

Erika Trujillo

From: Patrick Mathews
Sent: Monday, March 11, 2019 1:51 PM
To: Erika Trujillo
Subject: Compromise Offer to Salinas Withdrawal
Attachments: COMPROMISE OFFER TO SALINAS WITHDRAWAL.docx; ATT00001.htm

From: Patrick Mathews <patrickm@svswa.org>
Date: March 8, 2019 at 12:06:29 PM PST
To: "Ray Corpuz (ray.corpuz@ci.salinas.ca.us)" <ray.corpuz@ci.salinas.ca.us>, Christopher Callihan <chrisc@ci.salinas.ca.us>
Cc: "ROBERT CULLEN (rcullen@farmersagent.com)" <rcullen@farmersagent.com>, "Chris Lopez (Lopezcm@co.monterey.ca.us)" <Lopezcm@co.monterey.ca.us>, "Gloria De La Rosa (gloriad@ci.salinas.ca.us)" <gloriad@ci.salinas.ca.us>, James Sanchez <sanchez@lozanosmith.com>, Cesar Zuñiga <cesarz@svswa.org>
Subject: **Compromise Offer to Salinas Withdrawal**

Ray,

I have been authorized by the Board of Directors of Salinas Valley Solid Waste Authority to forward the following business points as an offer that collaboratively addresses both organizations needs and provides certain guarantees to the City to support rescinding its Notice of Intent to Withdraw. We are prepared to begin discussions and negotiations of an implementing MOU immediately and recommend a working group of representatives of both organization's elected bodies and executive staff/legal counsel as the format for these negotiations. Please do not hesitate to reach out with any questions on our Board's recommend process. Thanks, P-

General Manager/CAO, Salinas Valley Recycles
Gerente General/Jefe de Administración
128 Sun Street, Suite 101
Salinas, CA 95060
(831) 775-3000

SETTLEMENT OFFER BUSINESS POINTS TO AVOID SALINAS WITHDRAWAL AS AUTHORITY MEMBER

(TO BE FINALIZED IN THE FORM OF AN MOU UPON AGREEMENT)

SVSWA Commitments:

- Agrees to irrevocably commit to Close the Sun Street Transfer Station on or before July 1, 2021, through placement of title in Escrow, effective upon rescinding Notice of Intent to Withdraw. *(To clarify this commitment instrument, an irrevocable option agreement would be added to the escrow instructions and any developer or the City could at any time pay the option fee, applicable to the future sales price, committing the SVSWA property sale to a date certain.)*
- Agrees to expeditiously complete any and all mandatory CEQA analysis prior to July 1, 2020, related to reorganization of the agency operations and closure of Sun Street Transfer Station.
- Agrees to continue to work through the Collaborative MOU with MRWMD to establish cost effective ways to collaborate and share our countywide resources, commencing with a Waste Exchange Agreement to move Organics, Foodwaste and Construction/Industrial Wastes to each agency's respective facilities for advanced processing.

Salinas Commitments:

- Agrees to immediately rescind its December 6, 2018, "Notice of Intent to Withdraw" from membership in SVSWA.
- Agrees to irrevocably commit to remaining in SVSWA through the full payment of the current 2014 bonds in FY 2031/32.
- Agrees to authorize Republic Services to terminate 2004 Greenwaste Processing Agreement and allow rate pass-through and equalization of all member rates for this State mandated service, per Section 15 of the Joint Powers Agreement.
- Agrees to secure a financially capable development buyer for the Sun Street Properties or commit to purchase the property itself (at fair market value, including any annual carrying cost following the closure of Sun Street Transfer Station) on or before July 1, 2021.
- Agrees to collaborate with SVSWA in relocating the Sun Street Transfer Station operations to re-establish the public services and AB 939 components of its current operations serving the greater Salinas area.