



# Agenda

## EXECUTIVE COMMITTEE

Wednesday April 2, 2014  
4:00 p.m.

Conference Room  
128 Sun Street, Suite 101, Salinas, California

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### CALL TO ORDER

### ROLL CALL

President	Elizabeth Silva (City of Gonzales)
Vice President	Jyl Lutes (City of Salinas)
Alternate Vice President	Simon Salinas (County of Monterey)
Immediate Past President	Fernando Armenta (County of Monterey)

### GENERAL MANAGER COMMENTS

### DEPARTMENT MANAGER COMMENTS

### COMMITTEE MEMBER COMMENTS

### PUBLIC COMMENTS

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

### CONSIDERATION ITEMS

1. [Minutes of March 5, 2014 Meeting](#)
  - A. Committee Discussion
  - B. Public Comment
  - C. Recommended Committee Action – Approval
  
2. [February 2014 Claims and Financial Reports](#)
  - A. Receive a report from Finance Manager Roberto Moreno
  - B. Committee Discussion
  - C. Public Comment
  - D. Recommended Committee Action – Forward to the Board for Approval
  
3. [Revise Fund Balance/Reserves Financial Policies](#)
  - A. Receive a report from Finance Manager Roberto Moreno
  - B. Committee Discussion
  - C. Public Comment
  - D. Recommended Committee Action – Forward to the Board for Approval
  
4. [LAFCO Municipal Service Reviews and Sphere of Influence Updates](#)
  - A. Receive a report from General Manager/CAO Patrick Mathews
  - B. Committee Discussion
  - C. Public Comment
  - D. Recommended Committee Action – Provide Direction

**FUTURE AGENDA ITEMS**

5. [Agenda Items – View Ahead](#)

**CLOSED SESSION**

6. Pursuant to Government Code Section 54957.6 to provide instruction to the General Manager /CAO to negotiate salaries and benefits with SVSWA non-management employees.

**RECONVENE**

**ADJOURNMENT**

This meeting agenda was posted at the Salinas Valley Solid Waste Authority office at 128 Sun Street, Suite 101, Salinas, on **Friday, March 28, 2014**. The Executive Committee will next meet on regular session on **Wednesday, April 30, 2014, at 4:00 p.m.** Staff reports for the Authority Executive Committee meetings are available for review at 128 Sun Street, Suite 101, 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 Elia Zavala, Clerk of the Board, at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II)

**MINUTES OF MEETING  
SALINAS VALLEY SOLID WASTE AUTHORITY  
EXECUTIVE COMMITTEE MEETING  
March 5, 2014**

draft

**CALL TO ORDER**

President Silva called the meeting to order at 4:00 p.m.

**Committee Members Present**

Elizabeth Silva	President
Jyl Lutes	Vice President
Simon Salinas	Alternate Vice President

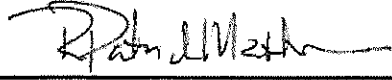
**Committee Members Absent**

Fernando Armenta Immediate Past President

**Staff Members Present**

Patrick Mathews, General Manager/CAO  
Roberto Morneo, Finance Manager  
Cesar Zuniga, Operations Manager  
Susan Warner, Diversion Manager  
Rose Gill, HR/Organizational Development  
Mgr

Dave Meza, Authority Engineer  
Elia Zavala, Clerk of the Board  
Thomas Bruen, General Counsel (via  
telephone)

<b>ITEM NO. 1</b>
Agenda Item
<b>T. Bruen by ez</b>
General Counsel Approval

General Manager

**GENERAL MANAGER COMMENTS**

General Manager/CAO Mathews announced that he was asked to speak at a conference on April 30 and asked to be dismissed from the Executive Committee meeting that day. The Committee granted permission. He also mentioned that he conducted a landfill tour for the Hartnell College environmental biology class.

**DEPARTMENT MANAGER COMMENTS**

None

**COMMITTEE MEMBER COMMENTS**

None

**PUBLIC COMMENT**

None

**CONSIDERATION ITEMS**

**1. Minutes of February 5, 2014, Meeting**

(4:03)

*Public Comment:* None

*Committee Action:* Vice President Lutes made motion to approve the minutes as presented. Alternate Vice President Salinas seconded the motion. The motion passed unanimously.

**2. January 2014 Claims and Financial Reports**

(4:04) Finance Manager Moreno provided a report on the month-end finances and gave a brief explanation on how grants are budgeted.

*Public Comment:* None

*Committee Discussion:* The Committee discussed the report and future grant opportunities.

*Committee Action:* Vice President Lutes made motion to forward the report to the Board. Alternate Vice President Salinas seconded the motion. The motion passed unanimously.

**3. A Resolution Approving Service Fees Effective July 1, 2014 for Recycling, Resource Recovery, and Disposal at Authority Landfills and Transfer Stations and Administrative Services**

(4:09) Finance Manager Moreno provided a report noting the change in percentage allocation of the AB939 fee amongst the service area waste haulers, which is based on a percentage of tonnage received the previous year.

*Public Comment:* None

*Committee Discussion:* The Committee expressed support for the resolution.

*Committee Action:* Vice President Lutes made motion to forward to the Board for approval. Alternate Vice President Salinas seconded the motion. The motion passed unanimously.

**4. A Resolution Approving the Implementation Plan for Authority Staff to Provide Operation and Diversion Services at the Johnson Canyon Landfill**

(4:14) Operations Manager Zuñiga presented the implementation plan.

*Public Comment:* None

*Committee Discussion:* The Committee discussed the purchase of equipment process and inquired about employee benefits comparison.

*Committee Action:* Vice President Lutes made motion to forward to the Board for approval. Alternate Vice President Salinas seconded the motion. The motion passed unanimously.

**5. Johnson Canyon Roadway Improvements Update**

(4:21) Authority Engineer Meza provided a report on the history of the project and the variation between the County and the Authority of what is the Authority's fair share cost.

*Public Comment:* None

*Committee Discussion:* The Committee discussed the Authority's use of the road and the difference in cost share percentages, and expressed that the two agencies need to reach an agreement on a fair share cost.

*Committee Action:* The Committee accepted the report.

**FUTURE AGENDA ITEMS**

**6. Agenda Items – View Ahead**

(4:38) The Committee reviewed the future agenda items.

**CLOSED SESSION**

(4:38) President Silva adjourned the meeting to closed session to discuss the following:

- 7. Pursuant to Government Code Section 54957.6 to provide instruction to the General Manager /CAO to negotiate salaries and benefits with SVSWA employees, management and non-management.

**RECONVENE**

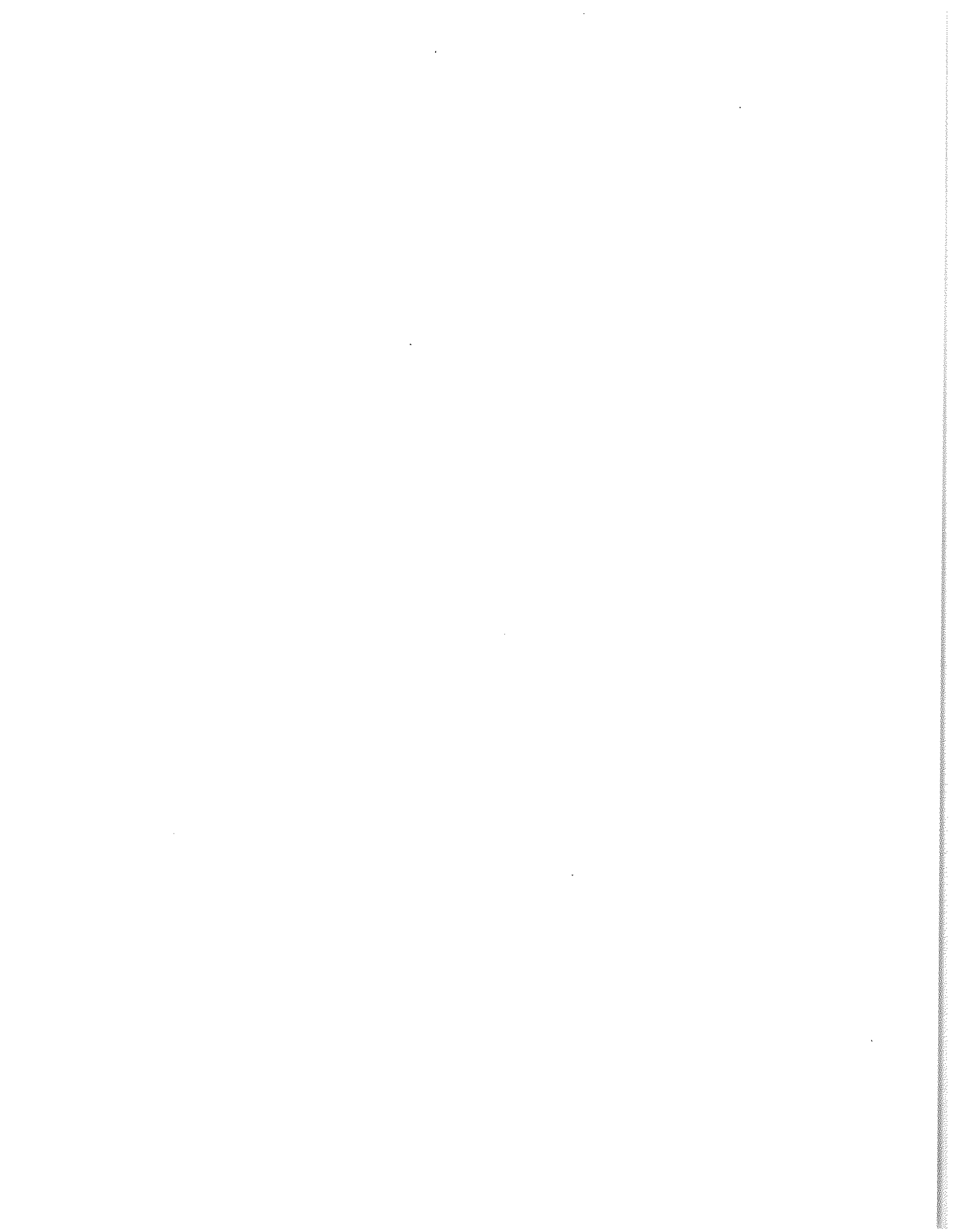
(4:52) President Silva reconvened the meeting to open session with no reportable action taken in closed session.

**ADJOURNMENT**

(4:52) President Silva adjourned the meeting.

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

ATTEST: \_\_\_\_\_  
Elia Zavala, Clerk of the Board





SalinasValleyRecycles.org  
SALINAS VALLEY SOLID WASTE AUTHORITY

## Report to the Executive Committee

ITEM NO. 2

Finance Manager/Controller-Treasurer

N/A

Legal Counsel

General Manager/CAO

**Date:** April 2, 2014  
**From:** Roberto Moreno, Finance Manager  
**Title:** February 2014 Claims and Financial Reports

### RECOMMENDATION

Staff recommends acceptance of the February 2014 Claims and Financial Reports.

### DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of February for a discussion of the Authority's financial position as of February 28, 2014. 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 2014, FY 2013-14 operating expenditures exceeded revenue by (\$224,417). Year to Date operating revenues exceeded expenditures by \$1,531,655.

#### Revenues (Budgetary Comparison Revenue Report)

Revenues for the month of February totaled \$1,273,473. The monthly Tipping Fees totaled \$777,056 and year to date totaled \$7,410,651 or 66.51% of the forecasted total of \$11,141,800. As of February 28, after eight months of the fiscal year (66.67% of the fiscal year) revenues total \$11,971,339 or 66.58% of the total annual revenues forecast of \$17,979,847.

Grant Revenue shows \$18,977 billed on the \$76,747 Tire Amnesty Grant. The revenue is reimbursement for the fall 2013 collection events. The grant is for tire collection events held in the fall and the spring until September 2015. The Authority is reimbursed after each event.

#### Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of February 28 (66.67% of the fiscal year) year-to-date operating expenditures total \$10,439,684. This is 64.96% of the operating budget of \$16,070,455.

#### Capital Project Expenditures (Consolidated CIP Expenditures Report)

For the month of February 2014, capital project expenditures totaled \$63,308. \$43,563 of the total was for Johnson Canyon LFG Horizontal Wells.

#### Claims Checks Issued Report

The Authority's Checks Issued Report for the month of February 2014 is attached for review and acceptance. The February checks issued total \$724,371.44 of which \$316,060.38 was paid from the payroll checking account for payroll and payroll related benefits. Selected major payments to

vendors are listed below.

<b>Vendor</b>	<b>Name</b>	<b>Amount</b>
ADMANOR INC	CCRMC MEDIA & MRKTNG SRVS	31,332.50
	BRANDING & RECYCLING OUTREACH/ED	11,462.35
COAST OIL COMPANY LLC	FUEL FOR SSTS VEHICLES & EQUIP	32,945.03
	SSTS EQUIP BIODIESEL FUEL	1,480.59
CA REG WATER QUALITY CNTRL BRD	REGULATORY WATER PERMITS	24,069.00
CITY OF GONZALES	GONZALES HOSTING FEES	20,833.33
VISION RECYCLING INC	JC & SS ORGANICS PROG	46,648.35
WASTE MANAGEMENT INC	REPUBLIC WASTE TO MLTS	6,175.22
	CREDIT MEMO	(276.68)
	JRTS OPS	57,779.10
BANK OF NEW YORK MELLON	INTEREST ON 2002 REVENUE BONDS	851,059.00

Cash Balances

The Authority's cash position decreased (\$696,853.23) during February to \$11,150,489.92 primarily due to the \$851,059 in interest paid on the 2002 Revenue Bonds. Most of the cash balance is restricted as shown below:

Restricted by Legal Agreements:

Crazy Horse Closure Fund	\$ (16,057.33)
Johnson Canyon Closure Fund	2,952,266.90
Bond Debt Service Reserve	0.00
State & Federal Grants	137,139.61

Restricted by Board policy:

Expansion Fund (South Valley Revenues)	7,387,521.04
Salinas Transportation Surcharge	216,777.33
Salinas Rate Stabilization Fund	47,415.03

Funds Held in Trust:

Central Coast Media Recycling Coalition	78,993.84
Employee Unreimbursed Medical Claims	2,511.38

Unrestricted - Assigned:

Operations and Capital Projects	343,922.12
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\$ 11,150,489.92

**ATTACHMENTS**

1. February 2014 Consolidated Statement of Revenues and Expenditures
2. February 2014 Consolidated CIP Expenditures Report
3. February 2014 Budgetary Comparison Revenue Report
4. February 2014 Checks Issued Report





Salinas Valley Solid Waste Authority  
Consolidated Statement of Revenues and Expenditure  
For Period Ending February 28, 2014

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b>Revenue Summary</b>							
Tipping Fees - Solid Waste	11,141,800	777,056	7,410,651	66.51%	3,731,148.66	0.00	3,731,148.66
Tipping Fees - Surcharge	1,034,000	69,067	668,786	64.68%	365,213.60	0.00	365,213.60
Tipping Fees - Diverted Materials	956,800	73,215	720,942	75.35%	235,858.06	0.00	235,858.06
AB939 Service Fee	1,732,000	144,332	1,154,656	66.67%	577,344.00	0.00	577,344.00
Tipping Fees - South Valley	2,318,800	183,097	1,586,446	68.42%	732,353.72	0.00	732,353.72
Charges for Services	117,000	0	61,949	52.95%	55,050.90	0.00	55,050.90
Sales of Materials	385,000	4,819	191,896	49.84%	193,104.02	0.00	193,104.02
Gos Royalties	187,500	0	131,379	70.07%	56,120.51	0.00	56,120.51
Investment Earnings	30,200	2,910	22,221	73.58%	7,979.41	0.00	7,979.41
Grants/Contributions	76,747	18,977	18,977	24.73%	57,769.85	0.00	57,769.85
Other Non-Operating Revenue	0	0	3,435	0.00%	(3,434.62)	0.00	(3,434.62)
<b>Total Revenue</b>	<b>17,979,847</b>	<b>1,273,473</b>	<b>11,971,339</b>	<b>66.58%</b>	<b>6,008,508.11</b>	<b>0.00</b>	<b>6,008,508.11</b>

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b>Expense Summary</b>							
Administration	2,160,750	154,631	1,402,586	64.91%	758,164	83,168	674,996
Resource Recovery	2,564,105	157,550	1,283,354	50.05%	1,280,751	551,026	729,725
Scalehouses Operations	371,630	29,083	241,152	64.89%	130,478	1,925	128,553
Transfer Stations Operations	2,660,740	197,897	1,630,528	61.28%	1,030,212	423,786	606,426
Landfills Operations	3,717,840	45,731	1,685,109	45.32%	2,032,731	1,235,845	796,887
Postclosure Maintenance	929,680	21,166	450,163	48.42%	479,517	124,030	355,488
Environmental Control Systems	439,410	20,528	173,814	39.56%	265,596	107,405	158,191
Debt Service - Interest	1,851,700	851,059	2,289,016	123.62%	(437,316)	0	(437,316)
Debt Service - Principal	1,097,600	0	1,097,517	99.99%	83	0	83
Closure Set-Aside	277,000	20,245	186,447	67.31%	90,553	0	90,553
<b>Total Expense</b>	<b>16,070,455</b>	<b>1,497,890</b>	<b>10,439,684</b>	<b>64.96%</b>	<b>5,630,771</b>	<b>2,527,185</b>	<b>3,103,586</b>

<b>Revenue Over/(Under) Expenses</b>	<b>1,909,392</b>	<b>(224,417)</b>	<b>1,531,655</b>	<b>80.22%</b>	<b>377,737</b>	<b>(2,527,185)</b>	<b>2,904,922</b>
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Salinas Valley Solid Waste Authority  
Consolidated Statement of Revenues and Expenditure  
For Period Ending February 28, 2014

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Expense Summary</u>							
Executive Administration	376,550	23,776	226,575	60.17%	149,975.30	11,497.00	138,478.30
Administrative Support	397,080	21,085	244,304	61.53%	152,775.67	48,361.98	104,413.69
Human Resources Administration	324,210	20,730	195,927	60.43%	128,282.59	2,233.66	126,048.93
Clerk of the Board	168,700	12,328	93,278	55.29%	75,421.51	10,600.48	64,821.03
Finance Administration	657,000	47,974	419,938	63.92%	237,062.33	4,240.35	232,821.98
Operations Administration	237,210	28,737	222,563	93.83%	14,646.91	6,234.36	8,412.55
Resource Recovery	681,160	54,455	399,649	58.67%	281,511.05	18,994.13	262,516.92
Marketing	75,000	8,886	48,598	64.80%	26,401.81	21,651.81	4,750.00
Public Education	167,700	4,741	53,465	31.88%	114,235.16	21,044.49	93,190.67
Household Hazardous Waste	671,010	39,662	332,856	49.61%	338,153.64	96,247.68	241,905.96
C & D Diversion	30,000	0	26,003	86.68%	3,997.50	3,997.50	0.00
Organics Diversion	587,530	46,648	307,185	52.28%	280,344.82	280,388.75	(43.93)
Diversion Services	144,750	2,654	66,473	45.92%	78,276.89	73,510.00	4,766.89
Tire Amnesty Grant	76,747	0	18,257	23.79%	58,489.99	32,441.51	26,048.48
DOC Grant	130,208	504	30,868	23.71%	99,339.81	2,750.00	96,589.81
Scalehouse Operations	371,630	29,083	241,152	64.89%	130,478.30	1,925.29	128,553.01
JR Transfer Station	723,060	57,779	425,658	58.87%	297,401.92	291,116.40	6,285.52
ML Transfer Station	150,000	5,899	103,564	69.04%	46,435.92	45,782.47	653.45
SS Disposal Operations	687,841	46,325	429,177	62.39%	258,663.73	21,253.23	237,410.50
SS Transfer Operations	910,749	75,320	598,069	65.67%	312,680.33	36,519.78	276,160.55
SS Recycling Operations	189,090	12,575	74,060	39.17%	115,030.23	29,114.18	85,916.05
JC Landfill Operations	3,717,840	45,731	1,685,109	45.32%	2,032,731.37	1,235,844.76	796,886.61
Crazy Horse Postclosure Maintenance	558,240	16,313	266,098	47.67%	292,142.34	88,308.58	203,833.76
Lewis Road Postclosure Maintenance	216,090	3,695	118,082	54.65%	98,007.58	31,569.39	66,438.19
Johnson Canyon ECS	322,540	13,595	112,764	34.96%	209,776.40	68,344.47	141,431.93
Jolon Road Postclosure Maintenance	155,350	1,158	65,983	42.47%	89,367.40	4,151.69	85,215.71
Sun Street ECS	116,870	6,933	61,050	52.24%	55,819.77	39,060.62	16,759.15
Debt Service - Interest	1,851,700	851,059	2,289,016	123.62%	(437,315.86)	0.00	(437,315.86)
Debt Service - Principal	1,097,600	0	1,097,517	99.99%	83.46	0.00	83.46
Closure Set-Aside	277,000	20,245	186,447	67.31%	90,553.00	0.00	90,553.00
Total Expense	16,070,455	1,497,890	10,439,684	64.96%	5,630,770.87	2,527,184.56	3,103,586.31
Revenue Over/(Under) Expenses	1,909,392	(224,417)	1,531,655	80.22%	377,737.24	(2,527,184.56)	2,904,921.80



# Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report  
For Period Ending February 28, 2014

	CURRENT BUDGET	M-T-D REV/EXP	% OF BUDGET	Y-T-D REV/EXP	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b>Fund 131 - Crazy Horse Closure Fund</b>							
131 9301	5,793	0	0.0 %	0	5,793	0	5,793
131 9306	22,960	0	100.0 %	22,957	3	0	3
131 9307	1,245	0	0.0 %	0	1,245	0	1,245
131 9312	8,942	0	0.0 %	0	8,942	0	8,942
131 9314	16,105	4,294	41.7 %	6,723	9,382	492	8,890
131 9315	101,656	0	13.0 %	13,230	88,426	0	88,426
131 9316	174,720	6,443	6.6 %	11,533	163,187	0	163,187
<b>Total Fund 131 - Crazy Horse Closure Fund</b>	<b>331,421</b>	<b>10,737</b>	<b>16.4 %</b>	<b>54,444</b>	<b>276,977</b>	<b>492</b>	<b>276,485</b>
<b>Fund 180 - Expansion Fund</b>							
180 9003	124,315	0	24.9 %	30,964	93,351	843	92,508
180 9021	576,564	1,680	1.5 %	8,743	567,821	161,487	406,334
180 9801	37,600	0	100.0 %	37,600	0	0	0
<b>Total Fund 180 - Expansion Fund</b>	<b>738,479</b>	<b>1,680</b>	<b>10.5 %</b>	<b>77,307</b>	<b>661,172</b>	<b>162,331</b>	<b>498,842</b>
<b>Fund 211 - State Grants</b>							
211 9201	63,444	0	6.3 %	4,007	59,437	3,277	56,160
<b>Total Fund 211 - State Grants</b>	<b>63,444</b>	<b>0</b>	<b>6.3 %</b>	<b>4,007</b>	<b>59,437</b>	<b>3,277</b>	<b>56,160</b>
<b>Fund 800 - Capital Improvement Projects Funds</b>							
800 9010	1,510,214	1,641	1.2 %	18,273	1,491,941	0	1,491,941
800 9012	27,130	0	23.9 %	6,491	20,639	0	20,639
800 9101	49,400	0	99.9 %	49,333	67	0	67
800 9317	30,000	4,663	15.5 %	4,663	25,337	24,909	428
800 9318	150,000	750	42.6 %	63,899	86,101	0	86,101
800 9501	96,700	275	60.0 %	57,978	38,722	1,186	37,536
800 9502	298,300	0	0.5 %	1,503	296,797	0	296,797
800 9503	310,000	43,563	14.1 %	43,563	266,437	2,542	263,895



# Salinas Valley Solid Waste Authority

## Consolidated CIP Expenditure Report For Period Ending February 28, 2014

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9504 JC Module 456B Liner Improvements	30,000	0	0	0.0 %	30,000	0	30,000
800 9701 SSTS Equipment Replacement	110,000	0	110,439	100.4 %	(439)	0	(439)
800 9702 SSTS NPDES Improvements	48,100	0	0	0.0 %	48,100	0	48,100
800 9703 SSTS Improvements	55,000	0	0	0.0 %	55,000	0	55,000
800 9913 CH LFG to Energy Project	5,295	0	0	0.0 %	5,295	0	5,295
<b>Total Fund 800 - Capital Improvement Projects</b>	<b>2,720,139</b>	<b>50,892</b>	<b>356,141</b>	<b>13.1 %</b>	<b>2,363,998</b>	<b>28,637</b>	<b>2,335,361</b>
<b>Total CIP Expenditures</b>	<b>3,853,483</b>	<b>63,308</b>	<b>491,898</b>	<b>12.8 %</b>	<b>3,361,585</b>	<b>194,737</b>	<b>3,166,848</b>

**Salinas Valley Solid Waste Authority**  
**Budgetary Comparison Revenue Report**  
**For Period Ending: 2/28/2014**

			CURRENT BUDGET	M-Y-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET
<b>Tipping Fees - Solid Waste</b>						
150	51250	Tipping Fees - Landfills	4,250,000.00	275,848.36	2,805,911.55	66.02 %
150	51261	Tipping Fees - MTS Adjustments	750,000.00	36,863.81	474,351.83	63.25 %
150	51265	Bad Debt Write Off	0.00	490.00	848.66	0.00 %
170	51252	Tipping Fees - Transfer Station	6,141,800.00	463,853.97	4,129,539.30	67.24 %
<b>Total Tipping Fees - Solid Waste</b>			<b>11,141,800.00</b>	<b>777,056.14</b>	<b>7,410,651.34</b>	<b>66.51 %</b>
<b>Tipping Fees - Surcharge</b>						
170	51251	Tipping Fees - Surcharge for Operations	1,034,000.00	69,066.69	668,786.40	64.68 %
<b>Total Tipping Fees - Surcharge</b>			<b>1,034,000.00</b>	<b>69,066.69</b>	<b>668,786.40</b>	<b>64.68 %</b>
<b>Tipping Fees - Diverted Materials</b>						
106	51256	Tipping Fees - HHW	59,000.00	5,115.50	36,135.00	61.25 %
107	51255	Tipping Fees - Mattresses	69,000.00	6,810.00	52,095.00	75.50 %
107	51257	Tipping Fees - Green Waste	612,200.00	46,675.21	415,724.63	67.91 %
107	51258	Tipping Fees - C&D	116,000.00	6,400.88	78,762.02	67.90 %
107	51259	Tipping Fees - Diversion	43,000.00	4,145.70	31,349.02	72.90 %
107	51260	Tipping Fees - Biosolids	0.00	0.00	57,504.58	0.00 %
107	51262	Tipping Fees - Wood Waste	57,600.00	4,067.52	49,371.69	85.71 %
<b>Total Tipping Fees - Diverted Materials</b>			<b>956,800.00</b>	<b>73,214.81</b>	<b>720,941.94</b>	<b>75.35 %</b>
<b>AB939 Service Fee</b>						
106	51264	AB939 Service Fee	1,732,000.00	144,332.00	1,154,656.00	66.67 %
<b>Total AB939 Service Fee</b>			<b>1,732,000.00</b>	<b>144,332.00</b>	<b>1,154,656.00</b>	<b>66.67 %</b>
<b>Tipping Fees - South Valley</b>						
180	51253	Tipping Fees - South Valley	2,318,800.00	183,097.09	1,586,446.28	68.42 %
<b>Total Tipping Fees - South Valley</b>			<b>2,318,800.00</b>	<b>183,097.09</b>	<b>1,586,446.28</b>	<b>68.42 %</b>
<b>Charges for Services</b>						
105	52110	Tri-Cities Franchise Administrative	45,000.00	0.00	23,051.28	51.23 %
105	52120	BFI Franchise Administrative	72,000.00	0.00	38,897.82	54.02 %
<b>Total Charges for Services</b>			<b>117,000.00</b>	<b>0.00</b>	<b>61,949.10</b>	<b>52.95 %</b>
<b>Sales of Materials</b>						
106	53310	Sales - E-Waste	115,000.00	0.00	70,644.06	61.43 %
106	53340	Sales - Metal	215,000.00	0.00	88,604.50	41.21 %
106	53350	Sales - Plastic	9,000.00	2,043.90	5,447.30	60.53 %
106	53360	Sales - Cardboard	36,000.00	1,477.20	20,017.90	55.61 %
106	53370	Sales - Mixed Paper	4,000.00	231.00	2,312.10	57.80 %
106	53380	Sales - Mixed Glass	1,000.00	0.00	970.62	97.06 %
106	53390	Sales - HHW Material	5,000.00	1,067.00	3,899.50	77.99 %
<b>Total Sales of Materials</b>			<b>385,000.00</b>	<b>4,819.10</b>	<b>191,895.98</b>	<b>49.84 %</b>

# Salinas Valley Solid Waste Authority

## Budgetary Comparison Revenue Report

For Period Ending: 2/28/2014

			CURRENT BUDGET	M-Y-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET
<b>Gas Royalties</b>						
150	53401	Gas Royalties	187,500.00	0.00	131,379.49	70.07 %
<b>Total Gas Royalties</b>			<b>187,500.00</b>	<b>0.00</b>	<b>131,379.49</b>	<b>70.07 %</b>
<b>Investment Earnings</b>						
105	54001	Investment Earnings	11,000.00	904.75	7,341.83	66.74 %
105	54200	Rental Income	0.00	0.00	1,000.00	0.00 %
105	54310	Late Payment Finance Charges	1,000.00	1,670.00	5,491.73	549.17 %
150	54001	Investment Earnings	100.00	0.00	-2,235.33	-2,235.33 %
150	54200	Rental Income	4,000.00	335.00	2,680.00	67.00 %
151	54001	Investment Earnings	3,000.00	0.00	1,735.33	57.84 %
160	54200	Rental Income	5,200.00	0.00	0.00	0.00 %
190	54001	Investment Earnings	5,900.00	0.00	6,269.45	106.26 %
<b>Total Investment Earnings</b>			<b>30,200.00</b>	<b>2,909.75</b>	<b>22,283.01</b>	<b>73.78 %</b>
<b>Grants/Contributions</b>						
211	55252	Dept of Conservation	0.00	0.00	0.00	0.00 %
211	55256	CIWMB Tire Amnesty Grant	76,747.00	18,977.15	18,977.15	24.73 %
211	55257	Biodiesel Fueling Infrastructure Grant	0.00	0.00	0.00	0.00 %
221	55265	USDA Grant	0.00	0.00	0.00	0.00 %
<b>Total Grants/Contributions</b>			<b>76,747.00</b>	<b>18,977.15</b>	<b>18,977.15</b>	<b>24.73 %</b>

# Salinas Valley Solid Waste Authority

## Revenue Type Summary For Period Ending: 2/28/2014

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET
Tipping Fees - Solid Waste	11,141,800.00	777,056.14	7,410,651.34	66.51 %
Tipping Fees - Surcharge	1,034,000.00	69,066.69	668,786.40	64.68 %
Tipping Fees - Diverted Materials	956,800.00	73,214.81	720,941.94	75.35 %
AB939 Service Fee	1,732,000.00	144,332.00	1,154,656.00	66.67 %
Tipping Fees - South Valley	2,318,800.00	183,097.09	1,586,446.28	68.42 %
Charges for Services	117,000.00	0.00	61,949.10	52.95 %
Sales of Materials	385,000.00	4,819.10	191,895.98	49.84 %
Gas Royalties	187,500.00	0.00	131,379.49	70.07 %
Investment Earnings	30,200.00	2,909.75	22,283.01	73.78 %
Grants/Contributions	76,747.00	18,977.15	18,977.15	24.73 %
Totals	17,979,847.00	1,273,472.73	11,967,966.69	66.56 %

**Salinas Valley Solid Waste Authority**  
**Fund Summary**  
**For Period Ending: 2/28/2014**

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET
Administration Fund	129,000.00	2,574.75	75,782.66	58.75 %
AB939 Fund	2,176,000.00	154,266.60	1,382,686.98	63.54 %
Recycling Fund	897,800.00	68,099.31	684,806.94	76.28 %
CCRMC Fund	0.00	0.00	62.42	0.00 %
Crazy Horse Closure Fund	100.00	0.00	20.31	20.31 %
Johnson Cyn Project Fund	5,191,500.00	313,537.17	3,412,853.47	65.74 %
Johnson Canyon Closure Fund	3,000.00	0.00	1,735.33	57.84 %
Jolon Road Project Fund	5,200.00	0.00	0.00	0.00 %
Transfer Stations Fund	7,179,700.00	532,920.66	4,800,563.40	66.86 %
Salinas Transportation Surcharge	0.00	0.00	0.00	0.00 %
Expansion Fund	2,320,800.00	183,097.09	1,590,469.76	68.53 %
Debt Service	0.00	0.00	8.27	0.00 %
State Grants	76,747.00	18,977.15	18,977.15	24.73 %
USDA Grant	0.00	0.00	0.00	0.00 %
<b>Totals</b>	<b>17,979,847.00</b>	<b>1,273,472.73</b>	<b>11,967,966.69</b>	<b>66.56 %</b>



**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

Check #	Name	Check Date	Amount	Check Total
12341	ROSE GILL EDUCATION ASSISTANCE REIMBURSEMENT	2/11/2014	500.00	500.00
12342	A & B FIRE PROTECTION & SAFETY, INC SAFETY SUPPLIES	2/12/2014	71.55	71.55
12343	A-1 SWEEPING SS TS SWEEP YARD & EXT ST 2X P/WK	2/12/2014	864.00	864.00
12344	ADMANOR, INC MONTHLY CCRMC MEDIA & MARKETING SERVICES	2/12/2014	19,910.00	19,910.00
12345	ALEXANDRA BRISTOW MONTHLY RECYCLERAMA PERFORMANCES	2/12/2014	385.03	385.03
12346	AMCON ENVIRONMENTAL, INC 2 DAILY COVER TARPS	2/12/2014	2,281.48	2,281.48
12347	ANNUVIA AED ANNUAL READINESS CHECK	2/12/2014	299.98	299.98
12348	ASSURED AGGREGATES CO., INC SS TS SUPPLIES JC LFG 456B SUPPLIES	2/12/2014	1,318.65 2,482.37	3,801.02
12349	AT&T SERVICES INC MONTHLY TELEPHONE SERVICES	2/12/2014	795.81	795.81
12350	BAGLEY ENTERPRISES, INC BIO DIESEL TANK INSPECTIONS	2/12/2014	680.00	680.00
12351	BC LABORATORIES, INC MONTHLY GROUND WATER ANALYTICAL SERVICES	2/12/2014	1,042.00	1,042.00
12352	BECKS SHOE STORE, INC. SAFETY SHOES	2/12/2014	174.42	174.42
12353	BRANDY ELLEN ACEVEDO MONTHLY RECYCLERAMA PERFORMANCES	2/12/2014	1,666.08	1,666.08
12354	CALIFORNIA DEPARTMENT OF JUSTICE DOJ BACKGROUND INVESTIGATION	2/12/2014	32.00	32.00
12355	CALIFORNIA WATER SERVICE MONTHLY SS WATER SERVICES	2/12/2014	449.17	449.17
12356	COAST COUNTIES TRUCK & EQUIPMENT CO. SS TS VEHICLE MAINTENANCE	2/12/2014	815.41	815.41
12357	COAST OIL COMPANY, LLC FUEL FOR SSTS VEHICLES & EQUIPMENT	2/12/2014	32,945.03	32,945.03
12358	CSC OF SALINAS/YUMA VEHICLE EQUIPMENT SUPPLIES	2/12/2014	238.40	238.40

**Salinas Valley Solid Waste Authority  
Checks Issued Report for 2/1/2014 to 2/28/2014**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
12359	CUTTING EDGE SUPPLY VEHICLE EQUIPMENT SUPPLIES	2/12/2014	368.07	368.07
12360	FERGUSON ENTERPRISES INC #795 JC LFG SUPPLIES RETURNED ITEMS -LFG SUPPLIES	2/12/2014	7,526.19 (677.25)	6,848.94
12361	GOLDEN STATE TRUCK & TRAILER REPAIR SS TS VEHICLE MAINTENANCE SUPPLIES	2/12/2014	1,995.34	1,995.34
12362	**VOID**	2/12/2014	0.00	0.00
12363	GREEN RUBBER - KENNEDY AG, LP JC LFG SUPPLIES	2/12/2014	186.33	186.33
12364	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 JC LFG SUPPLIES CREDIT MEMO - LFG SUPPLIES	2/12/2014	4,475.87 (129.59)	4,346.28
12365	HOME DEPOT OPERATIONS EQUIPMENT CREDIT MEMO - SUPPLIES CH FACILITY SUPPLIES	2/12/2014	288.04 (60.55) 528.85	756.34
12366	HOPE SERVICES MATTRESS/BOX SPRING HAULING SERVICE	2/12/2014	1,044.00	1,044.00
12367	HYDROTURF, INC JC LFG 456B SUPPLIES	2/12/2014	324.55	324.55
12368	IVY CONTRERAS RECYCLERAMA	2/12/2014	1,968.75	1,968.75
12369	JOHN DAVID ACEVEDO II RECYCLERAMA	2/12/2014	350.00	350.00
12370	JOHNSON ASSOCIATES SS SUPPLIES	2/12/2014	51.79	51.79
12371	JOSE RAMIRO URIBE CREDIT MEMO SS TS VEHICLE MAINTENANCE VEHICLE REPAIRS & SUPPLIES	2/12/2014	(12.00) 528.21 219.11	735.32
12372	JUAN C. RUIZ TRUCKING SERVICE	2/12/2014	275.00	275.00
12373	LFG SPECIALTIES, LLC PVC SUPPLIES	2/12/2014	7,312.09	7,312.09
12374	MANUEL PEREA TRUCKING, INC. TRUCKING SERVICES	2/12/2014	1,925.00	1,925.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
12375	MARTA M. GRANADOS BD MEETING INTERPRETER	2/12/2014	180.00	180.00
12376	MASKELL PIPE & SUPPLY, INC LFG SUPPLIES	2/12/2014	18,260.89	18,260.89
12377	MONTEREY AUTO SUPPLY INC TIRE REPAIR	2/12/2014	30.00	30.00
12378	MONTEREY SANITARY SUPPLY, INC. JANITORIAL SUPPLIES	2/12/2014	485.35	485.35
12379	NEXTEL OF CALIFORNIA, INC MONTHLY CELL PHONE SERVICE	2/12/2014	435.31	435.31
12380	OFFICE DEPOT GENERAL OFFICE SUPPLIES	2/12/2014	298.66	298.66
12381	PACIFIC GAS AND ELECTRIC COMPANY MONTHLY ELECTRICAL SERVICES	2/12/2014	10,046.48	10,046.48
12382	PACIFIC MUNICIPAL CONSULTANTS CH CLOSURE CEQA	2/12/2014	4,293.69	4,293.69
12383	PURE WATER BOTTLING MONTHLY BOTTLED WATER DELIVERIES	2/12/2014	133.00	133.00
12384	QUINN COMPANY SS TS EQUIPMENT MAINTENANCE CREDIT MEMO - RETURNED SUPPLIES CREDIT MEMO - RETURNED SUPPLIES	2/12/2014	1,546.16 (294.78) (517.96)	733.42
12385	RAINMAKER SYSTEMS, INC SYMANTEC VIRUS PROTECTION SOFTWARE	2/12/2014	6,331.98	6,331.98
12386	RECOLOGY WASTE SOLUTIONS, INC JC LANDFILL OPS & EXTENDED HRS	2/12/2014	2,188.00	2,188.00
12387	REGENESIS INC. CRAZY HORSE LANDFILL CLOSURE SUPPLIES	2/12/2014	6,443.39	6,443.39
12388	ROBERT B GOMEZ RECYCLERAMA	2/12/2014	371.13	371.13
12389	SALINAS FALSE ALARM REDUCTION PROGAM 1 YEAR RENEWAL OF FALSE ALARM PROGRAM	2/12/2014	21.00	21.00
12390	SHARPS SOLUTIONS, LLC SHARPS DISPOSAL	2/12/2014	240.00	240.00
12391	SUSAN WARNER REIMB. WASTE CONV. CONG. TRAVEL, LODGING	2/12/2014	944.56	944.56
12392	TRI-COUNTY FIRE PROTECTION, INC. SS TS SAFETY SUPPLIES	2/12/2014	74.52	74.52

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
				74.52

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
12393	URS CORPORATION JC ROADWAY PROJECT ENGINEERING	2/12/2014	1,641.25	1,641.25
12394	CALIFORNIA HIGHWAY ADOPTION CO. MONTHLY HIGHWAY 101 LITTER ABATEMENT	2/20/2014	550.00	550.00
12395	CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD ANNUAL REGULATORY WATER PERMITS	2/20/2014	24,069.00	24,069.00
12396	COMCAST MONTHLY INTERENET SERVICES	2/20/2014	136.36	136.36
12397	GREENWASTE RECOVERY INC. CARPET COLLECTION PROGRAM	2/20/2014	500.00	500.00
12398	JENNY MITCHELL GRANT WRITING WORKSHOP	2/20/2014	480.46	480.46
12399	ORCHARD SUPPLY HARDWARE LLC SS TS GENERAL SUPPLIES	2/20/2014	515.04	515.04
12400	PHILIP SERVICES CORP MONTHLY HHW HAULING/DISPOSAL SERVICES MONTHLY HHW HAULING/DISPOSAL SUPPLIES	2/20/2014	9,523.84 809.00	10,332.84
12401	URS CORPORATION MRC ENGINEERING SERVICES	2/20/2014	1,679.50	1,679.50
12402	PACIFIC GAS AND ELECTRIC COMPANY MONTHLY ELECTRICAL SERVICES	2/24/2014	62.00	62.00
12403	ID CONCEPTS, LLC BACKGROUND INVESTIGATION	2/27/2014	25.00	25.00
12404	ADMANOR, INC JANUARY BRANDING & RECYCLING OUTREACH/EDUCATION JANUARY CCRMC MEDIA & MARKETING SERVICES	2/27/2014	11,462.35 11,422.50	22,884.85
12405	ASSURED AGGREGATES CO., INC JC LFG MATERIAL	2/27/2014	1,710.31	1,710.31
12406	AT&T SERVICES INC MONTHLY TELEPHONE SERVICES	2/27/2014	326.33	326.33
12407	BC LABORATORIES, INC GROUND WATER ANALYTICAL SERVICES	2/27/2014	2,821.00	2,821.00
12408	C&H DISTRIBUTORS, LLC HHW DISPOSAL SUPPLIES	2/27/2014	1,210.81	1,210.81
12409	CALIFORNIA WATER SERVICE SS WATER SERVICES	2/27/2014	358.84	358.84
12410	CITY OF GONZALES MONTHLY GONZALES HOSTING FEES	2/27/2014	20,833.33	

Salinas Valley Solid Waste Authority  
Checks Issued Report for 2/1/2014 to 2/28/2014

Check #	Name	Check Date	Amount	Check Total
				20,833.33

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
12411	COAST COUNTIES TRUCK & EQUIPMENT CO. SS TS VEHICLE MAINTENANCE SUPPLIES	2/27/2014	42.17	42.17
12412	COAST OIL COMPANY, LLC SS TS EQUIPMENT BIODIESEL FUEL	2/27/2014	1,480.59	1,480.59
12413	COMCAST MONTHLY INTERNET SERVICES	2/27/2014	168.22	168.22
12414	CSC OF SALINAS/YUMA SS TS VEHICLE MAIN SUPPLIES	2/27/2014	24.30	24.30
12415	DAVE J. DEERING MONTHLY JANITORIAL SERVICES	2/27/2014	1,830.00	1,830.00
12416	DAVE MEZA STORM WATER POLLUTION PREVENTION PLANNING TRAINING	2/27/2014	9.76	9.76
12417	EDWARDS TRUCK CENTER, INC SUPPLIES	2/27/2014	29.16	29.16
12418	ERIC AMARAL 40-HOUR HAZWOPER TRAINING- ERIC AMARAL	2/27/2014	124.00	124.00
12419	FERGUSON ENTERPRISES INC #795 SUPPLIES	2/27/2014	151.20	151.20
12420	GAIL K. TSUBOI BOARD RETREAT TRANSCRIBING	2/27/2014	1,573.76	1,573.76
12421	GOLDEN STATE TRUCK & TRAILER REPAIR SS TS VEHICLE & EQUIPMENT MAINTENANCE SUPPLIES	2/27/2014	4,052.53	4,052.53
12422	**VOID**	2/27/2014	0.00	0.00
12423	GRAINGER SS TS ELECTRICAL SUPPLIES	2/27/2014	345.82	345.82
12424	GREEN RUBBER - KENNEDY AG, LP JC LFG SUPPLIES	2/27/2014	764.34	764.34
12425	GUERITO JC & SS PORTABLE TOILET SERVICE	2/27/2014	510.00	510.00
12426	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 JC LFG SUPPLIES	2/27/2014	845.07	845.07
12427	HERTZ EQUIPMENT RENTAL CORPORATION EQUIPMENT RENTAL	2/27/2014	816.53	816.53
12428	HOPE SERVICES MATTRESS/BOX SPRING HAULING SERVICE SS TS LITTER ABATEMENT & DIVERSION	2/27/2014	1,110.00 10,830.96	11,940.96

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

Check #	Name	Check Date	Amount	Check Total
12429	INFINITY STAFFING SERVICES, INC. CONTRACT DRIVER	2/27/2014	1,080.00	1,080.00
12430	JOSE RAMIRO URIBE SS TS VEHICLE MAINTENANCE	2/27/2014	273.66	273.66
12431	LIEBERT CASSIDY WHITMORE CONFERENCE REGISTRATION	2/27/2014	55.00	55.00
12432	LUMBERMENS INC SUPPLIES	2/27/2014	67.36	67.36
12433	MASKELL PIPE & SUPPLY, INC PVC SUPPLIES	2/27/2014	76.09	76.09
12434	NEXIS PARTNERS, LLC RENT & COMMON AREAS ADM BLDG	2/27/2014	8,709.00	8,709.00
12435	OFFICE DEPOT RES. REC. SUPPLIES COPY AND PRINTER SUPPLIES OFFICE SUPPLIES IT SUPPLIES SUPPLIES AND TONER	2/27/2014	2,155.68 178.25 414.69 183.59 92.32	3,024.53
12436	**VOID**	2/27/2014	0.00	0.00
12437	OVERHEAD DOOR COMPANY OF SALINAS REPAIR	2/27/2014	190.00	190.00
12438	REPUBLIC SERVICES #471 96 GALLON GARBAGE CART SERVICE	2/27/2014	64.87	64.87
12439	SALINAS CALIFORNIAN #1078 LEGAL NOTICES AND PUBLICATIONS	2/27/2014	475.24	475.24
12440	SALINAS FALSE ALARM REDUCTION PROGAM ALARM SERVICE	2/27/2014	21.00	21.00
12441	SCALES UNLIMITED SCALE MAINTENANCE	2/27/2014	3,033.03	3,033.03
12442	SCS FIELD SERVICES CIP 9317 ENGINEERING SERVICES FOR SCADA ALL SITES GRDWTR MONITORING SERVICES	2/27/2014	4,663.00 712.00	5,375.00
12443	STURDY OIL COMPANY TRUCK & TRAILER SUPPLIES & STEAM WASH	2/27/2014	390.00	390.00
12444	UNITED RENTALS (NORTHWEST), INC RENTAL EQUIPMENT	2/27/2014	447.30	447.30



**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
12445	VALLEY TROPHIES & DETECTORS VALLEY TROPHIES EMPLOYEE RECOGNITION AWARD	2/27/2014	15.66 149.88	165.54
12446	VERIZON WIRELESS SERVICES, LLC MONTHLY CELL PHONE SERVICE	2/27/2014	119.03	119.03
12447	VISION RECYCLING INC MONTHLY JC & SS ORGANICS PROGRAM	2/27/2014	46,648.35	46,648.35
12448	WASTE MANAGEMENT INC REPUBLIC WASTE DELIVERED TO MADISON CREDIT MEMO JOLON ROAD OPERATIONS	2/27/2014	6,175.22 (276.68) 57,779.10	63,677.64
12449	WEST COAST RUBBER RECYCLING, INC TIRE RECYCLING	2/27/2014	950.00	950.00
12450	WESTERN EXTERMINATOR COMPANY MONTHLY RODENT COTROL SERVICES	2/27/2014	336.00	336.00
12451	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION MONTHLY VEHICLE FUEL	2/27/2014	1,759.64	1,759.64
12452	A & S METALS A&S AR REFUND	2/28/2014	2,149.48	2,149.48
12453	SIGNS BY VAN HHW MATERIAL REFUND	2/28/2014	330.00	330.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 2/1/2014 to 2/28/2014**

<u>Check #</u>	<u>Name</u>	<u>Check Date</u>	<u>Amount</u>	<u>Check Total</u>
12454	US BANK CORPORATE PAYMENT SYSTEM	2/28/2014		
	COSTCO: SCALEHOUSE SECURITY SYSTEM		431.99	
	MOSLOW WOOD PRODUCTS: PRESENTATION SUPPLIES		271.92	
	COSTCO: SCALEHOUSE SECURITY SYSTEM		863.98	
	ENVIROSAFE: SAFETY SUPPLIES		58.03	
	AEP: CEQA TRAINING		150.00	
	AEP - CEQA TRAINING		150.00	
	CALCPA: MEMBERSHIP		399.00	
	KRESKY SIGNS: VEHICLE EQUIPMENT SUPPLY		79.26	
	HARBOR FREIGHT TOOLS: HHW TOOLS		21.58	
	CALCPA: FINANCIAL TRAINING COURSE		669.00	
	ENVIROSAFE: SAFETY SUPPLIES		130.25	
	BEST BUY: PRESENTATION SUPPLIES		37.80	
	NATIONAL SEMINARS TRAINING - TRAINING SESSION		129.00	
	SALINAS VALLEY CHAMBER: EVENT REGISTRATION		90.00	
	INTERMEDIA: EXCHANGE SERVICE		229.79	
	HUGHESNET.NET: INTERNET ACCESS		91.54	
	US COMPOSTING COUNCIL: LANDSCAPE ARCHITECH AND ENG		25.00	
	SHAREFILE.COM: FTP SITE SUBSCRIPTION		32.95	
	SWANA: MEMBERSHIP & CONFERENCE REGISTRATION		1,095.00	
	SOUTH COUNTY STATE: EVENT REGISTRATION		37.92	
	SWANA: MEMBERSHIP & CONFERENCE REGISTRATION		195.00	
	SWANA: MEMBERSHIP & CONFERENCE REGISTRATION		900.00	
	SWANA; CONFERENCE REGISTRATION		900.00	
	SALINAS VALLEY CHAMBER: MEETING REGISTRATION		15.00	
	SALINAS VALLEY CHAMBER: EVENT REGISTRATION		15.00	
	SALINAS CHAMBER: MTG REGISTRATION		15.00	
	WALMART: BOARD MTG SUPPLIES		27.40	
				7,061.41
DFT2014796	WAGeworks	2/19/2014		
	2014 FSA MONTHLY ADMIN FEES		36.00	
				36.00
	<b>SUBTOTAL</b>			<u>408,311.06</u>
	<b>Payroll Disbursements</b>			<u>316,060.38</u>
	<b>Grand Total</b>			<u><u>724,371.44</u></u>



SalinasValleyRecycles.org  
SALINAS VALLEY SOLID WASTE AUTHORITY

## Report to the Executive Committee

ITEM NO. 3

Finance Manager/Controller-Treasurer

N/A  
Legal Counsel

General Manager/CAO

**Date:** April 2, 2014  
**From:** Roberto Moreno, Finance Manager  
**Title:** Revise Fund Balance/Reserves Financial Policies

### RECOMMENDATION

Staff recommends that the Executive Committee support this action.

### STRATEGIC PLAN RELATIONSHIP

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

### FISCAL IMPACT

This item provides a new basis for allocating the fund balance to various reserves.

### DISCUSSION & ANALYSIS

The Authority's financial policies call for the following reserves:

1. 15% Operating Reserve
2. 10% Undesignated Fund Balance
3. Capital Projects Reserve
4. Insurance Retention Reserves

Staff recommends changing the reserves to the following:

1. 15% Operating Reserve
2. Capital Projects Reserve
3. \$1.7M Environmental Impairment Reserve

Staff also recommends funding the above reserves by allocating any remaining fund balance at year end in the following manner: 60% to Capital Projects Reserve and 20% each to Operating Reserve and Environmental Impairment Reserve until such time as all three reserves are fully funded.

Staff recommends making these changes to the policies to make them more realistic and achievable. A 15% operating reserve represents almost two (2) months of operating expenditures. Based on the proposed budget for 2014-15 this means an operating reserve of \$2,225,700. With that size of a reserve there is no need for Insurance Retention Reserves. It is doubtful that all insurance retentions would ever be needed at the same time and they can certainly be funded from the operating reserve if needed. The Insurance Retention Reserve can therefore be eliminated.

### **Elimination of 10% Undesignated Fund Balance Reserve**

In this day and age of tighter finances the thought of having a 10% Undesignated Fund Balance is not realistic. It will be a long time before the Authority will have undesignated funds available for spending at the Board discretion.

### **Adding Environmental Impairment Reserve for Corrective Action Contingent Liability**

The Authority entered into financial assurance agreements for Corrective Action with CalRecycle. The agreements identify specific dollar amounts for which the Authority is potentially liable. Below is a table showing the engineer's calculations of the Authority's potential liability for site remediation (corrective action). These amounts represent potential amounts that could need to be paid to remediate a site if there is a release into the groundwater or surrounding environment. In the case of a release, the remediation activities would be required and site improvements would have to be made. If site remediation improvements are made, then they have to be maintained for the period of years as mandated by the appropriate regulatory agency. If there is no release then there is no liability. Therefore, these amounts represent estimated, contingent liabilities. This forms the basis for the Environmental Impairment Reserve.

<b>Corrective Action Contingent Liability at June 30, 2012</b>				
<b>As of June 30, 2012</b>	<b>Improvements</b>	<b>Maintenance*</b>	<b>Contingency</b>	<b>Total</b>
<b>Corrective Action - CHL</b>	2,908,200	6,583,500	-	9,491,700
<b>Corrective Action - JRL</b>		1,302,000	-	1,302,000
<b>Site Remediation - JCL</b>	385,106	377,220	-	762,326
<b>Corrective Action - LRL</b>	122,700	226,000	35,000	383,700
<b>Total Liabilities</b>	<b>\$3,416,006</b>	<b>\$8,488,720</b>	<b>\$35,000</b>	<b>\$11,939,726</b>

\* Maintenance period covers up to 30 years

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

Under the financial assurance agreements with CalRecycle, the Authority has covenanted that it will provide the necessary funding if and when required. This means that the Authority would increase rates as necessary to cover the above expenses. In developing the Environmental Impairment Reserve amount, the Maintenance and Contingency amounts are not being considered. Those are amounts that would be incurred over an extended period of time to maintain the improvements. The improvements on the other hand represent the cost of improvements that could need to be made over a one to two year period. However, it is highly unlikely that all three sites would need corrective action at the same time. Staff therefore recommends establish the goal of funding a \$1.7 million Environmental Impairment Reserve, half of the total improvements shown above. The funding of this reserve would eliminate the need for drastic rate increases to cover the cost of site remediation, if it were ever to become necessary. It is also the fiscally prudent thing to do.

### **Allocation of Fund Balance**

The FY 2014-15 proposed budget reflects an operating surplus of \$732,800 due to the savings from refinancing the 2002 Revenue Bonds. Due to pending capital improvements at Sun Street, the majority of the surplus \$675,000 is scheduled to be used for the capital improvements budget. This will leave a year-end estimated surplus of \$57,800 which will

be allocated on the basis of the new Reserve Policies. Thereafter all year-end fund balances will be allocated as follows per the new Reserve Allocation Policy:

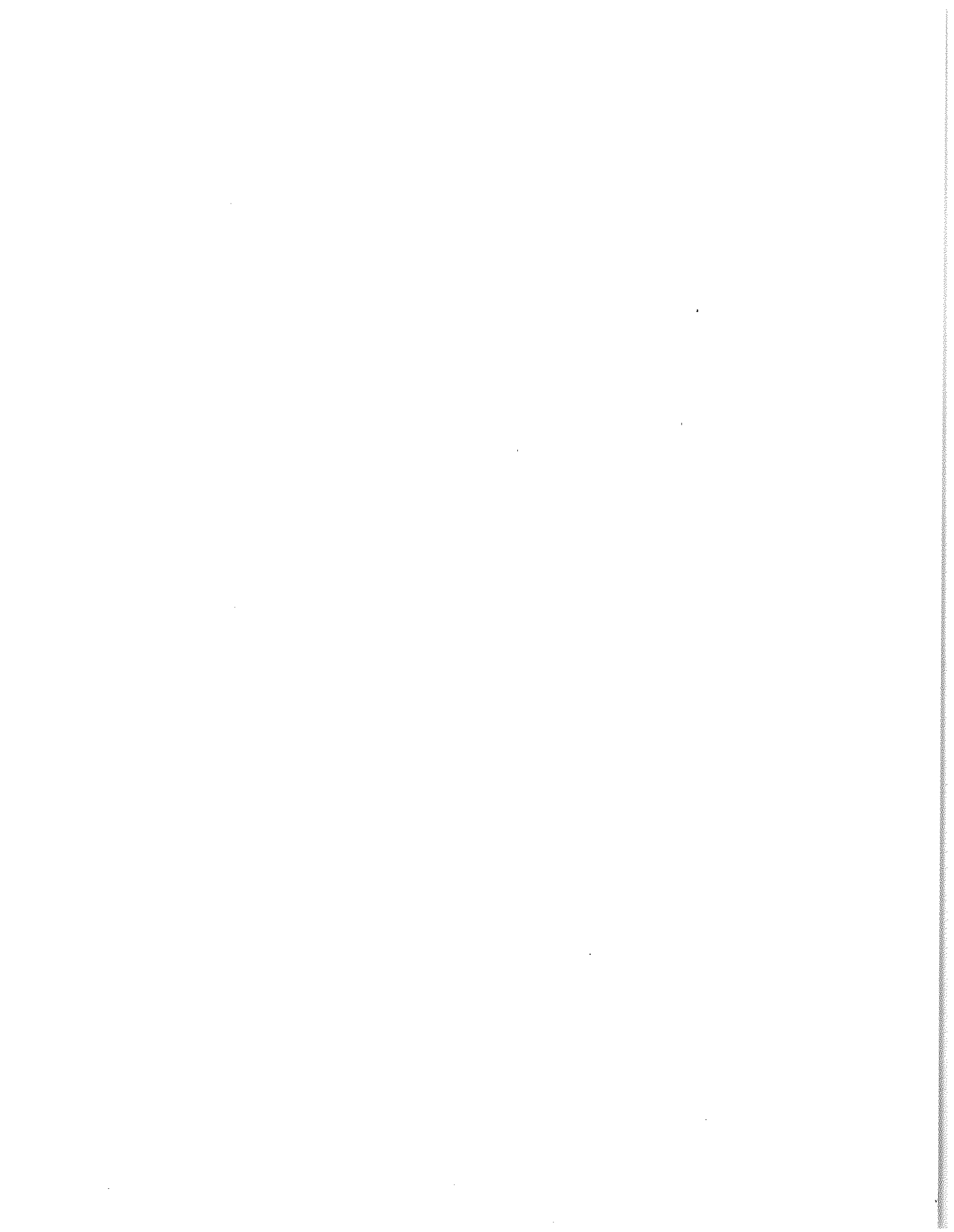
<b>Reserve</b>	<b>Percent Allocation</b>	<b>Target Amount</b>
<b>15% Operating Reserve</b>	20%	\$2,300,000
<b>Capital Projects Reserve</b>	60%	Based on Capital Plan
<b>Environmental Impairment</b>	20%	\$1,700,000

### **BACKGROUND**

The current financial policies were approved on July 20, 2006. They have remained unchanged since then. A recent review of the policies showed that the fund balance reserve policies are not working. They need to be revised to reflect current reality and to make them more achievable.

### **ATTACHMENT(S)**

1. Financial Policies (revised April 17, 2014)
2. Black-lined changes to Reserve Policies



# Salinas Valley Solid Waste Authority Financial Policies

## SUMMARY

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

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

# Salinas Valley Solid Waste Authority

## Financial Policies

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



# Salinas Valley Solid Waste Authority

## Financial Policies

### 1 - REVENUES

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

#### A. User Fees

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

#### B. Tipping Fees

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

#### C. One Time Revenues

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

#### D. Revenue Estimates

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

#### E. Revenue Collection and Administration

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 2 - EXPENDITURES

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

A. Current Funding Basis

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

B. Avoidance of Operating Deficits

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

C. Maintenance of Capital Assets

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

D. Periodic Program Reviews

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

E. Purchasing

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 3 - FUND BALANCE/RESERVES

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

#### A. Operating Reserve

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

#### B. Funding the Reserves

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

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

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

#### C. Capital Projects Reserve

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

#### E. Use of Operating Reserve

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

#### F. Environmental Impairment Reserve

# Salinas Valley Solid Waste Authority

## Financial Policies

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

### G. Annual Review of Reserves

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 4 - CAPITAL EXPENDITURES AND IMPROVEMENTS

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

#### A. Capital Improvement Plan

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

#### B. Capital Improvement Budget

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

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

CIP funding will be based on the following priorities:

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

#### C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

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

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

#### D. Capital Projects Reserve Fund

# Salinas Valley Solid Waste Authority

## Financial Policies

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

### E. Capital Projects Management

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

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

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 5 - DEBT

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

#### A. Use of Debt Financing

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

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

#### B. Conditions for Debt Issuance

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

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

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

#### C. Debt Structure

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

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

# Salinas Valley Solid Waste Authority

## Financial Policies

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

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

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

### D. Call Provisions

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

### E. Debt Refunding

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

### F. Interest Earnings

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

### G. Lease/Purchase Agreements

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



# Salinas Valley Solid Waste Authority Financial Policies

## 6 - INVESTMENTS

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

### A. Investment Policy

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

### B. Interest Earnings

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 7 - GRANTS

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

A. Grant Guidelines

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

B. Indirect Costs

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

C. Grant Review

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

D. Grant Program Termination

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

# Salinas Valley Solid Waste Authority Financial Policies

## 8 - CLOSURE FUNDING

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

### A. Closure Funding

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

### B. Postclosure Funding

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

### C. Closure Funding Calculations

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 9 - FISCAL MONITORING

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

A. Financial Status and Performance Reports

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

B. Five-year Forecast of Revenues and Expenditures

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

C. Semi-Annual Status Report on Capital Projects

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

D. Compliance with Board Policy Statements

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 10 - ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

#### A. Conformance to Accounting Principles

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

#### B. Popular Reporting

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 11 - INTERNAL CONTROLS

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

A. Proper Authorizations

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

B. Separation of Duties

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

C. Proper Recording

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

D. Access to Assets and Records

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

E. Independent Checks

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

F. Costs and Benefits

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

# Salinas Valley Solid Waste Authority

## Financial Policies

### 12 - OPERATING BUDGET

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

#### A. Budget Format

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

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

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

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

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

#### B. Estimated Revenues

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

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

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

#### C. Appropriations

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

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

# Salinas Valley Solid Waste Authority

## Financial Policies

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

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

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

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

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

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



# Salinas Valley Solid Waste Authority

## Financial Policies

### 13 - CAPITAL ASSETS

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

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

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

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

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

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

# Salinas Valley Solid Waste Authority

## Financial Policies

functional.

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

### C. Leased Assets-

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

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

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

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

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

- E. Acquisition of Capital Assets - Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts.

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

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

- ❖ Bond Proceeds
- ❖ State Grants

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

# Salinas Valley Solid Waste Authority

## Financial Policies

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

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

# Salinas Valley Solid Waste Authority

## Financial Policies

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

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

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

# Salinas Valley Solid Waste Authority Financial Policies

## 3 - FUND BALANCE/RESERVES

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

### A. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to fifteen percent (15%) of the current year operating expenditures, to provide sufficient reserves for unforeseen occurrences emergencies and revenue shortfalls. Operating expenditures for reserve purposes is defined as the total budget less ~~debt service and capital project expenditures.~~ This ~~reserve will be in addition to the Debt Service Reserve required under the 2002 Bond Indenture.~~

### B. Undesignated-Funding the Reserves-Balance

~~The Authority shall strive to maintain an undesignated fund balance of ten percent (10%) of current year operating budget (maintenance and operation expenditures only). Adequate designations shall be maintained for all known liabilities and insurance retentions. After completion of the annual audit, any if the undesignated fund balance exceeds 10%, the excess will be allocated to reserves using in the following methodology priority:~~

- ~~1. Insurance Retention Reserves~~
- ~~2. Operating Reserve (20%)~~
- ~~23. Capital Projects Reserve (60%).~~
3. Environmental Impairment Reserve (20%)

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

### C. Capital Projects Reserve

Due to the capital intensive nature of the Authority's landfill operations the Authority will strive to develop a Capital Projects Reserve for the purpose of funding future capital projects and replacement of existing capital infrastructure in accordance with the Capital Improvements Financial Policies. The target amount of the reserve will be based on the capital needs of the Authority. ~~After fulfilling all insurance and operating reserve requirements any undesignated funds above 10% will be allocated to the Capital Projects Reserve.~~

### ED. Use of Operating Reserve

# Salinas Valley Solid Waste Authority

## Financial Policies

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

### F. Environmental Impairment Reserve

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

### G. Annual Review of Reserves

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



**SalinasValleyRecycles.org**

SALINAS VALLEY SOLID WASTE AUTHORITY

## Report to the Executive Committee

**Date:** April 2, 2014  
**From:** Patrick Mathews, General Manager/CAO  
**Title:** LAFCO Municipal Service Reviews and Sphere of Influence Updates

### ITEM NO. 4

N/A

Finance Manager/Controller-Treasurer

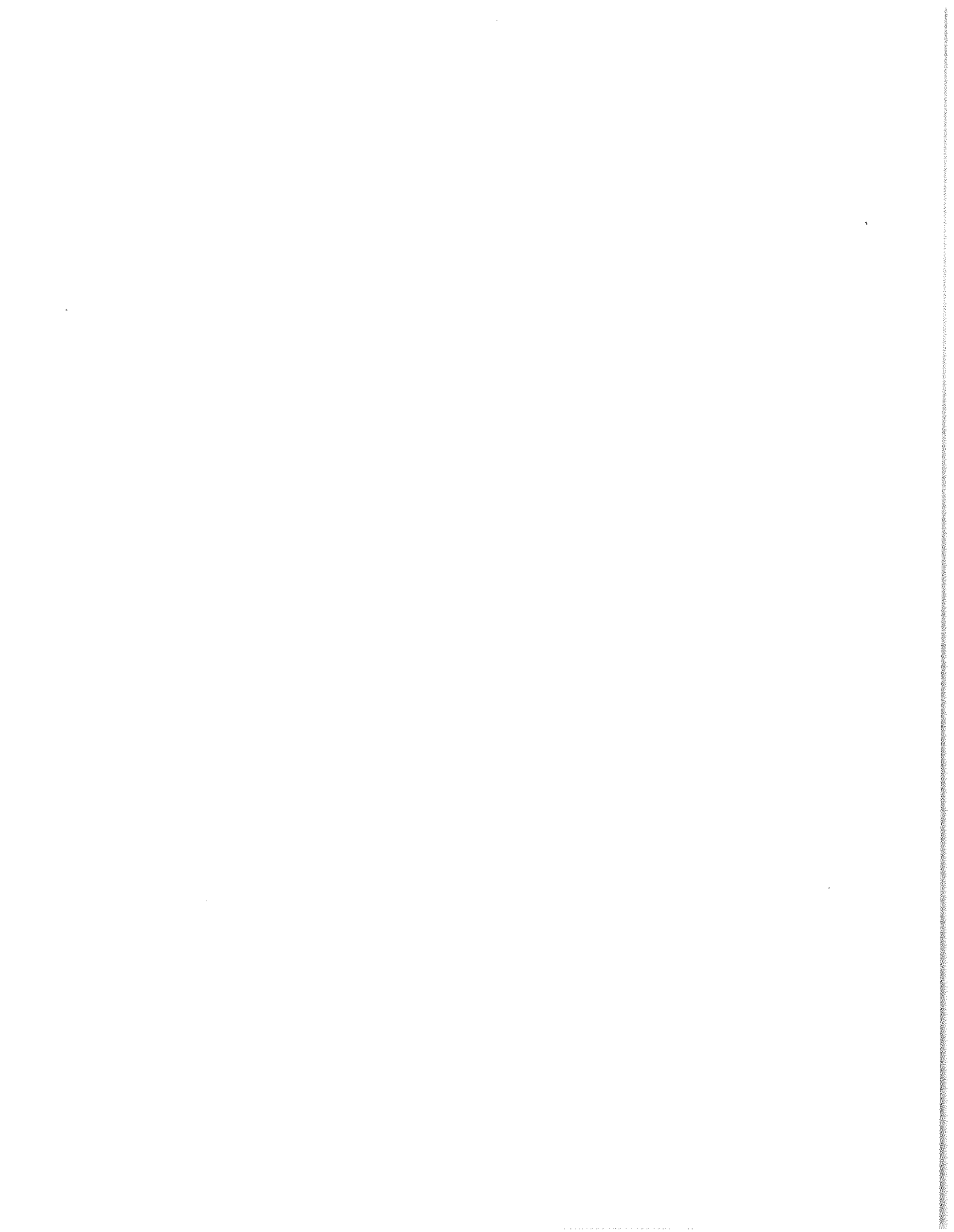
N/A

General Counsel

N/A

General Manager/CAO

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





# SVSWA Agenda Items - View Ahead

Item No. 5

2014

	17-Apr	15-May	19-Jun	31-Jul	21-Aug	25-Sep
1	Minutes	Minutes	Minutes	<b>SIX-MONTH STRATEGIC PLANNING RETREAT</b>	New Hires & Promotions	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)		Minutes	Claims/Financials (EC)
3	QTE March Cash & Investments	QTE March Tonnage & Diversion Reports	FY Investment Policy (EC)	Reprt on Feedback for Generating Revenue from C/Ls (sp3)	Claims/Financials (EC)	Regulatory Compliance Status
4	<b>Strategic Plan Monthly Progress Report</b>	Strategic Plan Monthly Progress Report	CH Closure Project Completion (sp1)		QTE June Cash & Investments (EC)	Award Bid for Tire Derived aggregate
5	<b>Status Report on Grants</b>	Award contract for JC flare replacement	<b>Strategic Plan Monthly Progress Report</b>		QTE June Tonnage Report	Award bid for LFG Pipe
6	Financial Policy Updates (EC)	AdManor PSA for Marketing Services	<b>Admin Procedures Manual (sp1)</b>		<b>Annual Tonnage &amp; Diversion Performance Report</b>	<b>Authority Annual Report</b>
7	MOUs & GM Amend 5	Hope Services Materials Process & Litter Abatement	Report on Process to move MRC/Autoclave Project thru ER (sp3)			
8	CAG Appointments	21st Century Amend 1 for HHW Services	Report on Funding Commitment for Regional Landfill Route (sp3)			
9	<i>MOU, non-management</i>	RecycleRama Contract	Viability Report of Compost Operation at JC Landfill (sp3)			
10		<b>New Public &amp; Stakeholder Outreach Ideas (sp3)</b>	Report on Ideas for Cost Saving Opportunities (sp3)			
11		<b>Expanded/Enhanced Student Recycling Education Plan</b>	In-house ECS Ops Plan (sp1)			
12		FY 2014-15 Budget (EC)	USDA Digester Project -75% DG Contrib Rpt (sp3)			
13		Final Salinas Area MRC site(s) to study (sp2)	CAG Sites Recommendtn for MRC/Autoclave			
14		CAG Appointments				
15		Consultant Selectn Process -Revenue Opprtunities (sp3)				

Consent
Presentation
Consideration
<i>Closed Session</i>

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