



Working for a future without landfills...

AGENDA

Initial Meeting

ADVISORY COMMITTEE

TUESDAY, OCTOBER 29, 2019, 4:00 P.M.

Administration Office | Conference Room
128 Sun Street, Suite 101, Salinas, CA 93901

Call to Order

Roll Call

Rob Cullen, President of the Committee

Nikki Rodoni, Grower-Shipper Association

Jocelyn Bridson, Monterey County Farm Bureau

Keven McIntosh, Central Coast Builders Association

Grant Leonard, North County Chamber of Commerce

Marc Bloom, South County Chamber of Commerce

John Bailey, Salinas Valley Chamber of Commerce

Cesar Lara, Citizen from City of Salinas

Marty Horton Ramirez, Citizen from South County Cities

Paula Getzelman, Citizen from Unincorporated County

Brett Saunders, Cannabis Industry

Public Comments

Receive public comment on topics which are not on the agenda. The public may comment on scheduled agenda items as the Committee considers them. Speakers are limited to three minutes at the discretion of the President of the Committee.

Introduction of Members and Staff

Meeting Topics

1. [Overview Presentation of the Salinas Valley Solid Waste Authority](#)
 - A. Receive Report from General Manager/CAO, Patrick Mathews
 - B. Public Comment
 - C. Committee Discussion
 - D. Recommended Action: None, informational Only
2. [Overview Presentation of Assembly Bill 1826 - Mandatory Commercial Organics Recycling Program and Senate Bill 1383 - Climate Pollutants and Methane Emissions Reduction Strategy](#)
 - A. Receive Report from Resource Recovery Manager, Mandy Brooks
 - B. Public Comment
 - C. Committee Discussion
 - D. Recommended Action: Provide Input
3. [Overview Presentation of on the City of Salinas' One-year Notice of Intent to Withdrawal from the Joint Powers Agreement with the Salinas Valley Solid Waste Authority](#)
 - A. Receive Report from General Manager/CAO, Patrick Mathews
 - B. Public Comment
 - C. Committee Discussion
 - D. Recommended Action: Provide Input
4. **Discussion on Establishing Regular Meeting Schedule**
 - A. Public Comment
 - B. Committee Discussion
 - C. Recommended Action: Establish Regular Meeting Schedule

Committee Comments

Adjournment

This meeting agenda was posted at the Salinas Valley Solid Waste Authority office at 128 Sun Street, Suite 101, Salinas, and on the Authority's Website on **Wednesday, October 23, 2014**. Any writing or documents provided to a majority of the Committee regarding topics on this agenda will be made available for public inspection at the Salinas Valley Solid Waste Authority office at 128 Sun Street, Suite 101, Salinas, California 93901, during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Erika J. Trujillo, Clerk of the Board, at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II)

ADVISORY COMMITTEE

Date: October 29, 2019
From: Patrick Mathews, General Manager/CAO
Title: Overview Presentation of the Salinas Valley Solid Waste Authority

A Presentation Will Be Given at the Workshop

Attachments:

- A. Salinas Valley Solid Waste Authority Timeline 1997-2017
- B. Salinas Valley Solid Waste Authority Annual Report 2018-19

Board approved the formation of a Conversion Technologies Committee to study alternative methods to landfilling including gasification and autoclave technologies.

Sun Street Transfer Station Opens.

SVR becomes a stand alone Agency.

SVR
receives
SWANA's
Silver
Excellence
Award for
Solid Waste
System.

Lewis Road ceases waste acceptance after opening in 1947.

SVR holds its first tire amnesty collection in the City of Salinas.

SVR opens Household Hazardous Waste Facility to serve residents of Salinas Valley.

Agency
is
formed.





2008

SVR assumes the Operation of Sun Street Transfer Station. First facility to be operated by SVR Staff.

2009

Crazy Horse ceases waste acceptance after opening in 1934.

2013

Landfill gas to Energy project begins at Johnson Canyon Landfill.

2014

SVR assumes the operations of its Johnson Canyon Landfill.

2015

Board approved Long Term Facilities Needs and the Global Organic Engery Clean Fiber Organics Recovery System Design & Environmental Study.

2016

SVR assumes operations of the Jolon Road Transfer Station. Johnson Canyon Lanfill turns 40 years old.

2017

Crazy Horse Landfill final closure certificate received.





"WORKING TOWARDS A FUTURE WITHOUT LANDFILLS"



SALINAS VALLEY
SOLID WASTE AUTHORITY

2018-19

ANNUAL REPORT



REFUSE-REDUCE-REUSE-RECYCLE-ROT



People Recycling for People



"Discover our impact for a more sustainable world."

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It's the right thing to do.





Patrick Mathews

Setting Our Sight on Supporting Recycling from Day One

Fiscal year 2018-19 was full of successes and trials with major new construction of our Organics Processing Facility and new Module 7 landfill cell underway, but clouded with the City of Salinas contemplating withdrawal from the Salinas Valley Solid Waste Authority, aka Salinas Valley Recycles (SVR).

Community partnerships, technological innovation, and climate adaptation continue to drive the future vision of SVR and our partner agencies. Our vision for a cleaner, healthier and more vibrant community is both challenging and exciting because change is both necessary and good. However, change is often hard to achieve in this complex world of regulation, finance, community, and politics. With SVR Board of Director's leadership, we are a more efficient, agile and progressive agency, designed to meet the challenges of the "New Normal" for government services and sustainability, both financial and environmental.

I want to first and foremost commend our staff for remaining so strong and committed to quality public service in the face of uncertainties around the City of Salinas membership in SVR. The Board of Directors and staff are working very hard to find compromise, meet the growing public demand for our services, fulfill new unfunded State mandates, and find a permanent home in our largest service sector, Salinas.

While we have achieved so many of the Board's long-term goals since formation in 1997, the one elusive goal has been the siting of a permanent home here in Salinas, a 22-year-long standing Board, and agency objective. Last year's region-wide survey and current ongoing surveys show such strong community support for maintaining a convenient SVR facility in the Salinas area. With this community support in mind, the Board and staff are continuing to look at new permanent site opportunities to serve our growing customer base in and around the Salinas area (approaching 100,000 customer trips per year).

Finances

Sustainable financial governance is one of the most critical topics of our time. With the Board's diligent leadership, SVR has established a strong set of financially sustainable policies and practices to guide the agency's future and reduce

ratepayer risk. As a result, we are in the best financial shape in SVR's 22-year history. SVR's net position is positive and growing, strategic reserves are being funded, and we are in a strong position to weather any future economic downturn without excessively disruptive measures. In short, SVR is now financially sustainable, forward-looking and applying creative new approaches to run cost-effective government utility services.

Here are a few highlights:

- Permitted landfill space is the single most valuable asset for agencies in our industry. SVR operations are now fully financed with local revenues only and are no longer reliant on the non-sustainable sale of valuable community landfill space to outside agencies.
- SVR has implemented several Pay-As-You-Go practices to reduce the need for future debt, which means more of our public funds go directly to infrastructure and program needs and less to pay bank or bond interest. As an example, the Board of Directors approved a policy for the new budget year to set aside \$5.00 per ton of waste landfilled to cover the future cost to construct the next landfill cell, eliminating the need for debt financing.
- With 3-4 good economic years in a row and revenues above normal, the Board made a strategic decision to use revenue surplus to fully pay off our unfunded pension liability. Not only did this action save SVR over \$1 million in future carrying costs for this liability, but it reduced liabilities associated with any future economic downturns affecting the pension fund.

"Our vision for a cleaner, healthier and more vibrant community is both challenging and exciting, because change is both necessary and good."

- Through staff-initiated project/program savings and smart agency growth management, we are now funding capital reserves, placing SVR in a stronger position to direct fund much of the new permanent Salinas area transfer station and other capital needs in the future.

Organics Focus

SB 1383 was adopted in 2016 and requires significant reductions of anything organic (food, yard waste, wood, paper) going into landfills and will affect all agencies, cities, citizens, and businesses across the State. With the supporting regulations about to be adopted, SVR has turned its full focus to planning and compliance with the new law. These are the most significant laws to effect our industry since the 1989 adoption of AB 939 which started California's trek towards reducing waste and landfill dependence. The good news is SVR's Board and staff have been actively planning for these changes for over 3 years and are well along with expanding programs and processing infrastructure for handling the expected increase in recovered organic materials.

A few of the Organics Program highlights:

- Received a \$1.34 million grant from CalRecycle to help fund the new organics recovery infrastructure.
- Building a new 75,000 ton per year advanced composting facility.
- Purchased a de-packaging system to separate organics/food from bagged and packaged agricultural materials.
- Purchased a new refrigerated truck for the Food Bank of Monterey County to increase recovery and distribution of edible foods.
- Presenting the new SB 1383 regulations to SVR member agencies/stakeholders and discussing actions that will be required in the near future.
- Working with local wastewater agencies to use recovered food waste to fuel energy production for their treatment plants.

Future Without Landfills

The decisions SVR makes today regarding a cost-effective and sustainable waste management system will serve our

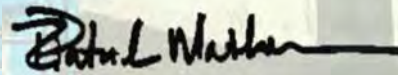
communities and future generations for decades to come and be a model for others to emulate. We will continue to encourage the Board, staff, partners, community, and stakeholders to look into the future and imagine a world without trash, and in its place, a system to repurpose, reuse, reduce and recycle all our thrown away resources.

Our Future

This annual report is a summary of SVR's accomplishments, waste reduction activities, cost-saving measures, and its dedicated professional staff for the 2018-2019 fiscal year. We hope this report provides the reader with a clear overview of the sustainable direction of Salinas Valley Recycles!

As SVR's member agencies embark on implementing their local plans to create more vibrant, healthy and sustainable communities, the contributions of SVR to these goals are critical.

SVR continues to strive to be a model for the delivery of government utility services: Sustainable, Low-Cost, Public Service Focused, Friendly, Effective and Strategic. I want to again thank the Salinas Valley Recycles Board of Directors, staff, community partners, our Citizens and all those who have supported our efforts to improve our environment and help make sustainable living in the Salinas Valley a reality.



Patrick Mathews
General Manager/Chief Administrative Officer

WHO WE ARE

The Salinas Valley Solid Waste Authority, aka Salinas Valley Recycles (SVR), is a joint powers agency made up of the following local governments: Monterey County (eastern half of the unincorporated county), and the cities of Salinas, Gonzales, Soledad, Greenfield, and King City.

WHAT IS A JOINT POWERS AGENCY

A joint powers agency (JPA) is a governmental body that is formed by two or more local governments (cities or counties) joining together to address a specific service need that is common to all members of the group. JPAs are often formed to address such regional issues as water, sewer, solid waste, public safety, and transportation.

WHAT WE DO

SVR is responsible for providing secure long-term solid waste disposal and resource recovery services to all of its members in an environmentally sound and cost-effective manner. SVR currently owns one active and three closed landfills, two transfer stations, and oversees the operation and management of these facilities. SVR is also responsible for overseeing future landfill siting or expansion to meet the area's long-term solid waste disposal needs.

Our agency's focus though is much more than just landfills; see our Mission, Vision, and Values to learn more about our vision of a future without landfills.



Zero Waste the recycling of all materials back into nature or the marketplace in a manner that protects human health and the environment.
- Zero Waste America

MISSION STATEMENT

"To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost-effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service, and education."

VISION STATEMENT

"To reduce the amount of waste by promoting individual and corporate responsibility. To recover waste for its highest and best use while balancing rates and services. To transform our business from burying waste to utilizing waste as a resource. To eliminate the need for landfills."

VALUES

- Innovation
- Integrity
- Public Education
- Efficiency
- Fiscal Prudence
- Resourcefulness
- Customer Service
- Community Partnerships



Recycle the present, save the future.

Board of Directors



The Authority is governed by a nine-member board consisting of two members of the Monterey County Board of Supervisors, three members of the Salinas City Council, and one City Council member each from the cities of Gonzales, Soledad, Greenfield, and King City. Each of the six member agencies also appoints one alternate to represent its agency if an appointed member cannot be present at a Board Meeting.

Executive Committee is composed of the Authority Board:

- President
- Vice President
- Alternate Vice President
- Immediate Past President (discretionary)

The Executive Committee is an advisory committee to the Board of Directors and oversees issues related to finances, personal, and agency policies.

The appointment of officers occurs annually at the January Board meeting. EC appointees may serve up to 2 years in each role. The Board has discretion to appoint the Immediate Past President for one year.



First Row: Robert Cullen, President, City of King; Gloria De La Rosa, Vice President, City of Salinas; Christopher Lopez, Alternate Vice President, Monterey County

Second Row: John M. Phillips, County of Monterey; Christie Cromeenes, City of Salinas; John "Tony" Villegas, City of Salinas

Third Row: Liz Silva, City of Gonzales; Marisela Lara, City of Soledad; Andrew Tipton, City of Greenfield

MEETING SCHEDULES



The Board of Directors meet on the 3rd Thursday of the month at 6:00 p.m. at the City of Gonzales Council Chambers with some exceptions.



The Executive Committee, (Board of Directors Officers), meets monthly on Thursday two weeks before each Board of Directors meeting as necessary at 4:00 p.m. at SVR's Administration Office.

For more information on meeting schedules or agendas, contact Clerk of the Board, Erika J. Trujillo, (831) 775-3012, erikat@svswwa.org or visit our website www.SalinasValleyRecycles.org

ALTERNATE DIRECTORS

Luis Alejo, County of Monterey
Carla Stewart, City of Soledad

Joseph D. Gunter, City of Salinas
Lance Walker, City of Greenfield

Scott Funk, City of Gonzales
Darlene Acosta, City of King



Thank you to our Board of Directors for providing guidance and support to all we do.

Board Highlights

July 2018

No Board Meeting. Recess.

August 2018

Board member Christopher Bourke, representative of the City of Soledad announced his departure from the Board and introduced his replacement, Carla Stewart.

Employee of the Year Harold Dorsey, Diversion Worker was recognized by his peers for his distinguished team spirit, positive attitude, contributions, dedication, and exceptional customer service was recognized.

Taylor Farms in Gonzales was recognized for being the first in the



Fresh Food industry to achieve a Total Resource Use Efficiency Platinum Certification for Zero-Waste in collaboration with Measure to Improve.

The board-level ad hoc committee consisting of the three Executive

Committee members met with the ad hoc committee from the Monterey Regional Waste Management District (District) to discuss potential collaboration opportunities. The Board directed the General Manager to collaborate in the development of a Memorandum of Understanding (MOU) between the District and SVR.

September 2018

The 2017-18 Annual Report was presented to the Board. It highlighted SVR's accomplishments, included statistics on the fiscal year's finances, tonnage on waste landfilled and diverted, and a five-year comparison of customer trip counts.

The 2018-19 Grants and Capital Improvement Projects budget was approved by the Board.

The draft MOU between the District and SVR was presented to the Board. The Board opted to conduct a stakeholder meeting to include the member agency's City Managers, Mo. Co. staff, and Executive staff from both the District's and SVR's jurisdictions prior to the approval of the MOU.

October 2018

The 2019 Meetings calendar was approved by the Board.

The Board approved the release of a Request for Proposals for conducting a waste characterization study.

The Board held its annual Strategic Planning workshop, where they identified twelve-month Strategic Plan Actions to guide the agency in achieving the Strategic Plan Goals.

The Comprehensive Annual Financial Report for the year ending June 30, 2018, was presented to the Board, which highlighted that SVR continues to not have internal weaknesses or material deficiencies and once again did not receive a management letter from the auditors.



November 2018

Proclamations were presented to the departing Board members; Simon Salinas, Avelina Torres, Kimbley Craig, and Christopher Bourke.



The Board recognized Maury Treleven for her dedication and personal commitment to reducing waste in the Salinas Valley.

The Board approved the release of Request for Bids for the construction of Johnson Canyon Module VII.

The Board approved the Memorandum of Understanding between the District and SVR for collaboration opportunities that contained input from the board-level ad hoc committees from SVR and the District Executive staff, the member agency's City Managers, Mo. Co. staff, and Senior Management staff from the City of Salinas.

The Board voted to defer the revised project description presented by staff until more information becomes available on the purchase of Madison Lane Transfer Station by the City of Salinas waste hauler, Republic Services, to allow staff to analyze the changes needed for the project description. Staff also informed the Board of a pending action by the City of Salinas to issue a Notice of Intent to Withdraw from SVR.

December 2018

No Board Meeting. Recess.

January 2019

New Board members joined the SVR Board of Directors; Chris Lopez representing the County of Monterey, Christie Cromeenes and John "Tony" Villegas representing the City of Salinas, Marisela Lara representing the City of Soledad, and Andrew Tipton representing the City of Greenfield.

The election of new officers took place; President Robert Cullen, Vice President Gloria De La Rosa, Alt. Vice President Chris Lopez. The three officers compose the Executive Committee.

Proclamations were presented to departing Board member Tony Barrera and General Counsel Thomas Bruen.

The Board awarded the construction project for the Johnson Canyon Landfill Module VII to Wood Brothers Inc.

The Board approved a Memorandum of Understanding with the County of Monterey for litter abatement services for calendar year 2019

A One Year Notice of Intention to Withdraw from the Joint Powers Agreement was presented to SVR by the City of Salinas in December. The notice halted the process to identify a new project description for the Long-Term Facility Needs Project.

2018 Employee Survey Results were presented. It demonstrated that for the second year in a row employee morale has declined.



"LOOKING BACK, LOOKING FORWARD"

Comments within the survey indicated that the City of Salinas' One Year Notice of Intention to Withdraw from the Joint Powers Agreement with SVR and the uncertainty of a permanent Salinas area facility were concerning to the employees.

February 2019

Two meetings between the District, the City of Salinas City Manager, the County of Monterey Administrative Office, and SVR Management staff have taken place to identify feasible and cost-effective opportunities of collaboration between the District and SVR.

The Board considered actions related to the Notice of Withdrawal from the City of Salinas to prepare for significant impacts of the possible withdrawal.

The operating budget for fiscal year 2019-20 was presented to the Board.



March 2019

The Board held a Special Meeting to discuss the City of Salinas's notice of intent to withdrawal, the significant impacts it may have, and the required actions needed by SVR.

The Board approved a proposed compromise offer for the City of Salinas to avoid withdrawal and directed staff to present the offer to the City of Salinas.

New employee Janna Faulk, Recycling Coordinator was introduced to the Board.

The 2019-20 Disposal and Services Fees and Operating Budget were approved by the Board under lower-cost status Quo Conditions.

April 2019

The Wally Waste-Not Awards were presented to 12 schools that completed the 26 required Recycling, Reusing, Reducing, and Rotting related activities totaling \$22,000.

SVR was awarded three micro-grants from the Mattress Recycling Council to improve the collection and recycling of the mattresses that are received at no cost to the customer at all three of SVR's facilities.



Wally Waste-Not Awarded 12 Schools \$2,000 for completing 26 required Recycling, Reusing, Reducing, and Rotting related activities.

The Board received a presentation on the requirements and implementation dates of Senate Bill 1383, Short-lived Climate Pollutant & Methane Emission Reduction Act.

The Board selected and welcomed new General Counsel Roy C. Santos to the SVR team.

May 2019

Rachel Kippen, Executive Director of O'Neil Sea Odyssey provided a presentation to the Board on the value of having SVR as a Partner.

The Board was presented with an overview of the public education and outreach programs that help businesses, schools, multi-family complexes, and the community reduce waste.

The Board was presented with options and recommendations provided by the Executive Committee of the possible development of a new advisory group that would include more stakeholder's in the agency's decision on future actions to comply with new State mandates.

June 2019

A tour of the Johnson Canyon Landfill was given to the Board and interested parties. The group was shown Module VII under construction, the de-packaging equipment, and the new compost pad area that is currently under construction.

The Board approved a small capital investment to purchase equipment and make small infrastructure updates to keep the organics program moving forward.



The Board of Directors and interested parties toured Johnson Canyon Landfill to view the construction of Module VII, the new de-packaging machine, and the new compost pad area.

Our People

Growing a Brand, Growing a Team



SVR would like to welcome our newest members to the recycling team!



Robert Rodriguez
Equipment Operator Driver
September 4, 2018



Erik Luna
Diversion Worker I/II
September 17, 2018



CJ Macias
Diversion Worker I/II
October 15, 2018



Rosie Ramirez
Administrative Support Assistant
October 15, 2018



Salma Sandoval
Accounting Technician
October 29, 2018



Gerardo Martinez
Diversion Worker I/II
February 22, 2019

Office Staff



Of all the assets that contribute to making Salinas Valley Solid Waste Authority, leading provider of waste services in Salinas Valley, one is by far the most critical to our success. It is our people. Every person in every position throughout our organization plays a role in serving our customers, keeping communities clean, helping businesses reduce waste and protecting the environment. Together, this team of 54 employees drives our success and defines our Mission, Vision & Values at work.



We share the same passion for service and we provide the best customer service to our customers.



Dedicated.

Motivated.

Empowered to make a difference.

Our Accomplishments

Employee of the Year

At the Annual Employee Communication Meeting, one individual is recognized as Employee of the Year. This title is earned by those who demonstrate exemplary attributes associated with Safety, Productivity, Quality, Human Development, and Growth. The employee of the year is chosen from a pool of nominated employees, and they are presented with an Employee of the Year Award to recognize their dedication to SVR.



The 2019 Employee of the Year Award was presented to Estela Gutierrez for her dedication, hard work, and positive attitude throughout the 2019 year. Congratulations to Estela Gutierrez, our 2019 Employee of the Year!



Employee Recognition

SVR has enjoyed much success over the years and we recognize that growth and success of any organization depends largely on its people.

On August 2, 2019, Employee Communication Meeting, 23 employees were recognized for their years of service. SVR would like to thank its employees for the important role they have played in helping SVR achieve success.



Your dedication, loyalty, and commitment to SVR has been outstanding. Congratulations again on your milestone years of service. Our success is directly attributed to the support and contribution of our team members.

Certificate of Achievement for Excellence in Financial Reporting

Congratulations to our Accounting Team, which made history once again for being awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report (CAFR) for the fifth consecutive year.

The Certificate of Achievement for Excellence in Financial Reporting is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. This is a great honor for our Accounting Team as well as the award reflects well upon everyone at SVR.

The Finance Department is committed to integrity and excellence in providing timely, accurate, and complete financial information and services to all Salinas Valley Recycles stakeholders.



Clean Air Leader Award

Estela Gutierrez was recognized by the Monterey Bay Air Resource District for her leadership on Air Quality Education.



The Monterey Bay Air Resources District believes it is important to recognize individuals, organizations and companies who demonstrate leadership by their actions, in ensuring good air quality.

Congratulations Estela - thank you for all your work to educate the community about the benefits of home composting!



Monterey County Workforce Development Board 2018 First Award Ceremony

KickStart Program - Collaborating with the County of Monterey, SVR has worked with this program since 2014 by providing re-entry services to ex-offenders. The program has allowed individuals to gather tools and skills that have led to successful full-time employment opportunities with SVR, and other local businesses.

On behalf of MCWDB, SVR represented by Cesar Zuñiga, Assistant General Manager, and Michael Silva, Operations Supervisor were selected to receive the 2018 Business Award, in addition; Harold Dorsey was selected to receive the 2018 Adult Award.

This award demonstrates the dedication to go above and beyond to support MCWDB organizational mission and community.

Thank you to Monterey County Workforce Development Board for the Outstanding Business Award. We will continue our dedication supporting the community and your organizational mission.

Operating Budget

"The Finance Department is committed to integrity and excellence in providing timely, accurate, and complete financial information and services to all Salinas Valley Recycles stakeholders."

FINANCIAL HIGHLIGHTS - 2019 IN NUMBERS

REVENUE	FY 2018-19	FY 2019-20
Tipping Fees - Solid Waste	\$ 12,672,500	\$ 13,015,000
Tipping Fees - Transportation Surcharge	\$ 1,849,550	\$ 1,421,775
Tipping Fees - Diverted Materials	\$ 2,029,525	\$ 2,236,430
AB 939 Services	\$ 2,319,700	\$ 2,733,000
Other Revenues	\$ 849,000	\$ 936,000
Total Revenue	\$ 19,720,275	\$ 20,369,805

OPERATING EXPENDITURES

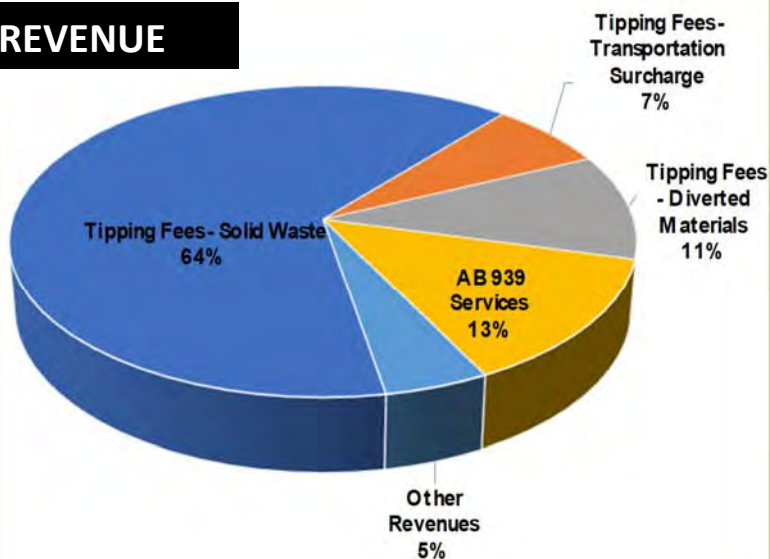
Administration	\$ 2,805,800	\$ 2,518,800
Resource Recovery	\$ 4,940,300	\$ 4,863,700
Transfer Station Operations	\$ 3,693,400	\$ 2,966,000
Landfill Operations	\$ 3,239,600	\$ 3,270,400
Debt Service	\$ 3,933,800	\$ 3,250,100
Closure Set-Aside	\$ 268,300	\$ 285,000
Future Cell Construction Set-Aside	-	\$ 950,000
Total Operating Expenditures	\$ 18,881,200	\$ 18,234,000
NET OPERATING REVENUE	\$ 839,075	\$ 2,135,805

BUDGETED SURPLUS

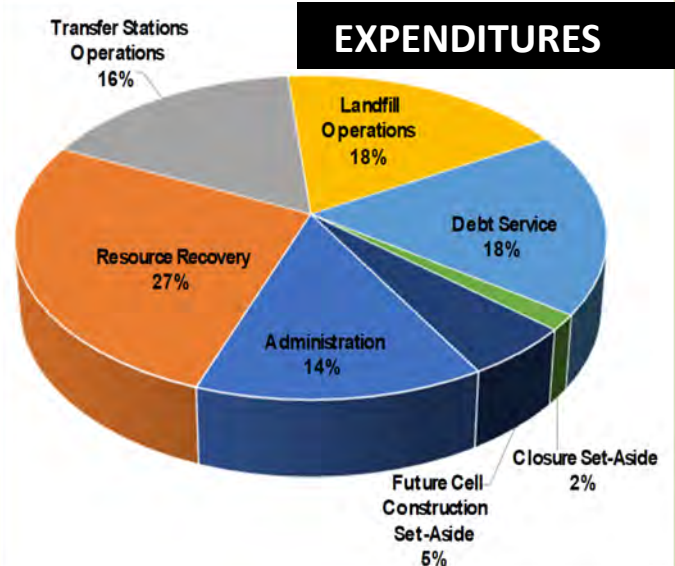
	FY 2018-19	FY 2019-20
Post-closure Maintenance	\$ (1,031,800)	\$ (1,055,000)
Allocated for CIP	\$ (2,430,991)	\$ (2,280,000)
Use of One Time Surplus	\$ 2,683,991	\$ 1,200,000
Total Budgeted Surplus	\$ 60,275	\$ 805



REVENUE

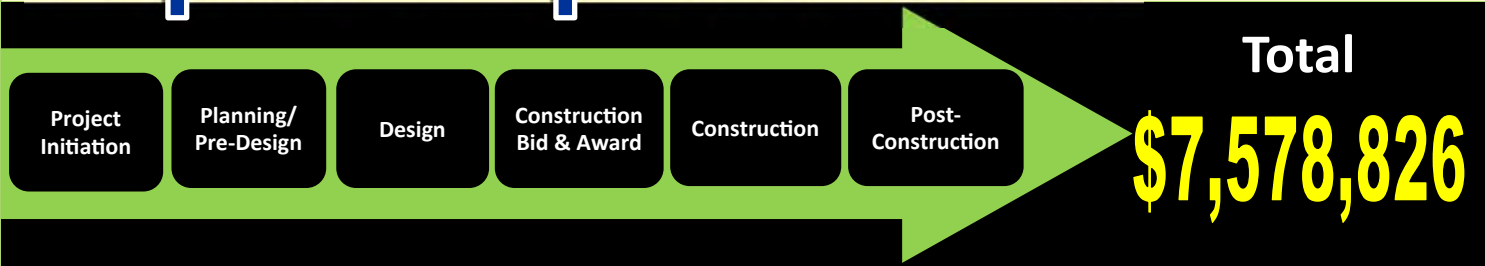


EXPENDITURES

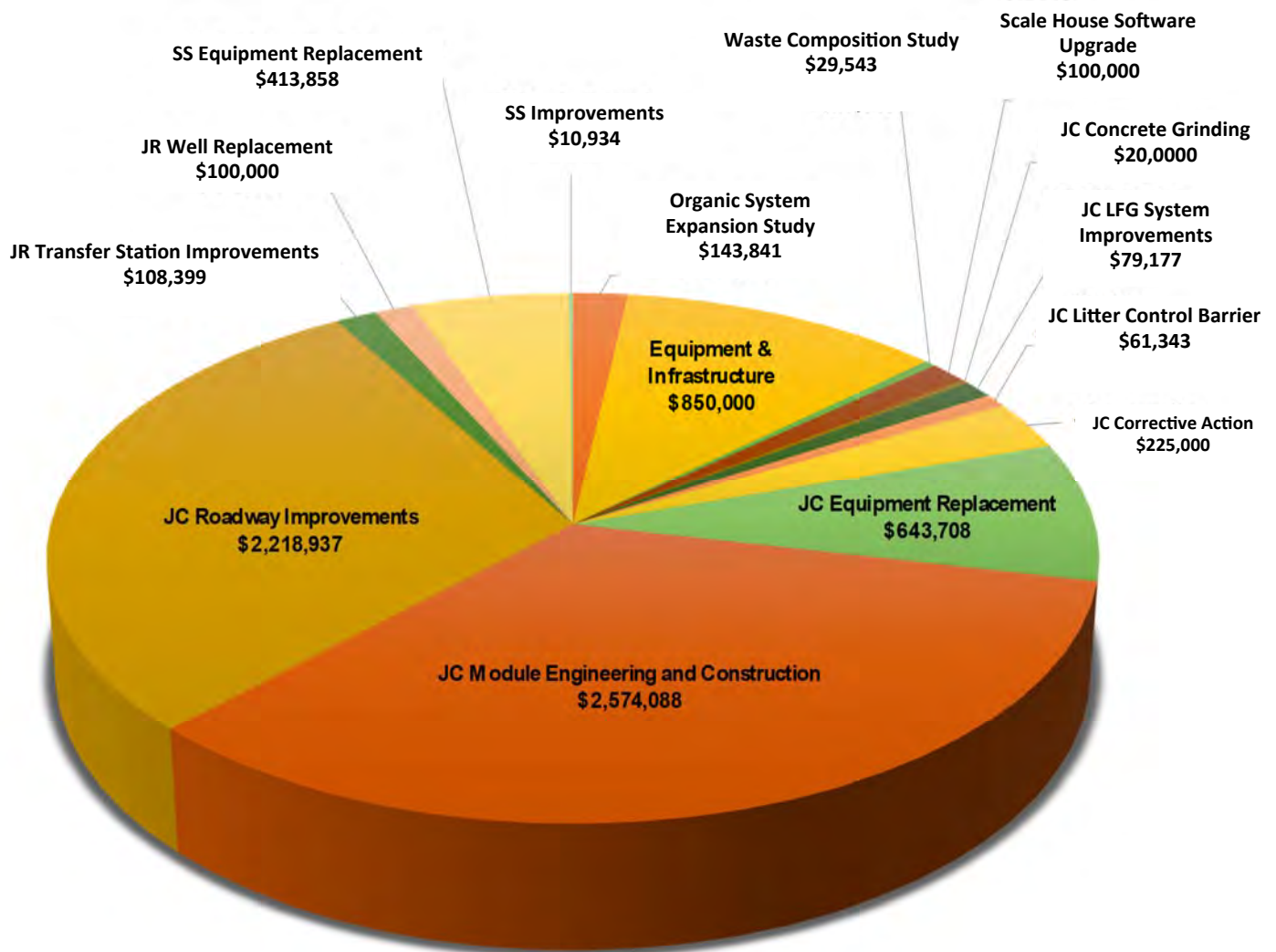


To view SVR's latest financial information including budget documents and audited financial statements, visit our website www.SalinasValleyRecycles.org

Capital Improvements



PROJECT BUDGET



Statistics

Since 2013, SVR has reported as a Regional Agency on behalf of the five-member cities for AB 939 Annual Reporting to CalRecycle. The County of Monterey reports on behalf of the unincorporated areas.

The annual diversion rate equivalent is an estimated calculation based on each jurisdiction's per capita disposal rate, which is now reported as pounds/person/day.

The estimated 2018 per capita annual disposal rate is 4.7 pounds/person/day. The statewide average is 6.6 pounds/person/day.

Due to increased economic growth, and reduced recycling market conditions, diversion has dropped slightly.

Year	SVR Regional Diversion	Unincorporated Monterey County
2016	69%	54%
2017	65%	55%
2018	62%	50%



Johnson Canyon Landfill



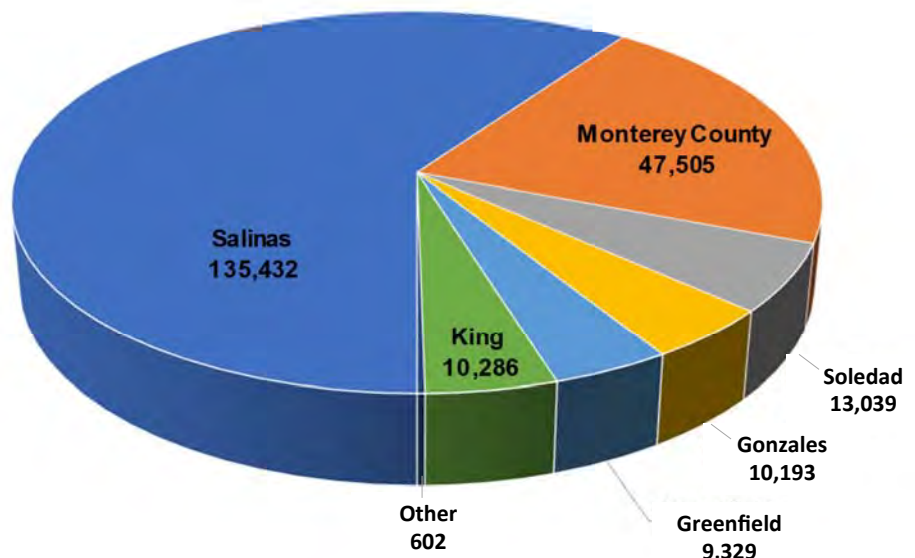
Sun Street Transfer Station



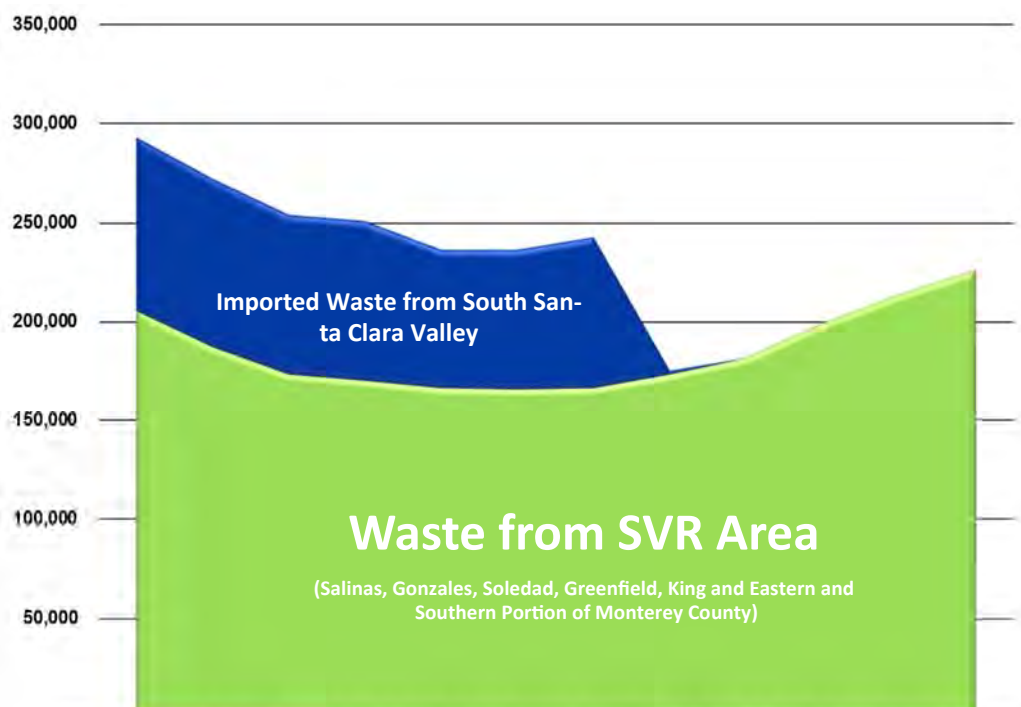
Jolon Road Transfer Station

Tons of Waste Landfilled at Johnson Canyon Landfill

226,386



Landfill Tonnage



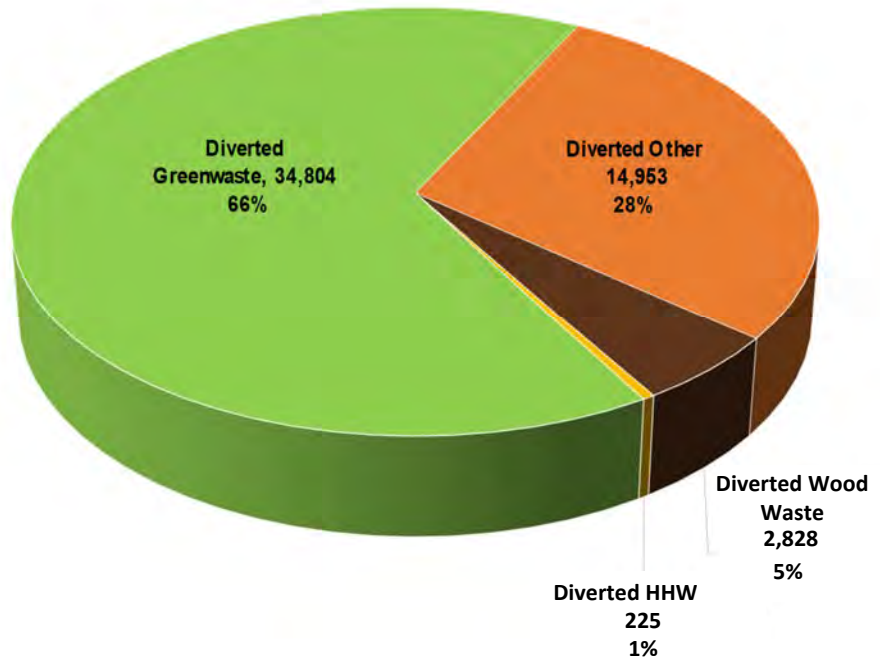
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
■ South Valley	86,739	84,322	79,615	79,552	69,215	70,021	75,790	1,951				
■ SVSWA	205,981	187,486	173,938	171,131	167,033	166,500	166,998	173,972	182,298	199,457	213,714	226,386



Total Diverted Tons

58,810

Diverted Tonnage by Commodity



Tons of Waste Processed

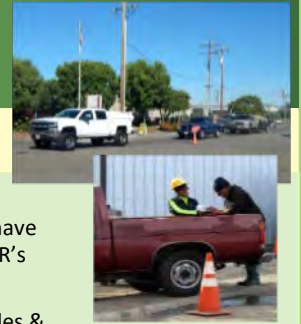
	Salinas	Monterey County	Soledad	King City	Greenfield	Gonzales	Total
Total Received	177,855	56,898	18,129	13,584	20,098	13,441	300,005
Less C&D (Used for ADC*)	5,452	669	424	457	328	294	7,624
Less Biosolids (Used for ADC*)	24	55	547	0	6,746	0	7,372
Less Dirt (Used for Daily Cover)	3,395	1,487	253	4	740	537	6,414
Net Tonnage Received**	168,984	54,688	16,905	13,124	12,285	12,610	278,595
Diverted Green Waste	21,786	5,789	2,336	1,910	1,615	1,368	34,804
Diverted Other	9,585	1,260	1,251	766	1,269	821	14,953
Diverted Wood Waste	1,988	127	274	155	68	216	2,828
Diverted HHW	193	7	4	7	3	12	225
Total Diverted	33,552	7,182	3,866	2,837	2,956	2,417	52,810
% Diverted	19.9%	13.1%	22.9%	21.9%	24.1%	19.2%	19.0%
Solid Waste Landfilled	135,432	47,505	13,039	10,286	9,329	10,193	225,784
							Self Haul Tons from outside SVR Area 602
							Landfilled Tons at Johnson Canyon Landfill 226,386

* ADC: Alternative Daily Cover

** Data included inbounds tons. Facilities not operated by SVR are allocated based on tonnage received at Johnson Canyon Landfill.

Operations

All Site Customer Trips



Sun Street Transfer Station Scale House



Johnson Canyon Landfill Scale House



Jolon Road Transfer Station Scale House

SVR has become an integral part of Salinas Valley. Customer trips to our facilities have increased since FY2015-16 showing there is a strong need in the community for SVR's facilities.

Each one of SVR's facilities provides an outlet for customers to bring their recyclables & trash to assist local jurisdictions in minimizing illegal dumping.

Having three locations in the Salinas Valley ensures all residents & businesses have disposal & recycling options located near them.

Recycling programs are set up at all three locations to ensure the highest level of recycling is achieved while keeping cost for customers as low as possible to promote public interest in recycling and proper disposal of trash.

The operating hours are tailored to our customer needs. The Sun Street Transfer Station in Salinas and Jolon Road Transfer Station are open Monday through Saturday, while Johnson Canyon Landfill is open seven days a week. Johnson Canyon Landfill is the only disposal facility in Monterey County open on Sundays.

A special campaign was established to inform the public of our Johnson Canyon Landfill being open on Sundays, this has increased our customer trips significantly.

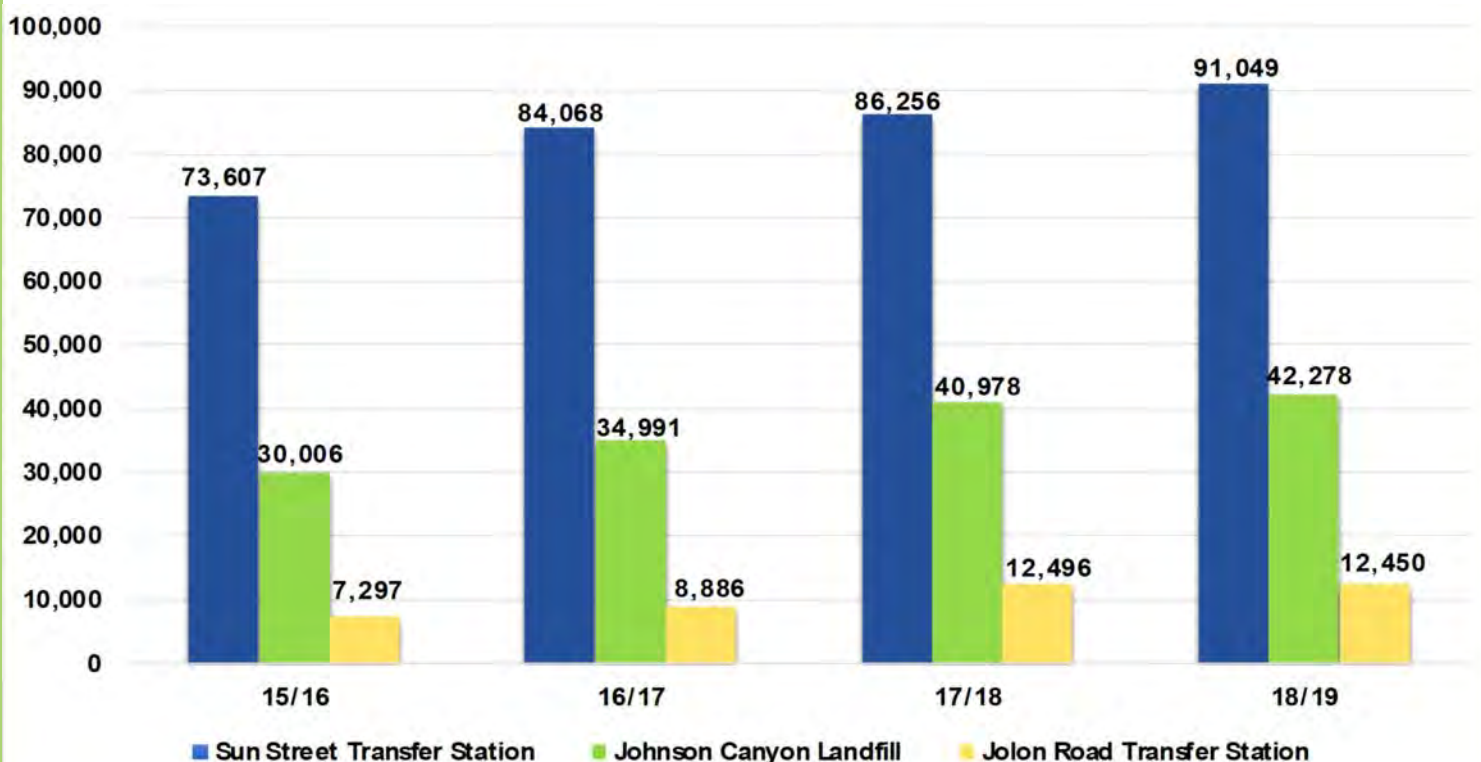


**REFUSE - REDUCE - REUSE - RECYCLE - ROT
HELP PREVENT ILLEGAL DUMPING**



For more information regarding our facilities or services, please visit our website at www.SalinasValleyRecycles.org or call (831) 775-3000

CUSTOMER TRIPS - YEAR OVER YEAR



"Working Towards A Future Without Landfills"

Grants

for Growing



**Contracts & Grants Analyst
Elia Zavala**

Providing the King City City Council
with the Annual Waste Management Performance Report.

CalRecycle Organics Diversion Grant

Grant funding was awarded to:

- 1) Construct a full-scale composting operation at Johnson Canyon Landfill,
- 2) Purchase a de-packaging system to remove non-marketable organic material from its packaging and direct it for composting, and
- 3) Purchase a refrigerated truck for the Food Bank of Monterey County to help divert edible/donatable food throughout Monterey County including disadvantaged communities.



The project is expected to divert over 23,000 tons of organic waste from the landfill in its first year resulting in a reduction in greenhouse gases over 7,000 MTCO₂e during the grant.

In December 2018, the Food Bank began utilizing the new refrigerated truck and by June, it rescued over 276 tons of edible food. The de-packaging equipment arrived in February 2019 and was installed with an initial startup commencing in April 2019. The composting pad prep and construction began March 2019 and operation is expected to commence in October 2019. A composting facility and de-packaging system will be the first in its kind in Salinas Valley and are crucial components for a robust food waste composting program enabling compliance with AB 1826 and SB 1383.



AWARDED: \$1,341,865

Mattress Recycling Council

In 2018, approximately 877 mattresses were landfilled due to damage caused by inclement weather. The Mattress Recycling Council awarded SVR a grant to purchase an enclosed storage container at Jolon Road Transfer Station and Johnson Canyon Landfill.



At Sun Street Transfer Station, the grant purchased a heavy-duty staircase and platform carry carts to improve the program's operational safety. All items have been

purchased and installed. The improvements are expected to minimize the need to landfill mattresses and box springs that cannot be recycled due to inclement weather damage.

AWARDED: \$12,766

Monterey Bay Air Resources District AB2766 Air Pollutant Emissions Reduction Grant



This grant purchased two new fuel-efficient transfer trucks that utilize compressed natural gas (CNG) engines resulting in cleaner air emissions from approximately 72,000 miles of on-road miles per year, producing 90% lower NO_x emissions than EPA standards. The new transfer trucks replaced two older diesel engines that have taken place of circulation.

AWARDED: \$379,338



CalRecycle Tire Amnesty Grant



SVR was awarded a new Tire Amnesty grant to conduct waste tire collection events over the next two years. During each event, residents will be able to drop off tires for free at any Authority facility (Sun Street Transfer Station, Johnson Canyon Landfill and Jolon Road Transfer Station).

For more information on Free Tire Recycling, please call us at (831) 775-3000 or visit our website at www.SalinasValleyRecycles.org

AWARDED: \$90,000



**PUTTING
LESS INTO
LANDFILLS
IS ALWAYS
A GOOD
THING.**

The De-packager The New Compost Facility

Investing In The Future

A Vision To Eliminate Waste



Thanks to the grant from California Climate Investments and CalRecycle, SVR can now divert more than 15,000 tons of packaged produce from going into the landfill annually.



THE TURBO SEPARATOR IN ACTION:



**De-Packaging Services Now Available
Johnson Canyon Landfill
Gonzales, CA**

Contact Salinas Valley Recycles for
more information today!

www.SalinasValleyRecycles.org | 831-775-3000

HotlineNews

De-packaging
Organics to
Produce Compost!

Separating
packaged food
waste into
organic and
non-organic
components.

The First and Only De-packaging Equipment available in the Salinas Valley Area!

The T30 Turbo Separator Arrives

Salinas Valley Recycles is proud to welcome the new T30 Turbo Separator De-packaging Equipment. The first and only De-packaging Equipment available in the Salinas Valley, Monterey County Area. Over the past three years, the Authority has been working with the Board to establish programs that will assist with AB 1826, Mandatory Commercial Organics Recycling and SB 1383 (Short-lived climate pollutants), both bills aimed directly at significantly reducing organic materials going into landfills. The grant funding enabled SVR to purchase and install a de-packaging unit at Johnson Canyon Landfill in the spring of 2019. The trial runs were completed summer 2019 with additional components required to collect and process the finished product installed. The de-packager has begun operating full-time as of late Summer 2019. The de-packager is set to process up over 15,000 tons of material that would otherwise be landfilled due to packaging and/or cross-contamination issues. The de-packager will allow the Salinas Valley Agriculture businesses, nurseries, restaurants, and grocery stores to divert packaged organics that otherwise would have been landfilled and assist those businesses and SVR member agencies in complying with AB 1826 and SB 1383 Organics Recycling mandates.

The De-packager



The de-packager creates a slurry from packaged produce and food waste and is diverted to the Carmel Area Wastewater District (CAWD) and also later to the new Authority composting facility, once completed. The slurry will be stored in a collection tank that will be pumped and hauled to the wastewater district to be processed in their digester and converted into energy. The renewable energy is then used to offset the power needs of CAWD, while allowing the processors in the Salinas Valley to divert material from the landfill and into a beneficial re-use. Discussions with Monterey One Water are also occurring for possible future acceptance of the slurry and their digestions.

New Compost Facility

By late October 2019, the new state-of-the-art organics composting pad at the Johnson Canyon Landfill should be ready to begin operations. The Extended Aerated Static Pile (EASP), refers to a method of composting used to biodegrade organic material without physical manipulation during primary composting. The blended mixture, which will include the de-packaged slurry and ground yard waste, is placed in piles on top of perforated air piping, which provides air circulation for controlled and faster composting. Aerated static piles offer process control for rapid biodegradation, and work well for facilities processing wet materials and large volumes of feedstocks.

The facility was constructed to ensure enough capacity is available for the Salinas Valley needs, as SB 1383 becomes effective on January 1, 2020. The facility is currently permitted to produce up to 26,000 tons per year of organic material but will undergo a permit revision to maximize the facility throughput to 75,000 tons per year. The 75,000 tons is already permitted with the California Regional Water Board and Monterey Bay Air Resources District. We anticipate the final permit approval from CalRecycle will follow in the Fall of 2020.



To view a short clip of the De-packager, visit our website www.SalinasValleyRecycles.org.

Where Does Your Garbage Go?

Module VII

Johnson Canyon Landfill Expansion

The Johnson Canyon Landfill is a Class III landfill that began operations in 1976 under Monterey County. The site encompasses 163 acres, of which approximately 96 acres are designated for disposal of non-hazardous municipal solid wastes (MSW). The remaining acreage is utilized for entrance and gate facilities, maintenance facilities, landfill gas co-generation and destruction facilities, public recycling collection, and inert materials (metals, concrete) and organics (wood waste/green waste) processing.

The Authority's largest project in recent years was the construction of Landfill Module VII. Module VII has an estimated interim life of 5-6 years based on current incoming landfilled tonnage. The project was completed in mid-September 2019. The initial waste placement will begin in October 2019 with hopes of completing the initial placement of waste by late winter/early fall. The placement of soft waste (residential) is a precaution taken to

prevent puncturing the liner system designed to prevent groundwater contamination associated with landfills. The operation will be a coordination between SVR and Franchise Haulers to ensure only select waste is placed on the bottom of the landfill. A dedicated staff person will also be present to inspect and remove objects that can puncture or damage the liner.

Reduce Landfilling &

Help Save The Planet

For more information on the construction of Johnson Canyon Landfill Module VII, please call us at (831) 775-3000 or visit our website at www.SalinasValleyRecycles.org

Marketing

Efforts & Education

SVR uses a variety of means to communicate with the public, including outreach to the Spanish speaking community, regarding the different solid waste management programs and services that are available. The annual media plan dedicates approximately half of the budget to Spanish media. The following means were used to provide information to the public during FY2018-19:

- Promoted our services and sustainability through social media posts, engagements, and impressions.
- Celebrated America Recycles' Day in November with a fun Baby Shark Recycles video filmed at our Sun Street Transfer Station & Recycling Center.
- Aired over 2,500 spots on local English and Spanish TV and radio stations. This year SVR expanded streaming media outreach. Have you seen the new talking trash commercial? Our knowledgeable cart is helping educate residents about composting organic waste. Stay tuned for more talking trash can tips.
- Hosted a Recycling event in King City with La Tricolor 99.5 Radio. The event had a great turnout and customers appreciated the raffle items!
- Featured stories by the Californian and KION. SVR is always happy to talk to the media about all things recycling and composting.

Informational Campaigns

SVR's comprehensive outreach plan includes the use of news releases, social media, articles in the newspaper, videos, paid advertisements across all media platforms, and waste hauler newsletters. Efforts are made to target the Spanish-speaking population by distributing materials in Spanish at various events and venues, running ads on Spanish speaking television and radio stations, and providing Spanish translation.

List of Media & Marketing Services used by SVR:



Television & Online Streaming:

- KSMS Univision 67,
- KMUV Telemundo 23
- OSBW Estrella TV 8-2
- Core Audience
- "Over the Top TV" (OTT TV)
- MontereyCountyWeekly.com
- MontereyCountyHerald.com

Print Ad Campaigns:

- Holiday Tree Recycling
- Tire Amnesty Campaigns
- Compost Workshop Events

Published in:

- El Sol
- South County Newspapers
- Auto Shopper Magazine
- La Ganga Especial

General Print Branding Ads:

- South County Resource Conservation special section
- Chamber of Commerce Guide:
 - Gonzales
 - King City
 - Soledad
- Salinas Valley Fair Program
- Monterey County Cannabis - Industry Compliance
- North Monterey County Parks & Rec Guide

Recycling Articles:

- Construction & Demolition
- Film Plastics
- Yard Waste
- "Amazon Effect" Holiday Waste
- Rate Changes
- Illegal Dumping
- Carpet Recycling
- Composting for Climate Cooling

Monthly E-Newsletters
(email media@svswa.org to subscribe)

SVR Celebrates America Recycles Day: Baby Shark Video

American Recycles Day is the only nationally recognized day dedicated to promoting and celebrating recycling in the United States. The purpose of America Recycles Day is to focus the nation's attention on the importance of recycling. Businesses, industries, government agencies, nonprofit organizations, and individuals join together to celebrate America Recycles Day and encourage friends, neighbors, and coworkers to pledge to learn more about recycling options in their community and commit to recycle more materials. SVR Staff celebrated America Recycles' Day by filming a Baby Shark Recycles Video at our Sun Street Transfer Station. **To view the video, visit [Salinas Valley Recycles - YouTube Channel](#)**



Celebrated

America Recycles Day

November 15



Save the planet.

RECYCLE

Talking Trash Commercial Video: Reducing Waste by Composting

SVR drops some knowledge on the importance of food waste composting through our new "Talking Trash" TV Commercial. Banana peels don't go in the trash, compost them!

Viewers are invited to reduce their waste by learning how to turn kitchen scraps and yard trimmings into a nutrient rich soil amendment by attending a free, bilingual composting workshop.

Backyard Compost Bins and Worm Bins are available for purchase to the public year-round at a reduced cost of \$49.95.

Plus we provide a free bag of red wiggler worms with every worm bin purchase!



Make landscape, not landfill!

To view the video, visit Salinas Valley Recycles - YouTube channel or to register to attend a composting workshop, visit www.SalinasValleyRecycles.org or call 831-775-3000. Salinas Valley Residents only.

KION 5/46 News Channel Interview: What Goes Where App

SVR's Recycling Coordinator, Janna Faulk was interviewed by KION 5/46 News' Megan Meier on the new "What Goes Where" App. SVR and Monterey Regional Waste Management collaborated with the local haulers to provide Monterey County residents with a resource to find current recycling best practices.

The app helps determine what materials are still recyclable in curbside carts based on zip-code, along with the closest drop-off sites for other recycling items. Residents can also learn how to reduce, reuse, and recycle other recyclable household items.

The app is updated regularly on the recycling market and progress change.



"Often there's just a lot of confusion especially with different haulers taking different products. You can just have the answers all in your pocket," said Janna Faulk, Recycling Coordinator with Salinas Valley Recycle.



La Tricolor 99.5 Radio: SVR Spring Clean & Green Recycling Event

SVR hosted a recycling event at Jolon Rd Transfer Station, King City with La Tricolor 99.5 Radio. South County residents were able to recycle their old mattresses, washers, dryers, water heaters, dishwashers, metal, cardboard, plastic, furniture, electronics, and more for free!

SVR recycling events provide an easy way for people to keep these types of wastes out of the landfill and do something positive for the environment. SVR also raffled away free prizes for recyclers to encourage recycling.



Community Involvement

Seeking to Inspire Our Communities

SVR provides a wide variety of community programs throughout Monterey County. SVR is committed to going beyond providing fundamental services. SVR takes responsibility to contribute to the growth, maintenance and strength of its community.

Whether it's participating in fundraising events, sponsorships or partnering with community agencies, SVR seeks to inspire both children and adults to take the initiative to become more resourceful, reduce waste, and do their part. SVR knows that developing relationships with its community will help deliver the best possible services to help educate and empower communities.

School Recycling Program Implementations

Recycling is vital in schools due to the amount of waste generated daily. The most common recyclables in schools are paper and cardboard. When an effective recycling program is in place, there is a significant reduction in the amount of waste going to landfills. This reduction is of great benefit to the environment as it reduces greenhouse gas emissions and educates our next generation on sustainable living.

Schools can implement mixed recycling programs to not only capture their paper and cardboard but also their plastics, metal, etc. SVR partners with the local hauler to provide free programs for schools. Apart from the environmental benefits of recycling, the programs can also save schools money by reducing their monthly disposal costs.

This year, SVR hosted school tours of SVR's facilities that included 19 recycling and compost presentations. Staff visited 26 local schools and Head Start Centers in SVR's jurisdiction area and gave 74 recycling presentations.

SVR collaborates with ALBA (Agriculture & Land-Based Training Association) to provide hands-on composting presentations for school tour groups at ALBA's farm. SVR conducted 60 composting presentations and coordinated an additional 18 presentations given by the hauler, Waste Management, using our traveling worms.



JOIN THE MOVEMENT AND GET INVOLVED

STOP WASTE

Food Waste Reduction in Schools

One of SVR's primary objectives is to reduce waste to landfills; organics, including food waste make up over 30% of what is still going into the landfill. Schools are large generators of food waste and edible/donatable food.

SVR CURRENT GOALS:

Goal #1

REDUCE
the amount of food waste generated



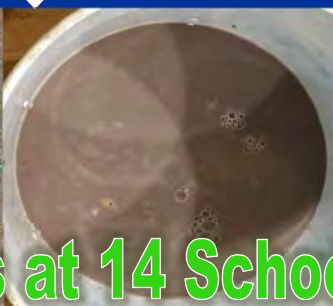
Goal #2

RESCUE
edible food and donate to feed hungry people



Goal #3

COMPOST
unavoidable food waste, diverting it from landfill into our soil



SVR conducted Waste Audits at 14 Schools!

Schools across California can now donate their cafeteria leftovers (pre-packaged and unopened food and beverage) to local food banks and charities. Senate Bill (SB) 557 was signed into law in September 2017. SB 557 allows schools to cut down on food waste by providing sharing tables where staff, students, and faculty may return appropriate unopened/uneaten food items. The food items can then be made available to students during the course of a regular school mealtime or donated to local food banks to help local communities across the State of California encourage food consumption.



Take the Lead - Reduce Food Waste!

SOURCE REDUCTION

FEED HUNGRY PEOPLE

FEED ANIMALS

INDUSTRIAL USES

COMPOSTING

LANDFILL/INCINERATION

The top three divertible items (*by weight*) found in school trash cans are food waste/edible food, milk waste, and paper. SVR has been assisting in setting up a food waste program to help schools divert those materials still ending up in the landfill.

Take the lead and contact us to assist your school in identifying opportunities for reducing waste and recycling in your classroom or school.

For more information on the Food Waste Program, please call us at (831) 775-3000 or visit our website at www.SalinValleyRecycles.org

Waste Reduction Programs

Waste reduction programs include some or all of the activities listed below.

- Waste Prevention
- Source Reduction/Elimination
- Reuse
- Donation
- Recycling Collection
- Composting
- Buying Recycled-Content Products



Facility Tours

SVR staff continue to provide solid waste management tours to interested members of the community. Our goal is to provide an up-close look at SVR's Integrated Solid Waste System. See what happens when your garbage and recycling leave the curb. Gain a deeper understanding of why it is important to Reduce, Reuse, Recycle & Rethink Waste!

Make a landfill or recycling tour part of your classroom curriculum or a learning opportunity for your organization.

Group organizations and individuals can arrange free tours to Johnson Canyon Landfill and the Sun Street Transfer Station. Tours must be scheduled in advance.

Request a facility tour online at www.SalinasValleyRecycles.org or contact us by calling (831) 775-3000.



GO BEYOND THE CURB Take a Recycling Tour

Community Cleanups

Litter and illegally dumped materials do not represent our communities well. Help SVR keep the Salinas Valley clean by organizing a cleanup event in your community or neighborhood. SVR provides community cleanups with free supplies and disposal vouchers to help make your event successful.

With the help of community volunteers and SVR staff, over 1,460 lbs. of trash and large items were removed from the Natividad Creek Annual Cleanup. SVR also assisted in various community cleanup events throughout the Salinas Valley, all with a shared purpose of helping our communities and neighborhoods stay clean.

SVR participated in the following cleanups:

- Aromas Community Cleanup
- Bradley Community Cleanup
- King City Spring Cleanup
- King City Summer Cleanup
- King City Fall Cleanup
- Gonzales Reuse, Recycling and Cleanup Event
- Greenfield Cleanup Week
- Pajaro Cleanup
- San Ardo One Day Cleanup
- San Lucas Community Cleanup
- Soledad Cleanup Week
- Soledad Reuse, Recycle & Cleanup

**WE CARE
NEIGHBORHOOD CLEAN UP**



**OUR COMMUNITY
LET'S MAKE A DIFFERENCE!**





Wally Waste-Not School Awards Program Reducing Waste & Promoting Recycling

Since 2001, SVR has assisted schools with implementing comprehensive school-wide recycling programs. These efforts are in response to Salinas Valley Recycles' goal of 75% diversion from landfills, the passage of AB 341 mandating recycling for commercial customers who generate 4 or more cubic yards of garbage per week, and the new mandatory organics recycling law (AB 1826) which came to effect in April 2016.

The new and improved Wally Waste-Not Award Program rewards 12 schools in the Salinas Valley for implementing or improving school-wide recycling programs. For the fifth year in a row, SVR recognized various schools for their outstanding commitment to implement recycling, waste reduction, and promoting waste awareness at their site by utilizing the 4'R's - Reduce, Reuse, Recycle and Rot/Compost. Each School that successfully completed the 26 required activities was awarded \$2,000.

Congratulations to this years winners:

- Palma High School
- Jesse G. Sanchez Elementary School
- Cesar Chavez Elementary School
- San Lucas Elementary School
- Elkhorn Elementary School
- Gabilan Preschool
- Rancho Cielo Silver Start Youth Program
- Alisal High School
- La Paz Migrant and Seasonal Head Start
- Salinas Child Development Center
- Soledad Migrant and Seasonal Head Start
- San Jerardo Migrant and Seasonal Head Start



Trashion Show Fundraiser - "Lone Recycler"

For the second year, SVR took on the challenge and participated in the South County Trashion Show, a luncheon fundraiser that benefits Alliance on Aging, a nonprofit serving seniors throughout Monterey County. In keeping with the "Old West" theme, the "Lone Recycler" donned a fully reclaimed outfit made out of ag plastic, paper shopping bags, file folders, e-waste cords, binder rings, and a Doritos bag.

Regulatory Changes

As both federal and state agencies struggle with combating climate change, there have been an increasing number of policies and laws implemented in California to reduce greenhouse gas (GHG) emission by eliminating the disposal of organics into landfills.

Assembly Bill (AB) 939, California Integrated Waste Management Act

According to State law enacted after the passage of Assembly Bill 939 in 1989, cities and counties were required to achieve a 25 % reduction in waste generated by 1995 and achieve a 50 % reduction by the year 2000. The law requires that these diversion numbers be met; but, additionally focuses on the type, quantity, and quality of recycling programs that each community adopts. In order to meet the mandated goals, the recycling effort must reflect a broad array of programs in place to ensure that diversion continues to improve.

Assembly Bill (AB) 32, Global Warming Solutions Act and Senate Bill (SB) 32 Global Warming Solutions Act of 2016

Passed in 2006, AB 32 requires that greenhouse gas (GHG) emissions be reduced to pre-1990 levels by 2020. AB 32's "Scoping Plan" adopted by the California Air Resource Board specifically identifies the need to divert 22 million tons of organic material from landfills. This Plan, which has been amended in recent years, has included specifics related to diverting organics from our waste stream and has identified the need to expand the State's ability to compost diverted organics, specifically through anaerobic digestion and composting. SB 32 extends and expands the State's commitment to reduce GHG emissions to 40 percent below 1990 levels by 2030.

Assembly Bill (AB) 341, Mandatory Commercial Recycling

AB 341, which became effective in 2011, is designed to help meet California's recycling goal of 75% diversion by the year 2020. It requires businesses, defined as commercial and public entities that generate four or more cubic yards of commercial solid waste per week and multi-family residential dwellings of five or more units, to establish a recycling program on or after July 1, 2012.

Assembly Bill (AB) 1826 Mandatory Commercial Organics Recycling

AB 1826 requires businesses that generate a specified amount of organic waste per week to divert it from disposal beginning in April 2016 for larger generators and extending to smaller generators through 2020. Also, jurisdictions must establish and implement a recycling program for this organic waste, which encompasses green waste, wood materials, food scraps, and food-soiled cardboard and paper products.

Senate Bill (SB) 1383, Organics Waste Methane Emissions Reductions

The forthcoming SB 1383 regulation establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. In addition, 20 percent of currently disposed edible food must be recovered for human consumption by 2025.



Recycling reduces the consumption of raw materials and energy usage, it also reduces greenhouse gas emissions.

Free

Despite China's ban on scrap imports which resulted in a loss of outlets in the recycling markets along with new costs, SVR facilities continue to accept materials at no cost; e-waste and u-waste, mattresses and box springs, bulky items, plastics, metals, cardboard/paper, and glass.

Recycling Services

Sharps Collection Program



Residents can exchange full approved Sharps (needles, lancets, etc.,) containers for new containers at the Household Hazardous Waste Facility (HHW) in Salinas for free. Participation in the Sharps Collection Program has remained steady. Last year approximately 2,385 pounds of sharps were collected at SVR.

Mattress Recycling Program

Unfortunately, mattresses are a common item found illegally dumped along roadsides. Salinas Valley residents can drop off 5 or fewer mattresses/box springs at any of our three locations for free. Over 15,572 of mattresses and box springs were recycled last year at our three facilities. Commercial/Businesses are charged \$5.00 for each mattress or box spring.



Tire Recycling Program

CalRecycle Grant funds help to educate residents about proper tire disposal and to host free used tire collection events. Residents can bring up to nine (9) tires free of charge at any of our three facilities.

Last year, 3,945 of tires were properly recycled during four collection events.



Household Batteries

Residents can drop off used batteries for free at the Household Hazardous Waste Facility (HHW) in Salinas and various locations throughout the Salinas Valley (libraries, hardware stores, etc.). Last year a total of 19,346 pounds of household batteries were collected at the Sun Street Transfer Station, Johnson Canyon Landfill, and Jolon Road Transfer Station.



E-Waste Collection Program

Residents and businesses in the Salinas Valley can drop off electronic waste ("e-waste") at any of our three locations for free. E-waste includes TVs, computers, monitors, laptops, printers, cell phones, etc. Last year approximately 457,997 pounds of e-waste were collected at SVR.

Carpet Recycling Program - Bring In Your Old Carpet!

Carpet is a bulky item that doesn't break down in the landfill, takes up space, and can be difficult to bury. SVR's Sun Street Transfer Station is an approved CARE—Carpet America Recovery Effort facility, which means SVR separates clean, dry carpeting and padding.



CARE is an Extended Producer Responsibility program established by AB 2398, administered by CalRecycle, and CARE is the California carpet stewardship organization.

Carpet must be separated, dry, and rolled. Only plush carpet and foam or re-bond padding are accepted for recycling. Carpet should be free of trash or scraps.



Recycling Accepted for Free. For Residents and Businesses.

- Cardboard
- Cellphones
- Computers, keyboards, and printers
- Copiers, facsimile (fax) machines
- Television and Computer Monitors
- Kitchen Appliances: washers, dryers, stoves, etc.
- Metal
- Rigid Plastics
- Glass (bottles and jars)
- Aluminum
- Paper (newspaper, office paper, etc.)
- Water Heaters, and more

For more information on our services, please call
(831) 775-3000 or
visit: www.SalinasValleyRecycles.org



Household

HAZARDOUS WASTE

SAFE DISPOSAL & RECYCLING



HHW Team : Edwin Ocapan, Jason Guillen, David Roel, Araceli Gutierrez

HHW COLLECTION FY 2018-19

Material	Pounds Collected
Flammable Solids / Liquids	4,600
Bulked Flammable Liquids	5,101
Oil Based Paint	2,282
Paint Related Material	78,725
Poisons	23,700
Acid	3,050
Base	25,635
Oxidizer	460
Reactive/Explosives	800
Antifreeze	9,580
Auto Batteries	36,430
Latex Paint	120,587
Motor Oil & Filters	135,078
Mercury Containing Items	75
Fluorescent Lamps	17,574
Household Batteries	19,346
Electronic Waste	457,997
Universal Waste	168,118
Aerosol Cans	12,335
Medical Waste	2,385
Gas Cylinders	12,035
Other Materials	2,000
Total Pounds Collected	1,137,893

More and more materials are prohibited from being disposed of in the landfill due to their toxicity, corrosiveness, and reactivity. Some materials are highly toxic and are generated on a more limited basis, while other materials such as batteries are widely generated by the community. SVR provides numerous opportunities for the public to manage their hazardous waste in an appropriate manner. **HHW DOES NOT belong in the garbage, down the sink, or storm drains, or in recycling carts or dumpsters!** Such wastes can poison the air, soil, water, animals, and people that come in contact with the toxins. Bring your Household Hazardous Waste to the Sun Street Transfer Station Collection Facility. Johnson Canyon Landfill and Jolon Road Transfer only accept ABOP (Antifreeze, Batteries, Oil & Paint).

The Household Hazardous Waste Facility will accept:

- Aerosols
- Antifreeze (ABOP)
- Auto & Furniture Polish
- Chemical & Drain Cleaner
- Cooking Oil
- Electronic Waste, TVs, Computers, Cellphones, etc.
- Fluorescent Bulbs & Tubes
- Household & Automotive Batteries (ABOP)
- Household Cleaners
- Latex Paint (ABOP)
- Needles & Syringes (in approved containers)
- Paint & Paint Thinners
- Pesticides & Fertilizers
- Pool & Hobby Supplies
- Thermometers, Thermostats, & other items that contain mercury
- Used Motor Oil & Filters (ABOP)
- Wood Preservatives

For Residents: A maximum of 15 gallons or 125 lbs. of hazardous waste per household is accepted every 30 days for free. Proof of residency, such as a driver's license or a utility bill is required.

For Businesses: A maximum of 25 gallons or 220 lbs. per month is accepted for a fee. Businesses must make an appointment.

Sun Street Household Hazardous Waste Facility

139 Sun Street
Salinas, CA 93901
(831) 424-5520
M-F 8 a.m. - 5 p.m.
Sat 8 a.m. - 4 p.m.

Johnson Canyon Landfill & ABOP Facility

31400 Johnson Canyon Road
Gonzales, CA 93926
(831) 675-2165
M-F 7 a.m. - 4 p.m.
Sat-Sun 8 a.m. - 4 p.m.

Jolon Road ABOP

52654 Jolon Road
King City, CA 93930
(831) 385-6213
M-F 8 a.m. - 4 p.m.
Sat 8 a.m. - 12 p.m.

Looking Ahead



SALINAS VALLEY RECYCLES FUTURE SALINAS AREA PUBLIC SERVICE FACILITIES

The City of Salinas is still conducting its own consultant study to determine if withdrawing from SVR membership is cost-effective and in the best interest of its ratepayers, planning for a new modern and fully enclosed transfer station to serve our community remains on hold.

In the interim, SVR staff continues looking at site opportunities for building a permanent public facility to continue providing the excellent, cost-effective services we have become known for in our communities. Once the Salinas study is complete, we will be able to further improve our services to our loyal customers, and meet the many State regulations our current plans and operations are designed to address.

**Stay tuned and stay involved at
www.SalinasValleyRecycles.org**



Get Involved

From the first commercial and self-hauls loads received at Johnson Canyon Landfill over forty years ago, to today with the de-packager and composting facility, SVR continues to look for new and innovative programs and technologies to meet the new mandates to reduce organic waste from entering the landfill, while providing cost-effective services for our customers and member agencies.

Over the past three years, the Authority has been working with the Board to establish programs that will assist with AB 1826, Mandatory Commercial Organics Recycling and SB 1383, both bills aimed directly at significantly reducing organic materials going into landfills.

New and Innovative Technologies

SVR has a long track record of supporting and evaluating new and innovative technologies to expand waste recovery, create jobs, expand non-landfill revenue streams and move closer to our Mission of reducing our dependence on landfills. A few of the projects under review and consideration include:

- The Clean Fiber and Organics Recovery System (CFORS) offered by Global Organics Energy (GOE) has been a long-standing SVR Research and Development project started in 2006 in partnership with the Board's Conversion Technology Commission, USDA, and the original technology developer CR3. GOE (owner of the CR3 patents and technology) is in the final stages of securing corporate and venture capital partnership funding for the next phase of the project, a commercial scale demonstration. SVR has no financial obligation other than hosting the project demonstration and supplying waste for the design and engineering trials.
- A medium scale solar energy project with battery storage is under development with our partner ISM Solar for the Crazy Horse Landfill (CHLF). CHLF is still a Federal listed Superfund Site associated with past disposal practices prior to SVR formation and is an excellent candidate for a "Brownfields" project designed to rehabilitate and repurpose old industrial or other environmentally impacted properties. The project could include up to 10MW of solar arrays and associated battery storage to allow the distribution of electricity during peak (and higher valued) evening hours. Discussion related to this project's electricity outputs are also occurring with Monterey Bay Community Power.
- SVR in partnership with the City of Gonzales and our landfill gas energy plant operator (Ameresco) are discussing potential energy or landfill gas deliveries to the City of Gonzales' proposed new microgrid system. Microgrid development is necessary for Gonzales to provide sustainable, locally generated energy for expansion of its industrial park due to lack of PGE distribution infrastructure to support the City's business growth efforts.
- SVR continues to work with USDA researchers to support new technologies and demonstrations for organic based products and services to support improved agricultural waste management practices.



The first commercial customer at Johnson Canyon Landfill, July 26, 1976



The first private vehicle customer at Johnson Canyon Landfill July 26, 1976

Service

Area & Facility Location

SUN STREET TRANSFER STATION SALINAS

JOLON ROAD TRANSFER STATION, KING CITY

- SVSWA Service Area
- Drop-Off Facility Location
- ABOP Drop-Off Station for Antifreeze, Car Batteries, Used Motor Oil and Latex Paint



SVR maintains the lowest per capita cost for delivery of recycling and solid waste services in the region, even with 16% of the budget going towards maintaining three closed landfills ("legacy liabilities").

Salinas Valley Recycles is a public agency and utility service that owns and operates the only open and active landfill in the Salinas Valley.

JOHNSON CANYON LANDFILL, GONZALES



WE APPRECIATE YOUR FEEDBACK

The views and feedback you share with us are helping to make Salinas Valley Recycles better for our local communities.

Thank you to everyone who supported Salinas Valley Recycles in 2018-19.

I wanted to express my gratitude for allowing our FARMS Leadership students to spend the day learning about food waste and the important changes happening in waste management, diversion, and organics.

I really value the importance of this field day for students and I am hoping you would consider hosting us again next year.

Perhaps we can talk about developing the relationship further and presenting a community action project at the beginning of the year for one of the schools to complete.

We could have them design a recycling bin system that could be installed in their school as a test pilot. Perhaps Cal Recycles could sponsor it. Have a great week.

Respectfully,
Leticia Hernandez
FARMS Leadership Program Coordinator
Salinas, Ca

Thank you for organizing our 2 days of field trips to SVSWA!!!!

The students, parents, and teachers all had a great time. Such an awesome field trip!!!

Cassandra Cuella,
2nd Grade Teacher
Elkhorn Elementary School
North Monterey County Unified School District

Right out the gate, I was greeted by a gentleman who was very helpful and helped me get rid of a heavy TV.

The lady at the scale was nice (even though I accidentally was on the scale with someone else) and very friendly.

Put it this way, I'm moving soon and I was going to rent a dumpster. But instead we will be renting a truck and just taking my stuff here.

That's how positive of an experience it was. Thank you guys and keep up the great work!

Mike Lopez
Salinas, CA

On behalf of Maggie Melone and the K12 STEM Programs at Hartnell College, we want to personally thank you for attending our NASA Saturday Academy SCESD Family Cafe Resource Fair.

Your presence on Saturday, November 3rd, 2018 was very much appreciated. The work you do in our community is valuable to our families.

We look forward to working with you in the new year. Please save the dates for our future Family Cafe events-March 2nd, 2019 and May 18th, 2019.

Sincerely,
Michelle Ramos & Monica Conner
Salinas City Elementary School District
Hartnell College Foundation

From the moment I drove in, to the moment I left. The experience was awesome!

All the employees were incredibly helpful, and full of positivity. Everything has its place! Mattresses, plastics, metals, electronics.

One of the workers saw that I was struggling with my mattress, this was a moment I should've asked for help but he offered it willingly.

Luis Leonard Sanchez
Salinas, CA

Easy to get through and fairly priced

Carlos Vargas
Salinas, CA

Administrative Office

128 Sun Street
Suite 101
Salinas, CA 93901
Mon - Fri: 8 a.m. - 5 p.m.
(831) 775-3000
Fax (831) 755-1322

Sun Street Transfer Station

139 Sun Street
Salinas, CA 93901
Mon - Fri: 7 a.m. - 5 p.m.
Sat: 8 a.m. - 4 p.m.
(831) 424-5535

Household Hazardous Waste Facility

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Gonzales, CA 93926
Mon - Fri: 7 a.m. - 4 p.m.
Sat/Sun: 8 a.m. - 4 p.m.
(831) 675-2165

Jolon Road Transfer Station

52654 Jolon Road
King City, CA 93930
Mon - Fri: 8 a.m. - 4 p.m.
Sat: 8 a.m. - 12 p.m.
(831) 385-0353

Printed on
100% Recycled Paper



ADVISORY COMMITTEE

Date: October 29, 2019
From: Mandy Brooks, Resource Recovery Manager
Title: Overview of Organics Recycling Mandates: Assembly Bill 1826 - Mandatory Commercial Organics Recycling Program and Senate Bill 1383 - Climate Pollutants and Methane Emissions Reduction Strategy

Recommendation

Staff recommends the Advisory Committee accept this report and provide input.

Summary/Discussion

The current Mandatory Commercial Organics Recycling Program (Assembly Bill (AB) 1826) requires commercial customers that generate 4cy of trash per week to implement an organics recycling program. The Short-Lived Climate Pollutants and Methane Emissions Reduction Strategy (Senate Bill 1383), which effectively eliminates the disposal of organic materials (including food scraps) in landfills by 2025, effects all generators of organic waste including residents, multifamily complexes, businesses, schools, local municipalities, state agencies, etc. and requires mandatory enforcement provisions.

SB 1383 goes into effect on January 1, 2020 with a state goal of 50% diversion of organics from landfilling. Enforcement begins on January 1, 2022 with fines and penalties implemented on January 1, 2024. Local jurisdictions (cities and counties) may issue fines and penalties directly to generators and the State may also issue fines and penalties to local jurisdictions and/or generators not in compliance. By 2025, the State must reach a diversion rate of 75% of organics from landfills and 20% increase in recovery and distribution of edible food.

Utilizing the Organics Grant funding, the Authority's new composting and de-packaging operation is expected to be in full operation starting in November of this year. Staff have also partnered with the Food Bank of Monterey County with the purchase of a refrigerated truck to assist with additional edible food recovery. In addition, staff is requesting approval to issue a Request for Proposal (RFP) for assistance with SB 1383 Program Planning and Organics Technical Assistance for the new composting operation.

Formal comments on the revised draft of the Proposed Organics Waste Reduction Regulations designed to implement the statutory provisions of SB 1383 were due to CalRecycle by October 18. It is anticipated that final language will be approved by the end of 2019.

Background

CalRecycle's recent study, "SB 1383 Infrastructure and Market Analysis" (April 2019), found that the amount of available composting or anaerobic digestion capacity in California is not sufficient to meet the goals of SB 1383, but there are facilities with existing capacity. Investing in new or expanded facilities is costly so significant incentives will be necessary to make investments in infrastructure to meet the goals of SB 1383.

For the past three years, Authority staff have been providing updates and information to the Board of Directors regarding these regulations that will have significant impacts statewide and mandate the diversion of organic materials from being landfilled, effectively changing the way organics are managed throughout the state. In 2017, the Authority Board approved the expansion of the current organics recycling operation including a phased-in rate structure change to help fund the infrastructure and processing necessary to achieve the levels of diversion and greenhouse gas emission reductions required by these state mandates.

Based on the data in the recently released Salinas Valley Waste Characterization Study 2019, in each of the six jurisdictions in the Authority's service area, **organics** is the top material class by weight, representing between 42% and 51% of waste. All cities and county areas in Monterey County will be required to establish programs that target the diversion of organic materials currently being landfilled. Program and plan development must begin in order to efficiently and economically divert and process these materials to avoid future issues associated with meeting state mandated deadline and monetary fines imposed by the State.

Attachments

- A. Overview Presentation of Organics Recycling Mandates



ITEM NO. 2
ATTACHMENT A

Organics Recycling Mandates & Expanded Organics Program

Advisory Committee Meeting

October 29, 2019

Published 10/22/19

1

What is Organic Waste?



Food Waste
(food scraps)



Food-soiled Paper
Waste



Green Waste

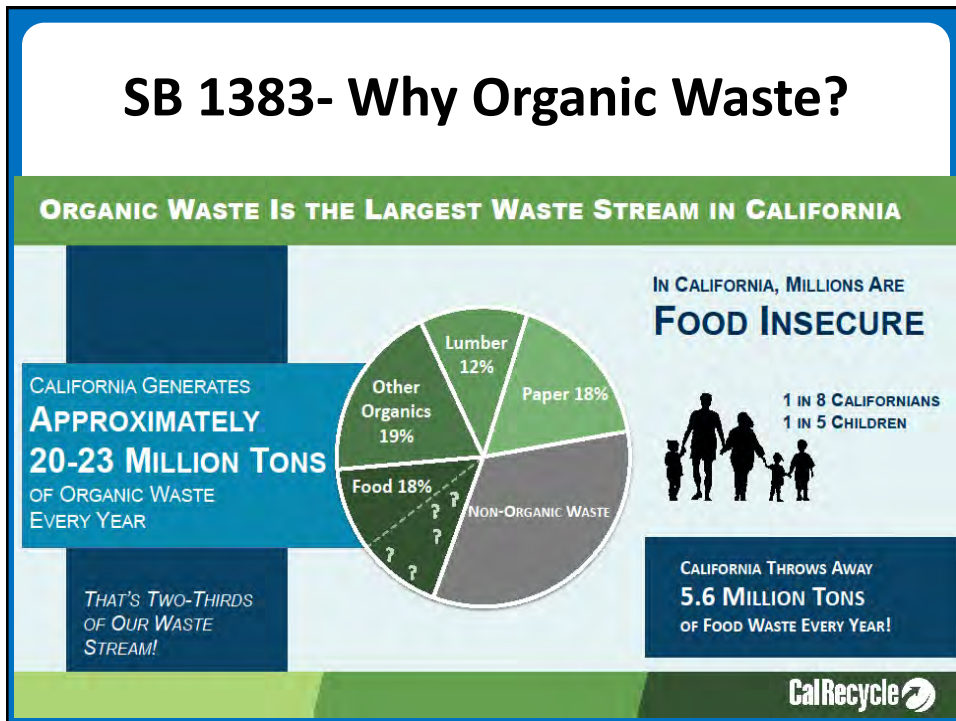


Wood Waste



2

SB 1383- Why Organic Waste?



3

Mandatory Organics Diversion

- **AB 1826 - Mandatory Commercial Organics Recycling (2014)**
 - Commercial Entities Required to Divert Organic Waste (Jan 1, 2019 – 4cy trash per week)
- **SB 1383 - Short-Lived Climate Pollutants & Methane Emissions Reduction Act (2016)**
 - Increase edible food recovery 20% by 2025
 - Reduce organic waste (below 2014 levels):
 - 50% by 2020; and
 - 75% by 2025



4

AB 1826 vs. SB 1383

	*AB 1826 Covered Businesses/MFC	SB 1383 Covered Generators
Salinas (Republic Services)	848	31,700
Gon, Gre, Sol (Tri-Cities Disposal)	154	8,400
King City (WM)	107	2,400
TOTAL	1,109	42,500

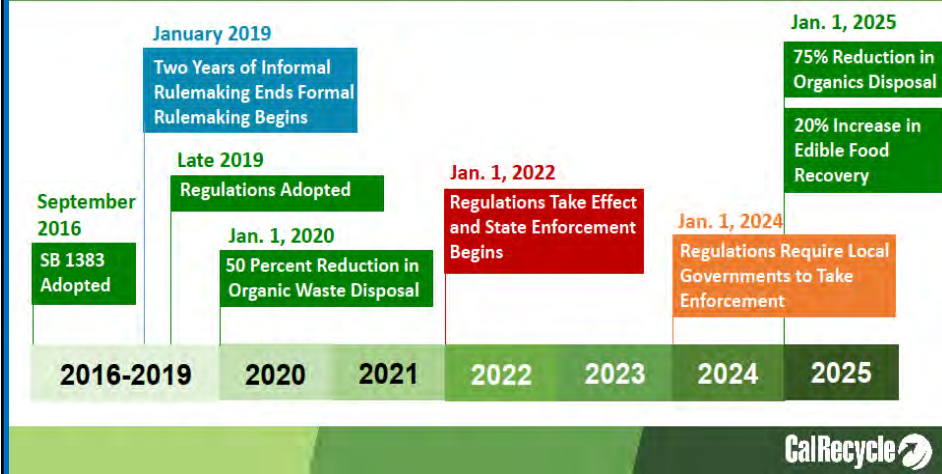


*County reports separately for AB 939 Programs including AB 1826

5

SB 1383 TIMELINE

SB 1383 KEY IMPLEMENTATION DATES



6

Roles & Responsibilities

JURISDICTION RESPONSIBILITIES

Provide Organics
Collection Services to All
Residents and Businesses



Conduct Education
and Outreach to
Community



Secure Access to
Recycling and Edible
Food Recovery Capacity



Establish Edible
Food Recovery
Program



Procure Recyclable
and Recovered
Organic Products



Monitor Compliance
and Conduct
Enforcement



CalRecycle 

7

Collection Services

ORGANIC WASTE GENERATOR REQUIREMENTS

Property and Business
Owners Shall Provide Organic
Waste Collection Services



Property and Business Owners
Shall Provide Adequate
Containers, Sufficient Signage



Businesses Shall Place Organics
Collection Containers where
Disposal Containers Are
Provided for Customers

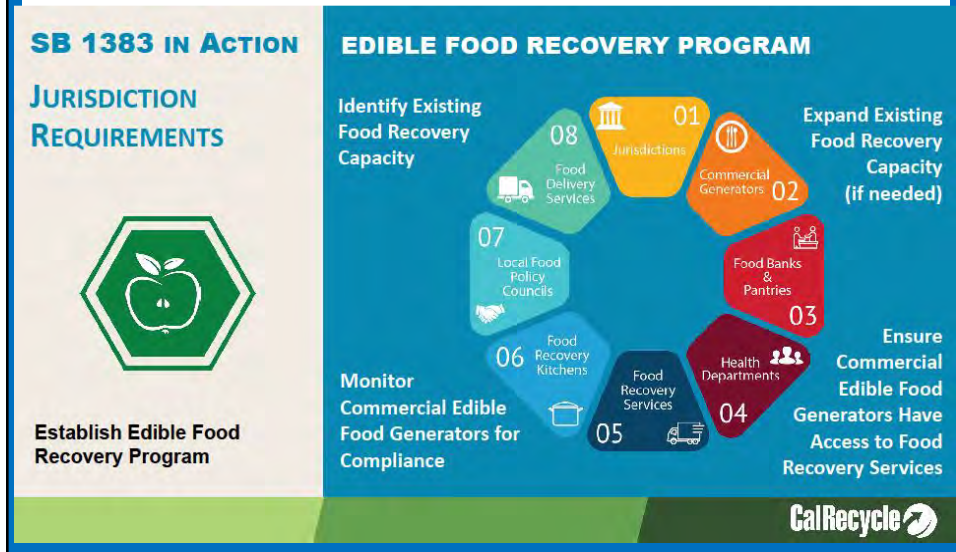


Requirements also apply to Non-local Agencies and Local Education Agencies

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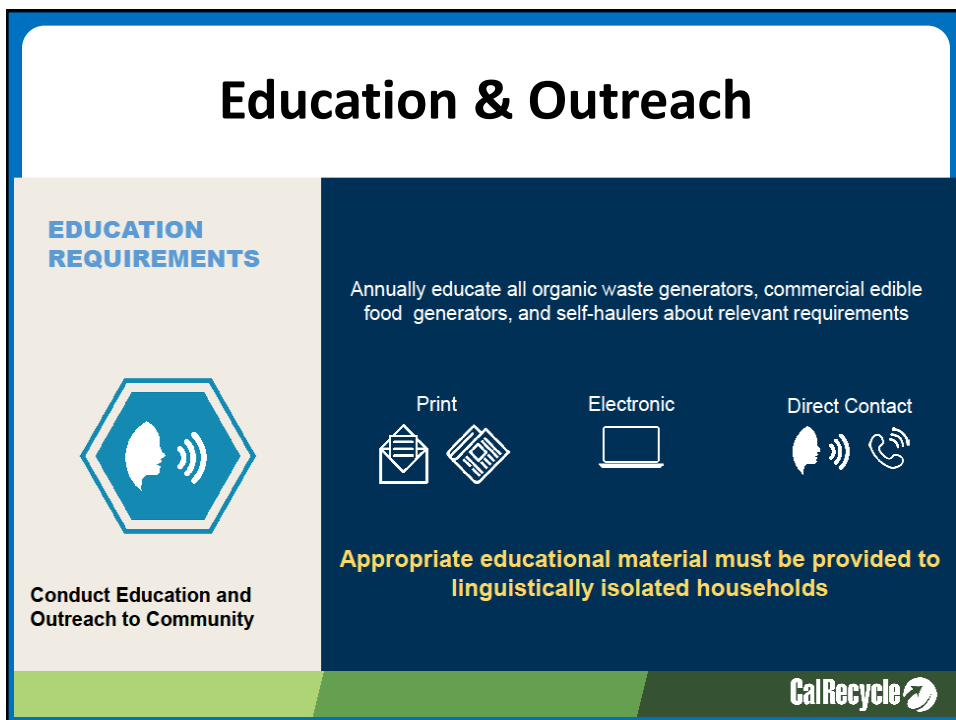
9

Edible Food Recovery



10

Education & Outreach



11

Procurement (by 2022)

SB 1383 IN ACTION

JURISDICTION REQUIREMENTS



Procure Recycled and Recovered Organic Products

PROCUREMENT REQUIREMENTS

COMPOST & RNG

Each jurisdiction must procure minimum amounts of compost or renewable natural gas

MINIMUM CONTENT

Paper products must be 30% recycled content



QUANTITY

Procurement levels are based on population

RECYCLABILITY

All procured paper products must be recyclable

CalRecycle

12

Capacity Planning

CAPACITY PLANNING



Evaluating Current Infrastructure and Planning New Compost and AD Facilities and Edible Food Recovery




CalRecycle

13

Enforcement & Inspection (by 2022 & 2024)




SB 1383 IN ACTION

JURISDICTION REQUIREMENTS



Monitor Compliance and Conduct Enforcement

INSPECTION AND ENFORCEMENT REQUIREMENTS











Ordinance 2022	Compliance Monitoring & Education 2022-2024	Compliance Monitoring & Enforcement 2024
 <p>Adopt an Ordinance (Enforceable Mechanism) Including Enforcement</p>	 <p>Annual Compliance Reviews, Route Reviews, Inspections Educate Violators</p>	 <p>Annual Compliance Reviews, Route Reviews, Inspections Notice of Violations, And Penalties for Violators</p>

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14

Reporting & Record Keeping






Reporting and Implementation Record Must Include All Information Required by the Chapter:


 <p>Organic Collection Service</p>	 <p>Contamination Minimization</p>	 <p>Waivers</p>	 <p>Education & Outreach</p>	 <p>Hauler Program</p>
 <p>Edible Food Recovery Program</p>	 <p>Recycled Organic Waste Procurement</p>	 <p>Recycled Paper Procurement</p>	 <p>Commercial Edible Food Generators</p>	 <p>Jurisdiction Inspection & Enforcement</p>

CalRecycle

16

State Enforcement & Inspection

 <p>STATE ENFORCEMENT</p> 	<p>CALRECYCLE OVERSIGHT (BEGINS IN 2022)</p>		
	 <p>Authorize Waivers</p> <ul style="list-style-type: none"> • Low Population • Rural Areas <p>Oversee and Monitor</p> <ul style="list-style-type: none"> • State Agencies and Facilities • Local Education Agencies 	 <p>Oversee and Monitor for Compliance</p> <p>Jurisdiction Review</p> <ul style="list-style-type: none"> • Conduct joint inspections with jurisdictions • Review Implementation Record 	 <p>If Violations</p> <ul style="list-style-type: none"> • Issue Notices of Violation • May Authorize Corrective Action Plan • Allows up to 24 months to address barriers outside of a jurisdiction's control

CalRecycle 

17

SVR Organics Grant Update



FOOD WASTE
COMPOSTING FACILITY

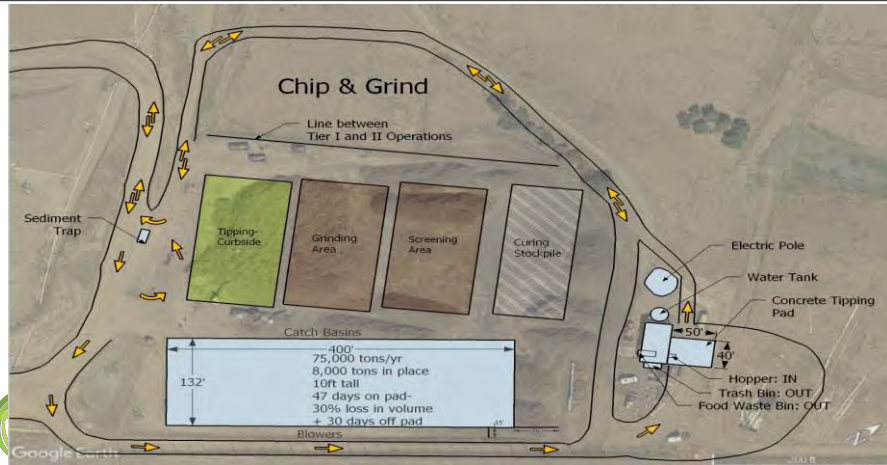


TRUCK & DE-PACKAGING
EQUIPMENT



18

Composting Facility Site Plan



19

ASP Compost Pad Construction



20

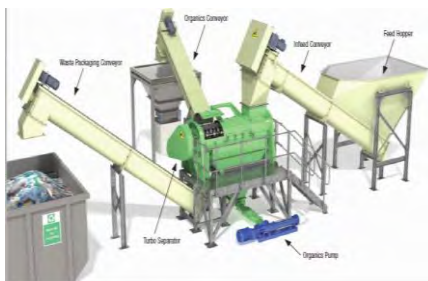
ASP Pad – Air Blowers



21

De-packaging Equipment

Turbo Separator – T30



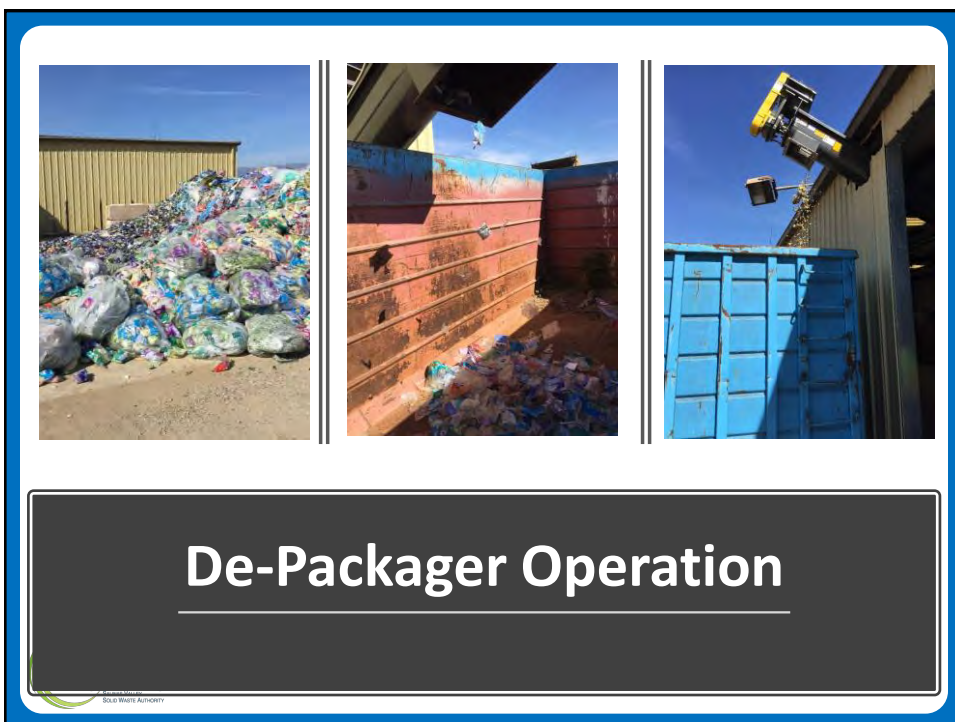
Packaged Produce – 33%



22



23



24

Food Bank Refrigerated Truck



25

Questions/Comments?

Patrick Mathews or Mandy Brooks

(831) 775-3000

patrickm@svswa.org

mandyb@svswa.org



facebook.com/SalinasValleyRecycles

twitter.com/SalinasValleyRecycles

www.SalinasValleyRecycles.org



26

ADVISORY COMMITTEE

Date: October 29, 2019
From: Patrick Mathews, General Manager/CAO
Title: Overview Presentation of on the City of Salinas' One-year Notice of Intent to Withdrawal from the Joint Powers Agreement with the Salinas Valley Solid Waste Authority

A Report Will Be Given at the Workshop

Attachments:

- A. City of Salinas Council Staff Report, November 20, 2018
- B. SVSWA Response Letter to the City of Salinas Mayor and Council Members, Regarding the City of Salinas Withdrawal from SVSWA, November 19, 2019
- C. Robert Cullen, Authority President, Letter of September 27, 2019 to the City of Salinas Mayor and City Manager in Response to the City Manager Letter of September 20, 2019



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: NOVEMBER 20, 2018

DEPARTMENT: PUBLIC WORKS

FROM: DAVID JACOBS, DIRECTOR

BY: JIM SANDOVAL, ASSISTANT DIRECTOR/CITY ENGINEER

TITLE: CITY OF SALINAS' ONE YEAR NOTICE OF INTENTION TO
WITHDRAW FROM THE JOINT POWERS AGREEMENT WITH
THE SALINAS VALLEY SOLID WASTE AUTHORITY

RECOMMENDED MOTION:

A motion to approve a resolution that authorizes the City Manager to deliver a one year written notice to the Salinas Valley Solid Waste Authority of the City's intent to withdraw from the *Joint Powers Agreement Between the City of Salinas, The City of Gonzales, The City of Greenfield, The City of King, The City of Soledad, and the County of Monterey Creating the Salinas Valley Solid Waste Authority*.

RECOMMENDATION:

It is recommended that the City Council approve a resolution that authorizes the City Manager to deliver a one-year written notice to the Salinas Valley Solid Waste Authority of the City's intent to withdraw from the Joint Powers Agreement. This resolution was requested by Councilmember Craig and Councilmember De La Rosa. This notice will allow the City to continue the process of determining the most efficient and economical method of delivering waste disposal and diversion services to the Salinas community, and it will allow the Salinas Valley Solid Waste Authority to begin the process of assessing how to address the City's potential withdrawal from the Joint Powers Agreement. In the meantime, should the countywide solid waste stakeholders build a timely consensus on the attached proposed MOU, that is in the best interest of the City and the region, the City will have the option to rescind the notice and remain a member of the Joint Powers Authority.

DISCUSSION:

In 2018, the County and all cities in Monterey County are faced with the significant challenges in complying with recent environmental laws that govern the management of solid waste and mandate additional solid waste diversion from landfills. These laws are primarily focused on diverting organic waste (AB 1594, SB 1826, SB 1383) and recyclables (AB 341) from landfill disposal, and will have a profound and long-term impact on all stakeholders involved in paying for and managing Monterey County's solid waste systems.

On August 7, 2018, the City Council approved a resolution that supports collaboration between the Salinas Valley Solid Waste Authority (SVSWA) and the Monterey Regional Waste Management District (MRWMD) to leverage their resources and efficiently maximize the use of the existing solid waste processing and landfill facilities in Monterey County to minimize the impact of the state regulations noted above. This proposed collaboration is summarized in the attached proposed Memorandum of Understanding (MOU), which was developed by County and City of Salinas representatives. On July 17, 2018, the Monterey County Board of Supervisors declared support of the same MOU.

On November 13, 2018, a meeting is scheduled among the key stakeholders to build consensus on the MOU, including representatives from SVSWA, MRWMD, City of Salinas, Monterey County, and South County cities. Given that past intentions to

- a) relocate the Sun Street Transfer Station operations, and
- b) create a partnership between the SVSWA and MRWMD to address solid waste management with a more efficient, countywide approach

have not come to fruition, staff recommends that the City of Salinas develop its own plan for solid waste management in parallel with the MOU negotiations. This will give the City a back-up plan to assure its compliance with the new regulations and to expedite the relocation of the Sun Street Transfer Station, in case regional consensus on the MOU fails as it did with the recommendations in the 2015 countywide study--*Evaluation and Analysis of Monterey County's Solid Waste Management System*.¹

Thus, City staff believe it is in the best social, environmental, and economic interests of its residents and businesses to explore more efficient and economical waste disposal options. Accordingly, pursuant to Section 19 of the attached *Joint Powers Agreement Between the City of Salinas, The City of Gonzales, The City of Greenfield, The City of King, The City of Soledad, and the County of Monterey Creating the Salinas Valley Solid Waste Authority* ("JPA"), staff propose that the City Council authorize the City Manager to deliver a one year written notice to the SVSWA of the City's intent to withdraw from the JPA. This notice will allow the City to begin the process of determining the most efficient and economical method of delivering waste disposal and diversion services to the Salinas community, and it will allow the SVSWA to begin the process of assessing how to address the City's potential withdrawal from the JPA. In the meantime, should the MOU stakeholders build a timely consensus that's in the best interest of

¹ In 2015, the Salinas City Council received the study, developed by R3 Consulting Group, and requested staff to continue work with SVSWA, the County, and other cities to develop Scenario 7 of the study as the preferred option. Scenario 7 provided for direct-hauling Salinas and North County waste to MRWMD, increased solid waste diversion through MRWMD's new materials recovery facility, and hauling the remainder of SVSWA solid waste to Johnson Canyon Landfill.

the City and the region, the City will have the option to rescind the notice and remain a member of the JPA.²

The recommendation herein is made with the intention of

- a) assuring that the City fulfills the requirements of the solid waste regulations referenced above
- b) assuring that the rate-impacts to residents and businesses caused by the state regulations are minimized
- c) meeting the City Council's desire and direction to move the Sun Street Transfer Station out of the City's limits and away from the City's residents and businesses to allow for the revitalization of the Alisal Marketplace area consistent with the Alisal Vibrancy Plan.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

The proposed collaboration supports the Council's goal of a "Health, Vibrant Sustainable and Green Community" and its initiative to "Practice environmentally responsible conservation, re-use and recycling of its resources".

DEPARTMENTAL COORDINATION:

Public Works staff has consulted with other City Departments to develop the recommendation herein, including Administration, Finance, and Legal. Should the City Council approve the recommendation, Public Works will continue to collaborate with these departments, along with Community Development.

² The County of Monterey took similar action in 2012, submitting to the Authority Board a letter of its intent to withdraw from the Authority JPA. The County's concerns were ultimately resolved, and the County rescinded its notice to withdraw.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact on the General Fund or other funds of issuing the notice of intent to withdraw. In the long-term, the recommended motion could minimize the increases to solid waste rates that are inevitable to meet the requirements of AB 1594, SB 1826, SB 1383, and AB 341, and to address other solid waste market factors. It would also enhance the opportunities for economic development in the Alisal community. If the City does withdraw from the SVSWA JPA, the City would be responsible for paying its share of the SVSWA's obligations. The City has options for covering its share of the obligation if the City does withdraw from the SVSWA. As of June 30, 2018, the total obligations of the SVSWA is \$53,215,324, of which, the City would be responsible for about 60%, or \$31,929,194. In addition, the City would be responsible for its share of site remediation, if needed, for the landfills. The estimated cost of remediation is \$13,776,998 as of June 30, 2018. The City's share is about 60%, or \$8,266,199. Again, this remediation cost may never be needed.

ATTACHMENTS:

- Slides - Opportunities for Cooperative Management of Monterey County's Waste Management Infrastructure; R3 Consulting Group, Inc.; July 3, 2018 ("MOU")
- *Joint Powers Agreement Between the City of Salinas, The City of Gonzales, The City of Greenfield, The City of King, The City of Soledad, and the County of Monterey Creating the Salinas Valley Solid Waste Authority*, Agreement No. A-07261, 2008

RESOLUTION NO. _____ (N.C.S.)

**CITY OF SALINAS' ONE YEAR NOTICE OF INTENTION TO WITHDRAW FROM
THE JOINT POWERS AGREEMENT WITH THE SALINAS VALLEY SOLID WASTE
AUTHORITY**

WHEREAS, State regulations AB 1594, SB 1826, SB 1383, and AB 341 mandate additional solid waste diversion from landfills; and

WHEREAS, these regulations, along with other solid waste market factors (e.g., China's National Sword policy on recycled materials), are leading to significant increases in the cost to manage solid waste for all jurisdictions in the state; and

WHEREAS, on August 7, 2018, the City Council approved a resolution that supports a collaboration between the Salinas Valley Solid Waste Authority (SVSWA) and the Monterey Regional Waste Management District (MRWMD) through a Memorandum of Understanding (MOU) to leverage their resources and efficiently maximize the use of the existing solid waste processing and landfill facilities in Monterey County to minimize the impact of the state regulations noted above upon City and county-wide solid waste rate payers; and

WHEREAS, on July 17, 2018, the Monterey County Board of Supervisors declared support of the same MOU; and

WHEREAS, on November 13, 2018, a meeting is scheduled among the key stakeholders to build consensus on the MOU, including representatives from SVSWA, MRWMD, City of Salinas, Monterey County, and South County cities; and

WHEREAS, staff recommends that the City of Salinas develop its own plan for solid waste management in parallel with the MOU negotiations. This will give the City a back-up plan to assure its compliance with the new regulations and to meet the City Council's desire and direction to move the Sun Street Transfer Station out of the City's boundaries and away from its residents and businesses to allow for revitalization of the Alisal Marketplace area consistent with the Alisal Vibrancy Plan, in case regional consensus on the MOU fails as it did with the recommendations in the 2015 countywide study--*Evaluation and Analysis of Monterey County's Solid Waste Management System*; and

WHEREAS, City staff believe it is in the best economic interests of its citizens and businesses to explore more efficient and economical waste disposal options; and

WHEREAS, Section 19 of the *Joint Powers Agreement Between the City of Salinas, The City of Gonzales, The City of Greenfield, The City of King, The City of Soledad, and the County of Monterey Creating the Salinas Valley Solid Waste Authority* ("JPA") enables the City to deliver a one-year written notice to the SVSWA of intention to withdraw from the JPA; and

WHEREAS, Section 19 of the *Joint Powers Agreement* allows for withdrawal so long as the City makes provision for paying its share of the indebtedness and interest thereon and its

share of the closure, post-closure and site remediation costs, which the City plans to make provision for paying; and

WHEREAS, the City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized and directed to deliver a one-year written notice to the SVSWA of the City's intent to withdraw from the Salinas Valley Solid Waste Authority Joint Powers Agency. This notice will allow the City to begin the process of determining the most efficient and economical method of delivering waste disposal and diversion services to the Salinas community, and it will allow the SVSWA to begin the process of assessing how to address the City's potential withdrawal from the JPA. In the meantime, should the MOU stakeholders build a timely consensus that's in the best interest of the City and the region, the City will have the option to rescind the notice and remain a member of the JPA.

PASSED AND APPROVED this 20th day of November 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

Ayes: 7 - Councilmember Barrera, Councilmember Craig, Councilmember Davis, Councilmember De La Rosa, Councilmember McShane, Councilmember Villegas and Mayor Gunter

Enactment No: RES 21507

ID#18-562

Agreement with Monterey One Water - Industrial Wastewater Treatment Facility Improvements

Upon motion by Mayor Gunter, second by Councilmember De La Rosa, Resolution 21508 to approve an agreement with Monterey One Water regarding the funding and mutual responsibilities related to electrical improvements at the Industrial Wastewater Treatment Facility was approved. The motion carried by the following vote:

Ayes: 7 - Councilmember Barrera, Councilmember Craig, Councilmember Davis, Councilmember De La Rosa, Councilmember McShane, Councilmember Villegas and Mayor Gunter

Enactment No: RES 21508

COUNCILMEMBERS' REPORTS, APPOINTMENTS AND FUTURE AGENDA ITEMS

Councilmember Davis announced he is hosting a neighborhood cleanup on November 3, 2018 at Alisal Community School from 9 a.m. to 12 p.m.

Councilmember Craig reported she will be attending the Transportation Agency for Monterey County (TAMC) Board meeting to discuss the Fort Ord Reuse Authority (FORA) transition planning and TAMC's role. She will also be attending the Monterey County Convention and Visitors Bureau (MCCVB) meeting where they will receive information regarding Pebble Beach's 100th year anniversary and information regarding ballot measures.

Councilmember Craig reported she attended the Salinas Valley Solid Waste Authority (SVSWA) Strategic Planning Retreat. She expressed concerns regarding the difficulty in communication among the various entities involved specifically relating to the direction given by the board regarding the transfer station. SVSWA was given three directions as part of the retreat which included the creation of an MOU between SVSWA and Monterey Regional Waste Management District (MRWMD) to presented on November 15 to the board and has not been done. Councilmember Craig requested City staff move forward with beginning the process for withdrawal from SVSWA. She stated that over the last two years serving on SVSWA very little has been accomplished and Salinas' rates continue to increase. Request was second by Councilmember De La Rosa.

Withdrawal
Referral

Councilmember Barrera stated that he will support the recommendation by Councilmember Craig and requested communication among all entities improve. He announced he will be participating in the Halloween festivities at the Senior Center.

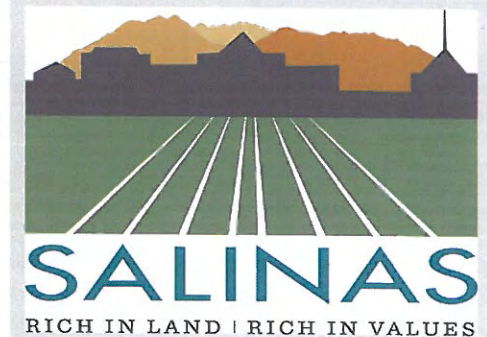
Councilmember De La Rosa reported she had a successful meeting with residents of Chaparral regarding traffic calming measures. Additionally, she reported that she met with SUBA business owners and will be providing them with an updated regarding the transfer station.

Councilmember Villegas stated he attended the Housing Subcommittee where they discussed state housing regulations and farmworker housing solutions. He reported he attended the SVSWA meeting as the incoming board member. Additionally, he reported he met with school board members in efforts to continue the dialogue surrounding the

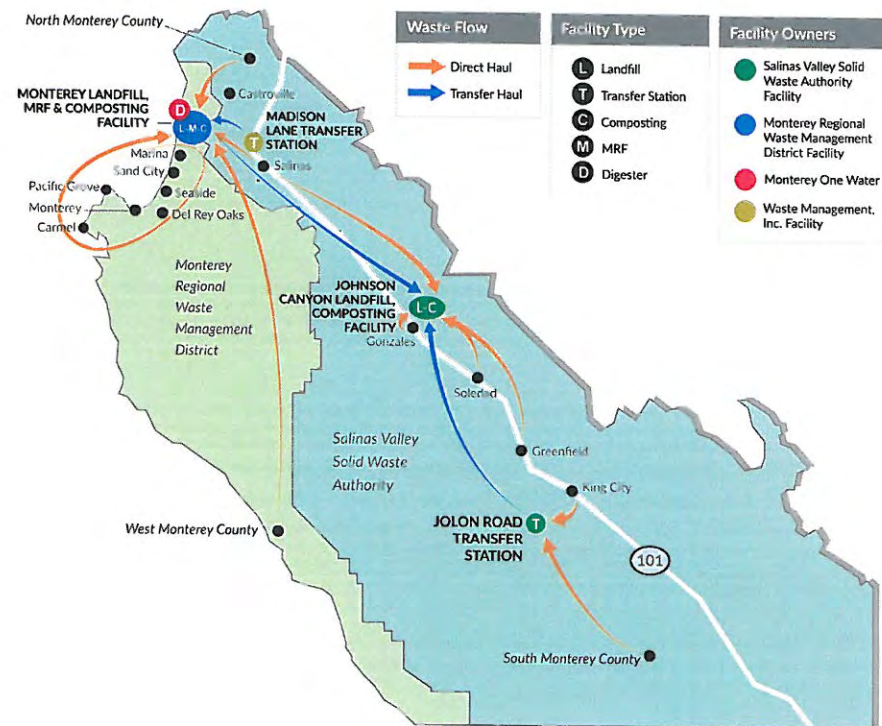
Notice of Intent to Withdraw from the JPA agreement with SVSWA

David Jacobs, Director of Public Works
Public Works

November 20, 2018



Opportunities For Cooperative Management of Monterey County's Waste Management Infrastructure



Reason For This Discussion

- New solid waste regulations
- Minimize customer rate increases
- Revitalize the Alisal Marketplace area
- Salinas needs to develop its own plan for solid waste as a backup to ensure compliance with new regulations.

Alisal Plan Area



History

- **1997** – SVSWA formed by Joint Powers Agreement
- **2005** – Sun Street Transfer Station began operations
- **2008** – MOU executed to relocate Sun Street Transfer Station
- **2009** – Crazy Horse Landfill closed
- **2011** – Evaluation of The Feasibility of Re-Directing Waste from Eastern Monterey County to the Marina Landfill
- **2012** – Monterey County sends Letter to withdrawal from SVSWA.

History

- **2012** – Monterey County Civil Grand Jury recommends shutting down Sun Street Transfer Station
- **2014** – Citizen's Advisory Group formed to find a site for a Materials Recovery Center
- **2015** – Evaluation and Analysis of Monterey County's Solid Waste Management System
- **2017** – Notice of Preparation of an EIR for the Long Range Facilities Needs Study
- **April 2018** – R3 presented joint use opportunities to MRWMD and SVSWA staff

Intentions

- Assure the City fulfills the requirements of the solid waste regulations
- Minimize rate impacts to the residents and businesses
- Move the Sun Street Transfer Station

Fiscal and Sustainability Impact

- Over all cost neutral or cost savings including the legacy cost of SVSWA's obligations:
 - City's Share: \$31,929,194
 - City's Share of additional potential obligation for remediation: \$8,266,199

Financial Options

- Updated Franchise Agreement with Republic
- New Agreement with Republic
- Long-Term Agreement with Monterey Regional Waste Management District
- Conduct rate study to recapture cost of existing obligations and regulatory compliance

Agreement No. A-07261

JOINT POWERS AGREEMENT BETWEEN THE CITY OF SALINAS, THE CITY OF GONZALES, THE CITY OF GREENFIELD, THE CITY OF KING, THE CITY OF SOLEDAD, AND THE COUNTY OF MONTEREY CREATING THE SALINAS VALLEY SOLID WASTE AUTHORITY

This agreement is made and entered into by and between the following public entities:

- (a) CITY OF SALINAS ("Salinas"), a municipal corporation;
- (b) CITY OF GONZALES ("Gonzales"), a municipal corporation;
- (c) CITY OF GREENFIELD ("Greenfield"), a municipal corporation;
- (d) CITY OF KING ("King"), a municipal corporation;
- (e) CITY OF SOLEDAD ("Soledad"), a municipal corporation; and
- (f) COUNTY OF MONTEREY ("County"), a political subdivision of the State of California.

RECITALS:

A. Each of the Parties to this Agreement is a local government entity functioning within the Salinas Valley, in Monterey County, California.

B. Pursuant to Title 1, Division 7, Chapter 5, Article 1 (Section 6500, et seq.) of the Government Code of the State of California, commonly known as the Joint Exercise of Powers Act (the "JPA Act"), two or more public agencies may, by Agreement, jointly exercise any power in common to the contracting Parties.

C. Each of the Parties to this Agreement has the power, in addition to other powers which are common to each of them, to undertake and perform: solid waste planning and program management, including collection services and siting; the development, construction, and operation of solid waste facilities, including materials recovery facilities for the recovery of recyclable and compostable materials; and the transfer and disposal of solid waste generated within each of the Parties' jurisdictional boundaries.

D. The California Integrated Waste Management Act of 1989 (the "Act") requires the preparation of the County Integrated Waste Management Plan which includes: Source Reduction and Recycling Elements and Household Hazardous Waste Elements prepared by each jurisdiction; a Countywide Integration Summary; and a Countywide Siting Element.

E. The Parties find that it would be to their mutual advantage and benefit to work together and share costs to plan and implement source reduction, recycling, composting, public education, household hazardous waste management, and other solid waste management programs, facilities, landfills, and collection services.

F. It is the desire of the Parties to use any power that they have in common which is reasonably necessary and appropriate to aid in the accomplishment of these goals.

AGREEMENT

NOW, THEREFORE, based upon the mutual promises contained in this Agreement, the Parties agree as follows:

1. **PURPOSE:** The purpose of this Agreement is to establish a joint powers authority to be known as the SALINAS VALLEY SOLID WASTE AUTHORITY for the purpose of:

- (a) acquiring and managing the landfill assets of each jurisdiction and ensuring long-term landfill capacity for the region;
- (b) providing a unified and coordinated solid waste management system for the Cities and the County, including efficient facility and program planning and development and comprehensive and cost-effective solid waste management services;
- (c) demonstrating a commitment to, and facilitation of, the development of the most efficient and cost-effective strategies for source reduction, achieving recycling goals, expanding composting and encouraging the establishment of markets for recycled products and recycling industries; and
- (d) exercising all other appropriate powers reasonably necessary to carry out the purpose of this Agreement.

2. **ESTABLISHMENT OF THE AUTHORITY:** There is hereby established pursuant to the JPA Act an Authority which shall be a public entity separate from the Parties to this Agreement. The name of said Authority shall be the SALINAS VALLEY SOLID WASTE AUTHORITY (the "Authority"). The boundaries of the Authority shall be coextensive with the boundaries of the cities of Salinas, Gonzales, Greenfield, King, and Soledad, and the unincorporated areas of Monterey County (excluding those portions of the unincorporated areas that are within the boundaries of the Monterey Regional Waste Management District).

3. **MEMBERSHIP OF THE GOVERNING BOARD:** The Authority shall be governed by a nine member Board of Directors (the "Authority Board") composed of three (3) members of the Salinas City Council, two (2) members of the Monterey County Board of Supervisors and one (1) member from each of the city councils of Gonzales, Greenfield, King, and Soledad. Each of the members appointed from the Monterey County Board of Supervisors shall be supervisors whose districts are at least in part within the service boundaries of the Authority.

4. **VOTES:** Each Party to this Agreement shall appoint its respective representative or representatives to serve as a member or members on Authority Board. Each member shall

have one (1) vote. Five (5) votes shall be required for any action of the Authority Board and one (1) of the five (5) votes must be from a representative from Salinas.

5. QUORUM: Five (5) members of the Authority Board shall constitute a quorum for the transaction of business, except that less than a quorum may vote to adjourn a meeting.

6. TERMS OF OFFICE: The term of office of each member of the Authority Board shall be one year and shall not exceed the term of the elective office which the member holds.

7. ALTERNATIVES: Each Party may, in addition to their respective regular appointments, appoint one or more elected officials who will serve as alternate appointees and members of the Authority Board and each such alternate appointee and member shall be empowered to cast votes in the absence of a regular appointee and member or in the event of a disqualification to vote because of conflict of interest. Each alternate appointed shall be a member of the governing body of the Party making such appointment.

8. OFFICERS OF THE AUTHORITY BOARD: At its first meeting and thereafter at the first meeting of each calendar year, the Board of Directors shall elect a President, Vice-President; and such other officers as the Authority Board shall find appropriate, to serve the Authority Board for a term of one year unless sooner terminated at the pleasure of the Authority Board. In the event the officer so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Authority Board held following the occurrence of the vacancy. In the absence or inability of the President to act, the Vice-President shall act as President. The President, or in the absence of the President, the Vice-President, shall preside at and conduct all Authority Board meetings.

9. CHIEF ADMINISTRATIVE OFFICER: The Authority Board shall select a chief administrative officer to serve at its pleasure. The chief administrative officer shall be responsible to the Authority Board for the proper and efficient administration of the Authority as is or hereafter may be placed in the chief administrative officer's charge, or under the chief administrative officer's jurisdiction or control, pursuant to the provision of this Agreement, or of any ordinance, resolution, or order of the Authority Board. The chief executive officer shall file an annual bond in an amount specified by the Authority Board. In addition to the other powers and duties provided, the chief administrative officer shall have the power to:

- (a) Plan, organize, and direct all Authority activities under the policy direction of the Authority Board;
- (b) Enforce strict compliance with the approved annual budget and approve only expenditures authorized in the approved budget.
- (c) Hire and manage such staff as necessary to carry out the provisions of this Agreement;

- (d) Make recommendations to and requests of the governing board concerning all of the matters which are to be performed, done, or carried out by the Authority Board; and
- (e) Have charge of, handle, or have access to any property of the Authority, and shall make an inventory of all Authority property.
- (f) Make all books and records of the Authority in the Chief Administrative Officer's hands open to inspection at all reasonable times by members of the Authority Board or their representatives.

10. ADDITIONAL OFFICERS OF THE AUTHORITY:

- (a) **Treasurer.** The Authority Board shall select a Treasurer to serve at its pleasure. The Treasurer of the Authority shall be the depositor and have custody of all the money of the Authority from whatever source and shall comply strictly with the provisions of the statutes relating to the Treasurer's duties as provided by the JPA Act and shall file an annual bond in an amount specified by the Authority Board. The Treasurer shall ensure that all available cash on hand is at all times fully invested in a cash management program and investment portfolio pertaining thereto and ensure that sufficient liquidity is maintained to meet the Authority's cash disbursement needs.
- (b) **Controller.** The Authority Board shall appoint a Controller of the Authority to serve at its pleasure. The Controller shall advise the Authority Board in connection with any accounting, budgetary, monetary, or other financial matters relating to the Authority. The Controller shall file an annual bond in an amount specified by the Authority Board. The duties and responsibilities of the Controller include, but are not limited to, those duties set forth in the JPA Act and shall include the following:
 - (1) Establish with Authority Board approval of the annual budget format, accounts, and documentation pertaining to the budget and which most nearly reflect the objectives of the Authority;
 - (2) Establish and maintain the particular funds and accounts as required by generally accepted accounting practices applicable to public entities and which most accurately and appropriately record and report the operations of the Authority as represented by the annual budget document;
 - (3) Enforce strict compliance with the approved annual budget and approve only expenditures authorized in the approved budget;

- (4) Make all books and records of the Authority in the Controller's hands open to inspection at all reasonable times by the members of the Authority Board or their representatives.
- (c) Clerk. The Authority Board shall appoint a Clerk to serve at the pleasure of the Authority. The Clerk, at the discretion of the Authority Board, may be the Chief Administrative Officer of the Chief Administrative Officer's designee. The Clerk shall give notice of meetings of the Authority Board in accordance with the provisions of the Ralph M. Brown Act; keep minutes of the open meetings of the Authority Board; and otherwise retain, record, and maintain the official records, files, and documents of the Authority Board.
- (d) Legal Counsel. The Authority Board shall appoint Authority Counsel to serve at the pleasure of the Authority Board. The Authority Board may appoint additional counsel to assist Authority Counsel or provide special services as may be required by the Authority Board. Authority Counsel shall attend meetings of the Authority Board as required to advise the Authority Board in connection with any legal matters relating to the Authority.

11. MEETINGS: The Authority Board shall provide for regular meetings and special meetings in accordance with the Ralph M. Brown Act, Chapter 9, Part 1, Division 2, Title 5, of the Government Code beginning with section 54950, or in accordance with such other regulations as the Authority Board may hereafter provide. The Authority Board may provide for meeting allowances for members or alternates in attendance at meetings. The Authority Board may adopt, from time to time, such rules and regulations, including by-laws, as the Authority Board may deem necessary or appropriate.

12. POWERS AND FUNCTIONS: The Authority shall have any and all powers authorized by law to any of the Parties hereto, and separately to the Authority herein created, relating, but not limited, to the:

- (a) Acquisition, assumption, siting, licensing, construction, financing, disposition, condemnation, use, operation and maintenance of solid waste management facilities, transfer stations, landfills, transformation facilities, materials recovery facilities, composting facilities, and household hazardous waste facilities;
- (b) Closure planning and construction, post-closure monitoring and maintenance, remediation, and demonstration of closure, post-closure and remediation financial assurance for Authority landfills;
- (c) Provision of comprehensive solid waste management services, including, but not limited to, collection, transfer, disposal, source reduction, recycling, composting, and household hazardous waste programs;

- (d) Preparation of and implementation of solid waste management plans that meet all the requirements of the applicable regulatory agencies, including responsibility for setting diversion goals and paying fines;
- (e) Provision of public education and market development programs in support of the diversion programs;
- (f) Establishment of rates, fees, charges, or surcharges for collection, transfer, landfill, and materials recovery facilities, and special local fees and collection permittee fees. Rates, fees, charges, and surcharges shall be collected by direct billing at Authority facilities or by such other methods as the Authority Board may deem appropriate;
- (g) Granting of franchises, concessions, permits, licenses, and other rights and entitlements to, and entering into leases and contracts with, any person, firm, or corporation, or agency of any state and/or federal government;
- (h) Exercise of the power of eminent domain;
- (i) Applying for and receiving any available state and/or federal grants;
- (j) Issuing revenue bonds or other obligations as the Authority Board may deem appropriate and which are note debts, liabilities, or obligations of the Parties;
- (k) Review, comment, recommend, and take such action regarding mandatory collection ordinances and land use restrictions as described in Sections 17 and 18 or this Agreement.
- (l) Adopt by-laws.

Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. All powers common to the Parties are specified as powers of the Authority. The Authority Board is hereby authorized to do all acts necessary for the exercise of such powers, including, but not limited to, any or all of the following: to make and enter into contracts and franchises; to issue permits; to employ agents and employees; to lease, acquire, construct, provide for maintenance and operation, or maintain and operate, any buildings, works or improvements, to acquire hold or dispose of property wherever located; to incur debts, liabilities, or obligations; to receive gifts, contributions, and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity; and to sue and be sued in its own name; to sell off assets and accrue revenues; generally to do any and all things necessary or convenient to provide reasonable options for the management of solid waste collection, transfer, disposal and diversion activities.

Without limiting the foregoing generality, the Authority may:

- (m) Acquire and dispose of all kinds of property and utilize the power of eminent domain;
- (n) Issue, or cause to be issued, bonded and other indebtedness, and pledge any property or revenue as security to the extent permitted by law under Article 2, Chapter 5, Division 7, Title 1 (commencing with section 6540) of the Government Code or otherwise including, but not limited to, bonds or other evidences of indebtedness of a nonprofit corporation issued on behalf of the Authority or any of its Parties;
- (o) Obtain in its own name all necessary permits and licenses, opinions, and rulings;
- (p) Exercise flow control, to the extent permitted by law under Title 7, Division 30, Chapter 1, Article 2, (commencing with section 40059) of the Public Resources Code, to deliver or cause to be delivered all of the solid waste, including construction and demolition materials, concrete, asphalt, woodwaste and yardwaste, and other materials as identified by the Authority Board for diversion from landfill disposal, collected within and by or under contract to or under permit with the cities of Salinas, Gonzales, Greenfield, King and Soledad, County or Authority, to the landfills, transfer stations, materials recovery facilities, or any other solid waste facilities as directed or certified by the Authority Board. The Authority Board shall exercise flow control such that no Party to this Agreement or franchised or permitted collector shall suffer undue economic hardship where any such Party of collector operates resource recovery facilities in conjunction with its collection operation. *(Resolution No. 2008-50, adopted 10/16/2008)*
- (q) Perform such services on behalf of the Parties as the Parties, either jointly or severally, may request.

13. **ASSUMPTION OF PROGRAM RESPONSIBILITIES:** The Authority agrees to acquire ownership of and assume exclusive responsibility for managing landfill assets and convenience stations of the Parties, including the Crazy Horse Canyon Landfill, the Johnson Canyon Landfill, the Jolon Road Solid Waste Facility, the Lewis Road Landfill, the San Ardo County Convenience Station, and the Bradley County Convenience Station. The exclusive responsibility for managing landfill assets and convenience stations includes, but is not limited to, the establishment of rates, fees, charges, and surcharges for the use of such facilities, and ongoing and potential liability for site remediation for each landfill asset and convenience station. Each of the Parties owning such landfill assets and convenience facilities agrees to sell such assets and facilities to the Authority and to take such actions as may be necessary or convenient to ensure that the Authority Board has the authority to establish rates, fees, charges, surcharges pursuant to any agreement, license, permit, franchise, ordinance, or resolution as provided pursuant to this Agreement. Acquisition, sale, and purchase of such assets will be consistent with the terms generally described in Exhibit "A" to this agreement. It is anticipated that a portion or all of the costs of conveyance will be financed through the issuance of debt subject to the powers of this Authority as described in this Agreement. Upon execution of this

Agreement, or as soon thereafter as practical, the Parties and the Authority Board shall open an escrow, consistent with the terms described in Exhibit "A", for the transfer of the described assets and facilities. The Parties and the Authority Board shall diligently pursue, perform, and complete all of the terms and conditions of escrow in order to ensure that escrow closes in a timely manner. Except for the failure of the Authority Board to arrange or otherwise acquire necessary financing to finance the acquisition of the assets and facilities, such assets and facilities shall be conveyed to the Authority. Upon conveyance of the above assets, the Authority will be solely responsible for the processing of all necessary or desirable permits, licenses, rulings, or any other entitlements, including, but not limited to appropriated environmental assessments, related to the operation of the conveyed landfill assets and convenience stations. The Authority will not assume responsibility for the following programs unless assigned by a Party to this Agreement and agreed to by the Authority Board governing board: collection, preparation of annual reports or integrated waste management plans, liability for fines for a jurisdiction's failure to meet its diversion goals, regional diversion projects, public education, household hazardous waste programs, small quantity generator programs, or billing. In the event the Authority Board assumes such responsibility, the Authority shall only be responsible for obligations or liabilities that arise or occur after the Authority Board agrees to such assignment. The Authority will not assume liability for remediation of landfill sites closed or abandoned prior to the execution of this agreement. Upon the request of a Party to this Agreement, however, the Authority will provide a funding mechanism and project management for site remediation for closed or abandoned landfill sites which were closed or abandoned prior to the execution of this Agreement.

14. BUDGETS: Within 90 days after the first meeting of the governing board, and thereafter prior to the commencement of each fiscal year (defined as July 1 through June 20), the governing board shall adopt a Budget for the Authority for the ensuing fiscal year. The tentative first-year budget is included in Exhibit "B".

15. EQUALIZATION OF RATES: The Authority Board shall establish a schedule of uniform and equalized rates that will not differentiate between geographical or jurisdictional areas within the boundaries of the Authority when the earlier of the following events occurs: (a) On the third annual anniversary of the effective date of this Agreement, or (b) the later of the dates on which the State Integrated Waste Management Board approves a facility permit and the Regional Water Quality Control Board approves a discharge permit that allows the Authority Board to create, construct, expand, or make such other improvement of landfill facilities which would provide at least an estimated additional twenty (20) years of capacity. For the purposes of this Agreement, the phrase "estimated additional twenty (20) years of capacity" shall mean twenty years of additional capacity necessary to serve the waste stream of the entire Authority, as determined by the Authority Board, and such additional capacity shall be measured in relation to the capacity estimated in the Work Program at one of the landfill sites under the jurisdiction of the Authority on the effective date of this Agreement. Nothing in this paragraph shall prohibit or inhibit the Authority Board from establishing rates based on the nature or content of solid waste nor shall this paragraph prohibit or inhibit the ability of the Authority to establish different rates for residents or businesses who reside outside of the jurisdiction of the Authority. In addition,

this paragraph shall not prohibit or inhibit the ability of the Authority to establish or collect a surcharge or other additional fees relating to the payment of an amortized amount necessary to capitalize acquisition costs identified in the Work Program or under the provisions of this Agreement. For the purposes of this Agreement, the term "Work Program" means the Work Program prepared by Brown, Vence & Associates and submitted to, and considered by, the Parties concurrently with this Agreement and the term "rates" includes fees, charges, and surcharges.

16. **LIMITATION OF LIABILITY:** The debts, liabilities, or obligations of the Authority do not constitute debts, liabilities, or obligations of the Parties and the Authority shall hold the Parties harmless and shall indemnify the Parties from any claim of loss that may arise as a result of the Authority's ownership or maintenance of the landfill assets and convenience stations described in this Agreement or the Authority's performance of any of its duties or powers described in this Agreement.

17. **MANDATORY COLLECTION:** The Parties shall maintain mandatory solid waste collection requirements in a form and manner at least as strict and inclusive as the requirements in effect on the effective date of this Agreement. The Parties agree that no ordinance or regulation effecting mandatory solid waste collection within their respective jurisdictions, and which is at least as strict and inclusive as regulations in effect on the date of this Agreement, shall be adopted unless the Authority receives thirty (30) days written notice. Each ordinance or regulation which is less strict and less inclusive than that which is in effect at the time of the ordinance or regulation is proposed shall not become effective until such ordinance or regulation is approved by the Authority Board. The determination of whether a proposed ordinance or regulation is more or less strict or inclusive pursuant to this provision of this Agreement shall be made by the Authority Board and such decision shall be final and binding on the Parties.

18. **RESERVED.** *(Resolution No. 2008-49, adopted 10/16/2008)*

19. **TERM AND WITHDRAWAL:** This Agreement shall be effective when signed by each Party and shall continue for so long as may be necessary to carry out the purpose of this Agreement or until terminated by mutual consent of the governing bodies of all Parties, whichever is earlier; provided, however, that:

- (a) A Party to this Agreement may not withdraw from the Authority for a period of 15 years after the execution of this Agreement. After the 15-year initial period, a Party hereto may withdraw from this Agreement by a majority vote of the governing body thereof giving to the other Parties one year's written notice of such intention to withdraw, so long as all revenue bonds or other forms of indebtedness issues pursuant hereto, and the interest thereon, shall have been paid or adequate provision for such payment shall have been made in accordance with the resolution (or indenture) adopted by the Authority Board pursuant to the law authorizing the issuance thereof or the approval of the debt. The Party withdrawing from the Agreement will retain its fair share of financial liability for

closure and post-closure and site remediation costs based on the tons of material it has contributed to the Authority's solid waste system and as determined by the Authority in its sole discretion and such determination of the Authority shall be binding on the Parties. The Party withdrawing shall be afforded the same rights and ability to use Authority facilities and services as any other governmental jurisdiction which is not a member of the Authority.

- (b) Upon receipt of a Party's one year notice of intention to withdraw, the members who will be remaining in the Authority shall meet and prepare appropriate amendments to this Agreement to reflect the changed membership status. Such amendments shall become effective upon the effective date of the Party's withdrawal.
- (c) This Agreement cannot be amended in any way to the detriment of the holders of any revenue bonds or other forms of indebtedness which are outstanding in accordance with any resolution (or indenture) adopted by the Authority board pursuant to the law authorizing issuance thereof.

20. **TERMINATION OF THE AUTHORITY:** This Agreement shall remain in effect until terminated by mutual consent of all of the governing bodies of all Parties to this Agreement. The resolution to terminate must be passed by a majority vote of each governing board of each of the Parties to this Agreement.

21. **DISPOSITION OF AUTHORITY ASSETS AND LIABILITIES UPON TERMINATION:**

- (a) In the event of termination of the Authority where there is a successor public entity which will carry on the activities of the Authority and assume its assets, liabilities, obligations, and funds, including any interest earned on deposits, remaining upon termination of the Authority and after payment of all obligations, the assets and liabilities of the Authority shall be transferred to the successor public entity.
- (b) If there is no successor public entity which would carry on any of the activities of the Authority or assume any of its assets, liabilities, obligations, and funds, including any interest earned on deposits, remaining upon termination of the Authority and after payment of all obligations, the assets and liabilities shall be returned in proportion to the contribution of each Party during the term of this Agreement. If bonds are issued or large capital projects, such as closure construction are initiated during the term of this agreement, then in no event shall the exercise of the powers herein granted be terminated until all bonds so issued and the interest thereon shall have been paid or provision of such payment shall have been made.

- (c) If there is a successor public entity which would undertake some of the functions of the Authority and assume some of its assets, liabilities, obligations, and funds, including any interest earned on deposits, remaining upon termination of the Authority and after payment of all obligations, the assets and liabilities shall be allocated by the governing board between the successor public entity and the Parties.

In the event the Authority is terminated under circumstances falling within (b) or (c) above, all decisions of the governing board with regard to determinations of assets or liabilities to be transferred to the Parties or any successor shall be final.

22. AMENDMENTS: This Agreement may be amended by the affirmative vote of the governing bodies of each of the Parties.

23. RESTRICTIONS ON AUTHORITY: For the purposes of satisfying the requirements of Government Code Section 6509, the restrictions on the power of the City of Salinas shall be applicable to the Authority.

24. DEFINITIONS: For purposes of the furtherance of this Agreement, unless the context otherwise requires, the definitions in the Act, under Title 7 of the Public Resources Codes, Division 30, Part 1, Chapter 2, beginning with section 40100, govern the construction of this Agreement.

25. COUNTERPARTS: This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall be deemed to constitute one and the same instrument.

26. EFFECTIVE DATE: This Agreement shall be deemed effective and in full force and effect on January 1, 1997.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement on the date evidenced below:

(1997 JPA original signatures on file)

(2008 JPA Amendments original signatures on file)



Mission

To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer services and education.

Vision

To reduce the amount of waste by promoting individual and corporate responsibility.
To recover waste for its highest and best use while balancing rates and services.
To transform our business from burying waste to utilizing waste as a resource.
To eliminate the need for landfills.

Innovation • Integrity • Public Education • Efficiency • Fiscal Prudence • Resourcefulness • Customer Service • Community Partnerships

November 19, 2018

Subject: CITY OF SALINAS WITHDRAWAL FROM SALINAS VALLEY SOLID WASTE
AUTHORITY

Mayor Gunter and Council Members,

It is with great sadness that the hard-working men and women of our agency are facing the damaging prospects and impacts of the City of Salinas (City) exiting the very agency the City helped create in 1997 to serve the utility needs of our residents and businesses. In addition, our loss of economies of scale associated with the City leaving our agency will cause a severe financial burden on the remaining member agencies. A promise was made by the City to our other member agencies that any contemplated actions would not be financially impactful.

Cost to Withdraw

The full cost of withdrawal to the City will be determined by the Board of Directors in consultation with legal and financial experts. Today, what Authority staff can provide are the baseline costs to the City to cover the City's share of its secured debt and long-term obligations for closed landfill care. The City will also be obligated, through some form of irrevocable contract, to fund its share of any unforeseen future of environmental liabilities for the landfills that may arise.

- City's estimated share of all Authority long-term and operating liabilities today is 62%, or approximately \$56,000,000.
- City's annual cost share of debt principal and interest, and closed landfill closure care is estimated at \$2.5-\$2.7 million per year through pay off of all debt service in 2032.
- After 2032, the City share of closed landfill care will be approximately \$900,000 per year (in 2018 dollars) with potential for annual increases (cost of living and regulatory changes) for the foreseeable future.
- Other stranded costs and obligations to the remaining agency members is to-be-determined through consultation.
- Remaining members will lose the economies of scale for the remaining operations and will likely result in substantial rate increases to maintain the system.
- It is unlikely the City can find a lower and sustainable cost alternative in the region than that provided by the Authority.
- For fiscal year 2018-19, the full cost of providing day-to-day public services by the Authority (excluding inherited legacy liabilities for closed landfills) is approximately \$64.05/ton. The comparative costs for the Monterey Regional Waste Management District (District) is \$107.30

with the stated potential for further increases in the coming years. The District's lower published landfill tipping fee appears to be supported by substantial revenues from importation of refuse from Santa Clara and Santa Cruz Counties and is not likely sustainable long term as landfill capacity is sold in increasing volumes to outside parties. See Attachment 1 for the 10-year comparisons of the effective cost of services for both agencies.

Withdrawal Purpose Unclear

The Authority has, for the last 10 years, been focused on relocation of our operations to support the City's desire for redevelopment of the Alisal Market Place (AMP). The administrative record of our efforts to assist the City is long and detailed, with many starts and stops on feasible sites offered by the City or others and later removed from consideration. The short summary of our efforts is included as Attachment 3.

The Authority Board of Directors has been diligently trying to meet the City objectives to relocate the Sun Street Operations, but with little support from the City's administration. The City's most recent effort to develop a Memorandum of Understanding (MOU) between the Authority and the District, was done with no communication from the City's consultant or collaboration with the Authority. As a result, the City's proposed MOU was flawed and contains terms and conditions that would not be compliant with the California Environmental Quality Act (CEQA), and had some proposals that may not be feasible. In addition, the supporting documents contained no information on cost to ratepayers, a critical and historically important component for decision making by our Board and the City.

Authority staff has now completed and received unanimous approval from our Board on the MOU and it has been forwarded to the District for consideration. As the publicly stated reason for City withdrawal, this action alone should cause the City to stop this process and reconsider the severe damage and implications withdrawal will have on our citizens, workers and ratepayer costs. Continuation of the withdrawal process is not consistent with the City's stated intent for using this process to speed up the MOU preparation.

The Authority remains committed to a transparent three step process for all its decisions to include:

1. What is the cost to ratepayers?
2. What is the impact to the community?
3. What is the benefit to the community?

Authority Model

Salinas Valley Solid Waste Authority is a model agency, within our community, industry, and as a government agency in general.

- Salinas Valley Solid Waste Authority (Authority) has no current unfunded pension liability, a serious financial issue that currently challenges most government agencies in California.
- The Authority's current cost of services has only risen 5.4% after deducting for "Legacy Liabilities" (see Attachment 1, 10-year rate history).
 - "Legacy Liabilities" account for \$16.99/ton of our \$68.50/ton landfill fee.
 - The liabilities were not created by the Authority, but instead were inherited liabilities when the agency formed in 1997. These costs are made up of the debt needed to fix and fund repairs and deficient environmental controls at the inherited landfills, to close the under performing landfills, and to partially fund the \$8 million for purchase of the City's Crazy Horse Landfill (our most significant closed landfill liability and still a federally listed Superfund site).

- The Authority no longer relies on un-sustainable importation of waste to our landfills to fund its operations. Landfill space is a limited asset for agencies in our industry and when it's gone, it's gone, and the local ratepayers will have to make up those lost of revenues.
- The remaining Authority revenues received from importation of waste (2004-14) are dedicated in reserve for one-time use for infrastructure. We believe that use of one-time funds from a sale of assets for annual operational costs is not sustainable and creates a future ratepayer liability in exchange for short term rate reduction (subsidy).
- Use of debt service (bonds/loans) improves an agency's cash flow by reducing its annual cost. However, it also means that only a portion of the actual ratepayer contribution goes to the actual infrastructure (typically 50-70% depending on term and interest rate) with the balance going to interest and investor returns. The Authority has moved towards a "pay-as-you-go" budgeting structure to avoid or minimize any future debt and maximize the ratepayer investments directly into infrastructure. As examples:
 - Our next landfill cell will be constructed with new capital reserves created specifically for this project and no debt is needed.
 - The current short-term loan for initial heavy equipment purchases to take over the Johnson Canyon Landfill operations will be paid off next summer and going forward a contribution will be made annually to an equipment replacement reserve to provide ongoing capital for future equipment replacement, in lieu of debt.
- The Authority has leveraged its organic waste stream and member agency support to receive a \$1.34 million State grant to build the necessary infrastructure to meet new, unfunded State mandates to maximize recovery of organic wastes going to our landfill. The City withdrawal resolution and staff report specifically site three State bills that will be addressed with this infrastructure: AB 1594, AB 1826 and SB 1383. All three bills are related to diversion of organics material from landfilling and the Authority Board of Directors has, for three years, been discussing and implementing a plan to address compliance with these mandates, including rates.
- The Authority conducted a third-party public survey last year, in order to determine the public needs relative to our future long-term facilities. Excerpts from that survey are included (Attachment 2).
 - The Authority has a very high brand rating
 - Authority actions related to our programs and facilities are strongly supported by community priorities
 - Maintaining local facilities, even if Sun Street Transfer Station operations are relocated locally, are highly supported, particularly by Salinas respondents.

We hope the City will consider these facts and the potential disruption to our agency and ratepayers when deciding on your course of action.

Sincerely,



R. Patrick Mathews, General Manager/CAO
Salinas Valley Solid Waste Authority (aka, Salinas Valley Recycles.org)

Copy to: Salinas Valley Solid Waste Authority Board of Directors
 Salinas City Council
 Cities of Gonzales, Soledad, Greenfield and King City Managers
 Salinas City Manager
 Monterey County Administrative Officer

Attachment 1

SVR Historic Landfill Tip Fees

Fiscal Year	SVR Published Landfill Tipping Fee (\$/ton)	Budgeted Agency Tonnage	Budgeted Waste Import Revenues ¹	Waste Import Tipping Fee Equivalent (\$/ton) ²	Budgeted AB939 Program Revenues	AB 939 Program Tipping Fee Equivalent (\$/ton) ^{1,2}	SVR Effective Tipping Fee (\$/ton) ³	Budgeted Legacy Liabilities ⁴	Legacy Liability Tipping Fee Equivalent (\$/ton) ^{2,4}	SVR Effective Tipping Fee Adjusted for Legacy Liabilities (\$/ton) ^{3,4}
2008-09	\$63.00	214,200	\$2,305,500	\$10.76			\$73.76	\$2,381,889	(\$11.12)	\$62.64
2009-10	\$63.00	189,700	\$2,377,800	\$12.53			\$75.53	\$2,492,800	(\$13.14)	\$62.39
2010-11	\$64.00	176,720	\$2,147,600	\$12.15			\$76.15	\$2,554,987	(\$14.46)	\$61.69
2011-12	\$64.00	166,000	\$2,243,300	\$13.51			\$77.51	\$2,514,413	(\$15.15)	\$62.37
2012-13	\$67.00	162,600	\$2,340,900	\$14.40			\$81.40	\$2,968,569	(\$18.26)	\$63.14
2013-14	\$67.00	166,500	\$2,318,800	\$13.93	\$1,732,000	\$10.40	\$91.33	\$3,167,597	(\$19.02)	\$72.30
2014-15	\$67.00	164,500			\$1,732,000	\$10.53	\$77.53	\$2,982,567	(\$18.13)	\$59.40
2015-16	\$67.00	165,000			\$2,166,100	\$13.13	\$80.13	\$2,698,141	(\$16.35)	\$63.78
2016-17	\$68.50	170,000			\$2,228,900	\$13.11	\$81.61	\$2,491,634	(\$14.66)	\$66.95
2017-18	\$68.50	177,500			\$2,319,700	\$13.07	\$81.57	\$2,566,675	(\$14.46)	\$67.11
2018-19 ⁵	\$68.50	185,000			\$2,319,700	\$12.54	\$81.04	\$3,142,485	(\$16.99)	\$64.05
2019-20	\$68.50	185,000			\$2,412,200	\$13.04	\$81.54	\$3,189,622	(\$17.24)	\$64.30
2020-21	\$68.50	185,000			\$2,504,700	\$13.54	\$82.04	\$3,237,467	(\$17.50)	\$64.54
2021-22	\$68.50	185,000			\$2,689,700	\$14.54	\$83.04	\$3,286,029	(\$17.76)	\$65.28
2022-23	\$68.50	185,000			\$2,874,700	\$15.54	\$84.04	\$3,335,319	(\$18.03)	\$66.01
	8.7%						13.9%			5.4%

Note 1: Ended waste importation FY 14-15 and reduction of \$2.3 million in revenues

Added AB 939 Program Fees in FY 13-14 for \$1.7 million in replacement revenues

Note 2: Tipping Fee Equivalent = budgeted AB 939 or waste import revenues/budgeted agency waste tonnage

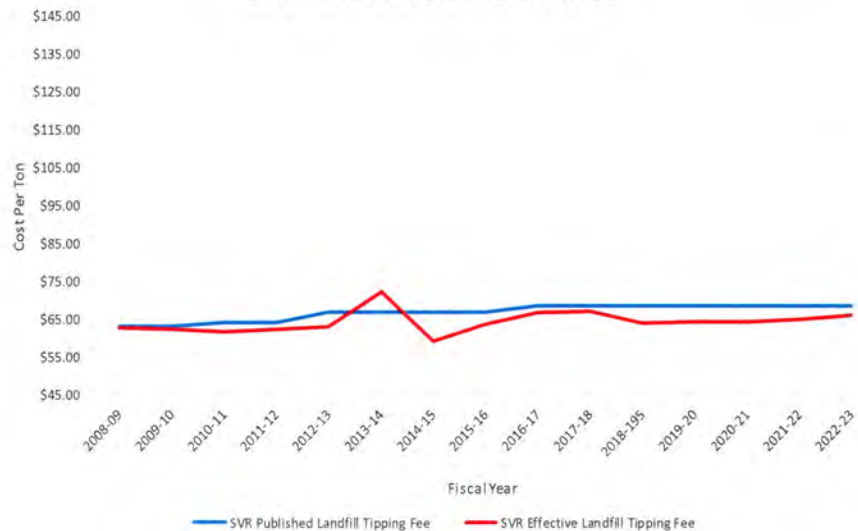
Note 3: Effective Tipping Fee Equivalent assumes revenues recovered through agency landfill tipping fees only and no AB 939 or waste import revenues

Note 4: Legacy Liabilities are inherited old landfill closure/post-closure costs and related debt that are responsibility of, but not created, by SVR

MRWMD does not carry these legacy liabilities

Note 5: 1st year of full debt allocation for 2013 bond refinance (60% Legacy - 40% Ops)

SVR Effective vs. Published Tipping Fee



Does not include SVR adjustments (Effective Tip Fee reductions) for:

*Prior waste transfer subsidies to haulers before full cost recovery of truck, driver and loader expenses

Haulers not obligated to use TS and can direct haul at their choice

Hauler cost to direct haul to LF (JCL or MPL) are estimated to be 25%+ higher than use of SVR transfer services

Attachment 1

MRWMD Historic Landfill Tip Fees

Fiscal Year	MRWMD Published Landfill Tipping Fee (\$/ton)	Budgeted Agency Tonnage	Budgeted Waste Import Revenues ¹	Waste Import Tipping Fee Equivalent (\$/ton) ²	Budgeted Capital Assessment Fees	Capital Assessment Fee Equivalent (\$/ton)	MRWMD Effective Tipping Fee (\$/ton) ³	MRWMD vs. SVR Effective Tipping Fee Differential
2008-09	\$45.00	232,000	\$697,250	\$3.01			\$48.01	-23%
2009-10	\$46.25	205,000	\$564,000	\$2.75			\$49.00	-21%
2010-11	\$47.00	190,000	\$2,780,600	\$14.63			\$61.63	0%
2011-12	\$47.00	195,000	\$3,470,100	\$17.80			\$64.80	4%
2012-13	\$48.00	190,000	\$3,420,000	\$18.00			\$66.00	5%
2013-14	\$51.75	180,000	\$2,727,500	\$15.15			\$66.90	-7%
2014-15	\$51.75	183,000	\$4,587,500	\$25.07			\$76.82	29%
2015-16	\$51.75	187,000	\$4,451,875	\$23.81			\$75.56	18%
2016-17	\$51.75	190,000	\$5,268,125	\$27.73			\$79.48	19%
2017-18	\$56.00	200,000	\$7,020,000	\$35.10			\$91.10	36%
2018-19 ⁴	\$62.00	200,000	\$9,059,000	\$45.30			\$107.30	68%
2019-20	\$68.20	200,000	\$9,330,770	\$46.65	\$1,000,000	\$5.00	\$119.85	86%
2020-21	\$75.02	200,000	\$9,610,693	\$48.05	\$2,000,000	\$10.00	\$133.07	106%
2021-22	\$77.27	200,000	\$9,899,014	\$49.50	\$3,000,000	\$15.00	\$141.77	117%
2022-23	\$79.59	200,000	\$10,195,984	\$50.98	\$3,000,000	\$15.00	\$145.57	121%
	76.9%						203.2%	

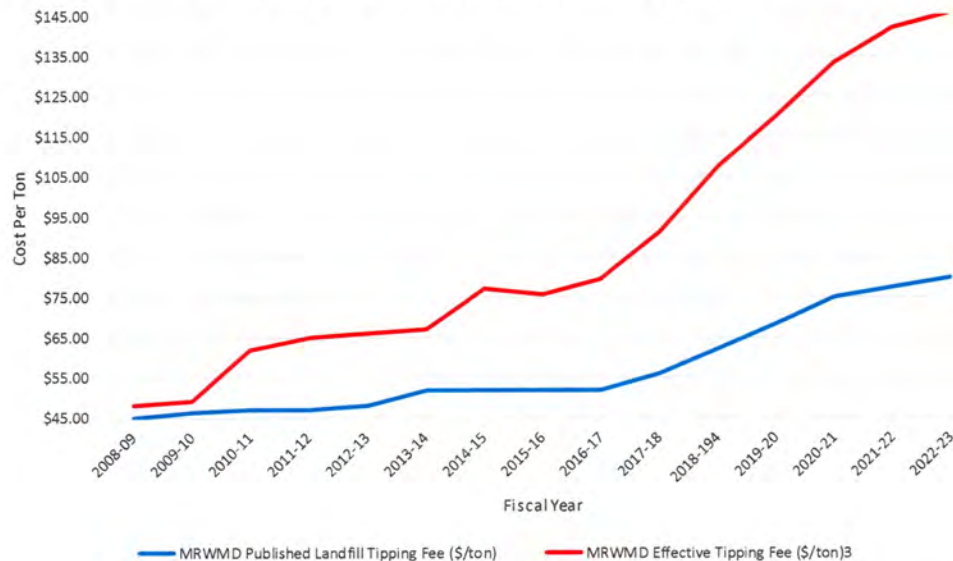
Note 1: Began Green Waste Recovery/Zanker Road/Z-Best waste & ADC importation for supplemental revenue in FY 2010-11, Santa Cruz County and Cities started importing waste in 2006-09

Note 2: Tipping Fee Equivalent = budgeted waste import revenues/budgeted agency waste tonnage

Note 3: Effective Tipping Fee Equivalent assumes revenues recovered through agency landfill tipping fees only and no waste import revenues

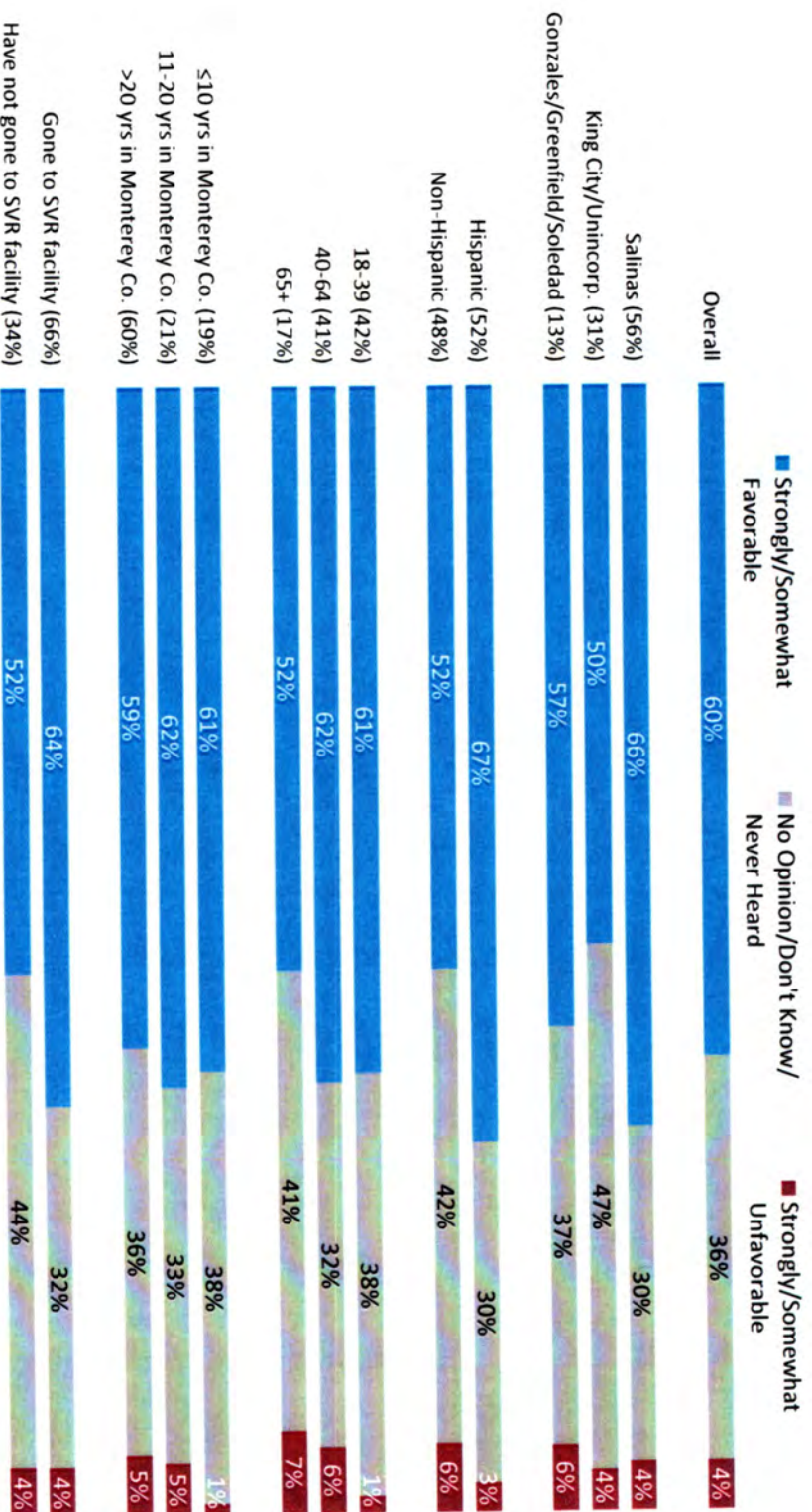
Note 4: MRWMD proposed FY 18-19 tipping fee increase of 10% (1st of 3, proposed 10% increases then a flat 3% CPI going forward) and an increased waste import revenue allocation for 18/19 then flat tonnage going forward with 3% CPI going forward, 3-27-18 Board Retreat

MRWMD Effective vs. Published Landfill Tipping Fee



Brand Rating: SVR

Hispanic residents and residents of Salinas view SVR particularly favorably.

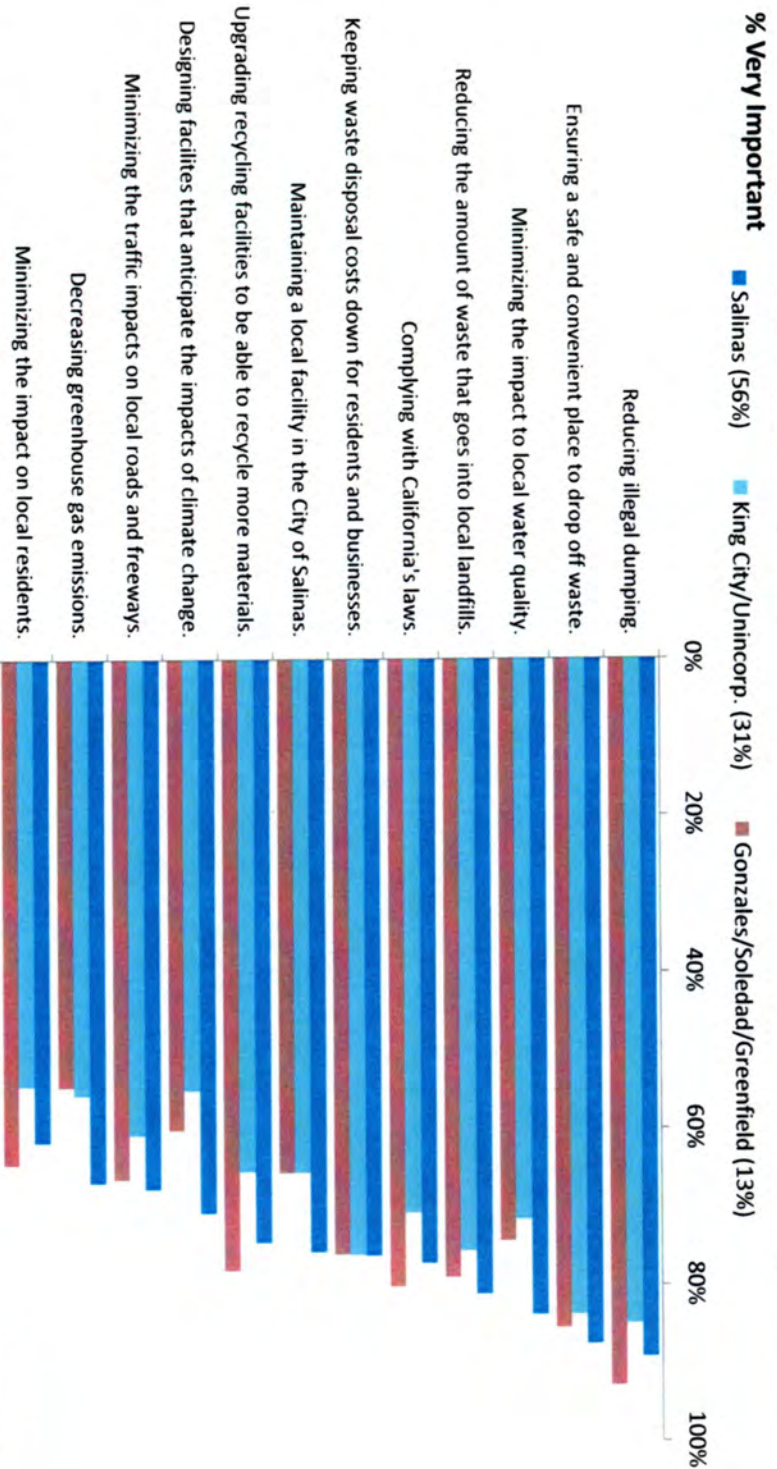


7. I'm going to read you a list of local service providers and organizations. Please tell me if you have a strongly favorable, somewhat favorable, somewhat unfavorable or strongly unfavorable opinion of each one. If you have never heard of one, please just say so.



Very Important SVR Priorities by Region

Residents of Salinas are more likely than other service area residents to value maintaining a local waste facility in the city, and they are more in-tune with issues related to waste collection and climate change, greenhouse gas emissions, and the impact to local water quality.

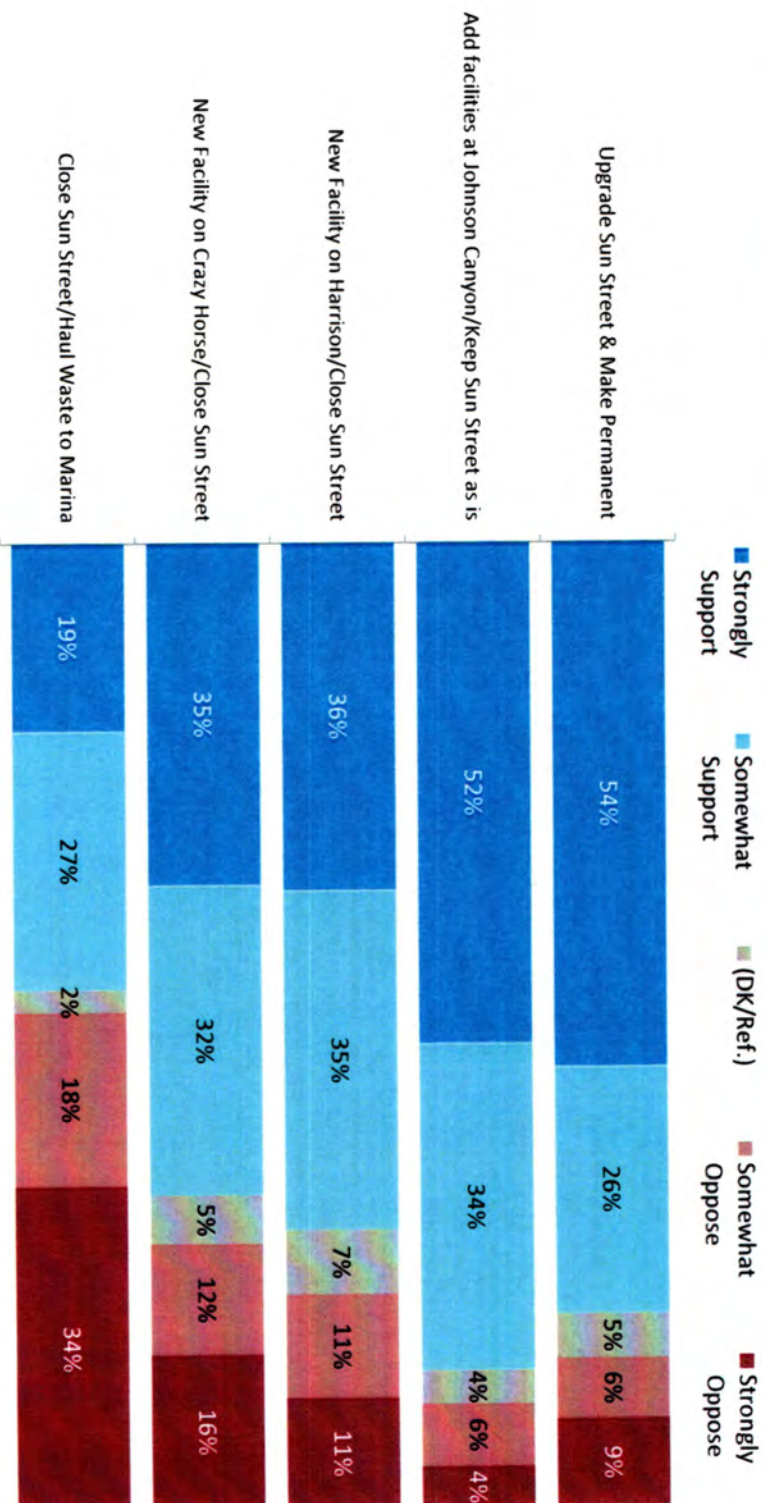


23-34. I'm going to read you a list of priorities that Salinas Valley Recycles considers when providing services to the community. After each one, please tell me if it is very important, somewhat important, not too important, or not at all important to you.



Facility Proposals Support

Support is highest for the two proposals that keep the Sun Street Transfer Station open. A majority strongly support upgrading and making the Sun Street facility permanent.



35-39. I am going to read you some proposals that are being discussed for waste management and disposal in the Salinas Valley in the future. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose that proposal.



Attachment 3

Brief history of the Sun Street Relocation efforts

- Authority approves a resolution in late 2008 to support the City's AMP project which included offers of City owned land for the relocation of the Sun Street Transfer operations.
- Environmental review and City property negotiations temporarily placed on hold in 2011 due to recession, loss of redevelopment funding and city administrative transitions.
- Authority reinitiated negotiations in 2013-15, but City property to support AMP development and Authority facility relocation was eventually removed from consideration by City and other options were placed on the table, restarting the process.
- Multiple relocation sites have been considered, recommended and/or supported by the City since 2015, but later eliminated.
- With support and recommendation from the City Administration, the Authority staff has recommended re-purposing of the Madison Lane Transfer Station to replace some or all of the Sun Street Transfer operations.
- With the passing of the AMP leading contact for the City in 2014, Authority began direct consultation with City administration on the Sale of our Sun Street Properties, a critical component of our relocation effort. Numerous emails and several in person requests were exchanged between Authority and City Administration from June 2015 and March 2018 on the specific point of "Who is the new developer representative and/or who will purchase Authority Sun Street properties to facilitate relocation."
- At 5:50 p.m. on November 15, 2018 (10 minutes prior to Authority Board meeting), Authority staff and City representatives on the Authority Board of Directors received an email from the City Manager on this matter, stating that the City's AMP developer had dropped out of the project in 2016, nearly three years earlier.
- At about this same time, Authority staff was reviewing the City agenda that had also just been posted to the City web page regarding the potential withdrawal.
- To further complicate this issue, staff had also just confirmed one day earlier that Republic Services, the City's Refuse and Recycling Collector, was about to execute a deal to purchase the Madison Lane Transfer Station. As the current proposed relocation site for the Authority, recommended and supported by the City of Salinas administration, this raises new questions and concerns. This site was to be formally approved and environmental review started at the November 2018 Board of Directors meeting but has now been deferred due to these recent complications and uncertainty arising outside the Authority control.



Mission: To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer services and education.

Vision: To reduce the amount of waste by promoting individual and corporate responsibility. To recover waste for its highest and best use while balancing rates and services. To transform our business from burying waste to utilizing waste as a resource. To eliminate the need for landfills.

September 5, 2019

Mr. Joe Gunter, Mayor
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

Re: City of Salinas Withdrawal from Salinas Valley Solid Waste Authority

Dear Mayor Gunter and Council Members:

Salinas Valley Solid Waste Authority ("SVSWA") received the City's Notice of Intent to Withdraw from the authority in December 6, 2018. As you know, this means a potential significant disruption to our agency and rate taxpayers, which requires planning on our part. The one-year anniversary of the Notice of Intent to Withdraw is quickly approaching. SVSWA needs direction on the potential transition timeline from the City. It is our current understanding that the City Council has not officially approved withdrawal at this time and is completing their due diligence. It has been informally stated by the Salinas City Manager that if City Council approves withdrawal, the transition would be consistent with the end of the fiscal year, placing withdrawal in July 2020, not December 2019.

SVSWA would appreciate an official Council statement and confirmation of the revised timeline for potential withdrawal in writing, if Council were to later approve this action. It is important that we have this information as we approach the one-year anniversary of the intent to withdraw and our need to plan.

I look forward to hearing from you regarding this issue. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Cullen", is written over a light blue horizontal line.

Robert Cullen, President
Salinas Valley Solid Waste Authority

cc: Salinas City Council
SVSWA Board of Directors



City of Salinas

OFFICE OF THE CITY MANAGER • 200 Lincoln Ave • Salinas, California 93901

(831) 758-7201 • (831) 758-7368 (Fax) • www.ci.salinas.ca.us

September 20, 2019

Via U.S. Mail and Electronic Mail: rcullen@farmersagent.com

Robert Cullen, President
Salinas Valley Solid Waste Authority
128 Sun Street, Suite 101
Salinas, California 93901

**Re: City of Salinas Withdrawal from Salinas Valley Solid Waste Authority;
September 19, 2019 Board Meeting, Agenda Item no. 13**

Dear Mr. Cullen:

This letter is written as a follow-up to your September 5, 2019 letter to the Salinas Mayor and City Council members regarding the City of Salinas's withdrawal from the Salinas Valley Solid Waste Authority (SVSWA) and Item No. 13 on the SVSWA Board of Directors' (Board) September 19, 2019 Agenda.

City of Salinas's Notice of Intent to Withdraw

As you, the Board, and SVSWA staff are aware, on November 20, 2018, pursuant to Section 19 of the SVSWA Joint Powers Agreement, the Salinas City Council approved a Resolution (Resolution No. 21521) authorizing me to deliver a one-year written notice of the City's intent to withdraw from the SVSWA Joint Powers Agency. As the SVSWA Staff's September 19, 2019 Report to the Board correctly notes, the City indicated its Notice of Intent to Withdraw (Notice) in a letter to the SVSWA dated December 6, 2018. The City's Notice initiated a minimum one-year timeline for the City's withdrawal but did not set a specific date on which the withdrawal would occur. As your letter also correctly states, the City is completing its due diligence with respect to the City's withdrawal and that

the City Council has not yet set a specific date on withdrawal would occur; I have previously indicated in correspondence to the SVSWA Board and Staff and in previous meetings with SVSWA Board members and Staff that the City's withdrawal would not occur in December 2019, but at the earliest would occur at the end of the current fiscal year.

The City's December 6, 2019 Notice initiated a minimum one-year timeline for withdrawal, meaning the City's withdrawal could occur no sooner than on or about December 7, 2019. As you know and as you indicate in your September 5, 2019 letter, the City has not yet completed its due diligence into the City's withdrawal and therefore City staff have not yet presented the results of that due diligence to the City Council. The City Council has thus not yet acted on the information or set a specific date on which the City would withdraw from the SVSWA, if at all. I anticipate that the City will complete its due diligence in October with a presentation on the results given to the City Council some time thereafter.

Given this timing and as I have previously indicated, City withdrawal could not occur in December 2019; withdrawal would not occur prior to the end of the current fiscal year. From our previous meetings, I am aware that the SVSWA Board and Staff have concerns regarding the City's potential withdrawal and the need to accordingly plan for continued operations after the City's withdrawal takes effect. Postponing withdrawal until at least the end of the current fiscal year gives the City additional time to complete its due diligence and also accommodates the SVSWA's concerns for additional time to appropriately plan for the City's potential withdrawal.

Opposition to Placement of a Transfer Station (or Self-Haul Facility) in Salinas

On August 7, 2018 the City Council approved a resolution supporting collaboration between Salinas Valley Solid Waste Authority (SVSWA) and the Monterey Regional Waste Management District (MRWMD) to leverage their resources to improve the overall system of solid waste processing and landfills in the County and address State regulations. The Board of Supervisors passed an MOU in support of collaboration on July 17, 2018. There was not much progress over the following months to create a partnership between SVSWA and MRWMD to address solid waste management with a more efficient countywide approach. Nor was there progress on relocating the Sun Street Transfer

Station outside the City. On November 20, the City passed the resolution to provide a one-year notice to withdraw from the Salinas Valley Solid Waste Authority Joint Powers Authority. The notice provides the City an opportunity to continue the process of determining the most efficient and economical method of delivering waste disposal and diversion services to the Salinas community.

The City is aware that the SVSWA Staff is in the process of identifying locations to which the existing Sun Street Transfer Station can be relocated and/or at which a self-haul facility can be established. As SVSWA's General Manager/CAO has indicated and as shown on the Board's September 19, 2019 Closed Session Agenda, SVSWA Staff are considering properties located at 356, 346, 330, and 320 West Market Street (West Market Street Parcels) in the city of Salinas as a possible relocation site. All of these properties are located within the city's existing boundaries. The City is opposed to the relocation of the existing transfer Station and/or the establishment self-haul facility within the City's limits or within the City's Sphere of Influence or Economic Development Opportunity Areas. In a letter dated May 30, 2017, written in response to the SVSWA's Notice of Preparation for the Long Term Facility Needs Study Project, the City made clear that it would not support either the expansion and continued use of the existing Sun Street Transfer Station at its current site or the relocation of the Transfer Station or the placement of a new facility within the city limits or within the City's Sphere of Influence and other areas covered by its Economic Development Element.

The West Market Street Parcels are located within an Industrial-General Zoning District. Under the applicable development regulations, a transfer station or self-haul facility could only be permitted within this Zoning District pursuant to a Conditional Use Permit. The City would not support the required application for a Conditional Use Permit for a transfer station or a self-haul facility on the West Market Street Parcels.

The West Market Street corridor is designated in the City's Economic Development Element as an area ripe for repositioning.¹ All of the West Market Street parcels are located within Economic Opportunity Area W which, among other Economic Opportunity Areas, has been designated by the

¹ The Salinas City Council adopted the Economic Development Element as an element of its General Plan in December 2018.

City for the promotion and prioritization of redevelopment and revitalization to ensure the efficient use of land and existing infrastructure and services. Economic Opportunity Area W has been identified for mixed-use infill development, reuse of existing buildings, and for general revitalization where residents, workers, and visitors would have proximity to a wide range of commercial and workplace land uses in support of pedestrian-friendly and vibrant neighborhood corridors.

The West Market Street Parcels are located on the outside boundary of Gateway Overlay District No. 3. Gateway Overlay Districts are intended to create entrances that announce arrival and set a tone for the part of the City they introduce; establish attractive and inviting entrances to the City in order to form the basis for positive impressions and perceptions of the community; avoid inappropriate development that would result in incompatible uses or design; and ensure site planning and design that is sensitive to the unique gateway district.

I am aware that the West Market Street Parcels at issue are currently vacant at that agricultural cooling facilities and other general industrial uses presently exist on West Market Street. Those uses, however, and the proposed relocation or establishment of a transfer station or a self-haul facility on the West Market Street Parcels are inconsistent with the City's current land use objectives for this area and the City's long-term plans for redevelopment and revitalization of this corridor. For the reasons stated here, the City would oppose the relocation or the establishment of a transfer station or a self-haul facility on the West Market Street Parcels.

Non-Compliance with Existing Land Use Approvals

The Sun Street Transfer Station exists at its current location pursuant to a Site Plan Review (ministerial approval) which was approved and issued under previously existing land use regulations. The Site Plan Review was issued for a **Temporary** Transfer Station with maximum daily tonnage limited to one hundred tons per day.² I am aware that the Local Enforcement Agency (LEA) for Monterey County has granted a permit for maximum daily tonnage in excess of one hundred tons per

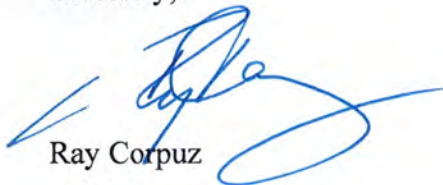
² Under current land use regulations, a Conditional Use Permit (discretionary approval) would be required for a transfer station to exist at the site. As the City has previously indicated, if the expansion of the existing temporary transfer station is an alternative being considered by the SVSWA, the City would not support the required application for a Conditional Use Permit.

day; however, that exceeds and is not compliant with the City's land use approval. The SVSWA should bring its operations into compliance with the Site Plan Review limitation of a maximum of one hundred tons per day.

We respectfully request that this letter be entered into the Board's record regarding this item.

Please let me know if you have any questions.

Sincerely,



Ray Corpuz
City Manager

cc: Mayor and City Council
City Attorney
Public Works Director
Community Development Director

Salinas Valley Solid Waste Authority Board of Directors
General Manager/CAO, Salinas Valley Recycles



Telephone Survey of Salinas Valley Solid Waste Authority Service Area Residents

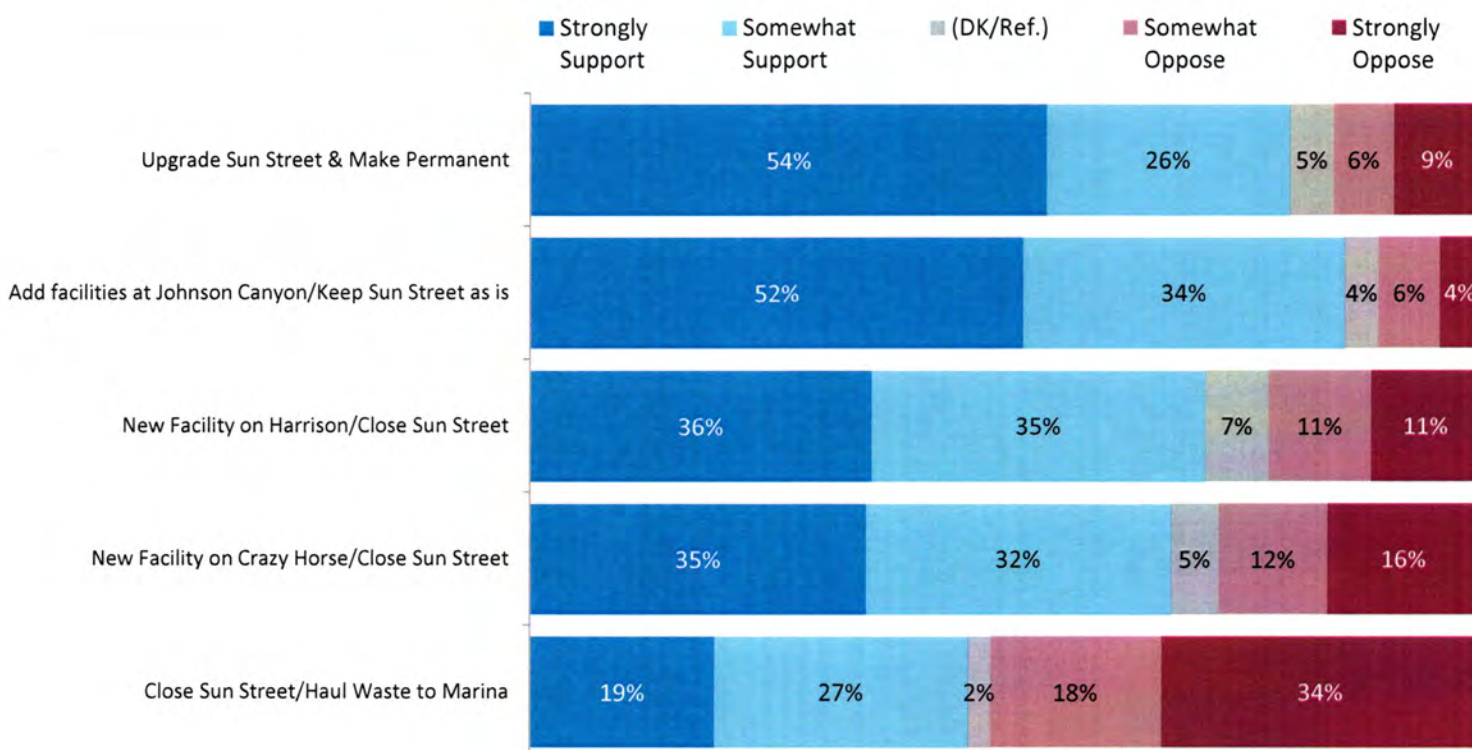
November 2017

Key Findings

- ▶ The Authority's brands are healthy, and the job rating of the Authority in providing its services to residents is strong.
 - There is more familiarity with the SVR brand than the SVSWA brand, but both are viewed favorably and known to a majority of residents.
- ▶ Confidence is high among residents when it comes to their ability to correctly sort their waste and recyclables, and most feel it is important to do correctly.
- ▶ Two-in-three residents have brought waste or recycling to an SVR facility, and there is some awareness of where waste goes after it is picked up by the local hauler.
- ▶ There is significant support for the Sun Street Station remaining open, and being upgraded to a permanent facility.

Facility Proposals Support

*Support is highest for the two proposals that keep the Sun Street Transfer Station open. A majority **strongly support** upgrading and making the Sun Street facility permanent.*

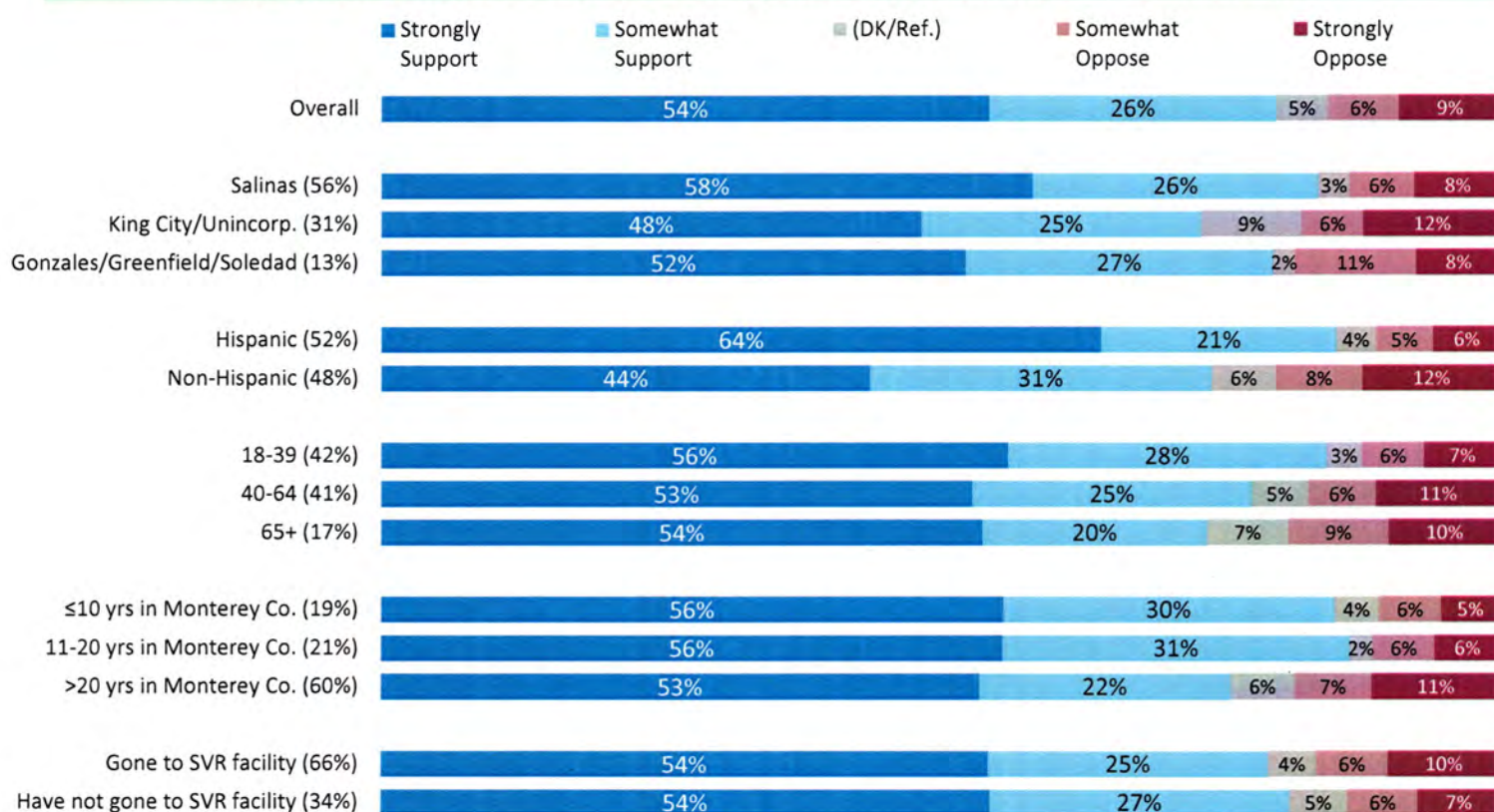


35-39. I am going to read you some proposals that are being discussed for waste management and disposal in the Salinas Valley in the future. For each one, please tell me if you strongly support, somewhat support, somewhat oppose or strongly oppose that proposal.



“Upgrade Sun Street & Make Permanent” Support by Subgroups

A majority of Salinas residents want to see Sun Street upgraded and made permanent, but there is support for this option in all areas. Support is higher among Hispanic residents.

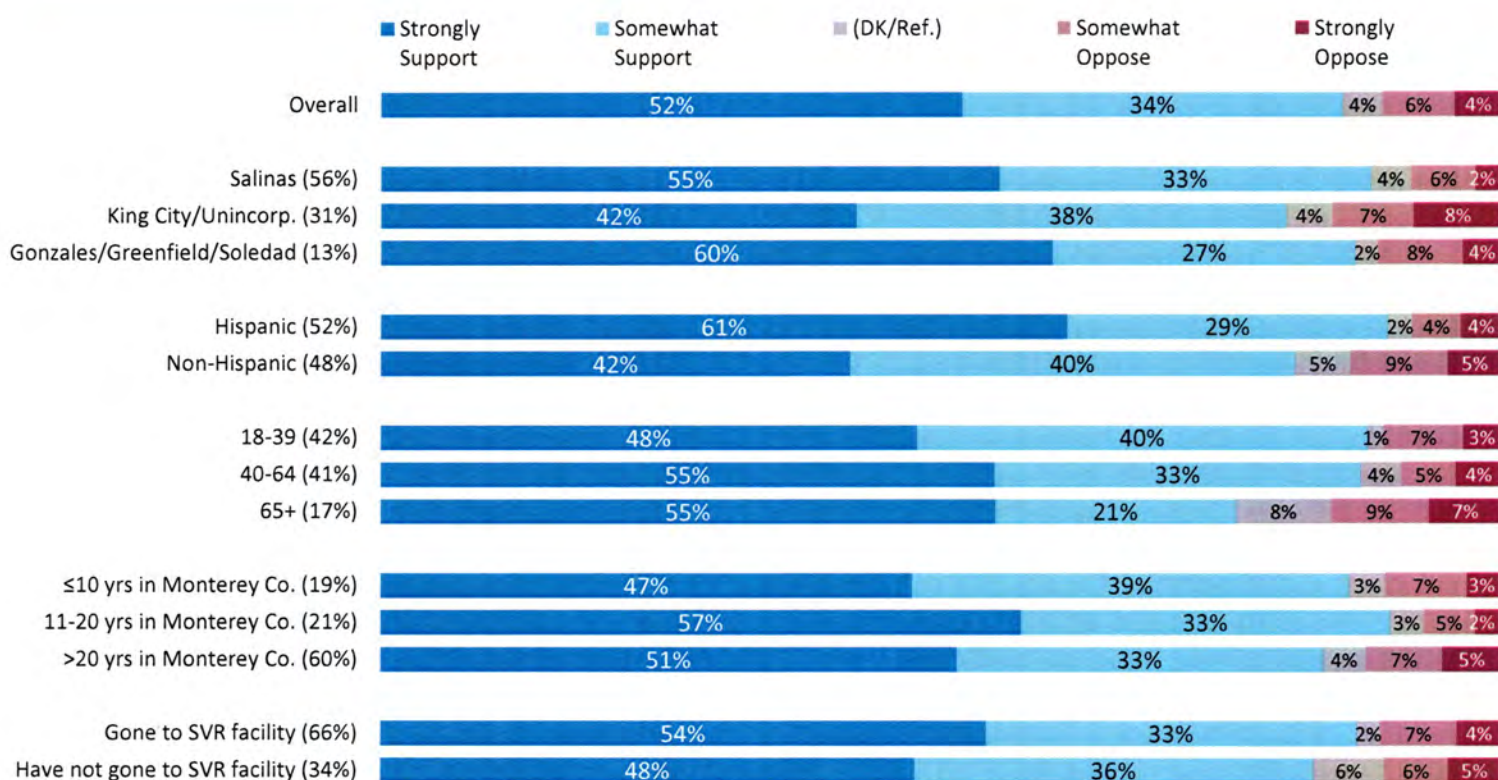


39. Upgrading the Sun Street Transfer Station in Salinas to make it a permanent facility that is able to handle all of the waste and recycling needs for the Salinas Valley.



“Add Facilities at Johnson Canyon/Keep Sun Street as is” Support by Subgroups

Adding facilities at Johnson Canyon, coupled with keeping Sun Street open, is also strongly supported by residents in all areas.



38. Building new facilities at the Johnson Canyon Landfill in Gonzales that allow for on-site processing of waste materials to reduce trash volume and extend the life of the landfill. This plan would also include keeping the temporary Sun Street Transfer Station open.



Salinas Valley Solid Waste Authority

City of Salinas

Meeting Notes

May 29, 2019

2:30 p.m.

Attendees:

City of Salinas

Christopher A. Callihan, Attorney
Gloria De La Rosa, Councilmember/SVSWA
Board Vice President
Christie Cromeenes, Councilmember/SVSWA
Board Member
David Jacobs, Public Works Director
Jim Sandoval, Asst. Public Works Director
Ray E. Corpuz, City Manager
Matt N. Pressey, Finance Director

Salinas Valley Solid Waste Authority

Roy Santos, General Legal Counsel
Robert Cullen, President
Chris Lopez, Alt. Vice President
Patrick Mathews, General Manager/CAO
Cesar Zuñiga, Asst. General Manager
Mandy Brooks, Resource Recovery Manager
Ray Hendricks, Finance and Administration
Manager
Erika J. Trujillo, Clerk of the Board

Meeting Topics

Introductions

Mr. Cullen welcomed everyone, introduced himself, and invited a brief introduction of all attendees.

Settlement Offer Business Points to Avoid Salinas Withdrawal as Authority Member

Mr. Cullen provided a brief history on the reason for the meeting. He indicated the City of Salinas' One-Year Notice of Intention to Withdraw from the Joint Powers Agreement (JPA) with the Salinas Valley Solid Waste Authority (SVSWA), dated December 6, 2018, triggered the development of the settlement offer presented to the City of Salinas (COS) that will be discussed at this meeting. Mr. Cullen explained that the notice created havoc and the offer presented to the COS was approved by the SVSWA Board in the effort to try to balance things and meet the COS and SVSWA's needs. He indicated the Board is understanding of the need to remove/relocate the Sun Street Transfer Station to accommodate the Alisal Market Place project and has been attempting for several years to relocate the transfer station in an effort to meet the city and customer's needs. Mr. Cullen invited comments from Mrs. De La Rosa and Mr. Lopez as representatives of the SVSWA Executive Committee.

Mrs. De La Rosa indicated it has been a long process and is glad everyone is in this meeting to be able to listen to the COS needs and wants.

Mr. Lopez expressed his desire to identify a path forward for SVSWA, expressing his concerns about the recurring conversation regarding the move of the Salinas transfer station that has carried over for several years. He stated he would like to identify a long-term solution and a clear understanding of the desire of the COS of maintaining a transfer station within city limits or not.

Mr. Cullen further commented that the SVSWA Board is aware of the current study being conducted by R3 Consultants for the COS related to waste management and the audit of the COS franchise agreement. He expressed the understanding by the SVSWA Board of all the moving pieces related to this study and requested a status update of the study.

Mr. Corpuz indicated that the COS would like clarification on a few points of the settlement offer, timeline, and reason for offering it. He indicated R3 Consultants was hired to conduct a study and provide a report of the good, bad and ugly, related to waste, new organics legislation, and the franchise agreement. He indicated that the COS Council has deemed the cost to the Salinas rate payer a key criterion for the future decisions to be made. He indicated completing all due diligence of the study is important so that the COS Council can make informed decisions, as well as the renegotiating of the franchise agreement. He stated that the COS Council will seek public comment on the study after completion. Mr. Corpuz also stated that he understands the negative impacts imposed upon SVSWA by the COS Council's action of issuing the notice to withdraw. He indicated the Alisal Vibrancy plan will be presented to the COS Council in June with recommendation and feedback coming from 24 residents not directly involved with the city.

Mr. Sandoval indicated the COS agrees for the need of a local facility for self-haul customers. He indicated the COS will review the findings of the study and the results of the audit of the franchise agreement to assess the waste processing for the COS.

Mr. Cullen expressed his concern with the estimated completion date of August for the study being conducted by the R3 Consultant. Specifically, his concern is that the analysis and discussion of the study at the COS Council level will likely result in a final decision being made too close to the December withdrawal date. The repercussions of that are significant because it does not allow the SVSWA to plan for the future, and has further impacts on employees, bond holders, customers and the residents of Salinas.

Mr. Corpuz indicated he has discussed with the County of Monterey their previous intent to withdraw from the JPA and they had indicated their intent was to withdraw at the end of a fiscal year. He stated this would be considered as an option for the COS, indicating the December deadline is not necessarily the withdraw date. Mr. Corpuz stated, "if withdrawal is approved, we will work with a transition consistent with the fiscal year." (Clarification by email communication dated June 14, 2019 from Ray Corpuz, City of Salinas City Manager to President Cullen presented at the June 20, 2019 SVSWA Board meeting).

Mr. Cullen indicated that because there is nothing in writing it is difficult for SVSWA to plan for anything other than a December withdraw date. Therefore, obligations for notices such as employee terminations and bond holders' notices would be given months prior to the December date. That becomes nearly impossible given the question marks surrounding COS' plans. Mr. Cullen requested General Manager/CAO Mathews review and explain the bullet points within the settlement agreement to allow the COS to ask questions.

Mr. Mathews reviewed each of the bullet points in detail within the settlement offer. He explained the dates offered in the settlement offer were based on the time the offer was originally presented to the COS and are subject to adjustments and flexible within reasonable and realistic expectations. The process of relocating the transfer station without interruption of services would require a process such as CEQA, sale of the existing transfer station, moving of the transfer station and other operation factors that must be considered

when it comes to adjusting the dates. He indicated that all bullet points in the settlement offer would be placed in a Memorandum of Understanding format for the entities to execute. He clarified that the services currently being offered to Republic Services are not mandated to be done by SVSWA as they have been provided at the past request of the City of Salinas and Republic Services to improve franchise productivity and reduce traffic.

Mr. Corpuz inquired on the type of transfer station SVSWA is considering.

Mr. Mathews indicated that is open for discussion. With Republic Services purchasing Madison Lane it is unknown at this time if any shared services opportunities are available. He indicated they have expressed interest but there has been no offer or commitment.

Mr. Cullen clarified that SVSWA has no intent in moving what is currently at the Salinas transfer station, an open transfer station, to another location. SVSWA intent has always been to have an enclosed facility. Mr. Cullen inquired if R3 Consultant would be contacting SVSWA for data related to waste flow for their study.

Mr. Sandoval indicated they are working on a questionnaire to contact SVSWA.

Mr. Cullen inquired about the identification of a developer interested in the Alisal Market Place.

Mr. Corpuz indicated they have received general interest on the Alisal Market Place. He indicated that the Alisal Market place is part of a census tract allowing for other opportunities. He indicated the COS has already had two workshops to help identify opportunities and has received one proposal. It has been heavily marketing several projects and has brought people out who have expressed interest.

Mr. Mathews inquired about possible sites identified within the COS that could be beneficial for SVSWA or appropriate for a transfer station.

Mr. Corpuz indicated there might be sites within the COS and opportunities for the SVSWA.

Mr. Corpuz inquired about the commitment of the bond stated within the settlement offer. He stated that the COS is committed to the bonds regardless of whether they withdraw from the agency or stay.

Mr. Mathews clarified the intent is to look for stability as the withdrawal of the COS will cause SVSWA to lose the economy of scale causing financial burdens with annual carrying costs.

Mr. Pressey inquired about the estimated anticipating annual carrying cost.

Mr. Mathews indicated aside from bond obligation there are closure and post-closure care costs, environmental issues that would require an irrevocable letter of commitment in case of unforeseen damages caused at one of the closed landfills and other carrying cost such as the maintenance of property where the transfer station is located if moved prior to it being sold.

Mr. Sandoval inquired about the greenwaste contract with Republic Services and the subsequent effect on the rate increase for the AB939 fees.

Mr. Hendricks indicated there is a shortfall of approximability \$313,0000 due to the contract and continuing subsidy of the low Salinas rate. He stated that if the COS would allow the rate to be equalized for all the members, the AB939 fee increase would not be added,

which would end the South County cities and unincorporated county subsidizing the Salinas rate payers.

Mr. Mathews explained the Organics fees will not be going down because SB 1383 is more rigorous than AB 939. To comply with the mandate, it will require more staff and equipment either from the COS or SVSWA.

Mr. Corpuz inquired about the value expected by SVSWA for the Sun Street property if sold.

Mr. Mathews stated the Board had previously requested fair market value, or at least what it was purchased for, which was approximately \$3.8 million. The last appraisal came in at \$4 million in 2014.

Mr. Corpuz expressed his appreciation for the meeting indicating it was very helpful.

Mrs. Cromeenes expressed her gratitude for SVSWA, the work being done to educate the community and youth on organics and recycling. She wanted to reiterate what she has said to the COS staff of a transfer station being needed within the city that handles recycling, waste, and household hazardous waste. She expressed her concern with a facility outside of the city limits as this would potentially cause more litter within the city. Mrs. Cromeenes requested City staff to work collaboratively with SVSWA staff to find viable options for a self-haul facility within the city limits.

Mr. Lopez reiterated wanting a clear direction from the COS on what they want.

Mrs. De La Rosa expressed her understanding from Mr. Corpuz that is to work cooperatively with SVSWA and reiterated the need to have a self-haul facility in the city.

Mr. Mathews expressed his concern related to the organics grant received from CalRecycle for \$1.3 million in which all member agencies committed their organic waste stream. He indicated the facility is almost complete, but that the grant is now at risk with the potential loss of COS' organic waste stream.

Mr. Santos commented that SVSWA settlement offer was presented and no response on an agreement or counteroffer has been received. He would like some terms of offer or a rough estimate of when SVSWA would get a response or counteroffer as SVSWA needs to start preparing for a possible withdraw. Mr. Corpuz did not provide terms but agreed on the urgency to discuss with the COS Council.

Mr. Cullen indicated SVSWA cannot wait much longer for the COS to make a decision on the notice to withdraw before it needs to consider sending notices to employees and bondholders. He requested that COS staff present this item, including the numerous negative impacts, to the COS Council as soon as possible for comment and for them to provide direction to staff on how to proceed.

Mr. Sandoval inquired about a partnership between SVSWA and Republic Services for the self-haul customers to go to the Madison Lane Transfer Station.

Mr. Mathews indicated interest has been expressed from Republic Services, however, there has been nothing concrete presented. He explained there are many factors to take into considerations such as the amount of permitted tonnage needed by Republic Services for their own operation, extension of permits if tonnage needs to be increased, road improvements previously promised to the Boronda community, amongst other variables.

Conclusion

Meeting concluded at 3:40 p.m.