

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## **Executive Director**

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## **Member Agencies**

City of Campbell  
Town of Los Gatos  
City of Monte Sereno  
City of Saratoga

## **REGULAR MEETING AGENDA**

**September 4, 2014**

Monte Sereno City Hall  
18041 Saratoga-Los Gatos Road  
Monte Sereno, CA 95030  
**5:00 p.m.**

### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

### **ORAL COMMUNICATIONS FROM THE PUBLIC**

### **WRITTEN COMMUNICATIONS**

None

### **OLD BUSINESS**

1. Discuss and approve the proposed adjustment to the Authority's fund balance reserve or Annual Fee Payment for \$35,000 to reimburse the member agencies for the contract negotiation costs paid from the first month payment of the Annual Fee from West Valley Collection and Recycling, LLC (WVC&R).
2. Consider an update on the status of the Authority's Website.

### **NEW BUSINESS**

3. Receive and file a report on the Member Agencies' 2013 CalRecycle Annual Reports

4. Consider a report on WVC&R's prior fiscal year complaints and liquidated damages.
5. Schedule annual Authority Executive Director and Attorney performance review
6. Consider an update from WVC&R on Public Outreach and Education

### **PUBLIC HEARINGS**

None

### **CONSENT CALENDAR**

7. Approve Minutes of May 4, 2014 Board Meeting
8. Executive Director report
  - a. YTD Financial Reports

### **FUTURE AGENDA ITEMS**

### **BOARD MEMBER REPORTS**

### **ADJOURNMENT**

Next Regular Meeting: November 6, 2014, 5:00 p.m.

### **ADDRESSING THE BOARD**

Any person shall have the right to address the Board during consideration of any item on the Board's agenda or during the time for oral communication if not on the agenda but pertaining to subject matter within the jurisdiction of the Board. Any person wishing to address the Board should stand or raise the hand and wait to be recognized by the Chairperson. Please stand at the podium, if able, state your name and address for the record, and proceed to address the Board. All remarks and questions should be addressed to the Board through the Chairperson and not to any member thereof or to the public. No question should be asked a Board member or a member of Authority staff without first obtaining permission of the Chairperson.

WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY

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## AGENDA REPORT

Date: September 4, 2014

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: **Discuss and approve the proposed adjustment to the Fund Balance Reserve or Annual Fee Payment to the Member Agencies**

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### RECOMMENDED ACTION

Discuss and approve the adjustment to the Authority's fund balance reserve or reduction to the Annual Fee payment to the Member Agencies to reflect the payment for contract negotiations costs.

### DISCUSSION

As part of the new franchise agreement with WVC&R that began March 1, 2014, the Authority will receive a payment of \$450,000 annually (\$4,500,000 over the term of the agreement). At its May 4, 2014 meeting, the Board approved the allocation of the monthly payment of the Annual Fee to each member agency based on population.

It became known prior to the May Board meeting that there was an additional \$32,500 in contract negotiation costs paid by the Authority with the expectation it would be reimbursed by WVC&R. However, WVC&R took the position that its agreement to pay 100% of the contract negotiation costs (it paid \$42,500 of \$75,000) was prior to it agreeing to pay the Annual Fee.

At the May Board meeting, two options were discussed: 1) use the first month of the Annual Fee payment; or, 2) use part of the fund balance.

**First Month Annual Fee Payment** - While none of the member agencies budgeted for the Annual Fee payment, each agency has plans for the use of such money for solid waste related programs.

**Use of Fund Balance Reserves** - Currently the fund balance reserve is \$200,000. \$100,000 is to be used as a general operating reserve and \$100,000 was established as a rate stabilization fund. The fund balance reserves are reviewed as part of the fiscal year budgeting process. If the Board decides to use part of the rate stabilization fund for this payment, it may elect to reestablish the reserve as part of the FY15-16 budget process.

### **FISCAL IMPACT**

\$32,500 reduction to the fund balance reserve for the payment of contract negotiation costs not reimbursed by WVC&R or \$32,500 less to Member Agencies from the Annual Payment from WVC&R.

### **DOCUMENTS ATTACHED**

None



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Marva M. Sheehan  
Executive Director

AGENDA ITEM NO. 3

MEETING DATE: SEPTEMBER 4, 2014

**WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY**

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**AGENDA REPORT**

Date: September 4, 2014

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: **2013 CalRecycle Annual Reports**

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**RECOMMENDED ACTION**

Receive and file a report on the Member Agencies' 2012 CalRecycle Annual Reports.

**DISCUSSION**

**Background**

Title 14, California Code of Regulations Section 18794 requires that each jurisdiction submit a report by August 1 of each year that discusses the jurisdiction's progress in implementing the programs described in its waste planning documents, which include the Source Reduction and Recycling Element (SRRE) and the Household Hazardous Waste Element (HHWE). The State passed and implemented AB 341 in 2012. AB 341 requires all commercial businesses that generate four or more cubic yards of trash or more and all multi-family dwellings with five or more units to subscribe to recycling service. It also requires all cities and counties to divert a minimum of 75% of the waste generated by 2020.

**Discussion**

Table 1 summarizes the reported diversion rates for each agency for the five-year period 2002-2006.

**Table 1:**  
**CIWMB 2002-2006 Annual Reports**

Member Agency	Diversion %				
	2002	2003	2004	2005	2006
Campbell	41%	42%	49%*	46%*	51%*
Los Gatos	52%	53%	56%	58%	65%
Monte Sereno	75%	81%	78%	74%	76%
Saratoga	62%	62%	67%	66%	68%

\*Campbell's rate is based on a new base year study prepared for 2004.

Effective with the 2007 Annual Report, CalRecycle changed the methodology used to calculate compliance with the 50% diversion requirement. Under the new methodology, a per capita waste disposal target amount is calculated and compared to the actual per capita waste disposed. As long as the actual per capita amount is less than the targeted per capita disposal amount, the agency is in compliance.

Table 2 shows the target and actual disposed amounts for each Member Agency under the new methodology for 2007-2013, demonstrating that each Agency met the diversion requirement for all years. All four Member Agency's actual per-capita disposal amounts continue to exceed the target diversion goals. In 2013, Saratoga's per-capita disposal stayed the same, and Campbell and Los Gatos' disposal per-capita increased slightly. Monte Sereno's per-capita disposal increased by 6 points.

**Table 2:**  
**CIWMB 2007-2012 Disposal Per Capita (lbs/person/day)**

Member Agency	Disposal Per-Capita Target	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual
Campbell	5.2	4.7	4.4	3.8	3.9	3.8	4.0	4.1
Los Gatos	6.0	4.1	3.9	3.3	3.6	3.7	3.7	4.0
Monte Sereno	3.9	1.4	1.4	1.2	1.1	1.5	1.5	2.1
Saratoga	4.2	2.7	2.9	2.5	2.8	2.8	2.9	2.9

**DOCUMENTS ATTACHED**

None

**FISCAL IMPACT**

None



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Marva M. Sheehan  
Executive Director

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WEST VALLEY  
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## AGENDA REPORT

Date: September 4, 2014  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **FY 13/14 Liquidated Damages Assessed to WVC&R**

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### RECOMMENDED ACTION

Consider the report on service complaints reported under the collection agreement with West Valley Collection & Recycling (WVC&R).

### DISCUSSION

#### Summary

Section 13.6.B of the Collection Agreement with WVC&R outlines the service performance standards and liquidated damages associated with failing to meet those standards. WVC&R reports the number of customer complaints to the Executive Director on a quarterly basis by type of complaint.

#### Missed Pickups

A missed pickup is defined as the failure of WVC&R to collect material that has been properly set out for collection within 24 hours. The performance standard allows 80 such failures per year. There has been a steady increase in missed pickups each quarter. WVC&R reported they did respond to each instance within the 24 hour period.

While no liquidated damages are recommended, it is still apparent there are service issues. WVC&R has attributed the missed pick-ups to equipment failure and driver shortages. The company has responded with the purchase of the new trucks and has hired additional drivers. The new trucks will be in place starting with Quarter 1 of FY 2014-2015. The issue will be monitored during this first quarter.

Double Misses

A double miss is defined as the failure to collect material that has been properly set out from the same customer on two consecutive scheduled pickup days.

During the first three weeks of March, WVC&R was having staffing equipment issues. Based on information I received from customers (and confirmed by WVC&R) and reports submitted by WVC&R, 34 customers for the month of March were reported to have not received service on 2 consecutive weeks. The following table summarizes the missed pick-ups for FY13-14:

**Summary of Liquidated Damages for FY 13-14  
 Double Misses**

	Fiscal Year 2013-2014				Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Occurrences Per WVC&R Quarterly Report	0	1	16	13	30
Additional Reporting by WVC&R			3		3
Additional Reported by Authority			15		15
	<b>0</b>	<b>1</b>	<b>34</b>	<b>13</b>	<b>48</b>
Liquidated Damages @ \$150 per Occurance					<b>\$7,200.00</b>

Property Damage

The threshold for property damage claims in the collection agreement is 36 per year, or the equivalent of three per month. WVC&R reported 12 property damage claims for the year. WVC&R met the standard for property damage during the year.

Placement of Containers

When containers are emptied, they are to be properly returned to avoid pedestrian or vehicular traffic impediments and should be placed upright with lids closed and secured. The performance standard allows for 20 such failures annually. WVC&R had been notified of a significant number of occurrences of containers not being returned correctly. WVC&R has agreed to correct the situation. On May 22, 2014, Agency staff noted 15 carts were left with their lids open and a number of carts were knocked over. On June 5, 2014, Agency staff noted 21 carts were left with their lids open and a few additional carts were improperly placed. WVC&R was notified in both instances and reported they met with the drivers. Based on the two reports, we recommend the following liquidated damages:

**Summary of Liquidated Damages for FY 13-14  
Placement of Containers**

	Date of Observation	Number of Carts with Lids Open
	May 22, 2014	15
	June 5, 2014	21
		36
	Threshold	20
	Number Exceeding Threshold	16
	Liquidated Damages @ \$150 per Occurance	\$ <b>2,400.00</b>

The Authority Executive Director or Agency staff will continue to monitor the situation during the fiscal year and report the findings to the Company as they are noted.

Other Complaints

The collection agreement imposes liquidated damages for other service issues that are subject to performance thresholds in some cases. WVC&R's performance in these areas (e.g., collection outside authorized hours, customer responsiveness, and public education) meets or exceeds the standards.

Recommendation

The purpose of assessing liquidated damages is to ensure consistent and reliable service and performance by WVC&R. Overall, WVC&R has provided excellent service to the Authority as evidenced by the Authority's willingness to enter into a new collection agreement with WVC&R. However, there are several areas where we feel improvement is warranted.

For FY 2013-2014, I recommend the Board consider assessing \$9,600 in liquidated damages. The Board may want to discuss how it would like to use these funds. In the past it funded outreach programs.

**FISCAL IMPACT**

The Authority is to receive \$9,600 in liquidated damages. This is an unbudgeted item.

**DOCUMENTS ATTACHED**

None



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Marva M. Sheehan  
Executive Director

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## **Executive Director**

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## **Member Agencies**

City of Campbell  
Town of Los Gatos  
City of Monte Sereno  
City of Saratoga

## **MEETING MINUTES**

**May 1, 2014**

Monte Sereno City Hall  
18041 Saratoga-Los Gatos Road  
Monte Sereno, CA 95030

### **CALL TO ORDER**

At 5:04 pm Chair Steve Leonardis called the meeting to order.

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

Chair Steve Leonardis, representing Los Gatos, Vice Chair Curtis Rogers, representing Monte Sereno and, Alternate Member Chuck Page, representing Saratoga, were present. Also present were Executive Director Marva Sheehan and Authority Counsel Kirsten Powell.

### **ORAL COMMUNICATIONS FROM THE PUBLIC**

None

### **WRITTEN COMMUNICATIONS**

None.

### **OLD BUSINESS**

1. The Board received an update on the status of the Authority Website. No action was taken.
2. The Board received and filed a report file on the status of the new Franchise Agreement with West Valley Collection & Recycling, LLC (WVC&R).

**NEW BUSINESS**

3. The Board received the FY2014-2015 Board Meeting Schedule.
4. The Board discussed the disbursement plan of the Annual Fee to be received from WVC&R. Additionally, it was noted the reimbursement of \$35,000 for consulting and legal fees associated with the negotiations with WVC&R is still outstanding.

Upon a motion by Member Low and a second by Member Rogers, the Board voted 3-1 (Ayes – Members Leonardis, Low and Rogers; Noes – Alternate Member Page) to use the first month payment (April 2014) to reimburse the Authority for the \$35,000 of contract negotiation costs.

Upon a motion by Member Rogers and a second by Member Low, the Board voted 3-1 (Ayes – Members Leonardis, Low and Rogers; Noes – Alternate Member Page) to disburse the monthly payment of the Annual Fee to each member agency based on population.

The reimbursement to each member agency for the first month payment of the Annual Fee will be placed on the September 2014 agenda.

5. The Board received a report summarizing the key points of the Executive Director and Authority Attorney contracts.
6. Upon a motion by Member Low and a second by Vice Chair Rogers, the Board voted 3-0 (Ayes – Members Leonardis, Low and Rogers; Abstain – Alternate Member Page) approved Resolution 2014-03 adopting the FY 2014-2015 budget.

**PUBLIC HEARINGS**

7. Upon a motion by Member Low and a second by Vice Chair Rogers, the Board unanimously approved Resolution 2014-01 ratifying the Guadalupe Landfill contractual disposal propriety rate increase of 2.32% effective July 1, 2014.

**ADDRESSING THE BOARD**

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8. Upon a motion by Alternate Member Page and a second by Vice Chair Rogers, the Board unanimously approved Resolution 2014-02 ratifying the West Valley Collection and Recycling contractual rate increase of 2.06% effective July 1, 2014.

A change in the billing cycles will be discussed at the November Board meeting.

### **CONSENT CALENDAR**

1. Upon a motion by Member Low and a second by Vice Chair Rogers the Board voted 4-0 to approve minutes of February 6, 2014 Board Meeting and the Executive Director financial report for the nine months ended March 31, 2014.

### **FUTURE AGENDA ITEMS**

### **BOARD MEMBER REPORTS**

None

### **ADJOURNMENT**

Chair Leonardis adjourned the meeting of the Board at 6:08 pm until the next regular meeting on September 4, 2014 at 5:00 p.m.

### **ADDRESSING THE BOARD**

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**WEST VALLEY  
SOLID WASTE MANAGEMENT  
AUTHORITY**

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**AGENDA REPORT**

Date: September 4, 2014  
To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: **YTD Financial Report**

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**RECOMMENDED ACTION**

Accept report on the Authority's FY 2013-14 financial status.

**DISCUSSION**

The report titled "Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual" shows the approved budget, the year to date actual amounts, and the preliminary fund balance through June for FY 2013-14. With 100% of the fiscal year passed, the report shows that the Authority expended \$150,481 or 91.5% of the approved FY 2013-14 budget. Additionally, the Authority received \$150,000 from WVC&R as part of its Annual Fee Payment and it was distributed to the member agencies. The \$150,000 is shown in Revenue and is offset in the Expenditures. Note that these are preliminary numbers subject to audit.

The preliminary fund balance (\$181,671.35) is less than the \$200,000 as a result of the reimbursements due for the contract negotiations (\$32,500). Depending on the decision of the Board regarding the source of reimbursement for the contract negotiations, as well as the final accruals from the audit, the fund balance may be less than the \$200,000. It has been the Board's policy, adopted February 2011, of maintaining an operating reserve of \$100,000 and a rate stabilization reserve of \$100,000.

As part of my review of the audited financial statements, I will ensure the fund balance is in accordance with the direction from the Board.

**FISCAL IMPACT**

None

**DOCUMENTS ATTACHED**

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual June 30, 2014.



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Marva M. Sheehan  
Executive Director

**West Valley Solid Waste Management Authority**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**June 30, 2014**

Acct. #	Description	JPA Budget FY 13/14	Year to Date Actual	Balance	YTD %
<b>Revenues:</b>					
4410	Interest Earnings	\$ -	\$ 1,116.07	\$ (1,116.07)	N/A
4970	City of Campbell	42,989	42,989.00	-	100.00%
4970	City of Los Gatos	32,134	32,134.00	-	100.00%
4970	City of Monte Sereno	3,650	3,650.00	-	100.00%
4970	City of Saratoga	32,695	32,695.00	-	100.00%
4965	AB 2020 Program State Contribution	-	-	-	-
4975	Franchise Agreement WVC&R	-	150,000.00	(150,000.00)	n/a
4965	Other	40,000	42,500.00	(2,500.00)	106.25%
	<b>Total Revenues</b>	<b>\$ 151,468</b>	<b>\$ 305,084.07</b>	<b>\$ (153,616.07)</b>	<b>201.42%</b>
<b>Expenditures:</b>					
<b>Services and Supplies:</b>					
7421	Communications-Phone	-	-	-	-
7424	Office Expense	500	-	500.00	-
7427	Special Departmental Exp. (Legal Svcs.)	13,150	14,400.00	(1,250.00)	109.51%
7430	Prof. & Special Services (Executive Director)	85,970	83,520.39	2,449.61	97.15%
7430	Prof. & Special Services (Special Projects)	40,000	40,000.00	-	100.00%
7430	Prof. & Special Services (Other)	5,000	-	5,000.00	-
7432	Other Contractual Services (Audit Svcs.)	4,990	2,500.00	2,490.00	50.10%
7432	Other Contractual Services (Countywide Support)	1,000	-	1,000.00	-
7433	Insurance (Liability)	2,211	2,511.12	(300.12)	113.57%
7435	Travel/Conf. & Meetings	4,000	-	4,000.00	-
7438	Other Charges (Accounting & Bookkeeping)	7,549	7,549.00	-	100.00%
7675	JPA Solid Waste Distribution	-	150,000.00	(150,000.00)	n/a
7883	Improvements (AB2020 Infrastructure)	-	-	-	-
	<b>Total Expenditures</b>	<b>\$ 164,370</b>	<b>\$ 300,480.51</b>	<b>\$ (136,110.51)</b>	<b>182.81%</b>
	Excess (deficiency) of revenues over (under) expenditures	(12,902)	4,603.56	(8,298.44)	
	Fund balance at beginning of year - 7/1/2013	206,992	177,067.79		
	<b>Fund balance as of June 30, 2014</b>	<b>\$ 194,090</b>	<b>\$ 181,671.35</b>		

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# **WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY**

## **Calendar of Future Agenda Items**

### November 6, 2014 Meeting

- Receive and file a report on WVC&R contractual liquated damages for the last fiscal year
- Closed Session – annual evaluations of Authority Attorney and Executive Director
- Consider changing the billing cycles and/or effective date of rate adjustments

### February 5, 2015 Meeting

- Elect new officers
- Review of Collection and Disposal contracts

### May 7, 2015 Meeting

- Board meeting schedule
- Ratify Guadalupe Landfill disposal contractual rate adjustment
- Ratify WVC&R contractual collection rate adjustment
- Review Executive Director and Authority Counsel contracts
- Approve Authority budget

### September 3, 2015 Meeting

- Receive and file annual CalRecycle Annual Reports
- Schedule annual Authority Attorney and Executive Director performance review
- Consider a report on WVC&R's prior Fiscal Year Complaints/Liquidated Damages

### Recurring Meeting Agenda Items

- Approval of prior meeting minutes
  - Receive and file the Executive Director financial report
-