



Working for a future without landfills...

## AGENDA REGULAR MEETING

### ADVISORY COMMITTEE

THURSDAY, AUGUST 26, 2021, 3:00 P.M.

ZOOM Meeting ID No. 899 6875 5588

Password: 600050

**Important Notice on Page 2**

#### Call to Order

#### Roll Call

President of the Committee

Nikki Cossio, Grower-Shipper Association

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

#### Vacancies

Monterey County Farm Bureau

#### 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.

#### Meeting Topics

1. [Minutes of January 28, 2021 Meeting](#)
  - A. Public Comment
  - B. Committee Discussion
  - C. Recommended Action: Approval
2. [Discussion on Future Meetings Schedule and Protocols](#)
  - A. Receive Report from General Manager/CAO, Patrick Mathews
  - B. Public Comment
  - C. Committee Discussion
  - D. Recommended Action: Provide Input
3. [Update on Senate Bill 1383 Organics Recovery Programs](#)
  - A. Receive Report from Mandy Brooks, Resource Recovery Manager
  - B. Public Comment
  - C. Committee Discussion
  - D. Recommended Action: None; Informational Only
4. [Update on the Sun Street Transfer Station Relocation Project and 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

## Committee Comments

### Adjournment

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#### **Important Notice**

Due to State, County and local orders and recommendations on protocols to contain the spread of COVID-19, all of the Committee members will be attending remotely from various locations. Members of the public interested in observing the meeting may do on our YouTube channel <https://www.youtube.com/user/svswa831>.

To make a general public comment, or to comment on a specific item on the agenda, you may do so by submitting your comment via email by 2 p.m. on Thursday, August 26, 2021 to the Clerk of the Board at [comment@svswa.org](mailto:comment@svswa.org). Comments should be limited to 250 words or less. Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received via e-mail after 2 p.m. will be made part of the record if received prior to the end of the meeting. To assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the item number (i.e. Item No. 10).

To make a general comment or to comment on a specific agenda item as it is being heard, you may do so by participating via ZOOM. Join with computer audio at: <https://us02web.zoom.us/j/81256656640?pwd=ZDFodFIMcnFrVDIvY09xV3I5ZUR6dz09>. When you are ready to make a public comment, please click to Raise your Hand.

To participate by telephone dial any of the numbers listed below and enter the meeting ID number and passcode:

+1 669 900 9128	+1 253 215 8782	+1 346 248 7799
+1 301 715 8592	+ 1 312 626 6799	+ 1 646 558 8656
Enter <b>Meeting ID: 899 6875 5588</b> #		Passcode: <b>600050</b>
To <b>Raise your Hand</b> press <b>*9</b>		To <b>Mute</b> and <b>Unmute</b> yourself press <b>*6</b>

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Based on guidance from the California Department of Public Health and the California Governor's Officer, in order to minimize the spread of the COVID 19 virus by maintaining appropriate social distancing with a 6-foot distance between individuals and the limited space available there will be no observation room available for the public.

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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 **Friday, August 20, 2021**. The Advisory Committee will next meet in a regular session on, **Thursday October 28, 2021**. 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, Phone 831-775-3000, 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)

**MINUTES OF  
THE SALINAS VALLEY SOLID WASTE AUTHORITY  
ADVISORY COMMITTEE SPECIAL MEETING  
JANUARY 28, 2021  
Meeting was attended remotely via ZOOM.**

**CALL TO ORDER**

An informal meeting due to lack of quorum was called to order at 3:11 p.m.

Quorum was established at 3:26pm and the formal meeting commenced.

**MEETING COMMENTS**

None

**ROLL CALL****Members Present**

*Grant Leonard*

*Brett Saunders*

*Cesar Lara*

*Marty H. Ramirez*

*Paula Getzelman*

*John Bailey (logged in at 3:26pm)*

**Members Absent**

*Nikki Cossio*

*Christopher M. Lopez, President*

*Marc Bloom*

*Keven McIntosh*

**Staff Present**

*Patrick Mathews, General Manager/CAO*

*Mandy Brooks, Resource Recovery Manager*

*Rosie Ramirez, Administrative Assistant*

*Erika J. Trujillo, Clerk of the Board*

**MEETING COMMENTS**

General Manager/CAO Mathews commented on the restructure of the Authority Board with the Election of Officers that took place at the January Board meeting. He informed the Committee the President of the Board and subsequent President of the Committee is now Christopher M. Lopez, representative of the County of Monterey.

**OVERVIEW****3. Update on Senate Bill 1383 Planning for Organics Recovery Programs**

(3:15) Resource Recovery Manager Brooks provided an update on clarification received from CalRecycles to include biosolids and sludge in the organics process. She indicated new outlets to divert these materials are being explored as the program plan for the SB1383 had been completed prior to knowing the inclusion of biosolids and sludge. Mrs. Brooks indicated CalRecycles has acknowledged the challenges COVID has created to implement programs implementation. She informed the Committee of the Compost and Pledge Challenge, and the Food Waste & Recovery Award Programs currently underway. General Manager/CAO Mathews provided a report on the addition of position being requested to the Board to assist in with the program implementation and reporting related to SB 1383. The Sun Street Transfer Station virtual tour was presented to the Committee.

**Public Comment:** None

**Committee Discussion:** The Committee discussed the presentation.

**Motion:** None; Informational Only  
**Abstain:** None

(3:26) Quorum was established and the meeting was called to order.

## **MEETING TOPICS**

### **1. Election of Committee Vice President**

(3:55) General Manager/CAO Mathews explained the Committee bylaws were approved by the Board at their January 28<sup>th</sup> meeting. He indicated the election of the Committee Vice President is to be conducted at its first held meeting of the year and explained the option of the process.

**Public Comment:** None  
**Committee Discussion:** The Committee discussed the options.  
**Motion:** Committee Member Hortan made a motion to nominate Committee Member Lara to serve a Vice President. Committee Member Saunders seconded the motion.  
**Votes:** Bailey, Getzelmen, Horton, Lara, Leonard, Ramirez  
**Noes:** None  
**Absent:** Bloom, Cossio, Lopez, McIntosh  
**Abstain:** Saunders

### **2. Minutes of October 27, 2020 Meeting**

(4:01)  
**Public Comment:** None  
**Committee Discussion:** The Committee discussed the presentation.  
**Motion:** Committee Member Getzelman made a motion to approve the minutes as presented. Committee Member Leonard seconded the motion.  
**Votes:** Bailey, Bloom, Getzelmen, Horton, Lara, Leonard, Ramirez, Saunders  
**Noes:** None  
**Absent:** Cossio, Cullen, Lopez, McIntosh  
**Abstain:** None

### **3. Update on the Sun Street Transfer Station Relocation Project and the City of Salinas' One-Year Notice of Intent to Withdrawal from the Joint Powers Agreement with the Salinas Valley Solid Waste Authority**

(4:03) General Manager/CAO Mathews reported that meetings between City of Salinas staff, Republic Services staff and Authority staff have continued to develop the framework for a nonbinding private/public partnership agreement for the relocation of the Sun Street Transfer Station is nearly complete.

**Public Comment:** None  
**Committee Discussion:** The Committee discussed the presentation.  
**Motion:** None; Informational Only

## **COMMITTEE COMMENTS**

ADJOURNED

APPROVED: \_\_\_\_\_, President

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## ADVISORY COMMITTEE

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**Date:** August 26, 2021  
**From:** Patrick Mathews, General Manager/CAO  
**Title:** Discussion on Future Meetings Schedule and Protocols

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A report will be given at the meeting.

## ADVISORY COMMITTEE

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**Date:** August 26, 2021  
**From:** Mandy Brooks, Resource Recovery Manager  
**Title:** Update on SB 1383 Organics Recovery Programs

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A report will be given at the meeting.

## ADVISORY COMMITTEE

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**Date:** August 26, 2021  
**From:** Patrick Mathews, General Manager/CAO  
**Title:** Update on the Sun Street Transfer Station Relocation Project and the City of Salinas' One-year Notice of Intent to Withdrawal from the Joint Powers Agreement with the Salinas Valley Solid Waste Authority

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**A report will be given at the meeting.**

### ATTACHMENTS

1. August 19, 2021, Board of Directors Meeting - Item No. 15
  - a. Staff Report
  - b. Resolution
  - c. Non-Binding of Intent with Republic Services
2. August 19, 2021, Board of Directors Meeting – Item No. 16
  - a. Staff Report
  - b. Resolution
  - c. Memorandum of Understanding Between SVSWA and the City of Salinas



## Report to the Board of Directors

### ITEM NO. 15

N/A

Finance and Administration Manager/  
Controller/Treasurer

General Manager/CAO

*R. Santos by E.T.*

Authority General Counsel

**Date:** August 19, 2021

**From:** Patrick Mathews, General Manager/CAO

**Title:** A Resolution Approving a Non-Binding Letter of Intent With Republic Services of Salinas Defining the Terms for Negotiating Various Agreements Necessary to Relocate and Consolidate the Sun Street Transfer Station Operations to the Madison Lane Transfer Station

### RECOMMENDATION

Staff and the Executive Committee recommend the Board approve a resolution executing the Letter of Intent with Republic Services and provide additional direction as needed.

### STRATEGIC PLAN RELATIONSHIP

Promote the Value of SVR Services and Programs to the Community.

The Authority provides a wide array of essential recycling and waste recovery services and programs to the local businesses, schools, and residents. This LOI provides for re-establishment of the Authority's SSTS services and operations in a more permanent location that meets the long-term public needs, continuation of mandated waste diversion and recycling programs, and supports the "Excellent Infrastructure" goals of the City of Salinas.

### FISCAL IMPACT

This action has no immediate financial impact, but the final binding agreements outlined in this LOI will require re-structuring of the FY 2022-23 budget and changes in the rate setting process for public self-service customers. Prior to execution of the binding agreements (Lease, Transportation Agreement, and operating agreement), staff will model the FY 2022/23 budget to outline the areas of change in the Authorities future budgets, including analysis of revenue/expense changes associated with the relocation project.

### DISCUSSION & ANALYSIS

Current discussions and background work have and continue to occur between the Authority, City of Salinas (City) Administration, and Republic Services (Republic), Salinas's franchised hauler. At the April 15, 2021, Board meeting, the Salinas City Manager, Steve Carrigan, spoke to the Board during the FY 21/22 rate hearing outlining and supporting a more collaborative process to facilitate the relocation of Authority public services to Republic's Madison Lane Transfer Station (MLTS) and equalization of organics processing rates for Salinas.

In addition to the Sun Street relocation discussion, the issue of equalizing green waste processing rates (currently deeply discounted under a 2004 agreement between SVSWA and Republic) is included in the issues under discussion. City administrative leadership has indicated a strong and collaborative level of support for resolving all the interrelated issues around transfer station relocation, rescinding the City notice to withdraw, and equalizing Republic's organics processing rates. These key elements are included in both the independent City negotiations with Republic, and the Authority's respective negotiations with both parties.

Attached for Board consideration is the first formal action item of these negotiations, a LOI between the Authority and Republic outlining the key structural elements of the partnership and necessary agreements. The LOI is not binding but does establish the basic understandings of each element of the partnership and provides the basis for drafting of the necessary binding agreements: Lease, Transportation Services Agreement, and Site License for operating the organics receiving area.

## **BACKGROUND**

The Authority, City Administration and Republic have been in direct discussion since summer of 2020 regarding a proposed shared use project at the Republic's MLTS. This project would provide a relocation site for the Authority's SSTS recycling and transfer operations including its Household Hazardous Waste facility and satisfy the key element necessary to rescind the City Notice of Intent to Withdraw from the Authority, issued in November 2018.

This proposed project has several general elements under discussion as summarized below:

1. Engineering and Design changes and site improvements to the MLTS to accommodate consolidation of SSTS recycling and transfer operations.
2. Development of a Lease for space at MLTS
3. Development of a Transportation Agreement for Authority to transfer all materials destined for Johnson Canyon
4. Development of a "License Agreement" that allows the Authority staff to operate the receiving area for all organics, with Republic maintaining all other internal transfer station operations

All of the above action items are included in the attached "Letter of Intent" and are providing the structure for development of the various agreements.

The Authority has been seeking a permanent location for its Recycling and Transfer operations in the greater Salinas area since formation in 1997. The Authority eventually selected the Sun Street Transfer Station location for its permanent home in 2004 and began interim operations while environmental review, design and permitting for construction of a permanent facility were undertaken. In 2008-2009, the City of Salinas requested that the Authority reconsider its Sun Street location to allow future redevelopment of the area that included the transfer station property and surrounding area, also known as the Alisal Market Place. The Authority and City entered into a

Memorandum of Understanding to negotiate conditions for relocation of the SSTS operations to a City owned property on Work Street in an industrial park area. In 2013 the City requested that the Authority re-consider other site options and in 2015 withdrew support of the original City-owned site on Work Street offered in 2008-09. Since 2015, Authority staff and its public advisory committees have been continuing to seek out and evaluate alternative sites and scenarios that satisfy both the City concerns and the strong public service demands for the greater Salinas area, including the current proposed consolidated use of the MLTS site.

**ATTACHMENT(S)**

1. Resolution
2. Letter of Intent between Authority and Republic Services
3. Exhibit A – Site Plan

## RESOLUTION NO. 2021-

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A NON-BINDING LETTER OF INTENT WITH REPUBLIC SERVICES OF SALINAS DEFINING THE TERMS FOR NEGOTIATING VARIOUS AGREEMENTS NECESSARY TO RELOCATE AND CONSOLIDATE THE SUN STREET TRANSFER STATION OPERATIONS TO THE MADISON LANE TRANSFER STATION**

**WHEREAS**, Republic Services of Salinas (Republic) purchased the Madison Lane Transfer Station located at 1120 Madison Lane in Salinas, California ("MLTS"), in November 2018. MLTS is a municipal solid waste transfer station and materials recovery facility. MLTS also has a solid waste collection vehicle yard, used for the parking and maintenance of waste collection vehicles.

**WHEREAS**, the Authority operates a solid waste facility located at 139 Sun Street in Salinas, California (the "Sun Street Transfer Station and Recycling Center or SSTSRC") that has been used for the receipt and transfer of municipal solid waste from members of the public and franchised collection vehicles. The facility also has a household hazardous waste collection facility and receives source separated recyclable materials from the public for processing and recycling.

**WHEREAS**, Republic and the Authority have begun discussions for the purpose of entering into agreements for cooperative activities involving both the Authority and Republic. The purpose of this LOI is to preliminarily identify areas that both the Authority and Republic have designated for future negotiations.

**WHEREAS** a purpose of this LOI is to identify the potential real property interests that Republic may grant to the Authority for the use of portions of the MLTS, to confirm the parties mutual intent to engage in negotiations, and to facilitate further negotiations between the parties. This LOI is a non-binding statement of intent by the parties to engage in such negotiations; however, it does not bind either party to enter into any agreements whatsoever or bind any party to any terms or conditions that the parties may ultimately agree on in such potential agreements.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY** that the Chief Administration Officer is hereby authorized and directed for, and on behalf of the Salinas Valley Solid Waste Authority to execute a Letter of Intent with Republic Services of Salinas to identify the potential real property interests that Republic may grant to the Authority for the use of portions of the MLTS, to confirm the parties mutual intent to engage in negotiations, and to facilitate further negotiations between the parties as attached hereto and marked "Exhibit A".

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 19<sup>th</sup> day of August 2021 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

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Erika J. Trujillo, Clerk of the Board

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Roy C. Santos, Authority General Counsel

## NON-BINDING LETTER OF INTENT

This Non-Binding Letter of Intent (“LOI”) is entered into by and between N Leasing Company, LLC, a California limited liability company (“Republic”), which is a subsidiary of Republic Services, Inc., and the Salinas Valley Solid Waste Authority, a joint powers authority organized under California law (the “Authority”). This LOI is made with respect to the following Recitals.

### Recitals

Whereas, Republic purchased the Madison Lane Transfer Station located at 1120 Madison Lane in Salinas, California (“MLTS”), in November 2018. MLTS is a municipal solid waste transfer station and materials recovery facility. MLTS also has a solid waste collection vehicle yard, used for the parking and maintenance of waste collection vehicles.

Whereas, the Authority operates a solid waste facility located at 139 Sun Street in Salinas, California (the “Sun Street Transfer Station and Recycling Center or SSTSRC”) that has been used for the receipt and transfer of municipal solid waste from members of the public and franchised collection vehicles. The facility also has a household hazardous waste collection facility and receives source separated recyclable materials from the public for processing and recycling.

Whereas, Republic and the Authority have begun discussions for the purpose of potentially entering into agreements for cooperative activities involving both the Authority and Republic. The purpose of this LOI is to preliminarily identify areas that both the Authority and Republic have designated for future negotiations.

Whereas, Government Code §54956.8 sets forth the real estate negotiations exception to the open meeting requirements of the Brown Act. The real estate negotiations exception provides in relevant part:

*Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.*

*However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate.*

Whereas, included in their negotiations, the Authority and Republic wish to pursue confidential negotiations regarding the potential lease and/or license by Republic to the Authority of portions of the MLTS, including the price, terms of payment and conditions of use of such real property interests. The parties agree that it will facilitate

candid discussions and serve the interests of the parties if such discussions can occur in a confidential setting to the extent authorized by and in compliance with the Brown Act and California law.

Whereas, a purpose of this LOI is to identify the potential real property interests that Republic may grant to the Authority for the use of portions of the MLTS, to confirm the parties mutual intent to engage in confidential negotiations, and to facilitate further negotiations between the parties. This LOI is a non-binding statement of intent by the parties to engage in such negotiations; however, it does not bind either party to enter into any agreements whatsoever or bind any party to any terms or conditions that the parties may ultimately agree on in such potential agreements.

#### Non-Binding Outline of Areas for Future Real Property Negotiations

Therefore, in consideration of the foregoing Recitals, the parties have tentatively agreed on the following subject matters for future negotiations. Nothing in this LOI shall preclude the parties from discussing other issues of mutual interest. Nothing in this LOI shall obligate the parties to enter into any agreement or to continue negotiations.

1. Lease of Area for Authority-Operated Recyclable Materials Drop-Off, Public Drop-Off Materials Recovery Area and Household Hazardous Waste Drop-Off Facility.

Republic and the Authority may negotiate over a lease by Republic to the Authority of an area at the MLTS for an Authority-operated recyclable materials and household hazardous waste drop-off and recovery area for members of the public. The parties have tentatively identified an area for such a facility, shown on the Google Earth photo attached as Exhibit A. This area is labelled “HHW/Public Recycling.” Working surfaces of the lease space shall be delivered to the Authority in good working condition and free of major defects and exposed soil areas (except those areas required for landscaping and stormwater management).

2. License of Area for Authority Organics Receiving Area.

Republic and the Authority may negotiate over a non-exclusive license by Republic to the Authority of an area at the MLTS for an Authority-operated and funded organics receiving and pre-processing area. This shall not include the management of the gate process. The parties have tentatively identified an area for such a facility, shown on the Google Earth photo attached as Exhibit A. This area is labelled “Organics Receiving Area.”

3. Contract for Authority Transfer Operations for All Materials Destined for Johnson Canyon Landfill

Republic and the Authority may negotiate the full utilization of the existing (and potentially expanded) Authority transfer truck fleet for transfer of all materials destined for the Johnson Canyon Landfill (i.e. MSW and Organics).

4. Right of First Refusal for Authority to Purchase MLTS.

Republic and the Authority may negotiate over the potential grant by Republic to the Authority of a right of first refusal to purchase the MLTS should Republic determine to sell the MLTS and receive a bona fide offer from a non-Republic affiliated company to purchase the MLTS.

5. Other Potential Areas of Negotiations.

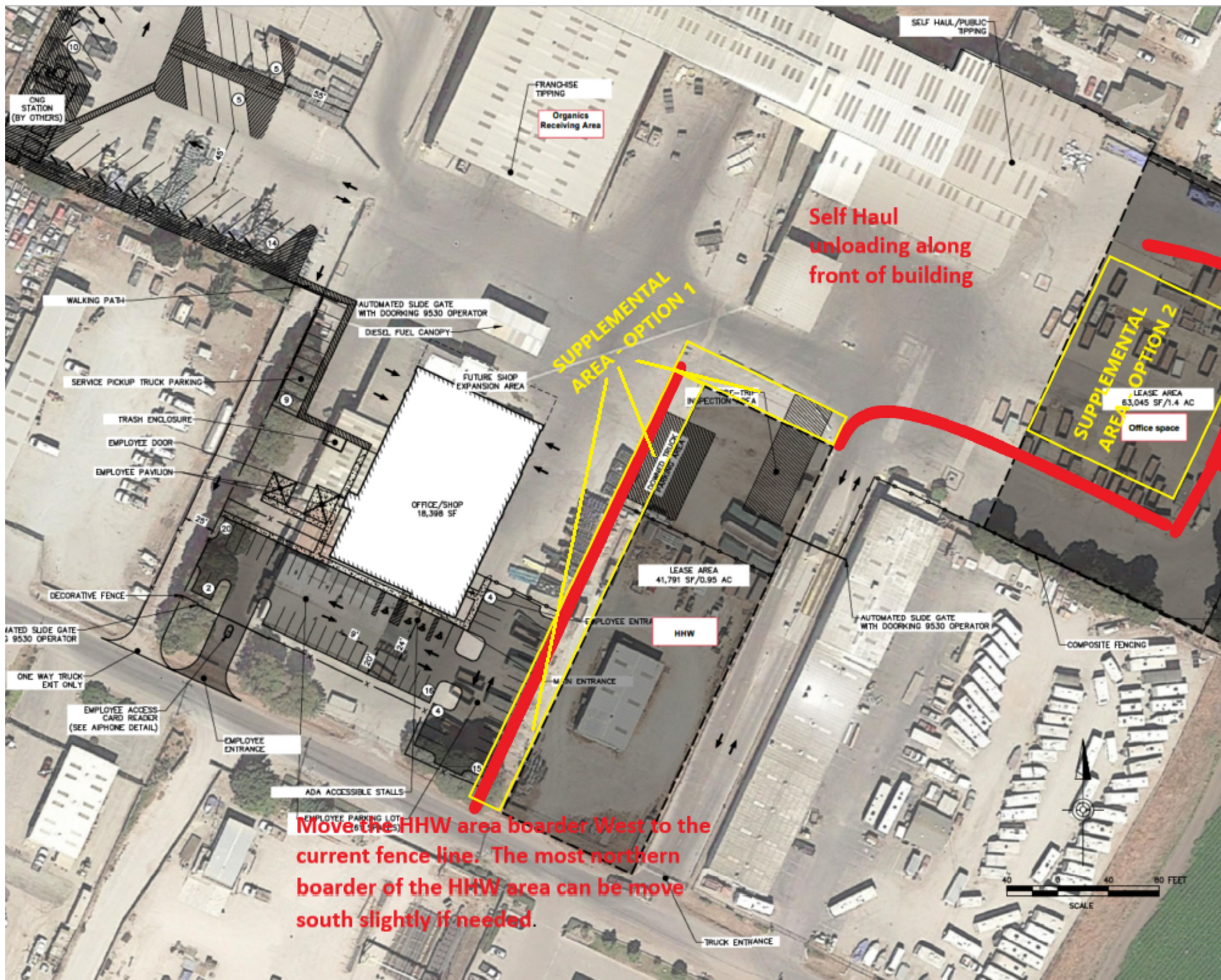
Republic and the Authority may also negotiate other areas of mutual cooperation that would serve the interests of both parties in developing a public-private partnership. These areas of mutual cooperation may include: (a) joint public education and outreach efforts targeted at public users of an Authority-operated drop-off facility at MLTS; (b) the utilization of Authority facilities in accordance with its flow control authority per its Joint Powers Agreement, including Johnson Canyon for the processing and/or disposal of municipal solid waste and organics; (c) the consolidation of Republic and Authority operations as contemplated under this LOI; (d) other subjects that would facilitate an effective public-private partnership between Republic and the Authority.

6. Permitting and Environmental Review (CEQA)

Republic and the Authority will discuss the relative responsibilities and liabilities of both parties associated with securing all required permits and entitlements (including any required CEQA analysis) at MLTS to facilitate the relocation and consolidation of the Authority's SSTSRC operations with those of Republic's current operations at MLTS. The Authority will cooperate with and provide information to Republic as needed to support the permitting, entitlement and CEQA processes where Republic assumes the lead role. Republic and the Authority will discuss the timing of the Authority's relocation of its SSTSRC operations relative to the completion of any required Lessor improvements to leased areas, and receipt and authorization of required regulatory permits, entitlements and conditions allowing the proposed uses of the MLTS.

Nothing in this LOI is intended to limit the ability of the parties to discuss other subjects not identified in this LOI.

SALINAS VALLEY SOLID WASTE AUTHORITY	N LEASING COMPANY, LLC
By: R. Patrick Mathews	By:_____
Title: General Manager/CAO	Title:_____
Date:_____	Date:_____





## Report to the Board of Directors

### ITEM NO. 16

N/A

Finance and Administration Manager/  
Controller/Treasurer

General Manager/CAO

*R. Santos by E.T.*

Authority General Counsel

**Date:** August 19, 2021

**From:** Patrick Mathews, General Manager/CAO

**Title:** A Resolution Approving a Memorandum of Understanding (MOU) with the City of Salinas Defining the Terms for Relocation of the Sun Street Transfer Station, Rescinding the City's December 2018 Notice of Intent to Withdraw from the Authority and Actions to Equalize Organics Processing Fees for all Member Agencies

### RECOMMENDATION

Staff and the Executive Committee recommend the Board approve a resolution executing the MOU with the City of Salinas and provide additional direction as needed.

### STRATEGIC PLAN RELATIONSHIP

Select and Implement Facilities (e.g., Salinas Area Material Recovery Center) and Programs that Lead to Achievement of at Least 75% Waste Diversion.

The Authority provides a wide array of essential recycling and waste recovery services and programs to Salinas area businesses, schools, and residents. This MOU addresses the primary basis for the City of Salinas issuing its Notice Of Intent to Withdraw in 2018, relocation of the Sun Street Transfer Station (SSTS) operations out of the Alisal Market Place development area. This MOU provides for continuation of the Authority's SSTS services and operations in a more permanent location that meets the long-term public needs, continuation of mandated waste diversion and recycling programs, and supports the "Excellent Infrastructure" goals of the City of Salinas.

### FISCAL IMPACT

This action has no immediate financial impact. However, future execution of the final binding agreements outlined in the Letter of Intent with Republic Services (item 15 of the August 19, 2021, agenda) will bind the Authority's commitment to relocate in operations from SSTS to Madison Lane Transfer Station (MLTS) and bind the City to rescind its Notice of Intent to Withdraw from the Authority. This MOU also binds the City to allow pass-thru to ratepayers the full published Authority rates for organics processing and equalize fees for all member agencies as required under Section 15 of the Joint Powers Agreement. Republic Services has agreed to terminate to old 2004 Authority organics processing agreement with the City's concurrence to allow full pass-thru of costs, effective July 1, 2022.

These actions will require re-structuring of the FY 2022-23 budget and changes in the rate setting process for public self-service customers. Prior to execution of the binding agreements (Lease, Transportation Agreement, and operating agreement), staff will

model the FY 2022/23 budget to outline the areas of change in the Authority's future budgets, including analysis of revenue/expense changes associated with the relocation project, and any associated risks.

## **DISCUSSION & ANALYSIS**

Current discussions and background work have and continue to occur between the Authority, City of Salinas (City) Administration, and Republic Services (Republic), Salinas's franchised hauler. At the April 15, 2021, Board meeting, the Salinas City Manager, Steve Carrigan, spoke to the Board during the FY 21/22 rate hearing outlining and supporting a more collaborative process to facilitate the relocation of Authority public services to Republic's Madison Lane Transfer Station (MLTS), rescinding the City Notice of Intent to Withdraw and equalization of organics processing rates for Salinas.

This MOU reflects the collaboration of the City and Authority to resolve several important community issues and move forward in a new and positive way:

- 1) Relocate SSTS operations to make way for the City's future Alisal Market Place development
- 2) City to rescind its December 2018 Notice of Intent to Withdraw from the Authority
- 3) Authority maintains existing beneficial services for the greater Salinas area community as reflected by the over 116,000 facility trips to the SSTS facility in FY 2020/21
- 4) Equalize Organics Processing service fees for all member agencies in accordance with Section 15
- 5) Prepare the SSTS property for future sale or lease

Initial negotiations are underway between the Authority and Republic Services to craft the enabling Lease and Transportation agreements that enact the binding provisions of this MOU. It is our hope to have these two agreements ready for Board consideration at the September 16<sup>th</sup> meeting or soon thereafter at a Special Session meeting, if necessary.

## **BACKGROUND**

On December 6, 2018, the City of Salinas (City) issued a formal Notice of Intent to Withdraw from the Salinas Valley Solid Waste Authority (Authority), initiating a minimum 1-year timeline for City termination of its membership in the Authority and other legal requirements.

Based on the requirements for withdrawal from the Authority Joint Powers Agreement (JPA), the City has previously acknowledged that it will adhere to its financial assurance requirements, if it chooses to finalize withdrawal from the JPA on or after the 1-year notice period (December 7, 2019). These ongoing post-withdrawal financial obligations include, but are not necessarily limited to, continued funding of the City's share (approx. 60%) of all outstanding Authority bond issuances until paid in full, and continued future funding if its share of operations, maintenance, and environmental liabilities of closed landfills under the Authority's care.

In order to avoid the City's withdrawal and the subsequent financial impacts to both organizations, the City and Authority administrations have been in regular discussions, along with Republic Services, since summer of 2020. This ongoing process is centered around the City's desire to relocate the Sun Street Transfer Station outside the proposed future Alisal Market Place development area, the Authority's long-standing need for

development or relocation to a more permanent and fully enclosed public recycling and service center for the community. The Authority needs to secure a timely rescission of the City's Notice of Intent to Withdraw to avoid serious regulatory and programmatic impacts, and both agencies have obligations to protect ratepayers from unnecessary costs in delivery of services.

## **HISTORY**

The Authority has been seeking a permanent location for its Recycling and Transfer operations in the greater Salinas area since formation in 1997. The Authority eventually selected the Sun Street Transfer Station location for its permanent home in 2004 and began interim operations while environmental review, design and permitting for construction of a permanent facility were undertaken.

In 2008-2009, the City of Salinas requested that the Authority reconsider its Sun Street location to allow future redevelopment of the area that included the transfer station property and surrounding area, also known as the Alisal Market Place. The Authority and City entered into a Memorandum of Understanding to negotiate conditions for relocation of the SSTS operations to a City owned property on Work Street in an industrial park area. In 2013 the City requested that the Authority re-consider other site options and in 2015 withdrew support of the original City-owned site on Work Street offered in 2008-09.

Since 2015, Authority staff and its public advisory committees have been continuing to seek out and evaluate alternative sites and scenarios that satisfy both the City concerns and the strong public service demands for the greater Salinas area, including the current proposed consolidated use of the MLTS site.

## **ATTACHMENT(S)**

1. Resolution
2. Memorandum of Understanding between Authority and City of Salinas

## **RESOLUTION NO. 2021 -**

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SALINAS DEFINING THE TERMS FOR RELOCATION OF THE SUN STREET TRANSFER STATION, RESCINDING THE CITY'S DECEMBER 2018 NOTICE OF INTENT TO WITHDRAW FROM THE AUTHORITY AND ACTIONS TO EQUALIZE ORGANICS PROCESSING FEES FOR ALL MEMBER AGENCIES**

**WHEREAS**, the Salinas Valley Solid Waste Authority is a joint powers agency comprised of the following local agencies: the County of Monterey and the cities of Salinas, Greenfield, Gonzales, Soledad, and King City; and,

**WHEREAS**, the Authority has maintained operations located at the Sun Street Transfer Station ("SSTS") since 2005 located at 139 Sun Street in the City of Salinas; and,

**WHEREAS**, the Salinas City Council has adopted the Alisal Vibrancy Plan, including one of its' designated development areas known as the Alisal Market Place (AMP); and,

**WHEREAS**, consistent with the Alisal Vibrancy Plan/AMP, the City of Salinas requested that the Authority relocate the SSTS location to allow for future redevelopment of the area; and,

**WHEREAS**, on November 20, 2018, the Salinas City Council passed and approved Resolution 21521 authorizing the City Manager to deliver a one (1) year written notice to SVSWA of its intent to withdraw from the Joint Powers Authority Agreement; and

**WHEREAS**, on December 6, 2018, the City of Salinas served the one (1) year notice of withdraw from the Joint Powers Agreement; and,

**WHEREAS**, the City has extended its time period to withdraw from the Joint Powers Authority Agreement, in an effort to study all options and to work with Authority to resolve disagreements and negotiate workable solutions; and,

**WHEREAS**, Allied Services of North America, LLC dba Republic Services of Salinas ("Republic Services") owns a solid waste processing facility located at 1120 Madison Lane in an unincorporated area of Monterey County known as the "Madison Lane Transfer Station" (MLTS); and,

**WHEREAS**, the Authority and the City have negotiated the conditions for rescinding the City's Notice to Withdrawal, and the closure and relocation of the SSTS which will occur within 60 days of Republic Services notice of completion of all agreed lessor improvements needed to facilitate the SSTS relocation to leased space at the MLTS; and,

**WHEREAS**, the Authority has agreed to enter into lease and transfer agreements with Republic Services for the Authority to begin operating at the Madison Lane Transfer Station within 60 days of Republic Services notice of completion of all lessor improvements; and,

**WHEREAS**, the Authority and Republic Services executed an agreement for organics processing services in 2004 with a term that continues through any and all extensions or restatements of the City Franchise Services Agreement with Republic Services; and,

**WHEREAS**, the 2004 agreement was executed at a time when organics processing was far less expensive and not as heavily regulated through various legislative and regulatory actions as it is now (ex. SB 1383), resulting in a lower rate for Salinas ratepayers than rates for other member agencies; and,

**WHEREAS**, both Parties desire to complete equalization of rates for Authority provided organics processing services in accordance with Section 15 of the Joint Powers Agreement; and,

**WHEREAS**, the Parties desire to complete a MOU as part of a resolution of the City Notice of Intent to Withdraw by completing relocation of the SSTS outside of the AMP development area and equalization of the organics processing fees for all member agencies.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY** that the President of the Board of Directors is hereby authorized and directed for, and on behalf of the Authority to execute a Memorandum of Understanding with the City: to facilitate the relocation of the Authority's Sun Street Transfer Station operations to the Republic Services Madison Lane Transfer Station, to rescind the City Notice of Intent to Withdraw from the Authority, to take actions to equalize organics processing rates for all member agencies, and to prepare the Sun Street Transfer Station for future lease or sale as attached hereto and marked "Exhibit A".

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 19<sup>th</sup> day of August 2021 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Christopher M. Lopez, President

ATTEST:

APPROVED AS TO FORM:

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Erika J. Trujillo, Clerk of the Board

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Roy C. Santos, Authority General Counsel

**MEMORANDUM OF UNDERSTANDING BETWEEN  
SALINAS VALLEY SOLID WASTE AUTHORITY  
AND  
CITY OF SALINAS**

This Memorandum of Understanding (“MOU”) is made and entered into as of this 24th day of August 2021 by and between the Salinas Valley Solid Waste Authority (“SVSWA” or “Authority”), a joint powers authority, and the City of Salinas (“City”), a California Charter City and municipal corporation, each being referred to individually as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Salinas Valley Solid Waste Authority is a joint powers agency comprised of the following local agencies: the County of Monterey and the cities of Salinas, Greenfield, Gonzales, Soledad, and King City; and

**WHEREAS**, the Authority has maintained operations located at the Sun Street Transfer Station (“SSTS”) since 2005 located at 139 Sun Street in the City of Salinas; and

**WHEREAS**, the Salinas City Council has adopted the Alisal Vibrancy Plan, including one of its’ designated development areas known as the Alisal Market Place (AMP); and

**WHEREAS**, consistent with the Alisal Vibrancy Plan/AMP, the City of Salinas requested that the Authority relocate the SSTS location to allow for future redevelopment of the area; and

**WHEREAS**, on November 20, 2018, the Salinas City Council passed and approved Resolution 21521 authorizing the City Manager to deliver a one (1) year written notice to SVSWA of its intent to withdraw from the Joint Powers Authority Agreement; and

**WHEREAS**, on December 6, 2018, the City of Salinas served the one (1) year notice of withdraw from the Joint Powers Agreement; and

**WHEREAS**, the City has extended its time period to withdraw from the Joint Powers Authority Agreement, in an effort to study all options and to work with Authority to resolve disagreements and negotiate workable solutions; and

**WHEREAS**, Allied Services of North America, LLC dba Republic Services of Salinas (“Republic Services”) owns a solid waste processing facility located at 1120 Madison Lane in an unincorporated area of Monterey County known as the “Madison Lane Transfer Station” (MLTS); and

**WHEREAS**, the Authority and the City have negotiated the conditions for rescinding the City’s Notice to Withdrawal, and the closure and relocation of the SSTS which will occur within 60 days of Republic Services notice of completion of all agreed lessor improvements needed to facilitate the SSTS relocation to leased space at the MLTS; and

**WHEREAS**, the Authority has agreed to enter into lease and transfer agreements with Republic Services for the Authority to begin operating at the Madison Lane Transfer Station within 60 days of Republic Services notice of completion of all lessor improvements; and

**WHEREAS**, the Authority and Republic Services executed an agreement for organics processing services in 2004 with a term that continues through any and all extensions or restatements of the City Franchise Services Agreement with Republic Services; and

**WHEREAS**, the 2004 agreement was executed at a time when organics processing was far less expensive and not as heavily regulated through various legislative and regulatory actions as it is now (ex. SB 1383), resulting in a lower rate for Salinas ratepayers than rates for other member agencies; and

**WHEREAS**, both Parties desire to complete equalization of rates for Authority provided organics processing services in accordance with Section 15 of the Joint Powers Agreement; and

**WHEREAS**, the Parties desire to complete a MOU as part of a resolution of the City Notice of Intent to Withdraw by completing relocation of the SSTS outside of the AMP development area and equalization of the organics processing fees for all member agencies.

**NOW, THEREFORE**, in consideration of the provisions contained herein, the Parties agree as follows:

### **AGREEMENT**

1. **Recitals Incorporated.** The recitals set forth above are hereby incorporated by this reference and made a part of this Agreement.
2. **Effective Date.** The Memorandum of Understanding will be effective as of the date last signed by either of the parties.
3. **Obligations of the Parties.** The following conditions must be met prior and/or simultaneously to the Authority executing the binding Lease agreement with Republic Services for Authority lease of space at the MLTS to relocate its SSTS operations.
  - A. The City agrees to accept the equalization of organic waste rates in compliance with Section 15 of the Authority Joint Powers Agreement. The equalization of organic waste rates will be effective July 1, 2022.
  - B. The City agrees to support termination of the 2004 greenwaste processing agreement with Republic Services.
  - C. The City agrees to rescind its December 6, 2018, Notice of Intent to Withdraw from the Joint Powers Authority Agreement, provided that the Authority binds itself to relocation through execution of a lease with Republic Services for relocation of its SSTS operations to MLTS.
  - D. The Authority agrees to cease operations at the SSTS and to close all of its public service operations at the Sun Street, excluding Administrative offices, and relocate its operations to MLTS within 60 days of Republic Services notice of completion of all agreed lessor improvements needed to facilitate the SSTS relocation to leased space at the MLTS.

E. The Authority agrees to remove all waste and recyclable materials from the property and complete an environmental property assessment within 6 months of terminating operations at SSTS. Timing for completion of any additional abatement work, if identified in the environmental assessment, will be coordinated with the City, in preparation for future sale, lease, or rental of the property for an approved use or redevelopment

F. The Authority agrees to enter into a binding agreement with Republic Services for lease of specified property and specified uses at the Madison Lane Transfer Station at its September 16, 2021, Board of Directors meeting, or at a special meeting to be held no later than September 27, 2021. This timeline may be extended by mutual agreement.

G. The Authority will continue to conduct budget related financial reviews and rate studies as needed to eliminate subsidies between Authority services such as, landfill disposal, organic waste processing, construction and demolition waste processing fees, AB 939 Services, franchised, non-franchised, and self-haul services.

4. Assignment. No party shall assign, sell, mortgage, hypothecate or otherwise transfer its interest or obligations in this MOU without the prior written consent of the other party.

5. Amendment. No party shall assign, sell, mortgage, hypothecate or otherwise transfer its interest or obligations in this MOU without the prior written consent of the other party.

6. Binding Effect. The rights and obligations of this MOU shall insure to the benefit of, and be binding upon, the Parties to the MOU and their administrators, representatives, successors and assigns.

7. Authority. Each Party hereby warrants that the person executing this MOU has the authority to sign, and by signing, to bind that Party to the terms and conditions of this MOU.

8. Sole Agreement. This MOU contains the entire agreement of the Parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this MOU shall be of no force or effect excepting a subsequent modification in writing, signed by the Parties hereto.

9. Governing Law. The laws of the State of California will govern the validity of the MOU, its interpretation and performance. This MOU is made and entered into in Monterey County, California, and any action relating to this MOU shall be instituted and prosecuted in the courts of Monterey County, California.

10. Notices. Any notice or other communication required or permitted to be given under this MOU shall be in writing and mailed to:

If to SVSWA, addressed to: Salinas Valley Solid Waste Authority  
128 Sun Street

Salinas, California 93901  
831-775-3000  
Attn. General Manager/Chief Administrative Officer

If to CITY, addressed to: City Manager  
City of Salinas  
200 Lincoln Avenue  
Salinas, California 93901  
831-758-7381

With a copy to: City Attorney  
City of Salinas  
200 Lincoln Avenue  
Salinas, California 93901

The addresses and other information in this paragraph may be changed by either party, by giving notice to the other in the manner provided above.

IN WITNESS WHEREOF, the undersigned as authorized representatives of the City of Salinas and Salinas Valley Solid Waste Authority do hereby approve this document and intend to be legally bound by this Memorandum of Understanding.

**CITY OF SALINAS**

**SALINAS VALLEY SOLID WASTE  
AUTHORITY**

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Kimbley Craig, Mayor  
City of Salinas

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Christopher Lopez, Board President  
Salinas Valley Solid Waste Authority

Dated:

Dated: