiscal year 2024-25.
- 7O.** Resolution No. 2024-32 Approving Annual Expenditures in an Amount of \$100,000 with SC Fuels to Supply Equipment Maintenance Supplies and Services for Fiscal year 2024-25.
- 7P.** Resolution No. 2024-33 Approving Annual Expenditures in an Amount of \$900,000 with Southern Counties Lubricants for Fuel Delivery Services for Fiscal year 2024-25.
- 7Q.** Resolution No. 2024-34 Approving Annual Expenditures in an Amount of \$125,000 with Valerio's Welding for Equipment Maintenance Services for Fiscal year 2024-25.
- 7R.** Resolution No. 2024-35 Approving Annual Expenditures in an Amount of \$65,000 with West Coast Rubber Recycling for Tire Recycling Services for Fiscal year 2024-25.

Public Comment: None

Board Discussion: None

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

Votes: Motion carried 6,0

Ayes: Ansaldo-Sánchez, Cullen, Rocha, Sandoval, Silva, Tipton

Noes: None

Abstain: None

Absent: Church, Gonzalez, Lopez

CONSIDERATION

8. PARTICIPATION IN THE HEAVENLY VALLEY RANCH RENEWABLE ENERGY PROJECT

(6:16) General Manager/CAO Mathews introduced and explained the Heavenly Valley Ranch Renewable Energy Project. He indicated that the project is a collaboration between the TAP Agricultural Partners, LLC, Ameresco, Inc., Taylor Fresh Foods, Inc., Machado & Sons Construction, and the Authority. He explained the Authority's role and responsibilities as lead agency for Phase One of the project. Mr. Mathews introduced Tim Israel with Ameresco, Sean Kilgrow with Machado and Sons, and Randy Pura with TAP Agricultural Partners, LLC, whom each detailed their role in the project. Mr. Mathews explained the next steps needed to move forwards.

Public Comment: None

Board Discussion: The Board discussed the presentation inquiring about the CEQA process and the lead agency for phase II. The Board expressed their support for the project.

Motion: By consensus the Board instructed staff to gather the information needed to move forward.

PRESENTATION

9. EARTH DAY ENVIRONMENTAL STEWARDSHIP RECOGNITIONS

(7:05) Resource Recovery Technician Guerrero presented certificates of recognition to leaders in the community for being great stewards of the environment; Laura Murphy, Soil Scientist, Zoe Curcio, Conservation and Urban Agriculture Assistant, Jasmine Ruvalcaba, Field Manager from the Resource Conservation District of Monterey County and Julie Lorenzen, Master Gardener and Master Composter from Rancho Cielo's Organic Garden Program.

Public: None

Board Discussion: The Board discussed the presentation and commended the awardees for their great work.

Motion: None; Informational Only

10. UPDATE ON SB 1383 LOCAL ASSISTANCE GRANT PROGRAM

(7:14) Resource Recovery Manager Brooks presented a report on the two-year grant program that the Authority administered on behalf of the five member cities, Salinas, Gonzales, Soledad, Greenfield, and King City. She indicated that the grant funds are to assist with SB 1383 implementation and regulation requirements. Mrs. Brooks detailed the three budget categories that the funds were divided into: equipment and supplies, education and outreach, and procurement, and specified that 100% of the grant funds had been fully expended. A second round of funding was awarded, and the budget was approved by the Board at this meeting under the Consent Agenda.

Public Comment: Laura Murphy, Soil Scientist with the Resource Conservation District of Monterey County (CDMC) commented on the involvement of the CDMC in managing contracts with municipalities to assisting in the implementation of SB 1383 and procurement targets throughout the Monterey County.

Board Discussion: The Board discussed the presentation.

Motion: None; Informational Only

(7:27) Director Sandoval logged off.

FUTURE AGENDA ITEMS (7:31)

11. AGENDA ITEMS – VIEW AHEAD SCHEDULE

CLOSED SESSION

12. Pursuant to **Government Code Section 54956.9** to conference with legal counsel regarding commencing litigation. Case: One (1).

(7:32) President Rocha invited public comment related to item numbered 12.

PUBLIC COMMENT

None

ADJOURNED

(7:33) President Rocha adjourned the meeting into Closed Session to discuss item numbered 12.

RECONVENE

(8:22) President Rocha reconvened the meeting to open session indicating that there were no reportable actions taken in the closed session.

ADJOURNED

(8:23) President Rocha adjourned the meeting.

APPROVED: _____
Anthony Rocha, President

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



Report to the Board of Directors

ITEM NO. 2

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

N/A

General Counsel

Date: May 16, 2024
From: C. Ray Hendricks, Finance and Administration Manager
Title: March 2024 Claims and Financial Reports

RECOMMENDATIONS

The Executive Committee recommends acceptance of the March 2024 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of March for a summary of the Authority's financial position as of March 31, 2024. The following are highlights of the Authority's financial activity for the month of March.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of March 2024, operating revenues exceeded expenditures by \$751,289.

Revenues (Consolidated Statement of Revenues and Expenditures)

	March Budget	March Actual	Over/(Under)	
Tipping Fees - Solid Waste	1,066,398	1,144,008	77,610	7.3%
Tipping Fees - Diverted Materials	275,231	369,482	94,251	34.2%
Other Revenues	585,547	597,283	11,736	2.0%
Total Revenue	1,927,176	2,110,773	183,597	9.5%

Solid Waste revenues for March were \$77,610 or 7.3% over budgeted amounts. Diverted Material revenues for March were \$94,251 or 34.2% over budgeted amounts. March total revenue was \$183,597 or 9.5% over budgeted amounts.

	Y-T-D Budget	Y-T-D Actual	Over/(Under)	
Tipping Fees - Solid Waste	9,973,766	11,151,999	1,178,233	11.8%
Tipping Fees - Diverted Materials	2,322,184	2,747,895	425,711	18.3%
Other Revenues	5,629,272	6,299,458	670,186	11.9%
Total Revenue	17,925,222	20,199,352	2,274,130	12.7%

Solid Waste revenues year to date as of March were \$1,178,233 or 11.8% over budgeted amounts. Diverted Material revenues year to date as of March were \$425,711 or 18.3% over budgeted amounts. Year to date total revenue as of March was \$2,274,130 or 12.7% over budgeted amounts.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of March 31, 2024 (75.0% of the fiscal year), year-to-date operating expenditures totaled \$17,338,793. This is 75.9% of the operating budget of \$22,840,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of March 2024, capital project expenditures totaled \$1,021,375. \$661,000 was for Equipment Replacement. \$189,000 was for the CH Postclosure Maintenance. \$115,871 was for SB1383 Local Assistance Grant Program. \$17,209 was for JR Transfer Station Improvements. \$14,553 was for LR Postclosure Maintenance. \$12,041 was for Administrative Office Improvements.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of March 2024 is attached for review and acceptance. March disbursements totaled \$2,310,056.96, of which \$624,971.50 was paid from the payroll checking account for payroll and payroll related benefits.

The following is a list of vendors paid more than \$50,000 during the month of March 2024.

Vendor	Services	Amount
Jack G. Bentley	2020 836K Compactor	\$425,000.00
Wilson Equipment, LLC.	2017 CAT D6N XL	\$236,000.00
Atlas Organics CU11, LLC.	Monthly Organics Processing	\$157,581.81
Recon Refractory & Construction, Inc.	CH LFG Maintenance Supplies	\$117,914.00
Zero Foodprint	RR Collections Programs	\$108,420.00
Southern Counties Lubricants, LLC.	All Sites Equipment & Vehicle Fuel	\$74,729.27

Cash Balances

The Authority's cash position decreased by \$201,808.97 during March to \$35,406,471.01. 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 principal payments is transferred in July. 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	5,122,191.83
Restricted for Pension Liabilities (115 Trust)	-
State & Federal Grants	(18,022.14)
BNY - Bond 2022A Payment	-

Funds Held in Trust:

Central Coast Media Recycling Coalition	97,642.13
Employee Unreimbursed Medical Claims	4,030.15

Committed by Board Policy:

AB939 Services	(407,050.37)
Undesignated Fund Balance	-
Designated for Capital Projects Reserve	4,093,074.71
Designated for Environmental Impairment Reserve	2,678,486.88
Designated for Operating Reserve	3,264,000.00
Expansion Fund (South Valley Revenues)	4,957,231.65

Assigned for Post Closure and Capital Improvements

Crazy Horse Post Closure	788,272.06
Lewis Road Post Closure	232,566.66
Jolon Road Post Closure	113,106.61
Johnson Canyon Post Closure	2,683,233.46
Capital Improvement Projects	11,398,374.20

Available for Operations: 399,333.18

Total	<u>35,406,471.01</u>
-------	----------------------

ATTACHMENTS

1. March 2024 Consolidated Statement of Revenues and Expenditures
2. March 2024 Consolidated Grant and CIP Expenditures Report
3. March 2024 Checks Issued Report

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Revenue Summary</u>							
Tipping Fees - Solid Waste	13,532,700	1,144,008	11,151,999	82.4 %	2,380,701	0	2,380,701
Tipping Fees - Diverted Materials	3,232,600	369,482	2,747,895	85.0 %	484,705	0	484,705
AB939 Service Fee	4,103,000	341,918	3,077,262	75.0 %	1,025,738	0	1,025,738
Charges for Services	2,668,000	220,883	2,085,202	78.2 %	582,798	0	582,798
Sales of Materials	245,000	7,981	119,082	48.6 %	125,918	0	125,918
Gas Royalties	290,000	0	129,539	44.7 %	160,461	0	160,461
Investment Earnings	500,000	26,501	888,373	177.7 %	(388,373)	0	(388,373)
Total Revenue	24,571,300	2,110,773	20,199,352	82.2 %	4,371,948	0	4,371,948
<u>Expense Summary</u>							
Executive Administration	568,000	36,119	403,030	71.0 %	164,970	32	164,939
Administrative Support	584,300	43,968	349,063	59.7 %	235,237	18,558	216,678
Human Resources Administration	296,100	16,159	210,919	71.2 %	85,181	2,904	82,277
Clerk of the Board	252,000	13,670	180,135	71.5 %	71,865	32	71,834
Finance Administration	1,010,100	58,066	708,439	70.1 %	301,661	818	300,843
Operations Administration	773,900	47,930	584,315	75.5 %	189,585	2,211	187,375
Resource Recovery	1,551,350	93,185	1,084,478	69.9 %	466,872	96	466,776
Marketing	75,600	7,944	39,683	52.5 %	35,917	29,805	6,112
Public Education	222,950	4,435	166,645	74.7 %	56,305	38,605	17,700
Household Hazardous Waste	860,700	67,727	535,007	62.2 %	325,693	10,375	315,319
C & D Diversion	208,300	35,595	128,003	61.5 %	80,297	17,726	62,572
Organics Diversion	2,225,700	178,577	1,452,966	65.3 %	772,734	632,089	140,645
Diversion Services	40,000	2,365	24,387	61.0 %	15,613	0	15,613
JR Transfer Station	774,400	88,386	614,105	79.3 %	160,295	2,593	157,702
JR Recycling Operations	207,200	14,050	151,319	73.0 %	55,881	0	55,881
ML Transportation Operations	2,287,600	137,160	1,773,048	77.5 %	514,552	46,700	467,853

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
ML Recycling Operations	699,900	55,568	551,104	78.7 %	148,796	33,799	114,997
JC Landfill Operations	4,330,500	278,363	3,236,452	74.7 %	1,094,048	327,315	766,732
JC Recycling Operations	755,900	36,953	475,739	62.9 %	280,161	37,110	243,050
Johnson Canyon ECS	430,800	23,218	264,378	61.4 %	166,422	59,929	106,493
Sun Street ECS	192,100	4,358	169,993	88.5 %	22,107	0	22,107
Debt Service - Interest	413,200	0	413,116	100.0 %	84	0	84
Debt Service - Principal	2,700,000	0	2,700,000	100.0 %	0	0	0
Closure/Post Closure Set-Aside	334,400	28,046	272,114	81.4 %	62,286	0	62,286
Cell Construction Set-Aside	1,045,000	87,643	850,356	81.4 %	194,644	0	194,644
Total Expense	22,840,000	1,359,484	17,338,793	75.9 %	5,501,207	1,260,695	4,240,512
Revenue Over/(Under) Expenses	1,731,300	751,289	2,860,559	165.2 %	(1,129,259)	(1,260,695)	131,436

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 131 - Crazy Horse Post-Closure Fund</u>							
131 9316 CH Corrective Action Program	253,000	0	83	0.0 %	252,917	0	252,917
131 9319 CH LFG System Improvements	146,500	0	0	0.0 %	146,500	0	146,500
131 9321 CH Postclosure Maintenance	1,002,074	189,000	614,207	61.3 %	387,867	59,696	328,171
Total Fund 131 - Crazy Horse Post-Closure	1,401,574	189,000	614,290	43.8 %	787,284	59,696	727,588
<u>Fund 141 - Lewis Road Post-Closure Fund</u>							
141 9402 LR LFG Well Replacement	80,000	0	0	0.0 %	80,000	0	80,000
141 9403 LR Postclosure Maintenance	369,216	14,553	216,721	58.7 %	152,496	30,940	121,555
Total Fund 141 - Lewis Road Post-Closure F	449,216	14,553	216,721	48.2 %	232,496	30,940	201,555
<u>Fund 161 - Jolon Road Post-Closure Fund</u>							
161 9604 JR Postclosure Maintenance	377,758	1,318	264,652	70.1 %	113,107	6,726	106,381
Total Fund 161 - Jolon Road Post-Closure F	377,758	1,318	264,652	70.1 %	113,107	6,726	106,381
<u>Fund 211 - Grants</u>							
211 9217 Micro Grants for Mattress Collectio	20,000	0	0	0.0 %	20,000	0	20,000
211 9228 Tire Amnesty 2021-22	1,551	0	1,551	100.0 %	0	0	0
211 9230 SB1383 Local Assistance Grant Pr	231,635	115,871	217,429	93.9 %	14,206	2,855	11,351
211 9231 Tire Amnesty 2023-24	83,995	0	0	0.0 %	83,995	0	83,995
211 9261 Cal Recycle - 2021-22 CCPP	4,720	0	4,720	100.0 %	0	0	0
211 9262 CalRecycle - Household Hazardous	100,000	0	39,970	40.0 %	60,030	0	60,030
211 9263 Cal Recycle - 2022-23 CCPP	22,139	650	14,397	65.0 %	7,742	0	7,742
Total Fund 211 - Grants	464,040	116,521	278,068	59.9 %	185,973	2,855	183,118
<u>Fund 800 - Capital Improvement Projects Fu</u>							
800 9101 Equipment Replacement	3,040,685	661,000	1,415,600	46.6 %	1,625,085	810,713	814,372
800 9105 Concrete Grinding	54,614	0	0	0.0 %	54,614	0	54,614
800 9107 Scale House Software Upgrade	68,180	0	19,271	28.3 %	48,909	0	48,909
800 9109 Organics Infrastructure Upgrades	3,000,000	0	0	0.0 %	3,000,000	0	3,000,000

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9110 Administration Office Improvements	120,000	12,041	120,000	100.0 %	0	0	0
800 9214 Organics Program 2016-17	715,898	0	0	0.0 %	715,898	0	715,898
800 9223 Outdoor Education Center	13,145	0	12,710	96.7 %	435	0	435
800 9322 North County Transfer Station	150,000	0	0	0.0 %	150,000	148,702	1,298
800 9501 JC LFG System Improvements	422,977	4,882	256,493	60.6 %	166,484	51,254	115,230
800 9505 JC Partial Closure	206,335	4,774	23,316	11.3 %	183,019	226	182,793
800 9506 JC Litter Control Barrier	104,625	0	0	0.0 %	104,625	0	104,625
800 9507 JC Corrective Action	250,070	0	2,078	0.8 %	247,992	0	247,992
800 9509 JC Groundwater Well	400,000	0	400,000	100.0 %	0	0	0
800 9521 JC Entrance Facility	200,000	0	0	0.0 %	200,000	0	200,000
800 9527 JC Module Engineering and Constr	3,130,188	77	67,738	2.2 %	3,062,450	0	3,062,450
800 9528 Roadway Improvements	500,049	0	0	0.0 %	500,049	74,960	425,089
800 9601 JR Transfer Station Improvements	782,611	17,209	554,451	70.8 %	228,159	1,086	227,073
800 9603 JR Well Replacement	250,000	0	0	0.0 %	250,000	116,251	133,749
Total Fund 800 - Capital Improvement Proje	13,409,376	699,983	2,871,658	21.4 %	10,537,718	1,203,192	9,334,527
Total CIP Expenditures	16,101,965	1,021,375	4,245,388	26.4 %	11,856,577	1,303,409	10,553,169

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33159	AMERICAN SUPPLY CO. Adm. bldg. Janitorial Supplies	3/7/2024	285.53	285.53
33160	ASBURY ENVIRONMENTAL SERVICES HHW Hauling & Disposal	3/7/2024	200.00	200.00
33161	BANK OF NEW YORK Finance Adm Bank Fee	3/7/2024	2,000.00	2,000.00
33162	BRIAN KENNEDY LR Maintenance Supplies Conference Travel USCC Annual Conference	3/7/2024	77.56 72.53	150.09
33163	BRYAN EQUIPMENT JC Equipment Maintenance	3/7/2024	133.55	133.55
33164	CDW GOVERNMENT Admin. Software	3/7/2024	326.27	326.27
33165	CESAR ZUÑIGA Adm Bldg. Remodeling	3/7/2024	1,308.68	1,308.68
33166	CLARK PEST CONTROL, INC ML Exterminator Services	3/7/2024	115.00	115.00
33167	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	3/7/2024	370.13	370.13
33168	DOUGLAS NOLAN School Assembly Program	3/7/2024	2,750.00	2,750.00
33169	Elevator Service Co. of Central California Inc. Common Area Maintenance	3/7/2024	255.00	255.00
33170	ERIC AMARAL Boot Reimbursement	3/7/2024	227.58	227.58
33171	ERIC GARCIA JR Vehicle Maintenance ML Vehicle Maintenance	3/7/2024	170.00 1,190.00	1,360.00
33172	ERNEST BELL D. JR All Sites Janitorial Services	3/7/2024	4,340.00	4,340.00
33173	FEDEX Ops Adm Overnight Shipments	3/7/2024	469.38	469.38
33174	FIRST ALARM Alarm Services	3/7/2024	70.00	70.00
33175	FRESNO OXYGEN JC Equipment Maintenance Supplies	3/7/2024	101.98	101.98

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33176	GOLDEN STATE TRUCK & TRAILER REPAIR JC Facility Maintenance ML Vehicle Maintenance	3/7/2024	227.02 2,459.06	2,686.08
33177	GONZALES ACE HARDWARE JC Equipment Maintenance Supplies JC Facility Maintenance Supplies	3/7/2024	6.37 101.18	107.55
33178	GONZALES TIRE & AUTO SUPPLY All Sites Facility Maintenance Supplies	3/7/2024	836.78	836.78
33179	**Void**	3/7/2024	-	-
33180	GREEN RUBBER - KENNEDY AG, LP JR Facility Maintenance Supplies	3/7/2024	428.58	428.58
33181	GREEN VALLEY INDUSTRIAL SUPPLY, INC CH Facility Maintenance Supplies	3/7/2024	374.81	374.81
33182	GRIFFIN CARPET, INC. Adm Flooring Supplies	3/7/2024	650.00	650.00
33183	JT HOSE & FITTINGS JC Facility Maintenance Supplies ML Vehicle Maintenance Supplies	3/7/2024	94.84 84.79	179.63
33184	KING CITY HARDWARE INC. JR Facility Maintenance Supplies	3/7/2024	73.90	73.90
33185	LANDSCAPE MAINTENANCE OF AMERICA RR Litter Abatement	3/7/2024	325.00	325.00
33186	MANDY BROOKS RR Meetings Supplies	3/7/2024	93.16	93.16
33187	MISSION LINEN SUPPLY All Sites Uniforms	3/7/2024	522.49	522.49
33188	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY SS Monthly Sewer Service	3/7/2024	35.58	35.58
33189	Muzzi Family Farms Refund Credit Balance	3/7/2024	4,443.34	4,443.34
33190	NEU-SCAPES, INC. Common Area Maintenance Jardin El Sol Maintenance	3/7/2024	550.00 200.00	750.00
33191	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/7/2024	289.83	289.83

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33192	PACE ANALYTICAL SERVICES, LLC CH Lab Analysis	3/7/2024	10,393.65	10,393.65
33193	PITNEY BOWES GLOBAL Adm Postage	3/7/2024	424.29	424.29
33194	PRECISION ALARMS & AUTOMATION SOLUTIONS, INC. HHW Alarm Services	3/7/2024	60.00	60.00
33195	PROBUILD COMPANY LLC SS Remodeling	3/7/2024	1,121.97	1,121.97
33196	QUINN COMPANY JC Equipment Maintenance	3/7/2024	1,015.63	1,015.63
33197	Revenue Now Inc. JC Equipment Maintenance	3/7/2024	41.85	41.85
33198	SAUL CARDENAS-IBARRA SVR Reels Production	3/7/2024	600.00	600.00
33199	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	3/7/2024	334.00	334.00
33200	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/7/2024	30,822.26	30,822.26
33201	STERICYCLE, INC Adm Shredding Services	3/7/2024	123.76	123.76
33202	TELCO BUSINESS SOLUTIONS Common Area Maintenance	3/7/2024	245.35	245.35
33203	THE DON CHAPIN COMPANY, INC. ML Portable Toilets	3/7/2024	465.40	465.40
33204	TRI-COUNTY FIRE PROTECTION, INC. HHW Safety Supplies	3/7/2024	262.28	262.28
33205	ULINE, INC. Adm Office Supplies ML Vehicle Maintenance	3/7/2024	160.67 355.32	515.99
33206	VALERIO VARELA JR JC Equipment Maintenance ML Vehicle Maintenance	3/7/2024	2,500.00 450.00	2,950.00
33207	VALLEY FABRICATION, INC. ML Vehicle Maintenance	3/7/2024	273.12	273.12
33208	VERIZON CONNECT FLEET USA LLC ML Vehicle & Equipment Maintenance	3/7/2024	367.95	367.95

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33209	VOSTI'S INC JC Equipment Maintenance Supplies	3/7/2024	1,003.00	
				1,003.00
33210	US BANK CORPORATE PAYMENT SYSTEM A Tool Shed: JC Facility Maintenance Experian: Credit Reports Johnson Associates: Ops Admin Supplies AGA: Annual Membership Amazon: JRTS Improvement Supplies Amazon: RR Supplies Amazon: Admin Office Remodeling Amazon: Admin Office Remodeling Plumbers Stock: Admin Office Remodeling FedEx Office: BD Supplies Fastrak: JC Equipment Maintenance Burke's Upholstery: CH Maintenance Supplies SP Air Compressor: JC Maintenance Supplies Costco: Replacement Laptop Smart & Final: EE Appreciation Mountain Mike's: Employee Appreciation Amazon: HHW Safety Supplies Signs.com: JC Facility Maintenance Amazon: CH Maintenance Supplies Amazon: JRTS Improvement Supplies Harbor Freight: CH ECS Supplies Auto Villa: CH Maintenance Supplies Auto Villa: CH Maintenance Supplies GFOA - Publication Subscription Amazon: JC Safety Supplies Indeed: HHW Recruitment AT&T: JC Internet Services Amazon: JRTS Improvement Supplies Amazon: Ops Admin Supplies Amazon: JC Maintenance Supplies Daytona Grande: USCC Conference Amazon: CH Maintenance Supplies Pastability's: RR Training Supplies Amazon: JC Facility Maintenance SurveyMonkey: Clerk of the Board Software Constant Contact: RR Public Outreach Auto Villa: CH Maintenance Supplies Terminal A San Jose: USCC Conference Pest Solutions: All Sites Supplies Harbor Freight: JC Safety Supplies Amazon: JC Department Supplies Royal Oaks Market: LR Maintenance Supplies Matthew Bender & Co.: Finance Publications Michael's Stores: RR Office Supplies SWANA: 2024 Membership Meeting Costco: Replacement Computer Compliance Signs: Admin Office Supplies Amazon: Admin Office Remodeling A Tool Shed: JR Facility Maintenance	3/14/2024	(50.00) 49.95 196.60 105.00 193.94 (52.11) 183.50 189.60 336.87 92.31 7.00 433.21 708.40 1,113.87 45.27 152.87 51.65 429.43 82.99 214.37 338.59 69.70 869.30 199.00 196.60 285.00 273.73 495.53 65.88 53.55 447.76 161.67 172.90 123.90 99.00 246.60 22.89 72.00 (439.59) 178.70 149.77 152.96 104.97 61.25 10.00 2,336.24 170.00 121.17 145.20	

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
	Harbor Freight: CH Maintenance Supplies		84.11	
	Amazon: JRTS Improvement Supplies		147.96	
	Amazon: JRTS Improvements		4,309.99	
	Amazon: JRTS Improvements		1,146.44	
	Pest Solutions: All Sites Facility Supplies		1,465.29	
	Walmart: BD Supplies		721.44	
	Amazon: JRTS Improvement Supplies		548.13	
	Amazon: RR Department Supplies		51.01	
	Amazon: CH Maintenance Supplies		87.13	
	Microsoft: Admin Support Supplies		199.00	
	Auto Villa: CH Maintenance Supplies		218.50	
	Zoom: Online Meetings		151.16	
				20,799.15
33211	**Void**	3/14/2024	-	-
33212	**Void**	3/14/2024	-	-
33213	**Void**	3/14/2024	-	-
33214	**Void**	3/14/2024	-	-
33215	**Void**	3/14/2024	-	-
33216	**Void**	3/14/2024	-	-
33217	**Void**	3/14/2024	-	-
33218	ADMANOR, INC CCRMC Monthly Media & Marketing Service	3/14/2024	15,631.41	15,631.41
33219	ADVANCED CHEMICAL TRANSPORT, INC. HHW Hauling & Disposal	3/14/2024	16,269.74	16,269.74
33220	ATLAS ORGANICS CU11, LLC Monthly Organics Processing	3/14/2024	157,581.81	157,581.81
33221	BLUE STRIKE ENVIRONMENTAL INC LAGP EFR Capacity Planning	3/14/2024	5,874.60	5,874.60
33222	CAMILLE A. SMITH RR Retreat Facilitator	3/14/2024	2,580.40	2,580.40
33223	CARLON'S FIRE EXTINGUISHER SALES & SERVICE JC Safety Supplies	3/14/2024	718.61	718.61

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33224	CDW GOVERNMENT Adm Network Support Replacement iPad	3/14/2024	461.35 1,295.63	1,756.98
33225	DocuSign, Inc. DocuSign Annual Subscription	3/14/2024	1,685.26	1,685.26
33226	EDUARDO ARROYO Adm. Bld. Remodeling	3/14/2024	8,000.00	8,000.00
33227	F.A.S.T. SERVICES Monthly Board Interpreting Services	3/14/2024	200.00	200.00
33228	FERGUSON ENTERPRISES INC #795 Adm. Bld. Remodeling Supplies	3/14/2024	177.68	177.68
33229	GOLDEN STATE TRUCK & TRAILER REPAIR ML Vehicle Maintenance	3/14/2024	3,116.33	3,116.33
33230	GONZALES ACE HARDWARE ML Vehicle Maintenance	3/14/2024	13.90	13.90
33231	GONZALES TIRE & AUTO SUPPLY JC Equipment Maintenance	3/14/2024	49.47	49.47
33232	GREEN RUBBER - KENNEDY AG, LP LR & JR Facility Maintenance Supplies	3/14/2024	7,659.48	7,659.48
33233	Isidro Morales Perez JR Septic Tank Repairs	3/14/2024	10,200.00	10,200.00
33234	KING CITY HARDWARE INC. JR Facility Maintenance	3/14/2024	60.85	60.85
33235	L. A. HEARNE COMPANY JC Facility Maintenance	3/14/2024	952.51	952.51
33236	LANDSCAPE MAINTENANCE OF AMERICA RR Litter Abatement	3/14/2024	325.00	325.00
33237	MARK E. FETZER All Sites Hazwhoper Training	3/14/2024	1,800.00	1,800.00
33237	MARK E. FETZER All Sites Hazpower Training	3/25/2024	(1,800.00)	(1,800.00)
33238	MISSION LINEN SUPPLY All Sites Uniforms	3/14/2024	503.97	503.97
33239	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/14/2024	154.42	154.42

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33240	O'REILLY AUTOMOTIVE STORES, INC. JC Vehicle Maintenance Supplies	3/14/2024	37.52	37.52
33241	PROBUILD COMPANY LLC SS Improvements Supplies	3/14/2024	81.37	81.37
33242	QUINN COMPANY JC Equipment Maintenance	3/14/2024	886.15	886.15
33243	Recon Refractory & Construction, Inc. CH Ceramic Blanket Replacement CH Maintenance Supplies	3/14/2024	98,750.00 19,164.00	117,914.00
33244	ROSSI BROS TIRE & AUTO SERVICE ML Vehicle Maintenance Ops Vehicle Maintenance	3/14/2024	135.00 137.59	272.59
33245	S. GRONER ASSOCIATES Marketing Services	3/14/2024	7,944.45	7,944.45
33246	SALINAS PUMP CO JC Facility Maintenance	3/14/2024	7,707.33	7,707.33
33247	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/14/2024	15,946.85	15,946.85
33248	SOUTHERN TIRE MART LLC ML Vehicle Maintenance	3/14/2024	8,755.75	8,755.75
33249	STANLEY G. SILVA, JR. TRUCKING, INC. SS Facility Maintenance	3/14/2024	2,730.00	2,730.00
33250	SWANA Central California Sierra Chapter MOLO Training Registration	3/14/2024	1,299.00	1,299.00
33251	THE SHERWIN-WILLIAMS CO Adm Remodeling Supplies	3/14/2024	205.80	205.80
33252	TODD V. RAMEY JC Engineering Services	3/14/2024	4,774.00	4,774.00
33253	ULINE, INC. RR Special Dept Supplies	3/14/2024	934.95	934.95
33254	VALERIO VARELA JR JC Equipment Maintenance ML Vehicle Maintenance	3/14/2024	775.00 285.00	1,060.00
33255	VEGETABLE GROWERS SUPPLY, INC. JC Safety Supplies	3/14/2024	32.76	32.76

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33256	A & G PUMPING, INC JR & JC Portable Toilets	3/20/2024	426.50	426.50
33257	ADMANOR, INC CCRMC Monthly Media & Marketing Service	3/20/2024	14,638.40	14,638.40
33258	ADVANCED CHEMICAL TRANSPORT, INC. HHW Hauling & Disposal	3/20/2024	18,920.53	18,920.53
33259	Agile Occupational Medicine PC Pre-employment Physical	3/20/2024	110.00	110.00
33260	AMERICAN SUPPLY CO. JC Janitorial Supplies	3/20/2024	563.91	563.91
33261	AT&T LONG DISTANCE Adm Telephone Service	3/20/2024	39.33	39.33
33262	AT&T SERVICES INC All Sites Telephone Service	3/20/2024	69.25	69.25
33263	Atlas Copco USA Holdings Inc CH LF Blower	3/20/2024	29,670.59	29,670.59
33264	AUTOZONE LLC. All Sites Equipment Maintenance Supplies	3/20/2024	1,055.78	1,055.78
33265	**Void**	3/20/2024	-	-
33266	**Void**	3/20/2024	-	-
33267	BAGLEY ENTERPRISES, INC JR & JC Facility Maintenance	3/20/2024	1,020.00	1,020.00
33268	CALIFORNIA WATER SERVICE All Sites Water Service	3/20/2024	1,121.43	1,121.43
33269	CARLON'S FIRE EXTINGUISHER SALES & SERVICE All Sites Safety Supplies	3/20/2024	2,270.76	2,270.76
33270	CITY OF GONZALES Monthly Hosting Fees - APR	3/20/2024	20,833.33	20,833.33
33271	CLARK PEST CONTROL, INC Adm Exterminator Services	3/20/2024	216.00	216.00
33272	CLINTON HENDRICKS GIOA Travel Reimbursement	3/20/2024	1,592.33	1,592.33

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33273	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	3/20/2024	763.73	763.73
33274	COMCAST All Sites Internet Service	3/20/2024	589.53	589.53
33275	CORE & MAIN LP CH Facility Maintenance	3/20/2024	46.72	46.72
33276	COSTCO MEMBER CARD SERVICES Agency Membership	3/20/2024	180.00	180.00
33277	CUTTING EDGE SUPPLY JC Equipment Maintenance	3/20/2024	632.01	632.01
33278	DATAFLOW BUSINESS SYSTEMS INC. Printer Network Support	3/20/2024	16.01	16.01
33279	DENTONI'S WELDING WORK'S INC. JC Vehicle Maintenance	3/20/2024	710.13	710.13
33280	EDUARDO ARROYO 126 - Building Upgrades	3/20/2024	2,700.00	2,700.00
33281	ERIC GARCIA JR Vehicle Maintenance ML Vehicle Maintenance	3/20/2024	170.00 1,020.00	1,190.00
33282	ESTELA GUERRERO Reimbursement for Fuel	3/20/2024	40.00	40.00
33283	FERGUSON ENTERPRISES INC #795 126 Remodel Supplies	3/20/2024	634.96	634.96
33284	FRESNO OXYGEN JC Equipment Maintenance	3/20/2024	28.96	28.96
33285	GOLDEN STATE TRUCK & TRAILER REPAIR JC Equipment Maintenance ML Vehicle Maintenance	3/20/2024	227.02 2,035.64	2,262.66
33286	GONZALES ACE HARDWARE All Sites Facility Maintenance Supplies	3/20/2024	373.89	373.89
33287	GONZALES TIRE & AUTO SUPPLY ML Vehicle Maintenance	3/20/2024	93.96	93.96
33288	GRAINGER JC Safety Supplies	3/20/2024	45.68	45.68
33289	GREEN RUBBER - KENNEDY AG, LP JC Facility Maintenance	3/20/2024	3,711.59	3,711.59

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33290	GREEN VALLEY INDUSTRIAL SUPPLY, INC JC Equipment Maintenance	3/20/2024	212.60	212.60
33291	GUARDIAN SAFETY AND SUPPLY, LLC HHW Safety Supplies	3/20/2024	222.87	222.87
33292	GUERITO JC Portable Toilets	3/20/2024	1,435.00	1,435.00
33293	HERC RENTALS INC. JR Equipment Rental	3/20/2024	2,602.54	2,602.54
33294	HOPE SERVICES JC Litter Abatement	3/20/2024	8,818.53	8,818.53
33295	ICONIX WATERWORK (US) INC. JR Facility Maintenance	3/20/2024	455.79	455.79
33296	JT HOSE & FITTINGS JC Equipment Maintenance Supplies	3/20/2024	351.24	351.24
33297	KING CITY HARDWARE INC. JR Facility Maintenance	3/20/2024	98.92	98.92
33298	Maestro Health FSA Administration Fee	3/20/2024	300.00	300.00
33299	MANUEL TINAJERO CH Facility Maintenance SS Tree Removal	3/20/2024	1,300.00 1,300.00	2,600.00
33300	MISSION LINEN SUPPLY All Sites Uniforms	3/20/2024	435.40	435.40
33301	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY Adm Sewer Service	3/20/2024	291.26	291.26
33302	NaJiMa Foods LLC Sustainability Fair Supplies	3/20/2024	1,450.00	1,450.00
33303	New SV Media Notice Of Public Hearing	3/20/2024	366.36	366.36
33304	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/20/2024	914.45	914.45
33305	O'REILLY AUTOMOTIVE STORES, INC. JC Vehicle Maintenance	3/20/2024	279.95	279.95
33306	PACE ANALYTICAL SERVICES, LLC CH Lab Analysis	3/20/2024	77.00	77.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33307	PRICILLIA RODRIGUEZ JR Hauling Services	3/20/2024	3,328.63	3,328.63
33308	PROBUILD COMPANY LLC Admin. Bld. Improvements	3/20/2024	174.17	174.17
33309	PURE WATER BOTTLING All Sites Water Service	3/20/2024	372.70	372.70
33310	QUINN COMPANY JC Equipment Maintenance	3/20/2024	34,015.69	34,015.69
33311	R.D. OFFUTT COMPANY JC Equipment Maintenance Supplies JR Equipment Maintenance Supplies	3/20/2024	127.04 360.13	487.17
33312	RCA Plumbing, Inc. Admin Sewer Line Repair	3/20/2024	4,407.00	4,407.00
33313	REPUBLIC SERVICES #471 Monthly Trash Service	3/20/2024	92.51	92.51
33314	RJMS CORPORATION HHW Equipment Maintenance	3/20/2024	150.00	150.00
33315	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARRY JC Improvements	3/20/2024	375.03	375.03
33316	SCS ENGINEERS LMR and GHG Reporting	3/20/2024	5,500.00	5,500.00
33317	SCS FIELD SERVICES All Sites Routine Engineering Services	3/20/2024	16,800.00	16,800.00
33318	SOCIAL VOCATIONAL SERVICES, INC. JC Litter Abatement	3/20/2024	6,658.34	6,658.34
33319	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/20/2024	16,539.29	16,539.29
33320	Southern Counties Oil Co., a CA Limited Partnership JC & JR Fuel	3/20/2024	4,100.44	4,100.44
33321	STURDY OIL COMPANY ML Vehicle Maintenance	3/20/2024	675.42	675.42
33322	TELCO BUSINESS SOLUTIONS Monthly Network Support	3/20/2024	629.44	629.44
33323	THE PAPE' GROUP INC. JC Equipment Maintenance	3/20/2024	25,799.17	25,799.17

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33324	TRI-COUNTY FIRE PROTECTION, INC. HHW Safety Supplies	3/20/2024	20.00	20.00
33325	VALERIO VARELA JR All Sites Facility Maintenance	3/20/2024	3,795.00	3,795.00
33326	ALBERT MALDONADO Annual Report Printing	3/28/2024	358.31	358.31
33327	ALESHIRE & WYNDER, LLP Monthly Legal Services	3/28/2024	6,392.90	6,392.90
33328	ASBURY ENVIRONMENTAL SERVICES HHW Hauling & Disposal	3/28/2024	105.00	105.00
33329	AT&T SERVICES INC JC Telephone Service	3/28/2024	113.91	113.91
33330	BECKS SHOES AND REPAIR All Sites Safety Supplies	3/28/2024	463.58	463.58
33331	BLUE STRIKE ENVIRONMENTAL INC RR Consulting Services	3/28/2024	6,612.46	6,612.46
33332	CALIFORNIA WATER SERVICE All Sites Water Service	3/28/2024	514.93	514.93
33333	CARLON'S FIRE EXTINGUISHER SALES & SERVICE Common Area Maintenance	3/28/2024	250.00	250.00
33334	CARLOS A CORONA JC Vehicle Maintenance	3/28/2024	854.21	854.21
33335	CITY OF SALINAS (ENVIRONMENTAL COMPLIANCE BUREAU) Common Area Maintenance	3/28/2024	182.96	182.96
33336	CLARK PEST CONTROL, INC ML Exterminator Services	3/28/2024	115.00	115.00
33337	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance Supplies	3/28/2024	947.84	947.84
33338	CUTTING EDGE SUPPLY JC Equipment Maintenance Supplies	3/28/2024	547.88	547.88
33339	ENDEAVOR MORE INC. JC Equipment Maintenance	3/28/2024	481.46	481.46
33340	FRANK'S INDUSTRIAL SERVICES, INC. All Sites LFG System Upgrades	3/28/2024	11,300.00	11,300.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33341	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Vehicle Maintenance Service	3/28/2024	1,369.47	1,369.47
33342	GONZALES ACE HARDWARE All Sites Facility Maintenance Supplies	3/28/2024	335.88	335.88
33343	GRAINGER All Sites Facility Supplies	3/28/2024	62.24	62.24
33344	GREEN RUBBER - KENNEDY AG, LP JC Facility Maintenance Supplies	3/28/2024	2,228.00	2,228.00
33345	GUARDIAN SAFETY AND SUPPLY, LLC HHW Safety Supplies	3/28/2024	1,179.90	1,179.90
33346	ICONIX WATERWORK (US) INC. JC Facility Maintenance Supplies	3/28/2024	4,824.33	4,824.33
33347	Jose Gil Hernandez Jr. ML Vehicle Maintenance	3/28/2024	2,580.00	2,580.00
33348	MANUEL PEREA TRUCKING, INC. All Sites Equipment Rental	3/28/2024	2,665.00	2,665.00
33349	MANUEL TINAJERO JC Facility Maintenance	3/28/2024	650.00	650.00
33350	MARK E. FETZER All Sites Hazpower Training	3/28/2024	1,800.00	1,800.00
33351	MISSION LINEN SUPPLY All Sites Uniforms	3/28/2024	499.52	499.52
33352	MONICA ZUNIGA HHW Refresher Supplies	3/28/2024	68.79	68.79
33353	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/28/2024	594.74	594.74
33354	ONE STOP AUTO CARE/V & S AUTO CARE, INC Ops Adm Vehicle Maintenance	3/28/2024	124.54	124.54
33355	O'REILLY AUTOMOTIVE STORES, INC. JC Equipment Maintenance Supplies	3/28/2024	689.61	689.61
33356	PACE ANALYTICAL SERVICES, LLC CH Lab Water Analysis JC Lab Water Analysis	3/28/2024	428.40 275.00	703.40
33357	PENINSULA MESSENGER LLC All Sites Courier Services	3/28/2024	1,158.00	1,158.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33358	PRECISION ALARMS & AUTOMATION SOLUTIONS, INC. Common Area Maintenance HHW Alarm Services	3/28/2024	450.00 60.00	510.00
33359	PRICILLIA RODRIGUEZ JR Hauling Services	3/28/2024	2,648.88	2,648.88
33360	PROBUILD COMPANY LLC Adm bldg. Improvement	3/28/2024	145.15	145.15
33361	QUINN COMPANY JC Equipment Maintenance	3/28/2024	1,779.14	1,779.14
33362	R.D. OFFUTT COMPANY JC Equipment Maintenance	3/28/2024	597.65	597.65
33363	RCA Plumbing, Inc. Common Area Maintenance	3/28/2024	760.00	760.00
33364	SCALES UNLIMITED JC Scale Maintenance	3/28/2024	767.00	767.00
33365	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	3/28/2024	250.00	250.00
33366	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/28/2024	11,420.87	11,420.87
33367	THE DON CHAPIN COMPANY, INC. CH Portable Toilets ML Portable Toilets	3/28/2024	405.21 465.40	870.61
33368	THE MARK ROOD COMPANY JR Septic Repair	3/28/2024	29,860.00	29,860.00
33369	VALERIO VARELA JR HHW Facility Maintenance JC Equipment Maintenance JC Facility Maintenance ML Vehicle Maintenance	3/28/2024	420.00 700.00 940.00 3,250.00	5,310.00
33370	VALLEY FABRICATION, INC. JC Equipment Maintenance JC Facility Maintenance	3/28/2024	711.98 170.98	882.96
33371	WEST COAST RUBBER RECYCLING, INC JC Tire Diversion	3/28/2024	2,365.00	2,365.00
33372	ZERO FOOTPRINT RR Collections Programs	3/28/2024	108,420.00	108,420.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
24-00461-DFT	REPUBLIC SERVICES - MADISON LANE TRANSFER STATION 4918 ML Rent	3/29/2024	16,883.54	16,883.54
24-00463-DFT	INTERMEDIA Email Exchange	3/7/2024	470.78	470.78
24-00489-DFT	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION All Sites Fuel JC & RR Fuel	3/20/2024	2,058.00 3,650.72	5,708.72
24-00492-DFT	Wilson Equipment, LLC 2017 Caterpillar D6N XL	3/25/2024	236,000.00	236,000.00
24-00493-DFT	JACK G. BENTLEY 2020 836K Compactor	3/26/2024	425,000.00	425,000.00
24-00494-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites Electrical Services	3/27/2024	30,086.91	30,086.91
	Total:			<u>1,685,085.46</u>
	Payroll Disbursements			<u>624,971.50</u>
	Grand Total			<u><u>2,310,056.96</u></u>

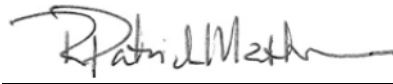


Report to the Board of Directors

Date: May 16, 2024
From: Mandy Brooks, Resource Recovery Manager
Title: Member and Interagency Activities Report for April 2024

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

This agenda item is in alignment with one of the Board's goals from the 2004 Strategic Planning Priority setting process.

- "High-quality Community Engagement": Continue to deliver the public education strategy.

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

Johnson Canyon Landfill & Composting Facility: CalRecycle and the LEA conducted the 18-month inspection for the Johnson Canyon Landfill and Composting Facility on April 3. No violations or areas of concern were noted during the inspection.

Jolon Road Transfer Station: The monthly inspection for Jolon Road Transfer Station was conducted in April 24. No violations or areas of concern were noted during the inspection.

Gonzales Clothing Closet

The Clothing Closet continues to be open Tuesdays & Wednesdays from 2pm to 4pm and Thursdays from 1pm to 3pm.

CY 2024	# of Volunteers	Hours	# of Clothing Items Distributed	# of Families Served	# of Family Members Served
April	4	86.5	780	64	232

May	-	-	-	-	-
June	-	-	-	-	-
Q2 2024 TOTALS	4	86.5	780	64	232

Clean Up Events

The 2024 hauler community cleanup schedule for all member agencies areas are listed below. Three (3) clean up events were conducted in April with the results from two of the events listed in the table below. The Salinas event data will be reported when available.

Date	Location	Hauler/ Volunteer Group	Trash (tons)	Recycling (tons)	ABOP Materials (collected by SVR)	Diversion %
Apr 13	King City	WM	8.4	9.4	0.39 tons	53%
Apr 13	Salinas – District 1	Republic Services	TBD	TBD	n/a	TBD
Apr 20	Greenfield	TCD	9.6	7.1	0.58 tons	43%

CY 2024 Current & Future Events with SVR Staff Participation

- Gonzales: **04/01- 05/19 Tire Amnesty Collection Event, Johnson Canyon LF**
 04/28/24 Booth at Dia del Nino Event, Central Park
 06/29/24 Gonzales Community Cleanup & ABOP Collection, La Gloria School
 10/19/24 Gonzales Community Cleanup & ABOP Collection, La Gloria School
- Greenfield: 09/07/24 Community Cleanup & ABOP Collection, PW Yard
- King City: **04/01- 05/19 Tire Amnesty Collection Event, Jolon Rd TS**
 06/20/24 Booth at Rava Ranch Employee Fair, SV Fairgrounds
 06/22/24 Community Cleanup & ABOP Collection, SV Fairgrounds
 06/29/24 Composting Workshop & Compost Give Away, SV Fairgrounds
 11/02/24 Community Cleanup & ABOP Collection, SV Fairgrounds
- Salinas: 05/18/24 District 5 Community Cleanup
 05/18/24 Composting Workshop, Natividad Creek Park Garden
 06/08/24 District 3 Community Cleanup Event
 08/24/24 District 2 Community Cleanup Event
 10/12/24 District 4 Community Cleanup Event
 11/02/24 District 6 Community Cleanup Event
- Soledad: 05/15/24 Presentation, MoCo. Business Council Workshop, Comm. Cntr.
 05/18/24 Community Cleanup & ABOP Collection, Soledad High School
 09/21/24 Community Cleanup & ABOP Collection, Soledad High School
- Mo County: **04/01- 05/19 Tire Amnesty Collection Event, Madison Lane Recycling Center**
 05/11/24 Lockwood/ San Lucas Community Cleanup & ABOP Collection
 06/01/24 Aromas Community Cleanup & ABOP Collection
 08/10/24 San Ardo Community Cleanup & ABOP Collection
 09/14/24 Prunedale Community Cleanup & ABOP Collection
 11/09/24 Pajaro Community Cleanup & ABOP Collection

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, this monthly report keeps the Board apprised of communications with member agencies and regulators. 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: May 16, 2024
From: Elia Zavala, Contracts & Grants Analyst
Title: Tonnage and Diversion Report for the Quarter Ended March 31, 2024

ITEM NO. 4

Finance and Administration
 Manager/Controller/Treasurer

General Manager/CAO

N/A

Authority General Counsel

RECOMMENDATION

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

STRATEGIC PLAN RELATIONSHIP

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

FISCAL IMPACT

Tipping fees for landfill and diversion materials account for 66.8% of the quarter's revenue. For the quarter ending March 31, 2024, the Authority received \$4.1 million in tipping fees.

DISCUSSION & ANALYSIS

TONS LANDFILLED

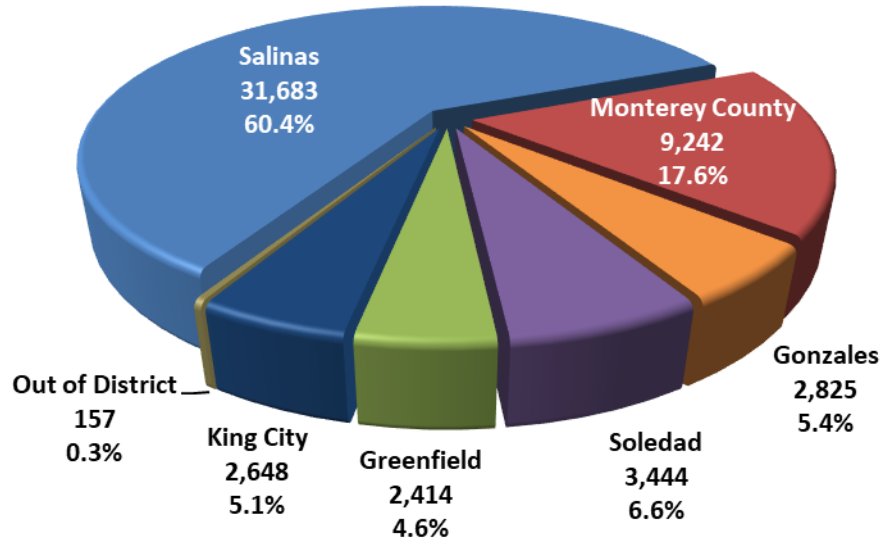
The Authority landfilled 50,653 tons of solid waste in the quarter ended March 2024. This resulted in a 3.5% increase in landfilled waste from the same quarter of 2023.

<u>Service Area</u>	<u>Jan-Mar 2023 Tonnage</u>	<u>Jan-Mar 2024 Tonnage</u>	<u>Change in Tonnage</u>	<u>% Change</u>
Authority Service Area	50,273	52,256	1,983	3.9%
Out of District	380	157	-223	-58.7%
Total Landfilled	50,653	52,413	1,760	3.5%

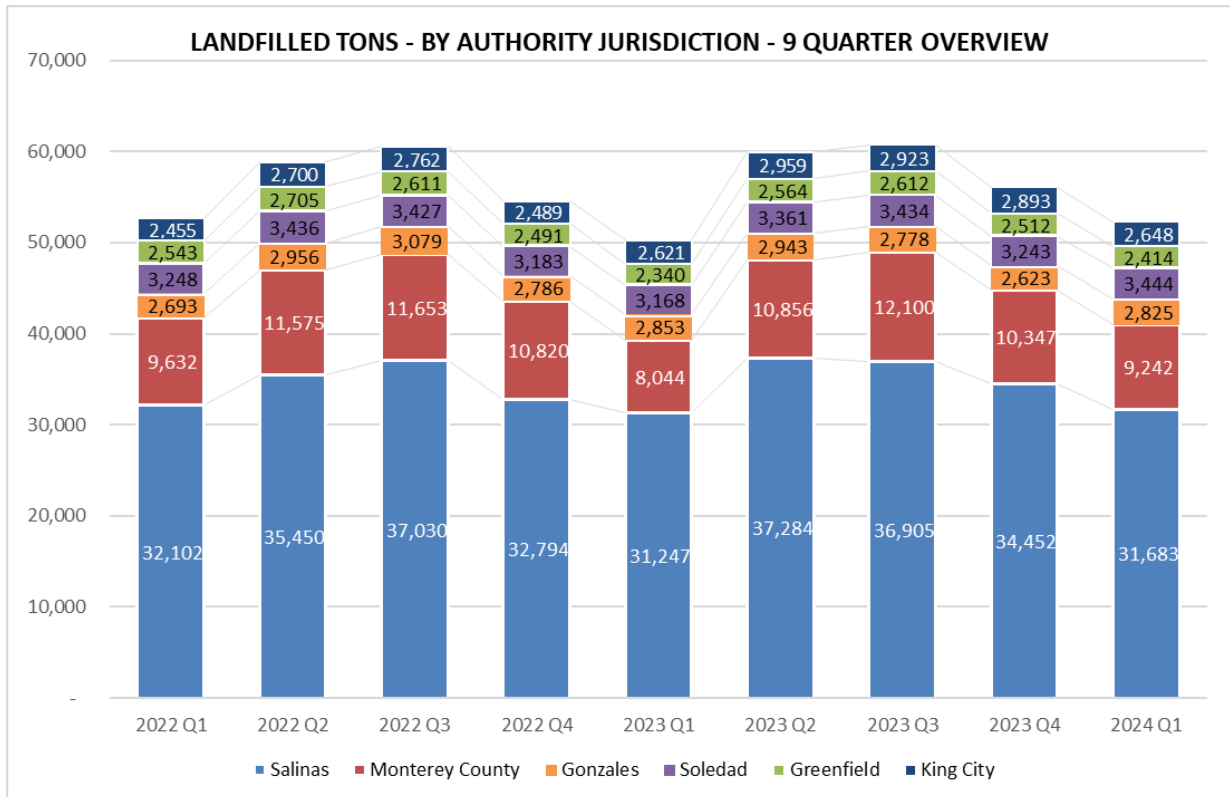
TONNAGE LANDFILLED BY ORIGIN

As noted in the chart below, the total landfilled waste for this quarter was made up of 60.4% from the City of Salinas, 17.6% from the County, and 21.7% from the south county cities. The 157 tons of self-hauled material from outside the service area made up 0.3%.

**LANDFILLED TONS - 52,413
BY ORIGIN FOR QUARTER ENDED MAR 31, 2024**



The chart below shows landfilled tons by jurisdiction for the past nine quarters including three-year tonnage data for Quarter 1 (Jan-Mar).



TONNAGE PROCESSED AND DIVERTED SUMMARY

The table below summarizes the total tonnage processed and diverted for the quarter. Compared to the same quarter of the previous year, the total tons processed increased by 7.91% and diverted materials increased by 34.2%, resulting in a net increase of 3.5% tons landfilled. Alternative Daily Cover (ADC), although a beneficial reuse material, is not shown as diverted material since it is ultimately landfilled.

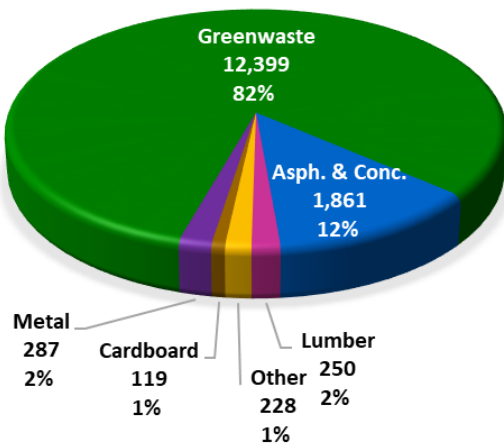
	Jan-Mar 2023		Jan-Mar 2024		Change in %	
	Tonnage	%	Tonnage	%	Tonnage	Change
Total Tons Processed	63,335		68,346		5,011	7.91%
Less Used for ADC	798	1.3%	789	1.2%	(9)	-1.1%
Net Tons Processed	62,537		67,557		5,020	8.0%
Less Diverted Materials	9,427		12,649		3,222	34.2%
Less Beneficial Reuse	1,410		1,861		451	32.0%
JC market materials	380		184		(196)	-51.6%
JR market materials	546		108		(438)	-80.2%
ML market materials	121		342		221	182.6%
Total Diverted Materials	11,884	18.8%	15,144	22.2%	3,260	27.4%
Total Landfilled	50,653	80.0%	52,413	76.7%	1,760	3.5%

DIVERTED MATERIALS

The pie chart below illustrates the composition of the 15,144 tons of diverted materials for the quarter ended March 2024. Diversion does not include tons of construction & demolition material and biosolids, which are currently being used in the landfill as ADC. Included in the diversion chart are 634 tons of recyclables salvaged from the waste stream at Authority facilities and sent directly to market.

The table below provides a year-over-year comparison of diverted materials tonnage for the same quarter. The total diverted materials for this quarter resulted in a 27.4% increase over the same quarter of 2023, with a significant increase in green waste, C&D, and lumber, and a decrease in metal.

**QUARTER ENDED MAR 31, 2024
DIVERTED MATERIALS - 15,144**



	2023 Q1	2024 Q1	% Diff
Greenwaste	9,312	12,399	33.2%
Asphalt & Concrete	1,410	1,861	32.0%
Lumber	115	250	117.4%
Metal	697	287	-58.8%
Cardboard	121	119	-1.7%
*Other	229	228	-0.4%
Total	11,884	15,144	27.4%

* Includes Mattresses, Tires, Mixed Rec, etc.



Report to the Board of Directors

ITEM NO. 5

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 16, 2024

From: C. Ray Hendricks, Finance and Administration Manager

Title: A Resolution Establishing the Investment Policy

RECOMMENDATION

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

STRATEGIC PLAN RELATIONSHIP

The recommended action is routine in nature.

FISCAL IMPACT

Investment returns have increased substantially during the past year, due to the higher returns available. Conservative practices should net the Authority modest returns while keeping the principal safe and ensuring liquidity.

DISCUSSION & ANALYSIS

The investment policy has no changes from the current policy. The Investment Policy allows investment in all investment vehicles permitted by State law. However, in actual practice, the funds managed by the Treasurer have historically been mainly invested in the Local Agency Investment Fund (LAIF). At the end of March 2024, LAIF was yielding 4.232%.

BACKGROUND

In order to properly handle the Authority's investments, the Board is asked to adopt the attached Investment Policy. California Government Code Section 53646(a) (2) states that the treasurer or chief fiscal officer of a local agency may render annually to the legislative body of the local agency an investment policy, which the legislative body shall consider at a public meeting. State law further requires the Treasurer or Chief Financial Officer to submit detailed information on all securities, investments, and monies of the Authority on a quarterly basis. The next report is due in August 2024.

ATTACHMENT(S)

1. Resolution
2. Investment Policy

RESOLUTION NO. 2024 -

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

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

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

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

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

WHEREAS the Authority's Investment Policy has been developed and presented to this Board on May 16, 2024.

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

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at the regular meeting duly held on the 16th day of May 2024 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Exhibit A

SALINAS VALLEY SOLID WASTE AUTHORITY INVESTMENT POLICY

PURPOSE

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

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

OBJECTIVE

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

SCOPE

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

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

AUTHORIZATION

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

GUIDELINES

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

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

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

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

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

- a) Includes U.S. Government Sponsored Enterprise Obligations
- b) No more than 30 percent of the agency's money may be in Bankers' Acceptances of any one commercial bank.
- c) 10 percent of the outstanding commercial paper of any single corporate issuer.
- d) Limit set by LAIF Governing Board, not the Government Code.
- e) Investment Trust of California dba CalTRUST

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

2. Criteria for selecting investments, and the order of priority, are:

A. Safety

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

B. Liquidity

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

C. Yield

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

- 3. An amount of money deemed sufficient to meet one payroll and two weeks claims shall be maintained in highly liquid investment vehicles such as the State Local Agency Investment Fund, or other similar investment instrument.

4. The Authority will attempt to obtain the highest yield obtainable when selecting investments, provided that criteria for safety and liquidity are met. Ordinarily, through a positive yield curve, (i.e., longer term investment rates are higher than those of shorter maturities), the Authority attempts to ladder its maturities to meet anticipated cash maturities that carry a higher rate than is available in the extremely short market of 30 days or less.
5. Most investments are highly liquid, except for certificates of deposit held by banks and savings and loans. Investments in Certificate of Deposit shall be fully insured or collateralized. When insurance is pledged, it shall be through the FDIC. Collateralization shall be in the amount of 110% of principal when government securities are pledged or 150% of principal when backed by first deeds of trust. Maturities are selected to anticipate cash needs, thereby obviating the need for forced liquidation.
6. When investing in Bankers Acceptances, Treasury Bills and Notes, Government Agency Securities and Commercial Paper, securities for these investments shall be conducted on a delivery-versus-payment basis. Securities are held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts when such delivery directly to the Authority would be impractical.
7. Except for Treasury Notes and other government Agency Issues, the maturity of any given investment shall not exceed 1 year.
8. Bond Proceeds shall include any notes, bonds or other instruments issued on behalf of the Salinas Valley Solid Waste Authority for which the members of the Board of Directors serve as the governing body. Should the Salinas Valley Solid Waste Authority elect to issue bonds for any purpose, the Indenture of Trust shall be the governing document specifying allowable investments for the proceeds of the issue as prescribed by law.
9. Investment income shall be shared by all funds on a proportionate ratio of each funds balance to total pooled cash with investment income distributed accordingly on a quarterly basis.
10. Investments in any other vehicle like Repurchase and Reverse Repurchase Agreements shall not be authorized unless the investment is made through the pooled money portfolio of the Local Agency Investment Fund.
11. The Treasurer shall annually render to the Board of Directors for consideration at a public meeting, a statement of investment policy. The Treasurer will also render an investment report to the Board of Directors at the first regular Board Meeting occurring after the end of each calendar quarter. The quarterly report shall include type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Salinas Valley Solid Waste Authority. The report shall state compliance with the investment policy or way the portfolio is not in compliance. It shall also include a statement denoting the ability to meet the Authority's expenditure requirement for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

12. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Salinas Valley Solid Waste Authority Investment Policy and supersede all previous language.
13. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions.

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



Report to the Board of Directors

ITEM NO. 6

Finance and Administration Manager,
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General I Counsel

Date: May 16, 2024
From: C. Ray Hendricks, Finance and Administration Manager
Title: A Resolution Adopting the Revised Financial Policies

RECOMMENDATION

The Executive Committee recommends adoption of the resolution which include additional changes to the operating reserves discussed below.

STRATEGIC PLAN RELATIONSHIP

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

FISCAL IMPACT

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

DISCUSSION & ANALYSIS

Staff reviews the Financial Policies annually to ensure that they are consistent with current practices and generally accepted accounting principles. The policies were last approved on May 19, 2022 updating the fund balance/reserves section to prioritize the pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts prior to any allocation to reserves, and to update the capitalization threshold to \$15,000.

In conjunction with changes to the Closure and Post-Closure estimates approved by CalRecycle in 2020, the Board approved fully funding the post-closure liabilities to ensure that funds were available when the site closed in the future. The fund has remained fully funded ever since. Including language in the financial policies to keep this fully funded will ensure that this continues to be done over time as the liabilities are accrued.

Recent updates to the generally accepted accounting principles have updated the name of our annual financial report to ACFR, along with updates to how leases are recorded. The corresponding sections have been updated to reflect these changes.

At the May 2, 2024 Executive Committee Meeting staff requested input on increasing the Operating Reserve goal. The goal of 15% was achieved several years ago and has remained fully funded. Current standards recommend having between three (25%) and six (50%) months of operating reserves, but no less than two (17%) months. In order to make the initial goal attainable staff recommended increasing the goal to 20%. Staff expects it will take three to five years to fully fund the increase using the Financial Policy

guidelines of contributing 20% of the year end Fund Balance to this reserve. The executive committee agreed to the change. However, once the goal is achieved, they would like staff to bring back for further discussion the possibility of an additional increase to the reserve.

The remaining updates to the policy are minor and made to ensure consistency throughout the document, to correct typographical errors, and to align with actual practices.

BACKGROUND

The financial policies were last approved on May 19, 2022 and November 18, 2021. Prior to these two dates, the policies had remained unchanged since April 17, 2014. In order to ensure that the policies remained consistent with current practices and generally accepted accounting principles, staff committed to review annually.

ATTACHMENT(S)

1. Resolution
2. Red-lined changes to Financial Policies
3. Financial Policies

RESOLUTION NO. 2024 –

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

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority last approved the financial policies by adoption of Resolution No. 2022-21 on May 19, 2022; and,

WHEREAS, a recent review of the policies found that updates to the generally accepted accounting principles recently approved by the Government Accounting Standards Board need to be reflected in the policy; and,

WHEREAS, maintaining a fully funded post-closure fund for Johnson Canyon Landfill has been a priority of the agency; and,

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

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the Financial Policies attached hereto as Exhibit "A" are hereby approved and adopted.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th day of May 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Salinas Valley Solid Waste Authority
Financial Policies

TABLE OF CONTENTS

SUMMARY2

REVENUES.....4

EXPENDITURES5

FUND BALANCE/RESERVES6

CAPITAL EXPENDITURES AND IMPROVEMENTS8

DEBT..... 10

INVESTMENTS..... 13

GRANTS 14

CLOSURE FUNDING 15

FISCAL MONITORING 16

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING 17

INTERNAL CONTROLS 18

OPERATING BUDGET 19

CAPITAL ASSETS21

Salinas Valley Solid Waste Authority
Financial Policies

SUMMARY

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

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

Salinas Valley Solid Waste Authority
Financial Policies

10. Accounting, Auditing and Financial Reporting: The Authority's accounting, auditing, and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.
11. Internal Controls: The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.
12. Operating Budget: The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.
13. Capital Assets: The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles ~~so as~~ to maintain proper control of all capital assets.

Salinas Valley Solid Waste Authority
Financial Policies

~~1-~~ **REVENUES**

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

A. User Fees

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

B. Tipping Fees

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

C. One Time Revenues

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

D. Revenue Estimates

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

E. Revenue Collection and Administration

The Authority shall pursue to the full extent allowed by state law all delinquent ratepayers and ~~others~~ overdue ~~in-~~payments to the Authority. Since ~~a~~ revenue should not exceed the cost of producing it, the Authority shall strive to control and reduce administrative collection costs.

~~2~~ **EXPENDITURES**

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

A. Current Funding Basis

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

B. Avoidance of Operating Deficits

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

C. Maintenance of Capital Assets

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

D. Periodic Program Reviews

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

E. Purchasing

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

~~3~~ **FUND BALANCE/RESERVES**

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

A. Funding the Reserves

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

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

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

B. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to ~~fifteen~~ twenty percent (~~15~~20%) of the current ~~year~~year's operating ~~expenditures~~expenditure budget in order to provide sufficient reserves for unforeseen occurrences and revenue shortfalls. Operating expenditures, for reserve purposes, is defined as the total budget less capital project expenditures.

❖ Use of Operating Reserve

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

C. Capital Projects Reserve

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

Salinas Valley Solid Waste Authority
Financial Policies

D. Environmental Impairment Reserve

Due to the potential release of contaminants that exists with all Municipal Solid Waste landfills, the Authority will ~~strive to~~ fund an Environmental Impairment Reserve for the purpose of responding to a release in a timely manner. The funds can also be used for mitigation or corrective action measures required by CalRecycle. It is highly unlikely that all sites would need corrective action at the same time. Therefore, the funding goal is the Capital Improvement costs at the highest of the sites.

E. Annual Review of Reserves

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

4-CAPITAL EXPENDITURES AND IMPROVEMENTS

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

A. Capital Improvement Plan

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

B. Capital Improvement Budget

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

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

CIP funding will be based on the following priorities:

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

C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

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

Salinas Valley Solid Waste Authority
Financial Policies

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

D. Capital Projects Reserve Fund

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

E. Capital Projects Management

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

1. Conceptual/~~schematic proposal~~Schematic Proposal
2. Preliminary ~~design~~Design and ~~cost estimate~~Cost Estimate
3. Engineering and ~~final design~~Final Design
4. Bid ~~administration~~Administration
5. Acquisition/~~and construction~~Construction
6. Project ~~closeout~~Closeout

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

Salinas Valley Solid Waste Authority
Financial Policies

~~5~~ **DEBT**

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

A. Use of Debt Financing

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

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

B. Conditions for Debt Issuance

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

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

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

C. Debt Structure

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

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

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

Salinas Valley Solid Waste Authority
Financial Policies

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

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

D. Call Provisions

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

E. Debt Refunding

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

F. Interest Earnings

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

G. Lease/Purchase Agreements

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

H. Post Issuance Administration / Internal Control

❖ Investment of Proceeds

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

Salinas Valley Solid Waste Authority
Financial Policies

❖ Use of Proceeds

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

❖ Arbitrage Compliance

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

Salinas Valley Solid Waste Authority
Financial Policies

~~6~~ **INVESTMENTS**

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

A. Investment Policy

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

B. Interest Earnings

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

Salinas Valley Solid Waste Authority
Financial Policies

~~7-~~**GRANTS**

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

A. Grant Guidelines

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

B. Indirect Costs

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

C. Grant Review

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

D. Grant Program Termination

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

8—CLOSURE AND POST-CLOSURE FUNDING

The Authority shall properly fund all closure and post closure costs in accordance with CalRecycle requirements.

A. Closure Funding

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

B. Post-~~closure~~-Closure Funding

Johnson Canyon Landfill is the Authority's last regional landfill. To ensure that there is adequate funding for post-closure maintenance of the landfill for the minimum required 30 years, the Authority shall ensure that the post-closure liability is fully funded annually. The required funding shall be the currently filled capacity percentage times the CalRecycle approved post-closure estimate. These funds will be held in a separate Post-Closure Fund restricted specifically for this purpose.

In accordance with ~~the~~ Financial Assurances, the Authority shall fund post closure costs for the three currently closed sites from future revenues when those costs are incurred. The Authority has entered into a Pledge of Revenue agreement with CalRecycle for this purpose.

C. Closure and Post-Closure Funding Calculations

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

Salinas Valley Solid Waste Authority
Financial Policies

~~9~~ **FISCAL MONITORING**

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

A. Financial Status and Performance Reports

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

B. Five-year Forecast of Revenues and Expenditures

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

C. Status Report on Capital Projects

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

D. Compliance with Board Policy Statements

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

10 ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

A. Conformance to Accounting Principles

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

B. Popular Reporting

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

~~11~~ **INTERNAL CONTROLS**

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

A. Proper Authorizations

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

B. Separation of Duties

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

C. Proper Recording

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

D. Access to Assets and Records

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

E. Independent Checks

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

F. Costs and Benefits

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

~~12~~ **OPERATING BUDGET**

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

A. Budget Format

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

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

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

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

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

B. Estimated Revenues

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

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

If appropriate reductions are insufficient, the Board may decide, on an exception basis, to use an appropriate existing reserve.

C. Appropriations

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

1. Essential services, which provide for the health and safety of residents, will be funded to maintain current dollar levels.
2. The budget will provide for adequate ongoing maintenance of facilities and equipment.

Salinas Valley Solid Waste Authority
Financial Policies

3. Appropriations for program enhancements or reductions will be evaluated on a case-by-case basis rather than across the board.
4. When reductions in personnel are necessary to reduce expenditures, they shall be consistent with the Authority Board's established service level priorities and, when possible, shall be accomplished through normal attrition.
5. Programs, which are self-supported by special revenues or fees, shall be separately evaluated.

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

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

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

Appropriations ~~All appropriations, except for Capital capital Improvementimprovement programs-Program, post-closure, and Grant-grants Programs-appropriations,~~ shall continue in force until expended, revised, or cancelled. lapse at the end of the fiscal year to the extent that they have not been expended or encumbered. An appropriation in the Capital Improvement-Program shall continue in force until expended, revised, or cancelled. All other appropriations shall lapse at the end of the fiscal year to the extent that they have not been expended.

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

~~13~~ **CAPITAL ASSETS**

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

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

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

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

B. Capitalization

Generally, all capital assets with an original cost of \$15,000 or more will be capitalized (recorded as an asset on the balance sheet versus expensing the item). ~~Infrastructure Assets with an original cost of \$150,000 or more will be capitalized.~~ This capitalization policy addresses financial reporting, not control. The Authority follows the GFOA recommended practices for establishing capitalization thresholds. Specific capitalization requirements are described as follows:

Salinas Valley Solid Waste Authority
Financial Policies

1. The asset must cost \$15,000 or more.
2. The asset must have a useful life of ~~two (2) or more years~~ more than one year.
3. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten items purchased for \$10,000 each will not be capitalized even though the total (\$100,000) exceeds the threshold of \$15,000.
4. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset functional.
5. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described in number ~~6~~ six below.
6. Improvements to existing capital assets that extend the useful life of the related capital asset will be subject to capitalization if the cost exceeds \$15,000.
7. Capital projects will be capitalized as "construction in progress" until completed. Personal computers will not be capitalized:

C. Leased Assets

GASB 87 requires that all leases are reported as a capital or financing lease unless the lease is a short-term lease, characterized as 12 months or less. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Leases will be capitalized if ~~one or more~~ both of the following criteria are met ~~and the chance of cancellation is low~~:

1. Ownership is transferred by the end The non-cancellable portion of the lease is more than 12 months
2. The total amount of the lease meets the capitalization threshold of \$15,000
 - a. ~~At the commencement~~ of the lease term
 - b. ~~The, a~~ lease ~~contains a bargain purchase option~~
 - c. ~~They will be recorded as both a~~ lease ~~term is greater than or equal to 75 percent of liability at~~ the ~~asset's service life~~
 - d. ~~The present value of the minimum lease payment is greater than or~~

Salinas Valley Solid Waste Authority
Financial Policies

~~equal to ninety percent (90%) of the fair market value of the payments expected to be made during the lease term, and a lease asset measured at the inception amount of the lease.~~

Salinas Valley Solid Waste Authority
Financial Policies

~~Capital lease items are capitalized at the beginning initial measurement of the lease period, regardless of when liability, plus any payments made to the title transfers. Capital leases are recorded at net present value lessor at or before the commencement of the lease payments. term and certain direct costs.~~

D. Capital Asset Recording

It is the responsibility of the Finance Division to record, monitor and inventory all fixed assets. Each division will assign appropriate staff members to respond to verification, inventories, and filling out the necessary forms for recording transfers, dispositions, or retired fixed assets.

E. Acquisition of Capital Asset

Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts. When a capital asset is acquired, the funding source will be identified. If funds are provided by a specific funding source, a record will be made of that specific source such as:

- ❖ Bond Proceeds
- ❖ State Grants

F. Measuring the Cost and/or Value

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

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

G. Establishing Cost in the Absence of Historical Records

Salinas Valley Solid Waste Authority
Financial Policies

According to ~~the~~ GASB 34, an estimate of the original cost is allowable. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary, the Authority will use whichever method gives the most reasonable amount based on available information.

H. Recording Costs Incurred After Acquisition

Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.

I. Disposition or Retirement of Fixed Assets

~~It is the Authority's policy that divisions wishing to dispose of surplus, damaged or inoperative equipment must notify the Finance Division.~~

Salinas Valley Solid Waste Authority
Financial Policies

~~The Authority will conduct public auctions, as necessary, for the purpose of disposing of surplus property. Auctions will be conducted by the Finance Division. The Assets with an estimated remaining value of \$15,000 or more will be scheduled for Board approval prior to disposal. The asset will be disposed of in a way to achieve the highest recovery possible while ensuring that the cost of disposal is minimized. The recovered funds will be allocated to the Capital Improvement Project used to replace the asset. Once disposed, the original cost less depreciation will then be removed from the Authority's capital asset management system.~~

J. Transfer of Assets

The transfer of fixed assets between divisions requires notification to the Finance Department.

K. Depreciation

In accordance with GASB Statement No. 34 the Authority will record depreciation expense on all capital assets, except for inexhaustible assets.

The Authority will use straight-line depreciation using the half-year convention or mid-month as appropriate. ~~Depreciation will be calculated for half a year in the year of acquisition and the year of disposition.~~ Depreciation will be calculated over the estimated useful life of the asset.

L. Recommended Lives

The Authority follows GFOA Recommended Practices when establishing recommended lives for capitalized assets. In accordance with GASB 34 the Authority will rely on "general guidelines obtained from professional or industry organizations." ~~In particular the~~The Authority will rely on estimated useful lives published by GFOA. If the life of a particular asset is estimated to be different than these guidelines, it may be changed. The following is a summary for the estimated useful lives:

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

M. Control of Assets

Salinas Valley Solid Waste Authority
Financial Policies

In accordance with GFOA Recommended Practice the Authority will exercise control over the non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the division level. The Authority's capitalization threshold of \$15,000 meets financial reporting needs and is not designed for nor particularly suited to maintain control over lower cost capital assets. It is the responsibility of each division to maintain inventories of lower-cost capital assets to ensure adequate control and safekeeping of these assets.

N. Maintenance Schedules

The Authority shall develop and implement maintenance and replacement schedules with a goal of maximizing the useful life of all assets. The schedules shall include estimates of annual maintenance and/or replacement funding required for each asset.

O. Maintenance Funding

The Authority shall identify specific sources of funds for the annual maintenance or replacement of each asset. Whenever possible, the maintenance or replacement funding shall be identified from a source other than the Authority General Fund. The Authority shall endeavor to set aside, on an annual basis, one and one-half percent (1½%) of its Operating Budget to provide for on-going maintenance and required replacement of assets that cannot be reasonably funded from other sources.

P. Inventorizing

The Authority will follow the GFOA recommended practice of performing a physical inventory of its capitalized capital assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.

Q. Tagging

The Authority will tag only moveable equipment with a value of \$15,000 or higher. Rolling stock items will not be tagged. They will be identified by the VIN number. The Finance department will be responsible for tagging equipment.

Salinas Valley Solid Waste Authority
Financial Policies

TABLE OF CONTENTS

SUMMARY2
REVENUES.....4
EXPENDITURES5
FUND BALANCE/RESERVES6
CAPITAL EXPENDITURES AND IMPROVEMENTS8
DEBT.....10
INVESTMENTS.....13
GRANTS14
CLOSURE FUNDING15
FISCAL MONITORING16
ACCOUNTING, AUDITING, AND FINANCIAL REPORTING17
INTERNAL CONTROLS18
OPERATING BUDGET19
CAPITAL ASSETS21

Salinas Valley Solid Waste Authority
Financial Policies

SUMMARY

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

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

Salinas Valley Solid Waste Authority
Financial Policies

10. Accounting, Auditing and Financial Reporting: The Authority's accounting, auditing, and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.
11. Internal Controls: The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.
12. Operating Budget: The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.
13. Capital Assets: The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles to maintain proper control of all capital assets.

Salinas Valley Solid Waste Authority
Financial Policies

REVENUES

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

A. User Fees

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

B. Tipping Fees

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

C. One Time Revenues

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

D. Revenue Estimates

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

E. Revenue Collection and Administration

The Authority shall pursue to the full extent allowed by state law all delinquent ratepayers and overdue payments to the Authority. Since revenue should not exceed the cost of producing it, the Authority shall strive to control and reduce administrative collection costs.

Salinas Valley Solid Waste Authority
Financial Policies

EXPENDITURES

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

A. Current Funding Basis

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

B. Avoidance of Operating Deficits

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

C. Maintenance of Capital Assets

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

D. Periodic Program Reviews

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

E. Purchasing

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

Salinas Valley Solid Waste Authority
Financial Policies

FUND BALANCE/RESERVES

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

A. Funding the Reserves

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

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

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

B. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to twenty percent (20%) of the current year's operating expenditure budget in order to provide sufficient reserves for unforeseen occurrences and revenue shortfalls. Operating expenditures, for reserve purposes, is defined as the total budget less capital project expenditures.

❖ Use of Operating Reserve

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

C. Capital Projects Reserve

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

Salinas Valley Solid Waste Authority
Financial Policies

D. Environmental Impairment Reserve

Due to the potential release of contaminants that exists with all Municipal Solid Waste landfills, the Authority will fund an Environmental Impairment Reserve for the purpose of responding to a release in a timely manner. The funds can also be used for mitigation or corrective action measures required by CalRecycle. It is highly unlikely that all sites would need corrective action at the same time. Therefore, the funding goal is the Capital Improvement costs at the highest of the sites.

E. Annual Review of Reserves

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

CAPITAL EXPENDITURES AND IMPROVEMENTS

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

A. Capital Improvement Plan

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

B. Capital Improvement Budget

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

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

CIP funding will be based on the following priorities:

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

C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

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

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

Salinas Valley Solid Waste Authority
Financial Policies

D. Capital Projects Reserve Fund

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

E. Capital Projects Management

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

1. Conceptual/Schematic Proposal
2. Preliminary Design and Cost Estimate
3. Engineering and Final Design
4. Bid Administration
5. Acquisition and Construction
6. Project Closeout

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

Salinas Valley Solid Waste Authority
Financial Policies

DEBT

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

A. Use of Debt Financing

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

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

B. Conditions for Debt Issuance

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

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

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

C. Debt Structure

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

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

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

Salinas Valley Solid Waste Authority
Financial Policies

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

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

D. Call Provisions

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

E. Debt Refunding

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

F. Interest Earnings

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

G. Lease/Purchase Agreements

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

H. Post Issuance Administration / Internal Control

❖ Investment of Proceeds

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

Salinas Valley Solid Waste Authority
Financial Policies

❖ Use of Proceeds

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

❖ Arbitrage Compliance

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

Salinas Valley Solid Waste Authority
Financial Policies

INVESTMENTS

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

A. Investment Policy

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

B. Interest Earnings

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

Salinas Valley Solid Waste Authority
Financial Policies

GRANTS

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

A. Grant Guidelines

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

B. Indirect Costs

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

C. Grant Review

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

D. Grant Program Termination

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

CLOSURE AND POST-CLOSURE FUNDING

The Authority shall properly fund all closure and post closure costs in accordance with CalRecycle requirements.

A. Closure Funding

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

B. Post-Closure Funding

Johnson Canyon Landfill is the Authority's last regional landfill. To ensure that there is adequate funding for post-closure maintenance of the landfill for the minimum required 30 years, the Authority shall ensure that the post-closure liability is fully funded annually. The required funding shall be the currently filled capacity percentage times the CalRecycle approved post-closure estimate. These funds will be held in a separate Post-Closure Fund restricted specifically for this purpose.

In accordance with Financial Assurances, the Authority shall fund post closure costs for the three currently closed sites from future revenues when those costs are incurred. The Authority has entered into a Pledge of Revenue agreement with CalRecycle for this purpose.

C. Closure and Post-Closure Funding Calculations

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

Salinas Valley Solid Waste Authority
Financial Policies

FISCAL MONITORING

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

A. Financial Status and Performance Reports

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

B. Five-year Forecast of Revenues and Expenditures

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

C. Status Report on Capital Projects

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

D. Compliance with Board Policy Statements

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

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

A. Conformance to Accounting Principles

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

B. Popular Reporting

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

INTERNAL CONTROLS

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

A. Proper Authorizations

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

B. Separation of Duties

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

C. Proper Recording

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

D. Access to Assets and Records

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

E. Independent Checks

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

F. Costs and Benefits

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

Salinas Valley Solid Waste Authority
Financial Policies

OPERATING BUDGET

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

A. Budget Format

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

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

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

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

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

B. Estimated Revenues

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

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

If appropriate reductions are insufficient, the Board may decide, on an exception basis, to use an appropriate existing reserve.

C. Appropriations

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

1. Essential services, which provide for the health and safety of residents, will be funded to maintain current dollar levels.
2. The budget will provide for adequate ongoing maintenance of facilities and equipment.

Salinas Valley Solid Waste Authority
Financial Policies

3. Appropriations for program enhancements or reductions will be evaluated on a case-by-case basis rather than across the board.
4. When reductions in personnel are necessary to reduce expenditures, they shall be consistent with the Authority Board's established service level priorities and, when possible, shall be accomplished through normal attrition.
5. Programs, which are self-supported by special revenues or fees, shall be separately evaluated.

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

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

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

Appropriations for capital improvement programs, post-closure, and grants shall continue in force until expended, revised, or cancelled. All other appropriations shall lapse at the end of the fiscal year to the extent that they have not been expended.

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

Salinas Valley Solid Waste Authority
Financial Policies

CAPITAL ASSETS

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

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

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

- B. Capitalization
Generally, all capital assets with an original cost of \$15,000 or more will be capitalized (recorded as an asset on the balance sheet versus expensing the item). This capitalization policy addresses financial reporting, not control. The Authority follows the GFOA recommended practices for establishing capitalization thresholds. Specific capitalization requirements are described as follows:

Salinas Valley Solid Waste Authority
Financial Policies

1. The asset must cost \$15,000 or more.
2. The asset must have a useful life of more than one year.
3. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten items purchased for \$10,000 each will not be capitalized even though the total (\$100,000) exceeds the threshold of \$15,000.
4. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset functional.
5. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described in number six below.
6. Improvements to existing capital assets that extend the useful life of the related capital asset will be subject to capitalization if the cost exceeds \$15,000.
7. Capital projects will be capitalized as "construction in progress" until completed. Personal computers will not be capitalized:

C. Leased Assets

GASB 87 requires that all leases are reported as a capital or financing lease unless the lease is a short-term lease, characterized as 12 months or less. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Leases will be capitalized if both of the following criteria are met:

1. The non-cancellable portion of the lease is more than 12 months
2. The total amount of the lease meets the capitalization threshold of \$15,000

At the commencement of the lease term, a lease will be recorded as both a lease liability at the present value of payments expected to be made during the lease term, and a lease asset measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Salinas Valley Solid Waste Authority
Financial Policies

D. Capital Asset Recording

It is the responsibility of the Finance Division to record, monitor and inventory all fixed assets. Each division will assign appropriate staff members to respond to verification, inventories, and filling out the necessary forms for recording transfers, dispositions, or retired fixed assets.

E. Acquisition of Capital Asset

Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts. When a capital asset is acquired, the funding source will be identified. If funds are provided by a specific funding source, a record will be made of that specific source such as:

- ❖ Bond Proceeds
- ❖ State Grants

F. Measuring the Cost and/or Value

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

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

G. Establishing Cost in the Absence of Historical Records

According to GASB 34, an estimate of the original cost is allowable. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary, the Authority will use whichever method gives the most reasonable amount based on available information.

Salinas Valley Solid Waste Authority
Financial Policies

H. Recording Costs Incurred After Acquisition

Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.

I. Disposition or Retirement of Fixed Assets

Assets with an estimated remaining value of \$15,000 or more will be scheduled for Board approval prior to disposal. The asset will be disposed of in a way to achieve the highest recovery possible while ensuring that the cost of disposal is minimized. The recovered funds will be allocated to the Capital Improvement Project used to replace the asset. Once disposed, the original cost less depreciation will then be removed from the Authority's capital asset management system.

J. Transfer of Assets

The transfer of fixed assets between divisions requires notification to the Finance Department.

K. Depreciation

In accordance with GASB Statement No. 34 the Authority will record depreciation expense on all capital assets, except for inexhaustible assets.

The Authority will use straight-line depreciation using the half-year convention or mid-month as appropriate. Depreciation will be calculated over the estimated useful life of the asset.

L. Recommended Lives

The Authority follows GFOA Recommended Practices when establishing recommended lives for capitalized assets. In accordance with GASB 34 the Authority will rely on "general guidelines obtained from professional or industry organizations." The Authority will rely on estimated useful lives published by GFOA. If the life of a particular asset is estimated to be different than these guidelines, it may be changed. The following is a summary for the estimated useful lives:

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

Salinas Valley Solid Waste Authority
Financial Policies

M. Control of Assets

In accordance with GFOA Recommended Practice the Authority will exercise control over the non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the division level. The Authority's capitalization threshold of \$15,000 meets financial reporting needs and is not designed for nor particularly suited to maintain control over lower cost capital assets. It is the responsibility of each division to maintain inventories of lower-cost capital assets to ensure adequate control and safekeeping of these assets.

N. Maintenance Schedules

The Authority shall develop and implement maintenance and replacement schedules with a goal of maximizing the useful life of all assets. The schedules shall include estimates of annual maintenance and/or replacement funding required for each asset.

O. Maintenance Funding

The Authority shall identify specific sources of funds for the annual maintenance or replacement of each asset. Whenever possible, the maintenance or replacement funding shall be identified from a source other than the Authority General Fund. The Authority shall endeavor to set aside, on an annual basis, one and one-half percent (1½%) of its Operating Budget to provide for on-going maintenance and required replacement of assets that cannot be reasonably funded from other sources.

P. Inventorying

The Authority will follow the GFOA recommended practice of performing a physical inventory of its capitalized capital assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.

Q. Tagging

The Authority will tag only moveable equipment with a value of \$15,000 or higher. Rolling stock items will not be tagged. They will be identified by the VIN number. The Finance department will be responsible for tagging equipment.



Report to the Board of Directors

ITEM NO. 7

N/A

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

N/A

Authority General Counsel

Date: May 16, 2024

From: Mandy Brooks, Resource Recovery Manager

Title: A Resolution Approving Amendment No. 3 Authorizing a One-Year Extension to the Professional Services Agreement with Blue Strike Environmental for SB 1383 Quarterly Organic Waste Sampling Services in an Amount of \$33,500

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

The amendment to the agreement with Blue Strike Environmental (BSE) will provide services necessary to meet the SB 1383 requirements of quarterly organic waste streams sampling and measuring at the transfer station and landfill.

STRATEGIC PLAN RELATIONSHIP

This agenda item is in alignment with one of the Board's goals from its recent Strategic Planning Goal setting process.

- Comply, adapt, and respond to regulatory changes: Ensure compliance with new organics requirements and outreach.

FISCAL IMPACT

The Authority annually contracts with BSE for Special Event Recycling Services and administration of the Countywide Edible Food Recovery Programs and Grant. While these two contracts both total less than \$50,000, payments to the vendor will exceed \$50,000 for the fiscal year requiring Board approval to amend the existing agreement with BSE.

The scope of work has increased to include photo documentation of each sample and contaminants removed including before and after photos. The revised fee schedule reflects an increased hourly rate to cover this additional work. Grant funds (CalRecycle's SB1383 Local Assistance Grant Program 2022-23, Cycle OWR4) will be used to fund the \$33,500. This amendment to the agreement will be for one (1) year to complete the quarterly sampling requirements.

DISCUSSION & ANALYSIS

At the June 15, 2023, Board of Director's meeting, the Board approved Amendment No. 2 to the agreement (Res. No. 2023-46) with BSE for quarterly organics sampling services. The existing agreement allows for a one-year extension. BSE successfully completed this year's quarterly organic wastes sampling work on time and within budget. Staff wishes to initiate the final one-year extension to the agreement.

Since 2022, BSE has conducted the quarterly organic sampling work which is a requirement of SB 1383. Ten (10) consecutive days of sampling are required of multiple organic waste streams, a minimum of 200 lbs. per sample, at each Authority facility: Jolon Rd Transfer Station and Johnson Canyon Landfill.

The Authority's sampling results are reported to CalRecycle via the online Recycling & Disposal Reporting System (RDRD) for each facility and provided to the Health's Department's Local Enforcement Agency (LEA) upon request.

BACKGROUND

SB 1383 requires quarterly measuring of organics waste streams and organics going to landfill at all Transfer and Processing Facilities and Operations in the state.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Amendment No. 3 to the Professional Services Agreement
3. Attachment 1 – Scope of Services
4. Attachment 2 – Fee Schedule
5. Attachment 3 - Schedule of Performance

RESOLUTION NO. 2024 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AMENDMENT NO. 3 AUTHORIZING A ONE-YEAR EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT WITH BLUE STRIKE ENVIRONMENTAL FOR SB 1383 QUARTERLY ORGANIC WASTE SAMPLING SERVICES FOR AN AMOUNT OF \$33,500

WHEREAS, on June 16, 2022, the Salinas Valley Solid Waste Authority Board of Directors adopted Resolution No. 2022-41 approving a professional services agreement with Blue Strike Environmental; and,

WHEREAS, on August 18, 2022, the Salinas Valley Solid Waste Authority Board of Directors adopted Resolution No. 2022-49 approving Amendment No. 1 and on June 15, 2023, adopted Resolution No. 2023-46 approving Amendment No. 2 to extend the agreement for one (1) year, terming on June 30, 2024, and add one (1) optional, one (1) year extension; and,

WHEREAS, the Authority is satisfied with Blue Strike Environmental services and wishes to exercise the final optional one (1) year extension to the agreement.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute Amendment No. 3 to the Professional Services Agreement with Blue Strike Environmental for SB 1383 Quarterly Organic Waste Sampling Services, as attached hereto and marked "Exhibit A."

BE IT FURTHER RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the updated Scope of Services, Fee Schedule, and Schedule of Performance are approved, as attached hereto and marked "Attachment 1, Attachment 2, and Attachment 3".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 16th day of May 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel



EXHIBIT A

AMENDMENT NO. 3
FOR PROFESSIONAL SERVICES BETWEEN
SALINAS VALLEY SOLID WASTE AUTHORITY AND
BLUE STRIKE ENVIRONMENTAL
FOR SB 1383 QUARTERLY SAMPLING SERVICES

This amendment is made and entered into this 16th day of May 2024, by and between the Salinas Valley Solid Waste Authority, a joint powers authority organized under the laws of the State of California (hereinafter "Authority"), and Blue Strike Environmental (hereinafter "Consultant").

The Authority and Consultant entered into Amendment No. 2 of an Agreement on June 15, 2023. The initial term of the agreement expires June 30, 2024. All terms of the aforementioned agreement will continue in force with the exception of the following changes:

1. Term

The Authority and Consultant hereby mutually agree to extend the agreement for an additional one-year term effective July 1, 2024, and ending June 30, 2025.

2. Completion Schedule

The Authority and Consultant hereby mutually agree to adopt the revised scope of services, new fee schedule, and completion schedule as attached hereto and marked "Attachment 1", "Attachment 2", and "Attachment 3".

IN WITNESS THEREOF, the parties hereto have made and executed this Amendment No. 3 on the date first above written.

SALINAS VALLEY SOLID WASTE AUTHORITY:

_____ Date: _____
R. Patrick Mathews
General Manager/CAO

ATTEST:

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

APPROVED AS TO FORM:

_____ Date: _____
Roy C. Santos
Authority General Counsel

CONSULTANT: **Blue Strike Environmental**

Signature

Date: _____
Printed Name/Title



FY 24/25 Johnson Canyon Landfill and Jolon Road Transfer Station Waste Audit

Background:

Since June 2022, Blue Strike Environmental has worked on behalf of Salinas Valley Recycles to provide Transfer Station Waste Audit services on a quarterly basis. Following the first Waste Audit performed June 2022, Blue Strike adjusted the proposed project approach in line with findings from the first audit and in coordination and agreement with the Authority. As of Q4 2022, the scope of work for each audit was reduced from three audit locations (Sun Street, Johnson Canyon and Jolon Road) to two locations (Johnson Canyon and Jolon Road).

Scope of Work:

In line with this approach, Blue Strike will continue to provide quarterly audit services in line with these previous agreements and as updated below to reflect change in scope of work requests and current mileage and billing rates.

- Blue Strike Environmental will provide an audit of Johnson Canyon Landfill and Jolon Road Transfer Station on a quarterly basis, as outlined within the Schedule of Performance
 - Audit 200 pounds per stream as needed per day for 10 consecutive days:
 - Johnson Canyon Landfill
 - Audit de-packager contamination, and green waste organics contamination a maximum of once per day.
 - Jolon Road
 - Audit yard waste, cardboard, mixed C&D, wood, and paper a maximum of once per day.
 - Audit Landfill once in the 10 days.
 - Remove contaminants from the stream to be weighed and the percentage calculated, as defined by the contamination list below.
 - Take pictures of each stream and the contaminants weighed to be submitted in the report of findings
 - Create a report of findings to be provided to Salinas Valley Recycles.
 - Travel costs to be billed at state reimbursement rate (67 cents per mile as of January 2024)



- Audit Billing Rate at \$112 per hour.
- Project Management & Reporting Billing Rate at \$135 per hour.

Contamination List

Site	Stream	Contaminants to be Weighed
Johnson Canyon	Depackager (packaging only)	Organic material (food, cardboard)
	Atlas Organics (Non-organic material pulled from compost; includes tools, wiring, gloves, pots, other trash)	Organic material (food, cardboard, branches, leaves, etc) Does NOT include: loose soil from Atlas wind sifter, raw meat
Jolon Road Transfer Station	Source Separated Greenwaste (food scraps, landscaping, branches, leaves, etc)	<ul style="list-style-type: none"> • Non-organic material (bottles, wrappers, gloves, equipment, plastic bags, other trash) • Pressure-treated or painted wood
	Source Separated Wood Waste (clean lumber and pallets, non-treated wood only)	<ul style="list-style-type: none"> • Pressure-treated or painted wood • Non-wood organic materials (food, cardboard, branches, leaves, etc) • Non-organic materials (drywall, roofing materials, bottles, plastic bags, gloves, wrappers, other trash)
	Construction and Demolition (drywall, wood, sheet rock, cardboard, roofing material, asphalt shingles, tar paper)	<ul style="list-style-type: none"> • Non-organic non-construction materials (bottles, plastic bags, gloves, wrappers, other trash) • Organic Materials (food, branches, leaves, etc) Does NOT include: small amounts of cardboard
	Paper (junk mail, newspaper, computer paper, magazines, etc)	<ul style="list-style-type: none"> • Non-organic materials (plastic bags, wrappers, bottles, other plastic and trash) • Non-paper organic materials (cardboard, food, leaves, branches, etc)
	Cardboard (shipping boxes, cereal boxes, shoe boxes, etc)	<ul style="list-style-type: none"> • Non-organic materials (plastic bags, wrappers, bottles, other plastic and trash) • Non-cardboard organic materials (food, leaves, branches, etc)
	Trash (diapers, paper towels, plastic bags and other plastic, etc)	Organic materials (cardboard, food, branches, leaves, etc) Does NOT include: raw meat



Attachment 2 - Fee Schedule

Estimated Quarterly Costs for Q3 2023 and onward.

Daily Rate	
Cost per hour	\$112
Total hours	60
Sampling Subtotal	\$6,720
Travel Costs	
Miles per day	133.2 miles
Cost per mile	\$0.67
Total miles	1,332
Travel Subtotal	\$892.44
Administrative Cost	
Cost per hour	\$135
Total hours	5
Admin Subtotal	\$675
Total Quarterly Program Cost	
	\$8,287.44



EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services and deliver all work products timely in accordance with the schedule listed below:**
- II. Consultant shall perform all Services timely in accordance with the following schedule:**

	DAYS TO PERFORM	DEADLINE DATE
A. Task A	Q2: Starting in the months of July, August, or September 2024, 10 Consecutive Days of Sampling at the Transfer Station & Landfill	Sept. 30, 2024
Task B	Q3: Starting in the months of October, November, or December 2024, 10 Consecutive Days of Sampling at the Transfer Station & Landfill	Dec. 31, 2024
Task C	Q4: Starting in the months of January, February, or March 2025, 10 Consecutive Days of Sampling at the Transfer Station & Landfill	March 31, 2025
Task D	Q1: Starting in the months of April, May, or June 2025, 10 Consecutive Days of Sampling at the Transfer Station & Landfill	June 30, 2025

- III. Consultant shall deliver the following tangible work products to the Authority by the following dates.**

	WORK PRODUCT	DATE DUE
A.	Report of Results of Sampling at the Transfer Station and Landfill	Q2: Sept 30, 2024
		Q3: Dec. 31, 2024
		Q4: March 31, 2025
		Q1: June 30, 2025

- IV. The Project Manager may approve extensions for performance of the services in accordance with Section 3.2.**



Report to the Board of Directors

ITEM NO. 8

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: May 16, 2024

From: Cesar Zuñiga, Assistant General Manager /
Operations Manager

Title: A Resolution Approving a Professional Service Agreement with Social Vocational Services Inc. for Materials Processing and Litter Abatement at the Johnson Canyon Landfill for an Amount of \$202,000 for Two-Years with Two Optional One-Year Extensions

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action is not directly related to any current strategic plan item but will assist the Authority with its diversion goals.

FISCAL IMPACT

The proposed FY 2024-25 Budget has sufficient funding to cover the diversion services and litter abatement provided by the agreement. The two-year agreement is estimated at \$202,000, which covers two (2) four (4) person crews. The agreement will also have two optional one-year extensions.

DISCUSSION & ANALYSIS

The Johnson Canyon Landfill has seen an increase in daily customer trips, which requires an increase effort to identify loads rich in recycling. The partnership with SVS allows the facility staff to concentrate on public services by assisting with both litter abatement and some diversion activities at the facility. The SVS crew was initially contracted for six months on a trial basis. The SVS clients have been a crucial part of maintaining the Material Recovery Center (MRC) at the facility and have also assisted with litter abatement. The service agreement with SVS Inc., requires a crew of six (6) workers from 9:00am to 12:45pm and two (2) trained supervisors Monday through Friday.

The Authority is committed to partner with SVS to provide employment to individuals with developmental disabilities from the Salinas Valley.

SVS is a non-profit agency in Monterey County fully dedicated to serving the disabled community by providing job skill development and job placement. The Salinas Valley Solid Waste Authority's partnership with SVS supports the sustainability goal of providing green job opportunities to all citizens of the Salinas Valley. As a unique community based service,

staff is recommending that the Board make the finding that under Authority Code Section 3.01.130 (3), this continuing service is an exception to competitive bidding requirements.

BACKGROUND

The mission of SVS, Inc. is to assist people with developmental disabilities to live and participate in their communities. SVS offers developmentally disabled adults the opportunity to participate in meaningful community work and develop job related skills.

ATTACHMENTS

1. Resolution
2. Exhibit A – Agreement

RESOLUTION NO. 2024 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A TWO-YEAR PROFESSIONAL SERVICES AGREEMENT WITH SOCIAL VOCATIONAL SERVICES, INC. FOR MATERIALS PROCESSING AND LITTER ABATEMENT SERVICES AT THE JOHNSON CANYON LANDFILL FOR AN AMOUNT OF \$202,000 FOR TWO YEARS WITH TWO OPTIONAL ONE-YEAR EXTENSIONS

WHEREAS, the Salinas Valley Solid Waste Authority values Community Partnerships and finds that Social Vocational Services, Inc. provides a unique commodity to the Authority and the community by providing employment to individuals with disabilities in the Salinas Valley; and,

WHEREAS, Social Vocational Services has done an excellent job assisting with litter control and diversion services at the Johnson Canyon Landfill, along with assisting with the construction and demolition sort line; and,

WHEREAS, as a unique community-based service the Board makes the finding that under the Authority Code Section 3.01.130 (3), this continuing service is an exception to competitive bidding requirements.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute a Two-Year professional services agreement with Social Vocational Services, Inc. for Materials Processing and Litter Abatement Services at the Johnson Canyon Landfill for an amount of \$202,000 for two (2) years, with two (2) optional One-Year extensions as attached hereto and marked "Exhibit A."

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th of May 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

Anthony Rocha, President

Erika J. Trujillo, Clerk of the Board

Roy Santos, Authority General Counsel



Project Name/No.: _____
Project Manager: _____

Contract No.: _____
Approved: _____

**AGREEMENT FOR SERVICES
BETWEEN THE SALINAS VALLEY SOLID WASTE AUTHORITY AND
SOCIAL VOCATIONAL SERVICES**

THIS AGREEMENT FOR SERVICES (herein “Agreement”) is made and entered into this 16th day of May, 2024 (“Effective Date”) by and between the Salinas Valley Solid Waste Authority, a California Joint Powers Authority (“Authority”) and Social Vocational Services (herein “Consultant”).

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by reference. The Scope of Services shall include the scope of work included in Consultant’s proposal, which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the Authority and any Federal, State or local governmental agency of competent jurisdiction.

1.3 California Labor Law. If the Scope of Services includes any “public work” or “maintenance work,” as those terms are defined in California Labor Code section 1720 *et seq.* and California Code of Regulations, Title 8, Section 16000 *et seq.*, and if the total compensation is \$1,000 or more, Consultant shall pay prevailing wages for such work and comply with the requirements in California Labor Code section 1770 *et seq.* and 1810 *et seq.*, and all other applicable laws, including the following requirements:

(a) **Public Work.** The Parties acknowledge that some or all of the work to be performed under this Agreement is a “public work” as defined in Labor Code Section 1720 and that this Agreement is therefore subject to the requirements of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works contracts and the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. The work performed under this Agreement is subject to compliance monitoring and enforcement by the DIR. Contractor shall post job site notices, as prescribed by regulation.

(b) Prevailing Wages. Contractor shall pay prevailing wages to the extent required by Labor Code Section 1771. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at Authority Offices at 126 Sun Street, Salinas, CA 93901 and will be made available to any interested party on request. By initiating any work under this Agreement, Contractor acknowledges receipt of a copy of the Department of Industrial Relations (DIR) determination of the prevailing rate of per diem wages, and Contractor shall post a copy of the same at each job site where work is performed under this Agreement.

(c) Penalty for Failure to Pay Prevailing Wages. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the Authority, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

(d) Payroll Records. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform the Authority of the location of the records.

(e) Apprentices. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6, and 1777.7 and California Code of Regulations Title 8, Section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide Authority with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to the Authority a verified statement of the journeyman and apprentice hours performed under this Agreement.

(f) Eight-Hour Work Day. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810.

(g) Penalties for Excess Hours. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the Authority, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half (1½) times the basic rate of pay.

(h) Workers' Compensation. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees if it has employees. In accordance with the provisions of California Labor Code Section 1861, Contractor certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

Contractor's Authorized Initials _____

(i) Contractor's Responsibility for Subcontractors. For every subcontractor who will perform work under this Agreement, Contractor shall be responsible for such subcontractor's compliance with Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code, and shall make such compliance a requirement in any contract with any subcontractor for work under this Agreement. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a review of the certified payroll records of the subcontractor on a periodic basis or upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any such failure by any subcontractor.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.5 Software and Computer Services. If the Scope of Services includes the provision and/or installation of any software, computer system, or other computer technology, Consultant represents and warrants that it has inspected the Authority's current infrastructure, equipment, computer system and software and that the software, computer system, or other computer technology provided and/or installed by Consultant under this Agreement is compatible, and shall be fully functional, with such infrastructure, equipment, computer system and software of the Authority. Consultant acknowledges that the Authority is relying on the representation by Consultant as a material consideration in entering into this Agreement.

1.6 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the “Special Requirements” attached hereto as Exhibit “B” and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit “B” and any other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the “Schedule of Compensation” attached

hereto as Exhibit “C” and incorporated herein by this reference, but not exceeding the maximum contract amount of Two Hundred and Two Thousand Dollars (\$202,000.00) (“Contract Sum”).

2.2 Invoices. Each month Consultant shall furnish to Authority an original invoice for all work performed and expenses incurred during the preceding month in a form approved by Authority’s Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. Consultant shall not invoice Authority for any duplicate services performed by more than one person.

All invoices shall be submitted by email to ap@svswa.org. Each invoice is to include:

- (a) Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- (b) Line items for all materials and equipment properly charged to the Services.
- (c) Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- (d) Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
- (e) If this Agreement requires prevailing wages, per Section 1.4 of the Agreement, all invoices shall include a copy of Consultant’s Certified Payroll and proof that Certified Payroll has been submitted to the DIR. Consultant shall also submit a list of the prevailing wage rates for all employees and subcontractors providing services under this Agreement, as applicable, with Consultant’s first invoice. If these rates change at any time during the term of the Agreement, Consultant shall submit a new list of rates to the Authority with its first invoice following the effective date of the rate change.

Authority shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by Authority, or as provided in Section 7.3, Authority will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant’s correct and undisputed invoice; however, Consultant acknowledges and agrees that due to Authority warrant run procedures, the Authority cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by Authority, the original invoice shall be returned by Authority to Consultant for correction and resubmission. Review and payment by Authority for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. Authority shall have the right, subject to state law, at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is

first given by the Project Manager to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation for extra work shall require the approval of Authority Board of Directors unless the Authority Board of Directors has previously authorized the Authority General Manager to approve an increase in compensation and the amount of the increase does not exceed such authorization. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. Authority may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

2.4 Contingency of Funds.

Consultant acknowledges that funding or portions of funding for this Agreement may be contingent upon State budget approval; receipt of funds from, and/or obligation of funds by the State of California to Authority; or inclusion of sufficient funding for the services hereunder in the budget approved by Authority Board of Directors for each fiscal year covered by this Agreement. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, Authority may immediately terminate or modify this Agreement without penalty.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the “Schedule of Performance” attached hereto as Exhibit “D” and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Project Manager but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Authority, if the Consultant shall within ten (10) days of the commencement of such delay notify the Project Manager in writing of the causes of the delay. The Project Manager shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Project Manager such delay is justified. The Project Manager’s determination shall be final and conclusive upon the

parties to this Agreement. In no event shall Consultant be entitled to recover damages against the Authority for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services, which shall be no later than June 30, 2026, except as otherwise provided in the Schedule of Performance (Exhibit "D"). This Agreement may be renewed by a written amendment for up to an additional two (2), one (1) year extensions at the option of the Authority if the Authority is satisfied with the quality of services performed by Consultant under this Agreement.

4. COORDINATION OF WORK

4.1 Representative of Consultant. Guadalupe Alvarez is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep Authority informed of any changes.

4.2 Project Manager. Cesar Zuñiga, or any other person as may be designated by the Authority General Manager, is hereby designated as being the representative of the Authority authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Project Manager").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the Authority. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of Authority. Any such prohibited assignment or transfer shall be void.

4.4 Independent Consultant. Neither the Authority nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of Authority with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of Authority, or that it is a member of a joint enterprise with Authority.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. Without limiting Consultant's indemnification of Authority, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Authority.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

(b) Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

(c) Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

(d) Workers’ compensation insurance. Consultant shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

(a) Proof of insurance. Consultant shall provide certificates of insurance to Authority as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation. Insurance certificates and endorsements must be approved by Authority’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with Authority at all times during the term of this Agreement. Authority reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of coverage. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, its agents, representatives, employees or subconsultants.

(c) Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by Authority shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Authority before the Authority's own insurance or self-insurance shall be called upon to protect it as a named insured.

(d) Authority's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Authority has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Authority will be promptly reimbursed by Consultant or Authority will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Authority may cancel this Agreement.

(e) Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Authority's Risk Manager.

(f) Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against Authority, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Authority, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(g) Enforcement of contract provisions (non-estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the Authority to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Authority nor does it waive any rights hereunder.

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the Authority requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority.

(i) Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to Authority with a thirty (30) day notice of cancellation (except

for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional insured status. General liability policies shall provide or be endorsed to provide that Authority and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to Authority and approved of in writing.

(l) Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass through clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to Authority for review.

(n) Agency's right to revise specifications. The Authority reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the Authority and Consultant may renegotiate Consultant's compensation.

(o) Self-insured retentions. Any self-insured retentions must be declared to and approved by Authority. Authority reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by Authority.

(p) Timely notice of claims. Consultant shall give Authority prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the Authority, its officers, employees and agents

(“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, invitees, or any individual or entity for which Consultant is legally liable (“indemnitors”), or arising from Consultant’s or indemnitors’ reckless or willful misconduct, or arising from Consultant’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, except claims or liabilities occurring as a result of Authority’s sole negligence or willful acts or omissions. Notwithstanding the above, a design professional’s indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to Authority and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Project Manager to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Project Manager shall have full and free access to such books and records at all times during normal business hours of Authority, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Project Manager such reports concerning the performance of the services required by this Agreement or as the Project Manager shall require.

6.3 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than the Authority without prior written authorization from the Project Manager.

(b) Consultant shall not, without prior written authorization from the Project Manager or unless requested by the Authority General Counsel, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives the Authority notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then the Authority shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify the Authority should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. The Authority retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the Authority and to provide the Authority with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the "documents and materials") prepared by Consultant in the performance of this Agreement shall be the property of the Authority and shall be delivered to the Authority upon request of the Project Manager or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the Authority of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the Authority.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Monterey, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in the County of Monterey, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, the Authority shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the Authority may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, the Authority shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, the Authority may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain

declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 *et seq.* and 910 *et seq.*, in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Liquidated Damages. Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the Authority the sum of zero (\$0.00) as liquidated damages for each working day of delay in the performance of any service required hereunder. The Authority may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

7.5 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The Authority reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Project Manager. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to Authority, except that where termination is due to the fault of the Authority, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Project Manager. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Project Manager thereafter in accordance with the Schedule of Compensation or such as may be approved by the Project Manager. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.6 Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, Authority may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the Authority shall use reasonable efforts to mitigate such damages),

and Authority may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the Authority as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of Authority Officers and Employees. No officer or employee of the Authority shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the Authority or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the Authority, to the Authority General Manager and to the attention of the Project Manager (with her/his name and Authority title), Salinas Valley Solid Waste Authority, 126 Sun Street, Salinas, California 93901 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's

consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of Authority has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of Authority participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any Authority official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Authority official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which

said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

AUTHORITY:

**SALINAS VALLEY SOLID WASTE
AUTHORITY**, a California Joint Powers
Authority

R. Patrick Mathews, General Manager/CAO

ATTEST:

**APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP**

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, General Counsel

CONSULTANT:

SOCIAL VOCATIONAL SERVICES

By: _____
Name: Guadalupe Alvarez
Title: Program Director

By: _____
Name:
Title:

Address: 335 Abbott Street
Salinas, CA 93901

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2024 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL		_____
<input type="checkbox"/> CORPORATE OFFICER		TITLE OR TYPE OF DOCUMENT
_____	TITLE(S)	
<input type="checkbox"/> PARTNER(S)	<input type="checkbox"/> LIMITED	_____
	<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT		
<input type="checkbox"/> TRUSTEE(S)		_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR		DATE OF DOCUMENT
<input type="checkbox"/> OTHER _____		

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2024 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
<input type="checkbox"/> OTHER _____	

SIGNER IS REPRESENTING:	_____
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

SCOPE OF SERVICES

- I. Consultant will perform the Services described in Consultant's Proposal, attached hereto as Exhibit A-1.**
- II. All work product is subject to review and acceptance by the Authority, and must be revised by the Consultant without additional charge to the Authority until found satisfactory and accepted by Authority.**

EXHIBIT "A-1"

Scope of Services and Fee Schedule

Social Vocational Services, will provide four (6) clients and one (2) supervisor for the following tasks:

1. Cleaning of contaminants from refuse loads containing high amounts of recycling materials such as cardboards, plastics, metals and other recycling materials including organics.
2. Loading of recycling materials into designated containers for shipping.
3. Baling of recycling commodities to increase storage efficiency and market value
4. Litter abatement in and around Johnson Canyon Landfill property as needed.
5. Janitorial services as needed in different areas of the facility.
6. Assist with construction and demolition sort line processing.
7. The operating schedule will be from 9:00am to 12:45pm (3.75 hours), Monday through Friday except when the landfill is closed due to holidays and holidays observed by Social Vocational Services.

EXHIBIT "B"

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

Not Applicable

EXHIBIT "C"

SCHEDULE OF COMPENSATION

- I. Consultant shall be compensated for the services provided under this Agreement in accordance with the budget and rates provided in Exhibit "C-1".**

EXHIBIT "C-1"

Fee Schedule

1. A monthly rate of \$7,990.00 for both crews
2. A work schedule of 3.75 hours per day.
3. The Salinas Valley Solid Waste Authority will provide all necessary employee safety protection gear and supplies.

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services and deliver all work products timely in accordance with Section 3.2.**

- II. The Project Manager may approve extensions for performance of the services in accordance with Section 3.2.**



Report to the Board of Directors

ITEM NO. 9

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

N/A

Authority General Counsel

Date: May 16, 2024

From: Cesar Zuñiga, Assistant General Manager /
Operations Manager

Title: A Resolution Approving a Professional Service Agreement with Hope Services Inc. for Materials Processing and Litter Abatement at the Johnson Canyon Landfill in the amount of \$332,000 for a Two-Year Agreement with Two Optional 1 Year Extensions

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The recommended action does not directly support any of the current Authority Strategic Goals, but the action does support the Authority value of "Community Partnerships".

FISCAL IMPACT

The approved FY 2024-25 Budget has sufficient funding to cover the diversion services and litter abatement provided by the agreement.

DISCUSSION & ANALYSIS

The Johnson Canyon Landfill continues to see an increase in daily customer trips since the closure of the Sun Street Transfer Station in Salinas. This requires an increased effort to identify loads rich in recycling. The partnership with Hope Services allows the facility staff to concentrate on public services by assisting with both litter abatement and some diversion activities at the facility. The Hope Services crew has been an integral part of this on-going successful recovery of these materials. The service agreement with Hope Services Inc., requires a crew of four (4) full time workers and one (1) trained supervisor.

The Authority is committed to partner with Hope Services to provide employment to individuals with developmental disabilities from the Salinas Valley. This collaborative effort has earned several awards over the past years.

Hope Services is a non-profit agency in Monterey County fully dedicated to serving the disabled community by providing job skill development and job placement. The Salinas Valley Solid Waste Authority's partnership with Hope Services supports the agency's goal to provide green job opportunities to all citizens of the Salinas Valley.

BACKGROUND

The mission of Hope Services, Inc. is to assist people with developmental disabilities to live and participate in their communities. Hope Services offers developmentally disabled adults the opportunity to participate in meaningful community work and develop job related skills. Since April 2007, the Authority has been working with Hope Services Inc., to provide litter abatement and diversion services at the Sun Street Transfer Station, which closed in 2022 and now at the Johnson Canyon Landfill, thereby assisting the Authority in continuing to be environmentally responsible and a good neighbor.

Hope Services also assists in providing expanded recycling drop-off services to the self-haul and small commercial customers at the Johnson Canyon Landfill Materials Recycling Center assisting Authority Diversion Workers with customer services and to help unload recycling materials.

ATTACHMENTS

1. Resolution
2. Exhibit A – Agreement

RESOLUTION NO. 2024 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING THE PROFESSIONAL SERVICES AGREEMENT WITH HOPE SERVICES, INC. FOR MATERIALS PROCESSING AND LITTER ABATEMENT SERVICES AT JOHNSON CANYON LANDFILL FOR AN AMOUNT OF \$332,000 FOR A TWO-YEAR AGREEMENT WITH TWO OPTIONAL ONE YEAR EXTENSIONS

WHEREAS, the Salinas Valley Solid Waste Authority values Community Partnerships and finds that Hope Services, Inc. provides a unique commodity to the Authority and the community by providing employment to individuals with disabilities in the Salinas Valley; and,

WHEREAS, Hope Services has provided litter abatement and diversion services for the Authority since April 2007 and has unique, in-depth knowledge of the Authority's operations; and,

WHEREAS, staff is pleased with the assistance and services that Hope Services has provided with SB1383 task and the assistance with the construction and demolition sort line processing; and,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute a Two-Year Professional Service Agreement with Two Optional One Year Extensions with Hope Services, Inc. for Materials Processing and Litter Abatement Services at Johnson Canyon Landfill as attached hereto and marked "Exhibit A."

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th of May of 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel



Project Name/No.: _____
Project Manager: _____

Contract No.: _____
Approved: _____

**AGREEMENT FOR SERVICES
BETWEEN THE SALINAS VALLEY SOLID WASTE AUTHORITY AND
HOPE SERVICES**

THIS AGREEMENT FOR SERVICES (herein “Agreement”) is made and entered into this 16th day of May, 2024 (“Effective Date”) by and between the Salinas Valley Solid Waste Authority, a California Joint Powers Authority (“Authority”) and Social Vocational Services (herein “Consultant”).

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by reference. The Scope of Services shall include the scope of work included in Consultant’s proposal, which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the Authority and any Federal, State or local governmental agency of competent jurisdiction.

1.3 California Labor Law. If the Scope of Services includes any “public work” or “maintenance work,” as those terms are defined in California Labor Code section 1720 *et seq.* and California Code of Regulations, Title 8, Section 16000 *et seq.*, and if the total compensation is \$1,000 or more, Consultant shall pay prevailing wages for such work and comply with the requirements in California Labor Code section 1770 *et seq.* and 1810 *et seq.*, and all other applicable laws, including the following requirements:

(a) **Public Work.** The Parties acknowledge that some or all of the work to be performed under this Agreement is a “public work” as defined in Labor Code Section 1720 and that this Agreement is therefore subject to the requirements of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works contracts and the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. The work performed under this Agreement is subject to compliance monitoring and enforcement by the DIR. Contractor shall post job site notices, as prescribed by regulation.

(b) Prevailing Wages. Contractor shall pay prevailing wages to the extent required by Labor Code Section 1771. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at Authority Offices at 126 Sun Street, Salinas, CA 93901 and will be made available to any interested party on request. By initiating any work under this Agreement, Contractor acknowledges receipt of a copy of the Department of Industrial Relations (DIR) determination of the prevailing rate of per diem wages, and Contractor shall post a copy of the same at each job site where work is performed under this Agreement.

(c) Penalty for Failure to Pay Prevailing Wages. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the Authority, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

(d) Payroll Records. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform the Authority of the location of the records.

(e) Apprentices. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6, and 1777.7 and California Code of Regulations Title 8, Section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide Authority with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to the Authority a verified statement of the journeyman and apprentice hours performed under this Agreement.

(f) Eight-Hour Work Day. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810.

(g) Penalties for Excess Hours. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the Authority, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half (1½) times the basic rate of pay.

(h) Workers' Compensation. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees if it has employees. In accordance with the provisions of California Labor Code Section 1861, Contractor certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

Contractor's Authorized Initials _____

(i) Contractor's Responsibility for Subcontractors. For every subcontractor who will perform work under this Agreement, Contractor shall be responsible for such subcontractor's compliance with Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code, and shall make such compliance a requirement in any contract with any subcontractor for work under this Agreement. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a review of the certified payroll records of the subcontractor on a periodic basis or upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any such failure by any subcontractor.

1.4 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.5 Software and Computer Services. If the Scope of Services includes the provision and/or installation of any software, computer system, or other computer technology, Consultant represents and warrants that it has inspected the Authority's current infrastructure, equipment, computer system and software and that the software, computer system, or other computer technology provided and/or installed by Consultant under this Agreement is compatible, and shall be fully functional, with such infrastructure, equipment, computer system and software of the Authority. Consultant acknowledges that the Authority is relying on the representation by Consultant as a material consideration in entering into this Agreement.

1.6 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the “Special Requirements” attached hereto as Exhibit “B” and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit “B” and any other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference, but not exceeding the maximum

contract amount of Two Hundred and Thirty Two Thousand Dollars (\$332,000.00) (“Contract Sum”).

2.2 Invoices. Each month Consultant shall furnish to Authority an original invoice for all work performed and expenses incurred during the preceding month in a form approved by Authority’s Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. Consultant shall not invoice Authority for any duplicate services performed by more than one person.

All invoices shall be submitted by email to ap@svswa.org. Each invoice is to include:

- (a) Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- (b) Line items for all materials and equipment properly charged to the Services.
- (c) Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- (d) Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
- (e) If this Agreement requires prevailing wages, per Section 1.4 of the Agreement, all invoices shall include a copy of Consultant’s Certified Payroll and proof that Certified Payroll has been submitted to the DIR. Consultant shall also submit a list of the prevailing wage rates for all employees and subcontractors providing services under this Agreement, as applicable, with Consultant’s first invoice. If these rates change at any time during the term of the Agreement, Consultant shall submit a new list of rates to the Authority with its first invoice following the effective date of the rate change.

Authority shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by Authority, or as provided in Section 7.3, Authority will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant’s correct and undisputed invoice; however, Consultant acknowledges and agrees that due to Authority warrant run procedures, the Authority cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by Authority, the original invoice shall be returned by Authority to Consultant for correction and resubmission. Review and payment by Authority for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. Authority shall have the right, subject to state law, at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is

first given by the Project Manager to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation for extra work shall require the approval of Authority Board of Directors unless the Authority Board of Directors has previously authorized the Authority General Manager to approve an increase in compensation and the amount of the increase does not exceed such authorization. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. Authority may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

2.4 Contingency of Funds.

Consultant acknowledges that funding or portions of funding for this Agreement may be contingent upon State budget approval; receipt of funds from, and/or obligation of funds by the State of California to Authority; or inclusion of sufficient funding for the services hereunder in the budget approved by Authority Board of Directors for each fiscal year covered by this Agreement. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, Authority may immediately terminate or modify this Agreement without penalty.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the “Schedule of Performance” attached hereto as Exhibit “D” and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Project Manager but not exceeding thirty (30) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Authority, if the Consultant shall within ten (10) days of the commencement of such delay notify the Project Manager in writing of the causes of the delay. The Project Manager shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Project Manager such delay is justified. The Project Manager’s determination shall be final and conclusive upon the

parties to this Agreement. In no event shall Consultant be entitled to recover damages against the Authority for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services, which shall be no later than June 30, 2026, except as otherwise provided in the Schedule of Performance (Exhibit "D"). This Agreement may be renewed by a written amendment for up to an additional two (2), one (1) year extensions at the option of the Authority if the Authority is satisfied with the quality of services performed by Consultant under this Agreement.

4. COORDINATION OF WORK

4.1 Representative of Consultant. Sheryl Hagemann is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep Authority informed of any changes.

4.2 Project Manager. Cesar Zuñiga, or any other person as may be designated by the Authority General Manager, is hereby designated as being the representative the Authority authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith ("Project Manager").

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the Authority. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of Authority. Any such prohibited assignment or transfer shall be void.

4.4 Independent Consultant. Neither the Authority nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of Authority with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of Authority, or that it is a member of a joint enterprise with Authority.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. Without limiting Consultant's indemnification of Authority, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Authority.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

(b) Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

(c) Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

(d) Workers’ compensation insurance. Consultant shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

(a) Proof of insurance. Consultant shall provide certificates of insurance to Authority as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation. Insurance certificates and endorsements must be approved by Authority’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with Authority at all times during the term of this Agreement. Authority reserves the right to require complete, certified copies of all required insurance policies, at any time.

(b) Duration of coverage. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, its agents, representatives, employees or subconsultants.

(c) Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by Authority shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Authority before the Authority's own insurance or self-insurance shall be called upon to protect it as a named insured.

(d) Authority's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Authority has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Authority will be promptly reimbursed by Consultant or Authority will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Authority may cancel this Agreement.

(e) Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Authority's Risk Manager.

(f) Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against Authority, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Authority, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(g) Enforcement of contract provisions (non-estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the Authority to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Authority nor does it waive any rights hereunder.

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the Authority requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority.

(i) Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to Authority with a thirty (30) day notice of cancellation (except

for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional insured status. General liability policies shall provide or be endorsed to provide that Authority and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to Authority and approved of in writing.

(l) Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass through clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to Authority for review.

(n) Agency's right to revise specifications. The Authority reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the Authority and Consultant may renegotiate Consultant's compensation.

(o) Self-insured retentions. Any self-insured retentions must be declared to and approved by Authority. Authority reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by Authority.

(p) Timely notice of claims. Consultant shall give Authority prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification. To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the Authority, its officers, employees and agents

(“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, invitees, or any individual or entity for which Consultant is legally liable (“indemnitors”), or arising from Consultant’s or indemnitors’ reckless or willful misconduct, or arising from Consultant’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, except claims or liabilities occurring as a result of Authority’s sole negligence or willful acts or omissions. Notwithstanding the above, a design professional’s indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to Authority and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Project Manager to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Project Manager shall have full and free access to such books and records at all times during normal business hours of Authority, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Project Manager such reports concerning the performance of the services required by this Agreement or as the Project Manager shall require.

6.3 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than the Authority without prior written authorization from the Project Manager.

(b) Consultant shall not, without prior written authorization from the Project Manager or unless requested by the Authority General Counsel, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives the Authority notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then the Authority shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify the Authority should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. The Authority retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the Authority and to provide the Authority with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the "documents and materials") prepared by Consultant in the performance of this Agreement shall be the property of the Authority and shall be delivered to the Authority upon request of the Project Manager or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the Authority of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the Authority.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Monterey, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in the County of Monterey, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, the Authority shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the Authority may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, the Authority shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, the Authority may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain

declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 *et seq.* and 910 *et seq.*, in order to pursue any legal action under this Agreement.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Liquidated Damages. Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the Authority the sum of zero (\$0.00) as liquidated damages for each working day of delay in the performance of any service required hereunder. The Authority may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

7.5 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The Authority reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Project Manager. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to Authority, except that where termination is due to the fault of the Authority, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Project Manager. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Project Manager thereafter in accordance with the Schedule of Compensation or such as may be approved by the Project Manager. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.6 Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, Authority may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the Authority shall use reasonable efforts to mitigate such damages),

and Authority may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the Authority as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

8.2 Non-liability of Authority Officers and Employees. No officer or employee of the Authority shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the Authority or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the Authority, to the Authority General Manager and to the attention of the Project Manager (with her/his name and Authority title), Salinas Valley Solid Waste Authority, 126 Sun Street, Salinas, California 93901 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

8.4 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.5 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.6 Waiver. No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's

consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.7 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

8.8 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of Authority has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of Authority participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any Authority official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Authority official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

8.11 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which

said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

AUTHORITY:

**SALINAS VALLEY SOLID WASTE
AUTHORITY**, a California Joint Powers
Authority

R. Patrick Mathews, General Manager/CAO

ATTEST:

**APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP**

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, General Counsel

CONSULTANT:

HOPE Services

By: _____
Name: Sheryl Hagemann
Title: South District Manager

By: _____
Name:
Title:

Address: 744B La Guardia Drive
Salinas, CA 93905

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2024 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL		_____
<input type="checkbox"/> CORPORATE OFFICER		TITLE OR TYPE OF DOCUMENT
_____	TITLE(S)	
<input type="checkbox"/> PARTNER(S)	<input type="checkbox"/> LIMITED	_____
	<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT		_____
<input type="checkbox"/> TRUSTEE(S)		DATE OF DOCUMENT
<input type="checkbox"/> GUARDIAN/CONSERVATOR		
<input type="checkbox"/> OTHER _____		

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2024 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
<input type="checkbox"/> OTHER _____	

SIGNER IS REPRESENTING:	_____
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"

SCOPE OF SERVICES

- I. Consultant will perform the Services described in Consultant's Proposal, attached hereto as Exhibit A-1.**
- II. All work product is subject to review and acceptance by the Authority, and must be revised by the Consultant without additional charge to the Authority until found satisfactory and accepted by Authority.**

EXHIBIT "A-1"

Scope of Services and Fee Schedule

Hope Services Inc., will provide four (4) clients and one (1) supervisor for the following tasks:

1. Cleaning of contaminants from refuse loads containing high amounts of recycling materials such as cardboards, plastics, metals and other recycling materials including organics.
2. Loading of recycling materials into designated containers for shipping.
3. Sort line pick stations for Construction and demolition.
4. Litter abatement in and around Johnson Canyon Landfill property as needed.
5. The operating schedule will be seven hours (7 hours), Monday through Friday except when the landfill is closed and agreed to Holidays observed by Hope Services Inc.

EXHIBIT "B"

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

Not Applicable

EXHIBIT "C"

SCHEDULE OF COMPENSATION

- I. Consultant shall be compensated for the services provided under this Agreement in accordance with the budget and rates provided in Exhibit "C-1".**

EXHIBIT "C-1"

Fee Schedule

1. A daily rate of \$663.25 plus \$25 transport fee.
2. A work schedule of seven (7) hours per day.
3. The Salinas Valley Solid Waste Authority will provide all necessary employee safety protection gear and supplies.

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services and deliver all work products timely in accordance with Section 3.2.**

- II. The Project Manager may approve extensions for performance of the services in accordance with Section 3.2.**



Report to the Board of Directors

ITEM NO. 10

Finance and Administration
Manager/Controller-Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 16, 2024

From: Janna Faulk, Recycling Coordinator

Title: A Resolution Approving Amendment No. 3 Authorizing a Two-Year Extension of the Professional Services Agreement with S. Groner Associates (SGA) for Media Marketing Services in an Amount of \$150,000

RECOMMENDATION

Staff recommends that the Board adopt the resolution.

This agreement with SGA Marketing will continue to build and reinforce a consistent and positive brand image for the Authority (a.k.a. Salinas Valley Recycles) and promote the Authority's services and increase public education about recycling, organic waste diversion and waste reduction practices throughout the Salinas Valley community.

STRATEGIC PLAN RELATIONSHIP

The recommended action supports the Authority's 2024 Strategic Plan Goals & Priorities: "E. High-quality community engagement" through maintaining a comprehensive communication and branding strategy.

FISCAL IMPACT

The approved FY 2024-25 budget includes \$100,000 for marketing services and media campaigns. CalRecycle's SB1383 Local Assistance Grant Program 2022- 23, Cycle OWR4 includes additional funding for education. An additional \$50,000 will be added to the SGA contract to bring the total contract to \$150,000 for FY 2024-25 and FY 2025-26. The grant term ends April 1, 2026.

DISCUSSION & ANALYSIS

The current agreement with SGA will terminate on June 30, 2024. During the past fiscal year, Resource Recovery staff has successfully worked with SGA to complete a comprehensive Food Scraps campaign, anti-contamination campaign and Tire Amnesty promotion. Staff has been very satisfied with the quality of work and services provided by SGA.

The proposed Scope of Work for projects in the next fiscal year includes the following tasks on an as-needed basis:

- Continue to publicize and promote food scrap recycling and anti-contamination through media development and placement of advertisement.
 - Approximately \$50,000 per year will be spent specifically on promoting

food scrap and organics recycling to fulfill the requirements of the CalRecycle SB 1383 grant program. The advertisements will include but not limited to: billboards, digital marketing, and social media placement.

- Continue Promotion of Authority Services and Brand through development and production of television, radio digital/mobile media, and social media campaigns
- Public Relations / Media Relations Press Release, including development of news articles to announce programs and public-interest news
- Updating educational materials to help improve proper disposal of materials (including, organics, curbside recycling, source-separation at recycling center facilities, and Household Hazardous Waste [HHW])
- Marketing of diversion services, targeting specific commodities through special events

This two-year extension will allow for continuity of the on-going branding of Authority and the media scope of work.

BACKGROUND

Since 1999, the Authority has contracted with marketing and public relations firms to promote components of the AB 939 Enhanced Services and to increase the overall awareness of the Authority's services, programs, and its mission, vision and values. The marketing services have focused on development of media plans and creating new ads and campaigns to reach target audiences.

The Authority released a competitive Request for Proposals for Media Services in March 2021 and from that process, SGA was selected as the Authority's new marketing consultant. SGA is a full-service strategic marketing and communication corporation with an emphasis on public education, community engagement, and behavior change. SGA concentrates public education efforts on the barriers and motivators, both structural and psychological, which have to be addressed to change behavior. With over two decades of marketing and outreach experience, SGA will develop a strategic long-term communication plan that will increase awareness as well as shift behaviors towards positive environmental stewardship.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – Amendment No. 3

RESOLUTION NO. 2024-

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AMENDMENT NO. 3 AUTHORIZING A TWO-YEAR EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT WITH S. GRONER ASSOCIATES FOR MEDIA MARKETING SERVICES FOR AN AMOUNT OF \$150,000

WHEREAS, on June 17, 2021, the Board approved a one-year Professional Services Agreement with S. Groner Associates (SGA) Marketing with two optional one-year extensions; and,

WHEREAS, on June 16, 2022, the Board of Directors adopted Resolution No. 2022-37 approving Amendment No. 1 exercising a one-year extension and on May 18, 2023, Resolution 2023-28 was also adopted by the Board of Directors approving Amendment No. 2; and,

WHEREAS, SGA Marketing has performed the services requested in the original contract admirably and in the case of professional services, qualifications and experience to the benefit of the Authority shall receive first consideration; and,

WHEREAS, SGA Marketing has an in-depth knowledge of the Authority, which is a unique value-added service that only SGA can provide and will allow for continuity of the on-going branding of Authority and the media scope of work.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to execute a Amendment No. 3 authorizing a two year extension to the Professional Services Agreement with SGA Marketing for Marketing Services in an amount not to exceed \$150,000 per fiscal year as attached hereto and marked "Exhibit A."

BE IT FURTHER RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the updated fee schedule is approved, as attached hereto and marked "Exhibit B".

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 16th day of May 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy Santos, Authority General Counsel



AMENDMENT NO. 3

**TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN
SALINAS VALLEY SOLID WASTE AUTHORITY AND
S. Groner Associates (SGA)
For Media Marketing Services**

This amendment is made and entered into this 16th day of May 2024, by and between the Salinas Valley Solid Waste Authority, a joint powers authority organized under the laws of the State of California (hereinafter “Authority”), and **S. Groner Associates (SGA)** (hereinafter “Consultant”).

The Authority and Consultant entered into an Agreement on June 17, 2021. The initial term of the agreement expired June 30, 2022, and provided that the term may be extended two (2) one (1) -year extensions each. On June 16, 2022, Amendment No. 1 was approved exercising a one, one-year extension expiring on June 30, 2023. On May 18, 2023, Amendment No. 2 was approved exercising a one, one-year extension expiring on June 30, 2024.

All terms of the aforementioned agreement will continue in force with the exception of the following changes:

1. Completion Schedule

The Authority and Consultant hereby mutually agree to extend the agreement with SGA Marketing for an additional two-year term effective July 1, 2024 and ending June 30, 2026.

2. Compensation

Salinas Valley Solid Waste Authority agrees to pay for SGA Marketing for services delivered by this agreement in an amount indicated in the payment schedule and in the manner indicated and in accordance with proposal from SGA Marketing, as attached hereto and marked “Exhibit B”.

IN WITNESS THEREOF, the parties hereto have made and executed this Amendment No. 3 on the date first above written.

SALINAS VALLEY SOLID WASTE AUTHORITY:

APPROVED AS TO FORM:

R. Patrick Matthews
Chief Administrative Officer

Roy Santos
Authority General Counsel

ATTEST:

S. GRONER ASSOCIATES

Erika Trujillo
Clerk of the Board

Name: Stephen Groner
Title: President



SB 1383 ORGANIC RECYCLING OUTREACH FY 2024 - 2026

Task 1: Develop and Maintain Digital Media Campaign

1. Revise and update messaging and key talking points with SVR staff
2. Develop and manage residential and commercial Google and Meta Responsive Ad campaigns to coincide with various seasonal events and holidays
3. Design and develop digital assets

Task 2: Develop and Manage Print and Traditional Media Campaign

1. Design and develop multimedia print and digital assets
 - a. English and multicultural radio ads
 - b. Print ads
 - c. Billboards

Task 3: Promote Salinas Valley Recycles Branding and Update Messaging

1. Update SVR branding and messaging to increase awareness about the steps SVR has taken to become more efficient and financially secure

Task 4: Project Administration

1. Monitor, analyze, and adjust marketing campaign
2. Develop reports, invoices, summaries of activities

Total FY 2024-2026 Budget Estimates

SVR 2024-2026 SB 1383 Campaign	Unit Amount	Media Buy	Total Cost
Task 1: Develop and Maintain Digital Media Campaign	\$15,848	\$10,000	\$25,848
Task 2: Develop and Manage Print and Traditional Media Campaign	\$16,904	\$75,000	\$91,904
Task 3: Promote Salinas Valley Recycles Branding and Update Messaging	\$6,256	\$5,000	\$11,256
Task 4: Project Administration	\$10,216		\$10,216
Annual Total	\$49,224	\$90,000	\$139,224



2024 FEE SCHEDULE

SGA has included our hourly rates and budgets estimates for each task. The tasks can be chosen based on the priorities and needs of Salinas Valley Recycles. Printing is a separate expense and postage/mailing are not included.

S. Groner Associates			
FULLY BURDENED HOURLY RATES*		REIMBURSABLE TRAVEL COSTS	
JOB FUNCTION	RATES	Local Mileage	Current Federal Per Diem Rates
Project Director	\$223.00	Transportation	Actual Expense
Creative Director	\$202.00	Auto Rental	Actual Expense
Sr. Project Manager	\$202.00	Fares	Actual Expense
Project Manager	\$194.00	Room	Actual Expense
Assistant Project Manager	\$176.00	Subsistence	Current Federal Per Diem Rates
Sr. Technical Expert	\$176.00		
Sr. Graphic Designer	\$176.00	EXPENSES AND FEES	
Website Developer/Programmer	\$154.00		
Public Affairs/Media Relations	\$194.00	Black and White Copy	Billed at Cost + 10%
Graphic Designer	\$154.00	Color Copy	Billed at Cost + 10%
Sr. Project Coordinator	\$176.00	Binding	Billed at Cost + 10%
Project Coordinator	\$152.00	Postage/Express Mail	Billed at Cost + 10%
Research/Survey Manager	\$194.00	Out of Pocket Expenses	Billed at Cost + 10%
Research/Survey Coordinator	\$152.00	Translation Costs	.20/word
Video Editor/Producer	\$176.00	Rush Fee	Additional 30% of total cost
Sr. Project Associate	\$139.00	Media Placement Commission*	10% of total media purchase
Project Associate	\$131.00		
Copywriter	\$131.00		
Outreach Specialist	\$122.00		
Social Media Coordinator	\$122.00		
Project Administrator	\$144.00		
<p>*Amount for just media placement and management, negotiable if creative or design services are included in campaign Staff billing rates are adjusted based on the regional inflation/cost of living index.</p>			



Report to the Board of Directors

ITEM NO. 11

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 16, 2024
From: Brian Kennedy – Engineering and Environmental Compliance Manager
Title: A Resolution Approving Purchasing of Landfill Gas Pipe and Fittings from Core and Main in the Amount of \$144,090.15

RECOMMENDATION

Staff requests that the Board adopt the resolution.

STRATEGIC PLAN RELATIONSHIP

The purchase of landfill gas conveyance piping will assist the Authority in supporting its Objectives for “Financial Sustainability” and to “Comply, Adapt, and Respond to Regulatory Changes”. The pipe will be used by staff to upgrade the landfill gas delivery system which is currently undersized for the amount of gas that is being harvested from the landfill and brought to the power plant and flare station. By purchasing and installing this pipeline, the Authority will be saving a substantial amount of money by doing this work in-house rather than contracting it to others. This landfill gas collection system upgrade will also improve collection efficiency and improve compliance with various rules and regulations related to reduction and control of greenhouse gases escaping from the landfill.

FISCAL IMPACT

Funding for these costs is allocated in the LFG System CIP Improvements account 9501.

DISCUSSION & ANALYSIS

The Johnson Canyon landfill installed a landfill gas flare almost 25 years ago to manage the landfill gas as required by regulation. The conveyance piping was sized for the amount of gas that was generated by the landfill at that time. Since then, the amount of gas generated by the landfill has increased with the addition of more landfilled waste, and subsequently a power generation plant operated by Ameresco (2012) as well as an additional flare were installed by the Authority (2016).

The conveyance piping from the landfill gas field to the power generation and flare station are now undersized. The smaller pipes don't allow for the volume of gas that is required to be removed from the landfill to maintain full control of the gas field and maintain regulatory compliance. Additionally, future power generation projects will require a higher volume of gas to be delivered which also requires larger piping. The Authority received the following estimates for the cost of piping and rental of pipe fusing equipment:

Bidder
Core and Main
ISCO

Cost Proposal
\$134,090.15
\$265,193.11

Core and Main is the lowest bid for these products. Staff recommends adding a small contingency to cover potential added costs related to the rental period of fusing equipment and freight variables for a total amount of \$144,090.15.

BACKGROUND

Like all landfills, the Johnson Canyon Landfill generates landfill gas as part of the decomposition of solid waste disposal. This gas is mandated by various regulatory agencies to be managed in a way to prevent surface and subsurface emissions. As the landfill gets larger by adding more waste, the amount and quality of the gas generated increases, and the Authority needs to increase the conveyance and destructive capabilities to align with the gas generation.

ATTACHMENT(S)

- 1) Resolution
- 2) Core and Main Price Proposal

RESOLUTION NO. 2024 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING PURCHASING PIPE AND FITTINGS FROM CORE AND MAIN IN THE AMOUNT OF \$144,090.15.

WHEREAS, State and Federal regulation requires control of landfill gas emissions from landfills; and,

WHEREAS, the Johnson Canyon Landfill fulfills these requirements with a combination of a landfill gas fuel power plant and flares; and,

WHEREAS, the initial landfill gas control system was designed for much lower gas flows than those currently being provided and the gas conveyance piping needs to be upgraded; and,

WHEREAS, staff has solicited bids for the required piping to upgrade the system and Core and Main provided the best pricing.

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 purchase piping and fittings from Core and Main in the amount of \$144,090.15.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th day of May 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel



Bid Proposal for SALINAS VALLEY SOLID WASTE AUTHORITY

CUSTOMER

SALINAS VALLEY SOLID WST AUTH

31400 JOHNSON CANYON ROAD
GONZALES, CA 93901

Job

SALINAS VALLEY SOLID WASTE AUTHORITY
Gonzales, CA
Bid Date: 04/26/2024 12:00 pm
Bid #: 3508484

CONTACT

Sales Representative

John Sandstrom
(M) 661-541-5269
(T) 408-912-2868
John.Sandstrom@coreandmain.com

Core & Main

1160 N. 13th Street
San Jose, CA 95112
(T) 4088851467

NOTES



Bid Proposal for SALINAS VALLEY SOLID WASTE AUTHORITY

SALINAS VALLEY SOLID WST AUTH

Job Location: Gonzales, CA
Bid Date: 04/26/2024 12:00 pm
Core & Main 3508484

Core & Main
 1160 N. 13th Street
 San Jose, CA 95112
Phone: 4088851467
Fax: 4088851495

Seq#	Qty	Description	Units	Price	Ext Price
10	160	24X40 IPS DR17 HDPE PIPE BLK 125 PSI	FT	49.15	7,864.00
20	1100	18X40 IPS DR17 HDPE CAMCORE BLK W/GRAY INTERIOR 125 PSI	FT	28.98	31,878.00
30	4	24 IPS DR17/21 TEE FAB PC100 MADE FROM DR17	EA	1,083.83	4,335.32
40	3	24 IPS DR17/21 3SEG 90 PC100	EA	795.18	2,385.54
50	1	24 IPS DR17/21 2SEG 45 PC100	EA	467.17	467.17
60	1	24" 4100 SDR17 IPS PE 22-1/2 80 PSI	EA	467.22	467.22
70	4	24"X10" CONCENTRIC REDUCER	EA	1,587.74	6,350.96
80	2	24"X18" CONCENTRIC REDUCER	EA	858.84	1,717.68
90	2	24 IPS DR17 HDPE FLG ADPT	EA	529.43	1,058.86
100	2	24 SDR11 IPS DI BACK-UP RING EPXY COATED	EA	246.33	492.66
110	10	18 IPS DR17/21 FAB TEE PC100	EA	610.84	6,108.40
120	2	18 IPS DR17 FAB CROSS	EA	885.93	1,771.86
130	2	18"X10" IPS DR17 REDUCER	EA	617.04	1,234.08
140	5	18"X12" IPS DR17 REDUCER	EA	468.89	2,344.45
150	1	18"X2" IPS BUT FUSION SADDLE T	EA	209.87	209.87
160	2	18" DR17 IPS BUTT FUSION CAP	EA	809.87	1,619.74
170	3	18 IPS DR17/21 3SEG 90 PC100	EA	419.84	1,259.52
180	2	18 IPS DR17/21 2SEG 45 PC100	EA	407.35	814.70
190	6	18 IPS DR17 HDPE FLG ADPT	EA	166.12	996.72
200	6	18" SDR11 DI IPS BACKING RING	EA	105.88	635.28
210	6	18 HDPE STUD KIT 316SS 1-1/8X11-1/2 W/ 2 BLUE FLUOROKOTE NUTS IMP	EA	429.15	2,574.90
220	6	18X1/8 FLG FF NEOPRENE GASKET	EA	9.72	58.32
230	6	12 IPS DR17 HDPE FLG ADPT	EA	60.05	360.30
240	6	12" SDR11 DI IPS BACKING RING	EA	43.00	258.00
250	6	10-12 HDPE STUD KIT 316SS 7/8-9 X 10 W/2 BLUE FLUOROKOTE NUTS IMP	EA	124.82	748.92
260	6	12X1/8 FLG FF NEOPRENE GASKET	EA	9.01	54.06
270	2	10 1000 SDR11 IPS PE CAP MOLD	EA	144.45	288.90
280	1	10" IPS HDPE BLIND FLANGE	EA	67.18	67.18
290	4	18X1 THICK HDPE BLIND FLG	EA	176.33	705.32
300	3	10 IPS DR17 HDPE FLG ADPT	EA	47.79	143.37
310	3	10" SDR11 DI IPS BACKING RING	EA	31.00	93.00
320	3	10-12 HDPE STUD KIT 316SS 7/8-9 X 10 W/2 BLUE FLUOROKOTE NUTS IMP	EA	124.82	374.46
330	3	10X1/8 FLG FF NEOPRENE GASKET	EA	6.87	20.61
340	2	18" BUTTERFLY VALVE NITRILE ASAHI PART#3802180	EA	8,949.49	17,898.98
360	4	12" BUTTERFLY VALVE NITRILE ASAHI PART#173721120	EA	1,335.06	5,340.24
380	2	18" BUTTERFLY VAVLE BOLT KIT	EA	975.48	1,950.96
390	4	12" BUTTERFLY VALVE BOLT KIT	EA	197.13	788.52
400	0	BUTT FUSION MACHINE T900	EA	0.00	0.00
410	0	BUTT FUSION MACHINE DAILY	EA	1,175.00	0.00
420	0	BUTT FUSION MACHINE WEEKLY	EA	4,700.00	0.00



Bid Proposal for SALINAS VALLEY SOLID WASTE AUTHORITY

Bid #: 3508484

Seq#	Qty	Description	Units	Price	Ext Price
430	0	BUTT FUSION MACHINE MONTHLY	EA	14,100.00	0.00
				Sub Total	105,738.07
				Freight	5,000.00
				Tax	9,252.08
				Total	119,990.15

UNLESS OTHERWISE SPECIFIED HEREIN, PRICES QUOTED ARE VALID IF ACCEPTED BY CUSTOMER AND PRODUCTS ARE RELEASED BY CUSTOMER FOR MANUFACTURE WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THIS QUOTATION. CORE & MAIN LP RESERVES THE RIGHT TO INCREASE PRICES TO ADDRESS FACTORS, INCLUDING BUT NOT LIMITED TO, GOVERNMENT REGULATIONS, TARIFFS, TRANSPORTATION, FUEL AND RAW MATERIAL COSTS. DELIVERY WILL COMMENCE BASED UPON MANUFACTURER LEAD TIMES. ANY MATERIAL DELIVERIES DELAYED BEYOND MANUFACTURER LEAD TIMES MAY BE SUBJECT TO PRICE INCREASES AND/OR APPLICABLE STORAGE FEES. THIS BID PROPOSAL IS CONTINGENT UPON BUYER'S ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS OF SALE, AS MODIFIED FROM TIME TO TIME, WHICH CAN BE FOUND AT: <https://coreandmain.com/TandC/>



Report to the Board of Directors

Date: May 16, 2024
From: Sara Papineau-Brand, Resource Recovery Technicians
Title: Recycling Recognitions

ITEM NO. 12
<hr/> N/A <hr/> Finance and Administration Manager/Controller-Treasurer
<hr/> N/A <hr/> General Manager/CAO
<hr/> N/A <hr/> Authority General Counsel

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

ATTACHMENT

1. Power Point Presentation



Recycling Recognitions

Board of Directors Meeting
May 16, 2024

Published 5/9/24

1

School Award Los Padres Elementary School

Salinas City Elementary School District
Sustainability Admin: Christina Perez



- Incredible school administration to work with!
- Trained a large & active Green Team!
- Custodian is responsive and the kids love to work with him!
- All students were well prepared for Implementation Day!
- Admin went above and beyond training students & staff!
- First day, went from 21 bags of trash to just 3!

2

School Admin Awards Irene Vargas & Tina Wallace Alisal Union School District – Food Service



- Absolutely amazing to work with!
- Arranged for SVR to train their entire Admin Staff at a district wide meeting!
- Instrumental in getting Alisal School District 99% SB 1383 Compliant!
- Awesome at getting Admin, Kitchen staff & Custodians on board with programs!
- In the last year they have added a scratch cooking Chef to their Food Service Crew!
- Working diligently to add sustainable practices to their kitchens wherever and whenever they can!

3

2024 Green Team Grant Recipients

13 Schools, representing 5 School Districts, will receive \$350.00 each for the development and implementation of a student lead Green Team at their school.

Schools (13)	Districts (5)
Alisal Community School Bardin Elementary School Frank Paul Elementary School Virginia Rocca Barton Elementary School	Alisal Union School District (4)
Laurel Wood Elementary School Loma Vista Elementary School Los Padres Elementary School Mission Park Elementary School Roosevelt Elementary School Sherwood Elementary School	Salinas City Elementary School District (6)
Ohlone Elementary School	Pajaro Unified School District (1)
Sacred Heart School	Diocese of Monterey – Catholic Schools (1)
San Vicente Elementary School	Soledad Unified School District (1)

4



Report to the Board of Directors

Date: May 16, 2024
From: Sara Papineau-Brand and Julia Brooker,
 Resource Recovery Technicians
Title: Youth Council Update

ITEM NO. 13
N/A _____ Finance and Administration Manager/Controller-Treasurer
N/A _____ General Manager/CAO
N/A _____ Authority General Counsel

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

ATTACHMENT

1. Power Point Presentation

Salinas Valley Recycles Youth Council

2023-2024 Year End Summation

Published 5/9/24

1



2

Youth Council Takeaways



Kelly Billman

When I joined the youth council, I knew that I wanted sustainability to be at the forefront of my career. This experience has allowed me to truly see what a future in this industry looks like, and I feel so fulfilled and more inspired than ever after being a Youth Commissioner.

Truly, I felt challenged by the reality of waste management and the intense challenges that we as a community are facing in terms of waste reduction.

I am leaving this program with a new outlook on what it will take to make a difference in the waste industry. The Youth Council has shown me the amount of work and dedication needed to make a change, and I will keep that with me as I continue to pursue a sustainability-focused career.

3

Youth Council Takeaways



Jenny De La Cruz Robles

For me being able to continuously learn and become more environmentally self-aware has been the most fulfilling thing about being in the Youth Council. This experience has shown me a completely different world and allowed me to expose others to it as well.

Throughout the year, the biggest challenge I faced was trying to make our ideas into reality. The Youth Council brainstormed so many incredible plans as to what we wanted to see in the Sustainability Fair. However, when it came down to organizing the event, it proved to be difficult to capture every aspect of our plans.

There are numerous takeaways I will be leaving this program with. To highlight one, the skills and knowledge that I have gained through this program. I will walk away with the knowledge to be able to live sustainably and dispose of waste correctly, as well as be able to show the importance of these skills to others. Additionally, I have learned how to collaborate with peers from different communities and plan a large-scale event.

4

Youth Council Takeaways



Jaena Serano

Having the opportunity to be apart of the Salinas Valley Recycles is an experience I will forever be grateful for. It gave me a place to learn how to be more environmentally conscious and be able to teach other people how important the global issue of contamination and consumerism is. The most fulfilling part of being in this Youth Council is being able to have an outlet to express my passion towards moving towards a sustainable future, making connections with people who also share this same sentiment, and being able to feel hopeful to make a change in my community and beyond.

Networking was a big challenge for me. When it came to contacting organizations, many took days to respond or said no because they either had other scheduled events on that day. This was a struggle because I really wanted the sustainability fair to connect people from Salinas and Gonzalez to local services that promote our cause. Thankfully in the end I did get a couple organizations to come.

One takeaway I will leave with is that no matter how unrealistic having a waste-free future sounds like, it is possible. I will continue to pursue this passion of mine with all the connections I have made through this council and all that I have been taught to make a difference everywhere I go.

5

Youth Council Takeaways



Mahi Shah

What I found most fulfilling about being on the Youth Council was the experience I received as well as the understanding of an industry I didn't even know existed. Organizing the Sustainability Fair was incredibly fun, as were the meetings, orientation, and just meeting my fellow Youth Councilmembers. The knowledge and mentorship I've received will stay with me as I enter college.

It was challenging to plan events like the Sustainability Fair as well as trying to strategize ways to avert the seemingly endless amount of waste. However, the support of my fellow council members and our mentors was amazing.

I will never forget the insider knowledge and respect I've developed about the recycling industry as well as the experience of actively working to make a positive change with those who care.

6

Youth Council Takeaways



Reuben Zamora

One of the best things about being on the youth council was definitely the staff. Everyone who worked at Salinas Valley Recycles. They all just had a positive attitude and they just made it a fun experience to have. I've also had the privilege of knowing what really happens with our trash after it's thrown away which surprised me.

A challenge that I face was coordinatizing a sustainability fair with my other youth council members. I had never coordinated anything as big as a fair, so it was definitely a big challenge I had to overcome.

I'm proud to say that I will remember everything that I know about recycling and try to spread it as much as possible. I'm so thankful that I've had the opportunity of learning about where our waste goes because it's something that I will take with me the rest of my life.



Report to the Board of Directors

Date: May 16, 2024
From: Patrick Mathews, General Manager/CAO
Title: 2024 Legislative Updates

ITEM NO. 14
N/A <hr/> Finance and Administration Manager/Controller-Treasurer
N/A <hr/> General Manager/CAO
N/A <hr/> Authority General Counsel

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

ATTACHMENT

1. Power Point Presentation
2. SWANA 2024 Legislative and Regulatory Platform

SWANA Legislative and Regulatory Update

Patrick Mathews, General Manager/Chief Administrative Officer

Salinas Valley Recycles

May 16, 2024

Published on 5/9/2024

1

SWANA LEGISLATIVE TASK FORCE CALIFORNIA CHAPTERS

- Composed of members from all three CA Chapters
- Legislative Advocate for industry needs and objectives
- Advocate for sound Regulatory development
- Advisor on major Policy Drivers (pgs. 14-15)
- Full time industry lobbyist

2

LEGISLATIVE TASK FORCE 2024 WORK PLAN - FOCUS AREAS

Extended Producer Responsibility (EPR) Legislation and Regulation:

- **Single Use Plastics and Packaging**
- **Lithium Ion and EV Batteries**
- **Compressed Gas Cylinders**
- **PFAS/PFOS**
- **Solar Panel Recycling**
- **Bottle/Can Redemption**

3

LEGISLATIVE TASK FORCE 2024 WORK PLAN - FOCUS AREAS

Industry Support Areas:

- **Organics Recovery, Processing and Re-use**
- **Advanced Recovery Technologies**
- **Zero Emissions Fleet Conversion**
- **Greenhouse Gas Reduction Regulations**
- **Market Development**
- **Agency Monitoring for Regulation Development**

4

QUESTIONS?



Patrick Mathews

General Manager/CAO

(831) 775-3000 | patrickm@svswa.org

2024 LEGISLATIVE AND REGULATORY PLATFORM



MISSION STATEMENT:

To represent local government interests and the three California Chapters' membership in developing and advocating for environmentally and technically sound, economical solid waste policy at the most appropriate government level.



Legislative Task Force
CALIFORNIA CHAPTERS

Created by the SWANA California Chapters Legislative Task Force



2024 LEGISLATIVE AND REGULATORY PLATFORM

Table of Contents

Message from the Chair	4
Overview	5
2023 Advocacy Report	6
A. Teleconferences and Meetings	6
B. Comments / White Papers / Fact Sheets	6
C. Outreach	6
D. LTF Website	8
E. 2023-24 State Budget	8
F. 2023 Legislative Positions	9
Policy Drivers	14
A. State Requirements to Increase Waste Diversion	14
B. State Climate Change and Renewable Energy Requirements	15
2024 Work Plan	16
A. Legislative and Regulatory Priorities	16
1. Organic and Recycling Infrastructure Development/SB 1383 Compliance	16
2. Little Hoover Commission SB 1383 Report	17
3. Single-Use Plastics and Packaging	
4. Special Wastes: Lithium Batteries; Vaping Wastes; PFAS; Photovoltaic Modules; Compressed Gas Cylinders	19
5. CRV / California Redemption Value	27
6. Alternative Technologies / Advanced Recovery Technologies	29
7. Electric Vehicle Batteries	31
8. Heavy Duty Vehicle and Transportation Infrastructure	32
9. CARB's 2022 Scoping Plan Update	33
10. Market Development	34
B. Agency Monitoring	36
1. CalRecycle	37
2. CARB	37
3. DTSC	37
C. Outreach and Education	38
LTF Advocacy Goal	39
LTF Officers	41

2024 LEGISLATIVE AND REGULATORY PLATFORM

Message from the Chair

January 1, 2024

First of all, I want to thank you – the SWANA California Chapters and members – for your dedication to the solid waste industry, for steadfastly representing the interests of local governments, and for trusting us to serve you in this time of ever-changing legislation and regulation. For over 30 years, the SWANA California Chapters Legislative Task Force (LTF) has represented local governments and publicly owned solid waste facilities. Our mission statement summarizes it simply: Advocating for environmentally and economically sound legislation and regulation. And boy, have we been busy the last few years!

Long gone are the days of what now seems so simple – working to comply with AB 939 and providing cost-effective recycling and disposal. Today's issues are complex! And the regulations that address them can be equally complex and challenging to implement. Local governments are still struggling to implement many aspects of the SB 1383 regulation. And we are all familiar with the Little Hoover Commission's report: *Reducing California's Landfill Methane Emissions: SB 1383 Implementation* that includes several recommendations for better addressing methane emissions, including the infamous "pause". I'm proud that many SWANA and LTF members followed this effort closely, commenting at both public hearings and directly to Commission staff to provide local government perspective. While it may be an uphill battle to achieve any substantial improvements to SB 1383, the LTF will continue to advocate for flexibility, common sense approaches, and recognition of efforts made.

Meanwhile, additional bills and regulations have been enacted or are under development that will affect our daily lives as waste management professionals. This year, the LTF actively monitored the progress of the Advanced Clean Fleets Rule, SB 54 regulation which will affect the collection and processing of single use plastics, AB 1201 which may affect the collection and processing of compostable plastics, and others – and we will continue to monitor these developments in the coming year.

I am happy to say that there are positive changes to look forward to. As advocates for producer responsibility, the LTF supported the development of bills such as AB 2 (solar panels), AB 863 (carpet), SB 244 (right to repair), SB 560 (gas cylinders), SB 665 (vehicle batteries), and SB 707 (textiles). We will actively engage as these continue in 2024.

Again, thank you SWANA California chapters and members for trusting us to represent you. Thank you to all the agencies that support us financially, allowing us to do this work. Thank you SYASL for your expertise and strategic guidance. And a heartfelt thank you to the members of the LTF – your passion, expertise, and dedication of your own time to make a difference amazes me every day. It is a pleasure and honor to serve with you. I look forward to another year as your Chair.

Christina Hanson, Chair

2024 LEGISLATIVE AND REGULATORY PLATFORM

Overview

The Solid Waste Association of North America (SWANA) is the world's largest association of solid waste professionals (more than 10,000 members). SWANA's three California chapters – Founding, Sierra, and Gold Rush - represent more than 1,100 of those members. The California Chapters Legislative Task Force (LTF) represents the California Chapters on solid waste-related legislative and regulatory issues, including:

- Collection and Processing: collection, transfer, processing and/or pre-processing, and hauling solid waste (refuse, organics, recyclables);
- Disposal: disposing of refuse and residue from collection routes and non-disposal facilities;
- Resource Recovery and Marketing: sorting and marketing of recyclables and processing organics for compost or conversion to fuel or power;
- Regulatory Compliance: regulatory reporting and compliance.

The LTF advocates for environmentally- and economically-sound solid waste legislation and regulation. The LTF contracts with Shaw Yoder Antwih Schmelzer & Lange (SYASL) for legislative and regulatory advocacy services.

At the end of each year, the LTF prepares this Legislative and Regulatory Platform. It is comprised of:

- An Advocacy Report - summary of the prior year's activities (2023) and
- A Work Plan - plan and priorities for the coming year (2024).

This document also provides information on historic legislation and regulations that continue to be policy drivers and information on the activities and policy principles of the LTF. Additional information regarding the work of the LTF, including all advocacy documents, can be found on the LTF website: <https://swanacal-leg.org>.

2023 ADVOCACY REPORT

2023 Advocacy Report

A. Teleconferences and Meetings

In 2023, the LTF continued to hold monthly meetings via Zoom to monitor and take positions on bills and draft regulations. Meeting notes were recorded, approved, and provided to the Chapters electronically (see <https://www.swanacal-leg.org/ltf-approved-meeting-minutes>). The LTF prepared a 2023 LTF budget and Legislative and Regulatory Platform, which was reviewed and approved by the LTF membership and submitted to the three California Chapters in January.

SYASL, the LTF's contracted legislative advocate, continued to work closely with the LTF, stakeholders, legislators, and legislative staff on SWANA LTF's 2023 legislative priorities. The LTF's 2024 planning meeting was conducted in person November 30 – December 1, 2023, with this 2024 Legislative and Regulatory Platform as the resulting product.

B. Comments / White Papers / Fact Sheets

The LTF prepared facts sheets in 2023 addressing the following issues:

- Solar Panels
- Per- and Polyfluoroalkyl substances (PFAS),
- SB 1383 Organics Procurement
- SB 1383 Edible Food Recovery
- Electric Vehicle Batteries
- CARB Advanced Clean Fleets Regulations

Fact sheets are used to communicate to legislators and other stakeholders a particular issue or area of interest on which the LTF plans to advocate or otherwise engage. Fact sheets and other LTF documents are posted on the LTF website at <https://swanacal-leg.org/> (must log in to access). The LTF encourages SWANA members to register on the website in order to access all of its information.

C. Outreach

As needed, the LTF conferred with and provided comments to many other entities interested in solid waste and recycling. Below is a list of entities the LTF commonly engages with (not necessarily all were contacted in 2023).

2023 ADVOCACY REPORT

Outreach	
Group	Individuals
Government organizations	Cal Cities/League of California Cities CSAC / California State Association of Counties RCRC / Rural County Representatives of California AB 1583's Statewide Commission on Recycling Markets and Curbside Recycling Little Hoover Commission
Public interest associations	CRRA / California Resource and Recovery Association CAW / Californians Against Waste CPSC / California Product Stewardship Council NSAC / National Stewardship Action Council
Industry groups and individual corporations	SWG / Solid Waste Industry Group CWRA / California Waste and Recycling Association RRCC / Resource Recovery Council of California CWHC / California Waste Haulers Council
Elected officials	Legislators and their staff
Regulators and their staff	CalRecycle SWRCB / State Water Resources Control Board (and Regional Boards) CARB / CA Air Resources Board (and Regional Air Districts)

2023 ADVOCACY REPORT

D. LTF Website

The LTF continues to update its website, <https://swanacal-leg.org/> to make it more user friendly and useful to SWANA members, local government representatives, and the general public. The website provides:

- LTF meeting minutes packages
- Bill matrices with monitored bills and LTF positions
- White Papers and Fact Sheets
- Comment letters
- Annual Work Plans and more

Note that SWANA members must register on the site for full access.

E. 2023-24 State Budget

Facing a deficit north of \$30 billion this year, California managed to pass a timely and balanced budget by employing a combination of new revenues and targeted cuts. However, a variety of factors disrupted the budget process in 2023, including a significant delay in tax filings for Californians impacted by winter storms and flooding. Because of this California updated the budget bill in September before the legislature adjourned, passing what is known as "Budget Bill Jr.," or a second budget that alters the previously passed spending plan.

There were several items in the budget bills that may impact SWANA members:

- The budget maintains \$10.1 billion of investments over six years to pursue the state's ZEV agenda.
- The budget maintains \$443 million in investments to support implementation of goals to reduce short-lived climate pollutants and advance organic waste infrastructure. This reflects a \$25 million reduction in funding from last year's budget specific to composting and recycling feasibility grant programs.
- \$2.3 million is budgeted for CalRecycle to create a zero-waste plan that serves as a roadmap for the transition to a true circular economy.

The legislature passes a variety budget trailer bills as part of the budget every year, and those trailer bills are organized by policy area. This year the legislature passed two trailer bills that may concern SWANA members:

- The trailer bill covering natural resources policy was contained in SB 122. This year there was only one minor change that concerns SWANA, and that was a change in the schedule of cost reimbursement that a sharps PRO must pay to CalRecycle.

2023 ADVOCACY REPORT

- The energy trailer bill was contained in two separate bills this year – SB 123 and SB 124. SB 123 contained a provision that gives CARB extra time to develop a framework to achieve a 40% reduction in greenhouse gas emissions from building materials. The framework was due 7/1/2025, and the deadline has been extended to 12/31/2026. There were no provisions of importance to SWANA members in SB 124.

The budget picture going forward is murky. California bridged a substantial budget deficit this year without dipping into the state's various reserve funds, but it was able to do so because of multi-year funding that could be clawed back or repurposed. As time advances some of those budget solutions disappear or become less workable from a variety of perspectives.

The state's revenues for the coming year are also unclear. Delays in filing deadlines for Californians impacted by the winter storms of 2023 have been extended into November, so the reasons for subpar tax receipts are unclear. It could be that large taxpayers are delaying the payment of taxes because they can, or there could be a significant deficit. The situation is expected to solidify by early December.

F. 2023 Legislative Positions

The LTF advocated very successfully during the past year. Below is a summary table of legislation on which the LTF took a formal position and the graphics below the table reflect the 736 industry related bills closely monitored by the LTF during the 2023 legislative session.

When the legislature adjourned on September 14, 2023, 1,100 of the roughly 2,600 introduced bills had been passed by both houses and sent to Governor Newsom, who had until October 14, 2023, to sign or veto bills. The final weeks of the legislative session were dominated by controversial bills on labor policy, climate change, housing and homelessness, criminal justice, and reproductive rights. The SWANA LTF tracked a total of 73 individual pieces of legislation, as well as several regulations and budget-related items. The LTF also took active positions on 18 bills.

2023 ADVOCACY REPORT

Bill Number	Position/Description/Status
AB 2	<i>Support in concept.</i> Bill expands the current visible fee Electronic Waste program (Covered Electronic Waste) to include “Customer-Owned” solar panels and further creates an Extended Producer Responsibility (EPR) program for all Non-Customer-Owned panels. <i>Status: Two-Year Bill</i>
AB 347	<i>Support if Amended.</i> Bill requires DTSC to adopt guidance regarding the PFAS prohibition of and labeling requirements for cookware. <i>Status: Two-Year Bill</i>
AB 573	<i>Support if Amended.</i> Bill would allow a local jurisdiction to procure California-derived recovered organic waste that the local jurisdiction sends for processing at a facility or operation outside of the state. <i>Status: Died in Senate Appropriations Committee</i>
AB 592	<i>Watch.</i> This bill, until January 1, 2028, would authorize the Counties of Alameda, Contra Costa, and Solano to create a 3-year pilot program to regulate the transport of solid waste by commercial nonfranchise solid waste haulers on public roads in unincorporated areas of the county. <i>Status: Chaptered into law.</i>
AB 660	<i>Watch.</i> Bill would require on and after January 1, 2025 a food manufacturer, processor, or retailer responsible for the labeling of food items for human consumption to use “BEST if Used by” to indicate quality, and “Use by” to indicate safety of a product, and prohibits the use of “Sell by.” <i>Status: Two-Year Bill</i>
AB 727	<i>Support.</i> This bill, beginning January 1, 2026, would prohibit a person from manufacturing, selling, delivering, distributing, holding, or offering for sale in the state a cleaning product that contains regulated PFAS. <i>Status: Vetoed by the Governor.</i>
AB 863	<i>Support in concept.</i> Bill would improve accountability for the carpet EPR program by increasing civil penalties for violating relevant laws and making repeat offenders ineligible to run this program. <i>Status: Two-Year Bill</i>
AB 895	<i>LTF Sponsored Bill.</i> This bill was a placeholder for potential Little Hoover Commission recommended legislation related to their report on SB 1383 implementation. <i>Status: Two-Year Bill</i>

2023 ADVOCACY REPORT

AB 909	<i>Support.</i> Bill would make illegally disposed hazardous wastes eligible for funding under the CalRecycle’s illegal dumping grant program. <i>Status: Died in Assembly Appropriations Committee</i>
AB 1238	<i>Support in concept.</i> Bill would require DTSC to develop alternative management standards for recycling solar panels. <i>Status: Two-Year Bill</i>
AB 1290	<i>Support.</i> Bill would prohibit, beginning January 1, 2026, a person from manufacturing, selling, offering for sale, or distributing in the state, (1) opaque or pigmented polyethylene terephthalate bottles, and (2) plastic packaging that contains certain chemicals, pigments, or additives. <i>Status: Two-Year Bill</i>
AB 1489	<i>Watch.</i> This bill would specify that compostable covered materials are not subject to the source reduction requirements of the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54), thereby exempting compostable plastics. <i>Status: Vetoed by the Governor.</i>
AB 1534	<i>Oppose unless Amended.</i> Bill would have required CARB to evaluate and, if feasible, regulate the use of methane remote sensing data. <i>Status: Died in Assembly Appropriations Committee</i>
AB 1548	<i>Support.</i> Bill expands CalRecycle’s GGRF funded grant program scope of the grant program to include providing financial assistance to promote in-state development of projects to sort and aggregate organic and other recyclable materials or to divert items from disposal through enhanced reuse opportunities. <i>Status: Chaptered into law.</i>
AB 1594	<i>Support if Amended.</i> Bill would define a public agency utility to include a local publicly owned electric utility, a community water system, a water district, and a wastewater treatment provider. <i>Status: Chaptered into law.</i>
AB 1705	<i>Oppose.</i> Bill would prohibit a person from establishing or expanding a transformation facility or an EMSW conversion facility in the state until CalRecycle has determined that the state has achieved its solid waste and organic waste policy goals for 3 consecutive years. <i>Status: Two-Year Bill</i>
SB 303	<i>Watch.</i> This bill would amends SB 54 by: 1) revising the definition of "recycling," 2) revising the definition of "responsible end markets." <i>Status: Vetoed by the Governor.</i>

2023 ADVOCACY REPORT

SB 244	<i>Support.</i> Bill would manufacturers of consumer electronics to provide replacement parts, diagnostic information, and service literature to consumers and third-party repair businesses. <i>Status: Chaptered into law.</i>
SB 560	<i>Support in Concept.</i> Bill would establish an Extended Producer Responsibility (EPR) program for non-refillable compressed gas cylinders under 20 lbs or 5 gallons, including propane, MAPP gas, non-medical oxygen, butane, iso-butane, and helium. <i>Status: Two-Year Bill</i>
SB 615	<i>Support in Concept.</i> Bill would require vehicle manufacturers, dismantlers, and secondary users to be responsible for end-of-life management of these batteries and ensure all electric vehicle traction batteries are recovered, reused, repurposed, remanufactured, or recycled. <i>Status: Two-Year Bill</i>
SB 707	<i>Watch.</i> Establishes an extended producer responsibility (EPR) program for waste textiles. <i>Status: Two-Year Bill</i>
SB 777	<i>Support.</i> Bill would have required a store to retain the collected moneys to also be used for costs associated with providing consumers with an opportunity for returning reusable grocery bags to the store for recycling. <i>Status: Vetoed by the Governor.</i>
SB 806	<i>Support.</i> Bill amended previously approved SB 1111 (2022) to add flexibility by reducing the size of the required reflective markings, change the required placement, and expand the types of reflectors that meet the requirement. <i>Status: Chaptered into law.</i>
CARB	Letters regarding the AB 32 Scoping Plan update and the Advanced Clean Fleets (ACF) Rule. ACF would require 100% electrified waste and recycling collection fleets by 2042 at the latest. Tiered levels up until 2042.



Number of Bills Tracked by the LTF:

- Assembly: 47
- Senate: 26
- **Total of 73**

2023 ADVOCACY REPORT

Solid waste and recycling continue to be a very active policy area in the state legislature. Members have an interest in the subject, and there are a variety of subcategories of policy where they can engage. Whether it's contracting issues, organic waste, recycling, hazardous waste, or EPR policy, there is a high level of engagement in the legislature. We expect to see many bills every year, along with a healthy amount of regulatory activity.

Both houses of the state legislature ended the year with a new leader either in place or selected for eventual ascension. Assemblymember Robert Rivas (D – Hollister) prevailed in his sustained campaign to depose and replace Speaker Anthony Rendon (D – Los Angeles) and took the helm officially on June 30th. Senate President Pro Tempore Toni Atkins, who is soon expected to announce a 2026 gubernatorial campaign, worked with her caucus to elect a successor. Senator Mike McGuire (D – Santa Rosa) will be the next President Pro Tempore of the Senate at the end of January 2024. McGuire, though, is termed out of office in 2026 so his leadership will be short-lived, and he's seen as more of a trustworthy transitional figure. With these leadership changes we are likely to see new Chairs for key policy committees in the coming year.

2023 ADVOCACY REPORT

Policy Drivers

A. State Requirements to Increase Waste Diversion

Several bills have been enacted in recent years that have significantly impacted the solid waste industry and local governments. More notable ones include:

- **AB 341 (2011)** - Establishes a State policy goal that 75% of solid waste generated be source reduced, recycled, or composted by 2020; imposed mandatory commercial recycling (MCR) on businesses and multi-family dwellings (MFD).
- **AB 1594 (2014)** – No longer allows the use of green material as alternative daily cover or alternative intermediate cover to constitute diversion and is now considered disposal for purposes of AB 939.
- **AB 1826 (2014)** - Requires certain businesses and MFD to recycle organic waste and jurisdictions to implement organic waste recycling programs. “Organic waste” defined as food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper.
- **AB 901 (2015)** - Requires recycling, disposal, and compost facilities and others to report to CalRecycle the types, quantities, jurisdiction of origin, and destinations of materials disposed, sold, or transferred in or out of the state (aka Recycling and Disposal Reporting System).
- **SB 1383 (2016)** – Required the Air Resources Board (ARB) to develop and implement a strategy to reduce short-lived climate pollutants, including methane from landfills (adopted in March 2017). Required CalRecycle to adopt regulations to achieve a 50 percent reduction of statewide organic waste landfill disposal by 2020, a 75 percent reduction by 2025, and no less than 20 percent recovery of edible food “currently” disposed by 2025. CalRecycle adopted regulations in November 2020.
- **AB 617 (2017)** - Requires the state to track emissions of criteria air pollutants and toxic air contaminants of stationary sources, deploy community air monitoring systems in select communities, and implement a statewide strategy to reduce emissions of toxic air contaminants and criteria pollutants in priority communities.
- **SB 54 (2022)** – Establishes a new extended producer responsibility (EPR) program for packaging and single use plastic products that will affect every sector of the economy, including solid waste collection and processing.

2023 ADVOCACY REPORT

B. State Climate Change and Renewable Energy Requirements

Solid waste management and legislation in California is often driven by state policies related to climate change and renewable energy. Some of the more notable climate and energy related legislation and policies enacted in recent years include:

- **SB 32 (2015)** – Extended cap-and-trade program to 2030
- **SB 350 (2015)** – Extended Renewable Portfolio Standard to 50% by 2030
- **SB 1383 (2016)** – Sets goals to reduce Short-Lived Climate Pollutants, including 40% reduction below 2013 levels in methane emissions by 2030
- **Short-Lived Climate Pollutant Strategy (2017)** – CARB strategy to reduce livestock and landfill methane emissions via organic waste diversion
- **SB 100 (2018)** – Sets goal for renewable energy and zero-carbon resources to supply 100% of retail sales of electricity by 2045.
- **CARB Scoping Plan (2022)**: The Plan assesses progress towards achieving the Senate Bill 32 2030 target and lays out a path to achieve carbon neutrality including through diversion of organic waste.
- **CARB Advanced Clean Fleets (2023)**: This regulation requires the phased-in use of Zero-Emission Vehicles for targeted fleets – including local government fleets – and requires manufacturers to only produce ZEV trucks in 2036.

2024 WORK PLAN

2024 Work Plan

Legislative and Regulatory Priorities

This coming year, LTF advocacy will focus on the priority issues listed below. Once new bills are introduced in 2024, additional priorities may be identified.

Organic and Recycling Infrastructure Development/SB 1383 Compliance

Issue: SB 1383 (Lara, Chapter 395, Statutes of 2016) established methane emissions reduction targets in a statewide effort to reduce short-lived climate pollutants (SLCP). Specifically, it establishes targets to:

- achieve a 50% reduction in statewide disposal of organic waste by 2020;
- achieve a 75% reduction by 2025; and
- recovery of no less than 20% of currently disposed edible food by 2025.

CalRecycle adopted regulations in November 2020 which require, among other things, organic waste recycling mandates on all generators; expanded definition of “organic waste”; recovered organic waste product procurement; edible food recovery, landfill and MRF performance standards; record keeping and reporting; capacity planning; jurisdiction enforcement; and potential penalties on jurisdictions up to \$10,000 per day. The regulation offers limited waivers for generators in high elevation and/or low population areas. Implementation funding was not part of the legislation, putting the economic burden of implementation on local jurisdictions and their ratepayers.

Since the passage of SB 1383, the LTF has actively been engaged with CalRecycle and State lawmakers regarding the urgent need for both funding and infrastructure to comply with the requirements of Senate Bill SB 1383. While the LTF and other industry partners were successful in convincing the Legislature and the Governor to provide funding in FY 21- 22 and FY 22-23, due to the current budget deficit, no new funding was allocated in FY 23-24. In March 2023, the LTF signed onto a coalition letter urging the legislature to protect the \$345 million from FY 21-22 and FY 22-23 for SB 1383 Implementation Grants and the Organic Waste Infrastructure Program. To date, that funding remains intact.

Implementation, however, remains challenging as jurisdictions continue to struggle to finance new programs and infrastructure and implement the highly complex and confusing regulatory requirements such as procurement, facility measurements, and reporting to name a few. At Lobby Day in March, the LTF presented Fact Sheets summarizing challenges specifically with the procurement mandate and edible food implementation and advocating for more funding and flexibility. The LTF’s Fact Sheets on this topic is on the LTF website at <https://swanacal-leg.org/>.

2024 WORK PLAN

The LTF will continue to engage with other SWANA and industry members to understand challenges in implementation and advocate for reasonable reform.

Actions:

1. Continue to encourage the Legislature to allocate funding (e.g., GGRF, Cap & Trade, etc.) for SB 1383 implementation and expansion of organics infrastructure. Urge CARB and CalRecycle to support such funding.
2. Continue to monitor local government implementation and the efforts of other industry groups to stay apprised of challenges, successes, industry needs, and advocacy efforts.
3. Continue to advocate for increased flexibility related to Procurement, including additional eligible products and alternatives to comply.
4. Advocate for the development and use of alternative technologies to divert organic materials that cannot be diverted via aerobic composting and/or anaerobic digestion (AD).
5. Support legislation that aligns with LTF priorities, including regarding conflicting state priorities, rural California, focus on super-emitters, and separating edible food from 1383.
6. Continue to advocate as a requirement for CalRecycle and CARB to identify alternative markets for and support ongoing use of Renewable Natural Gas (RNG).
7. Work with CalRecycle to clarify and streamline the requirements related to collection and solid waste facility sampling requirements to verify contamination of organics loads and organic waste recovery rates.
8. Emphasize that achieving organic waste reduction goals is a shared responsibility between the waste sector, State government, local agencies, business community, and the public. Encourage permit streamlining. Monitor and share with the local chapters information regarding Calrecycle enforcement.

Little Hoover Commission SB 1383 Report

California's Little Hoover Commission, an independent state oversight agency, released a report on the Senate Bill (SB) 1383 organic waste disposal reduction regulations on June 8, 2023. The report is titled, "Reducing California's Landfill Methane Emissions: SB 1383 Implementation." For a copy of the report, see <https://lhc.ca.gov/report/reducing-california%E2%80%99s-landfill-methane-emissions-sb-1383-implementation>.

2024 WORK PLAN

As background, the Little Hoover Commission (LHC) was created in 1962 to investigate state government operations and policy, and through reports and legislative proposals, make recommendations to the Governor and Legislature to promote economy, efficiency, and improved service in state operations. The subject report provides an update on the status and challenges of SB 1383 implementation, calls on the state to take immediate action to overcome these challenges, and includes the following 12 recommendations:

1. The Legislature should enact a temporary pause to SB 1383 implementation.
2. The State should fund an educational campaign on the importance of SB 1383.
3. California Environmental Protection Agency, California Department of Resources Recycling and Recovery (CalRecycle), and the California Air Resources Board should coordinate to prevent conflicting directives on waste processing and produce consistent and clear guidelines on how to meet statutory and regulatory requirements. Additionally, they should work together and with other state agencies to streamline permitting requirements to construct necessary infrastructure.
4. The Legislature and Governor should require a 11 multidisciplinary team to develop recommendations on how to expand market opportunities for recycled organic waste, and then work to implement those recommendations.
5. The State should allow flexibility in procurement by allowing additional products as well as products created from California-derived materials that are processed at out-of-State facilities.
6. The State should support near-zero emission vehicles until commercially viable zero-emission vehicles are available in the waste sector.
7. The State should exempt counties that produce less than 200,000 tons per year of waste from SB 1383 requirements.
8. The State should encourage and provide incentives to use community composting in addition to or in lieu of curbside collection.
9. CalRecycle should learn from industry and from other countries and should field test the regulations.
10. The State should remove edible food recovery from the SB 1383 requirements.
11. The State should monitor and mitigate super-emitter facilities.
12. The State should conduct a holistic cost-benefit analysis, should provide resources to State agencies to implement changes, and should not rely on competitive grants to meet basic requirements.

2024 WORK PLAN

The LTF engaged with the LHC throughout development of the report. Several LTF and/or SWANA members testified during the stakeholder process which included public hearings in July, August, and September, and a September 22, 2022 roundtable discussion. Many provided feedback directly to LHC staff behind the scenes through various meetings and interviews.

The final report was approved by the LHC on May 23, 2023. At that meeting, the Director of CalRecycle, Ms. Rachel Machi Wagoner, and some waste industry representatives expressed strong opposition to the “pause” recommendation, stating that it would be detrimental to previous and future investments in organic waste management programs and infrastructure. The commissioners expressed support for the goals of SB 1383 and acknowledged the importance of reducing methane emissions. They stated that they were aware of investments made in reducing organic waste disposal, but felt that achieving the goals within the established timeframe would be challenging, and that a pause in implementation would provide time for necessary changes to infrastructure, clarification of the shared responsibility between state agencies and local government, development of a realistic financing plan, and community education.

The LTF continued to engage with the LHC even after the report was approved. Through calls and meetings with Commission staff in September, October, and November 2023, the LTF sought to understand their next steps, discuss the “pause” recommendation, and communicate LTF priorities. Commission staff indicated they would be reaching out to legislators and their staff – to gauge interest in new legislation to implement the recommendations – in late 2023 and early 2024. Additionally, the LTF attended various industry discussions on the report and relayed to Commission staff that there was widespread concern with the “pause” recommendation – although most felt positive about the report as a whole. Commission staff clarified that their intent was not for a complete pause in SB 1383 implementation, but rather a pause in CalRecycle enforcement while the state, industry, and others implement the recommended actions – however it may be that the damage is done, and it will be challenging to find interest in any widespread SB 1383 reform. The LTF will remain engaged and continue to represent local governments’ interest throughout any legislative processes.

Single-Use Plastics and Packaging

Issue: SB 54 (Allen, Chapter 75, Statutes of 2022) established the Plastic Pollution Prevention and Packaging Producer Responsibility Act. Among other things, it:

- Prohibits a producer from offering covered materials in the state unless it is approved to participate in the producer responsibility plan;
- Requires that covered materials be reduced by 25%, achieve a recycling rate of 65%, and be 100% compostable or recyclable by 2032; and

2024 WORK PLAN

- Directs CalRecycle to develop regulations, appoint an advisory board, publish a list of recyclable/compostable material categories, and conduct a needs assessment.

As background, single-use plastics are goods that are made primarily from fossil fuel–based chemicals (petrochemicals) and are meant to be disposed of right after use. They are most commonly used for packaging and food service ware. While plastic waste generation is soaring in the U.S., the recycling rate is falling. Only five to six percent of municipal [plastic waste was recycled](#) in 2021, compared with almost nine percent in 2018, prior to China’s National Sword/Blue Sky policy. Additionally, plastic waste has numerous negative environmental and health impacts. SB 54 intends to reduce the amount of single-use packaging and food ware generated in the state and significantly increase the recycling of covered materials by creating an EPR program that requires producers to take responsibility of the end of life management of the products they produce.

SB 54 will impact solid waste programs. By requiring, among other things, local jurisdictions and recycling service providers to include covered material in their collection and recycling programs, this bill imposes a state mandated local program. Regulated parties (i.e. the producer organization) will ultimately reimburse local jurisdictions for these costs as the legislature’s intent is that “local jurisdictions will be made financially whole for any new costs incurred”. However, the state may need to initially reimburse local jurisdictions for any costs incurred until PRO reimbursement funds become available. Additionally, local jurisdictions will need to engage and provide CalRecycle with information regarding the existing and new costs needed to collect and process the covered materials.

The LTF followed the initial progress of the regulation development, including attending CalRecycle informal regulatory workshops on SB 54 as well as other related efforts such as SB 343 (truth in labeling as “recyclable”) and AB 1201 (truth in labeling as “compostable”). Most recently, LTF submitted written comments as well as verbal comments at the November 1 workshop where CalRecycle solicited input regarding whether it would be feasible to separate the processing of products that are not acceptable compost feedstocks under the National Organic Program (NOP), e.g. compostable plastics, from collection of organic wastes that are acceptable compost feedstocks under the NOP. As explained in our 2023 Work Plan, the author published a letter to the Assembly Journal clarifying that was not the intent of the legislation (the intent was bifurcated *labeling*), so we will continue to push back on this effort as industry has clearly communicated that it would not be feasible to process or collect these materials separately.

Actions:

1. Engage in the development of SB 54 regulations, including development CalRecycle’s needs assessment and covered material lists, and other related

2024 WORK PLAN

efforts (e.g. SB 343 and AB 1201 regulation).

2. Support efforts to reduce the amount of unrecyclable, single-use plastics and packaging.
3. Support legislative and administrative activities that fund and/or that improve the markets for recyclables, make recycling processes more efficient, and provide funding to develop capacity to recycle more and in more community locations. Support legislative activities that advance private/public collaborations and partnerships on the coordinated development and sale of products with the plastic manufacturers and the reclamation and recycling partners to provide for products that were designed to be recycled.
4. Support policies and initiatives that increase the value of recycled materials including funding for research and introduction of new technology, improve sorting and handling technology, and support chemical and thermal conversion technology, etc.
5. Support policies that encourage single use plastic substitution (ex: laundry detergent containers to pods)
6. Support policies that encourage or require the installation of filtered water refill stations to reduce single-use plastic water bottles.
7. Support policies and measures to restrict the use of microplastics in products and address and reduce the unintentional release of microplastics into the environment.
8. Support policies that reduce plastics as much as possible when shipping to customers or receiving from a supplier, using plastic-free packaging options made from compostable and biodegradable materials such as recycled paper pulp.

Special Wastes: Lithium Batteries; Vaping Wastes; PFAS; Photovoltaic Modules; Compressed Gas Cylinders

There are numerous consumer products the solid waste industry commonly encounters that are hazardous or difficult to manage. For these products, the LTF advocates for producer responsibility for end-of-life management. A few such products that the LTF is currently focused on are discussed in the sections below.

Lithium Ion Batteries

Issue: There is concern surrounding the dangers posed by the improper disposal of lithium-ion batteries, which are used to recharge just about everything in our modern world. The waste and recycling industry urgently needs policy solutions to

2024 WORK PLAN

protect our workforce, first responders, and the general public from the threat of lithium-ion battery fires that are destroying property and endangering lives.

Lithium-ion battery fires caused by improper recycling or disposal are increasingly impacting the waste and recycling industry, resulting in heavy damage to or total losses of our members' collection trucks and materials recovery facilities. Each of these fires can cost the industry hundreds of thousands if not millions of dollars while also endangering the lives of industry workers as well as firefighters and first responders who answer the call. Both Lithium Ion and Lithium Metal Batteries (Li Batteries) have the potential to catch fire and explode when crushed or penetrated, and thus pose a significant public health and safety risk, as well as proven, significant risk to infrastructure – especially to solid waste transportation and processing facilities in California and across the nation. The introduction of high-capacity lithium batteries (>300 watt-hours) and electric vehicle batteries are contributing to increases of the hazards associated with mismanagement.

In 2022, two bills were enacted to reduce the impacts of improperly disposed lithium batteries, each with distinct and separate goals and each will result in a new regulation. AB 2440 addresses *loose batteries* under an EPR program to be developed and operated by the battery industry. SB 1215 expands the existing e-waste (Covered Electronic Waste or CEW) program to include embedded-battery products, which is operated by CalRecycle. CalRecycle must develop regulations for each program by 2025, and the LTF will engage in those regulatory processes in 2024.

In 2023, an LTF subcommittee was formed to collaborate with industry and SWANA partners to gather data related to battery and other hazardous waste-related challenges and incidents experienced by haulers and facility owners/operators. As part of this effort, the subcommittee developed an industry survey that will be deployed in 2024. The information obtained will be used to inform the development of industry resources, such as education, training materials (e.g. battery handling and fire prevention), model programs, and other resources.

Lithium Battery Actions:

1. Work with CalRecycle during the regulation promulgation phase for both AB 2440 and SB 1215.
2. Continue the LTF subcommittee's work to gather data and develop industry resources.
3. Work with industry to identify environmentally responsible solutions to Lithium Batteries issues, such as promoting durability, recyclability, and/or "Right to Repair" legislation. [Note, in 2023, SB 244 (Eggman,

2024 WORK PLAN

2023) regarding the “Right to Repair” small devices was signed into law.]

4. Support policies and increase awareness that reduce risk associated with collection, transport and disposal of Li-ion Batteries.
5. Support policies that increase safety and reduce fire risk associated with Electric Heavy duty Vehicle fires and charging infrastructure.
6. Support funding for training on LI-ion illegally disposed materials and on electric vehicle fires for emergency responders, solid resources fleet operators, transfer yard operators and truck drivers.

Vaping Waste

Issue: Single-use vaping devices and e-cigarettes present a serious environmental and public health problem and contribute to the already significant tobacco product litter and pollution problems. These devices have a small lithium-ion battery (universal waste), a small circuit board (e-waste), and a nicotine containing pod (“p-listed” RCRA hazardous waste), along with other materials, making waste management challenging. They are also prone to explode or catch fire. Currently, there are limited ways to process these devices in California due to the variety of components and how those components are regulated. The LTF supported in concept AB 1690 (bill died in the 2021-22 session), which attempted to restrict the sale of single-use vaping devices. SB 1215 (passed in 2022), which will add products to the CalRecycle Covered Electronic Waste Recycling Program, will apply to cannabis vaping devices that contain embedded batteries but will not apply to tobacco devices due to the nicotine / hazardous waste issue noted above.

Vaping Waste Action:

1. Continue to support legislation that provides waste management solutions for vaping devices. Identify/develop/suggest solutions.

Per- and Poly-fluoroalkyl Substance (PFAS)

Issue: Recent and upcoming regulatory actions related to Per- and Polyfluoroalkyl Substances (PFAS) could affect the solid waste industry. As background, PFAS are a human-made family of compounds that are resistant to heat, water, and oil. They are commonly used for non-stick or water-resistant coatings on paper plates, cookware, pizza boxes, textiles, cosmetics, floor waxes and many other products, which often are disposed of in landfills and other solid waste management facilities. Research indicates a potential for health impacts related to presence of PFAS in the environment, particularly as a contaminant in groundwater. PFAS contamination in groundwater has been found in many wells in California, and the State is continuing to require monitoring and assessment by water purveyors and

2024 WORK PLAN

other facilities to understand the extent and severity of groundwater contamination. Landfills (e.g. via leachate) have been identified as one source of PFAS in both groundwater and municipal wastewater (i.e. when leachate is discharged to the sewer system), and the US Environmental Protection Agency (EPA) is developing an Effluent Limitation Guidelines that could lead to leachate treatment requirements for those facilities discharging to the sewer. In 2023, EPA proposed Maximum Contaminant Levels for PFOS (perfluorooctane sulfonate) and PFOA (perfluorooctanoic acid) and four other PFAS compounds (in combination), which are expected to be finalized in 2024. Additionally, in 2022, EPA proposed to designate PFOS and PFOA as hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This could be a significant source of liability for landfill owner/operators since they may be identified as a source or contributor to surface water or groundwater contamination. There are many additional efforts underway to assess or regulate either the use or discharge of PFAS under EPA's PFAS Roadmap (2021) and throughout various agencies in the federal government.

At its 2023 Lobby Day, the LTF educated Legislators on various challenges and needs as they pertain to landfills, such as the need for standardized analytical methods and regulatory standards to ensure data collection is accurate and reliable, clean up funds to mitigate contamination sites, that landfills as passive receivers are not held liable, and legislation to reduce intentional use of PFAS in products and packaging and promote product reformulation and stewardship.

In 2023, three bills were passed by the Legislature that would have phased out PFAS in various product types: AB 246 (Papan) (menstrual products), AB 727 (Weber) (cleaning products) and AB 1423 (Schiavo) (artificial turf), but all three bills were vetoed by Governor Newsom. The Governor indicated that, while he supports the intent of these bills, he is concerned that they fall short of providing enhanced protection to California consumers due to lack of regulatory oversight. The Governor directed the Department of Toxic Substances Control to engage with the Legislature and consider alternative approaches to regulating the use of these harmful chemicals in consumer products. Nonetheless, there are five bills that were previously enacted to phase out the use of PFAS in products: AB 1817 (Ting) (textiles and clothing), AB 2771 (Friedman) (cosmetic products), AB 652 (Friedman) (children's clothing and products), AB 1200 (Ting) (cookware and food packaging), and SB 1044 (Allen) (firefighting foam).

Several state agencies are working on efforts to assess the extent of PFAS releases and emissions and to develop regulatory standards for PFAS, including the Office of Environmental Health Hazard Assessment (OEHHA), which is developing Public Health Goals for PFOS and PFOA. The State Water Resources Control Board has issued several Statewide Investigative Orders to several types of industries (including landfills) and established Notification and Response Levels for PFOA, PFOS, PFBS (Perfluorobutane Sulfonic Acid), and PFHxS (Perfluorohexane Sulfonic

2024 WORK PLAN

Acid). In some cases, Regional Water Boards are issuing follow-up orders to entities like landfills to require additional investigations and, potentially, cleanup of PFAS-contaminated groundwater. The Department of Toxic Substances Control (DTSC) is working on advancing efforts to find alternatives to the use of PFAS in priority products such as textiles and converted leather products and food packaging through the Safer Consumer Products Program. The LTF will continue to follow these important developments.

PFAS Actions:

1. Continue to support legislative and regulatory efforts to reduce use of PFAS in consumer products and other applications that may have a pathway to the environment via municipal solid waste management practices and, in coordination with national SWANA, support an exemption from CERCLA liability for municipal solid waste facilities.
2. Track – and comment, as appropriate – on regulatory efforts related to PFAS by state and federal agencies and monitor other developments.

Photovoltaic Modules

Issue: The first generation of large electricity generating photovoltaic panels (solar panels) are reaching their end of useful life, meaning waste management solutions are needed. Large electricity generating solar panels are made of a variety of components, one of which is the photovoltaic cells themselves. These cells are typically of two types, film type and silica type, and it is difficult to tell the difference between the two types as well as which panels are classified as hazardous waste. The film type cells have tested in the hazardous range and may be considered a RCRA waste (hazardous waste classification) or California hazardous waste. Currently options to manage photovoltaic modules are limited even though the regulations have made management easier. Further, the only processing and recycling option for solar panels in the state, ECS Refining, went out of business in 2018. SB 489 (Monning) was signed into law in September 2015 and required the Department of Toxic Substances Control (DTSC) to designate solar panels, both RCRA (federal hazardous waste) and non-RCRA (California-only hazardous waste), as Universal Waste and develop regulations for the processing of these panels. DTSC received authority and promulgated regulations in 2020 that allowed photovoltaic modules to be managed as universal hazardous wastes. The LTF closely monitored the regulatory process and supported DTSC's adoption of the regulations; however, there is more to be done to develop and fund a convenient, safe, and environmentally and economically sound system for solar panel end-of-life management.

2024 WORK PLAN

During its 2023 Lobby Day, the LTF advocated for additional State support, including for improved labeling, standardized building codes, development of management standards, and funding for end of life management. The LTF's Fact Sheet on this topic is on the LTF website at <https://swanacal-leg.org/>.

During the first year of the 2023/24 Legislative Session, Assembly Member Ward introduced AB 2 and AB 1238 addressing various aspects of solar panel end-of-life management. AB 2 creates a hybrid funding and responsibility requirement for all electricity generating solar panels. Customer-Owned panels, as defined would be added to the existing e-Waste program run by CalRecycle. Non-Customer-Owned panels would be subject to a full extended product responsibility program funded and operated by the owners of systems, similar to traditional Extended Producer Responsibility (EPR) programs. AB 1238 creates Alternative Management Standards (AMS) that would allow for the treatment (processing) of solar panels at existing e-Waste processing facilities in California. Currently, only one e-Waste processing facility in California has the permit necessary to process all types of solar panels, under a full hazardous waste treatment permit. All other e-Waste processing facilities operating in California operate under a Universal Waste Treatment permit. The existing limitations for use of heat, chemical, or water treatment of universal waste in California are preventing most in-state processing of solar panels. AB 1238 would provide specific exemptions from those prohibitions for solar panels in particular.

AB 2 and AB 1238 are currently 2-year bills and will continue to be developed in 2024.

Photovoltaic Module Actions:

1. Engage in the development of AB 2 (Ward) and AB 1238 (Ward).
2. Identify solutions for the management of solar panels, such as improvement in labeling to reduce need to test. Assess the scope and cost of problem and discuss these details with solar manufacturers.
3. Include in outreach efforts the LTF fact sheet and other information about the problems associated with solar panel end-of-life management.

Compressed Gas Cylinders

Issue: The presence of compressed gas cylinders continues to plague solid waste operations, from collections to landfill or material recovery facilities, to HHW facilities, to illegal dumping. Only a small portion of the compressed gas cylinders sold into the California marketplace are recovered through proper collection programs.

2024 WORK PLAN

In 2022, SB 1256 (Wieckowski) which was passed by both houses of the legislature, but ultimately vetoed by the Governor, would have banned the sale of single-use 1-pound propane cylinders in California by January 1, 2028. This would have ultimately eliminated one of the single-use compressed gas products causing difficulty in the solid waste industry. The Governor asked that an EPR proposal be brought forth instead to solve this problem.

In 2023, SB 560 (Laird) was introduced to create a requirement for an EPR program for most single-use compressed gas cylinders. The program operators would be required to fund the collection, transportation, and proper recycling of a variety of compressed gas cylinders, including, but not limited to propane, butane, iso-butane, helium, and other gaseous products. SB 560 is now a 2-year bill.

Compressed Gas Cylinder Actions:

1. Engage in the development of SB 560 (Laird).
2. Consider and recommend what type of compressed gas cylinders should be included in SB 560.

CRV / California Redemption Value

Issue: California's California Redemption Value (CRV) program, known as the "Bottle Bill," is a \$0.05 or \$0.10 deposit charged on eligible beverage containers. Established in 1986 (AB 2020) and operated and administered by CalRecycle, the deposit system generates approximately \$1.3 billion collected by the state. Since not all containers are returned, CalRecycle uses some of the surplus funds to subsidize privately-owned and -operated redemption centers established in "convenience zones" located near beverage retailers. The CRV program has resulted in an average of 80% of qualified containers being recycled, however to remain fiscally stable, the program has required more than 60 legislative amendments.

In the past few years, the state's subsidy formula has become outdated resulting in underpayment to recycling centers, China's recycling policy changes have crippled the global market, scrap value of beverage containers material has plummeted, and operating costs have steadily risen. The cumulative effect of these factors has resulted in a critical reduction in operating revenue for the privately-operated redemption centers and led to the closure of approximately half of the 2,500 CRV convenience zone centers statewide. The CRV program also requires beverage retailers to provide deposit redemption services to customers or pay penalties. Some retailers have attempted to provide service but were unprepared for the volumes and complexity of the program, while other retailers have just

2024 WORK PLAN

chosen to pay the fines associated with non-compliance with the law. With convenience center closures, the surviving convenience centers have been overwhelmed with customers trying to redeem their deposits.

Recent legislation has expanded the program by adding container types to the program. In 2022, SB 1013 (Atkins) Beverage Container Recycling, expanded beverages included in the program to include wine and liquor starting in 2024. In 2023, SB 353 added large fruit and vegetable containers, also starting in 2024. These changes in the program continue to make the creation and operation of buy back centers more difficult for entities that wish to provide this service. The intent of the program is to increase the recycling of these containers through the use of such buy back centers but the State continues to place additional demands on the operators of these facilities without increasing the services and financial support necessary to maintain them. Adding new container types without adequate training and support to existing centers will further exacerbate the problem. Additional CRV agent resources are needed to maintain the program. Many requests for information or assistance result in significant delays before the agent is able to respond.

Training for new centers is required but the delay in approval of the center after training occurs can cause many smaller centers to forget the training points received prior to the start of operations. This is compounded by the 6-month waiting period for new centers to receive education on CRV. A closer more frequent contact program between agents and operators is needed if new centers are to be successfully opened and operated.

Additionally, the program currently limits the amount of material centers can accept from businesses. This limit places undue restraint on the operations and limits their overall effectiveness in providing the necessary recycling the program was intended to promote. Those limits should be reevaluated to allow fewer facilities to process more material.

CRV Actions:

1. Support efforts to reform beverage container funding, such as adjustments to CRV and recycling-related payments. Oppose proposals to reduce current CRV funding to local governments.
2. Support legislation that provides sufficient baseline funding for centers to be open to the public and provide redemption services.
3. Support timely training to operators when changes to the program are enacted.
4. Identify and correspond to CalRecycle regarding operational and enforcement challenges surrounding program implementation.

2024 WORK PLAN

Alternative Technologies / Advanced Recovery Technologies

Issue: Advanced Recovery Technologies (ART), commonly known as Conversion Technologies, refer to a wide array of state-of-the-art technologies capable of converting otherwise unrecyclable, post-recyclable or difficult to recycle materials separated from the solid waste stream to useful products, such as low carbon fuels and green renewable energy – in an environmentally beneficial manner. These technologies may be thermal, chemical, biological, mechanical or a combination of these processes – but do not include incineration (waste combustion). There are many terms used to label Advanced Recovery Technologies. ART will likely become an integral process in achieving zero-waste goals. These technologies not only create a beneficial product but also potentially reduce greenhouse gas emissions and other air pollutants. These reductions are achieved through disposal and transportation avoidance, and through fuel/electricity offsets.

SB 1383 provides a mechanism to promote appropriate technologies: CalRecycle may approve technologies that reduce the disposal of organic waste in landfills and achieve equal or greater GHG benefits than attained by composting technologies. ARTs that may be used to support SB 1383 include, but are not limited to:

- *Gasification:* Gasification is a commercially proven manufacturing process that converts hydrocarbons and biomass to a synthesis gas (syngas), which can be further processed to produce chemicals, fertilizers, liquid fuels, and hydrogen. Further, certain gasification methods can now convert waste plastics into building blocks for new plastic resins of the same material.
- *Pyrolysis:* Pyrolysis involves thermal decomposition of feedstock at high temperatures in the absence of air. The resulting product is a mixture of solids (char), liquids (oxygenated oils), and gases (methane, carbon monoxide, and carbon dioxide) that may be further processed in energy, fuels, or chemicals.
- *Hydrolysis/fermentation:* Known as waste-to-ethanol, this anaerobic biological process uses microorganisms to metabolize sugars and produce alcohols to produce such fuel liquids as ethanol and other chemicals.

Advanced Recycling Technologies provide a number of important benefits:

- **reduce greenhouse gas emissions and other criteria pollutants;**
- **reduce dependence on landfilling and imported fossil fuels;**
- **enhance recycling efforts;**
- **enables recycling of wastes that have no other feasible recovery options; and**
- **meet and exceed California's strict environmental standards.**

2024 WORK PLAN

- *Autoclave/mechanical processing*: This technology subjects wastes to high temperature (usually with superheated steam) under high pressure for a length of time sufficient to kill all the bacteria and pathogens that might be in the waste. The process may involve several steps to remove plastics, metal, and glass if present. After preprocessing, the wastes are shredded and processed to produce an organic product for low carbon fuel / other uses.

The most direct path for such technologies to get approved by CalRecycle is to utilize a homogeneous feedstock for the type of technology selected as well as compliance with Article 2, Alternative Technology Determination, of the SB 1383 regulations. One potential downside is that even if approved under Article 2 regulations as a method to reduce waste disposal to land, the process may still be considered a type of "disposal" under another AB 939. This is due a discrepancy in the language between AB 939 and SB 1383. Efforts should be directed to addressing this inconsistency at some point in future.

Over the years, numerous bills have been introduced that would limit or prohibit the use of ARTs which would severely impact the ability of local governments' ability to make use of new, clean, non-incineration technologies. Many such bills are due to the confusion about the technology and that equate "transformation" with "incineration", such as with AB 1857 (Garcia) in 2022 for which the LTF developed a Fact Sheet (see LTF website) that urged for, among other things, more accurate legal definitions for transformation and incineration. Most recently, in 2023, AB 1705 was introduced that would prohibit the establishment or expansion of a transformation facility or engineered municipal solid waste (EMSW) conversion facility in the state until the Department of Resources Recycling and Recovery (CalRecycle) has determined the state has achieved its waste reduction and methane reduction goals for three consecutive years. The LTF opposed this bill, emphasizing the importance of local governments having a portfolio of options and recognizing that there will always be residuals that cannot feasibly be recycled, composted, or otherwise diverted or reduced, and that must be disposed. The LTF will continue to advocate for this important tool if AB 1705, currently a 2-year bill, moves through the Legislature in the second half of the session.

ART Actions:

1. Support and advocate for legislation that removes barriers and provides incentives that help develop ART projects. Oppose legislation that would limit or prohibit the use of ARTs.
2. Advocate for legislation that would address the discrepancy in the language between AB 939 and SB 1383 so that ARTs would be considered diversion under both laws.
3. Support the development and use of ARTs, particularly to enhance the production of low carbon energy, fuels, and chemicals needed to achieve

2024 WORK PLAN

California's GHG reduction goals as well as electrification and zero waste goals.

4. Support a more accurate statutory definitions of "transformation" and "incineration". Continue to educate the legislature on this.
5. Continue to advocate for the 10% diversion credit for transformation.

Electric Vehicle Batteries

Issue: As the state of California continues its commitment to on-road transport decarbonization and Electric Vehicles (EV) become more cost-competitive and attractive to consumers, the state will see an increasing flow of end-of-life (EOL) Lithium-Ion Batteries (LIB), and other chemistries, that require proper management. Even now, the California solid waste industry is seeing increased numbers of EV LIBs in the waste stream, but currently there is no legislation guiding the EOL management. This poses a serious problem in that such batteries may explode or catch fire if improperly handled. Mismanaged LIBs can cause significant damage to solid waste processing facilities.

Following passage of AB 2832 (2018), CalEPA convened a Lithium-Ion Car Battery Recycling Advisory Group which met quarterly between fall of 2019 and spring of 2022. Two policy proposals that define EOL management responsibility received majority support:

1. Core exchange with a vehicle backstop, and
2. Producer take-back.

However, these policies have yet to be formally enacted and, as recommended, would only complement, not replace, current warranty regulations and programs that require the vehicle manufacturer to properly reuse, repurpose, or recycle a removed EOL battery that is still under warranty nor address other EV chemistries. To ensure that the maximum amount of EOL batteries are reused, repurposed or recycled, the Advisory Group's recommended policies focus on two main areas:

1. Clearly defining responsibility for the coordination and payment of recycling in cases where the cost presents a burden for the owner of the vehicle and the EV Battery is unwanted and,
2. Mitigating barriers that may currently inhibit the reuse, repurposing, and recycling of EV batteries.

In 2023, SB 615 (Allen) was introduced to address EOL problems associated with all electric vehicle traction batteries. As last drafted, the bill proposed that when an electric vehicle traction battery reaches the end of its life and cannot be reused in another vehicle or repurposed, it shall be sent to a re-purposer, remanufacturer,

2024 WORK PLAN

recycler, or sorting facility to ensure proper disposal. Further, SB 615 states that any program designed to ensure proper end-of-life management of electric vehicle traction batteries first strives to reuse batteries when possible. When that is not possible, the program shall strive to repurpose or remanufacture the battery for a different application. When neither is possible, the program shall ensure the batteries are recycled. Disposal of these batteries should be discouraged and ultimately eliminated in support of achieving a circular economy. SB 615 is currently a 2-year bill.

At its 2023 Lobby Day, the LTF urged Legislators to support SB 615. The LTF's Fact Sheet on this topic is on the LTF website at <https://swanacal-leg.org/>.

EV Battery Actions:

1. Track and support efforts such as SB 615 and work to address issues that still need to be resolved during the 2024 legislative session.

Heavy Duty Vehicle and Transportation Infrastructure

Issue: State efforts to accelerate the electrification of vehicle fleets will have a significant impact on the solid waste and recycling industry which is heavily reliant upon on-road and off-road heavy-duty vehicles to both operate its facilities and effectively transport municipal solid waste and recycled products. In response to regulatory mandates, the industry has largely transitioned from diesel fueled vehicles to cleaner fuels, such as Natural Gas and Renewable Natural Gas. It is estimated to have invested more than \$1 billion in California to develop and use low carbon renewable natural gas in refuse and recycling vehicles. Renewable natural gas has the lowest carbon intensity of all available transportation fuels. However, a series of Governor Executive Orders by former Governor Brown and current Governor Newsom have called for accelerating the electrification of the vehicle fleets to meet climate goals; the latest being electrification to support meeting carbon neutrality goals no later than 2045. In 2023, the California Air Resources Board (CARB) Board also voted to approve a comprehensive Advanced Clean Fleets (ACF) regulation (awaiting final OAL approval) that will be part of a broader strategy to deploy medium- and heavy-duty zero-emission vehicles (ZEV) everywhere feasible. The cost to the solid waste and recycling industry will be enormous. Other issues include reliability of electric fleets, the loss of investments made to transition the current fleet to clean renewable natural gas, and the industry's ability to effectively deliver its essential public services. Grants now emphasize electrification with regulations focused almost exclusively on zero emission vehicles and electrification instead of promoting the lowest carbon fuels that are available.

During its 2023 Lobby Day, the LTF expressed these concerns to Legislators and urged support for essential public fleets, including those that are fueled by clean

2024 WORK PLAN

RNG, consistent with past industry practices and regulatory mandates, such as SB 1383. The LTF's Fact Sheet on this topic is on the LTF website at <https://swanacal-leg.org/>. The LTF also submitted written and verbal comments during the ACF regulatory process. Despite CARB directing staff to work with waste hauler and wastewater fleets that are diverting and processing organic waste to fuel existing trucks to meet the requirements of SB 1383 to provide more time to transition to a zero-emission fleet, the final ACF regulation was approved with little relief to these fleets.

The ACF provides for three different compliance pathways depending upon the size and composition of entities' existing fleets. Essentially, two pathways require new vehicle purchases to be either ZEVs or NZEVs, while the third allows more fleet flexibility but requires fleets to phase in ZEVs into their fleets, by percentage up to 100%, in a defined time period depending upon fleet composition. In this option biomethane-fueled trucks, purchased before 1/1/24, are allowed more time before a transition to a ZEV is required. The overarching element in the first two compliance pathways is the 2017 SB 1 pathway, which provided internal combustion trucks at least 18 years or 800,000 miles of operation before it could be forced to retire. Thus, in the ACF, for these options, CARB cannot force retirement of these "legacy" vehicles. So, full transition to 100% ZEVs in a fleet depends upon the composition of the legacy vehicles. The LTF will continue to follow challenges related to implementation of the ACF and advocate for essential public fleets.

Actions:

1. Work with our industry partners, and CARB staff, on implementation of the ACF regulation, to track problems while also determining difficulties this new regulation may be causing in SB 1383 implementation.
2. Continue to promote the lowest carbon and most sustainable transportation fueling options that are consistent with all the goals of CARB's climate programs.

CARB's 2022 Scoping Plan Update

Issue: CARB completed the process of updating its climate Scoping Plan at its December 2022 hearing and the solid waste industry will continue to be impacted by the Plan's methane reduction strategies. As background, in 2006, the California Legislature passed the California Global Warming Solutions Act of 2006 [Assembly Bill 32 ([AB 32](#))], which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required the CARB to develop a Scoping Plan that describes the approach California will take to reduce GHGs to achieve the goal of reducing emissions to 1990 levels by 2020.

2024 WORK PLAN

The Scoping Plan was first approved by the Board in 2008 and must be updated at least every five years. The 2022 Scoping Plan Update will assess progress towards achieving the Senate Bill 32 targets as well as new goals to achieve carbon neutrality by 2045. Key outcomes of the process include:

- Reduce fossil fuel consumption (liquid petroleum) to less than one-tenth of what we use today – a 94% reduction in demand.
- Cut greenhouse gas emissions by 85% below 1990 levels.
- Reduce smog-forming air pollution by 71%.

The solid waste and recycling industry sector have always been a target in the Scoping Plans because of methane emissions from landfill operations (Short-lived Climate Pollutants) and the extensive use of medium- and heavy-duty, on- and off-road vehicles, a key component of carbon emissions. The industry sector will be heavily impacted by the 2022 update due to the push to electrify the transportation sector, especially now that the Advanced Clean Fleets Regulation has been approved by the CARB Board, and the continued focus on reducing methane emissions from landfills. The LTF provided comments on the draft scoping plan in the Spring 2022. A key conclusion of the comments was that the solid waste sector can play a vital role in the State of California's plan to achieve carbon neutrality by 2045. However, many barriers exist to implementing the strategies needed to achieve the methane reductions in the Scoping Plan. In addition to the regulatory barriers, funding is needed for new organic waste management and bioenergy projects.

Actions:

1. The LTF will work with industry partners and CARB to advocate that the proposed transition to carbon neutrality allow the solid waste sector to be consistent with all the objectives of the climate plans without severe economic impact and disruption of our municipal solid waste essential public services.

Market Development

Issue: The solid waste sector collects, transports, disposes, and processes waste materials generated within the state. Significant capital investments have been made in the industry to divert recyclable materials and organic waste from the landfill and reintroduce them into the market for reuse. Additional solid waste policies are needed at the federal, state, and local level to: 1) reduce the amount of waste generated by all sectors of society, 2) ensure that the greatest proportion as possible of waste materials generated can be reused, recycled, or composted, and 3) promote markets for the recyclable materials and

2024 WORK PLAN

compost. With the 2018 China National Sword/Blue Sky policy, the need for local markets and “closed loop” products, was highlighted. This continues to be a challenge for the solid waste industry.

The State has adopted numerous laws, regulations, and policies to recycle more waste. But recycling can only succeed if there is a market for the recycled materials and products. With SB 1383, increased organic waste processing will result in the generation of significant amounts of compost material and renewable natural gas (known as RNG or biogas). Local markets for compost are already challenging. The agricultural industry usually has very exacting specifications for soil amendments, and many farmers want a compost product approved for use on certified organic farms, resulting in limited markets for lower-grade compost products. Additionally, hauling compost for long distances renders said material too costly for potential end users. Local markets for an increasingly abundant product must be promoted, for example with policies for use of these materials on State lands, and with local land use policies. Further, as described above, there is a need to integrate climate, solid waste and energy policies to ensure there is a continued market for RNG derived from diverted organic waste (and other organic waste-derived RNG such as wastewater biogas).

When there is no or limited markets for composted or recyclable materials, local governments are unable to comply with waste diversion and procurement mandates. There is a crucial need for local markets, resources to support necessary diversion infrastructure, new technologies to recover energy, fuels and chemicals, and support for producer responsibility. The LTF will continue to advocate for State and Legislature to provide funding and legislative support to develop markets.

Actions:

1. Support and encourage State efforts to promote local markets for the procurement and utilization of recyclable materials and compost, including compost derived from organic waste.
2. Support legislation such as SB 54 to reduce the production of non-recyclable or non-marketable waste materials.
3. Engage with CalRecycle, the Legislature and other stakeholders to provide recommendations as appropriate to future regulatory developments.

2024 WORK PLAN

Agency Monitoring

Not all LTF work entails legislative activities. State agencies develop regulations in response to legislation, and existing programs are often modified, which can impact the solid waste industry and local government. The following are some agency activities the LTF will be monitoring in 2024:

CalRecycle

- **SB 54** - Monitor and comment, as appropriate, on SB 54 regulatory developments and implementation. This bill creates an extended producer responsibility program for single use plastic and packaging. CalRecycle held numerous workshops in 2023 and is currently drafting regulations, researching packaging waste types, developing a covered material category list, and conducting a needs assessment. Additionally, CalRecycle's director appointed an advisory board to identify barriers and solutions to creating a circular economy and advise the producer responsibility organizations, producers, and the department in implementing this new law. A member of the LTF is on the advisory board.
- **AB 1201** – Monitor CalRecycle's implementation of AB 1201 (2021) which established criteria for labeling a product as "compostable". Specifically, Section 42357(g)(1)(B) requires CalRecycle, on or before January 1, 2024, through a public process, to determine whether it would be feasible to separate the collection of products that are not acceptable compost feedstocks (under the USDA National Organic Program) from collection of acceptable compost feedstocks – essentially, dual stream organic collection. If determined feasible, CalRecycle must adopt regulations by 2026 "establishing a bifurcated approach". CalRecycle held a public workshop on this topic on November 1 and posted a discussion paper and the LTF submitted comments. This also could tie into SB 54 regulations, which will require agencies to collect and recover packaging products that CalRecycle deems compostable or recyclable.
- **RDRS Regulation.** Monitor the development of CalRecycle's regulations to implement new Recycling and Disposal Reporting System (RDRS) requirements added by Senate Bill (SB) 343 (Allen, Chapter 507, Statutes of 2021) and Assembly Bill (AB) 881 (Gonzalez, Chapter 501, Statutes of 2021). SB 343 regulates recyclability claims of products and packaging sold in the state, and it requires RDRS to collect new data related to material recyclability. AB 881 classifies exported mixed plastic waste as disposal, and it requires RDRS to gather jurisdiction of origin for these exported materials. In November 2023, CalRecycle completed a final 15-day comment period.

2024 WORK PLAN

- **SB 1383/AB 341/AB 1826.** Monitor and comment, as appropriate, on CalRecycle implementation and enforcement of these bills.
- **AB 2440** The Responsible Battery Recycling Act (2022) requires producers, either individually or through the creation of one or more stewardship organizations, to establish a stewardship program for collection and recycling of covered batteries. CalRecycle is tasked with developing regulations by 2025 and held an informational session in October 2023.
- **SB 1215** (2022) amends the Electronic Waste Recycling Act and adds covered battery-embedded products to the CEW Recycling Program. A product covered in this program contains a battery that is not designed to be easily removed by the user with no more than commonly used household tools. CalRecycle will develop regulations by 2025.

CARB

- **Advanced Clean Fleets.** Monitor the implementation of the ACF regulation to ensure its complex requirements are properly applied to solid waste fleets, both public and private, and that CARB's staff provides adequate support for the regulation's critical administrative requirements.
- **Scoping Plan.** Track and comment, as necessary, on regulatory activities that impact facilities and jurisdictions such as the Landfill Methane Regulation (LMR).
- **Other Off and On-road Vehicle Regulations.** Track and comment as necessary.

DTSC

- **Hazardous Waste Management Plan.** Pursuant to SB 158 (2021) Department of Toxic Substances Control (DTSC) was required to adopt a state-wide Hazardous Waste Management Plan for management of hazardous waste. The plan will be presented to the Board of Environmental Safety. Prior to the Plan development, DTSC prepared a report that establishes a baseline understanding of the management of hazardous waste in the State of California, identify data gaps and items that require additional research, review hazardous waste criteria, determine whether additional wastes should be managed as hazardous wastes, and develop plans to fill data gaps and complete additional research. DTSC conducted a series of workshops in 2022 and 2023 to gather information and input. The final report was released in November 2023 and the first Hazardous Waste Management Plan is due March 1, 2025.

2024 WORK PLAN

Outreach and Education

The LTF positions on legislation are important, but ongoing engagement with stakeholders, regulators, and legislators, as well as dissemination of LTF positions, fact sheets and white papers is also vital. The LTF will seek, in 2024, to:

- Maintain an active advocacy presence in the Legislature and at state agencies that oversee the management, recycling, and disposal of municipal solid waste, household hazardous waste, and pertinent special wastes, through involvement in the legislative and regulatory processes.
- Continue to advocate for EPR Legislation that reduces the generation of non-recyclable and difficult to manage products and shifts the burden away from jurisdictions to manage such materials.
- Develop outreach and education fact sheets, white papers and other material for dissemination to SWANA members, stakeholders and legislators.
- Develop relationships with key members of the Legislature and their staff, and with the appropriate staff in the Governor's office and at CalRecycle, DTSC, CARB, SWRCB, and other agencies as appropriate.
- Engage with other solid waste organizations (such as CRRRA, SWIG), local government organizations (such as CSAC, Cal Cities, and RCRC), and NGO's (such as NSAC, CAW, and CPSC).
- Coordinate advocacy efforts with other local government groups, particularly for issues impacting local authority, governance, and discretion.
- Support SWANA International in advocacy and policy areas that apply to California, such as product stewardship policy, disposal bans, and applied research on emerging technologies.
- Further enhance education and awareness of key legislation and regulations to SWANA membership through communications such as meeting minutes, newsletters, fact sheets, targeted communications such as the annual legislative platform, and discussions at Chapter meetings.
- Improve and enhance the convenience and effectiveness of the LTF website and other social media platforms to better serve and inform SWANA members of LTF activities. Ensure mobile compatibility of the website.
- Encourage chapter presidents to appoint young professionals to the LTF, either as voting or non-voting members. The goal is involvement, training, and preparation for future leadership.

LTF PRINCIPLES AND GOALS

LTF Advocacy Goal

Advocate, through active participation in the development and review process, that proposed laws and regulations protect health, safety, and the environment, and are economically and technically feasible.

LTF Principles

The basis for establishing LTF's policy positions on legislation and regulation is based on the following principles:

- **Local Authority.** Support local government control of solid waste policy, operations, and program implementation. Oppose state regulations and legislation that undermine or preempt local authority or discretion. Promote legislation that provides opportunities for local government stakeholder participation in regulatory and policy matters.
- **State Funding:** Support State funding for mandated activities; oppose new mandates that do not contain a funding source. Continue to support distribution of Greenhouse Gas Reduction Fund Revenues, such as AB 32 Cap and Trade Program auction proceeds to waste to energy projects, organics infrastructure, and other projects at landfills that reduce emissions consistent with the goals of AB 32. Specifically support a reasonable allocation of GGRF dollars, commensurate with state-imposed mandates and regulations on solid waste facilities.
- **Circular Economy:** Support programs that advance a circular economy. In linear economic systems, materials are mined, products manufactured, then disposed at end of life. A circular economic system instead uses waste materials to create new material feedstocks, which can then be turned into products with less pollution and waste. Many actions further a circular economy: repairability/reuse; improved design to reduce product packaging, content, and toxicity; and EPR (Extended Producer Responsibility). EPR places responsibility for life-cycle product management on producers. Products stewardship programs in CA include both Producer Responsibility (such as pharmaceuticals and sharps, packaging, and batteries) and Consumer Responsibility (where consumers pay a visible recycling fee) for materials such as paint, carpet, mattresses, tires, and E-waste. The LTF monitors these programs and encourages the establishment of additional stewardship programs.
- **CalRecycle Review of IWMPs and SB 1383.** Advocate for transparency, consistency, and consideration of reasonable and realistic "best efforts" in CalRecycle's review of Integrated Waste Management Plan and Annual Reports, including SB 1383.

LTF PRINCIPLES AND GOALS

- **Due Process:** Support regulatory frameworks that provide the regulated community with independent due process in State agency enforcement proceedings.
- **Extended Producer Responsibility (EPR):** Support product stewardship legislation, such as EPR, which shifts the financial burden of managing hazardous and difficult-to-handle products from local government to the producers of those products. Only support landfill bans when an appropriately funded alternative method of handling the material (e.g. EPR) has been put in place. Oppose landfill bans that are not substantiated by scientific studies showing that landfilling the material poses a danger to human or environmental health.
- **Organics Management:** Support cost-effective organics management programs and infrastructure that best fits each jurisdiction's demographics, waste characteristics, and facility availability. Support legislation that enhances biomass capacity, as well as Alternative Recovery Technologies, in California and improves the economic viability of those operations.
- **Recyclables Market Development:** Support the development of domestic markets for recycled materials, including organics; and support increased recycled content requirements for specific products.
- **Emerging and Advanced Recovery Technology:** Support ART and advocate for legislation that removes barriers and provides incentives that help develop ART projects. Oppose legislation that would limit or prohibit the use of ARTs .
- **Worker Safety:** Support worker safety in the solid waste industry.
- **Stakeholders:** Foster opportunities for meaningful stakeholder input in the development of platforms, policies, laws and regulations.
- **Regulatory Clean-up:** Support streamlining of redundant and overlapping regulations and oppose underground regulations.
- **Good Faith Effort:** Support legislation that would recognize a jurisdiction's "good faith effort" toward compliance with legislative and regulatory mandates and consider factors and barriers beyond jurisdiction control, such as lack of markets, funding, and other challenges.

* * *

LTF OFFICERS & MEMBERSHIP

LTF Officers and Membership

The following LTF officers and members were honored to serve the SWANA California Chapters in 2023 and contribute to this report:

Nominated Officers

Christina Hanson, Placer County/WPWMA, Chair
Herb Cantu, City of Santa Maria, Vice Chair

Appointed Officers

Hans Kernkamp, Riverside County, Treasurer
Curtis Larkin, Fresno County, Secretary

Membership

GOLD RUSH CHAPTER:

Doug Kobold, California Product Stewardship Council
Christina Hanson, Placer County/Western Placer Waste Management Authority
Larry Sweetser, Sweetser & Associates, Inc.
Charles White, Manatt, Phelps, & Phillips, LLC
Joe La Mariana, South Bayside Waste Management Authority
Guy Petraborg, Monterey Regional Waste Management District (Alternate)
Deepti Jain, City of Sunnyvale (Alternate)

SIERRA CHAPTER:

Curtis Larkin, Fresno County
Herb Cantu, City of Santa Maria
Chuck Magee, Kern County
Parveen Sandhu, Kings Waste and Recycling Authority
Lynnda Martin, American Refuse/Tule Trash Co
Dawyne Balch, City of Clovis (Alternate)
Monique Gamma, City of Merced (Alternate)

FOUNDING CHAPTER:

Hans Kernkamp, Riverside County
Jim Marchese, City of Los Angeles, Sanitation and Environment
Sharon Green, Los Angeles County Sanitation Districts
Mike Mohajer, P.E., So. California Waste Management Forum
Jane-Marie Fajardo, City of San Diego
Constance Hornig, Esq., Law Offices (Alternate)
Frank Caponi, P.E., Retired (Alternate)

SVR Agenda Item - View Ahead 2024

ITEM NO. 15

SVR Agenda Item - View Ahead 2024						
	June	Jul	Aug	Sep	Oct	Nov
A						
1	Minutes	MEETINGS RECESS	Minutes	Minutes	Minutes	Minutes
2	Claims/Financials (EC)		May Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	Member Agencies Activities Report		June Claims/Financials (EC)	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report
4	CCPP Supplemental Appropriation		June 30 Cash & Investments Report (EC)	FY 2023-24 AB 939 Program Wrap Up / All Things AB 939		Contract w/McGilloway, Ray, Brown & Kaufman
5	Agreement w/Geo- Logic Associates for Groundwater Monitoring Services		Member Agencies Activities Report			
6	CH Transfer Station Options		2nd Qtr. Tonnage & Diversion Report			
7	Landfill Overview					
8	Strategic Planning Mid- Year Review					
9						
10						
11						

Consent
Presentation
Consideration
<i>Closed Session</i>

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