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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

FINANCE COMMITTEE MEETING

AGENDA

Wednesday, June 3, 2020
9:00 a.m.

Bales Boardroom
14201 Del Monte Blvd., Monterey County, CA

Please Note: Meeting will be held virtually via zoom compliant with Governor Newsom's executive Order N-29-20 which allows local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and address the local legislative body to avoid public gatherings, and which suspended all contrary provisions of the Brown Act.

To join the zoom webinar, click on this link: <https://us02web.zoom.us/j/81734680252> copy/paste the link into your browser, or type the link into your browser. If your computer does not have audio, you will also need to join the meeting via phone. To participate via phone, please call: 1-669-900-9128; Meeting ID: 817 3468 0252.

Public Comments: if you are unable to participate via telephone or virtually, you may also submit your comments by e-mailing them to baguilar@mrwmd.org with one of the following subject lines "Public Comment Item #" (insert the item number relevant to your comment) or "Public Comment - Non Agenda Item". Comments must be received by 4:00 p.m. on Tuesday, June 2, 2020. All submitted comments will be provided to the Committee and may be read into the record or compiled as part of the record. Public comment will also be accepted during the meeting.

CALL TO ORDER

ROLL CALL AND ESTABLISHMENT OF QUORUM

PUBLIC COMMUNICATIONS

Anyone wishing to address the Committee on matters *not* appearing on the Agenda may do so now. *Please limit comments to a maximum of three (3) minutes.* The public may comment on any other matter listed on the agenda at the time the matter is being considered by the Board.

ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION AND ACTION

1. Update on COVID-19 Planning, Procedures, & Impacts.
2. Discussion on Fiscal Year 2020/21 Budget.
3. Update on Joint MRWMD/MW1 Power and Electrical Connection for Pure Water Project.
4. General Manager Communications

CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the District's Meyers-Milias-Brown Act representative.

1. Conference with Labor Negotiators:

District Negotiators: Tim Flanagan, Peter Skinner, Timothy Brownell, and Berta Torres

Employee Organizations: Operating Engineers and Management Employees

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

Please note: A report out and announcement concerning the closed session will be provided to anyone requesting same by emailing baguilar@mrwmd.org.

ADJOURNMENT

NEXT MEETING DATE: Wednesday, July 3, 2020 at 9:00 a.m.



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: May 29, 2020
TO: Finance Committee
FROM: General Manager
SUBJECT: Finance Committee Meeting of June 3, 2020

- Update on COVID-19 Planning, Procedures, & Impacts.** Staff will provide a brief verbal update at the meeting.
Recommendation: Informational Only.
- Presentation of Draft Final Budget for Fiscal Year 2020/21.** Please refer to the enclosed Draft Final Budget from Director of Finance and Administration Peter Skinner. The FY 2020/21 Budget reflects a considerable change from the original Budget that was conceptualized in March. Peter, the Finance Department staff, Leadership staff, and managers all contributed to the development of this budget. This is the most challenging budget we have had to present. Our hope is that we will, over the course of this fiscal year, bring a more positive representation of our financial situation. Staff will present quarterly updates to the Board during this fiscal year.
Recommendation: Support Final Budget Approval by the Board at the June 26, 2020 Meeting.
- Update on Joint MRWMD/MW1 Power and Electrical Connection for Pure Water Project.** Director of Engineering and Compliance Guy Petraborg will provide a verbal report at the meeting.
Recommendation: Informational Only.
- General Manager Comments.** None at the time of this writing.

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As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the District's Meyers-Milias-Brown Act representative.

- Conference with Labor Negotiators:
District Negotiators: Tim Flanagan, Peter Skinner, Timothy Brownell, and Berta Torres
Employee Organizations: Operating Engineers and Management Employees

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

Please note: A report out and announcement concerning the closed session will be provided to anyone by emailing baguilar@mrwmd.org.

ADJOURNMENT

NEXT MEETING DATE: Wednesday, July 1, 2020 at 9:00 a.m.

Respectfully submitted,

Timothy S. Flanagan



**MONTEREY REGIONAL WASTE
MANAGEMENT DISTRICT**

FINAL BUDGET

FISCAL YEAR 2020/2021

*Presented to the Finance Committee
on June 3, 2020*

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Memorandum – Director of Finance & Administration

DATE: May 29, 2020
TO: Board of Directors
FROM: Director of Finance & Administration
SUBJECT: Final Budget for Fiscal Year 2020/21

RECOMMENDATION: That the Board approve the Final Budget for Fiscal Year 2020/2021.

Enclosed for your review is the Final Budget for Fiscal Year (FY) 2020/2021. Staff is requesting that the Board of Directors approve this budget.

Just prior to the emergence of the COVID-19 pandemic, District staff developed a draft budget anticipating a year of building upon recent progress in several areas. These areas include improvements to the new Materials Recovery Facility operations, development of infrastructure that positions the District to deliver on its mission and meet upcoming industry mandates, and investments in building every employee's sense of purpose at the District.

Then came the coronavirus. After State and County Shelter in Place orders were issued, the District shuttered the Last Chance Mercantile store and implemented extensive procedures designed to keep our employees safe while they perform essential work. In late March disposal tons began to drop and by April volumes dipped to nearly 25% below normal. Then in May volumes began to show some recovery. At this time, staff cannot predict the impacts of either the progression of the pandemic or changes to the guidance provided by public health officials.

Instead, staff is presenting now what it views to be a cautious budget to start the year. While we remain hopeful that life, and business, will return to normal quickly, staff believes this budget positions the District to manage a realistic reduction in disposal volumes and the possibility of limited opportunities to ramp back up operations at the Last Chance Mercantile store. Staff plans to monitor District financial conditions closely and will recommend adjustments to this budget throughout the coming year should things change.

As previously discussed with the Board, the difference between the pre-COVID draft budget and this version is a drop in revenue of nearly \$5.3M. Staff has responded with a proposed reduction in operating costs of nearly \$4M. These reductions are gained through a combination of the following measures: 1) staff reductions made possible from voluntary retirement and operational changes, netting 10.5 positions and saving over \$2M; 2) wage concessions by all employees saving over \$420,000; and 3) aggressive cuts to non-personnel spending that total over \$1.3M. The proposed increases in the District tip fees and Single Stream Recyclables Processing fee will help to offset the impact of the projected pandemic-related business contraction.

For FY20/21, staff estimates Revenues to be \$33,064,000. This is a decrease of \$3,485,000 (10%) compared to the FY19/20 Budget and is due to the following factors:

- \$1,256,000 decrease (10%) in disposal fees, primarily due to expected reductions in material volumes originating from within Monterey County.
- \$1,622,000 decrease (22%) in MRF revenues, including commodities sales, processing fees and contamination disposal fees, primarily due to lower commodities prices.
- \$200,000 decrease (25%) in Last Chance Mercantile revenue, due to the current closure and an expected slow re-opening of the store.
- \$400,000 decrease in projected power revenue resulting from a recalibration of estimates to align more accurately with recent experiences.

Operating Expenses for FY20/21 are projected to be \$31,412,000. This is a decrease of \$2,170,000 (6%) from the FY19/20 Budget. Personnel expenses decrease by \$1.2M (7%). Please see the accompanying memorandum from the HR Manager for details on personnel changes. Non-personnel expenses are projected to decrease nearly \$1M, or 6% compared to the FY19/20 Budget.

Non-Operating Revenues/Expenses for FY20/21 equals \$1,306,000, which includes interest expense on the 2015 and 2018 Revenue Bonds at \$2,164,000, equipment lease interest expense of \$36,000 for 2017 and 2018 equipment lease arrangements, and income from leases, investments and other charges equal to \$894,000.

Capital Outlay requests equal \$7,716,000, a decrease of over \$6.7M from the FY19/20 Budget and a reduction of \$3.3M (30%) from the pre-COVID draft budget. Mobile Equipment investments for the year include the replacement of a 2007 Cat 386 compactor (\$1.3M), replacement of a 2010 excavator (\$350,000) that was originally budgeted in FY19/20, and replacement of a service truck (\$90,000) used by the Equipment Maintenance shop. Three additional pieces of equipment initially identified for replacement in this budget year have been deferred to FY21/22, avoiding \$625,000 of capital spending. Capital Improvement projects include completion of the Biogas Conditioning System project, which will result in a positive \$1M net of CEC grant funds, development work on landfill Module 7 (\$3M) and roadway paving and improvements (\$1.1M) associated with the Scale E addition to the facility. The Capital Improvements Project budget has been reduced by \$2.7M from the pre-COVID budget by downsizing projects and/or deferring them to future years.

Net Income is projected at \$346,000.

Cash provided by operations for FY20/21 is estimated at \$4,916,000 (Net Income less Depreciation and Amortization and Closure/Post Closure Costs). Unrestricted Cash Reserves are projected to total \$24,165,000, which is made up a Cash Operating Expense Reserve of \$5,368,000, \$17,031,000 in remaining 2018 Revenue Bond funds, and an additional, undesignated balance of \$1,765,000.

The Bond Debt Service Ratio calculated for FY20/21 is 1.32, which is above the Bond Covenant of 1.25.



Peter K. Skinner
Director of Finance & Administration

Memorandum – Human Resources Manager

DATE: May 29, 2020
 TO: Board of Directors
 FROM: Human Resources Manager
 SUBJECT: Final Employee Compensation & Benefits Budget for Fiscal Year 2020/21

RECOMMENDATION: That the Board approve the Final Employee Compensation & Benefits Budget that is part of the Final Budget for Fiscal Year 2020/21

The Employee Compensation & Benefits Budget, that is part of the Final Budget for FY 2020/21, includes wages and benefits expenses for 134 employees, or 132.25 full time equivalents (FTEs) and totals \$14,798,000. In comparison, the current FY Employee Compensation & Benefits Budget included 143.75 FTEs and totaled \$15,971,000 (7% higher). The decrease is necessary due to the negative financial impacts of COVID-19 on the District’s finances and the resulting projected revenue shortfall for FY 2020/21, as described in the Final Budget for Fiscal Year 2020/21.

2020 Voluntary Early Retirement Incentive Program (VERI)

The implementation of the 2020 Voluntary Early Retirement Incentive (VERI) Program was a key cost-savings measure for personnel cost reductions and resulted in 14 voluntary retirements/separations from various departments as shown here:

Department	2020 Voluntary Early Retirement Incentive (VERI)
ACT	VERI: Accounting Technician
ADM	VERI: Executive Assistant/Board Clerk
LCM	VERI: LCM/HHW Manager
LCM	VERI: Sales Associate
LCM	VERI: Sales Assistant
LCM	VERI: Recycling Attendant
MRF	VERI: MRF Manager
MRF	VERI: Sorter I
MRF-MT	VERI: MRF Maintenance Tech
PUB	VERI: Pub Ed & Outreach Coord.
SCL	VERI: Scales Supervisor
SCL	VERI: Weighmaster
SHP	VERI: Maintenance Shop Assistant
SHP	VERI: Heavy Equip Tech III

Several of the vacated positions will be eliminated, resulting in a reduction of 7.5 FTEs from the 2020 VERI Program.

Pay Reductions & Cost-of-Living Adjustment (COLA) Freeze

While the VERI Program helped moderate the impact of the revenue shortfall, the cost-savings achieved are not sufficient to meet budgetary requirements. For this reason, the Leadership Team will take pay cuts for FY 2020/21 – General Manager: 10% and Others: 5% – as well as freeze any COLA payrate increases.

Additionally, the District Labor Negotiations Team reached agreement with all four bargaining units to freeze the COLA payrate increases that would have been due on July 1, 2020, in accordance with the respective MOUs. All Operating Engineers union members would have been eligible for a 3.5% payrate increase (COLA) and Management unit members would have been eligible for a 1.5% payrate increase.

The agreement allows for unfreezing of the payrate increases at mid-year, based on meeting certain financial performance metrics, as well as, making employees whole at year-end, if annual net operating margin equals 8% or better.

Operational Restructuring

Additional operational restructuring (made possible by the VERI Program), will provide developmental and growth opportunities for several employees, and supports further reductions in headcount. Minimal impact on operations and the remaining staff are anticipated, as described below:

Administration – FTE Decrease: With the retirement of the Executive Assistant/Board Clerk, staff has been evaluating the workload of the remaining Administration support staff and determined that two part-time positions may suffice to meet the business need, at least for the near future. The Administrative Support Specialist II will continue to perform her responsibilities at half-time and assume the responsibilities of the Board Clerk at half-time (and with out-of-class pay) until business needs change. This restructuring results in the elimination of 1 FTE.

Last Chance Mercantile/Household Hazardous Waste (LCM/HHW) – FTE Decrease: There are four (4) employees retiring from the LCM as shown on page 1. The LCM/HHW Manager position is being eliminated, allowing for the Assistant LCM Manager and LCM Supervisor to assume more responsibility for the day-to-day direction of the department and supervision of the nine (9) staff members. The Department Director will provide strategic management during the FY or until the need to backfill the Manager position becomes evident.

Management and supervision of the HHW Department (with four (4) employees) will transfer to the Site Operations Manager, who will receive a 5% payrate increase.

Additionally, the closure of the Buy-Back Service Center and a change of operations at the Z-wall (from assisted-service to self-service) further supports a decrease of 4 FTEs in the department.

MRF – FTE Decrease: The retirement of the MRF Manager and a Sorter I will result in the elimination of two (2) FTEs.

Additionally, recent operational changes and the pending installation of the MRF equipment upgrade, are expected to create additional efficiencies and will allow for a decrease in two more positions, for a total decrease of 4 FTEs.

Scales – FTE Decrease: The Scales Supervisor and one (1) full-time Weighmaster will also be retiring as of June 2020. The Supervisor position will be backfilled, possibly by internal promotion, and a part-time Deputy Weighmaster will be converted to full-time, resulting in a total decrease of 1.5 FTEs.

The above changes result in a decrease of 10.5 FTEs from the organization structure and a total of 132.25 FTEs for FY 2020/21, as shown below and on the attached Organization Chart (Attachment A):

Full Time Equivalent (FTE)			
DEPT	2019/20	2020/21	CHANGE
ADMIN	4.00	3.00	-1.0
COMM/PUB ED	3.00	3.00	
ENG	2.00	2.00	
FIN/ACCT	5.00	5.00	
HR	3.00	3.00	
HHW	4.00	4.00	
LANDFILL	10.00	10.00	
LCM	15.00	11.00	-4.0
LFG	3.00	3.00	
MAINT SHOP	11.00	10.00	
MRF MAINT	9.00	9.00	
MRF OPS	56.00	52.00	-4.0
SAFETY	1.75	1.75	
SCALES	6.00	4.50	-1.5
SITE OPS	11.00	11.00	
	143.75	132.25	-10.5

Employment Taxes and Benefits:

Please refer to the *Operating Expense Accounts, Section 2. Taxes and Benefits*, of the Budget for Fiscal Year 2020/21, found on page 15 of this budget document for all other personnel-related expenses, included in this Employee Total Compensation Budget.

STRATEGIC PLAN

The 2020/21 Staffing Plan described above supports the District’s strategic objectives of *utilizing an intentional and mindful process in the recruitment, development and growth of our people* and *building a high-performance team*. It is central to the District’s mission of *“Turning Waste into Resources in the most cost-effective and environmentally sound manner”* and necessary to assist the District’s member agencies in accomplishing the state’s Public Policy recycling and waste diversion goals.

FINANCIAL IMPACT

The financial impact to the District’s budget is estimated to be a \$1.9M reduction in personnel costs compared to the District’s Pre-COVID-19 draft budget.

CONCLUSION

Staff requests your approval of the Employee Compensation & Benefits Budget for FY 2020/21 in the amount of \$14,798,000 to support the District’s mission.

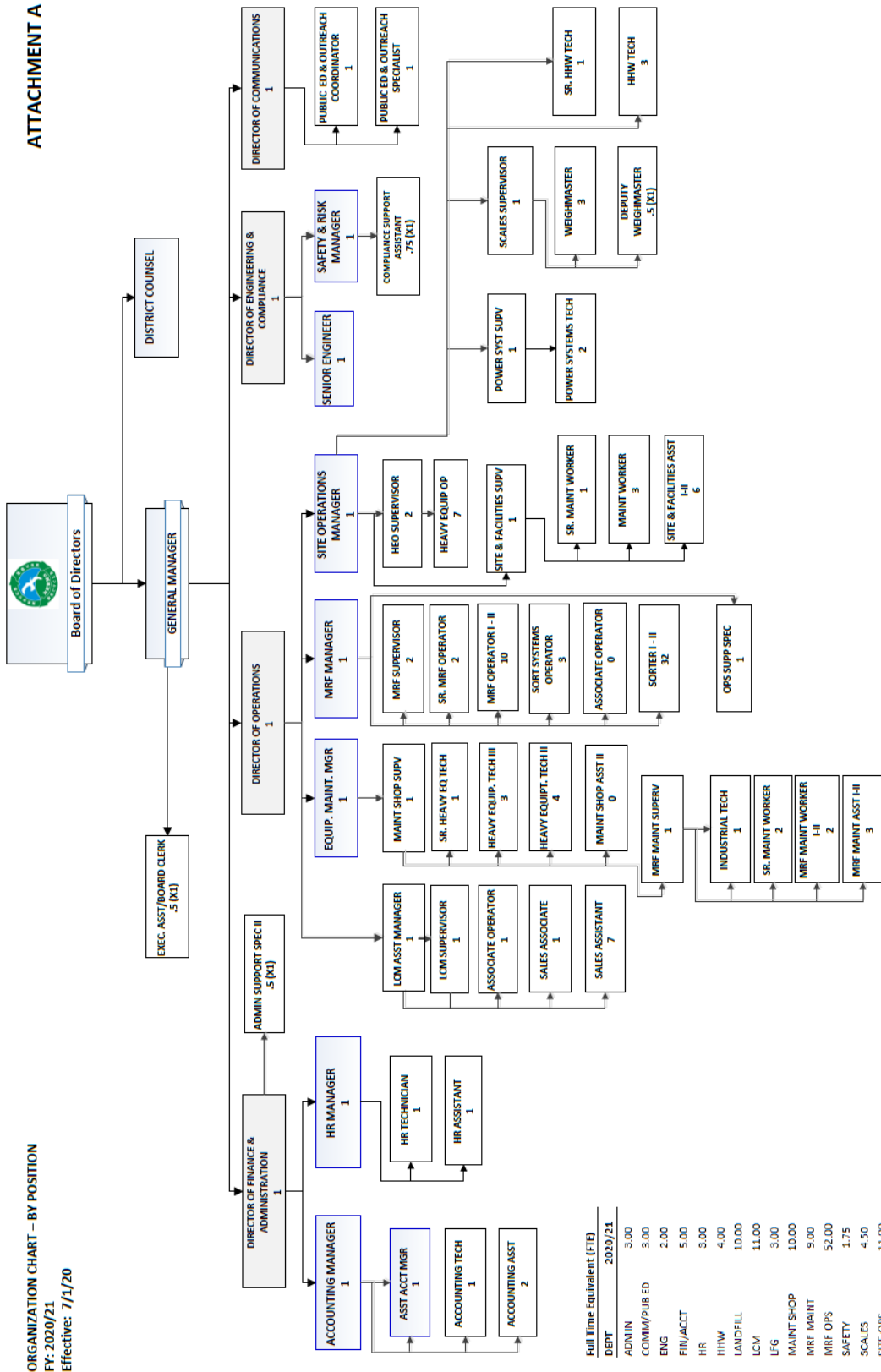
Sincerely,

A handwritten signature in blue ink that reads "Berta R. Torres". The signature is written in a cursive style and is positioned above the printed name.

Berta R. Torres, Human Resources Manager

Organizational Chart

ATTACHMENT A



ORGANIZATION CHART – BY POSITION
 FY: 2020/21
 Effective: 7/1/20

DEPT	Full Time Equivalent (FTE) 2020/21
ADMIN	3.00
COMM/PUB ED	3.00
ENG	2.00
FIN/ACCT	5.00
HR	3.00
HHW	4.00
LANDFILL	10.00
LCM	11.00
LFG	3.00
MAINT SHOP	10.00
MRF MAINT	9.00
MRF OPS	52.00
SAFETY	1.75
SCALES	4.50
SITE OPS	11.00
FY 2020/21	132.25

Budget Summary

FY 2020-21 BUDGET		FINAL		
<i>(All dollars in thousands)</i>	18/19 Audited	19/20 Budget	19/20 Estimated	20/21 Proposed
INCOME SUMMARY				
Operating Revenues	37,746	36,549	36,809	33,064
Operating Expenses	33,515	33,582	33,819	31,412
Operating Income (Loss)	4,231	2,967	2,990	1,652
Non-Operating Expenses	(487)	(1,838)	(50)	(1,306)
NET INCOME (LOSS)	3,744	1,129	2,940	346
CASH SUMMARY				
Beginning Unrestricted Cash	12,772	31,729	34,535	29,543
Cash from Operations				
Net Income (Loss)	3,744	1,129	2,940	346
Adjustments to Cash	187	4,600	4,460	4,570
Change in Cash from Operations	3,931	5,729	7,400	4,916
Cash from Financing Activities				
Capital Outlay	(6,180)	(14,481)	(10,000)	(7,716)
Deferred Maintenance - Cash Outlay				(80)
Bond and Debt Reduction	(1,522)	(2,405)	(2,392)	(2,498)
2018 Issuance of New Bonds	25,068	25,007	-	-
Change in Cash from Financing Activities	17,832	8,121	(12,392)	(10,294)
Change in Unrestricted Cash	21,763	13,850	(4,992)	(5,378)
Ending Unrestricted Cash	34,535	45,579	29,543	24,165
Designations/Reserves				
Cash Operating Reserve	4,850	5,796	5,872	5,368
2018 Bond Funds		3,777	20,994	17,031
Undesignated Cash	29,685	10,999	2,677	1,765
Total Designated Cash	34,535	20,572	29,543	24,165
Restricted cash as of June 30				
2015 Bond Rate Stabilization Fund/in Trust	2,350	2,350	2,350	2,350
Closure/Post Closure Care Costs	1,500	1,500	1,500	1,500
Environmental Impairment Fund	1,000	1,000	1,000	1,000
TOTAL CASH AS OF JUNE 30	39,385	25,422	34,393	29,015
DEBT COVERAGE RATIOS				
Ratio of Net Current Rev. to Debt Service	1.6	1.6	1.6	1.32

Revenue

The COVID-19 pandemic has introduced extreme uncertainty into the District’s budget planning process. Staff is projecting FY20/21 revenues based in part on the few the months that have followed commencement of State and County Shelter in Place orders. The impact on the District’s revenues during this time has been mixed but mostly negative. Declines in April disposal fees of over 20% have been followed by a partial rebound in May. These data, combined with reports from haulers and other waste management facilities, and knowledge of factors influencing the District’s various customers, have informed these revenue projections.

Overall District revenues are projected to decrease by 10% compared to the FY19/20 Budget and by about 11% from current fiscal year estimates. Several factors have helped to keep this decline from being larger, including:

- A 5% increase to the District’s standard material disposal rates, contributing \$600,000 in new revenue.
- A \$5 per ton increase to the MRF processing fee for Single Stream Recyclables (SSR), contributing \$720,000 in new revenue. A large portion of this increase is due to the commencement of payment of this fee by the seven GreenWaste Recovery (GWR) Franchise Agreement jurisdictions, as has been planned. The remainder is from increased payments from other SSR haulers.
- Contractual rate increases for existing regional waste customers, including the cities of Capitola, Scotts Valley and Watsonville, and the County of Santa Cruz.
- More aggressive budgeting assumptions regarding the volume of materials delivered by GreenWaste Recovery’s San Jose waste processing sites.

FY 2020-21 BUDGET					FINAL		
All \$\$ in Thousands	18/19 Audited	19/20 Budget	19/20 Estimated	20/21 Proposed	Change from FY 19/20 Budget		
OPERATING REVENUES							
DISPOSAL FEES							
Franchise + Self haul	16,256	15,095	15,848	13,743	(1,352)	-9%	
Out of District							
GWR - San Jose	10,710	8,732	9,454	8,912	180	2%	
Other Regional	1,781	1,709	2,007	1,625	(84)	-5%	
SUBTOTAL	28,747	25,536	27,309	24,280	(1,256)	-5%	
MRF OPERATIONS							
MRF Revenue	5,763	7,401	6,400	5,779	(1,622)	-22%	
SUBTOTAL	5,763	7,401	6,400	5,779	(1,622)	(0)	
OTHER REVENUES							
Power Sales	1,334	1,747	1,300	1,350	(397)	-23%	
Last Chance Mercantile + HHW	797	940	600	735	(205)	-22%	
Other Sales	1,105	925	1,200	920	(5)	-1%	
SUBTOTAL	3,236	3,612	3,100	3,005	(607)	-17%	
TOTAL OPERATING REVENUES	37,746	36,549	36,809	33,064	(3,485)	-10%	

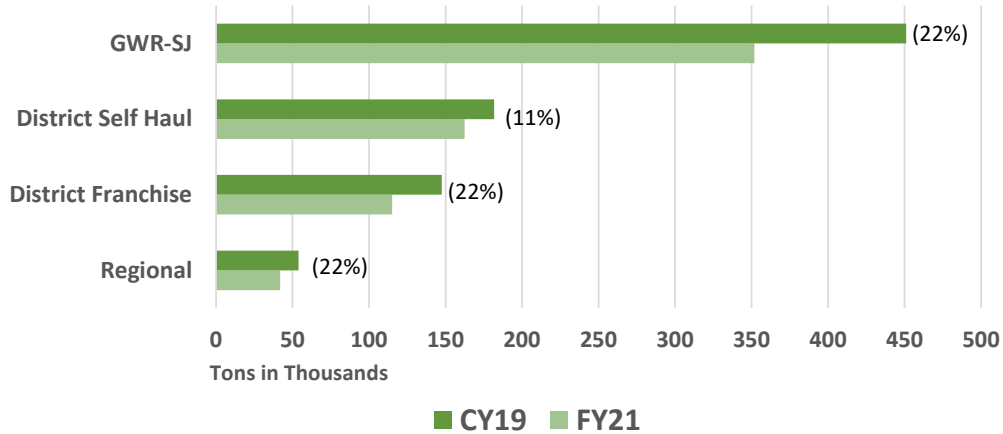
REVENUE ACCOUNTS

1. Disposal Fees

Disposal Fees are projected to decrease by 5%, or \$1.26M compared to the FY19/20 budget. Disposal fees make up about 75% of the District’s total revenues. In projecting disposal revenue, staff has evaluated material types delivered by each of the District’s four the major customer types and developed volume projections based on pre-COVID and post-COVID volumes, input from waste haulers and waste processors, and assumptions about the business activities associated with each material type.

The four customer types are: 1) District-based Franchise customers, consisting of residential and commercial customers, whose waste is delivered by GreenWaste Recovery, Monterey Disposal and Waste Management; 2) District-based (mostly) Self-Haul customers, made up of private individuals and businesses such as construction and landscaping; 3) Regional customers located in the 4 jurisdictions located in Santa Cruz county, whose waste is delivered by various hauling companies; and 4) GreenWaste Recovery’s operations in Santa Clara county, which deliver post-processed waste for landfilling.

Projected Volume Reduction by Customer Type



Disposal rate changes

Disposal rates for the Regional customers and for GWR’s Santa Clara operations will rise according to per-determined price escalation provisions in each contract. For District customers, revenue projections include a 5% rate increase for five main material types. Rates for all other materials will remain unchanged.

Material Type	Current Rate	New Rate	% Increase	Date of last increase
Solid Waste	\$62.00	\$65.00	4.8%	7/1/2018
Yard Waste	\$40.00	\$42.00	5.0%	7/1/2018
Problem Waste	\$90.00	\$95.00	5.6%	2/1/2008
Biosolids (Sewage Sludge)	\$35.00	\$37.00	5.7%	7/1/2018
Food Waste	\$54.00	\$57.00	5.6%	7/1/2018

Impact of disposal rate increases on District ratepayers

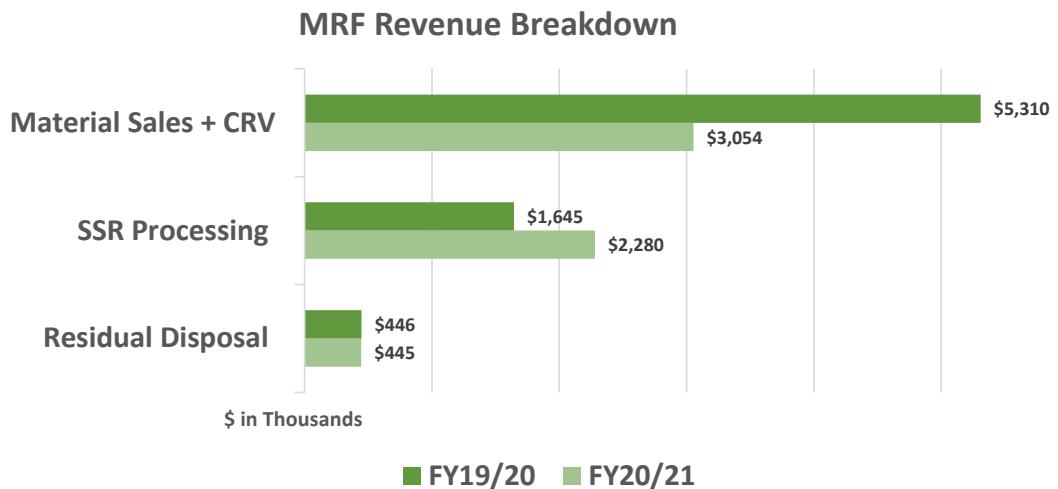
These tip fee increases are estimated to have a less-than 1% impact on collection service costs for District Franchise ratepayers. This is because disposal costs make up about one-fifth of the total cost of service for franchise customers. For a household with a 32-gallon waste, 65-gallon recycling and 65-gallon yard waste service, these rate increases will add an average of \$0.21 per month, or a little over two and a half dollars per year. Due to other changes in the collection costs that are not related to disposal costs, some Franchise customers will experience other increases in their collection service bills.

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 Recovery Facility (MRF) Revenue

Total MRF revenue is projected to decrease by 22%, or \$1.6M. MRF revenue is derived from commodity sales, processing fees and contamination disposal fees. Out of an abundance of caution, staff is projecting a 5% reduction in Single Stream Recyclables (SSR) volumes compared to FY19/20, though recent post-COVID declines have been slight. The bulk of the revenue drop comes from a steep decline in the market value of commodities captured in the MRF. This downward trend began in 2018 and has continued throughout FY19/20.

Projections for total MRF tons processed are as follows: Franchise Single Stream Recyclables – 12,000 tons; Other Single Stream Recyclables – 45,000 tons; Construction & Demolition processed – 23,000 tons. No MSW will be processed under the current budget assumptions.



Commodity sales are the result of the sale of extracted materials that are baled and sent to markets via third party brokers. Commodity sales prices have declined during the FY19/20 year and remain volatile due to continued market disruption caused by changing quality and quantity demands from both offshore and domestic buyers. Recently, a drop in petroleum prices have exerted additional downward pressure on some commodities. A more stable element of MRF commodity revenues are the California Redemption/Refund Value (CRV) payments assigned to diverted products by CalRecycle. CRV payments

represent over 70% of total MRF material sales revenue at current projections. Total commodity sales, inclusive of CRV payments, are projected to be \$3.1M.

In FY19/20, the District began charging a **Single Stream Recyclable (SSR) Processing fee** designed to recover the costs of operating recycling services in the MRF. This has become common practice in the industry nationwide. Since almost 80% of the Single Stream Recyclables (SSRs) processed by the District come through open market contracts, the District strives to set this fee in accordance with prevailing market rates. This fee is projected to result in \$2.28M in revenue.

For FY20/21, the District is raising this rate by \$5 per ton, from \$35 to \$40 per ton. The following table shows the customers/haulers subject to this fee. The increase will have a disproportional impact on the seven Franchise jurisdictions served by GWR. This is because the payment of this fee was deferred for this customer until FY20/21 for purposes of rate smoothing. All other customers began paying this processing fee in FY19/20.

Customer/Hauler	Current Rate	Proposed Rate	% Increase	Date of last increase
GreenWaste Recovery Monterey Pen.	\$0.00	\$40.00	N/A	N/A
Republic Services of Salinas	\$35.00	\$40.00	14.3%	7/1/2019
Waste Management	\$35.00	\$40.00	14.3%	7/1/2019
Recology San Benito County	\$35.00	\$40.00	14.3%	7/1/2019
City of Watsonville	\$35.00	\$40.00	14.3%	7/1/2019

The District also charges a **Residual Disposal fee** for SSR contamination rates above 10%. This disposal fee is tied to the District’s MSW disposal rate, \$65 per ton for FY20/21. This fee is projected to result in \$.45M in new revenue.

Impact of SSR Processing rate increases on District ratepayers

The SSR Processing fee increase is estimated to add an average of 3.5% to customers in the 7 GWR Franchise jurisdictions. For a household with a 32-gallon waste, 65-gallon recycling and 65-gallon yard waste service, these rate increases will add an average of \$0.80 per month, or \$9.60 per year. District customers of Waste Management who reside in the County of Monterey are estimated to see an increase of less than 1% from the \$5 per ton processing fee increase. Residents of the city of Monterey are not impacted by this fee as the District does not process their Single Stream Recyclables. The District’s Self-Haul customer will also not be affected by this rate increase.

Overall Impact of rate changes on District ratepayers

The tables below show the estimated combined average impact of the District’s disposal and processing rate changes on residential and commercial customers of in the 7 GWR Franchise jurisdictions. As discussed above, rate impacts on ratepayers in the City and County of Monterey will be different. The estimates shown are average rate increases for representative service levels across all communities. Rate impacts will vary by city based on the jurisdiction rate setting policies. Rate changes that are subject to contractual rate adjustment processes not disposal-related are not reflected here.

TIP FEE ONLY	RESIDENTIAL	COMMERCIAL	
	30-35 Gallon	MSW 1 Cubic Yd. 1/week	Organics 65 gal
Average % Increase	0.9%	0.9%	0.9%
\$ increase/month	\$0.21	\$1.00	\$0.30

\$40 MRF PROC. FEE ONLY	RESIDENTIAL	COMMERCIAL	
	30-35 Gallon	MSW 1 Cubic Yd. 1/week	Organics 65 gal
Average % Increase	3.5%	3.5%	3.5%
\$ increase/month	\$0.80	\$4.00	\$1.10

COMBINED FEE CHANGES	RESIDENTIAL	COMMERCIAL	
	30-35 Gallon	MSW 1 Cubic Yard 1/week	Organics 65 gal
Average % Increase	4.4%	4.4%	4.4%
\$ increase/month	\$1.01	\$5.00	\$1.40

Over the past two years, the District has conducted a regional rate benchmarking analysis to compare waste system costs and services to those in the greater Tri-County and Bay Area. The analysis has shown that the District’s disposal fees remain the second lowest within a 90-mile radius and the District’s residential and commercial collection rates are on average the lowest in the broader region.

3. Power Sales

The District operates four engines that burn methane gas pulled from the landfill. In total, this facility has a maximum capacity of 5 megawatts of power. All the District’s internal electricity needs – about 1 megawatt - are met by this facility and the surplus power is sold to the grid. Over the past few years, the District has over-estimated revenue generated from the sale of power. Shortfalls have been due to operating downtime due to engine repairs and maintenance. Consequently, staff is lowering the power sales projection for this budget by \$400,000 – from \$1.75M to 1.35M – to reflect experience more accurately. Electricity prices are not expected to change from FY19/20 and it is assumed that Monterey One Water will not have the electrical connection from their Advance Water Purification Facility to the District’s power plant completed during this budget year.

4. Last Chance Mercantile, Household Hazardous Waste & Other Sales

The response to the COVID-19 pandemic has created significant restrictions for operations of the Last Chance Mercantile (LCM). The store has been closed since late March 2020 and will remain closed until restrictions on retail operations are changed or lifted entirely. LCM has historically generated about \$800,000 of sales per year. Staff is currently projecting a 25% cut to this revenue for the coming year, to \$600,000.

Household Hazardous Waste (HHW) revenues have increased in recent years to approximately \$135,000. No change in HHW drop-offs or costs have been experienced since the beginning of the pandemic.

Other Sales are not expected to change from FY19/20. These include the sale of sand, landscaping products, CNG for use in the Truck Yard fueling station and miscellaneous Operational Services - loading fees, push-offs, and certified weights.

Expenses

FY 2020-21 BUDGET				FINAL		
All \$\$ in Thousands	18/19 Audited	19/20 Budget	19/20 Estimated	20/21 Proposed	Change from FY 19/20 Budget	
OPERATING EXPENSES						
SALARY EXPENSES						
Wages	10,421	10,835	12,113	9,703	(1,133)	-10%
Taxes & Benefits						
Healthcare	2,228	2,321	2,350	2,345	24	1%
CalPERS	2,187	1,641	1,454	1,638	(3)	0%
Workers Compensation	615	732	835	711	(20)	-3%
Taxes	157	161	166	146	(15)	-9%
Other Benefits	232	281	601	255	(26)	-9%
Total Taxes & Benefits	5,419	5,136	5,406	5,095	(41)	-1%
SUBTOTAL	15,840	15,971	17,519	14,798	(1,173)	-7%
NON-SALARY EXPENSES						
Amortization & Depreciation	3,972	4,100	4,100	4,200	100	2%
Closure/Post Closure Costs	366	500	360	370	(130)	-26%
Contractual Services	1,062	1,031	700	389	(642)	-62%
Environmental Services	277	265	250	369	104	39%
Gasoline, Oil & Fuel	1,271	1,260	1,200	1,255	(5)	0%
Hazardous Waste Disposal	403	310	390	308	(2)	-1%
Insurance	106	430	430	575	145	34%
Office Expense	495	281	280	238	(42)	-15%
Operating Supplies	1,008	1,309	1,030	1,118	(190)	-15%
Professional Services	1,137	1,328	790	1,155	(173)	-13%
Public Awareness	237	165	130	151	(15)	-9%
Recycling Services	2,723	1,877	2,500	1,658	(220)	-12%
Repairs & Maintenance	2,734	2,812	2,170	2,821	9	0%
Safety Equip/Supplies/Training	287	166	270	255	90	54%
Taxes & Surcharges	1,314	1,438	1,500	1,437	(1)	0%
Training/Meetings/Education	156	195	80	180	(15)	-8%
Utilities	84	115	100	116	1	0%
Other Expense	43	30	20	21	(9)	-31%
SUBTOTAL	17,675	17,611	16,300	16,614	(997)	-6%
TOTAL OPERATING EXPENSES	33,515	33,582	33,819	31,412	(2,170)	-6%
NON-OPERATING REVENUE & EXPENSES						
Interest Income	381	95	675	450	355	374%
Rents & leases	346	325	362	435	110	34%
Finance charges	12	15	8.5	9	(6)	-40%
Other Income	-392	15	0.1	0.1	(15)	-99%
Equipment Purchases - Interest Expense	(59)	(50)	(53)	(36)	14	-28%
Revenue Bonds - Interest Expense	(775)	(2,238)	(975)	(2,164)	74	-3%
TOTAL NON-OPERATING EXPENSES	(487)	(1,838)	(50)	(1,306)	532	-29%
NET INCOME (LOSS)	3,744	1,129	2,940	346	(783)	-69%

OPERATING EXPENSE ACCOUNTS

Faced with the prospect of continued revenue reductions, District Leadership and department Managers examined the pre-COVID budget assumptions for ways to cut costs. In total, over \$1.3M in expense reductions were identified. Some of these cuts are described below.

1. Wages

Total Wages decrease by 10% compared to the FY19/20 budget, from \$10.8M to \$9.7M. This reduction is due to staffing reductions achieved through the voluntary early retirement program and other operational changes, wage reductions by the General Manager and Leadership Team, and wage concessions by all employees that freeze previously-negotiated annual wage increases (COLAs) until the District's financial conditions rebound. Aside from base pay, step increases, and overtime pay, Wage estimates include pay for holiday work, stipends for shift-differential and bilingual skills, and longevity pay. Please refer to the HR Manager's *Final Employee Compensation & Benefits Budget for FY 2019/20* found on page 3 of this budget document for further information.

2. Taxes & Benefits

Total taxes and benefits also decline, due mostly to the reduction in staffing. Decreases in taxes and some benefit costs are offset by increases in the underlying rates for healthcare and CalPERS pension obligations. District employees pay 12% of the total cost of health Insurance premiums, which are projected to increase by 6% on January 1, 2021. The District's healthcare premiums have declined over the past two years. The District's annual CalPERS costs drop 1% to \$1,638,000. The employer contribution for the "Normal Cost" is 9.611% of earnings for FY20/21, which represents a rate increase of 5.5%. In addition, the District will pay approximately \$889,000 in other PERS contributions, an amount designed by CalPERS to capture unfunded accrued liabilities. The total pension cost as a percentage of total wages is assumed to equal 18%. Workers' Compensation costs are projected to decline to \$711,000, a 3% drop due to a reduction in staff, a negotiated 3-year cap on the District's experience modifier (EMOD), and no change to rates.

3. Amortization & Depreciation

This large expense is a direct reflection of the District's capital investment in equipment and facilities. Staff is projecting a 2% increase compared to the FY19/20 budget due to capital investments made in the past 12 months. This is a non-cash expense.

4. Closure/Post-Closure Costs

The Monterey Peninsula Landfill (MPL) Preliminary Closure/Post Closure (C/PC) Plan was approved in October 2011. The current estimate reflects the impact of the MPL C/PC Plan and tonnages of materials being landfilled in recent years. The FY20/21 budget projects a small increase from the previous year.

5. Contractual Services

Contractual services costs decline from \$700,000 to \$389,000, due to a planned reduction in the use of temporary staffing and the introduction of other operational changes designed to reduce costs. Aside from temporary staffing expenses, other costs under this category include janitorial services, alarm services, bird and other pest control, and portable toilet rental.

6. Environmental Services

Environmental services are professional fees required to monitor and report on the landfill, groundwater, storm water, domestic water system, hazardous materials, air quality and landfill gas migration control and engine exhaust emissions. These expenses total \$369,000 – an increase of \$104,000. Environmental services are utilized by the Engineering & Compliance department and in support of the Landfill Gas to Energy operations. Engineering and Compliance expenditures include semi-annual groundwater testing (\$30,000); surface methane monitoring (\$20,000), Title V permit compliance (\$33,000), criterial pollutants & GHG emissions reporting (\$10,000), surveying & mapping services (\$20,000), and miscellaneous monitoring and analysis (\$27,500). Landfill Gas to Energy compliance expenditures amount to \$178,000 for the year.

7. Fuels & Oils

The Fuels & Oils expense category are set at slightly above current year estimates, \$1.26M. Diesel fuel constitutes the largest of fuel expenses for the District (\$730,000) and are distributed across nearly all departments. The cost of CNG fuel purchased from PG&E and sold to GreenWaste Recovery for use in collection vehicles equals \$525,000. This expense will be eliminated once the District's landfill gas conversion project is completed and becomes operational.

8. Hazardous Waste Disposal

Hazardous Waste Disposal expenses have increased significantly in recent years. The District pays third parties to dispose of hazardous waste collected at the District (batteries, florescent tubes and compact florescent lamps, etc.). Costs for these services have increased by approximately 25%. To control costs this year the District is eliminating 2 off-site HHW collection events held in the community. This will save approximately \$60,000.

9. Insurance

The District is projecting an increase in insurance costs from \$430,000 to \$575,000, or 34%. The District has been informed by its carrier (SDRMA) that rates for property and liability insurance have increased by nearly 40% world-wide due to an increase in claims against major insurance providers. This increase predated the COVID-19 pandemic and has been caused by major catastrophic events such as fires.

10. Office Expenses

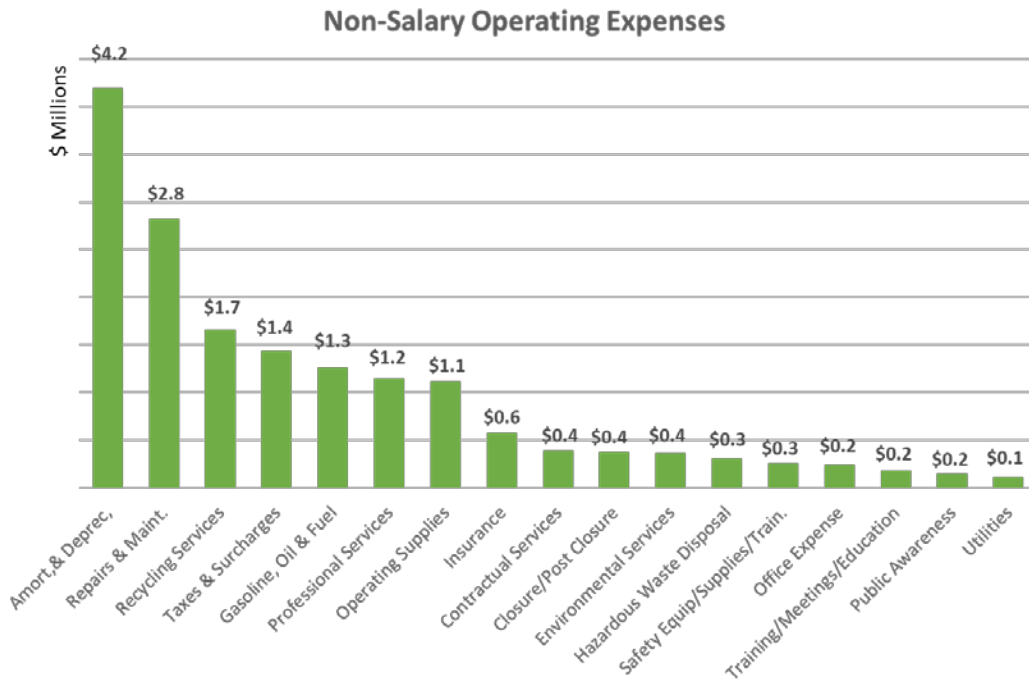
Office Expenses are reduced 15% (\$42,000) year-over-year to \$238,000. Over \$165,000 of this total is for technology: software and related services for Accounting, Scales, MRF and the Maintenance Shop (43,000); website development and maintenance (35,000); support services by third parties, including on-site support (72,000). Other costs for Office Expenses have not changed materially: Memberships, subscriptions and conference costs (\$43,000); Office supplies (\$29,000) that includes miscellaneous office costs and copier supplies and upkeep.

11. Operating Supplies

Operating Supplies have been reduced by 15% (\$190,000) compared to the prior year, from \$1.33M to \$1.16M. The MRF Operating Supplies budget includes \$225,000 for production supplies such as baling wire and the MRF Maintenance budget contains \$75,000 for repair parts, conveyors, screens and tools. The Landfill operations budget contains \$200,000, mostly for landfill site maintenance and the Landfill Gas to Energy facility includes \$150,000 for landfill gas cleanup equipment and filtering media. The Equipment Shop, the Scales and the Site departments make up the remainder of this expense category.

12. Professional Services

Professional Services expenses decline by 13% (\$173,000) compared to last year’s budget. Professional Services include expenditures for on-going attorney fees (\$125,000, no change), additional legal and other services related to labor relations (\$20,000, down from \$44,000); financial service fees for auditors, banking and bond compliance (\$49,000, down from \$46,000); human resources spending on hiring and recruiting (\$40,000); credit card processing fees for the Scales Operations and LCM (\$112,000); Engineering-related services, such as grant administration, power project analyses, AD feasibility study, MRF & biogas enhancement analyses (\$405,000); MRF waste characterization study (\$100,000, down from \$125,000); LFG costs for power sales scheduling and other, related professional services (\$90,000).



13. Public Education & Awareness

Public Awareness expenses have been reduced by nearly 10% (\$15,000) from last year’s budget and by nearly \$150,000 compared to the District’s Pre-COVID-19 budget. With the onset of the pandemic, the District’s communications objectives and focus have changed. Public Awareness expenditures include funds for advertising and publications (\$100,000), and other promotion and education activities (\$8,000).

14. Recycling Services

The Recycling Services category includes costs for processing various materials not currently handled by District staff as well as those handled at the MRF. Recycling Services related to yard waste, wood waste, food waste are performed by Keith Day & Co. and make up over \$1.4M of the \$1.6M budget. Payments for processing these materials are made on a per-ton basis. Others recycling expenses include MRF-related costs for handling glass, tires and freon (\$227,500). With the advent of COVID-19, the District has ceased operating the CRV Buy Back Center previously located at the LCM. This change will serve to eliminate over \$300,000 in additional costs.

15. Repairs & Maintenance

Repair & Maintenance expenses are budgeted at \$2.8M, unchanged from \$1.6M in FY19/20. The major areas of spending are in the Equipment Maintenance Shop (\$1.0M), the Landfill Gas to Energy facility (\$916,000), and the MRF Maintenance department (\$243,000).

16. Safety Equipment, Supplies & Services

Safety Equipment, Supplies & Service expenses are up from the FY19/20 budget by \$90,000, but lower than actual costs for the year by an estimated \$15,000. The District exceeded budget for this category primarily due to the engagement of a third-party vendor to provide on-site first aid services and site safety visits and reporting. This practice is budgeted to continue and is expected to have a positive impact on long term workers compensation insurance costs. Other safety expenses include costs for safety apparel and supplies used by employees in day to day operations such as gloves, vests, helmets and other apparel.

17. Taxes, Surcharges, Permits

Significant costs include: State Board of Equalization AB 939 Fee (\$1.40/ton landfilled) and the Monterey County Health Department fee. Both of these fees are based on tons landfilled and are estimated at \$1.2M; LAFCO membership (\$50,000); the Monterey Bay Unified Air Pollution Control District fees (\$52,000); Monterey County Water Resources Agency fees (\$50,000); new SWRCB landfill annual permit fee (\$50,000); and contribution to Monterey County illegal dumping initiative (\$25,000, reduced from \$50,000 in FY19/20).

18. Training, Education & Meetings

The Training budget has been reduced from \$195,000 to \$180,000. Training is focused on job certifications and job skills development.

19. Utilities

Utilities expense projections track current year estimates at \$116,000 and are similar to last year's budget. Utilities include miscellaneous electricity usage throughout the site in areas that cannot be served by District-generate power, and supplemental power purchased from PG&E when District power is off-line (\$75,500). These expenses also include telephone and data services (\$40,000).

20. Other Expenses

Other Expenses have been cut by a third and reflect FY19/20 spending levels.

NON-OPERATING REVENUE & EXPENSES

1. Non-Operating Revenues & Expenses

Non-operating Revenue & Expenses include revenues from the Truck Yard lease and space rental to other entities. Also included is income from returns on cash investments and finance charges levied for late customer payments. Expenses are interest costs for the financing of two pieces of heavy equipment, which will be fully paid off by FY21/22, and all interest expense associated with the District's 2015 and 2018 Revenue Bonds.

Capital Outlay

District capital expenditures are divided into two categories: Mobile Equipment and Capital Improvements. Mobile Equipment includes dozers, compactors, all vehicles, and trailers used on and off the site, and miscellaneous equipment such as computers, software and furniture. Mobile 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.

FY 2020-21 BUDGET - CAPITAL OUTLAY PLAN								FINAL
All \$\$ in Thousands	18/19 Actual	19/20 Budget	19/20 Estimate	20/21 Proposed	21/22	22/23	23/24	24/25
CAPITAL OUTLAY PLAN								
Mobile Equipment	1,789	1,990	-	2,016	2,010	1,370	1,250	1,120
Capital Improvements	6,093	12,491	-	5,700	5,900	5,025	6,750	6,950
TOTAL CAPITAL INVESTMENT	7,882	14,481	-	7,716	7,910	6,395	8,000	8,070

FY20/21 Capital Outlay Highlights

Mobile Equipment replacement and new purchases:

- Replace Cat 386 compactor (Landfill) – \$1,300k
- Replace excavator; deferred from FY19/20 (MRF) – \$350k
- Replace Maintenance Shop service truck (SHO) – \$90k
- Defer replacement of D6R Dozer (Landfill) – \$450k
- Defer replacement of Tarpomatic tarp machine (Landfill) – \$90k
- Defer replacement of wheels for Cat 386 compactor (Landfill) – \$85k

Capital Improvement Projects:

- CEC Grant Project: Biogas Conditioning System (LFG) – net positive \$1M due to grant funds
- Module 7 development (Landfill) - \$3M; rescheduled to cause some expenditures to occur in FY21/22
- Roadway paving and improvements (Site) - \$1.1M
- Miscellaneous landfill infrastructure work (Landfill) - \$665K
- Scale and scale house improvements (Scales) - \$550K
- MRF equipment - \$450K
- Deferred \$600k for three scale replacements
- Deferred \$200k for Old Shop Building discretionary improvements
- Deferred \$150k for Module 8 and Leachate Management project development
- Deferred \$75k for landfill and storm water projects development

FY 2020-21 BUDGET - CAPITAL OUTLAY PLAN												FINAL				
All \$ in Thousands																
	Dept	Life	17/18 Budget	Actual	17/18	18/19 Budget	Actual	18/19	19/20 Budget	Estimate	Proposed	20/21	21/22	22/23	23/24	24/25
MOBILE EQUIPMENT																
Board Room - Furniture and AV Upgrade	ADM	7	-	-	-	25	25	25								25
Replace 2000 Dodge Van AD06 with Pub Ed tour van	ADM	10	-	-	-	50	18	50								
Replace 2000 Dodge Van AD06 with Rav 4 SUV	ADM		-	-	-	27	27									
1. Computer Hardware/ Software	ADM	1	25	25	25	25	25	25				25	50	25	50	25
2. Replace Copier, Document Management & other office hardware	ADM	5	-	-	-	10	10	10				10	10	10	10	10
3. AD07 2001 Ford F-150 4x4 Pickup - Replace	ADM	10	-	-	-	30	30	30				30	30	30	30	30
4. Replace Office Furniture	ADM	10	-	-	-	30	30	30				30	30	30	30	30
Replace Accounting System	ADM	6	-	-	-											
Replace 2006 Toyota Highlander AD10	ADM	10	50	50									30	30	30	30
Miscellaneous Admin. Replacements	ADM												30	30	30	30
Replace LC14 Forklift	LCM	10	-	-	-											
Replace 2002 LC09 Forklift	LCM	10	-	-	-									60		
Used Box Truck for LCM	LCM	10	-	-	-			50								
Replace 2001 836G Compactor - LF11	LFO	15	-	-	-	1,300	1,275									
LF06 1999 D6R Dozer - Replace	LFO	15	-	-	-	440						450				
LF15 Tarromatic 2004 - Replace	LFO	10	-	-	-							90				
Replace 2006 John Deere 6415 Ag Tractor LF18	LFO	15	-	-	-											
Replace Box Scraper - LF19	LFO	10	-	-	-											
Replace S131 Allmand Light Tower 2000	LFO	5	-	-	-											
Replace 1999 D9R Dozer - LF10 with D8 Dozer	LFO	15	-	-	-											
5. LF22 2007 836H Compactor - Replace	LFO	15	-	-	-						1,300					
Replace 1997 966 Wheel Loader LF13	LFO	15	-	-	-											
Replace 2005 D9T Dozer - LF16 - with D8	LFO	15	-	-	-			505								
Replace 2001 627G Scraper LF02 with articulating ejector truck	LFO	15	-	-	-									750		
Replace 1996 D8T Dozer - LF09	LFO	15	915	915	915											
(UF) LF26 D8T Dozer 2016 (Replacement FY 25/26 \$1,000,000)	LFO	15														
(UF) LF27 836K Compactor 2016 (Replacement FY 29/30 \$1,400,000)	LFO							150								
LF27 836K Compactor 2016 - Replace Wheels	LFO												85			
(UF) LF29 D8T Dozer 2017 capitalized maintenance (Replacement FY 27/28)	LFO												150	30		
(UF/Site) MR20 2300LC Excavator 2003 - New Thumb Attachment	LFO													15		
(UF) S152 Genie Light Tower 2004 - Replace	LFO													6		
Engine 1 - 2006 Caterpillar 3520 Major overhaul (every 93,000 hrs.)	LFG	10				400	400									19
Kubota RTV for LFG (Gas field work)	LFG															

FY 2020-21 BUDGET - CAPITAL OUTLAY PLAN		FINAL									
All \$\$ in Thousands		Dept	Life	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
		Budget	Actual	Budget	Actual	Budget	Estimate	Proposed			
MOBILE EQUIPMENT											
MRF	Biny/Box replacement					15			25		25
MRF	new Roll-off Box purchases (10 40yd)			48		100					
6	MRF18 PV500 Pacific Tec 1998 - Liquid vacuum unit - Replace						65				
	2009 Volvo Roll-Off Truck MR37							265			
	2009 Volvo Roll-Off Truck MR38							265			
7	MRF42 324DL Excavator 2010 - Replace					300		350			
	Replace 2011 324DL Excavator MR43								350		
	2005 938G Wheel Loader with 9508R (MR27)					425					
	Replace MR44 2008 IHC Semi Truck (MRF) w/new CNG unit							150			
	Replace MR45 2008 IHC Semi Truck (MRF) w/new CNG unit							150			
	(MRF) MR55 938M Wheel Loader 2018 (Replacement 29/30 \$300K)									85	
	2011 or Newer Used Water Truck for MRF Fire Protection (2,000 to 3,000 gal)					50					
	2011 or Newer Used Semi Truck for MRF					80					
8	Miscellaneous MRF Equipment			30	30	20		20	20	20	20
9	SH07 Shop Sterling Service Truck - Replace										
10	SH13 2007 Ford F-150 2WD (SHOP) - Replace							90			
	Outer Year Contingency							35			2,000
11	S67 Genie Light Tower 2006 - Replace							6			
12	Box Scraper - New							25			
	289D Compact track loader					100					
	Replace 2007 Site Ford F150 4x4 Pick up S148					30					
	Replace 2007 Ford F-150 2WD Site Pick up S149			20	20	21					
	Replace 1998 Chev 2500 4x4 Site Pick up S153										
13	S64 2002 Ford F-150 4x4 (LF) - Replace					30		30			
	Replace 2010 Volvo Water Truck S158								240		
	Replace 2011 Dump Truck S165									40	
TOTAL MOBILE EQUIPMENT EXPENSES		2,097	1,647	2,755	1,789	1,990	-	2,016	1,370	2,250	2,120

FY 2020-21 BUDGET - CAPITAL OUTLAY PLAN												FINAL
All \$\$ in Thousands												
	Dept.	17/18 Actual	18/19 Actual	19/20 Budget	19/20 Estimated	20/21 Budget	20/21 Budget	21/22	22/23	23/24	24/25	
CAPITAL IMPROVEMENT PROJECTS												
Admin Building	ADM	150		125				225				
Truck Yard	ADM							150	350			
HHW Facility	LCM			100			25					150
LCM Retail Store	LCM			130			150	200				
Public Recycling Drop-off	LCM			25			35			25		
LFGTE Facility	LFG							75	75	75	75	75
LFG Building roof and gutter repairs	LFG			75			80					
LFG Engine room air flow improvements	LFG			50			60					
Replace Versa-Ruptor switch gear cabinet	LFG			20			20					
LFGTE Plant Flow Meters	LFG	425		15			25					
LFG Flare - Zone B Flow Control Auto-Valve	LFG	425		15			15					
LFG Supply Maintenance Control Valves (3)	LFG	425		25			25					
Grounding Resister -	LFG			20			25					
LFG Blower #3 Supply	LFG	425		125								
ENG #2 Radiator	LFG	425		85								
LFG Chiller - (orig w/CEC Project as Change Order if confirmed)	LFG	425										
H2S Treatment - (orig w/CEC Project \$1MM)	LFG	425										
Misc. LFG - CEC Grant	LFG	425	1,380	2,000			450					
CEC Grant H2S Treatment System	LFG	425	250	500			350					
CEC Grant Reimbursements	LFG	425		-1,500			-1,800					
Energy & Organic Waste Proc. Tech. Assess.	LFG	425		250			250	250	250	250	250	250

FY 2020-21 BUDGET - CAPITAL OUTLAY PLAN		FINAL											
		17/18	18/19	19/20	19/20	20/21	21/22	22/23	23/24	24/25			
All \$ in Thousands		Actual	Actual	Budget	Estimated	Budget							
Dept.													
CAPITAL IMPROVEMENT PROJECTS													
Compost Site	LFO	175		2,000									
Module 6 Development	LFO	250	890	5,110									
Module 7 Development	LFO	250	7	75		3,000	4,000						
Module 8 Development	LFO	250				75	75	150	3,000				5,500
Leachate Management	LFO		125	125		100	75	75	75				150
LFG Management	LFO		325	50		350	75	75	325				75
LFG Condensate Management	LFO		55	50		75	75	75	75				75
Misc. Landfill	LFO	775	149	125		65	75	75	75				75
Storm Water Management - (Design, Permit, Construct)	LFO	75		50		75	75	3,000					
Materials Recovery Facility 2.0	MRF	8,150	2,733			450			450				
MRF OCC Disc Screen	MRF			776									
MRF Fall Protection Equipment	MRF		76	150									
MRF Lock Out-Tag Out Optimization	MRF			100									
MRF 2.5 C&D Concept Design/Evaluation	MRF			125				250					
Scales - 4 New Below-Grade Decks (FY20/21)	SCL	50		90		300	300	300	300				
Scales Software Upgrade - Paradigm	SCL	50	63	40									
Scale House Add. (Concept & Final Design-Function & ADA)	SCL	50	15	75		250							
Maintenance Shop Building	SHO			145									250
Old Shop Building	SHO			45		50							250
Wash Pad Facility	SHO							100					
Site Entrance Upgrade	SIT		25	50									
Paved Roads	SIT			1,100		1,100		150	2,000				
Misc. Site	SIT	305		88		50	50	50	50				50
Misc. Facilities	SIT	70		63		50	50	50	50				50
TOTAL CAPITAL IMPROVEMENT EXPENSES		15,275	6,093	12,491	0	5,700	5,900	5,025	6,750	6,950			

Debt

The following Debt Schedule describes the use of debt and the principal and interest payments for servicing debt. The Debt Service Coverage Ratios calculate the District’s annual ability to meet the debt service covenant that is required of both the 2015 and 2018 Revenue Bonds. The minimum required ratio is 1.25.

FY 2020-21 BUDGET								FINAL
All \$\$ in Thousands	18/19 Audited	19/20 Budget	19/20 Estimated	20/21 Proposed	21/22	22/23	23/24	24/25
DEBT SCHEDULE								
DEBT ISSUANCE								
Capital Equipment Financing								
2016/17 Compactor								
2017/18 Dozer & Loader								
Capital Project Financing								
Revenue Bond Financing 2018	25,007							
Total Debt Proceeds	25,007	-	-	-	-	-	-	-
DEBT SERVICE								
2015 Revenue Bonds								
Interest Expenses	1,189	1,130	1,143	1,094	1,037	977	914	854
Principal	1,155	1,205	1,205	1,250	1,310	1,370	1,435	1,490
Total 2015 Bond Debt Svc	2,344	2,335	2,348	2,344	2,347	2,347	2,349	2,344
2018 Revenue Bonds								
Interest Expenses	404.7	1107	1107	1,070	1,031	990	947	902
Principal	367	745	745	780	820	860	905	950
Total 2018 Bond Debt Service	772	1,852	1,852	1,850	1,851	1,850	1,852	1,852
Capital Equipment - Interest								
2016/17 Compactor	23	18	18	12	6			
2017/18 Dozer & Loader	39	32	32	24	16	8		
Capital Equipment - Principal								
2016/17 Compactor	224	224	224	236	242			
2017/18 Dozer & Loader		217	217	232	240	248		
Total Debt Service								
Total Interest	1,656	2,287	2,300	2,200	2,090	1,975	1,861	1,756
Total Principal	1,746	2,392	2,392	2,498	2,612	2,478	2,340	2,440
Total Debt Service	3,402	4,679	4,692	4,698	4,702	4,453	4,201	4,196
TOTAL NET FROM FINANCING	21,605	(4,679)	(4,692)	(4,698)	(4,702)	(4,453)	(4,201)	(4,196)
DEBT SERVICE RATIOS								
Current Revenue	37,746	36,549	36,809	33,064	40,609	42,248	43,150	44,077
Less: Maintenance & Operating Expense	29,177	28,982	29,359	26,842	27,853	28,904	29,945	30,999
Net Current Revenue	8,569	7,567	7,450	6,222	12,757	13,344	13,205	13,079
Debt Principal & Interest	3,402	4,679	4,692	4,698	4,702	4,453	4,201	4,196
Ratio Net Current Rev. to Debt Service	2.52	1.62	1.59	1.32	2.71	3.00	3.14	3.12

Five-Year Outlook

	19/20 Budget	19/20 Estimated	20/21 Proposed	21/22	22/23	23/24	24/25
FY 2020-21 BUDGET							
(All dollars in thousands)							
INCOME SUMMARY							
Operating Revenues	36,549	36,809	33,064	40,609	42,248	43,150	44,077
Operating Expenses	33,582	33,819	31,412	32,567	33,760	34,947	36,150
Operating Income (Loss)	2,967	2,990	1,652	8,042	8,488	8,203	7,927
Non-Operating Expenses	(1,838)	(50)	(1,306)	(1,655)	(1,540)	(1,426)	(1,321)
NET INCOME (LOSS)	1,129	2,940	346	6,387	6,948	6,777	6,606
CASH SUMMARY							
Beginning Unrestricted Cash	31,729	34,535	29,543	24,165	24,768	27,724	28,187
Cash from Operations							
Net Income (Loss)	1,129	2,940	346	6,387	6,948	6,777	6,606
Adjustments to Cash	4,600	4,460	4,570	4,738	4,880	5,027	5,177
Change in Cash from Operations	5,729	7,400	4,916	11,125	11,829	11,804	11,784
Cash from Financing Activities							
Capital Outlay	(14,481)	(10,000)	(7,716)	(7,910)	(6,395)	(9,000)	(9,070)
Deferred Maintenance - Cash Outlay			(80)				
Bond and Debt Reduction	(2,405)	(2,392)	(2,498)	(2,612)	(2,478)	(2,340)	(2,440)
2018 Issuance of New Bonds	25,007	-	-	-	-	-	-
Change in Cash from Financing Activities	8,121	(12,392)	(10,294)	(10,522)	(8,873)	(11,340)	(11,510)
Change in Unrestricted Cash	13,850	(4,992)	(5,378)	603	2,956	464	274
Ending Unrestricted Cash	45,579	29,543	24,165	24,768	27,724	28,187	28,461
Designations/Reserves							
Cash Operating Reserve	5,796	5,872	5,368	5,571	5,781	5,989	6,200
2018 Bond Funds	3,777	20,994	17,031				
Undesignated Cash	10,999	2,677	1,765	19,198	21,943	22,198	22,261
Total Designated Cash	20,572	29,543	24,165	24,768	27,724	28,187	28,461
Restricted cash as of June 30							
2015 Bond Rate Stabilization Fund/in Trust	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Closure/Post Closure Care Costs	1,500	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	25,422	34,393	29,015	29,618	32,574	33,037	33,311
DEBT COVERAGE RATIOS							
Ratio of Net Current Rev. to Debt Service	1.6	1.6	1.32	2.7	3.0	3.1	3.1

FY 2020-21 BUDGET							FINAL	
All \$\$ in Thousands							23/24	24/25
	18/19 Audited	19/20 Budget	19/20 Estimated	20/21 Proposed	21/22	22/23	23/24	24/25
OPERATING REVENUES								
DISPOSAL FEES								
Franchise + Self haul	16,256	15,095	15,848	13,743	17,044	17,556	18,082	18,625
Out of District								
GWR - San Jose	10,710	8,732	9,454	8,912	9,991	10,246	10,507	10,775
Other Regional	1,781	1,709	2,007	1,625	2,454	3,313	3,413	3,515
SUBTOTAL	28,747	25,536	27,309	24,280	29,489	31,115	32,002	32,915
MRF OPERATIONS								
MRF Revenue	5,763	7,401	6,400	5,779	5,792	5,806	5,820	5,834
SUBTOTAL	5,763	7,401	6,400	5,779	5,792	5,806	5,820	5,834
OTHER REVENUES								
Power Sales	1,334	1,747	1,300	1,350	3,273	3,273	3,273	3,273
Last Chance Mercantile + HHW	797	940	600	735	935	935	935	935
Other Sales	1,105	925	1,200	920	1,120	1,120	1,120	1,120
SUBTOTAL	3,236	3,612	3,100	3,005	5,328	5,328	5,328	5,328
TOTAL OPERATING REVENUES	37,746	36,549	36,809	33,064	40,609	42,248	43,150	44,077

NOTES TO FIVE-YEAR PROJECTIONS:

Revenue

- Disposal tonnage projected to return to prev. levels
- 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.

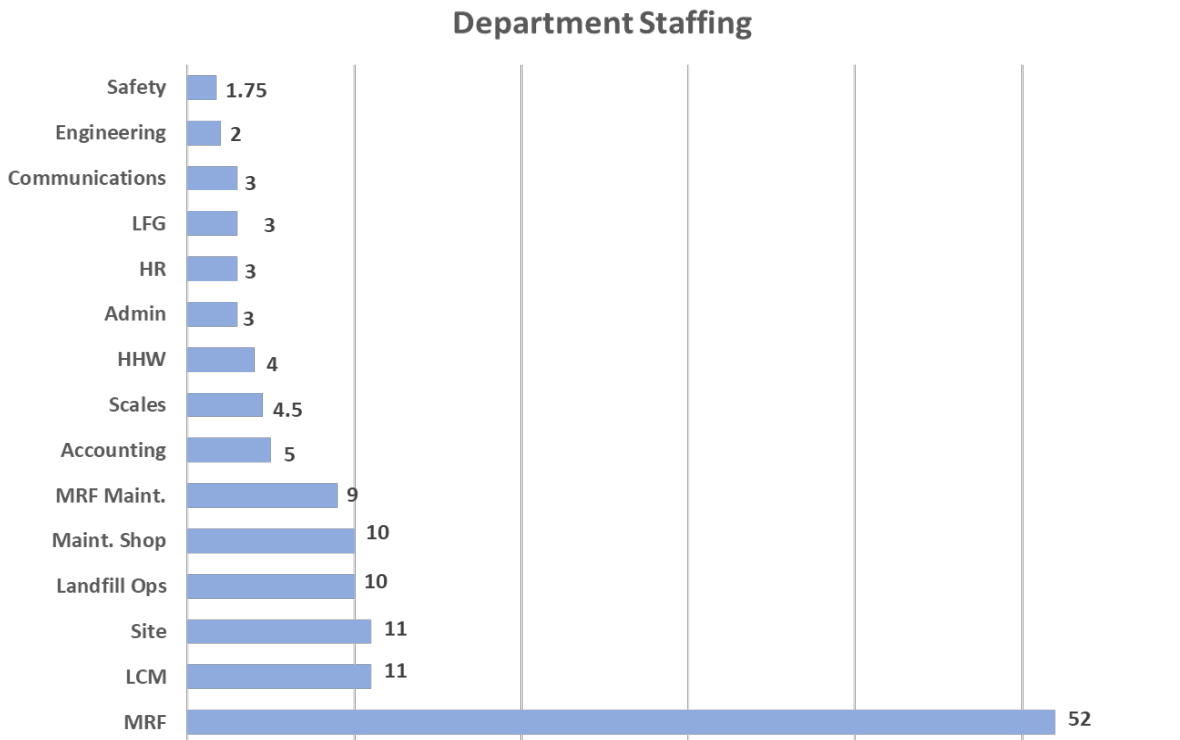
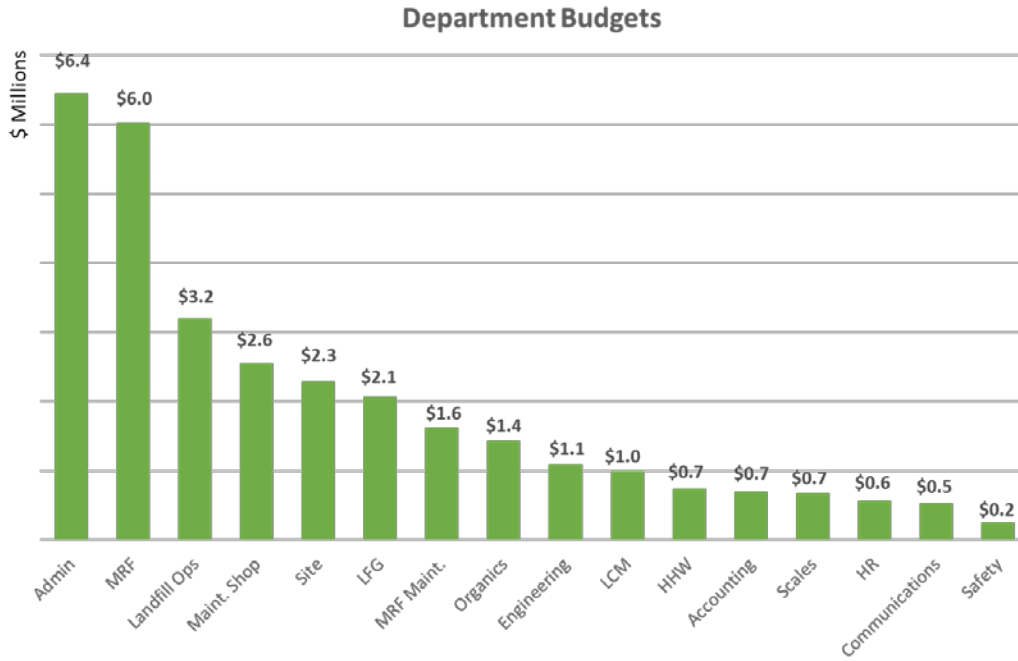
Expenses

- 5% cost escalation for most non-wage Operating Expenses. FY21/22
- 3% cost escalation for most Operating Exp. Remaining years.
- Healthcare inflation (6%)
- PERS as projected by CalPERS
- CNG costs replaced by conversion project FY21/22

		FY 2020-21 BUDGET							FINAL
		18/19 Audited	19/20 Budget	19/20 Estimated	20/21 Proposed	21/22	22/23	23/24	
All \$ in Thousands									
OPERATING EXPENSES									
SALARY EXPENSES									
Wages	10,421	10,835	12,113	9,703	9,994	10,294	10,602	10,920	
Taxes & Benefits									
Healthcare	2,228	2,321	2,350	2,345	2,462	2,586	2,715	2,851	
CalPERS	2,187	1,641	1,454	1,638	2,129	2,360	2,553	2,730	
Workers Compensation	615	732	835	711	733	755	777	801	
Taxes	157	161	166	146	150	155	159	164	
Other Benefits	232	281	601	255	263	271	279	287	
Total Taxes & Benefits	5,419	5,136	5,406	5,095	5,737	6,126	6,483	6,833	
SUBTOTAL	15,840	15,971	17,519	14,798	15,731	16,419	17,086	17,753	
NON-SALARY EXPENSES									
Amortization & Depreciation	3,972	4,100	4,100	4,200	4,326	4,456	4,589	4,727	
Closure/Post Closure Costs	366	500	360	370	389	400	412	425	
Contractual Services	1,062	1,031	700	389	408	421	433	446	
Environmental Services	277	265	250	369	387	399	410	423	
Gasoline, Oil & Fuel	1,271	1,260	1,200	1,255	793	817	841	866	
Hazardous Waste Disposal	403	310	390	308	323	333	343	353	
Insurance	106	430	430	575	604	622	641	660	
Office Expense	495	281	280	238	250	257	265	273	
Operating Supplies	1,008	1,309	1,030	1,118	1,174	1,210	1,246	1,283	
Professional Services	1,137	1,328	790	1,155	1,212	1,249	1,286	1,325	
Public Awareness	237	165	130	151	158	163	168	173	
Recycling Services	2,723	1,877	2,500	1,658	1,740	1,793	1,846	1,902	
Repairs & Maintenance	2,734	2,812	2,170	2,821	2,962	3,051	3,142	3,237	
Safety Equip/Supplies/Training	287	166	270	255	268	276	285	293	
Taxes & Surcharges	1,314	1,438	1,500	1,437	1,509	1,554	1,601	1,649	
Training/Meetings/Education	156	195	80	180	189	194	200	206	
Utilities	84	115	100	116	121	125	129	133	
Other Expense	43	30	20	21	22	22	23	24	
SUBTOTAL	17,675	17,611	16,300	16,614	16,836	17,341	17,861	18,397	
TOTAL OPERATING EXPENSES	33,515	33,582	33,819	31,412	32,567	33,760	34,947	36,150	
NON-OPERATING REVENUE & EXPENSES									
Interest Income	381	95	675	450	95	95	95	95	
Rents & leases	346	325	362	435	325	325	325	325	
Finance charges	12	15	8.5	9	15	15	15	15	
Other Income	-392	15	0.1	0.1	0	0	0	0	
Equipment Purchases - Interest Expense	(59)	(50)	(53)	(36)	(22)	(8)	-	-	
Revenue Bonds - Interest Expense	(775)	(2,238)	(975)	(2,164)	(2,068)	(1,967)	(1,861)	(1,756)	
TOTAL NON-OPERATING EXPENSES	(487)	(1,838)	(50)	(1,306)	(1,655)	(1,540)	(1,426)	(1,321)	
NET INCOME (LOSS)	3,744	1,129	2,940	346	6,387	6,948	6,777	6,606	

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 86% of total Operating Expenses, the remainder being Amortization & Depreciation and Closure/Post-Closure costs.



Finance & Administration

ADMINISTRATION	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	782	805	641
Non-personnel Expenses			
Amortization & Depreciation	4,303	4,100	4,200
Closure/Post Closure Costs	500	500	370
Contractual Services	200	150	30
Gasoline, Oil & Fuel	500		6
Insurance	275	430	575
Office Expense	118	116	89
Other Expense	40	30	
Professional Services	140	140	150
Repairs & Maintenance			26
Safety Equip/Supplies/Training	0	4	3
Taxes & Surcharges	1,340	270	227
Training/Meetings/Education	100	90	70
Utilities	40	40	40
Total Non-Personnel Expenses	7,556	5,870	5,786
TOTAL DEPARTMENT EXP.	8,338	6,675	6,428

HUMAN RESOURCES	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	346	403	430
Non-personnel Expenses			
Contractual Services	24	24	7
Office Expense	50	34	20
Operating Supplies			1
Other Expense			17
Professional Services	125	174	71
Safety Equip/Supplies/Training	5	13	1
Training/Meetings/Education	5	5	14
Total Non-Personnel Expenses	209	250	131
TOTAL DEPARTMENT EXP.	555	653	561

ACCOUNTING	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	614	631	583
Non-personnel Expenses			
Contractual Services	0	15	0
Office Expense	9	64	12
Operating Supplies			1
Professional Services	53	46	102
Safety Equip/Supplies/Training	0	5	0
Training/Meetings/Education	10	6	1
Total Non-Personnel Expenses	72	136	116
TOTAL DEPARTMENT EXP.	686	767	699

Engineering & Compliance

ENGINEERING & COMPLIANCE	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	453	505	487
Non-personnel Expenses			
Contractual Services	30	30	0
Environmental Services	250	265	191
Office Expense			8
Operating Supplies			1
Professional Services	505	455	405
Safety Equip/Supplies/Training	0	3	1
Taxes & Surcharges			3
Training/Meetings/Education	20	20	4
Total Non-Personnel Expenses	805	773	612
TOTAL DEPARTMENT EXP.	1,258	1,278	1,099

SAFETY	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	153	158	162
Non-personnel Expenses			
Contractual Services	20	0	
Office Expense			3
Operating Supplies			1
Professional Services	40	110	75
Safety Equip/Supplies/Training	0	1	1
Training/Meetings/Education	5	5	5
Total Non-Personnel Expenses	65	116	84
TOTAL DEPARTMENT EXP.	218	274	246

Communications & Public Education

COMMUNICATIONS/PUB ED.	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	441	437	357
Non-personnel Expenses			
Contractual Services	15	15	
Office Expense	5	5	49
Operating Supplies			1
Other Expense			1
Professional Services	58	58	
Public Awareness	165	165	109
Safety Equip/Supplies/Training	0	3	1
Training/Meetings/Education	5	5	10
Total Non-Personnel Expenses	248	251	170
TOTAL DEPARTMENT EXP.	689	688	527

Materials Recovery Facility

MRF	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	4,664	5,129	4,769
Non-personnel Expenses			
Contractual Services	1,145	318	100
Gasoline, Oil & Fuel	150	210	215
Hazardous Waste Disposal			58
Office Expense	5	5	17
Operating Supplies	145	202	240
Other Expense			2
Professional Services	200	125	100
Recycling Services	727	249	213
Repairs & Maintenance			159
Safety Equip/Supplies/Training	97	56	123
Training/Meetings/Education	20	20	28
Utilities	75	75	0
Total Non-Personnel Expenses	2,564	1,260	1,253
TOTAL DEPARTMENT EXP.	7,228	6,389	6,022

Landfill Operations, Site & Facilities, Scales

LANDFILL OPS	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	1,312	1,445	1,463
Non-personnel Expenses			
Contractual Services			6
Gasoline, Oil & Fuel	250	250	250
Office Expense			3
Operating Supplies	0	520	300
Professional Services			50
Public Awareness			42
Recycling Services	385		
Repairs & Maintenance			10
Safety Equip/Supplies/Training	10	10	13
Taxes & Surcharges		1,166	1,190
Training/Meetings/Education	3	3	2
Total Non-Personnel Expenses	648	1,949	1,865
TOTAL DEPARTMENT EXP.	1,960	3,394	3,328

SITE & FACILITIES	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	950	1,020	1,016
Non-personnel Expenses			
Contractual Services	380	417	195
Gasoline, Oil & Fuel	150	650	775
Office Expense			2
Operating Supplies	300	100	160
Repairs & Maintenance	250	280	50
Safety Equip/Supplies/Training	13	11	26
Training/Meetings/Education	5	3	1
Utilities			60
Total Non-Personnel Expenses	1,098	1,461	1,269
TOTAL DEPARTMENT EXP.	2,048	2,481	2,286

SCALES	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	533	612	486
Non-personnel Expenses			
Contractual Services	8	8	
Office Expense	17	39	12
Operating Supplies	6	6	2
Other Expense			0
Professional Services	140	140	100
Repairs & Maintenance			65
Safety Equip/Supplies/Training	11	7	2
Taxes & Surcharges	0	2	3
Training/Meetings/Education	3	3	2
Total Non-Personnel Expenses	185	205	185
TOTAL DEPARTMENT EXP.	718	817	671

Organics Management

ORGANICS MANAGEMENT	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses			
Non-personnel Expenses			
Recycling Services	1,360	1,328	1,430
Total Non-Personnel Expenses	1,360	1,328	1,430
TOTAL DEPARTMENT EXP.	1,360	1,328	1,430

Landfill Gas to Energy

LANDFILL GAS TO ENERGY	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	434	508	602
Non-personnel Expenses			
Environmental Services			178
Gasoline, Oil & Fuel			6
Hazardous Waste Disposal			1
Office Expense	3	2	1
Operating Supplies	700	38	215
Professional Services	100	45	90
Repairs & Maintenance	632	1,468	916
Safety Equip/Supplies/Training	32	3	10
Taxes & Surcharges			15
Training/Meetings/Education	2	10	15
Utilities			15
Total Non-Personnel Expenses	1,469	1,566	1,461
TOTAL DEPARTMENT EXP.	1,903	2,074	2,063

Last Chance Mercantile & Household Hazardous Waste

LAST CHANCE MERCANTILE	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	1,346	1,340	900
Non-personnel Expenses			
Contractual Services	80	40	0
Gasoline, Oil & Fuel			2
Office Expense			6
Operating Supplies	10	10	15
Other Expense			1
Professional Services	35	35	12
Recycling Services	270	300	15
Repairs & Maintenance			30
Safety Equip/Supplies/Training	10	10	10
Training/Meetings/Education			4
Total Non-Personnel Expenses	405	395	94
TOTAL DEPARTMENT EXP.	1,751	1,735	994

HHW	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	476	493	447
Non-personnel Expenses			
Contractual Services			1
Gasoline, Oil & Fuel			1
Hazardous Waste Disposal	280	310	250
Office Expense			1
Operating Supplies	22	20	6
Repairs & Maintenance	10	10	21
Safety Equip/Supplies/Training	10	10	13
Training/Meetings/Education	5	5	3
Total Non-Personnel Expenses	327	355	296
TOTAL DEPARTMENT EXP.	803	848	743

Equipment & MRF Maintenance

EQUIPMENT MAINTENANCE	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	1,511	1,440	1,401
Non-personnel Expenses			
Contractual Services	34	29	
Gasoline, Oil & Fuel	150	150	
Office Expense	13	13	15
Operating Supplies	32	32	76
Repairs & Maintenance	661	913	1,030
Safety Equip/Supplies/Training	10	11	30
Training/Meetings/Education	5	10	12
Utilities			0
Total Non-Personnel Expenses	905	1,158	1,163
TOTAL DEPARTMENT EXP.	2,416	2,598	2,564

MRF MAINTENANCE	FY18/19 Budget	FY19/20 Budget	FY20/21 Budget
Personnel Expenses	916	980	916
Non-personnel Expenses			
Contractual Services			50
Office Expense	10	4	3
Operating Supplies	277	381	100
Repairs & Maintenance	61	142	514
Safety Equip/Supplies/Training	30	19	23
Training/Meetings/Education	5	10	12
Total Non-Personnel Expenses	383	556	701
TOTAL DEPARTMENT EXP.	1,299	1,536	1,616

Glossary

ADC – Alternative daily cover means cover material other than earthen material placed on the surface of the active face of a landfill at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging.

C&D – Construction and demolition debris typically processed in the MRF.

CIP - Capital improvement projects that are Infrastructure investment projects designed to improve existing District facilities or add material processing and handling capacity.

Cash Operating Reserve – Board policy that establishes a ‘rainy day’ cash reserve target 20% of cash-related operating reserves, calculated as Net Income (Change in Net Position), minus non-cash expenses such as depreciation, amortization and landfill closure and post-closure costs.

Contract Waste – Waste delivered to the District by contract. Generally, this term refers to material that is MRF residue from waste processed in San Jose and alternative daily cover and is delivered under contract with GreenWaste Recovery and Zanker Road Resource Management.

CRV – California Redemption/Refund Value. This refers to California’s Beverage Container Recycling Program run by CalRecycle, which provides a cash incentive to recover and recycle beverage containers.

FTE – Full time equivalent. FTE is a way to reflect the budget impact equal to a fully employed and funded position.

HHW – Household hazardous waste refers to leftover household products that can catch fire, react, or explode under certain circumstances, or that are corrosive or toxic. Products, such as paints, cleaners, oils, batteries, and pesticides can contain hazardous ingredients and require special care when disposed of. These materials are handled by the District’s HHW department.

LCM – Last Change Mercantile is the District’s reuse store that is stocked by donations from the public or items recovered by District staff determined to have additional useful life.

LFGTE – Landfill gas to energy facility. This is the District’s collection of engines used to burn recovered landfill gas for the purposes of generating electricity.

Mobile Equipment – The District’s Mobile Equipment includes both the heavy equipment used throughout operations for waste handling (often referred to by staff as the ‘Yellow Iron’) and the truck, cars and other vehicles used throughout the site.

MRF – Materials Recovery Facility used to sort and recover recyclable materials from the waste stream.

MSW – Municipal solid waste. Also known as refuse, garbage or household trash.

Organics – Biodegradable material that comes from either a plant or an animal. Organic materials currently specially managed by the District include food waste, yard waste and other wood waste.

Regional Waste - Waste delivered to the District by contract from communities in the Monterey Bay area. Generally, this term refers to waste delivered from Santa Cruz, Capitola, Watsonville