



## Agenda

### EXECUTIVE COMMITTEE

**WEDNESDAY, April 2, 2025**

**2:30 p.m.**

Public Participation available via Zoom  
Meeting ID No. 848 7600 5836 | Passcode: 223006

Conference Room  
126 Sun Street  
Salinas, California 93901

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#### **CALL TO ORDER**

#### **ROLL CALL**

President	Elizabeth Silva (City of Gonzales)
Vice President	Glenn Church (County of Monterey)
Alternate Vice President	Gloria De La Rosa (City of Salinas)

#### **GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS**

#### **GENERAL LEGAL COUNCIL**

#### **COMMITTEE MEMBER COMMENTS**

#### **PUBLIC COMMENTS**

Receive public communications from audience on items which are not on the agenda. Speakers are limited to three minutes at the discretion of the Chair.

#### **CONSIDERATION ITEMS**

- 1. Minutes of March 5, 2025 Meeting**
  - Committee Discussion
  - Public Comment
  - Recommended Committee Action – Approval
- 2. February 2025 Claims and Financial Reports**
  - Receive report from Ray Hendricks, Finance and Administration Manager
  - Committee Discussion
  - Public Comment
  - Recommended Committee Action – Forward to the Board and Recommend Approval
- 3. A Resolution Establishing the Investment Policy**
  - Receive report from Ray Hendricks, Finance and Administration Manager
  - Committee Discussion
  - Public Comment
  - Recommended Committee Action – Forward to the Board and Recommend Approval
- 4. A Resolution Adopting the Revised Financial Policies**
  - Receive report from Ray Hendricks, Finance and Administration Manager
  - Committee Discussion
  - Public Comment
  - Recommended Committee Action – Forward to the Board and Recommend Approval

#### **FUTURE AGENDA ITEMS**

- 5. Future Agenda Items – View Ahead Calendar**

## **ADJOURNMENT**

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### **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/84876005836?pwd=LFnwXs6NXbuHI2iGVe0NbaA2HDqLoz.1>. When ready to make a public comment, click the Raise Hand icon.

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

+1 669 900 9128	+1 253 215 8782	+1 346 248 7799
+1 301 715 8592	+ 1 312 626 6799	+ 1 646 558 8656
<b>Enter Meeting ID: 848 7600 5836#</b>		<b>Passcode: 223006</b>
<b>To Raise your Hand press *9</b>		<b>To Mute and Unmute yourself press *6</b>

**Public comments may also be submitted via e-mail** to the Clerk of the Board at [comment@svswa.org](mailto:comment@svswa.org). Comments must be received by 1 p.m. on Wednesday, April 2, 2025, 2025 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 1 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).

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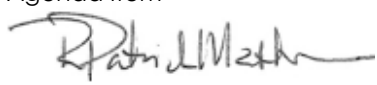
This meeting agenda was posted at the Salinas Valley Solid Waste Authority office at 126 Sun Street, Salinas, and the Authority's Website on **Thursday, March 27, 2025**. The Executive Committee will next meet in regular session on **Wednesday, April 30, 2025, at 2:30 p.m.** Staff reports for the Authority Executive Committee meetings are available for review at 126 Sun Street, Salinas, California 93901, Phone 831-775-3000 and at [www.salinasvalleyrecycles.org](http://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 Executive Committee to provide direction 35.102-35.104 ADA Title II).

**MINUTES OF SPECIAL MEETING  
SALINAS VALLEY SOLID WASTE AUTHORITY  
EXECUTIVE COMMITTEE  
March 5, 2025**  
126 Sun Street, Salinas, CA 93901

**ITEM NO. 1**

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Agenda Item



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General Manager/CAO

N/A

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Authority General Counsel

**CALL TO ORDER**

President Silva called the meeting to order at 2:34 p.m.

**COMMITTEE MEMBERS PRESENT**

City of Gonzales	Elizabeth Silva, <i>President</i>
County of Monterey	Glenn Church, <i>Vice President (arrived at 2:36)</i>
City of Salinas	Gloria De La Rosa, <i>Alt. Vice President</i>

**STAFF MEMBERS PRESENT**

Patrick Mathews, General Manager/CAO
Cesar Zuñiga, Assistant GM / Operations Manager
Ray Hendricks, Finance and Administration Manager
Brian Kennedy, Engineering and Environmental Compliance Manager
Mandy Brooks, Resource Recovery Manager
Janna Faulk, Recycling Coordinator
Michelle E. Sassano, General Counsel ( <i>virtually</i> )
Rosie Ramirez, Administrative Assistant
Erika J. Trujillo, Clerk of the Board

**GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS**

(2:34) None

**GENERAL COUNSEL COMMENTS**

(2:35) None

**COMMITTEE COMMENTS**

(2:36) President Silva commented on the status of the Community Center Project in Gonzales.

**PUBLIC COMMENT**

(2:36) None

**CONSIDERATION ITEMS**

(2:36)

**1. Minutes of February 5, 2025 Meeting**

**Committee Discussion:** None

**Public Comment:** None

**Committee Action:** Alternate Vice President De La Rosa made a motion to approve the minutes as presented. President Silva seconded the motion. The motion passed unanimously: 3-0

**2. January 2025 Claims and Financial Reports**

(2:37) Finance and Administration Manager Hendricks provided a report on the Agency's finances indicating that revenues are slightly up, and expenditures are stable and within the projected budget.

**Committee Discussion:** The Committee discussed the report.

**Public Comment:** None

**Committee Action:** President Silva made a motion to forward to the Board recommending approval. Vice President Church seconded the motion. The motion passed unanimously: 3-0

**3. A Resolution Approving the Disposal and Service Fees Effective July 1, 2025**

(2:39) Finance and Administration Manager Hendricks detailed the rates and the adjustments necessary to balance the Operating Budget for Fiscal Year 2025-26. He explained the rate adjustments to Solid Waste, Organics, Transportation Surcharge, and AB939 Fees to fully fund ongoing programs along with the projected impact on the customers.

**Committee Discussion:** The Committee discussed the report.

**Public Comment:** None.

**Committee Action:** Vice President Church made a motion to forward to the Board recommending approval. Alternate Vice President De La Rosa seconded the motion. The motion passed unanimously: 3-0

**4. A Resolution Approving the Operating Budget for Fiscal Year 2025-26, A Revised Personnel Allocation Effective May 12, 2025, and the Salary Schedule for the Salinas Valley Solid Waste Authority Field Operations Unit Effective July 7, 2025**

(2:47) Finance and Administration Manager Hendricks presented the Operating Budget for Fiscal Year 2025-26. He detailed the projected revenue due to rate and/or tonnage increases to Solid Waste, Organics, Transportation Surcharge, and the AB939 fees that will balance the budget. He explained the expenditure increases included, and the request for two new positions: an additional Field Operations Supervisor and a new Human Resources Technician. Mr. Hendricks reviewed the Capital Improvement Budget, which includes a new CIP for SB 1383 Procurement and discussed the 5-year projections to the status quo budget including projected rates.

**Committee Discussion:** The Committee discussed the presentation.

**Public Comment:** No members of the public were present in the conference room or via Zoom.

**Committee Action:** Alternate Vice President De La Rosa made a motion to forward to the Board recommending approval. Vice President Church seconded the motion. The motion passed unanimously: 3-0

**5. A Resolution Awarding a Contract to Aragon Electrical Services, Inc. for the Design and Construction Services of Electric Vehicle Charging Stations for an Amount of \$238,162, Subject to Grant Funding Award from Monterey Bay Air Resources District, and Approving a Supplemental Appropriation to the Fiscal Year 2024-25 Capital Improvement Budget in the Amount of \$260,000**

(2:55) General Manager/CAO Mathews explained the process for the application of the grant offered by the Monterey Bay Air Resources District (MBARD) and the bid process held by the Authority for construction services of electric vehicle charging stations. He indicated that MBARD is requesting that the Board award the contract for the selected bid and hold the execution of it until they have reviewed the bid to ensure it qualifies for the grant.

**Committee Discussion:** The Committee discussed the report.

**Public Comment:** None.

**Committee Action:** Alternate Vice President De La Rosa made a motion to forward to the Board recommending. Vice President Church seconded the motion. The motion passed unanimously: 3-0

**FUTURE AGENDA ITEMS**

**6. Future Agenda Items – View Ahead Calendar**

(3:04) General Manager/CAO reviewed the view ahead.

**CLOSED SESSION**

(3:07) General Manager/CAO Mathews indicated item numbered seven does not need to be discussed. President Silva invited public comment on closed session item numbered eight.

~~7. Pursuant to **Government Code Section 54957.6** to provide instruction to General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, and General Counsel Roy C. Santos, to negotiate salaries and benefits with SVSWA employees – management and non-management.~~

**8.** Pursuant to **Government Code Section 54956.95** to conference with General Counsel Roy C. Santos on consideration of Liability Claim No. 2025-01, alleging bodily injuries, pain, and suffering.

**PUBLIC COMMENT**

(3:08) None

(3:08) President Silva adjourned the meeting into closed session to discuss item numbered eight.

**RECONVENE**

(3:21) President Silva reconvened the meeting to open session with no reportable actions taken in closed session.

**ADJOURNMENT**

President Silva adjourned the meeting at 3:22 p.m.

APPROVED: \_\_\_\_\_  
Elizabeth Silva, President

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



**Report to the Executive Committee**

**ITEM NO. 2**

Finance and Administration  
Manager/Controller/Treasurer

General Manager/CAO

N/A

General Legal Counsel

**Date:** April 02, 2025  
**From:** C. Ray Hendricks, Finance and Administration Manager  
**Title:** February 2025 Claims and Financial Reports

**RECOMMENDATIONS**

Staff requests that the Executive Committee recommend acceptance of the February 2025 Claims and Financial Reports.

**DISCUSSION & ANALYSIS**

Please refer to the attached financial reports and checks issued report for the month of February for a summary of the Authority's financial position as of February 28, 2025. The following are highlights of the Authority's financial activity for the month of February.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of February 2025, operating revenues exceeded expenditures by \$475,586.

Revenues (Consolidated Statement of Revenues and Expenditures)

	February Budget	February Actual	Over/(Under)	
Tipping Fees - Solid Waste	985,998	1,017,117	31,119	3.2%
Tipping Fees - Diverted Materials	244,946	259,840	14,894	6.1%
Other Revenues	620,091	635,458	15,367	2.5%
<b>Total Revenue</b>	<b>1,851,035</b>	<b>1,912,415</b>	<b>61,380</b>	<b>3.3%</b>

Solid Waste revenues for February were \$31,119 or 3.2% over budgeted amounts. Diverted Material revenues for February were \$14,894 or 6.1% over budgeted amounts. February total revenue was \$61,380 or 3.3% over budgeted amounts.

	Y-T-D Budget	Y-T-D Actual	Over/(Under)	
Tipping Fees - Solid Waste	9,326,458	10,097,153	770,695	8.3%
Tipping Fees - Diverted Materials	2,177,698	3,355,886	1,178,188	54.1%
Other Revenues	5,917,467	6,275,360	357,893	6.0%
<b>Total Revenue</b>	<b>17,421,623</b>	<b>19,728,399</b>	<b>2,306,776</b>	<b>13.2%</b>

Solid Waste revenues year to date as of February were \$770,695 or 8.3% over budgeted amounts. Diverted Material revenues year to date as of February were \$1,178,188 or 54.1%

over budgeted amounts. Year to date total revenue as of February was \$2,306,776 or 13.2% over budgeted amounts.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of February 28, 2025 (66.7% of the fiscal year), year-to-date operating expenditures totaled \$15,193,555. This is 64.9% of the operating budget of \$23,415,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of February 2025, capital project expenditures totaled \$591,514. \$167,058 was for Organics Program Equipment Replacement. \$166,581 was for JR Transfer Station Improvements. \$64,000 was for Equipment Replacement. \$43,707 was for CH Postclosure Maintenance. \$40,613 was for SB1383 Local Assistance Grant Program. \$24,204 was for CalRecycle – Household Hazardous Waste. \$22,930 was for LR Postclosure Maintenance. \$15,950 was for JR Postclosure Maintenance. \$15,563 was for North County Transfer Station. \$13,747 was for JC Module Engineering and Construction.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of February 2025 is attached for review and acceptance. February disbursements totaled \$1,872,558.94 of which \$706,937.94 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 February 2025.

<u>Vendor</u>	<u>Services</u>	<u>Amount</u>
Holt of California	2020 Cat 918M	\$167,058.14
Atlas Organics CU11, LLC	Monthly Organics Processing & Mulch Procurement	\$145,436.53
Southern Counties Lubricants, LLC	Equipment and Vehicle Fuel	\$83,567.21
Fire Rover, LLC	JR Fire Rover Equipment	\$81,018.75
Tri Valley Excavating Co, Inc.	Jolon Road Paving	\$68,414.85
Pac Auto Group, Inc.	2022 Ford F-250	\$64,000.00

### Cash Balances

The Authority's cash position increased by \$259,617.51 during February to \$38,182,446.35. 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 so that the payment can be made in August. 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	5,212,194.44
Restricted for Pension Liabilities (115 Trust)	-
State & Federal Grants	342,719.00
BNY - Bond 2022A Payment	-

#### Funds Held in Trust:

Central Coast Media Recycling Coalition	128,741.11
Employee Unreimbursed Medical Claims	1,490.03

#### Committed by Board Policy:

AB939 Services	294,339.81
Undesignated Fund Balance	-
Designated for Capital Projects Reserve	5,475,938.23
Designated for Environmental Impairment Reserve	3,206,108.06
Designated for Operating Reserve	3,791,621.18
Expansion Fund (South Valley Revenues)	5,170,235.24

#### Assigned for Post Closure and Capital Improvements

Crazy Horse Post Closure	844,679.09
Lewis Road Post Closure	261,800.40
Jolon Road Post Closure	41,054.46
Johnson Canyon Post Closure	2,962,390.65
Capital Improvement Projects	9,925,099.53

Available for Operations: 524,035.12

Total 38,182,446.35

### ATTACHMENTS

1. February 2025 Consolidated Statement of Revenues and Expenditures
2. February 2025 Consolidated Grant and CIP Expenditures Report
3. February 202 Checks Issued Report

**Salinas Valley Solid Waste Authority**  
**Consolidated Statement of Revenues and Expenditure**  
**For Period Ending February 28, 2025**

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b><u>Revenue Summary</u></b>							
Tipping Fees - Solid Waste	14,083,100	1,017,117	10,097,153	71.7 %	3,985,947	0	3,985,947
Tipping Fees - Diverted Materials	3,393,800	259,840	3,355,886	98.9 %	37,914	0	37,914
AB939 Service Fee	5,008,400	417,368	3,338,944	66.7 %	1,669,456	0	1,669,456
Charges for Services	2,595,000	174,360	1,760,644	67.8 %	834,356	0	834,356
Sales of Materials	140,000	36,450	137,430	98.2 %	2,570	0	2,570
Gas Royalties	320,000	0	165,702	51.8 %	154,298	0	154,298
Investment Earnings	1,000,000	7,280	872,640	87.3 %	127,360	0	127,360
Rental Income	167,000	20,371	135,594	81.2 %	31,406	0	31,406
<b>Total Revenue</b>	<b>26,707,300</b>	<b>1,932,785</b>	<b>19,863,994</b>	<b>74.4 %</b>	<b>6,843,306</b>	<b>0</b>	<b>6,843,306</b>
<b><u>Expense Summary</u></b>							
Executive Administration	547,800	31,900	304,543	55.6 %	243,257	165	243,092
Administrative Support	570,400	41,039	381,227	66.8 %	189,173	1,720	187,454
Human Resources Administration	299,200	16,274	197,455	66.0 %	101,745	2,109	99,635
Clerk of the Board	219,900	16,273	123,829	56.3 %	96,071	962	95,109
Finance Administration	967,500	59,047	610,356	63.1 %	357,144	4,012	353,132
Operations Administration	790,300	45,903	471,372	59.6 %	318,928	965	317,963
Resource Recovery	1,438,100	98,902	820,045	57.0 %	618,055	34,652	583,403
Marketing	100,600	2,346	70,325	69.9 %	30,275	22,693	7,582
Public Education	252,300	(26,409)	132,887	52.7 %	119,413	71,329	48,084
Household Hazardous Waste	1,151,800	56,344	580,619	50.4 %	571,181	55,086	516,096
C & D Diversion	304,200	10,826	92,019	30.2 %	212,181	61,192	150,989
Organics Diversion	2,323,200	122,037	1,124,208	48.4 %	1,198,992	967,081	231,911
Diversion Services	40,000	0	18,843	47.1 %	21,157	2,635	18,522
JR Transfer Station	916,100	51,286	544,240	59.4 %	371,860	7,676	364,185
JR Recycling Operations	264,500	15,033	153,625	58.1 %	110,875	0	110,875

**Salinas Valley Solid Waste Authority**  
**Consolidated Statement of Revenues and Expenditure**  
**For Period Ending February 28, 2025**

	<b>CURRENT BUDGET</b>	<b>M-T-D REV/EXP</b>	<b>Y-T-D REV/EXP</b>	<b>% OF BUDGET</b>	<b>REMAINING BALANCE</b>	<b>Y-T-D ENCUMBRANCES</b>	<b>UNENCUMBERED BALANCE</b>
ML Transportation Operations	1,970,500	157,785	1,392,707	70.7 %	577,793	11,517	566,276
ML Recycling Operations	638,200	40,586	345,421	54.1 %	292,779	0	292,779
JC Landfill Operations	4,601,800	325,860	2,892,680	62.9 %	1,709,120	427,643	1,281,477
JC Recycling Operations	574,600	41,038	323,644	56.3 %	250,956	66,902	184,054
Johnson Canyon ECS	619,200	63,764	336,264	54.3 %	282,936	73,027	209,909
Sun Street ECS	236,300	1,217	126,259	53.4 %	110,041	0	110,041
Debt Service - Interest	381,600	181,666	381,569	100.0 %	31	0	31
Debt Service - Principal	2,730,000	0	2,730,000	100.0 %	0	0	0
Closure/Post Closure Set-Aside	389,400	27,646	274,015	70.4 %	115,385	0	115,385
Cell Construction Set-Aside	1,087,500	77,222	765,404	70.4 %	322,096	0	322,096
<b>Total Expense</b>	<b>23,415,000</b>	<b>1,457,586</b>	<b>15,193,555</b>	<b>64.9 %</b>	<b>8,221,445</b>	<b>1,811,365</b>	<b>6,410,081</b>
<b>Revenue Over/(Under) Expenses</b>	<b>3,292,300</b>	<b>475,199</b>	<b>4,670,440</b>	<b>141.9 %</b>	<b>(1,378,140)</b>	<b>(1,811,365)</b>	<b>433,225</b>

**Salinas Valley Solid Waste Authority**  
**Consolidated CIP Expenditure Report**  
**For Period Ending February 28, 2025**

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b><u>Fund 131 - Crazy Horse Post-Closure Fund</u></b>							
131 9316 CH Corrective Action Program	250,000	0	0	0.0 %	250,000	0	250,000
131 9321 CH Postclosure Maintenance	953,549	43,707	358,988	37.6 %	594,562	69,891	524,671
<b>Total Fund 131 - Crazy Horse Post-Closure F</b>	<b>1,203,549</b>	<b>43,707</b>	<b>358,988</b>	<b>29.8 %</b>	<b>844,562</b>	<b>69,891</b>	<b>774,671</b>
<b><u>Fund 141 - Lewis Road Post-Closure Fund</u></b>							
141 9403 LR Postclosure Maintenance	444,623	22,930	182,890	41.1 %	261,733	29,139	232,595
<b>Total Fund 141 - Lewis Road Post-Closure F</b>	<b>444,623</b>	<b>22,930</b>	<b>182,890</b>	<b>41.1 %</b>	<b>261,733</b>	<b>29,139</b>	<b>232,595</b>
<b><u>Fund 161 - Jolon Road Post-Closure Fund</u></b>							
161 9604 JR Postclosure Maintenance	366,027	15,950	324,972	88.8 %	41,054	3,300	37,754
<b>Total Fund 161 - Jolon Road Post-Closure F</b>	<b>366,027</b>	<b>15,950</b>	<b>324,972</b>	<b>88.8 %</b>	<b>41,054</b>	<b>3,300</b>	<b>37,754</b>
<b><u>Fund 211 - Grants</u></b>							
211 9217 Micro Grants for Mattress Collector	10,624	0	8,556	80.5 %	2,068	0	2,068
211 9231 Tire Amnesty 2023-24	46,000	0	18,998	41.3 %	27,002	0	27,002
211 9232 SB1383 Local Assistance Grant Prc	676,404	40,613	251,948	37.2 %	424,455	87,669	336,787
211 9262 CalRecycle - Household Hazardous	60,030	24,204	26,846	44.7 %	33,184	0	33,184
211 9263 Cal Recycle - 2022-23 CCPP	6,767	4,967	6,767	100.0 %	0	0	0
211 9264 Cal Recycle - 2023-24 CCPP	22,262	4,835	6,785	30.5 %	15,477	0	15,477
<b>Total Fund 211 - Grants</b>	<b>822,086</b>	<b>74,619</b>	<b>319,901</b>	<b>38.9 %</b>	<b>502,185</b>	<b>87,669</b>	<b>414,516</b>
<b><u>Fund 800 - Capital Improvement Projects Fu</u></b>							
800 9101 Equipment Replacement	2,554,275	64,000	771,497	30.2 %	1,782,778	464,475	1,318,303
800 9105 Concrete Grinding	80,614	0	0	0.0 %	80,614	0	80,614
800 9109 Organics Infrastructure Upgrades	2,500,000	0	1,160,003	46.4 %	1,339,997	1,339,997	0
800 9214 Organics Program Equipment Repl	735,733	167,058	167,058	22.7 %	568,675	0	568,675
800 9322 North County Transfer Station	265,236	15,563	64,556	24.3 %	200,680	91,170	109,509
800 9501 JC LFG System Improvements	415,245	5,624	207,047	49.9 %	208,198	158,614	49,584
800 9505 JC Partial Closure	126,129	0	18,459	14.6 %	107,670	0	107,670

# Salinas Valley Solid Waste Authority

## Consolidated CIP Expenditure Report

For Period Ending February 28, 2025

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9506 JC Litter Control Barrier	130,625	0	0	0.0 %	130,625	0	130,625
800 9507 JC Corrective Action	250,000	0	0	0.0 %	250,000	0	250,000
800 9521 JC Entrance Facility	177,622	0	28,616	16.1 %	149,007	23,897	125,110
800 9527 JC Module Engineering and Constr	4,088,756	13,747	72,820	1.8 %	4,015,936	0	4,015,936
800 9528 Roadway Improvements	1,514,318	1,735	1,489,422	98.4 %	24,896	0	24,896
800 9601 JR Transfer Station Improvements	277,869	166,581	166,581	59.9 %	111,288	97,981	13,307
<b>Total Fund 800 - Capital Improvement Projec</b>	<b>13,116,423</b>	<b>434,307</b>	<b>4,146,059</b>	<b>31.6 %</b>	<b>8,970,365</b>	<b>2,176,134</b>	<b>6,794,231</b>
<b>Total CIP Expenditures</b>	<b>15,952,709</b>	<b>591,514</b>	<b>5,332,810</b>	<b>33.4 %</b>	<b>10,619,899</b>	<b>2,366,132</b>	<b>8,253,767</b>

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35320	AIR TOXICS LTD JC TO-15 Testing	2/5/2025	592.00	592.00
35321	ALISAL UNION SCHOOL DISTRICT Green Team Grant - Alisal Community School	2/5/2025	350.00	350.00
35322	ASBURY ENVIRONMENTAL SERVICES HHW Hauling & Disposal	2/5/2025	137.00	137.00
35323	AT&T SERVICES INC JC Telephone Service	2/5/2025	61.46	61.46
35324	BRYAN EQUIPMENT JC Equipment Maintenance	2/5/2025	94.94	94.94
35325	CARLON'S FIRE EXTINGUISHER SALES & SERVICE JR Safety Supplies	2/5/2025	105.06	105.06
35326	CESAR ZUÑIGA JC Maintenance Supplies	2/5/2025	394.95	394.95
35327	CSC OF SALINAS/YUMA JR Facility Maintenance	2/5/2025	146.47	146.47
35328	ENRIQUE CARRILLO JR. All Sites Vehicle Maintenance	2/5/2025	7,326.55	7,326.55
35329	FRESNO OXYGEN JC Equipment Maintenance	2/5/2025	360.88	360.88
35330	GEOLOGIC ASSOCIATES, INC. All Sites Groundwater Monitoring	2/5/2025	22,381.63	22,381.63
35331	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Vehicle Maintenance	2/5/2025	16,372.09	16,372.09
35332	**Void**	2/5/2025	-	-
35333	GONZALES ACE HARDWARE All Sites Facility Supplies	2/5/2025	210.72	210.72
35334	GREEN RUBBER - KENNEDY AG, LP HHW Safety Supplies JC Maintenance Supplies	2/5/2025	254.57 98.00	352.57

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35335	HOME DEPOT JC Organics Facility Maintenance Supplies JC Facility Maintenance Supplies	2/5/2025	111.38 1,576.39	1,687.77
35336	**Void**	2/5/2025	-	-
35337	HYDROTURF, INC JC Maintenance Supplies	2/5/2025	1,028.28	1,028.28
35338	INFINITY STAFFING SERVICES, INC. JC Contract Labor	2/5/2025	1,114.35	1,114.35
35339	KING CITY HARDWARE INC. JR Facility Maintenance	2/5/2025	120.63	120.63
35340	MANDY BROOKS USCC Annual Conference Travel	2/5/2025	47.05	47.05
35341	MCMASTER-CARR SUPPLY COMPANY JC Maintenance Supplies	2/5/2025	217.13	217.13
35342	MISSION LINEN SUPPLY All Sites Uniforms	2/5/2025	479.63	479.63
35343	MONTEREY COUNTY HEALTH DEPARTMENT Quarterly Regional Fee	2/5/2025	33,175.22	33,175.22
35344	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	2/5/2025	1,401.99	1,401.99
35345	PACE ANALYTICAL SERVICES, LLC CH Lab Water Analysis	2/5/2025	118.50	118.50
35346	PITNEY BOWES GLOBAL Adm Postage Mahine Lease	2/5/2025	38.39	38.39
35347	PURE WATER BOTTLING JC Org Water Service	2/5/2025	13.75	13.75
35348	QED ENVIRONMENTAL SYSTEMS INC. JC Maintenance Supplies	2/5/2025	969.41	969.41
35349	QUINN COMPANY JC Equipment Maintenance	2/5/2025	2,316.90	2,316.90

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35350	R.D. OFFUTT COMPANY JC Equipment Maintenance	2/5/2025	61.25	61.25
35351	SAFETEQUIP ML Vehicle Maintenance	2/5/2025	10.38	10.38
35352	SALINAS CITY ELEMENTARY SCHOOL DISTRICT Green Team Grant - Loma Vista Elementary School	2/5/2025	350.00	350.00
35353	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	2/5/2025	22,491.25	22,491.25
35354	THE DON CHAPIN COMPANY, INC. ML Portable Toilets	2/5/2025	465.40	465.40
35355	THE SHERWIN-WILLIAMS CO JC Facility Maintenance	2/5/2025	50.18	50.18
35356	WHITE CAP, LP JR Facility Maintenance	2/5/2025	289.07	289.07
35357	US BANK CORPORATE PAYMENT SYSTEM SWANA: RR Memberships Splashtop: Admin Network Support Boot Barn: JC Safety Supplies Brunt Work Boots: JC Safety Supplies Johnson Associates: HHW Vehicle Maintenance Pour Away: RR School Supplies Perfect Water: CHLF Facility Maintenance Amazon: CHLF Facility Maintenance CMTA: Annual Conference Registration Amazon: LRLF ECS Supplies Constant Contact: RR Public Outreach Filter Water: CH Facility Maintenance AT&T: Finance Internet 4Imprint: All Sites Safety Supplies Full Source: All Sites Safety Supplies AT&T: JC Scale Internet CalChamber: HR Safety Supplies Lieberth Cassidy: HR Training Best Buy: Ops Admin Office Supplies Amazon: JC ECS Supplies US Composting Council: CREF Training Amazon: JC ECS Supplies Lowe's: RR Supplies Amazon: JC Vehicle Maintenance	2/12/2025	285.00 889.00 234.88 187.28 32.72 803.34 212.33 179.01 500.00 34.93 104.00 234.96 43.23 872.69 1,711.70 70.00 465.85 25.00 38.22 1,093.15 19.00 716.53 622.37 150.84	9,526.03

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35358	**Void**	2/12/2025	-	-
35359	**Void**	2/12/2025	-	-
35360	**Void**	2/12/2025	-	-
35361	A & G PUMPING, INC JR & RR Portable Toilet	2/12/2025	480.50	480.50
35362	Agile Occupational Medicine PC Hep B series - CJG	2/12/2025	100.00	100.00
35363	MP EXPRESS 2023-2024 Annual Report	2/12/2025	495.77	495.77
35364	ALESHIRE & WYNDER, LLP Monthly Legal Services	2/12/2025	89.40	89.40
35365	AMERICAN SUPPLY CO. JC Janitorial Supplies	2/12/2025	379.66	379.66
35366	ASBURY ENVIRONMENTAL SERVICES HHW Hauling & Disposal	2/12/2025	137.00	137.00
35367	AT&T LONG DISTANCE Adm Telephone Service	2/12/2025	41.67	41.67
35368	AT&T SERVICES INC HHW Telephone Service	2/12/2025	96.62	96.62
35369	ATLAS ORGANICS CU11, LLC Monthly Organics Processing	2/12/2025	145,436.53	145,436.53
35370	BEST ENVIRONMENTAL LR & JC Air Board Fees	2/12/2025	19,000.00	19,000.00
35371	CDW GOVERNMENT Network Cabling Dell 5430 Rugged Laptop	2/12/2025	80.32 2,843.32	2,923.64
35372	CLARK PEST CONTROL, INC All Sites Exterminator Services	2/12/2025	449.00	449.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35373	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC. HHW Disposal Services & Supplies	2/12/2025	24,203.54	24,203.54
35374	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	2/12/2025	711.36	711.36
35375	CORE & MAIN LP JC Improvements	2/12/2025	1,602.24	1,602.24
35376	CUTTING EDGE SUPPLY JC Equipment Maintenance Supplies	2/12/2025	2,280.19	2,280.19
35377	DATAFLOW BUSINESS SYSTEMS INC. Printer Network Support	2/12/2025	22.33	22.33
35378	Duff & Phelps Holdings Corporation Insurance Appraisal	2/12/2025	4,100.00	4,100.00
35379	EAST BAY TIRE CO. JC Equipment Maintenance	2/12/2025	1,268.58	1,268.58
35380	Elevator Service Co. of Central California Inc. Common Area Maintenance	2/12/2025	255.00	255.00
35381	Elkins Earthworks, LLC JC Maintenance Supplies	2/12/2025	106.00	106.00
35382	Fire Rover LLC JR Fire Rover	2/12/2025	81,018.75	81,018.75
35383	FRESNO OXYGEN JC Equipment Maintenance	2/12/2025	307.30	307.30
35384	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Vehicle & Equipment Maintenance	2/12/2025	6,248.39	6,248.39
35385	**Void**	2/12/2025	-	-
35386	GONZALES ACE HARDWARE All Sites Equipment Maintenance Supplies	2/12/2025	344.84	344.84
35387	GONZALES TIRE & AUTO SUPPLY JC Equipment Maintenance JC Facility Maintenance ML Vehicle Maintenance	2/12/2025	500.04 41.94 161.22	703.20

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35388	**Void**	2/12/2025	-	-
35389	GRAINGER HHW Facility Maintenance	2/12/2025	246.43	246.43
35390	GREEN RUBBER - KENNEDY AG, LP All Sites Facility Maintenance Supplies	2/12/2025	696.63	696.63
35391	ICONIX WATERWORK (US) INC. JC Maintenance Supplies	2/12/2025	12,583.28	12,583.28
35392	INFINITY STAFFING SERVICES, INC. JC Contract Labor	2/12/2025	1,004.77	1,004.77
35393	J R Miller & Associates, Inc. All Sites Engineering Services JR Engineering Services	2/12/2025	562.50 1,735.00	2,297.50
35394	Jose Gil Hernandez Jr. JC Equipment Maintenance ML Vehicle Maintenance	2/12/2025	85.00 85.00	170.00
35395	JT HOSE & FITTINGS JC Equipment Maintenance ML Vehicle Maintenance	2/12/2025	431.54 71.32	502.86
35396	KING CITY HARDWARE INC. JR Facility Maintenance	2/12/2025	50.09	50.09
35397	MISSION LINEN SUPPLY JR Uniforms	2/12/2025	66.00	66.00
35398	MONTEREY AUTO SUPPLY INC HHW Equipment Maintenance ML Vehicle Maintenance	2/12/2025	171.34 14.74	186.08
35399	MONTEREY COUNTY TREASURER/TAX COLLECTOR Annual Property Taxes	2/12/2025	18,185.07	18,185.07
35400	**Void**	2/12/2025	-	-
35401	NEU-SCAPES, INC. RR Facility Maintenance	2/12/2025	200.00	200.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35402	ODP BUSINESS SOLUTIONS, LLC HHW & JC Office Supplies JR Office Supplies	2/12/2025	70.23 40.99	111.22
35403	PACIFIC MATERIAL HANDLING SOLUTIONS INC HHW Equipment Maintenance	2/12/2025	29.00	29.00
35404	PENINSULA MESSENGER LLC All Sites Courier Service	2/12/2025	1,147.00	1,147.00
35405	PRECISION ALARMS & AUTOMATION SOLUTIONS, INC HHW Alarm Services	2/12/2025	60.00	60.00
35406	PURE WATER BOTTLING JC Org Water Service	2/12/2025	411.15	411.15
35407	R.D. OFFUTT COMPANY JC Equipment Maintenance	2/12/2025	153.37	153.37
35408	RAMON N VALLEJO Livescan New Hire	2/12/2025	74.00	74.00
35409	REPUBLIC SERVICES #471 Adm Monthly Rent	2/12/2025	96.55	96.55
35410	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	2/12/2025	14,549.60	14,549.60
35411	Southern Counties Oil Co., a CA Limited Partnership JR Fuel	2/12/2025	5,474.65	5,474.65
35412	STURDY OIL COMPANY ML Vehicle Maintenance	2/12/2025	120.00	120.00
35413	TELCO BUSINESS SOLUTIONS Network Support	2/12/2025	245.35	245.35
35414	TIMOTHY G. SCARPA Common Area Maintenance	2/12/2025	480.32	480.32
35415	TRI VALLEY EXCAVATING CO., INC. Jolon Road Paving	2/12/2025	68,414.85	68,414.85
35416	VALERIO VARELA JR JC Org Equipment Maintenance	2/12/2025	900.00	900.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
35417	VALLEY FABRICATION, INC. JC Facility Maintenance Supplies	2/12/2025	2,408.72	2,408.72
35418	VERIZON CONNECT FLEET USA LLC ML Vehicle Maintenance	2/12/2025	367.95	367.95
35419	ALLIANCE ON AGING, INC. KC Trashion Show	2/20/2025	560.00	560.00
35420	AT&T SERVICES INC Adm Telephone Service	2/20/2025	93.76	93.76
35421	AUTOZONE LLC. JC Equipment Maintenance Supplies	2/20/2025	390.92	390.92
35422	**Void**	2/20/2025	-	-
35423	BLUE STRIKE ENVIRONMENTAL INC RR Consulting Services	2/20/2025	3,753.50	3,753.50
35424	BRYAN EQUIPMENT JC Equipment Maintenance	2/20/2025	623.34	623.34
35425	Category Five Technologies, Inc. Water Refill Stations (Greenfield)	2/20/2025	3,224.05	3,224.05
35426	Salinas Valley Solid Waste Authority CCRMC Contribution	2/20/2025	13,500.00	13,500.00
35427	CITY OF GONZALES Monthly Hosting Fees - MAR	2/20/2025	20,833.33	20,833.33
35428	CLARK PEST CONTROL, INC HHW Exterminator Service	2/20/2025	246.00	246.00
35429	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	2/20/2025	53.07	53.07
35430	COMCAST HHW Internet Service	2/20/2025	126.83	126.83
35431	DOUGLAS NOLAN School Assembly Program	2/20/2025	6,500.00	6,500.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35432	EAST BAY TIRE CO. JC Equipment Maintenance	2/20/2025	1,266.06	1,266.06
35433	EDUARDO ARROYO Concrete Ramp	2/20/2025	4,600.00	4,600.00
35434	ERNEST BELL D. JR All Sites Janitorial Services	2/20/2025	4,240.00	4,240.00
35435	F.A.S.T. SERVICES Monthly Board Interpreting Services	2/20/2025	250.00	250.00
35436	GEOLOGIC ASSOCIATES, INC. Groundwater Monitoring	2/20/2025	21,207.75	21,207.75
35437	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Vehicle Maintenance	2/20/2025	8,399.73	8,399.73
35438	GONZALES ACE HARDWARE JC Equipment Maintenance	2/20/2025	4.34	4.34
35439	GRAINGER HHW Safety Supplies JC Facility Maintenance	2/20/2025	181.51 -	181.51
35440	GREEN RUBBER - KENNEDY AG, LP CH Maintenance Supplies JR Facility Maintenance LR Facility Maintenance	2/20/2025	51.47 98.81 31.91	182.19
35441	HENLEY PACIFIC SF, LLC HHW Equipment Maintenance	2/20/2025	118.23	118.23
35442	HERC RENTALS INC. JC & RR Equipment	2/20/2025	4,975.31	4,975.31
35443	HOPE SERVICES JC Litter Abatement	2/20/2025	8,193.75	8,193.75
35444	John Anthony Mena Jr. South County Sponsorship	2/20/2025	500.00	500.00
35445	KING CITY HARDWARE INC. JR Facility Maintenance	2/20/2025	259.96	259.96

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
35446	MISSION LINEN SUPPLY All Sites Uniforms	2/20/2025	928.10	928.10
35447	NEU-SCAPES, INC. Common Area Maintenance RR Facility Maintenance	2/20/2025	550.00 400.00	950.00
35448	ODP BUSINESS SOLUTIONS, LLC ADM & HHW Office Supplies Adm Office Supplies All Sites Office Supplies	2/20/2025	118.67 431.25 288.22	838.14
35449	OLYMPIC WIRE & EQUIPMENT, INC. Depackager T30 Paddles	2/20/2025	13,521.85	13,521.85
35450	ONE STOP AUTO CARE V&S AUTO CARE, INC HHW Equipment Maintenance Ops Adm Vehicle Maintenance	2/20/2025	724.15 156.12	880.27
35451	PACIFIC CREST ENGINEERING INC JC Consulting Engineering	2/20/2025	2,847.50	2,847.50
35452	PAPE MATERIAL HANDLING, INC JC Equipment Rental	2/20/2025	1,146.34	1,146.34
35453	PROBUILD COMPANY LLC JC Facility Maintenance	2/20/2025	373.53	373.53
35454	PURE WATER BOTTLING Adm Water Service	2/20/2025	56.75	56.75
35455	QUINN COMPANY JC Equipment Maintenance	2/20/2025	1,108.96	1,108.96
35456	R.D. OFFUTT COMPANY JC Equipment Maintenance	2/20/2025	458.16	458.16
35457	Revenue Now Inc. JC Equipment Maintenance	2/20/2025	292.50	292.50
35458	ROBERTO DEL REAL JC Portable Toilet	2/20/2025	2,870.00	2,870.00
35459	S. GRONER ASSOCIATES SGA Marketing Contract	2/20/2025	986.25	986.25

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35460	SAFE HEARING AMERICA, INC. Audiometric onsite testing	2/20/2025	1,993.00	1,993.00
35461	SAFETEQUIP ML Safety Supplies	2/20/2025	71.43	71.43
35462	Salinas Valley Embroidery JC Safety Supplies	2/20/2025	45.00	45.00
35463	SAUL CARDENAS-IBARRA SVR Reel Videography	2/20/2025	800.00	800.00
35464	SCS FIELD SERVICES All Sites Routine Engineering Services	2/20/2025	12,126.77	12,126.77
35465	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	2/20/2025	500.00	500.00
35466	SOCIAL VOCATIONAL SERVICES, INC. JC Litter Abatement	2/20/2025	4,126.00	4,126.00
35467	SOLID WASTE ASSOCIATION OF NORTH AMERICA SWANA Membership	2/20/2025	285.00	285.00
35468	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	2/20/2025	15,550.69	15,550.69
35469	STERICYCLE, INC Adm Shredding Services	2/20/2025	132.02	132.02
35470	TELCO BUSINESS SOLUTIONS Adm & HHW Internet Service	2/20/2025	629.44	629.44
35471	ULINE, INC. Safety Supplies	2/20/2025	1,302.78	1,302.78
35472	VALERIO VARELA JR JC Equipment Maintenance JC Facility Improvements JR Vehicle Maintenance	2/20/2025	4,900.00 15,300.00 1,000.00	21,200.00
35473	VALLEY FABRICATION, INC. JC Equipment Maintenance	2/20/2025	833.03	833.03
35474	VOSTI'S INC JC Equipment Maintenance	2/20/2025	2,493.64	2,493.64

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
35475	**Void**	2/20/2025	-	-
35476	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION All Sites Fuel	2/20/2025	3,328.90	3,328.90
35477	ELIA ZAVALA Reimbursement: Litter Cleanup Supplies	2/20/2025	1,340.77	1,340.77
35478	US BANK CORPORATE PAYMENT SYSTEM Amazon: Litter Cleanup Supplies Amazon: Litter Cleanup Supplies	2/25/2025	786.66 300.96	1,087.62
35479	ALESHIRE & WYNDER, LLP Monthly Legal Services	2/27/2025	1,938.00	1,938.00
35480	BLUE STRIKE ENVIRONMENTAL INC LAGP2 Grant Program Services - Jan 2025 LAGP2 Marketing Project - Dec 2024 LAGP2 Marketing Project - Jan 2025 SB1383 Quarterly Sampling YE Reporting 2024 Q4	2/27/2025	9,604.38 2,700.00 4,185.00 675.00	17,164.38
35481	CALIFORNIA WATER SERVICE All Sites Water Service	2/27/2025	892.63	892.63
35482	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	2/27/2025	150.18	150.18
35483	CUTTING EDGE SUPPLY JC Equipment Maintenance	2/27/2025	4,756.28	4,756.28
35484	EAST BAY TIRE CO. JC Equipment Maintenance	2/27/2025	539.32	539.32
35485	ERIC GARCIA ML & JR Vehicle Maintenance	2/27/2025	1,360.00	1,360.00
35486	ERNEST BELL D. JR All Sites Janitorial Services	2/27/2025	4,140.00	4,140.00
35487	FRESNO OXYGEN JC Equipment Maintenance	2/27/2025	415.18	415.18
35488	GOLDEN STATE TRUCK & TRAILER REPAIR JC Equipment Maintenance ML Vehicle Maintenance	2/27/2025	46.13 150.10	196.23

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
35489	GONZALES ACE HARDWARE JC Facility Maintenance	2/27/2025	149.99	149.99
35490	GRANITE CONSTRUCTION COMPANY JC Facility Maintenance Supplies	2/27/2025	420.20	420.20
35491	GREEN RUBBER - KENNEDY AG, LP JC Facility Maintenance	2/27/2025	97.73	97.73
35492	HERC RENTALS INC. LR Facility Maintenance	2/27/2025	2,235.81	2,235.81
35493	HEXAGON TRANSPORTATION CONSULTANTS, INC. CH Traffic Study	2/27/2025	15,000.00	15,000.00
35494	JT HOSE & FITTINGS JC Equipment Maintenance ML Vehicle Maintenance	2/27/2025	237.05 124.94	361.99
35495	LANDSCAPE MAINTENANCE OF AMERICA RR Litter Abatement	2/27/2025	650.00	650.00
35496	MISSION LINEN SUPPLY All Sites Uniforms	2/27/2025	490.50	490.50
35497	ODP BUSINESS SOLUTIONS, LLC JC Office Supplies	2/27/2025	261.75	261.75
35498	O'REILLY AUTOMOTIVE STORES, INC. JC Vehicle Maintenance ML Vehicle Maintenance	2/27/2025	0.51 96.32	96.83
35499	PACE ANALYTICAL SERVICES, LLC CH Lab Analysis CH Lab Analysis	2/27/2025	19,750.61 1,491.70	21,242.31
35500	PROBUILD COMPANY LLC JC Facility Maintenance	2/27/2025	828.36	828.36
35501	QUINN COMPANY JC Equipment Maintenance	2/27/2025	3,038.65	3,038.65
35502	R.D. OFFUTT COMPANY JC Equipment Maintenance	2/27/2025	0.01	0.01

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
35503	ROBERTO DEL REAL JC Portable Toilet	2/27/2025	1,435.00	1,435.00
35504	S. GRONER ASSOCIATES LAGP Billboard Campaign - Jan 2025	2/27/2025	23,449.07	23,449.07
35505	SALINAS NATIONAL LITTLE LEAGUE Ops Adm Vehicle Maintenance	2/27/2025	700.00	700.00
35506	SCALES UNLIMITED JC & JR Scale Maintenance	2/27/2025	4,890.00	4,890.00
35507	SCS ENGINEERS Methane Rule and Greenhouse Gas Reporting	2/27/2025	1,500.00	1,500.00
35508	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	2/27/2025	30,975.67	30,975.67
35509	ULINE, INC. Common Area Maintenance	2/27/2025	1,302.78	1,302.78
35510	VALERIO VARELA JR JC Vehicle Maintenance	2/27/2025	2,800.00	2,800.00
35511	VERIZON WIRELESS SERVICES Monthly Internet Service	2/27/2025	190.05	190.05
25-00368-DFT	REPUBLIC SERVICES #471 ML Rent	2/28/2025	17,558.88	17,558.88
25-00370-DFT	INTERMEDIA Email Exchange	2/5/2025	504.00	504.00
25-00371-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites CNG Fuel	2/18/2025	927.36	927.36
25-00390-DFT	HOLT OF CALIFORNIA 2020 CAT 918M Wheel Loader	2/21/2025	167,058.14	167,058.14
25-00391-DFT	Pac Auto Group, Inc. 2022 Ford F-250	2/21/2025	64,000.00	64,000.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2025 to 2/28/2025**

Check #	Name	Check Date	Amount	Check Total
25-00396-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites Electrical Services	2/25/2025	23,622.82	
				<u>23,622.82</u>
	<b>Total:</b>			1,165,621.00
	<b>Payroll Disbursements</b>			<u>706,937.94</u>
	<b>Grand Total</b>			<u>1,872,558.94</u>



## Report to the Executive Committee

### ITEM NO. 3

Finance and Administration Manager/  
Controller/Treasurer

General Manager/CAO

*R. Santos by E.T.*

Authority General Counsel

**Date:** April 2, 2025  
**From:** C. Ray Hendricks, Finance and Administration Manager  
**Title:** A Resolution Establishing the Investment Policy

### RECOMMENDATION

Staff requests that the Executive Committee recommend adoption of the resolution to 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 February 2025, LAIF was yielding 4.333%.

### 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 2025.

### ATTACHMENT(S)

1. Resolution
2. Investment Policy

**RESOLUTION NO. 2025 -**

**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 April 17, 2025.

**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 17<sup>th</sup> day of April 2025 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Elizabeth Silva, 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 <sup>(a)</sup>	Unlimited	5 Years*	None
Non-Negotiable Certificates of Deposit	Unlimited	5 Years*	None
Negotiable Certificates of Deposit	30%	5 Years*	None
Bankers Acceptances	40% <sup>(b)</sup>	180 Days	None
Commercial Paper	25% <sup>(c)</sup>	270 Days	A-1/P-1/F-1
L.A.I.F.	\$75 Million <sup>(d)</sup>	N/A	None
CalTRUST Investment Pool <sup>(e)</sup>	Unlimited	N/A	None
Repurchase Agreements Reverse Repurchase Agreements	Unlimited 20%	1 Year 92 Days	None
Mutual Funds and Money Market Mutual Funds	20%	N/A	Multiple <sup>(f,g)</sup>
Medium Term Notes <sup>(h)</sup>	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 Executive Committee

**ITEM NO. 4**

Finance and Administration Manager,  
Controller/Treasurer

General Manager/CAO

*R. Santos by E.T.*

Authority General Counsel

**Date:** April 2, 2025  
**From:** C. Ray Hendricks, Finance and Administration Manager  
**Title:** A Resolution Adopting the Revised Financial Policies

### RECOMMENDATION

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

### STRATEGIC PLAN RELATIONSHIP

This agenda item supports the Authority's Strategic Plan Priority for Financial Sustainability. Increasing the Operating Reserve to 25% provides added protection for the Authority and its ratepayers in the event of a significant operating cost event or economic recession.

### FISCAL IMPACT

This item has no immediate fiscal impact, but it provides the policies used to better manage Authority funds by setting aside funding on an annual basis to reduce future dependency on debt for capital needs and to prepare for emergencies and future recessions.

### DISCUSSION & ANALYSIS

Current standards recommend having between three (25%) and six (50%) months of operating reserves. During the 2024 Financial Policy Review, staff recommended increasing the Operating Reserve goal to 20% with the expectation that a second increase to 25% would be brought to the Board for approval once the initial goal of 20% had been funded. After further consideration, staff would like to increase the goal to 25% (3 months). This will ensure that the financial policies contain an adequate long term reserve goal. At the amount funded in 2024, it would take 7-8 years to fully fund the reserve goal.

There are no other changes to the policies.

### BACKGROUND

In order to ensure that the policies remain consistent with current practices and generally accepted accounting principles, staff has committed to reviewing the financial policies annually and present any recommended changes to the Board for approval. The policies were last approved on May 16, 2024. Changes approved included increasing the Operating Reserve Goal to 20%, changes to the Closure and Post-Closure funding requirements, and updates to how leases are recorded.

**ATTACHMENT(S)**

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

**RESOLUTION NO. 2025 –**

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

**WHEREAS**, the Board of Directors of the Salinas Valley Solid Waste Authority last approved the financial policies by adoption of Resolution No. 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 17<sup>th</sup> day of April 2025, 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**

SUMMARY .....2  
REVENUES.....4  
EXPENDITURES .....5  
FUND BALANCE/RESERVES .....6  
CAPITAL EXPENDITURES AND IMPROVEMENTS .....8  
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 ASSETS .....21

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%~~25%) 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 commingled 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.

Salinas Valley Solid Waste Authority  
Financial Policies

**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.

Salinas Valley Solid Waste Authority  
Financial Policies

**TABLE OF CONTENTS**

SUMMARY .....2  
REVENUES.....4  
EXPENDITURES .....5  
FUND BALANCE/RESERVES .....6  
CAPITAL EXPENDITURES AND IMPROVEMENTS .....8  
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 ASSETS .....21

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 (25%) 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.

Salinas Valley Solid Waste Authority  
Financial Policies

**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. 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.

**SVR Agenda Item - View Ahead 2025**

	Apr	May	Jun	Jul	Aug (Special - 4pm)	Sep
A						Employee of the Year Recognition
1	Minutes	Minutes	Minutes	<b>MEETINGS RECESS</b>	May Claims/Financials (EC)	Claims/Financials (EC)
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)		June Claims/Financials (EC)	Member Agencies Activities Report
3	March 31 Cash & Investments Report	1st Qtr. Tonnage & Diversion Report	Member Agencies Activities Report		June 30 Cash & Investments Report (EC)	New FY Grants & CIP Budget (EC)
4	Member Agencies Activities Report	Member Agencies Activities Report	Arroyo Construction Agreement Amendment		Member Agencies Activities Report	<b>2024-25 Annual Report</b>
5	FY Investment Policy (EC)	ACT Inc. Services Agreement Amendment	Award Contract for Janitorial Services		2nd Qtr. Tonnage & Diversion Report	
6	Financial Policy (EC)	City of Gonzales Franchise Contract Administration	<b>Roadside Litter Cleanups Update</b>		<b>Annual Tonnage &amp; Diversion Performance Report</b>	
7	Co.of Mo. Litter Abatement MOU Amendment No. 2	City of Soledad Franchise Contract Administration			<b>Board of Directors Strategic Planning Session</b>	
8	Revised Salary Schedule FY 24-25	City of Greenfield Franchise Contract Administration				
9	<b>Earth day/Recycling Recognition</b>	City of King Franchise Contract Administration				
10	<b>Youth Council Presentation</b>	ACT, Inc Agreement Amendment				
11		Vendors Exceeding \$50K FY 2025-26				
12		Award Contract for Waste Characterization Study				
13		<b>Public Hearing: CH Transfer Station CEQA</b>				
14		<b>2024 Franchise Hauler Performance Report</b>				

Consent
Presentation
Consideration
Closed Session

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