



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

FINAL BUDGET

FISCAL YEAR 2018/2019

*As Revised and Approved by the Board of Directors
on June 22, 2018*

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Memorandum – Director of Finance & Administration

DATE: June 15, 2018
TO: General Manager
FROM: Director of Finance & Administration
SUBJECT: Final Budget for Fiscal Year 2018/19

Enclosed for your review is the Final Budget for Fiscal Year (FY) 2018/19. Staff is requesting that the Board of Directors approve this budget.

The following items represent the material changes between this budget and the Preliminary Budget presented at the May Board meeting:

- To address the \$100,000 request by the County of Monterey to support managing illegal dumping, \$75,000 in expenses have been added to the Finance & Administration budget (Taxes, Surcharge, Permits). An additional \$50,000 was previously budgeted for a County-based event in the HHW budget (Hazardous Waste Disposal). This has the effect of reducing Net Income by \$75,000. To offset the cash impact, \$75,000 has been removed from the Compost Capital Improvement project budget.
- \$30,000 has been added to the Capital Equipment plan to reflect new information regarding the cost to upgrade Scales software.
- Greater descriptions have been added to the five-year Capital Outlay plan for both FY 18/19 budget year expenditures and those projected in outer years.

As discussed at the April and May Board meetings, the District is managing significant changes to its operations. The magnitude of this transition is measured by the following: revenues are projected to increase by nearly \$7 million, operating expenses will grow by nearly \$6 million, and capital investment needs remain high.

The biggest challenges facing the District this coming year are managing new MRF operations and fully funding the extensive capital requirements. Scaling up to a full year of MRF operations is driving significant increases in operating costs, including headcount additions, use of temporary labor, new operating supplies, and new maintenance expenses. Capital investment is driven by the need to build a new landfill module to handle increased volumes, the requirement to meet compost area storm water regulations, and the on-going need to replace existing mobile equipment.

Increased revenues from MRF product sales, disposal fees and surplus power sales provide an off-set to increasing costs. The budget projects a positive net income and cash flow. However, cash flow from operations alone will not cover capital needs and staff is proposing the issuance of follow-on revenue bond financing to cover a portion of the projected capital spending.

For FY 2018/19, staff estimates Revenues to be \$34,634,000. The increase of \$6,889,000 (25%) compared to the 2017/18 Budget is due to the following factors:

- \$2,994,000 increase in MRF product sales in its first full year of operations.
- \$2,039,000 from Contract & Regional solid waste tonnage increases (60,000 and 13,000, respectively) and contractual rate increases tied to CPI.
- \$1,220,000 increase in-District solid waste disposal revenues due, primarily, to a 10.7% increase in the Refuse disposal rate (from \$56/ton to \$62/ton).
- \$574,000 increase in Power Sales, due to having all four LFG engines back in operation.

Operating Expenses for FY 2018/19 are expected to be \$31,917,000. This is an increase of \$6,059,000 (23%) from the 2017/18 Budget. The start-up of the Improved MRF in the first quarter of calendar year 2018 has had a significant impact on the increase in projected Operating Expenses. After a few months of operations, staff is in a better position to estimate staffing levels, maintenance needs and other associated expenses to support operations. Overall Wage and Benefit expense increases (\$1,731,000; 13%) are driven by staff additions, which have been reviewed by the Personnel Committee, as well as by union contract commitments for Cost of Living adjustments (3.0%), normal step increases, Health Insurance rate increases (6%), CalPERS rate increases and an increase in the District's experience rate for Workers Compensation (from 1.50 to 1.75). The large increases in Contract Services (\$1,246,000) and Operating Supplies (\$1,342,000) are due largely to MRF operations. Operating Supplies have also increased because of new filtering media costs (\$700,000) associated with the landfill gas cleanup system developed in response to recent contamination detection.

The steady increase in disposal tons in recent years, the ever-increasing complexity of operations, and the growing demands of regulatory compliance put pressure on costs across the organization, often requiring technical upgrades and new personnel. Staff is dedicated to managing costs while meeting its expanded operating obligations and is committed to continuing to examine cost reduction opportunities throughout the year.

Non-Operating Revenues/Expenses for FY 2018/19 include interest expense on the Revenue Bonds at \$1,189,000, equipment lease interest expense of \$62,000 for 2017 and 2018 equipment lease arrangements, and rental income from the Truck Yard at approximately \$270,000.

Capital Outlay requests equal \$16,328,000, an increase of \$3,421,000 from the FY 2017/18 Budget. The most significant capital projects are the replacement of a Compactor (\$1,300,000) and a D6 Dozer (\$440,000) for the Landfill, a 93,000-hour overhaul of LFG Engine #1 (\$400,000), replacement of a Wheel Loader for the MRF (\$300,000), development of Module 6 in the Landfill (\$6,500,000) and upgrading the Composting area to obtain regulatory compliance (\$5,425,000).

Net Income is projected at \$1,916,000.

This Budget proposes conducting a 'follow-on' Bond issuance of \$10,000,000. Funds from this issuance would be used to cover a portion of the Capital Outlay discussed above. This debt figure should be considered a minimum debt commitment for budgeting purposes. As discussed with the Board, staff

recommends consideration of raising a larger amount to enable the District to meet future expected regulatory obligations and respond to emerging business opportunities. Staff will continue to work with the Board over the next few months to assess the pros and cons of raising additional funds. A commitment to raise more than \$10,000,000 need not be made at this time.

Unrestricted Cash Reserves are projected to increase by \$1,834,000 over the previous year's budget to \$6,033,000, which is \$611,000 above the 20% Cash Operating Expense Reserve guideline established by the Board. This surplus could be designated to a Capital Reserve fund. Cash provided by operations for FY 2018/19 is estimated at \$6,719,000 (Net Income less Depreciation and Amortization and Closure/Post Closure Costs).

The Bond Debt Service Ratio is 2.80, which is above the Bond Covenant of 1.25.



Peter K. Skinner
Director of Finance & Administration

Memorandum – Human Resources Manager

DATE: June 15, 2018
 TO: General Manager
 FROM: Human Resources Manager
 SUBJECT: Final Employee Compensation & Benefits Budget for FY 2018/19

BACKGROUND

The following Employee Compensation and Benefits Budget was presented to the Personnel Committee in March for review and discussion. The Personnel Committee expressed support of the same and no changes have been made since.

DISCUSSION

District Management reviewed current staffing levels, department effectiveness and workloads, as well as the changes in business operations resulting from the MRF 2.0 and the impact of those changes in the short and long term across all departments. The positions count currently is 136 - 127 of which are filled. Based on operational needs for FY 2018/19, District Management is recommending eliminating two positions and adding 13 positions as illustrated on the attached organizational chart ([Attachment A](#)) and described in detail below.

FY 2018/19		POSITION COUNT			
Department	Position	Current	New	Net	Effective Date
Equip. Maintenance Shop	Heavy Equipment Tech III	5	6	+1	July 2018
MRF Maintenance	Industrial Maintenance Technician	0	1	+1	July 2018
MRF	Sort Line Lead	2	3	+1	July 2018
MRF	Resource Assistant (sorters)	25	34	+9	July 2018
Scales	Deputy Weighmaster	2	3	+1	July 2018
MRF Maintenance	Resource Assistant	4	3	-1	Currently Vacant
MRF	MRF Operator II	9	8	-1	Currently Vacant
				+11	

Equipment Maintenance Shop – In the last year, the District equipment fleet has increased with the addition of several new pieces of equipment (two forklifts, two walking floor trailers, two semi-trucks, one

pick-up truck, one 836 compactor, two D8 dozers, one trash vac, two light towers), effectively increasing the workload of the 8-man shop crew. The intent for the new Heavy Equipment Tech III is to work a late shift (2PM to 10PM), to finish any priority work that started during the day and perform other work that cannot be completed without interrupting operations, to lessen the amount of equipment downtime. Additionally, most of the Heavy Equipment Technicians are among the most senior District employees and have reached the highest accrual rate for vacation, with an average of four weeks of time off per year/per person, plus holidays and sick time off. The addition of one senior technician will assist the crew with the increase in workload, lessen equipment downtime and support continuity in operations during the five months/year that the crew is operating with one less person.

MRF Maintenance – MRF 2.0 dwarfs the old system in functionality, scope and size and introduces advanced technologies to the District requiring advanced skills in manufacturing systems programming and process fault diagnosis, and an enormous increase in general maintenance tasks. A critical factor in meeting and sustaining optimal performance of the new MRF operations will depend on a 90% uptime. This will require on-demand response from the MRF maintenance crew while the lines are running and continuous coordination for preventive maintenance and repairs when the lines are down. The current MRF Maintenance Team consists of four (4) Maintenance Workers, none of whom have advanced training and skills in electrical repair and Programmable Logic Controller (PLC). The addition of the Industrial Maintenance Technician to the crew will provide onsite expertise in both of these areas and will support other similar work in other departments, as allowed by the workload, that is currently being outsourced.

MRF – The new MRF operations is projected to generate over \$6 million in revenue in FY 18/19. This facility improvement project is necessary to assist the District's member agencies in accomplishing the public policy objectives that the state has adopted to reach the 75% recycling and waste diversion goal. The MRF has been in the 'performance testing phase' since February 5, 2018 and will continue through the end of June 2018. During this period, we have been utilizing temporary labor (sorters) to meet the manufacturer staffing requirements and have determined that the appropriate number of sorters needed on a continuous basis for the new MRF operations is 34. Additionally, a total of three (3) Sort Line Leads are needed – one for each sort line and a third to provide back-up support during peak times or to fill in for employees out on leave. In accordance with our labor agreement, the use of temporary labor may be used under temporary circumstance as is the case during the 'performance testing phase' or as back-ups for regular employees out on leave. The addition of nine (9) Resource Assistants and one (1) Sort Line Lead will ensure the new MRF operations meets productivity expectations. The additional Sort Line Lead is being added as a potential need for FY 2018/19, but will not be budgeted. If needed, it will be funded by other vacant positions.

Scales – With the commencement of operations at the MRF, there will be several new activities as well as new customers that the District will be engaged with. We intend to install a new above-ground truck scale at the MRF to handle several new transactions that will be required in order to track incoming materials, outgoing commodities that we are selling, as well as weighing and tracking all of the diversion activities that will be resulting from the new MRF sort lines. The current scale location, staffing, and activities are not fully compatible with the new tracking and reporting requirements that we will have for commodity export shipment, or Cal Recycle CRV tracking. The Deputy Weighmaster position would provide us with the level of staffing required to operate scales in two separate locations on the site. This position is being added as a potential need for FY 2018/19, but will not be budgeted. If needed, it will be funded by other vacant positions.

Elimination of Positions – Management is recommending eliminating one (1) MRF Maintenance Resource Assistant and one MRF Operator II. These positions are currently vacant and are not projected to be needed in FY 2018/19.

The following is a breakdown of the total employee compensation included in the FY 2018/19 budget:

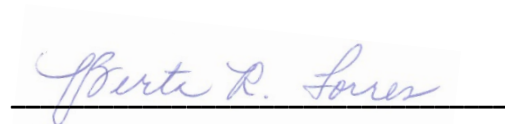
- Employee Compensation: \$9,689,000. This represents 12% increase from last FY and includes contract wage increases of 3% as well as COLA adjustments for At-Will classifications, overtime and the staffing changes described above. Step increases have been included for employees who are scheduled to receive annual increase conditioned on earning satisfactory performance reviews. Funds are also included to pay for holiday pay, shift-differential, bilingual pay, and longevity pay.
- Health Insurance: \$2,598,000. The District's contribution is 88% of the total premium for medical, dental, vision and prescription coverage. All employees who work 30+ hours per week are eligible for benefits. The FY 18/19 budget assumes a 6% rate increase mid-way through the budget year. In accordance with the current MOUs, the District agreed to cover any health insurance premium increase up to 7.5% per year throughout the term of the contract. The combination of this rate increase and an increase in staffing levels results in an 11% increase.
- Public Employees Retirement System (CalPERS): \$1,555,000. The employer contribution is 8.475% of earnings for FY 18/19, which represents a rate increase of 0.2%. In addition, the District's pays an amount designed by CalPERS to capture unfunded liabilities. The result is a combined pension cost rate that grows from 15.2% of total wages to 16.9%. This change, plus the increase in staffing and wages, results in an overall 23% increase in PERS costs over the last FY budget.
- Workers Compensation: \$734,000. The amount required is based on wages, the Workers' Compensation Rating Bureau pure premium rates, and the District's experience modifier (EMOD), which increased from 150 to 175. While the severity and frequency of workers' compensation claims has decreased in recent years, the activity of several very old and very serious claims continues to impact the District's EMOD as these employees seek treatment for injuries that occurred many years ago.
- 457A Deferred Compensation: \$104,000. The District encourages employees to save for retirement by matching personal contributions of up to 4% of regular wages. This benefit is only available to employees hired before July 1, 2011. Currently, there are 31 employees participating in the benefit who are eligible for the matching contribution. This represents a 17% decrease.
- Life, Short-Term Disability & Long-Term Disability Insurance: \$110,000. Eligible employees receive life insurance and coverage for income protection due to disability. These benefits are available to all bargaining units, except the Laborers & Sales Clerks (LSC) unit, as it relates to STD since this group of employees participate in the State Disability Insurance Program instead, which is employee-funded.
- Payroll Taxes: \$135,000. This includes FICA, Medicare and unemployment insurance benefits paid to former employees.

FINANCIAL IMPACT

The projected Employee Compensation and Benefits Budget for FY 2018/19 is \$14,932,000. The financial impact to the budget will be a 13% increase in the District's staffing budget (compensation and benefits) for FY 2018/19.

CONCLUSION

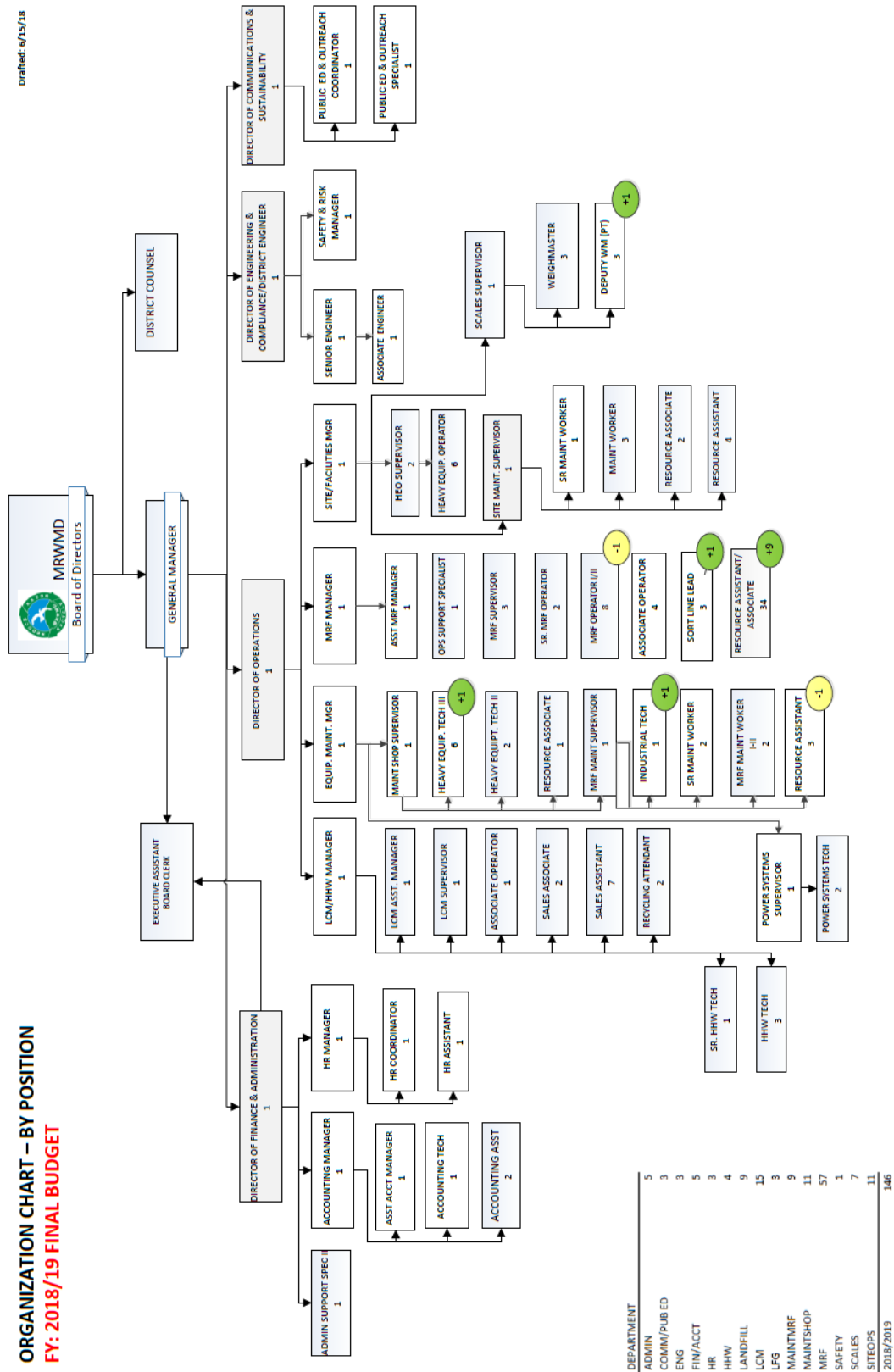
The FY 2018/19 Employee Compensation and Benefits Budget described above supports the District's strategic objective of ***utilizing an intentional and mindful process in the recruitment, development and growth of our people*** and ***building a high-performance, safety-oriented culture***. The District's human capital is central to the District's mission of ***"Turning Waste into Resources in the most cost-effective and environmentally sound manner to benefit the community"***. Your approval of the proposed Employee Compensation & Benefits Budget for FY 2018/19 as described above will support that mission.

A handwritten signature in blue ink, reading "Berta R. Torres", is written over a horizontal line.

Berta R. Torres

Organizational Chart

Drafted: 6/15/18



Budget Summary

FY 2018-19 BUDGET				FINAL
(All dollars in thousands)	16/17 Audited	17/18 Budget	17/18 Estimated	18/19 Budget
INCOME SUMMARY				
Operating Revenues	26,429	27,745	29,620	34,634
Operating Expenses	24,030	25,858	25,751	31,917
Operating Income (Loss)	2,399	1,887	3,869	2,717
Non-Operating Expenses		(989)	(869)	(801)
NET INCOME (LOSS)	2,399	898	3,000	1,916
CASH SUMMARY				
Beginning Unrestricted Cash	10,155	11,929	12,772	7,238
Cash from Operations				
Net Income (Loss)	2,398	898	3,000	1,916
Adjustments to Cash	4,409	4,510	3,680	4,803
Increase in Cash from Operations	6,807	5,408	6,680	6,719
Cash from Financing Activities				
Capital Outlay	(10,777)	(12,912)	(12,172)	(16,328)
Bond and Debt Reduction	(1,129)	(1,330)	(1,142)	(1,597)
2018 Issuance of New Bonds				10,000
Equipment Lease Proceeds	1,150	1,195	1,190	
Interest Paid on Bonds and Capital Leases	(372)			
Other Non-operating Revenues/Income	327			
Decrease (Increase) Restricted Reserves	6,611	(90)	(90)	
Decrease in Cash from Operations	(4,190)	(13,137)	(12,214)	(7,924)
Change in Unrestricted Cash	2,617	(7,729)	(5,534)	(1,205)
Ending Unrestricted Cash	12,772	4,200	7,238	6,033
Designations/Reserves				
Cash Operating Reserve	4,081	4,270	4,270	5,423
Capital Reserve				611
Undesignated Cash	8,691	(70)	2,969	
Total	12,772	4,200	7,238	6,033
Restricted cash as of June 30				
Bond Rate Stabilization Fund/in Trust	2,816	2,816	2,816	2,816
Closure/Post Closure Care Costs	1,500	1,410	1,500	1,500
Environmental Impairment Fund	1,000	1,000	1,000	1,000
TOTAL CASH AS OF JUNE 30	18,088	9,426	12,554	11,349
DEBT COVERAGE RATIOS				
Ratio of Net Current Rev. to Debt Service	2.20	2.44	3.09	2.80

Revenue

Overall District revenues are projected to increase by 25% compared to FY 17/18 Budget. When compared to the estimated performance for the current FY, the increase will be approximately 17%. The largest share of next year's revenue increase comes from the introduction of a full year of MRF operations. An increase in out-of-District tonnage, Disposal Rates, Power sales and Last Chance Mercantile revenues also contribute to this increase. The increase in MRF and Power revenues serve to reduce the District's dependence upon Disposal revenue to under 70%, down from 88% in FY 16/17. The District's goal is 50%.

FY 2018-19 BUDGET					FINAL	
All \$\$ in Thousands	16/17 Audited	17/18 Budget	17/18 Estimated	18/19 Proposed	Change from FY 17/18 Budget	
OPERATING REVENUES						
DISPOSAL FEES						
Franchise + Self haul	14,820	13,800	13,598	15,020	1,220	9%
Out of District						
GWR - San Jose	8,698	6,350	9,825	7,852	1,502	24%
Other Regional	540	670	888	1,207	537	80%
SUBTOTAL	24,058	20,820	24,310	24,079	3,258	16%
MATERIAL SALES						
MRF Products	-	3,318	2,099	6,312	2,994	90%
Last Chance Mercantile/HHW/Buy Back	799	1,082	1,110	1,310	228	21%
Other Material Sales	904	1,205	1,040	1,040	(165)	-14%
SUBTOTAL	1,703	5,605	4,249	8,662	3,057	55%
OTHER REVENUES						
Power Sales	668	1,300	1,045	1,874	574	44%
Miscellaneous	-	20	16	20	-	0%
SUBTOTAL	668	1,320	1,061	1,894	574	43%
TOTAL OPERATING REVENUES	26,429	27,745	29,620	34,634	6,889	25%

Sources of Revenue Growth

(Millions)	17/18 Budget	17/18 Estimated	18/19 Proposed	\$ Change from FY 17/18 Bud.	% Change from FY 17/18 Bud.
MRF Product Sales	\$3.3	\$2.1	\$6.3	\$3.0	90%
Contract/Regional Fees	\$7.0	\$10.7	\$9.1	\$2.1	30%
In-District Disposal Fees	\$13.8	\$13.6	\$15.0	\$1.2	9%
Power Sales	\$1.3	\$1.0	\$1.9	\$0.6	44%

REVENUE ACCOUNTS

1. Disposal Fees

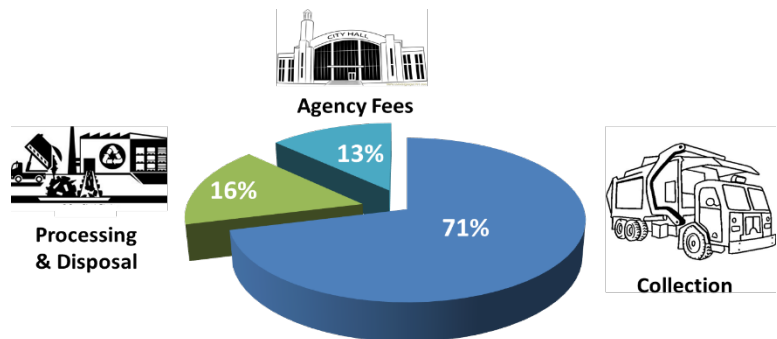
Disposal Fees are projected to increase by 16%, or \$3.3M. This increase is due to two assumptions: 1) An increase in Disposal Rates for in-District tonnage will produce \$1.2M in additional revenue; 2) A projected increase in tonnage for Contract Waste (GWR) from 240,000 to 300,000, together with contractual increases in rates, yields \$1.5M in additional revenue. The remaining \$0.5M comes from minor tonnage and contractual rate increases for Regional Waste contracts with Capitola, Watsonville, Scotts Valley and Santa Cruz County.

Proposed Disposal Fee Changes

MATERIAL	CURRENT	PROPOSED	% CHANGE	RATIONALE
REFUSE	\$56.00	\$62.00	10.7%	MSW fees remain the lowest in the region. This rate supports the delivery of other MRWMD services either offered for free or priced below cost.
YARD WASTE	\$32.50	\$40.00	23.1%	Direct costs for processing this material are estimated at \$34 per ton. Indirect costs add an additional \$20.
FOOD WASTE	\$45.50	\$54.00	18.7%	Direct costs alone for this pilot program are estimated at \$70 per ton. Indirect costs add an additional \$20.
SEWAGE SLUDGE	\$30.00	\$35.00	16.7%	Sludge rate has remained unchanged since 2008. At that time, a 3 rd -party rate study estimated a processing cost of \$30 per ton. A cumulative inflation rate (national) equals 16% for this period.

Impact of rate increases on District ratepayers

Disposal costs make up approximately 16% of the total cost of service for franchise customers. Consequently, disposal rate increases translate to smaller increases for customer's bills. Combined, proposed disposal rate increases would raise the monthly charge approximately 2.4% for a household with a 32-gallon waste, 65-gallon recycling and 65-gallon yard waste service. This amounts to \$0.53 per month, or \$6.38 per year. The estimated impact across all franchise customer types, both residential and commercial, is 1.3%-3.9%. These estimates are based on changes in disposal rates only. Other changes, such as collection costs, tonnage volume changes and changes to jurisdiction franchise fees, have an impact on customer bills as well.



For self-haul customers who bring materials directly to the District, costs will increase in proportion to rate changes for the material type delivered. Overall, however, even with these proposed increases, the District will remain the lowest cost disposal alternative in the region.

2. Material Sales - MRF

FY 18/19 includes the first full year of operations for MRF 2.0. Revenue is derived from the sale of extracted materials, baled and sent to markets via third party brokers. Commodity prices remain the largest unknown, as off-shore buyer (mostly China) quality standards affect acceptance and pricing. A more stable element of MRF revenue are CRV values assigned to diverted products by CalRecycle. CRV value represents over 50% of total MRF revenue at current projections. Projections for tons processed are as follows: Franchise Single Stream – 12,000 tons; Other Single Stream – 25,000 tons; MSW processed – 40,000 tons; Construction & Demolition processed – 47,000 tons.

3. Material Sales - Last Chance Mercantile, Household Hazardous Waste & Other Sales

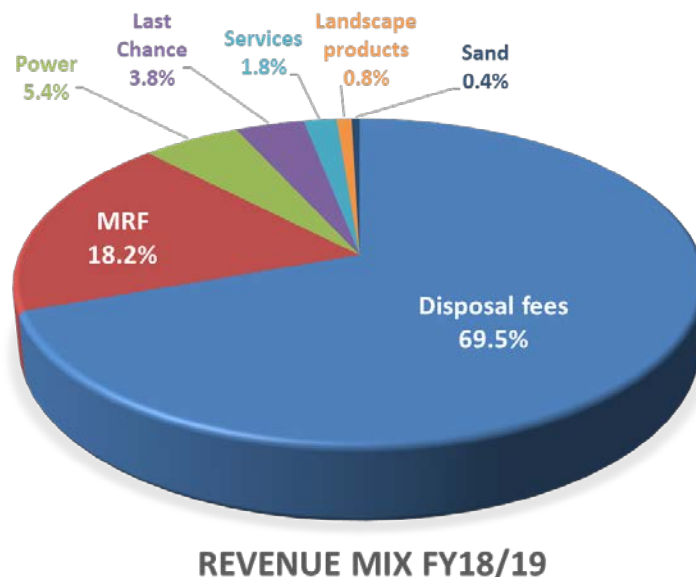
Revenue from Material Sales decrease by a total of \$63,000. This change is due to an increase of LCM revenue of \$225,000, an increase in Buy Back Center revenues of \$18,000, a decrease in collections for HHW services of \$15,000 and a decrease in sales of other materials (soil, woodchips, etc.) of \$165,000. Included in Other Material Sales is \$600,000 of CNG fuel sold through the Truck Yard fueling facility.

4. Power Sales

Power sales are projected to increase by \$547,000. This is due to an expectation of having all 5 megawatts of power production capability on-line 90% of the year. Prices are not expected to change from FY 17/18.

5. Miscellaneous Revenues

Operational Services (loading fees, push-offs, and certified weights) are not expected to change from FY 17/18.



Expenses

FY 2018-19 BUDGET				FINAL		
All \$\$ in Thousands	16/17 Audited	17/18 Budget	17/18 Estimated	18/19 Proposed	Change from FY 17/18 Budget	
OPERATING EXPENSES						
SALARY EXPENSES						
Wages	7,955	8,671	8,900	9,689	1,018	12%
Taxes, Benefits & Workers Comp						
Healthcare	2,136	2,336	2,150	2,598	262	11%
CalPERS	1,494	1,249	1,250	1,555	306	24%
Workers Compensation	467	585	550	734	149	25%
Taxes	114	148	130	135	(13)	-9%
Other	124	212	205	221	9	4%
Total Taxes, Benefits & Workers Comp	4,335	4,530	4,285	5,243	713	16%
SUBTOTAL	12,290	13,201	13,185	14,932	1,731	13%
NON-SALARY EXPENSES						
Amortization & Depreciation	2677	4,250	3,280	4,303	53	1%
Closure/Postclosure Costs	947	260	400	500	240	92%
Contract Services	570	700	713	1,936	1,236	177%
Environmental Services	93	270	250	250	(20)	-7%
Fuels & Oil	1060	975	1,120	1,200	225	23%
Hazardous Waste Disposal	202	235	265	280	45	19%
Insurance	182	250	250	275	25	10%
Office Expenses	156	150	155	229	79	53%
Operating Supplies	565	150	185	1,492	1,342	894%
Professional Services	599	697	200	1,446	749	107%
Public Education & Awareness	169	150	140	165	15	10%
Recycling Services	791	1,135	1,750	1,382	247	22%
Repairs & Maintenance	1934	1,910	2,151	1,613	(297)	-16%
Safety Equip., Supplies, Uniforms, Svcs.	124	160	172	227	67	42%
Taxes, Surcharges, Services	1325	1,145	1,260	1,340	195	17%
Training, Education & Meetings	91	110	120	193	83	75%
Utilities	195	75	115	115	40	53%
Other Expenses	61	35	40	39	4	11%
SUBTOTAL	11,741	12,657	12,566	16,985	4,328	34%
TOTAL OPERATING EXPENSES	24,031	25,858	25,751	31,917	6,059	23%
NON-OPERATING REVENUE & EXPENSES						
Interest Income	117	15	95	95	80	533%
Rents & leases	178	295	325	325	30	10%
Loss on sales of assets	(1,203)					
Finance charges	0	15	15	15	-	0%
Other Income	48	5	15	15	10	200%
Equipment purchases - Interest Expense		(54)	(54)	(62)	(8)	15%
Revenue Bonds - Interest Expense	(373)	(1,265)	(1,265)	(1,189)	76	-6%
TOTAL NON-OPERATING EXPENSES	(1,233)	(989)	(869)	(801)	188	-19%
NET INCOME (LOSS)	1,165	898	3,000	1,916	1,018	113%

OPERATING EXPENSES ACCOUNTS

1. Wages

Wages increase by 12% increase over FY 2017/18 budget, caused by contractual wage increases of 3% as well as COLA adjustments for At-Will classifications, overtime and the staffing changes as described in the previous *Memorandum – Human Resources Manager*. Step increases have also been included for employees who are scheduled to receive an annual increase conditioned on earning satisfactory performance reviews. Funds are also included to pay for holiday pay, shift-differential, bilingual pay, and longevity pay. Please refer to the previous *Memorandum – Human Resources Manager* for further information.

2. Benefits

Benefits for FY 18/19 have been adjusted for items that are included in the memoranda of understanding. Health Insurance premiums have a projected increase of 6%, with the total cost to the District increasing by 11% due to the combination of rate increases and increased headcount. Total CalPERS costs increase 24% to \$1,555,000. The employer contribution is 8.475% of earnings for FY 18/19, which represents a rate increase of 0.2%. In addition, the District's pays an amount designed by CalPERS to capture unfunded liabilities. The result is a total pension cost that grows from 15.2% of total regular wages to 16.9%. Workers' Compensation costs increased 25% to \$734,000. While some of this expense is due to an increase in headcount, the largest impact has been an increase in the District's experience modifier (EMOD) from 150 to 175. While the severity and frequency of the District's workers' compensation claims have decreased in recent years, the activity of several very old and very serious claims continues to impact the District's EMOD as these employees seek treatment for injuries that occurred many years ago.

3. Amortization & Depreciation

This large expense is a direct reflection of the District's capital investment in equipment and facilities. The modest increase (1%) over the FY 2017/18 budget reflects a delayed completion of the MRF project.

4. Closure/Post-Closure Costs

The Monterey Peninsula Landfill (MPL) Preliminary Closure/Post Closure (C/PC) Plan was approved in October 2011. The FY 2018/19 budget reflects the impact of the MPL C/PC Plan and tonnages of materials being landfilled in recent years. This has been impacted by the increased Contract Waste tonnage increases and the construction of the MRF Improvement project.

5. Contract Services

Contractual services costs nearly tripled compared to the past FY. This increase is driven in part by the cost of Temporary Contract Labor used to support Operations across the site (\$410,000, up from \$175,000). Labor required to support new MRF operations constitute 67% of this workforce, with the remainder being used to support the Site crew and LCM. Additional temporary labor needs have been identified in Engineering, Compliance & Safety (\$50,000). Other costs include: tree trimming and road maintenance (\$145,000); janitorial service (\$113,000); water/coffee, postage, alarm services (\$35,000); bird control (\$125,000); 3rd party repair MRF and Equipment services (\$205,000); Information Technology/Services contract (\$100,000), and the addition of a contract grant writer to secure grants (\$15,000).

6. Environmental Services

Environmental services are professional fees required to monitor and report on the landfill, biosolids composting, groundwater, storm water, domestic water system, hazardous materials, air quality and landfill gas migration control and engine exhaust emissions. Expenditures include semi-annual groundwater testing (\$25,000); surface methane monitoring (\$30,000), Title V permit compliance (\$20,000), criteria pollutants & GHG emissions reporting (\$10,000), monthly LFG well field data reviews (\$25,000), surveying & mapping services (\$15,000), and miscellaneous monitoring and analysis (\$20,000). The budget includes an engineering consulting services contingency of \$100,000. All these fees can be found in the Engineering & Compliance department budget.

7. Fuels & Oils

Diesel fuel constitutes the bulk of fuel expenses for the District. Costs for fuel use are budgeted as follows: Landfill - \$250,000; Site Operations - \$150,000; MRF - \$150,000; Equipment Maintenance - \$150,000. The cost of the CNG fuel sold to GreenWaste Recovery for use in the collection vehicles is contracted under a long-term agreement and is estimated to cost \$500,000. This expense can be found in the Finance & Administration department budget.

8. Hazardous Waste Disposal

Hazardous Waste Disposal expenses include the collection and disposal of dangerous material at the District's facilities and the management of off-site HHW collection events within the community. The District pays costs to dispose of hazardous waste (batteries, florescent tubes and compact fluorescent lamps, etc.), which are anticipated to increase from \$175,000 to \$190,000 as the public continues to become more educated on proper disposal practices. Staff is also budgeting to hold an additional HHW community collection event in Big Sur. Costs for off-site events will increase from \$60,000 to \$90,000.

9. Insurance

The District has been informed by its carrier (SDRMA) that insurance rates for auto/property/liability insurance will increase by 10%. Premiums are further expected to increase due to the addition of the new MRF equipment to the District's insured assets list.

10. Office Expenses

Office Expenses grow 46% year-over-year to nearly \$220,000. The largest contributor to this increase is the growing demand for software services required to support the District's increasingly more complex operations. The Scales department (\$12,000), Accounting (\$7,000), HR (\$11,000) and the Equipment Maintenance shop (\$11,000) all rely on software services to operate. New software services are required for the MRF Maintenance operation (\$10,000), and the LFG facility (\$3,000). Costs for other Office Expenses have not changed materially: Memberships and subscriptions (\$32,000); Office supplies (\$41,000); Copier supplies and upkeep (\$10,000). Employee engagement and recognition spending is projected to increase to \$25,000.

11. Operating Supplies

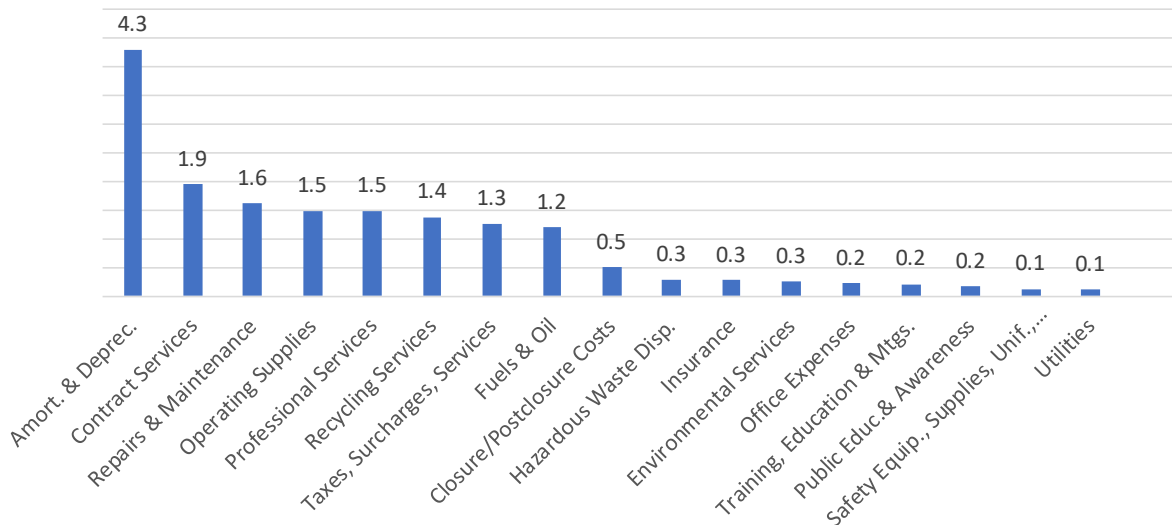
This expense category shows the largest year-over-year change in the budget. This is the result, in part, from moving certain spending categories from the Repairs & Maintenance category to Supplies in order to distinguish inventory purchases, parts purchases and other inputs from other R&M activities. Combined,

the two expense categories (Operating Supplies and Repairs & Maintenance) total \$3,105,000. This represents an increase of 50% over the FY 2017/18 budget. Some of the net increase can be attributed to the MRF project. The MRF budget includes \$145,000 for production supplies such as baling wire. The MRF Maintenance budget contains \$277,000 for repair parts, rental equipment and tools. The other major contributor to this expense category is \$700,000 to cover filtering media used in the landfill gas cleanup systems developed in response to the recent contamination detection.

12. Professional Services

Professional Services is another category with significant increases over last year's budget. Professional Services includes expenditures for on-going attorney fees (\$125,000) plus additional funds for legal services related to labor contract negotiations (\$50,000); financial services (auditor fees, bank fees, bond compliance fees - \$55,000); human resources (hiring costs, background checks, contract compliance, and a compensation market analysis required for labor contract negotiations - \$45,000); creative and communications campaign development work (\$58,000); credit card processing fees for the Scales Operations and LCM (\$150,000); Engineering-related services, such as grant administration, power project analyses, Anaerobic Digester feasibility study, MRF & biogas enhancement analyses (\$505,000); LCM point of sale system analysis (\$25,000); MRF-Scales production tracking integration (\$100,000); MRF productivity optimization work (\$100,000); LFG operational audit (\$50,000); Scales system infrastructure assessment (\$50,000); LFG power sales scheduling (\$50,000).

Non-Salary Operating Expenses (Millions)



13. Public Education & Awareness

Public Awareness expenses include funds for Advertisements (\$25,000), Publications (\$25,000) and other Promotional activities (\$8,000). In addition, the District has budgeted \$100,000 to execute a "What Goes Where" campaign designed to educate our communities on how to recycle. The benefit to the District is to eliminate recycle bin contaminants that reduce our MRF productivity and revenue.

14. Recycling Services

Major components of Recycling Services include \$480,000 in Single Stream recyclables credit to the jurisdictions, calculated at \$40 per ton; \$385,000 in Anaerobic Digester operations payments to ZeroWaste Energy and \$250,000 in payments to customers for Buy Back Center deposits. The remaining costs are related to recycling tires, Freon and mercury, resale purchasing of topsoil, compost, colored woodchips and compost bins.

15. Repairs & Maintenance

Please see discussion under Operating Supplies (#11). Costs in this expense category include \$250,000 for facility repairs and maintenance, \$660,000 for on-going mobile equipment maintenance, and \$632,000 for LFG engine R&M.

16. Safety Equipment, Supplies, Uniforms & Services

This category includes safety apparel, such as shoes, gloves, vests, and employee uniforms (\$203,000) MRF fall protection (\$20,000) and Healthy Living Initiative (\$4,000).

17. Taxes, Surcharges, Permits

Fees include: State Board of Equalization AB 939 Fee (\$700,000 - 500,000 tons at \$1.40/ton; the District's portion of the Monterey County Health Department fee (\$350,000); LAFCO membership (\$45,000, a 7% increase); the Monterey Bay Unified Air Pollution Control District fees (\$50,000); Monterey County Water Resources Agency fees (\$50,000); new SWRCB landfill annual permit fee (\$50,000), Report of Facility Information (RFI) amendments (\$10,000); funds to support Monterey County illegal dumping initiative (\$75,000), and \$10,000 for various county permits/fees.

18. Training, Education & Meetings

The Training, Education & Meetings budget of \$193,000 is a 62% increase over our estimated FY 17/18 spending. This budget item includes attendance and participation in industry conferences, training focused on job certifications, job skills development and safety training.

19. Utilities

Utilities estimates track current year projections and include electricity usage expected in the MRF (\$75,000); Telephone service (\$30,000); and Internet connectivity (\$10,000).

20. Other Expenses

Director Fees and Other Director-related expenses increase by \$5,000 to cover Director travel to industry events.

NON-OPERATING REVENUE & EXPENSES

1. Non-Operating Revenues & Expenses

Non-operating expenses are projected to track last year's budget and current year projected estimates.

Capital Outlay

District capital expenditures are divided into two categories: Capital Equipment and Capital Improvements. Capital Equipment includes dozers, compactors, all vehicles and trailers used on and off the site, and miscellaneous equipment such as computers, software and furniture. Capital Equipment spending is for the replacement of existing equipment, the purchase of new equipment not previously used in operations, or capitalized investment in repairs and maintenance. Capital Improvements include investments in improving existing infrastructure and the development of new facilities or assets. ***Please see comments on page 26 regarding outer-year Capital Improvement projections.***

FY 2018-19 BUDGET - CAPITAL OUTLAY PLAN							FINAL
All \$\$ in Thousands	17/18 Budget	17/18 Est.	1	2	3	4	5
			18/19	19/20	20/21	21/22	22/23
CAPITAL OUTLAY PLAN							
Capital Equipment	2,482	1,747	3,065	2,225	1,790	1,635	1,765
Capital Improvements	10,425	10,425	13,263	3,800	6,480	5,840	9,050
TOTAL CAPITAL INVESTMENT	12,907	12,172	16,328	6,025	8,270	7,475	10,815

FY 18/19 Capital Outlay Highlights

Capital Equipment replacement, new purchases and repairs:

- Compactor replacement (Landfill) - \$1.3M
- D6 Dozer replacement (Landfill) - \$400k
- 938 Wheel Loader replacement (MRF) – \$300k
- New small, articulated Wheel Loader (MRF) - \$115k
- LFGTE Engine #1 Major Overhaul (LFG) - \$400k

Capital Improvement Projects:

- Module 6 development (Landfill) - \$6.5M
- Compost site storm water compliance (Landfill) - \$5.4M



836 Compactor



D6 Dozer



938 Wheel Loader

FY 2018-19 BUDGET - CAPITAL OUTLAY PLAN

FINAL

All \$ in Thousands

Dept 17/18 Budget 17/18 Est. 1 2 3 4 5

CAPITAL EQUIPMENT

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1	Board Room - Furniture and AV Upgrade	ADM	-	-	25																	
2	Replace 2000 Dodge Van AD06 with Pub Ed tour van	ADM	-	-	50																	
3	Computer Hardware/Software	ADM	25	25	25																	
4	Replace Copier, Document Management & other office hardware	ADM	-	-																		
5	Replace AD07 2001 Ford F-150 4x4 Pickup	ADM	-	-																		
6	Replace Office Furniture	ADM																				
7	Replace Accounting System	ADM																				
8	Replace 2006 Toyota Highlander AD10	ADM	50	-																		
1	Replace 2002 LC09 Forklift	LCM	-	-																		
1	Replace 2001 836G Compactor - LF11	LFO	-	-	1,300																	
2	Replace 1999 DoR Dozer - LF06	LFO	-	-	440																	
3	Replace 2007 836H Compactor - LF22	LFO	-	-																		
4	Replace 1997 966 Wheel Loader LF13	LFO	-	-																		
5	Replace 2003 D9T Dozer - LF16 - with D8	LFO	-	-																		
6	Replace 2001 627G Scraper LF02 with articulating ejector truck	LFO	-	-																		
7	Replace 1996 D8R Dozer - LF09	LFO	915	915																		
1	Engine 1 - 2006 Caterpillar 3520 Major overhaul (every 93,000 hrs.)	LFG			400																	
2	Add blower unit to gas skid	LFG			45																	
1	MR39 2009 938H Wheel Loader	MRF			300																	
2	New small articulated Wheel Loader	MRF			115																	
3	MRF Bin/Box replacement	MRF			45																	
4	2009 Volvo Roll-Off Truck MR37	MRF	-	-																		
5	2009 Volvo Roll-Off Truck MR38	MRF																				
6	Replace 2010 324DL Excavator MR42	MRF																				
7	Replace 2011 324DL Excavator MR43	MRF																				
8	MR27 2005 938G Wheel Loader (MR27)	MRF	-	-																		
9	Replace 2012 966K Wheel Loader MR46 (hand down for LF26)	MRF	-	-																		
10	Replace MR44 2008 HIC Semi Truck (MRF) w/new CNG unit	MRF																				
11	Replace MR45 2008 HIC Semi Truck (MRF) w/new CNG unit	MRF																				
12	Semi Truck (3 axle) to move MRF Walking Floor Trailers (2)	MRF	110	110																		
13	Woodline Upgrade/Grinder Replacement	MRF	400																			
14	Roll-Off Boxes	MRF	45	-																		
15	Forklifts for MRF with Bale handling attachments (2)	MRF	80	80																		
16	Walking Floor Trailers for MRF upgrade (4)	MRF	160	160																		
17	Replace 544H Wheel Loader 2001 - MR17	MRF	275	275																		
18	Replace 1999 GS2646 Genie Scissor Lift	MRF	12	12																		
19	Miscellaneous Equipment	MRF	30	30																		

FY 2018-19 BUDGET - CAPITAL OUTLAY PLAN										FINAL	
All \$\$ in Thousands											
	Dept	17/18 Budget	17/18 Est.	18/19 Prop.	19/20	20/21	21/22	22/23			
CAPITAL EQUIPMENT											
1 Scales Software Upgrade	SCL	-		90							
2 Above ground scale at MRF	SCL			175							
3 Customer Messaging & Direction Board	SCL			15							
1 R&M Contingency	SHO										
2 Capital Equipment Repair	SHO	340	100				500	500			
1 Replace 2007 Site Ford-F150 4x4 Pick up SI48	SIT	-		20							
2 Replace 2007 Ford F-150 2WD Site Pick up SI49	SIT	20	20	20							
3 Replace 1998 Chev 2500 4x4 Site Pick up SI53	SIT	-	-		20						
4 Replace 2002 Ford F-150 4x4 Site Pick up SI54	SIT	-	-		20						
5 Replace 2010 Volvo Water Truck SI58	SIT										
6 Replace 2011 Dump Truck SI65	SIT						240			40	
7 Replace 1998 Chev 2500 4x4 Site Pick up SI55	SIT	20	20								
TOTAL CAPITAL EQUIPMENT EXPENSES		2,482	1,747	3,065	2,225	1,790	1,635			1,765	

FY 2018-19 BUDGET - CAPITAL OUTLAY PLAN

FINAL

All \$\$ in Thousands

CAPITAL IMPROVEMENT PROJECTS

Dept. 17/18 Budget 17/18 Est. 18/19 Prop. 19/20 20/21 21/22 22/23

EXISTING FACILITY IMPROVEMENTS

1	Admin Building	ADM	150	150		90			150			
2	Truck Yard	ADM							450			
1	HHW Facility	LCM				100						
2	LCM Retail Store	LCM				130		150	150		150	
3	Public Recycling Drop-off	LCM							38			
1	Compost Site	LFO	175	175	5,425							
1	LFGTE Facility	LFG				110	250	1,100	1,100			
1	Materials Recovery Facility	MRF	8,150	8,150			450					
1	Scales	SCL	50	50		90	900					
1	Maintenance Shop Building	SHO				110					150	
2	Old Shop Building	SHO					1,100				150	
3	Wash Pad Facility	SHO							88			
1	Site Entrance Upgrade	SIT			50							
2	Paved Roads	SIT				1,100						
3	Misc. Site	SIT	305	305		88	30	30	30		30	
4	Misc. Facilities	SIT	70	70		63	30	30	30		30	

LANDFILL DEVELOPMENT

1	LFG Building roof and gutter repairs	LFG			50							
2	LFG Engine room air flow improvements	LFG			50	50						
3	Replace Versa-Ruptor switch gear cabinet	LFG			50							
4	Misc. LFG - CEC Grant	LFG	425	425	500	1,000	300					
1	Module Development	LFO	250	250	6,500	130	130	165	6,500			
2	Leachate Management	LFO			125	125		3,500				
3	LFG Management	LFO			325		325				325	
4	LFG Condensate Management	LFO			75			75				
5	Misc. Landfill	LFO	775	775	113	65	65	65	65		65	
6	Storm Water Management	LFO	75	75		550	2,750				550	

TOTAL CAPITAL IMPROVEMENT EXPENSES

			10,425	10,425	13,263	3,800	6,480	5,840	9,050			
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Capital Outlay – Equipment

The following items describe proposed investments by department for FY 18/19 through FY 22/23.

Administration

FY 18/19

1. Board Room - Furniture and AV Upgrade - \$25,000

The District's Board Room projector has failed. The product is no longer manufactured, nor are other, similar short-throw projectors. Repair cost exceeds that of newer technology. Staff plans to replace the unit with LCD flat screen technology. Staff also proposes to explore additional screen configurations that enable Board members to watch presentations without leaving their seats or turning their backs to the room.

2. Replace 2000 Dodge Van AD06 with Pub Ed tour van - \$50,000

This vehicle will replace an aging van with a unit suitable for taking larger visitor groups on tours of the District.

3. Computer Hardware/Software - \$25,000

Routine replacement of IT infrastructure that is obsolete, no longer supported or no longer covered by warranty.

FY 2020 through 2023

4. Copier and document management hardware - Routine replacement and upgrading of office IT infrastructure.
5. Admin pick-up replacement – The District typically replaces such trucks with used vehicles.
6. Office furniture - Routine replacement of worn furniture.
7. Accounting system - Replacement of Great Plains accounting software with new software technology.

Last Chance Mercantile

FY 2020 through 2023

1. Forklift - Replacement of 2002 forklift.

Landfill Operations

FY 18/19

1. Replace 2001 836G Compactor - LF11 - \$1,300,000

Replacing aging Compactor to accommodate handling of increased landfill waste handling.

2. Replace 1999 D6R Dozer - LF06 - \$440,000

Replacing aging Dozer with a low ground pressure dozer capable of performing more tasks on landfill.

FY 2020 through 2023

3. Compactor - Replacement of 2007 836 Cat Compactor.
4. Wheel Loader - Replacement of 1997 966 Cat Wheel Loader.
5. Dozer - Replacement of 2005 D9T Cat Dozer with D8 model.
6. Scraper - Replacement of 2001 627G Scraper with articulating ejector truck.

Landfill Gas Facility

FY 18/19

1. Engine 1 - 2006 Caterpillar 3520 Major overhaul - \$400,000

Major overhaul required every 93,000 hours of operation.

2. Recondition back-up gas skid - \$60,000

Repair of aging skid at LFG.

MRF

FY 18/19

1. MR39 2009 938H Wheel Loader - \$300,000

Replacement of aging Wheel Loader for MRF operations.

2. New small, articulated Wheel Loader - \$90,000

Purchase of new Wheel Loader that is more nimble and able to better navigate tight quarters in MRF.

3. MRF Bin/Box replacement - \$45,000

On-going replacement of roll-off boxes used in MRF.

FY 2020 through 2023

4. Roll-off Truck - Replacement of 2009 Volvo roll-off truck (MR37).
5. Roll-off Truck - Replacement of 2009 Volvo roll-off truck (MR38).
6. Excavator - Replacement of 2010 324DL Cat Excavator (MR42).
7. Excavator - Replacement of 2011 324DL Cat Excavator (MR43).
8. Wheel Loader - Replacement of 2005 938G Cat Wheel Loader (MR27).
9. Wheel Loader - Replacement of 2008 IHC Semi Tu 966K Cat Wheel Loader (MR26).
10. Semi Truck - Replacement of 2008 IHC Semi Truck with new CNG unit (MR44).
11. Semi Truck - Replacement of 2008 IHC Semi Truck with new CNG unit (MR45).

Scales

FY 18/19

1. Scales Software Upgrade - \$90,000

The District's Scales software, manufactured by Paradigm Systems, is currently many versions behind Paradigm's currently supported version. Staff has deferred this upgrade since it was first released in early 2016. The system is becoming increasingly unstable; we experience frequent failures that require manual handling of Scales tickets. The vendor strongly encourages this upgrade to regain system stability. Given the District's dependence upon business coming across the Scales, staff believes it is time to make this investment.

2. Above ground scale at MRF - \$175,000

Staff believes MRF operations could be optimized by locating an above-ground scale proximate to the loading dock where out-going bales are loaded. MRF staff is required to work closely with transport drivers picking up MRF bales for market in order to optimize the weight and weight distribution of their loads. To do this, after initially loading a truck, MRF staff accompanies the truck to the current scales, often having to unload/re-load bales with a forklift. This practice inhibits other customer traffic and occurs in an area not well suited to managing and loading bales.

3. Customer Messaging & Direction Board - \$15,000

This would be an electronic messaging board mounted on the front of the Scale house designed to better notify customers of site information. Staff believes this could be used to better inform customers who often waiting in long lines and result in an improved customer experience.

Maintenance Shop

FY 2020 through 2023

1. Repairs & Maintenance contingency – Contingency to cover unforeseen, but expected, expenses in outer plan years.

Site Operations

FY 18/19

1. Replace 2007 Site Ford-F150 4x4 Pick up SI48 - \$20,000

Replace aging Site Operations pick up with a newer, used model.

2. Replace 2007 Ford F-150 2WD Site Pick up SI49 - \$20,000

Replace aging Site Operations pick up with a newer, used model.

FY 2020 through 2023

3. Pick-up Truck - Replacement of 1998 Chevy 2500 4x4 Site pick-up (SI53).
4. Pick-up Truck - Replacement of 2002 Ford F-150 4x4 Site pick-up (SI54).
5. Water Truck - Replacement of 2010 Volvo Water Truck (SI58).
6. Dump Truck - Replacement of 2001 Dump Truck (SI65).

Capital Outlay – Capital Improvements

The five-year projection of Capital Improvement Projects reflects expected investments required to continue existing operations or to meet known regulatory obligations. It is a 5-year budget plan that addresses both 1) deferred capital spending on capital maintenance/replacement of aging infrastructure in the 2005 – 2015 time period following Tip Fee increase deferrals and a significant economic recession and 2) the increase in business activity represented by disposal capacity doubling over that time period and increasing the rate and frequency of capital improvement to the landfill and its environmental control systems.

Please note that this 5-year plan does not include material changes to business operations that staff has been discussing with the Board. Examples of the major changes to business operations include the following: 1) adding organics processing capacity (\$27M-\$31M for In-District capacity [“Local”] to upwards of \$50M-\$54M for doubling the capacity to address both In-District and Out-of-District demand [“Regional”]); 2) developing electrical grid independence from PG&E (\$4M-\$5M) in order to supply the regional wastewater treatment plant and advanced water treatment facilities 4MW – 6MW power while incorporating both existing generation sources and new generation sources expected in association with organic waste processing, or 3) expanding MRF processing capacity to meet rising demand (\$9M-\$14M) by installing a separate C&D sort line away from the MRF building and converting the C&D processing line to dedicated MSW or Single Stream Recycling (SSR) line to allow both MSW and SSR. Quantifying such investments is contingent upon the setting of the District’s strategic priorities and a deeper assessment of the multitude of potential approaches to meeting these business needs and both the financial and operational benefits of those alternatives.

The following items describe proposed investments for FY 18/19 or FY 2020 through 2023, as indicated.

Existing Facility Improvements

Administration

FY 2020 through 2023

1. Administration Building - \$90k in FY 19/20 for gutter and downspout replacement, minor painting and interior improvements, and planning activities of needs for future Administration Building staff and functions; \$150k in FY 21/22 for roof replacement at an age of ~25 years.
2. Truck Yard – \$450k in FY 21/22 for 5-Year Life equipment capital replacement such as fans and motors associated with the Administration, Truck Maintenance, and Truck Wash buildings and truck wash equipment system.

Last Chance Mercantile/HHW

FY 2020 through 2023

1. HHW Facility – \$100k in FY 19/20 for gutter and downspout replacement, and roof cleaning and sealing.

2. Last Chance Mercantile – \$130k in FY 19/20 for gutter and downspout replacement, and roof cleaning and sealing. \$450k in FY 20/21 through 22/23 for various interior and exterior facility improvements to address increases in salvage item volume storage and facility efficiencies.
3. Recycling Drop Off - \$38k in FY 21/22 for planned capital maintenance of safety rails.

Compost Operations Site

FY 18/19

1. Compost Site - \$5,425,000

This item is included in the Preliminary as a 'worst case scenario' due to the regulatory exposure present with the existing compost activities at the District. The 2015 regulation promulgated a 2020 deadline for compliance with the new minimum standards of the regulation. Staff is exploring alternatives for offsite composting to preclude this expenditure. The proposed capital funds would be for treatment of existing composting site to address ground water protection, waste water and storm water compliance regulations. Compliance obligations are anticipated to begin in 2019 in order to meet the 2020 deadline that currently exist in regulations. Project elements include: creating separate Active Phase and Curing/Storage Phase areas; creating separate Grading Plans & SW/Leachate Control Systems; creating separate SW Basins and a Class II Lined Impoundment for Active Phase Area; Vadose Zone & groundwater Monitoring network; Active Phase Area Liner System. Assumes Static Pile Composting. Work phases are: 1) Site Design - \$250k - \$300k; 2) Site Permitting - \$100k - \$150k; 3) Construction - \$4.5M - \$5.1M.

Landfill Gas Facility

FY 2020 through 2023

1. Landfill Gas to Energy Facility – \$110k in FY 19/20 for gutter and downspout replacement, and roof cleaning and sealing. \$2.5M in FY 20/21 through 22/23 for various control system improvements and infrastructure associated with distributing power to the various users.

MRF Operations

FY 20/21

Materials Recovery Facility - \$450k in FY 20/21 for limited improvements to the sort lines associated with optimizing efficiencies of operations.

Landfill/MRF Support Facilities

FY 2020 through 2023

1. Scale Facility – \$90k for various minor interior and exterior improvements, painting, and signage. \$900k for capital replacement of four scale decks and load cell weight measurement.
2. Maintenance Shop Building - \$110k in FY 19/20 for miscellaneous water proofing, gutter and downspout replacement. \$150k in FY 22/23 for various equipment storage system, accessibility, lighting, and signage.

3. Old Shop Building – \$1.1M in FY 20/21 for design, permitting, and construction of capital replacement of the 35+ year-old structure and related equipment and materials storage elements; \$150k in FY 22/23 for equipment and material storage elements, lighting, and signage.
4. Vehicle Wash Pad Facility - \$88k in FY 21/22 for capital replacement of wash equipment.

Site Operations

FY 18/19

1. Site Entrance Upgrade - \$50,000

Staff proposes upgrading the aesthetics of the District's site entrance. The District expects the total project expense proposed to be matched by M1W as they have expressed their interests in and funding commitment of improvements at the front gate entrance area.

FY 2020 through 2023

2. Paved Roads – An asphalt concrete pavement overlay is planned for the Charlie Benson Road from the entrance gate to the 4-way Stop intersection. A pavement overlay is a common capital maintenance activity that is typically performed on a 11 to 20-year interval for roads - \$1.1M.
3. Miscellaneous Site Improvements - \$178k in FY 19/20 through 22/23 for various traffic control elements, accessibility, and signage.
4. Miscellaneous Site Facility Improvements – \$153k in FY 19/20 through 22/23 for various minor improvements, accessibility and signage.

Landfill Development

Landfill Gas Facility

FY 18/19 & FY 2020 through 2023

1. LFG building roof and gutter repairs - \$50,000

Repair of failing LFG building roof and gutters.

2. LFG Engine room air flow improvements - \$50,000

Upgrading of LFG building ventilation (18/19). Continuation of work (19/20).

3. Replace Versa-Ruptor switch gear cabinet - \$50,000

Replacement of electrical switch gear cabinet in LFG.

4. Misc. LFG – Execution of CEC Grant Work - \$500,000

Engineering and planning work for development of biogas conversion project supported by \$1.8M CEC grant recently received by District. This work is projected to occur through FY 20/21.

Landfill Operations

FY 18/19 & FY 2020 through 2023

1. New Landfill Module Development - \$6,500,000

Estimated construction cost for the development of Module 6 (18/19). Subsequent new module (MOD 7) development projected for 22/23. Interim year investments for various planning, design, permitting, and regulatory plan document activities associated with the periodic development of modules.

2. Leachate Management - \$125,000

Engineering, design and execution of work related to repair and improvements for managing landfill leachate of the existing infrastructure present.

3. LFG Management - \$325,000

LFG wellfield expansion to the Gas Collection and Control System (GCCS) in the landfill (primarily, the Module 5 area).

4. LFG Condensate Management - \$75,000

Engineering, design and execution of work related to collection and control of condensate and reducing condensate levels in landfill gas system. This project will improve the performance of the LFG engines, reduce maintenance and enhance engine life.

5. Misc. Landfill - \$113,000

Miscellaneous engineering, planning and execution of landfill related repairs and enhancements.

FY 2020 through 2023

6. Storm Water Management – \$3.85M for design, permitting, and construction of an external storm water basin required as the construction of new landfill modules forces the abandonment of the internal storm water basins.

Debt

The following Debt Schedule describes the use of debt and the principal and interest payments for servicing past and anticipated debt. The Debt Service Ratios calculate the District's annual ability to meet the debt service covenant that is required of the 2015 Revenue Bonds, which equals 1.25.

FY 2018-19 BUDGET								FINAL
All \$\$ in Thousands	16/17 Audited	17/18 Budget	17/18 Estimated	18/19 Proposed	19/20	20/21	21/22	22/23
DEBT SCHEDULE								
DEBT ISSUANCE								
Capital Equipment Financing								
2016/17 Compactor	1,150							
2017/18 Dozer & Loader		1,190	1,190					
Capital Project Financing								
Revenue Bond Financing 2018				10,000				
Total Debt Proceeds	1,150	1,190	1,190	10,000	-	-	-	-
DEBT SERVICE								
2015 Revenue Bonds								
Interest Expenses	1,265	1,265	1,233	1,189	1,143	1,094	1,037	977
Principal	1,080	1,110	1,110	1,155	1,205	1,250	1,310	1,370
Total 2015 Bond Debt Svc	2,345	2,375	2,343	2,344	2,348	2,344	2,347	2,347
2018 Revenue Bonds								
<i>Est. Interest Rate: 3.54%</i>								
Interest Expenses					397	383	369	354
Principal					375	389	403	418
Total 2018 Bond Debt Service	-	-	-	-	772	772	772	772
Capital Equipment - Interest								
2016/17 Compactor		54	29	23	18	12	6	
2017/18 Dozer & Loader				39	32	24	16	8
Capital Equipment - Principal								
2016/17 Compactor		220	219	224	230	236	242	
2017/18 Dozer & Loader				217	225	232	240	248
Total Debt Service								
Total Interest		1,319	1,262	1,251	1,590	1,513	1,429	1,340
Total Principal		1,330	1,329	1,597	2,034	2,106	2,194	2,036
Total Debt Service	-	2,649	2,591	2,848	3,624	3,620	3,623	3,375
TOTAL NET FROM FINANCING	1,150	(1,459)	(1,401)	7,152	(3,624)	(3,620)	(3,623)	(3,375)
DEBT SERVICE RATIOS								
Current Revenue	25,569	28,075	30,070	35,084	41,171	43,658	44,476	45,943
Less: Maintenance & Operating Expenses	20,407	21,608	22,071	27,114	29,936	31,154	32,345	33,527
Net Current Revenue	5,162	6,467	7,999	7,970	11,235	12,504	12,130	12,416
Debt Principal & Interest	2,345	2,649	2,591	2,848	3,624	3,620	3,623	3,375
Ratio Net Current Rev. to Debt Service	2.20	2.44	3.09	2.80	3.10	3.45	3.35	3.68

Five-Year Outlook

FY 2018-19 BUDGET							FINAL	
(All dollars in thousands)								
	17/18 Budget	17/18 Estimated	18/19 Budget	19/20	20/21	21/22	22/23	
INCOME SUMMARY								
Operating Revenues	27,745	29,620	34,634	40,721	43,208	44,026	45,493	
Operating Expenses	25,858	25,751	31,917	34,883	36,249	37,594	38,932	
Operating Income (Loss)	1,887	3,869	2,717	5,838	6,959	6,432	6,561	
Non-Operating Expenses	(989)	(869)	(801)	(1,140)	(1,063)	(979)	(890)	
NET INCOME (LOSS)	898	3,000	1,916	4,698	5,895	5,453	5,671	
CASH SUMMARY								
Beginning Unrestricted Cash	11,929	12,772	7,238	6,033	7,619	8,234	9,266	
Cash from Operations								
Net Income (Loss)	898	3,000	1,916	4,698	5,895	5,453	5,671	
Adjustments to Cash	4,510	3,680	4,803	4,947	5,096	5,248	5,406	
Increase in Cash from Operations	5,408	6,680	6,719	9,645	10,991	10,701	11,077	
Cash from Financing Activities								
Capital Outlay	(12,912)	(12,172)	(16,328)	(6,025)	(8,270)	(7,475)	(10,815)	
Bond and Debt Reduction	(1,330)	(1,142)	(1,597)	(2,034)	(2,106)	(2,194)	(2,036)	
2018 Issuance of New Bonds			10,000	-	-	-	-	
Equipment Lease Proceeds	1,195	1,190						
Interest Paid on Bonds and Capital Leases								
Other Non-operating Revenues/Income								
Decrease (Increase) Restricted Reserves	(90)	(90)						
Decrease in Cash from Operations	(13,137)	(12,214)	(7,924)	(8,059)	(10,376)	(9,669)	(12,851)	
Change in Unrestricted Cash	(7,729)	(5,534)	(1,205)	1,586	615	1,032	(1,774)	
Ending Unrestricted Cash	4,200	7,238	6,033	7,619	8,234	9,266	7,492	
Designations/Reserves								
Cash Operating Reserve	4,270	4,270	5,423	5,987	6,231	6,469	6,705	
Capital Reserve			611	1,632	2,003	2,797	787	
Undesignated Cash	(70)	2,969						
Total	4,200	7,238	6,033	7,619	8,234	9,266	7,492	
Restricted cash as of June 30								
Bond Rate Stabilization Fund/in Trust	2,816	2,816	2,816	2,816	2,816	2,816	2,816	
Closure/Post Closure Care Costs	1,410	1,500	1,500	1,500	1,500	1,500	1,500	
Environmental Impairment Fund	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
TOTAL CASH AS OF JUNE 30	9,426	12,554	11,349	12,935	13,550	14,582	12,808	
DEBT COVERAGE RATIOS								
Ratio of Net Current Rev. to Debt Service	2.44	3.09	2.80	3.10	3.45	3.35	3.68	

FY 2018-19 BUDGET							FINAL							
All \$\$ in Thousands							16/17 Audited	17/18 Budget	17/18 Estimated	18/19	19/20	20/21	21/22	22/23
OPERATING REVENUES														
DISPOSAL FEES														
Franchise + Self haul							14,820	13,800	13,598	15,020	16,522	18,174	18,719	19,281
Out of District														
GWR - San Jose							8,698	6,350	9,825	7,852	8,519	9,243	9,479	9,721
Other Regional							540	670	888	1,207	1,309	1,420	1,457	2,121
SUBTOTAL							24,058	20,820	24,310	24,079	26,351	28,838	29,655	31,123
MATERIAL SALES														
MRF Products							-	3,318	2,099	6,312	8,727	8,727	8,727	8,727
Last Chance Mercantile/HHW/Buy Back							799	1,082	1,110	1,310	1,310	1,310	1,310	1,310
Other Material Sales							904	1,205	1,040	1,040	1,040	1,040	1,040	1,040
SUBTOTAL							1,703	5,605	4,249	8,662	11,077	11,077	11,077	11,077
OTHER REVENUES														
Power Sales							668	1,300	1,045	1,874	3,273	3,273	3,273	3,273
Miscellaneous							-	20	16	20	20	20	20	20
SUBTOTAL							668	1,320	1,061	1,894	3,293	3,293	3,293	3,293
TOTAL OPERATING REVENUES							26,429	27,745	29,620	34,634	40,721	43,208	44,026	45,493

NOTES TO FIVE-YEAR PROJECTIONS:Revenue

- Disposal tonnage is projected to remain unchanged over period
- Disposal rate increases of 10% per year 19/20 and 20/21
- Disposal rate increases of 3% per year in outer years

Capital Investment

- This 5-year plan does not include material changes to business operations, such as adding organics processing capacity, developing electrical grid independence from PG&E, or expanding MRF processing capacity to meet rising demand.

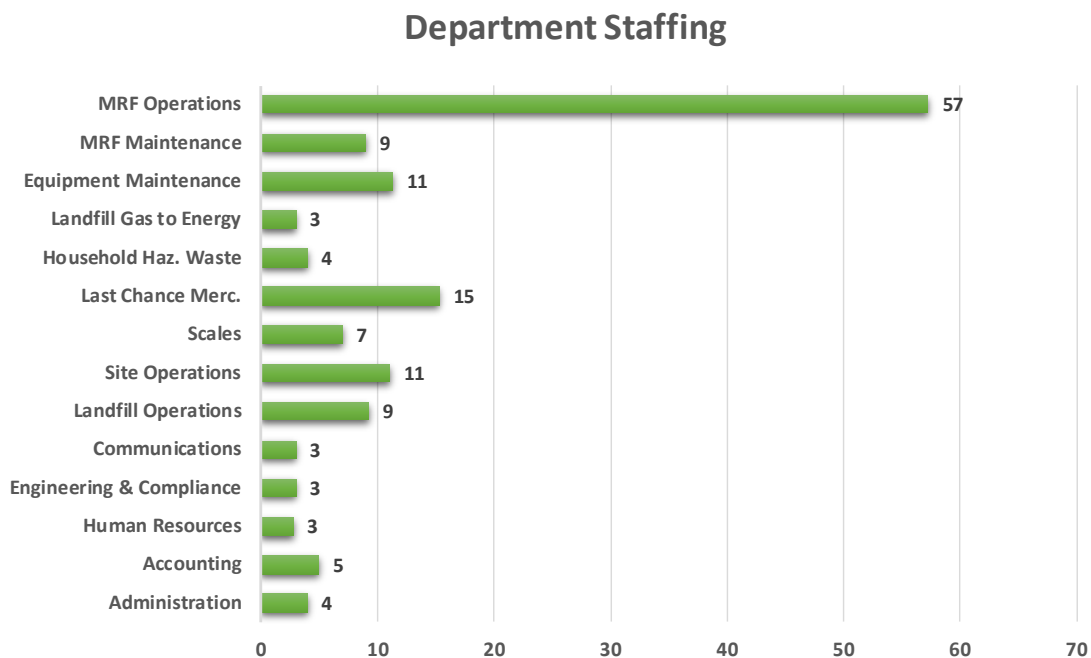
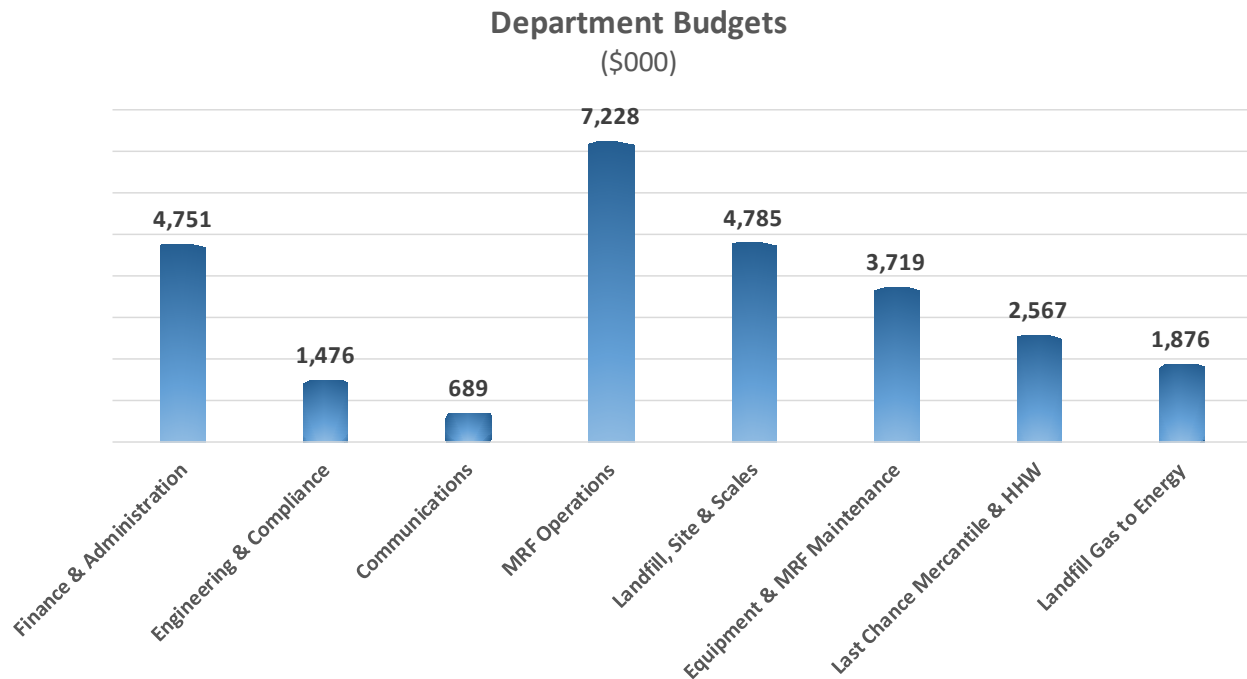
Expenses

- Second MRF shift beginning in 19/20
- 3% Operating Exp. Increase except for MRF related categories:
 - Contract Services
 - Operating Supplies
 - R&M
 - Wage COLAs
 - Healthcare inflation (6%)
 - PERS as projected by CalPERS

FY 2018-19 BUDGET						FINAL				
All \$\$ in Thousands						18/19	19/20	20/21	21/22	22/23
	16/17 Audited	17/18 Budget	17/18 Estimated							
OPERATING EXPENSES										
SALARY EXPENSES										
Wages	7,955	8,671	8,900			9,689	11,124	11,457	11,801	12,155
Taxes, Benefits & Workers Comp										
Healthcare	2,136	2,336	2,150			2,598	2,754	2,919	3,094	3,280
CalPERS	1,494	1,249	1,250			1,555	2,118	2,441	2,706	2,927
Workers Compensation	467	585	550			734	734	734	734	
Taxes	114	148	130			135	155	160	165	170
Other	124	212	205			221	254	262	270	278
Total Taxes, Benefits & Workers Comp	4,335	4,530	4,285			5,243	6,015	6,515	6,968	7,388
SUBTOTAL	12,290	13,201	13,185			14,932	17,139	17,973	18,769	19,543
NON-SALARY EXPENSES										
Amortization & Depreciation	2677	4,250	3,280			4,303	4,432	4,565	4,702	4,843
Closure/Postclosure Costs	947	260	400			500	515	530	546	563
Contract Services	570	700	713			1,936	1,994	2,054	2,116	2,179
Environmental Services	93	270	250			250	258	265	273	281
Fuels & Oil	1060	975	1,120			1,200	1,236	1,273	1,311	1,351
Hazardous Waste Disposal	202	235	265			280	288	297	306	315
Insurance	182	250	250			275	283	292	300	310
Office Expenses	156	150	155			229	236	243	250	258
Operating Supplies	565	150	185			1,492	1,786	1,840	1,895	1,952
Professional Services	599	697	200			1,446	1,489	1,534	1,580	1,627
Public Education & Awareness	169	150	140			165	170	175	180	186
Recycling Services	791	1,135	1,750			1,382	1,424	1,466	1,510	1,556
Repairs & Maintenance	1934	1,910	2,151			1,613	1,662	1,712	1,763	1,816
Safety Equip., Supplies, Uniforms, Svcs.	124	160	172			227	234	241	248	255
Taxes, Surcharges, Services	1325	1,145	1,260			1,340	1,380	1,421	1,464	1,508
Training, Education & Meetings	91	110	120			193	199	205	211	217
Utilities	195	75	115			115	118	122	126	129
Other Expenses	61	35	40			39	40	41	43	44
SUBTOTAL	11,741	12,657	12,566			16,985	17,744	18,277	18,825	19,390
TOTAL OPERATING EXPENSES	24,031	25,858	25,751			31,917	34,883	36,249	37,594	38,932
NON-OPERATING REVENUE & EXPENSES										
Interest Income	117	15	95			95	95	95	95	95
Rents & leases	178	295	325			325	325	325	325	325
Loss on sales of assets	(1,203)					-	-	-	-	-
Finance charges	0	15	15			15	15	15	15	15
Other Income	48	5	15			15	15	15	15	15
Equipment purchases - Interest Expense		(54)	(54)			(62)	(49)	(36)	(22)	(8)
Revenue Bonds - Interest Expense	(373)	(1,265)	(1,265)			(1,189)	(1,540)	(1,477)	(1,406)	(1,331)
TOTAL NON-OPERATING EXPENSES	(1,233)	(989)	(869)			(801)	(1,140)	(1,063)	(979)	(890)
NET INCOME (LOSS)										
	1,165	898	3,000			1,916	4,698	5,895	5,453	5,671

Expenses by Department

The following pages provide a breakdown of spending and staffing in each of the District's areas of operation. Department expenses make up 85% of total Operating Expenses, the remainder being Amortization & Depreciation and Closure/Post-Closure costs.



Finance & Administration



Finance & Administration

This department includes the General Manager, the Director of Finance & Administration, the Human Resources Manager, the Accounting Manager, the Clerk of the Board and all administrative support personnel, including Accounting and Human Resources staff.

Budget highlights:

- Outsource IT support services
- Cost of CNG fuel provided to CNG fueling station
- Property & liability insurance
- District legal services
- Annual financial audit
- Collective bargaining contract negotiation costs
- Hiring costs

NON-SALARY EXPENSES

18/19 Proposed

ADMINISTRATION

Contract Services	200
Fuels & Oil	500
Insurance	275
Office Expenses	143
Professional Services	170
Taxes, Surcharges, Permits	1,340
Training, Education & Meetings	100
Utilities	40
Other Expenses - Board administration	40
SUBTOTAL - Administration	2,807

ACCOUNTING

Office Expenses	9
Professional Services	53
Training, Education & Meetings	10
SUBTOTAL - Accounting	72

HUMAN RESOURCES

Contract Services	24
Office Expenses	25
Professional Services	95
Safety Equipment, Supplies, Services	5
Training, Education & Meetings	5
SUBTOTAL	
SUBTOTAL - Human Resources	154

TOTAL NON-SALARY EXPENSES	3,033
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TOTAL DEPARTMENTAL EXPENSES	4,776
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PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
ADMINISTRATION			
General Manager	1	1	1
Director Of Finance & Administration	1	1	1
Executive Assistant/Clerk Of The Board	1	1	1
Administrative Support Specialist II	1	1	1
Total	4	4	4
ACCOUNTING			
Accounting Manager	1	1	1
Asst. Accounting Manager		1	1
Accounting Technician	1	1	1
Accounting Assistant II	2	2	2
Total	4	5	5
HUMAN RESOURCES			
Human Resources Manager	1	1	1
Hr Coordinator	1	1	1
Hr Assistant (PT)	0.25	0.5	0.75
Total	2.25	2.5	2.75
TOTAL AUTHORIZED POSITIONS	10.25	11.5	11.75
TOTAL PERSONNEL COSTS			1,743

Engineering & Compliance



Engineering & Compliance

This department provides or coordinates all engineering services for the District. It is also responsible for compliance activities, which include safety.

Budget highlights:

- Site environmental compliance monitoring and regulatory reporting
- Analysis and management of operational systems improvements
- Capital project development and oversight
- Safety programs development and delivery

NON-SALARY EXPENSES 18/19 Proposed

ENGINEERING & COMPLIANCE

Contract Services	30
Environmental Services	250
Professional Services	505
Training, Education & Meetings	20
SUBTOTAL - Engin. & Compliance	805

SAFETY

Contract Services	20
Professional Services	40
Training, Education & Meetings	5
SUBTOTAL - Safety	65

TOTAL NON-SALARY EXPENSES	870
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TOTAL DEPARTMENTAL EXPENSES	1,476
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PERSONNEL

AUTHORIZED POSITIONS

ENGINEERING & COMPLIANCE

Director of Engineering & Compliance	1	1	1
Senior Engineer	1	1	1
Total	2	2	2

SAFETY

Safety & Risk Manager	1	1	1
Total Positions	1	1	1

TOTAL AUTHORIZED POSITIONS	3	3	3
TOTAL PERSONNEL COSTS			606

Communications & Sustainability



Communications & Sustainability

This department oversees District communications with residents, businesses and other stakeholders within our service area.

Budget highlights:

- Marketing communications support (website, social media, collateral material, etc.)
- “What Goes Where” outreach campaign to encourage better recycling behavior and improve MRF productivity
- Community outreach and education events
- Grant development support

NON-SALARY EXPENSES	18/19 Proposed
Contract Services	15
Office Expenses	5
Professional Services	58
Public Education & Awareness	165
Training, Education & Meetings	5
TOTAL NON-SALARY EXPENSES	248
TOTAL DEPARTMENTAL EXPENSES	689

PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
COMMUNICATIONS			
Director Of Commun. & Sustainability	1	1	1
Public Education Outreach Coordinator	1	1	1
Public Education Outreach Specialist	1	1	1
Total	3	3	3
TOTAL AUTHORIZED POSITIONS	3	3	3
TOTAL PERSONNEL COSTS			441

Materials Recovery Facility



Materials Recovery Facility

MRF operations involves 40% of all District staff. FY 18/19 represents the 'burn-in' year, during which staff will optimize performance, and develop workflow systems, long term staffing plans and revenue opportunities.

Budget highlights:

- Use of temporary labor as operations are refined
- Credit to member agencies of \$40/ton of franchise recycling materials received
- Professional services supporting workflow optimization & data reporting systems development
- Operating supplies that support MRF operations

NON-SALARY EXPENSES	18/19 Proposed
Contract Services	1,145
Fuels & Oil	150
Office Expenses	5
Operating Supplies	145
Professional Services	200
Recycling Services	727
Safety Equip., Supplies, Uniforms, Svcs	97
Training, Education & Meetings	20
Utilities	75
TOTAL NON-SALARY EXPENSES	2,564
TOTAL DEPARTMENTAL EXPENSES	7,228

PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
Director Of Operations	0.25	0.25	0.25
MRF OPERATIONS			
Manager MRF	1	1	1
Assistant Manager MRF	1	1	1
Supervisor MRF	3	3	3
Sr. Operator MRF	2	2	2
Mrf Operator II	9	9	8
Associate Operator - MRF	4	4	4
Operations Support Specialist	0	1	1
Sort Line Lead	0	2	3
MRF Res Assoc	5	5	13
MRF Res Asst	22	20	21
Total	47.25	48.25	57.25
TOTAL AUTHORIZED POSITIONS	47.25	48.25	57.25
TOTAL PERSONNEL COSTS			4,664

Landfill, Site & Scales



Landfill, Site & Scales

In Calendar Year (CY) 2017, the Landfill operations handled over 600,000 tons of material, twice the volume 5 years earlier. The Site crew assists the landfill team, while also addressing other support needs throughout the District. The Scales team processes nearly 175,000 transactions per year and is the 'face' of the District for many of our customers.

Budget highlights:

- Extensive use of diesel fuels
- Anaerobic Digester pilot project operating costs
- Facilities maintenance
- Professional services covering credit card transaction fees and scales system infrastructure

NON-SALARY EXPENSES

18/19 Proposed

LANDFILL

Fuels & Oil	250
Recycling Services	385
Safety Equip., Supplies, Uniforms, Svcs	15
Training, Education & Meetings	3
SUBTOTAL	653

SITE

Contract Services	
Fuels & Oil	150
Operating Supplies	300
Repairs & Maintenance	250
Safety Equip., Supplies, Uniforms, Svcs	17
Training, Education & Meetings	5
SUBTOTAL	1,102

SCALES

Contract Services	8
Office Expenses	17
Operating Supplies	6
Professional Services	190
Safety Equip., Supplies, Uniforms, Svcs	11
Training, Education & Meetings	3
SUBTOTAL	235

TOTAL NON-SALARY EXPENSES

1,989

TOTAL DEPARTMENTAL EXPENSES

4,785

PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
Director Of Operations	0.25	0.25	0.25
LANDFILL OPERATIONS			
Site & Facilities Manager	1	1	1
Heavy Equipment Supervisor	1	2	2
Heavy Equipment Operator	6	6	6
Total	8	9	9
SITE OPERATIONS			
Supervisor Site Maintenance	1	1	1
Sr. Maintenance Worker Site	1	1	1
Maintenance Worker II Site	1	1	2
Maintenance Worker I Site	3	3	1
Resource Associate Site Ops	2	2	2
Resource Assistant Site Ops	4	4	4
Total	12	12	11
SCALES			
Scale Supervisor	1	1	1
Weighmaster	3	3	3
Deputy Weighmaster (PT)	2	2	3
Total	6	6	7
TOTAL AUTHORIZED POSITIONS	26.25	27.25	27.25
TOTAL PERSONNEL COSTS			2,795

Last Chance Mercantile & Household Hazardous Waste



Last Chance Mercantile & Household Hazardous Waste

The LCM re-use store represents the District's commitment of "Turning Waste into Resources" to our community. The HHW team handles hazardous drops-offs at the District and manages collection events within our communities.

Budget highlights:

- Buy back center reimbursements
- Hazardous materials handling costs
- Extra HHW collection event – Big Sur

NON-SALARY EXPENSES	18/19 Proposed
LAST CHANCE MERCANTILE	
Contract Services	80
Professional Services	35
Operating Supplies	10
Recycling Services	270
Safety Equip., Supplies, Uniforms, Svcs	26
SUBTOTAL	421
HOUSEHOLD HAZARDOUS WASTE	
Operating Supplies	22
Hazardous Waste Disposal	280
Repairs & Maintenance	10
Safety Equip., Supplies, Uniforms, Svcs	7
Training, Education & Meetings	5
SUBTOTAL	324
TOTAL NON-SALARY EXPENSES	745
TOTAL DEPARTMENTAL EXPENSES	2,567

PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
Director Of Operations	0.25	0.25	0.25
LAST CHANCE MERCANTILE			
Manager LCM & HHW	1	1	1
Assistant Manager LCM	1	1	1
Supervisor LCM	1	1	1
Recycling Attendant	2	2	2
Associate Operator	1	1	1
Sales Associate	2	2	2
Sales Assistant	7	7	7
Total	15	15	15
HOUSEHOLD HAZARDOUS WASTE			
Senior Technician HHW	1	1	1
Hazardous Material Technician	3	3	3
Total	4	4	4
TOTAL AUTHORIZED POSITIONS	19.25	19.25	19.25
TOTAL PERSONNEL COSTS			1,822

Equipment & MRF Maintenance



Equipment & MRF Maintenance

The maintenance shop efficiently maintains over 100 pieces of mobile equipment used throughout the District. Added to this portfolio is the job of keeping the new MRF equipment operating.

Budget highlights:

- Operating supplies for the MRF
- Repair parts for all operations
- Fuels, oils and lubricants

NON-SALARY EXPENSES		18/19 Proposed
EQUIPMENT MAINTENANCE		
Contract Services		34
Fuels & Oil		150
Office Expenses		13
Operating Supplies		32
Repairs & Maintenance		661
Training, Education & Meetings		5
SUBTOTAL		903
MRF MAINTENANCE		
Office Expenses		10
Operating Supplies		277
Repairs & Maintenance		61
Safety Equip., Supplies, Uniforms, Svcs		36
Training, Education & Meetings		5
SUBTOTAL		389
TOTAL NON-SALARY EXPENSES		1,292
TOTAL DEPARTMENTAL EXPENSES		3,719

PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
Director Of Operations	0.25	0.25	0.25
EQUIPMENT MAINTENANCE			
Equipment Maintenance Manager	1	1	1
Operations Support Specialist	1	0	0
Maintenance Shop Supervisor	1	1	1
Heavy Equipment Technician	7	7	8
Resource Associate Shop	1	1	1
Total	11	10	11
MRF MAINTENANCE			
Maintenance Supervisor MRF	1	1	1
Senior Maintenance Worker MRF	1	2	2
Industrial Technician	0	0	1
Maintenance Worker II MRF	1	1	1
Maintenance Worker I MRF	2	1	1
Resource Associate MRF Maint.	3	3	2
Resource Assistant Shop	1	1	1
Total	9	9	9
TOTAL AUTHORIZED POSITIONS	20.25	19.25	20.25
TOTAL PERSONNEL COSTS			2,427

Landfill Gas to Energy



Landfill Gas to Energy

The District maintains a landfill gas collection system, four engines that burn the gas to generate up to 5 megawatts of energy, and systems that ensure environmental compliance of the gas operations.

Budget highlights:

- Gas treatment systems and supplies
- Engine repair and maintenance
- Professional services to support power sales and system optimization

NON-SALARY EXPENSES	18/19 Proposed
Professional Services	100
Office Equipment	3
Operating Supplies	700
Repairs & Maintenance	632
Safety Equipment, Supplies, Uniforms, Service	4
Training, Education & Meetings	2
TOTAL NON-SALARY EXPENSES	1,441
TOTAL DEPARTMENTAL EXPENSES	1,876

PERSONNEL	17/18 Budget	17/18 Est.	18/19 Proposed
AUTHORIZED POSITIONS			
LANDFILL GAS TO ENERGY			
Power Systems Supervisor	1	1	1
Power Systems Senior Technician	2	2	2
Total	3	3	3
TOTAL AUTHORIZED POSITIONS	3	3	3
TOTAL PERSONNEL COSTS			434

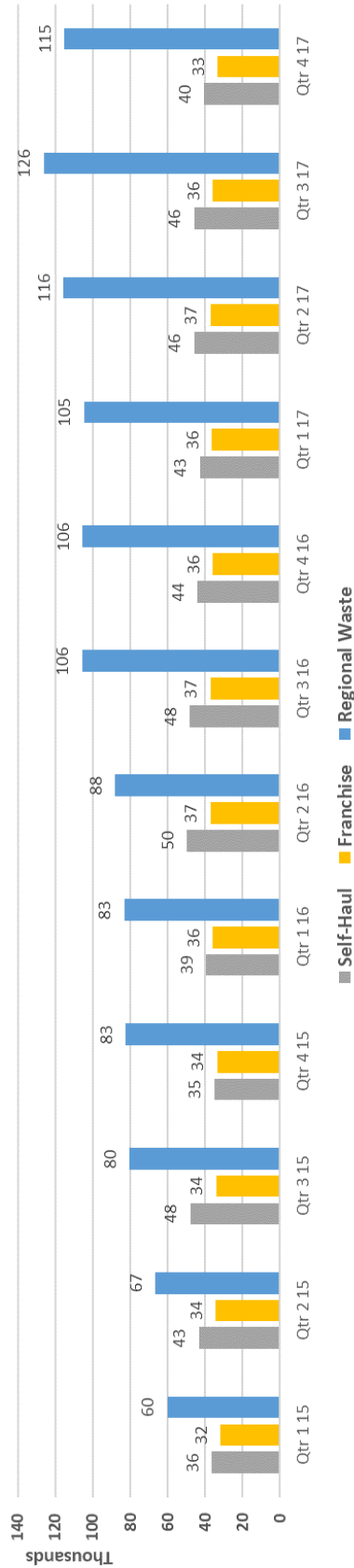
Tonnage Reports

1. Tonnage and Diversion – 10-year period
2. CY2015-17: Tons & fees by customer type
3. CY2017: Tons & fees by month and customer type
4. CY2017: Tons & fees by material type

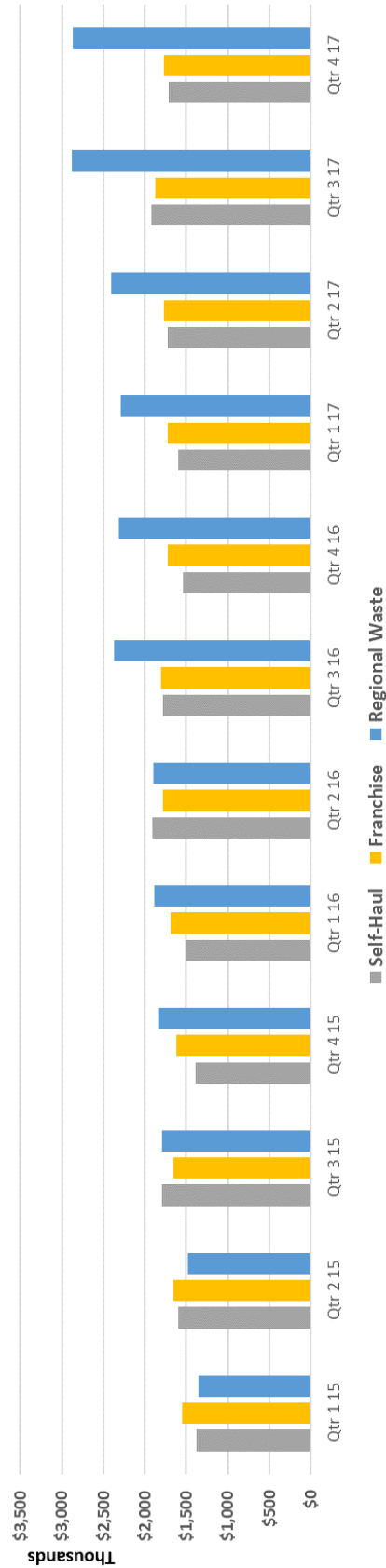
1. Tonnage and Diversion – 10-year period

SITE Tonnage	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Accepted Materials										
Refuse - Landfill	134,664	115,968	120,777	115,070	110,374	117,182	116,869	126,842	144,982	184,565
Refuse - Landfill - Regional Waste	29,005	14,831	50,363	153,690	139,127	213,798	204,438	250,037	314,034	382,142
ADC - Regional Waste	-	-	-	24,403	24,566	38,170	35,794	39,993	68,268	78,710
Asphalt/Concrete	12,587	28,597	25,294	24,560	36,379	30,460	25,710	31,787	37,095	34,243
Dropboxes-Paper/Containers/Metal	641	741	677	633	531	518	453	461	542	526
Food Waste	-	-	1,386	2,258	2,464	2,882	3,576	3,673	4,517	6,023
Problem Waste	10,400	10,741	6,258	3,854	3,267	4,607	4,159	3,072	3,441	2,385
Roofing Material Process	-	-	-	-	-	-	-	-	-	-
Sludge	41,648	31,288	29,021	26,450	27,439	21,368	12,506	25,373	22,067	16,994
Tires - Cut/Chipped	2	0	647	4,417	2,595	3,718	8,176	4,255	4,374	4,016
Water Treatment Sludge	1,122	2,622	2,416	-	-	-	-	-	-	-
MRF Accepted Materials	118,846	110,914	111,481	107,209	100,581	102,588	99,269	101,483	111,098	70,140
Total Accepted Materials	348,915	315,703	348,319	462,543	447,324	535,292	510,949	586,978	710,419	779,744
Diverted Materials										
ADC - Regional Waste	-	-	-	24,403	24,566	38,170	35,794	39,993	68,268	78,710
Direct Loads of Asphalt/Concrete	12,587	28,597	25,294	24,560	36,379	30,460	25,710	31,787	37,095	34,243
Dropboxes-Paper/Containers/Metal	641	741	677	633	531	518	453	461	542	526
Food Waste	-	-	1,386	2,258	2,464	2,882	3,576	3,673	4,517	6,023
Landfill/Site Diverted	1,766	1,170	80	3	-	-	-	-	-	-
Roofing Material Process	-	-	-	-	-	-	-	-	-	-
Sludge Diverted - Granite	-	-	-	-	-	-	-	-	-	1,034
Sludge Diverted - On Site	40,876	30,426	28,067	24,920	18,374	8,815	1,845	6,225	1,910	0
Tires - Cut/Chipped	2	-	647	4,417	2,358	3,212	4,215	2,731	2,139	639
MRF Diverted Materials	72,673	66,268	66,387	74,718	70,824	72,108	68,981	69,803	76,456	55,361
Total Diverted Materials	128,545	127,203	122,538	155,912	155,497	156,166	140,574	154,673	190,927	176,535
Landfilled	220,370	188,500	225,781	306,632	291,827	379,127	370,376	432,306	519,491	603,209
Percent Diverted	37%	40%	35%	34%	35%	29%	28%	26%	27%	23%
Percent Diverted - No Sludge	29%	34%	30%	30%	33%	29%	28%	26%	27%	23%
MRF Tonnage										
MRF - Accepted Materials										
Refuse - MRF	84,062	79,121	76,803	73,548	68,009	68,267	67,905	68,051	70,499	12,193
Mixed Waste / MRF Transfer Area	-	-	-	-	-	-	-	-	-	13,572
Free Paper/Metal/Tire Lds	364	279	247	214	201	202	153	138	200	154
Wood/Greenwaste	34,420	31,514	34,430	33,448	32,371	34,119	31,210	33,294	40,400	44,222
Total MRF Accepted Materials	118,846	110,914	111,481	107,209	100,581	102,588	99,269	101,483	111,098	70,140
MRF - Diverted Materials										
"Last Chance" Salvage	715	712	597	644	644	660	658	665	649	595
Aluminum/Copper	68	71	69	88	77	68	33	35	36	16
Asphalt/Concrete	3,519	1,898	1,498	2,725	2,459	2,733	2,687	2,838	3,025	302
Cardboard Sold	373	287	277	344	254	270	327	354	346	194
Co-Mingled Containers	86	106	95	83	91	89	152	244	55	41
Feedstock	-	-	-	-	-	-	-	-	0	0
Wood/Greenwaste	6,208	7,130	6,041	7,917	7,413	5,866	5,807	5,593	5,543	879
Hazardous Waste	12	10	7	9	8	5	7	7	7	6
Mattresses/Carpets/Pads	208	227	172	235	248	406	340	335	339	357
Metal - Scrap	3,328	3,233	2,759	2,940	2,457	2,199	2,411	2,849	3,363	1,214
Mixed Paper	58	26	20	-	-	-	-	-	0	0
Sheetrock	310	175	180	198	96	110	196	293	569	79
Roofing Material	-	662	368	1,819	30	10	0	0	0	0
Tires Hauled	112	86	96	80	76	74	51	80	98	88
C&D Transferred to External MRF	-	-	-	-	-	-	-	-	-	5,141
Unders from Sort Line	23,256	20,133	19,777	24,188	24,602	25,500	25,101	23,218	22,026	2,230
Total Sort Line Diversion	38,253	34,754	31,957	41,271	38,453	37,989	37,771	36,509	36,056	11,140
Direct Loads of Wood/Greenwaste	34,420	31,514	34,430	33,448	32,371	34,119	31,210	33,294	40,400	44,222
Total MRF Diverted Materials	72,673	66,268	66,387	74,718	70,824	72,108	68,981	68,803	76,456	55,361
Percent Diversion - Sort Line	45%	44%	41%	56%	56%	55%	55%	54%	51%	43%
Percent Diversion - Entire MRF	61%	60%	60%	70%	70%	70%	69%	69%	69%	79%
Other Activity										
Organic Mix Sales	2,852	1,075	3,319	3,480	3,861	584	-	-	-	-
Mulch Sales	10,036	10,822	11,815	12,261	11,406	16,377	17,247	17,200	24,179	16,610
Regular Woodchips Sales	4,431	3,937	3,168	6,236	12,285	8,379	8,455	15,249	21,712	13,214
Color Woodchips Sales	103	118	246	129	138	108	164	173	156	190
Compost Sales	914	791	725	802	716	935	822	695	655	480
Top Soil Blend Sales	1,148	1,053	1,031	1,016	1,033	1,105	812	534	848	591
Asphalt/Concrete Sales	-	-	-	-	0	0	0	0	-	-
Biomass Wood Fuel	4,618	5,295	5,175	7,841	5,395	6,901	11,190	3,236	-	-
Liquid Waste - Landspread	51	-	981	-	-	26	-	-	-	-
Petroleum Contaminated Soil	-	-	-	-	0	1,450	0	-	-	-
Clean Soil (Estimate)	67,874	38,394	33,690	22,686	26,427	33,183	71,494	85,102	54,316	45,507
Marginal Cover Material	19,739	11,807	16,776	22,066	31,609	55,794	30,950	27,161	25,580	13,272

Tons - CY15 through CY17



Tip Fees - CY15 through CY17



3. CY2017: Tons & fees by month and customer type

Customer Type	Cash		Commercial		Franchise		Regional Waste		Total		
	Month	Net Tons	Total Fee	Net Tons	Total Fee	Net Tons	Total Fee	Net Tons	Total Fee	Net Tons	Total Fee
Customer Type	January	5,724.4	\$241,611	6,403.1	\$210,627	12,389.8	\$588,624	36,848.4	\$793,147	61,365.6	\$1,834,008
	February	6,380.6	\$262,823	6,261.9	\$209,037	10,989.0	\$521,478	30,711.4	\$673,821	54,342.9	\$1,667,159
	March	9,076.6	\$363,669	8,967.2	\$307,468	13,052.1	\$612,487	37,172.3	\$819,284	68,268.3	\$2,102,909
	April	7,667.2	\$303,443	7,602.6	\$248,558	11,721.7	\$554,533	35,357.6	\$776,665	62,349.2	\$1,883,198
	May	8,858.6	\$348,848	6,530.7	\$245,931	13,024.2	\$620,231	38,696.5	\$802,407	67,110.1	\$2,017,416
	June	8,744.8	\$338,792	6,493.0	\$239,368	12,414.5	\$596,139	41,742.9	\$831,784	69,395.1	\$2,006,083
	July	7,426.8	\$323,598	7,238.8	\$310,505	11,739.1	\$612,588	44,558.3	\$918,230	70,963.0	\$2,164,921
	August	8,231.2	\$364,529	8,968.6	\$374,754	12,690.6	\$664,742	42,004.0	\$987,630	71,894.4	\$2,391,654
	September	7,595.5	\$313,415	6,388.0	\$238,143	11,418.6	\$592,866	39,682.1	\$972,206	65,084.1	\$2,116,629
	October	7,550.4	\$326,483	7,077.6	\$290,601	11,355.0	\$596,201	40,116.1	\$1,012,982	66,099.2	\$2,226,266
	November	6,431.6	\$286,877	6,347.5	\$275,745	11,727.5	\$618,708	40,633.6	\$1,000,989	65,140.1	\$2,182,320
	December	6,495.0	\$300,640	6,559.4	\$229,597	10,301.2	\$551,107	34,357.6	\$856,238	57,713.1	\$1,937,581
Total	90,182.7	\$3,774,728	84,838.2	\$3,180,335	142,823.3	\$7,129,702	461,880.8	\$10,445,381	779,725.1	\$24,530,146	

4. CY2017: Tons & fees by material type

Quarter Material Type	Qtr 1			Qtr 2			Qtr 3			Qtr 4			Total	
	Net Tons	Total Fee	Net Tons	Net Tons	Total Fee	Net Tons	Total Fee	Net Tons	Total Fee	Net Tons	Total Fee	Net Tons	Total Fee	Total Fee
REFUSE	125,249.0	\$4,164,053	136,865.2	\$4,784,839	157,612.1	\$5,624,180	160,503.3	\$5,543,328	580,229.7	\$20,116,400				
ADC DELIVERED	21,012.2	\$284,295	32,798.5	\$443,818	22,630.8	\$315,474	2,266.2	\$31,533	78,707.6	\$1,075,120				
GREENWASTE	13,452.7	\$405,741	11,811.6	\$359,164	10,106.9	\$340,979	8,810.4	\$297,419	44,181.7	\$1,403,304				
CLEAN CONCRETE	4,041.9	\$6,461	6,562.2	\$9,717	7,643.6	\$11,516	4,711.7	\$7,805	22,959.5	\$35,499				
SLUDGE SP LANDFILLED	6,701.5	\$116,942	3,264.0	\$56,956					9,965.5	\$173,899				
MIXED WASTE / C&D MRF	7,503.2	\$400,810							7,503.2	\$400,810				
CLEAN ASPHALT	977.8	\$1,277	1,822.2	\$2,197	1,609.7	\$2,098			6,447.6	\$7,786				
FOOD SCRAPS COMPOST PRGM	1,446.7	\$60,807	1,503.1	\$63,187	1,469.6	\$66,884	1,598.1	\$72,768	6,017.5	\$263,647				
SLUDGE DB LANDFILLED	255.9	\$7,678	612.6	\$18,379	2,263.4	\$67,901	2,071.6	\$62,147	5,203.5	\$156,105				
C&D WASTE/ZANKER	667.7	\$60,096	866.4	\$78,005	1,719.1	\$154,793	1,433.8	\$126,573	4,687.1	\$419,466				
LIQUID WASTE	104.3	\$4,327	72.0	\$3,001	219.0	\$9,864	1,910.9	\$85,991	2,306.2	\$103,183				
CLEAN OVERSIZE/REBAR	238.3	\$2,390	664.5	\$6,674	403.9	\$4,074	502.3	\$5,027	1,809.0	\$18,166				
MIXED CONCRETE	688.3	\$13,825	479.6	\$9,653	337.6	\$6,834	248.9	\$5,030	1,754.3	\$35,341				
GROUND COVER CREDIT					638.6	(\$639)			1,709.3	(\$1,055)				
CLEAN MIXED A/C	269.8	\$595	410.3	\$867	263.8	\$539	329.6	\$577	1,273.4	\$2,577				
PROBLEM WASTE	256.8	\$23,610	220.5	\$20,363	278.6	\$25,635	421.4	\$38,409	1,177.3	\$108,017				
SLUDGE DIVERTED	500.6	\$15,019	339.5	\$10,185	193.6	\$5,807			1,033.7	\$31,011				
SLUDGE LANDFILLED	183.1	\$5,493	115.8	\$3,474	134.0	\$4,021	358.7	\$10,761	791.6	\$23,749				
PW-FIELD PLASTIC	22.4	\$2,030	84.7	\$7,731	116.8	\$10,817	381.3	\$34,889	605.2	\$55,466				
PW-OVERSIZE	195.6	\$17,644	197.4	\$18,267	88.0	\$8,171	118.4	\$10,886	599.5	\$54,968				
METAL SOLD	79.2	\$5,456	60.8	\$4,491	87.0	\$6,839	80.1	\$6,593	307.2	\$23,379				
CARDBOARD SOLD	27.6	\$1,003	26.6	\$1,520	46.2	\$2,013	29.1	\$998	129.6	\$5,534				
MIXED PAPER SOLD	23.2	\$617	41.5	\$1,144	32.0	\$796	28.1	\$1,088	124.8	\$3,644				
REFRIGERATOR/AC ONLY	18.5	\$3,287	17.6	\$3,066	24.5	\$4,435	17.0	\$3,025	77.6	\$13,813				
FREE METAL	6.0	\$0	11.9	\$0	11.1	\$0	11.3	\$0	40.3	\$0				
FREE CHRISTMAS TREES	34.5	\$0		\$0		\$0	5.4	\$0	39.9	\$0				
FREE MIXED CONTAINERS	14.0	\$0	5.7	\$0	7.0	\$0	2.1	\$0	28.8	\$0				
FREE CARDBOARD	0.3	\$0		\$0	2.8	\$0	3.7	\$0	6.8	\$0				
PW-ACM	1.3	\$219	1.9	\$173	0.1	\$125	0.1	\$125	3.3	\$517				
BULKY ITEM/CD MRF	2.6	\$87		\$87					2.6	\$87				
TIRE LOAD CHIPPED/CUT	1.6	\$316		\$316					1.6	\$316				
SOURCE SEPARATED-MIXED							0.3	\$36	0.3	\$36				
Total	183,976.8	\$5,604,077	198,854.4	\$5,906,698	207,941.5	\$6,673,204	188,952.4	\$6,346,167	779,725.1	\$24,530,146				