



## AGENDA Regular Meeting

### BOARD OF DIRECTORS

February 16, 2017, 6:00 p.m.

Gonzales City Council Chambers  
117 Fourth Street, Gonzales, California

---

#### CALL TO ORDER

#### PLEDGE OF ALLEGIANCE

#### ROLL CALL

##### Board Directors

County: Simon Salinas, *President*  
County: John M. Phillips  
Salinas: Gloria De La Rosa, *Alt. Vice-President*  
Salinas: Tony R. Barrera  
Salinas: Kimbley Craig  
Gonzales: Elizabeth Silva  
Soledad: Christopher K. Bourke  
Greenfield: Avelina T. Torres  
King City: Robert S. Cullen, *Vice President*

##### Alternate Directors

County: Luis Alejo  
Salinas: Joseph D. Gunter  
Gonzales: Scott Funk  
Soledad: Carla Stewart  
Greenfield: Yaneli Martinez  
King City: Darlene Acosta

#### TRANSLATION SERVICES AND OTHER MEETING ANNOUNCEMENTS

#### GENERAL MANAGER/CAO COMMENTS

#### DEPARTMENT MANAGER COMMENTS

#### BOARD DIRECTOR COMMENTS

#### PUBLIC COMMENT

Receive public comment from audience on items which are not on the agenda. The public may comment on scheduled agenda items as the Board considers them. Speakers are limited to three minutes at the discretion of the Chair.

#### CONSENT AGENDA:

*All matters listed under the Consent Agenda may be enacted by one motion unless a member of the Board, a citizen, or a staff member requests discussion or a separate vote.*

- 1-A. [Minutes of January 19, 2017, Regular Meeting](#)
- 1-B. [Minutes of the January 25, 2017, Special Meeting](#)
2. [December 2016 Claims and Financial Reports](#)
3. [January 2017 Member and Interagency Activity Report](#)
4. [A Resolution Approving the 2016-19 Strategic Plan Goals and Six-Month Objectives through July 2017](#)
5. [A Resolution Authorizing the Purchase of Two Used Transfer Trucks from Golden Gate Truck Center for an Amount of \\$127,734.26](#)
6. [December 2016 Quarterly Tonnage and Diversion Report](#)

#### PRESENTATION

7. [HISTORY OF SALINAS AREA TRANSFER STATION SEARCH](#)
  - A. Receive Report from Patrick Mathews, General Manager/CAO
  - B. Public Comment
  - C. Board Discussion
  - D. Recommended Action – None, informational only

8. [LONG TERM FACILITY NEEDS PROJECT PUBLIC OUTREACH MATERIALS](#)
  - A. Receive Report from Mandy Brooks, Resource Recovery Manager
  - B. Public Comment
  - C. Board Discussion
  - D. Recommended Action – None, informational only

#### CONSIDERATION

9. [FISCAL YEAR 2017-18 PRELIMINARY BUDGET](#)
  - A. Receive Report from Ray Hendricks, Finance Manager
  - B. Public Comment
  - C. Board Discussion
  - D. Recommended Action – Provide Direction

#### FUTURE AGENDA ITEMS

10. [AGENDA ITEMS – VIEW AHEAD SCHEDULE](#)

#### ADJOURNMENT

.....

This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun St., Ste 101, Salinas, and on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, Friday, February 10, 2017. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, Thursday, March 16, 2017. Staff reports for the Authority Board meetings are available for review at: ▶ Salinas Valley Solid Waste Authority: 128 Sun Street, Ste. 101, Salinas, CA 93901, Phone 831-775-3000 ▶ Web Site: [www.salinavalleyrecycles.org](http://www.salinavalleyrecycles.org) ▶ Public Library Branches in Gonzales, Prunedale and Soledad. 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). Spanish interpretation will be provided at the meeting. *Se proporcionará interpretación a Español.*

MINUTES OF  
THE SALINAS VALLEY SOLID WASTE AUTHORITY  
BOARD MEETING  
JANUARY 19, 2017

CALL TO ORDER

President Salinas called the meeting to order at 6:01 p.m.

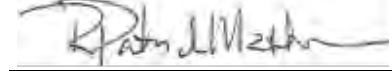
ROLL CALL

The following Board Directors were present:

County of Monterey	Simon Salinas, <i>President</i>
City of Salinas	Tony Barrera
City of Salinas	Joseph D. Gunter, <i>alternate</i>
City of Gonzales	Elizabeth Silva
City of Soledad	Christopher K. Bourke
City of Greenfield	Avelina Torres
City of King	Robert Cullen, <i>Vice President</i>

ITEM NO. 1-A

Agenda Item



General Manager/CAO

*T. Bruen by ET*

General Counsel Approval

The following Board Directors were absent:

County of Monterey	John M. Phillips
City of Salinas	Kimbley Craig
City of Salinas	Gloria De La Rosa, <i>Alt. Vice President</i>

Staff Members Present:

Cesar Zuñiga, Asst. GM/Operations Manager	Brian Kennedy, Engineering & Environmental Compliance Manager
Ray Hendricks, Finance Manager	
Rose Gill, HR/Organizational Dev. Manager	Erika J. Trujillo, Clerk of the Board
Mandy Brooks, Resource Recovery Manager	Thomas Bruen, General Counsel

MEETING ANNOUNCEMENTS

President Salinas announced the availability of translation services. No member from the public requested the service.

GENERAL MANAGER COMMENTS

(6:02) Operations Manager/Assistant General Manager Zuniga reminded the Board of Directors of the Strategic Planning retreat scheduled on January 25. He also announced that a long-time customer of the Sun Street Transfer Station stopped by the facility and offered all staff free lunch from their food truck as a way to say thank you to staff for always being helpful and friendly. Zuniga also reminded the Board of the 20-year anniversary of Salinas Valley Solid Waste Authority.

DEPARTMENT MANAGER COMMENTS

(6:04) Resource Recovery Manager, Brooks presented the Free Christmas Tree Recycling flyer. Informing the Board, the last day to drop-off Christmas trees for free at the facilities is January 31.

BOARD DIRECTORS COMMENTS

(6:05) Director Cullen inquired about the upcoming waste assessment event in King City and the ability to participate in event. Director Torres thanked staff for providing reusable bags that she was able to distribute at the Fire District/Council meeting.

PUBLIC COMMENT

(6:06) None

CONSENT AGENDA (6:06)

1. Minutes of December 15, 2016, Regular Meeting
2. November 2016 Claims and Financial Reports
3. December 2016 Member and Interagency Activities Report and Upcoming Events
4. December 2016 Fourth Quarter Investments Report
5. 2016 Fourth Quarter and Annual Customer Service Survey Results
6. Long Term Facility Needs Design and Environmental Review Update
7. Progress Report on Alternative Energy Projects Development
8. Needs Assessment Report on Alternative Outlets for Recyclable and Reusable Materials
9. Update on Food-to-Energy and Composting Opportunities
10. A Resolution Approving an Adjustment to the Operating Budget for Fiscal Year 2016-17
11. Elections of Officers 2017
12. A Resolution Approving a 2.5% Merit Increase for R. Patrick Mathews for Services as General Manager/Chief Administrative Officer and Revised Salary Schedule Effective January 1, 2017
13. Report on Water Supply Study at Agency Sites to Determine Potential Excess Land Uses

Public Comment: None

Board Comments: The Board made comments pertaining to Item No. 6 and suggested further discussion at the January 25, 2017 Special Meeting pertaining to the second option payment on the Harrison Road property due January 25th.

Motion: Director Bourke made a motion to approve the consent agenda as presented. Director Cullen seconded the motion.

Votes: Motion carried 7, 0

Ayes: Salinas, Barrera, Silva, Bourke, Torres, Cullen, Gunter (alt)

Noes: None

Abstain: None

Absent: Phillips, De La Rosa, Craig

PRESENTATION

14. LONG TERM FACILITY NEEDS PROJECT PUBLIC OUTREACH MATERIALS

(6:13) Resource Recover Manager Brooks presented a revised draft of the Public Outreach Material for a second time to the Board. She reviewed the revised images, graphics and reformatting that were completed in the document. Brooks informed the Board of the meeting she had with Jeff Lindenthal, Director of Communication and Sustainability and Guy Petrabor, Director of Engineering & Compliance both with Monterey Regional Waste Management District to review the document and since then has received written comments that will be taken into consideration for the final draft. She further informed the Board that 5,000 copies were added to the production to be able to distribute in the South Monterey County newspapers as previously suggested by the Board. She explained the material is in the process of being translated to Spanish by N&R Publications and an internal translation committee at the Salinas Valley Solid Waste Authority.

Public Comment: Doug Kenyon, General Manager of Republic Services provided suggestions on potential language for the title of the material. Gary Peterson, Public Works Director for the City of Salinas expressed his concerns on the layout and content of the material, expressing he feels the material is designed to create a favoritism to a specific project. Jeff Lindenthal, Director of Communication and Sustainability for Monterey Regional Waste Management District thanked Resource Recovery Manager Mandy Brooks

for giving him the opportunity to review the document. He expressed concerns regarding some of the language and descriptions within the material, as he feels it portrays a negative view of Landfills and Recycling.

Board Comments: The Board reviewed the material and discussed the concerns of the Monterey Regional Waste Management District. The Board inquired about the total cost of the production and the restructuring of the material to make the Board feel more at ease with the content. Staff further explained it would be \$42,000 for the total production of the 90,000 copies, the translation of the document, and the production of three one-minute videos. The Board provided suggestions on language and design of the material to staff.

Motion: By consensus the Board of Directors requested staff bring back the material once the requested revisions are completed by publisher.

#### 15. 2016 EMPLOYEE SURVEY RESULTS

(6:34) Human Resource/Organizational Development Manager Gill presented the results of the survey. Explaining that the survey measures job satisfaction, morale of our organization, engagement, and benefits which helps to collect input from staff on potential improvements and ideas on how to do so. Trends are also determined and analyzed through the survey results. This year the survey reflected an increase in morale, communication, and in general attitude compared to last year. She informed the Board the next step will be for management staff to meet with their departments and discuss the results of the survey in an effort to brain storm ideas for improvement initiatives.

Public Comment: None

Board Discussion: The Board discussed the survey results and the value of the information for Management staff that is acquired through the survey.

Motion: No motion was needed; this was an informational item.

#### 16. STRATEGIC PLAN 2016-19 GOALS & OBJECTIVE REPORT

(6:42) Operations Manager/Assistant General Manager Zuniga presented the update on the six-month Strategic Plan 2016-19 for July 2016 – January 2017. He reviewed the status on each of the objective, the completion process, and completion dates.

Public Comment: None

Board Discussion: The Board discussed the presentations expressing positive feedback on programs implemented such as the Drug Take-Back program.

Motion: No motion was needed; this was an informational item.

#### 17. SELF-FUNDING PROGRAMS AND SERVICES REPORT

(7:00) Finance Manager Hendricks presented a report on three current programs, as part of the Strategic Plan, to ensure that the programs are generating enough revenue to support the cost of the program without relying on landfill fees. Three programs were analyzed; Franchise Transportation, Green Waste, and Construction and Demolition. The results determined that the Franchise Transportation Surcharge is slightly below actual cost, Green Waste Disposal fees are generally recovering the full cost of process, and Construction and Demolition generates extra revenue that could be used to better process and divert the material from the landfill.

Public Comment: None

Board Discussion: The Board discussed the report.

Motion: No motion was needed; this was an informational item.

18. CAPITAL LOAN TO MONTEREY BAY COMMUNITY POWER

(7:06) Finance Manager Hendricks explained to the Board that Monterey Bay Community Power is seeking Proposals for the startup capital of up to 3 million dollars. He stated staff has completed an internal analysis and even with legal costs, the investment has a potential earning of \$250,000 within the 1-3 years from formation. Proposals are due by February 1, 2017 and they are non-binding. He further explained that if they were to accept the proposal nothing would be definitive until the Board approved the loan and language guarantying the loan would be included.

Public Comment: Gary Peterson, Public Works Director for the City of Salinas expressed his concerns with the investment.

Board Discussion: The Board discussed the benefits and risks associated with the investment. Emphasizing the importance of language in the proposal to assure it is non-binding and final decision needing to be approved by the Board of directors.

Motion: By consensus the Board directed staff to move forward with a proposal.

19. FISCAL YEAR 2017-18 BUDGET DIRECTION

(7:20) Finance Manager Hendricks presented a report to the Board on potential increases to be included in the Preliminary Budget that will be presented at the regular February Board of Directors meeting. Mr. Hendricks explained the increases are due to operating budget increases such as payroll, use of Madison Lane Transfer Station for Salinas Franchise Waste, debt service, and a request for two new position due to an increased number of customers and Construction and Demolition material being received at the Salinas Sun Street Transfer Station.

Public Comment: None

Board Discussion: The Board discussed the report questioning the projected tonnage as well as the effect to the customer rate. The Board expressed concerns of the total rate increase to the customer since the Franchise Hauler still needs to include their rate increases.

Motion: By consensus The Board accepted the report and requested staff to bring back the Preliminary Budget in February with options to include the projected rate increases with the estimated Franchise Haulers fees.

FUTURE AGENDA ITEMS

20. AGENDA ITEMS – VIEW AHEAD SCHEDULE

(7:38) The Board reviewed the future agenda items. Operations Manager/Assistant Manager Zuñiga reminding the Board once again of the Strategic Plan Retreat scheduled for January 25, 2017.

ADJOURN

(7:40) President Salinas adjourned the meeting.

APPROVED: \_\_\_\_\_  
Simón Salinas, President

Attest: \_\_\_\_\_  
Erika J. Trujillo, Clerk of the Board

MINUTES OF  
THE SALINAS VALLEY SOLID WASTE AUTHORITY  
SPECIAL BOARD MEETING  
JANUARY 25, 2017

CALL TO ORDER

President Salinas called the meeting to order at 8:31 a.m.

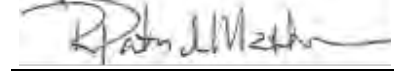
ROLL CALL

The following Board Directors were present:

County of Monterey	Simon Salinas, <i>President</i>
County of Monterey	John M. Phillips
City of Salinas	Gloria De La Rosa, <i>Alt. Vice President</i>
City of Salinas	Kimbley Craig
City of Salinas	Tony Barrera
City of Gonzales	Elizabeth Silva
City of King	Robert Cullen, <i>Vice President</i>

ITEM NO. 1-B

Agenda Item



General Manager/CAO

N/A

General Counsel Approval

The following Board Directors were absent:

City of Soledad	Christopher K. Bourke
City of Greenfield	Avelina Torres

Staff Members Present:

Patrick Mathews, General Manager/CAO	Brian Kennedy, Engineering &
Cesar Zuñiga, Asst. GM/Operations Manager	Environmental Compliance Manager
Ray Hendricks, Finance Manager	Elia Zavala, Contracts & Grants Analyst
Rose Gill, HR/Organizational Dev. Manager	

PUBLIC COMMENT

(8:33) Juan Camacho, Field Operations Supervisor I of the Sun Street Transfer Station expressed his concerns regarding some of the potential changes that might occur with some of the scenarios being studied as part of the Long Term Facility Needs Study, particularly the closure of the Sun Street Transfer Station. Luis Macias, Diversion Worker I of the Sun Street Transfer Station expressed his concerns with the **study's** scenario being studied and stating his worries of the uncertainty of having a job and being able to provide for his family. Jason Guillen, HHW Maintenance Worker II at the Household Hazardous Waste Facility expressed his concerns regarding the scenarios being studied and the effect it might have on his employment. Estella Gutierrez, Resource Recovery Technician at Salinas Valley Recycles expressed her opinion on the importance of the services being offered by the Sun Street Transfer Station and the effects it might have to the community if the facility were to close.

The Board responded to the employees concerns and acknowledged the employees' positive contributions to the Agency and assured them that the Board is not considering an action that will result in their loss of employment.

CONSIDERATION

1. WHETHER TO DIRECT THE GENERAL MANAGER NOT TO MAKE THE NEXT \$75,000 ANNUAL OPTION PAYMENT ON THE HARRISON ROAD PROPERTY (CONTINUED TO THE CONCLUSION OF ITEM No. 3)

(8:39) General Manager/CAO Mathews provided a summary on the history of the payment option on the Harrison Road property that was approved by the Board in late 2015. He explained the changes that would have to occur to the Long Term Facility Needs Study environmental review process if the second payment is not made and this site is removed from further consideration. He expressed concern that this has been the case with so many sites previously considered then eliminated throughout the agency's history

By consensus, the Board postponed discussion and action on Item Nos. 1 and 2 until after the conclusion of the Strategic Planning session.

### STRATEGIC PLANNING

3. BOARD OF DIRECTORS AND MANAGEMENT STAFF WORKGROUP TO REVIEW, AND REVISE IF NEEDED, THE MISSION STATEMENT, VISION STATEMENT, CORE VALUES, AND THREE-YEAR GOALS (2016-19) AND IDENTIFY NEW SIX-MONTH OBJECTIVES

(9:00) Facilitator Marilyn Snider, of Snider and Associates lead the strategic planning workshop.

Public Comment: None

Board Comments: The Board reaffirmed the Mission, Vision, Core Values, and 2016-19 Goals. It commented on strengths and accomplishments since the July 13, 2016, strategic planning retreat and discussed current internal and external weaknesses and challenges. It developed new six-month strategic objectives for each of the three-year goals, included in Attachment A. The Board discussed future strategic planning processes and selected the date for the next strategic planning retreat to be July 24, 2017.

### LUNCH BREAK

(12:05) President Salinas adjourned the meeting for a 30-minute lunch break.

### RECONVENE

(12:40) President Salinas reconvened the meeting.

### CONSIDERATION

1. WHETHER TO DIRECT THE GENERAL MANAGER NOT TO MAKE THE NEXT \$75,000 ANNUAL OPTION PAYMENT ON THE HARRISON ROAD PROPERTY (CONTINUED TO THE CONCLUSION OF ITEM NO. 3) (CONTINUED)

(12:40) The Board continued the discussion to this item and discussed the impacts of not making the payment and the effect it will have on the Long Term Facility Needs Study environmental review process, as it would result to the elimination of one of the study's scenario.

Public Comment: None

Board Comments: Some Board members felt that the second option payment should not be made due to expressed opposition to the proposed project in that property both by the City of Salinas and area property owners. Others expressed support for continuing the environmental review process to continue studying all sites in order to make the best balanced and



informed decision, as it is understood that, due to the nature of the industry, all properties or project options will most likely have some opposition.

Motion: Director Craig made a motioned to direct the General Manager not to make the next \$75,000 annual option payment on the Harrison Road property. Director De La Rosa seconded the motion.

Votes: 3, 4 – Motion Failed

Ayes: Phillips, Craig, De La Rosa

Noes: Salinas, Barrera, Silva, Cullen

Abstain: None

Absent: Torres, Bourke

## 2. LONG TERM FACILITY NEEDS PROJECT OUTREACH MATERIAL

(12:59) General Manager/CAO Mathews presented the material and reviewed the revisions made as suggested by the Board at its previous meeting. He outlined the distribution timeline, locations, and outreach methods for the public information meetings. Five meetings are being planned within the vicinity of each **project's property** options. He explained the distribution areas and methods being used and that the document is being translated.

Public Comment: None

Board Comments: The Board discussed the material inquiring on the schedule for the public meetings. They expressed concern of putting material out to the public before the environmental review process under CEQA is completed. One member requested a written legal opinion from General Counsel confirming that the material does not violate any CEQA regulations. Staff reported that General Counsel has been involved in the review of the document and feels it is not violating any of the regulations.

Motion: By consensus the Board directed staff to bring back the material for further discussion at the next regular Board meeting in February.  
Barra motion to bring back the item for further discussion. De La Rosa seconded the motion.

Votes: Motion carried 7, 0

Ayes: Salinas, Phillips, Barrera, Craig, De La Rosa, Silva, Cullen

Noes: None

Abstain: None

Absent: None

## ADJOURN

(1:17) President Salinas adjourned the meeting.

APPROVED: \_\_\_\_\_  
Simón Salinas, President

Attest: \_\_\_\_\_  
Erika J. Trujillo, Clerk of the Board

# **SALINAS VALLEY RECYCLES STRATEGIC PLANNING RETREAT**

January 25, 2017 \* 128 Sun Street, Salinas

Marilyn Snider, Facilitator—Snider and Associates (510) 531-2904  
Michelle Snider Luna, Graphic Recorder — Snider Education & Communication (510) 610-8242

## **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.*

## **CORE VALUES**

not in priority order

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

## **THREE-YEAR GOALS**

2016 - 2019 \* not in priority order

*Select and implement facilities (e.g., Salinas Area Materials Recovery Center) and programs that lead to achievement of at least 75% waste diversion*  
*Reduce landfill disposal fee dependence through self-funded programs and new revenue sources*  
*Promote the value of SVR services and programs to the community*  
*Maintain a high performance and flexible workforce*

## *S.W.O.T. ANALYSIS*

Strengths – Weaknesses - Opportunities - Threats

### **WHAT ARE THE STRENGTHS AND ACCOMPLISHMENTS OF SALINAS VALLEY RECYCLES SINCE THE JULY 2016 STRATEGIC PLANNING RETREAT?**

Brainstormed Perceptions:

- Customer service
- Hardworking and dedicated employees
- Took over Jolon Road operations
- Outreach is really great—our numbers are high
- Established a garden with a compost area at Sun Street
- Created a new set of commercials
- Permit compliance
- Financial audit without a management letter
- Reduced our deficit position by \$4 million
- Board implemented an Employee Longevity Program
- Have engaged and passionate Board members
- Our recycling store (MRC) continues to bring in more people
- Established mobile collection for household hazardous waste (HHW)
- Citizens Advisory Group has effectively given the Board input
- Completed reports on alternative energy projects
- Did live radio interviews
- Each Board member has made a commitment to participate in at least one community event
- We are still here talking
- Received quarterly input from the employees
- Increased the medical waste collection
- Getting close to 75% diversion—we are at approximately 72%
- Employees are like a family
- Jolon Road facility improvements
- Our PSA is really great—we get lots of feedback that people like it
- Plan established to provide mobile collection services for South and North County
- Hired a college intern to assist with social media outreach
- We updated entry signs at all SVR sites
- Completed water supply studies on all SVR sites
- We held employee safety training
- Established an employee alert communication system
- Employees appreciate when the Board members attend the Employee Appreciation Dinner
- We had a positive article in Waste Advantage magazine
- Wally Waste Not award—received 14 school applications within a week of opening up to promote recycling and receive a \$1500 award, if successful
- Conducted our first, successful Fix It Clinic

## **WHAT ARE THE CURRENT INTERNAL WEAKNESSES OF SVR?**

Brainstormed Perceptions:

- Difficulty deciding on long-term facility location
- Inadequate public service infrastructure in Salinas/North area
- Breakdown in communication between City of Salinas staff and SVR staff
- Lack of permanent, Salinas-area facility
- Ongoing uncertainty of employees
- Anxiety over lack of permanent direction
- Not In My Back Yard (NIMBY) mentality makes internal discussions difficult
- Loss of institutional knowledge due to internal retirements
- We make decisions as a Board and then go back on the decisions
- \$4 million deficit position
- Lack of tenure/knowledge of SVR within the Board
- Lack of permanent facility
- Dysfunctional family mentality
- Inability for staff to distinguish fact from rumor
- Employees frustrated with Board—it affects morale

## **WHAT ARE THE EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A POSITIVE IMPACT ON SALINAS VALLEY RECYCLES IN THE COMING YEAR?**

Brainstormed Perceptions:

- Uptick in volume of waste
- Working with GOE (Global Organic Energy)
- Involvement of education
- Increase in available, future grant monies related to greenhouse gases
- Uptick in construction activity
- UCSC and other universities providing interns
- Formation of the new Monterey Bay Community Power
- Improved economy
- A lot more of our residents are looking to compost and are taking our classes
- More awareness of recycling

## **WHAT ARE THE EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A NEGATIVE IMPACT ON SALINAS VALLEY RECYCLES IN THE COMING YEAR?**

Brainstormed Perceptions:

- No money
- Unfunded State and Federal mandates
- Natural disaster
- Next recession
- Uncertainty of the economy
- Potential for damage to Asian recycling markets from our new Federal administration
- NIMBY mentality
- Continued crime
- Homelessness and the refuse they generate
- Theft and property damage by the homeless
- Computer hacking

### **NEXT STEPS/FOLLOW UP PROCESS**

<b>WHEN</b>	<b>WHO</b>	<b>WHAT</b>
January 26, 2017	General Manager	Distribute the Strategic Planning Retreat record to meeting attendees and invitees, as well as the City Managers and County Administrator.
Within 48 hours of receipt	All	Read the retreat record.
January 30, 2017	General Manager	Place the “Strengths & Accomplishments” on the website.
By February 10, 2017	General Manager (lead) and Management Team	Share the draft Strategic Plan with employees.
At the February 16, 2017 Board meeting	Board of Directors	Formally adopt the Strategic Plan.
By February 17, 2017	Board Members	Share the updated Strategic Plan with their public agencies.
Monthly	Board & General Manager	Monitor progress on the goals and objectives and revise objectives (add, amend and/or delete), as needed.
Monthly	Erika	Prepare and distribute the written Strategic Plan Objectives Grid update to the Board and all employees.
July 24, 2017 12:00-4:00	Board & Management Team	Strategic Planning Retreat to: - more thoroughly assess progress on the goals and objectives. - develop strategic objectives for first six months of the new Strategic Plan.

# **STRATEGIC PLAN ELEMENTS**

Marilyn Snider, Snider and Associates; Strategic Planning Facilitator

## **“SWOT” ANALYSIS**

Assess the organization’s:

- Internal **S**trengths      - Internal **W**eaknesses
- External **O**pportunities      - External **T**hreats

## **MISSION/PURPOSE STATEMENT**

States WHY the organization exists and WHOM it serves

## **VISION STATEMENT**

A vivid, descriptive image of the future—what the organization will BECOME

## **CORE VALUES**

What the organization values, recognizes and rewards—strongly held beliefs that are freely chosen, publicly affirmed, and acted upon with consistency and repetition

## **THREE YEAR GOALS**

WHAT the organization needs to accomplish (consistent with the Mission and moving the organization towards its Vision) – usually limited to 4 or 5 key areas

## **THREE YEAR KEY PERFORMANCE MEASURES**

WHAT success will look like when the goal is achieved

## **SIX MONTH STRATEGIC OBJECTIVES**

HOW the Goals will be addressed: By when, who is accountable to do what for each of the Goals

## **FOLLOW-UP PROCESS**

Regular, timely monitoring of progress on the goals and objectives; includes setting new objectives every six months

**SALINAS VALLEY SOLID WASTE MANAGEMENT AUTHORITY (SALINAS VALLEY RECYCLES)****SIX-MONTH STRATEGIC OBJECTIVES****January 25, 2017 – July 15, 2017**

THREE-YEAR GOAL: <i>SELECT AND IMPLEMENT FACILITIES (e.g., SALINAS AREA MATERIALS RECOVERY CENTER) AND PROGRAMS THAT LEAD TO ACHIEVEMENT OF AT LEAST 75% WASTE DIVERSION</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the April 20, 2017 and June 15, 2017 Board meetings and at least quarterly thereafter	General Manager	Provide to the Board progress reports on the long-term facility needs Environmental Impact Report (EIR) and other due diligence activities.				
2. By June 1, 2017	General Manager	Schedule and conduct public informational meetings to educate stakeholders and community on the Long-Term Facilities Needs Project scenarios being studied under CEQA and report results to the Board.				
3. By the June 15, 2017 Board meeting	Operations Manager and Resource Recovery Manager, engaging impacted stakeholders	Present to the Board the results of research of debagging equipment to assist with diversion of bagged foods waste produced by agriculture companies and other food waste generators.				
FUTURE: By _____ 2017, concurrent with release of draft EIR	General Manager and Resource Recovery Manager	Present to the Board for consideration the Second Phase of public engagement regarding the future SVR facility options and EIR.				

THREE-YEAR GOAL: <i>REDUCE LANDFILL DISPOSAL FEE DEPENDENCE THROUGH SELF-FUNDED PROGRAMS AND NEW REVENUE SOURCES</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
1. On or before the March 16, 2017 Board meeting	Assistant General Manager	Recommend a final decision on a Construction and Demolition Recycling Program for inclusion in the SVR 2017-2018 budget.				
2. At the June 15, 2017 Board meeting	General Manager	Explore alternative energy projects at SVR facilities and make a recommendation to the Board for action.				



THREE-YEAR GOAL: <i>PROMOTE THE VALUE OF SVR SERVICES AND PROGRAMS TO THE COMMUNITY</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By June 1, 2017	Six Board Members (Rob Cullen, Liz Silva, Simon Salinas, Gloria de la Rosa, Avelina Torres and Tony Barrera)	Attend at least one community event to promote SVR services and programs and report the results to the Board.				
2. At the June 15, 2017 Board meeting	Marketing Committee (Resource Recovery Manager-lead), working with the Marketing Intern	Report to the Board progress on social media projects (e.g., videos and social media promotions) to increase followers.				
3. At the June 15, 2017 Board meeting	General Manager and Resource Recovery Manager	Present to the Board for consideration a Community and Stakeholders Survey for feedback regarding future SVR facility options and the EIR.				
4. By July 1, 2017	Marketing Committee Resource Recovery Manager	Research and make a recommendation to the Management Team and the Board regarding a Green Leader Recognition Award Program for business, multifamily housing and community leaders (e.g., selection criteria, award process and a community event mixer).				

THREE-YEAR GOAL: <i>MAINTAIN A HIGH PERFORMANCE AND FLEXIBLE WORKFORCE</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Beginning in March 2017 and quarterly thereafter	HR Manager	Implement internal employee informational meetings, with potential attendance by Board members.				
2. By June 1, 2017	HR Manager	Complete 360 Feedback Process for Managers (all staff evaluate their managers).				
3. By June 15, 2017	HR Manager	Research performance management systems for employees and make a recommendation to the General Manager.				
4. By July 1, 2017	HR Manager	Expand the current emergency plan to include natural disaster preparedness for all staff and report the results to the Board.				



Report to the Board of Directors

ITEM NO. 2

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: February 16, 2017  
From: Ray Hendricks, Finance Manager  
Title: December 2016 Claims and Financial Reports

## RECOMMENDATION

Staff recommends acceptance of the December 2016 Claims and Financial Reports.

## DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of December for a summary of the Authority's financial position as of December 31, 2016. Following are highlights of the Authority's financial activity for the month of December.

### Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of December 2016, FY 2016-17 operating revenue exceeded expenditures by \$516,963. Year to Date operating revenues exceeded expenditures by \$2,799,817.

### Revenues (Consolidated Statement of Revenues and Expenditures)

After six months of the fiscal year, (50.00% of the fiscal year), revenues total \$10,093,879 or 58.2% of the total annual revenues forecast of \$17,354,800. December Tipping Fees totaled \$1,087,241 and for the year to date totaled \$6,813,887 or 58.50% of the forecasted total of \$11,645,600.

### Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of December 31, (50.00% of the fiscal year), year-to-date operating expenditures total \$7,294,062. This is 45.9% of the operating budget of \$15,902,000.

### Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of December 2016, capital project expenditures totaled \$33,136. \$12,719 of the total was for the long range facility needs EIR.

### Claims Checks Issued Report

The Authority's Checks Issued Report for the month of December 2016 is attached for review and acceptance. December disbursements total \$1,138,834.17 of which \$437,450.17 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of December 2016.

Vendor	Service	Amount
QUINN COMPANY		
	836H TRANSMISSION REPLACEMENT	85,505.56
	JCLF EQUIPMENT MAINTENANCE	4,866.10
	JCLF VEHICLE MAINTENANCE	19,373.37
	MISC	638.96
	SSTS EQ & VEHICLE MAINTENANCE	4,858.08
VISION RECYCLING INC		
	C&D GRINDING SERVICES	25,544.44
	ORGANICS & GREENWASTE PROCESSING	143,269.04
STATE WATER RESOURCES CONTROL BOARD		
	CHLF ANNUAL PERMIT FEES	70,781.00

#### Cash Balances

The Authority's cash position increased \$645,801.18 during December to \$19,485,298.58. Most of the cash balance is restricted, committed, or assigned as shown below:

#### Restricted by Legal Agreements:

Johnson Canyon Closure Fund	\$ 3,700,275.67
State & Federal Grants	82,496.41
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-
BNY - Sub Pmt Cap One 2014 Eq Lease	-
GEO Deposit (CEQA)	5,894.74

#### Funds Held in Trust:

Central Coast Media Recycling Coalition	119,077.96
Employee Unreimbursed Medical Claims	4,811.70

#### Committed by Board Policy:

AB939 Services	673,612.47
Designated for Capital Projects Reserve	1,018,128.87
Designated for Environmental Impairment Reserve	593,903.31
Designated for Operating Reserve	593,903.31
Expansion Fund (South Valley Revenues)	7,993,946.95
Salinas Rate Stabilization Fund	24,324.06

#### Assigned by Budget

Assigned for Capital Projects	3,171,092.57
Assigned for OPEB	291,400.00

#### Available for Operations

1,212,430.56

Total

\$ 19,485,298.58

#### ATTACHMENTS

1. December 2016 Consolidated Statement of Revenues and Expenditures
2. December 2016 Consolidated Grant and CIP Expenditures Report
3. December 2016 Checks Issued Report



# Salinas Valley Solid Waste Authority

## Consolidated Statement of Revenues and Expenditure

### For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b><u>Revenue Summary</u></b>							
Tipping Fees - Solid Waste	11,645,600	1,087,241	6,813,887	58.5 %	4,831,713	0	4,831,713
Tipping Fees - Surcharge	1,751,000	132,375	896,501	51.2 %	854,499	0	854,499
Tipping Fees - Diverted Materials	1,043,600	193,739	987,036	94.6 %	56,564	0	56,564
AB939 Service Fee	2,228,900	185,742	1,114,452	50.0 %	1,114,448	0	1,114,448
Charges for Services	124,500	0	32,614	26.2 %	91,886	0	91,886
Sales of Materials	309,500	36,518	117,881	38.1 %	191,619	0	191,619
Gas Royalties	220,000	0	73,547	33.4 %	146,453	0	146,453
Investment Earnings	31,700	6,043	53,481	168.7 %	(21,781)	0	(21,781)
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	3,355	4,480	0.0 %	(4,480)	0	(4,480)
<b>Total Revenue</b>	<b>17,354,800</b>	<b>1,645,013</b>	<b>10,093,879</b>	<b>58.2 %</b>	<b>7,260,921</b>	<b>0</b>	<b>7,260,921</b>
<b><u>Expense Summary</u></b>							
Executive Administration	446,000	25,771	153,268	34.4 %	292,732	557	292,175
Administrative Support	508,490	19,966	206,515	40.6 %	301,975	65,710	236,266
Human Resources Administration	363,250	28,913	165,424	45.5 %	197,826	6,040	191,787
Clerk of the Board	186,460	10,143	72,031	38.6 %	114,429	3,223	111,206
Finance Administration	625,250	34,854	261,386	41.8 %	363,864	13,017	350,848
Operations Administration	426,200	22,155	124,820	29.3 %	301,380	11,128	290,252
Resource Recovery	826,650	51,430	366,981	44.4 %	459,669	24,480	435,190
Marketing	75,000	3,368	18,565	24.8 %	56,435	53,685	2,750
Public Education	206,500	10,954	49,957	24.2 %	156,543	94,069	62,474
Household Hazardous Waste	781,600	34,340	284,339	36.4 %	497,261	5,467	491,794
C & D Diversion	80,000	25,544	56,465	70.6 %	23,535	0	23,535
Organics Diversion	690,200	143,144	280,423	40.6 %	409,777	409,777	0
Diversion Services	18,000	125	7,494	41.6 %	10,506	6,231	4,275



# Salinas Valley Solid Waste Authority

## Consolidated Statement of Revenues and Expenditure

### For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Scalehouse Operations	484,650	37,642	245,046	50.6 %	239,604	6,272	233,332
JR Transfer Station	400,800	19,400	243,009	60.6 %	157,791	3,794	153,996
JR Recycling Operations	124,200	6,262	27,771	22.4 %	96,429	0	96,429
ML Transfer Station	185,000	39,606	177,015	95.7 %	7,985	0	7,985
SS Disposal Operations	730,100	75,827	422,194	57.8 %	307,906	40,002	267,903
SS Transfer Operations	938,200	79,169	459,953	49.0 %	478,247	15,492	462,755
SS Recycling Operations	590,000	47,095	217,442	36.9 %	372,558	0	372,558
JC Landfill Operations	2,365,900	224,296	962,219	40.7 %	1,403,681	191,968	1,211,713
JC Recycling Operations	374,300	21,014	124,780	33.3 %	249,520	2,094	247,427
Crazy Horse Postclosure Maintenance	609,200	88,669	318,813	52.3 %	290,387	61,621	228,766
Lewis Road Postclosure Maintenance	222,800	8,434	85,152	38.2 %	137,648	53,797	83,852
Johnson Canyon ECS	309,700	27,364	96,701	31.2 %	212,999	81,136	131,863
Jolon Road Postclosure Maintenance	204,650	5,282	144,116	70.4 %	60,534	12,743	47,792
Sun Street ECS	185,300	15,221	66,833	36.1 %	118,467	11,489	106,978
Debt Service - Interest	1,653,300	0	831,062	50.3 %	822,238	0	822,238
Debt Service - Principal	1,052,300	0	685,868	65.2 %	366,432	0	366,432
Closure Set-Aside	238,000	22,060	138,420	58.2 %	99,580	0	99,580
Total Expense	15,902,000	1,128,049	7,294,062	45.9 %	8,607,938	1,173,788	7,434,150
Revenue Over/(Under) Expenses	1,452,800	516,963	2,799,817	192.7 %	(1,347,017)	(1,173,788)	(173,229)



# Salinas Valley Solid Waste Authority

## Consolidated Grant and CIP Expenditure Report

### For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<b><u>Fund 180 - Expansion Fund</u></b>							
180 9804 Long Range Facility Needs EIR	531,664	12,719	54,169	10.2 %	477,495	456,772	20,723
180 9805 Harrison Road	75,000	0	1,250	1.7 %	73,750	0	73,750
180 9806 Long Range Financial Model	95,000	3,200	18,879	19.9 %	76,121	37,176	38,945
180 9807 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
<b>Total Fund 180 - Expansion Fund</b>	<b>801,664</b>	<b>15,919</b>	<b>74,298</b>	<b>9.3 %</b>	<b>727,366</b>	<b>493,948</b>	<b>233,418</b>
<b><u>Fund 211 - State Grants</u></b>							
211 9206 HHW HD25-15-0003	23,870	0	772	3.2 %	23,098	0	23,098
211 9208 Tire Amnesty 2015-16	23,193	2,200	7,102	30.6 %	16,091	2,400	13,691
211 9209 Tire Derived Aggregate 5-15-0004	66,373	0	0	0.0 %	66,373	0	66,373
211 9247 Cal Recycle - CCP	95,345	550	25,208	26.4 %	70,137	1,100	69,037
211 9248 Cal Recycle - 2014-15 CCP	19,517	0	19,517	100.0 %	0	0	0
<b>Total Fund 211 - State Grants</b>	<b>228,299</b>	<b>2,750</b>	<b>52,600</b>	<b>23.0 %</b>	<b>175,699</b>	<b>3,500</b>	<b>172,199</b>
<b><u>Fund 216 - Reimbursement Fund</u></b>							
216 9802 Autoclave Demonstration Unit	141,499	220	349	0.2 %	141,150	0	141,150
216 9804 Long Range Facility Needs EIR	274,569	12,500	18,757	6.8 %	255,812	244,148	11,664
<b>Total Fund 216 - Reimbursement Fund</b>	<b>416,067</b>	<b>12,720</b>	<b>19,105</b>	<b>4.6 %</b>	<b>396,962</b>	<b>244,148</b>	<b>152,814</b>
<b><u>Fund 800 - Capital Improvement Projects Fund</u></b>							
800 9103 Closed Landfill Revenue Study	31,769	0	0	0.0 %	31,769	0	31,769
800 9316 CH Corrective Action Program	253,000	0	0	0.0 %	253,000	0	253,000
800 9319 CH LFG System Improvements	116,500	0	0	0.0 %	116,500	0	116,500
800 9401 LR LFG Replacement	67,500	452	1,417	2.1 %	66,083	0	66,083
800 9502 JC Flare Station Improvements	274,996	128	275,106	100.0 %	(110)	0	(110)
800 9506 JC Litter Control Barrier	50,000	0	0	0.0 %	50,000	0	50,000
800 9507 JC Corrective Action	100,000	0	0	0.0 %	100,000	0	100,000
800 9508 JC Drainage Modifications	35,000	0	0	0.0 %	35,000	0	35,000



# Salinas Valley Solid Waste Authority

## Consolidated Grant and CIP Expenditure Report

### For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9509 JC Groundwater Wells	150,000	0	6,355	4.2 %	143,645	2,338	141,307
800 9510 JC LFG System (Vertical Wells)	30,000	0	0	0.0 %	30,000	0	30,000
800 9511 JC LFG System (Horizontal Wells)	30,000	136	24,679	82.3 %	5,321	0	5,321
800 9526 JC Equipment Replacement	80,900	0	0	0.0 %	80,900	0	80,900
800 9527 JC Module 7 Engineering and Constr	350,000	0	0	0.0 %	350,000	0	350,000
800 9528 JC Roadway Improvements	2,218,937	0	0	0.0 %	2,218,937	0	2,218,937
800 9529 JC Leachate Handling Sys	55,531	0	0	0.0 %	55,531	0	55,531
800 9601 JR Transfer Station Improvements	82,000	1,030	54,048	65.9 %	27,952	18,076	9,876
800 9602 JR Equipment Purchase	556,454	0	506,448	91.0 %	50,006	11,727	38,279
800 9701 SSTS Equipment Replacement	191,260	0	0	0.0 %	191,260	0	191,260
800 9702 SSTS NPDES Improvements	12,062	0	0	0.0 %	12,062	0	12,062
<b>Total Fund 800 - Capital Improvement Projects</b>	<b>4,685,909</b>	<b>1,746</b>	<b>868,054</b>	<b>18.5 %</b>	<b>3,817,855</b>	<b>32,140</b>	<b>3,785,715</b>
<b>Total CIP Expenditures</b>	<b>6,131,939</b>	<b>33,136</b>	<b>1,014,057</b>	<b>16.5 %</b>	<b>5,117,882</b>	<b>773,737</b>	<b>4,344,146</b>



**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17406	PATRICIA ANN BERGSTROM MANAGERS LEADERSHIP TEAM TRAINING	12/1/2016	3,690.00	3,690.00
17407	ASBURY ENVIRONMENTAL SERVICES HHW DISPOSAL & HAULING	12/7/2016	135.00	135.00
17408	AT&T SERVICES INC TELEPHONE SERVICES	12/7/2016	852.88	852.88
17409	BECKS SHOES AND REPAIR SSTS UNIFORMS	12/7/2016	180.87	180.87
17410	BRENDON OSMER JCLF VEHICLE MAINTENANCE	12/7/2016	750.00	750.00
17411	CARDLOCK FUELS SYSTEM, INC. JCLF BIODIESEL FUEL	12/7/2016	3,144.89	3,144.89
17412	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS VEHICLE MAINTENANCE	12/7/2016	701.37	701.37
17413	COMCAST INTERNET SERVICE	12/7/2016	359.71	359.71
17414	CONSOLIDATED FABRICATORS CORP SSTS EQUIPMENT JCLF EQUIPMENT	12/7/2016	13,089.66 3,965.60	17,055.26
17415	CSC OF SALINAS/YUMA JRTS VEHICLE MAINTENANCE	12/7/2016	517.34	517.34
17416	EAST BAY TIRE CO. SSTS EQUIPMENT MAINTENANCE	12/7/2016	1,299.99	1,299.99
17417	ELIA ZAVALA BD MTG REFRESHMENTS/SUPPLIES 11-17-16	12/7/2016	179.21	179.21
17418	ERNEST BELL D. JR ALL SITES JANITORIAL SERVICES ALL SITES	12/7/2016	2,774.00	2,774.00
17419	FERGUSON ENTERPRISES INC #795 CH FACILITY MAINTENANCE	12/7/2016	80.63	80.63
17420	FULL STEAM STAFFING LLC JC & SSTS CONTRACT LABOR	12/7/2016	7,536.10	7,536.10
17421	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES VEHICLE MAINTENANCE	12/7/2016	8,047.23	8,047.23
17422	**VOID**	12/7/2016	0.00	0.00
17423	GRAINGER FACILITY MAINTENANCE SUPPLIES	12/7/2016	290.69	290.69

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17424	GUERITO SITES PORTABLE TOILET SERVICES	12/7/2016	1,028.00	1,028.00
17425	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 JCLF FACILITY MAINTENANCE	12/7/2016	7,662.50	7,662.50
17426	HERC RENTALS INC. SS & JC EQUIPMENT RENTAL	12/7/2016	1,737.18	1,737.18
17427	JOSE RAMIRO URIBE SSTS VEHICLE MAINTENANCE	12/7/2016	170.00	170.00
17428	JULIO GIL SSTS VEHICLE MAINTENANCE	12/7/2016	281.94	281.94
17429	KELLY-MOORE PAINT COMPANY INC. SSTS EQUIPMENT MAINTENANCE	12/7/2016	231.99	231.99
17430	MANUEL PEREA TRUCKING, INC. CH JC SS EQUIPMENT TRANSPORTATION	12/7/2016	1,300.00	1,300.00
17431	MARTA M. GRANADOS FY16-17 BD MEETING INTERPRETER	12/7/2016	180.00	180.00
17432	MONICA AMBRIZ PARKING FOR TRAINING	12/7/2016	23.00	23.00
17433	MONTEREY COUNTY HEALTH DEPARTMENT JCLF PERMITS MONTEREY COUNTY REGIONAL FEE SSTS PERMIT FEES	12/7/2016	731.25 27,072.84 1,958.00	29,762.09
17434	OFFICE DEPOT ADMIN & OPS OFFICE SUPPLIES	12/7/2016	865.70	865.70
17435	PACIFIC GAS AND ELECTRIC COMPANY MONTHLY ELECTRICITY SERVICE	12/7/2016	6,364.77	6,364.77
17436	PERSONAL AWARDS INC ALL SITES EMPLOYEE UNIFORMS	12/7/2016	3,734.28	3,734.28
17437	PINNACLE MEDICAL GROUP EMPLOYMENT EXAM	12/7/2016	631.00	631.00
17438	PITNEY BOWES - POSTAGE POSTAGE METER REFILL	12/7/2016	356.98	356.98
17439	QUINN COMPANY JCLF VEHICLE MAINTENANCE	12/7/2016	23,468.91	23,468.91
17440	**VOID**	12/7/2016	0.00	0.00
17441	R&B COMPANY JC LFG HORIZONTAL WELLS	12/7/2016	136.13	136.13

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17442	SALINAS NEWSPAPERS, INC. RECRUITMENT ADVERTISEMENT JRTS ADVERTISING NOTICES	12/7/2016	595.00 111.14	706.14
17443	SCS ENGINEERS PROFESSIONAL CONSULTING SERVICES	12/7/2016	2,500.00	2,500.00
17444	SCS FIELD SERVICES ALL SITES ROUTINE ENVIRONMENTAL SERVICES	12/7/2016	17,524.50	17,524.50
17445	STURDY OIL COMPANY SSTS EQUIPMENT FUEL	12/7/2016	823.62	823.62
17446	SUPERIOR HYDROSEEDING, INC. JCLF EROSION CONTROL	12/7/2016	11,325.00	11,325.00
17447	TOYOTA MATERIAL HANDLING SSTS EQUIPMENT MAINTENANCE	12/7/2016	287.33	287.33
17448	UNITED RENTALS (NORTHWEST), INC SSTS FACILITY MAINTENANCE	12/7/2016	292.67	292.67
17449	VISION RECYCLING INC C&D GRINDING SERVICES ORGANICS PROCESSING	12/7/2016	25,544.44 63,957.14	89,501.58
17450	WEST COAST RUBBER RECYCLING, INC TIRE AMNESTY TIRE RECYLING	12/7/2016	1,100.00	1,100.00
17451	GABILAN OAKS, LLC END OF THE YEAR DINNER - ROOM RESERVATION	12/8/2016	1,488.00	1,488.00
17452	A & G PUMPING, INC JRTS PORTABLE TOILETS	12/15/2016	105.76	105.76
17453	ADMANOR, INC SVR MEDIA CAMPAIGNS CCRMC MEDIA & MARKETING DIVERSION MEDIA CAMPAIGN TIRE AMNESTY MEDIA CAMPAIGN	12/15/2016	3,368.25 785.00 325.00 4,681.80	9,160.05
17454	AMERICAN SUPPLY CO. SS JANITORIAL SUPPLIES	12/15/2016	79.66	79.66
17455	AT&T SERVICES INC CALNET 2 ADJUSTMENTS HHW TELEPHONE SERVICE	12/15/2016	(253.11) 317.11	64.00
17456	BC LABORATORIES, INC JC WATER SAMPLES	12/15/2016	12.00	12.00
17457	CALIFORNIA HIGHWAY ADOPTION CO. LITTER CONTROL	12/15/2016	550.00	550.00

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17458	CALIFORNIA WATER SERVICE WATER SERVICES	12/15/2016	159.43	159.43
17459	CARDLOCK FUELS SYSTEM, INC. ALL SITES DIESEL FUEL	12/15/2016	25,605.61	25,605.61
17460	CDW GOVERNMENT COMPUTER SOFTWARE	12/15/2016	1,215.90	1,215.90
17461	CH2M HILL, INC LONG RANGE FINANCIAL MODEL	12/15/2016	3,200.00	3,200.00
17462	CHICO COMMUNITY PUBLISHING, INC. OUTREACH & ED FOR LTFN PROJECTS	12/15/2016	25,000.00	25,000.00
17463	COSTCO WHOLESALE ADMINISTRATION OFFICE SUPPLIES	12/15/2016	169.92	169.92
17464	CSC OF SALINAS/YUMA SSTS EQUIPMENT MAINTENANCE	12/15/2016	431.39	431.39
17465	DATA FLOW PAYROLL ACCOUNT CHECKS	12/15/2016	186.78	186.78
17466	DOUGLAS NOLAN SCHOOL ASSEMBLY PROGRAM	12/15/2016	6,250.00	6,250.00
17467	EAST BAY TIRE CO. JCLF VEHICLE MAINTENANCE	12/15/2016	255.00	255.00
17468	FERGUSON ENTERPRISES INC #795 SSTS FACILITY MAINTENANCE	12/15/2016	68.17	68.17
17469	FIRST ALARM JRTS ALARM SERVICES	12/15/2016	208.00	208.00
17470	FULL STEAM STAFFING LLC JC & JRTS CONTRACT LABOR	12/15/2016	5,000.16	5,000.16
17471	GEOLOGIC ASSOCIATES, INC. CH & LR ENGINEERING SERVICES	12/15/2016	10,652.08	10,652.08
17472	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS VEHICLE MAINTENANCE	12/15/2016	15,377.38	15,377.38
17473	**VOID**	12/15/2016	0.00	0.00
17474	GONZALES ACE HARDWARE JCLF FACILITY MAINTENANCE	12/15/2016	468.41	468.41
17475	GREEN RUBBER - KENNEDY AG, LP JC MAINTENANCE SUPPLIES	12/15/2016	601.49	601.49

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
17476	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS VEHICLE MAINTENANCE	12/15/2016	159.79	159.79
17477	HERC RENTALS INC. JCLF EQUIPMENT RENTAL	12/15/2016	886.63	886.63
17478	HOPE SERVICES SSTS DIVERSION LABOR	12/15/2016	24,251.57	24,251.57
17479	INFINITY STAFFING SERVICES, INC. SSTS CONTRACT LABOR	12/15/2016	1,056.38	1,056.38
17480	KING CITY HARDWARE INC. JRTS FACILITY MAINTENANCE	12/15/2016	286.67	286.67
17481	MONICA AMBRIZ PER DIEM REIMBURSEMENT	12/15/2016	108.00	108.00
17482	NEXTEL OF CALIFORNIA, INC CELL PHONE SERVICE	12/15/2016	308.24	308.24
17483	PENINSULA MESSENGER LLC BANK COURIER SERVICES	12/15/2016	620.00	620.00
17484	PITNEY BOWES GLOBAL POSTAGE MACHINE QTR LEASE	12/15/2016	297.66	297.66
17485	PROBUILD COMPANY LLC SSTS FACILITY MAINTENANCE	12/15/2016	129.82	129.82
17486	PURE WATER BOTTLING POTABLE WATER SERVICE	12/15/2016	416.25	416.25
17487	QUINN COMPANY ALL SITES EQUIPMENT MAINTENANCE	12/15/2016	5,973.06	5,973.06
17488	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARRY SS FACILITY MAINTENANCE	12/15/2016	1,953.34	1,953.34
17489	SCOTT W GORDON LEGAL SERVICES	12/15/2016	2,227.50	2,227.50
17490	SHARPS SOLUTIONS, LLC HHW HAULING & DISPOSAL	12/15/2016	80.00	80.00
17491	STURDY OIL COMPANY SSTS VEHICLE MAINTENANCE	12/15/2016	229.22	229.22

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17492	US BANK CORPORATE PAYMENT SYSTEM	12/15/2016		
	WORLD CENTRICT: ADMINISTRATION OFFICE SUPPLIES		62.91	
	AMAZON: AMERICA RECYCLES DAY T-SHIRT		22.58	
	GETABSTRACT: ANNUAL SUBSCRIPTION		179.00	
	ASSOCIATION FOR TALENT DEVELOP: TRAINING MATERIALS		77.95	
	AVANT RESOURCES: DISCOVERY QUESTIONS WEBINAR		279.00	
	GRANITEROCK: SSTS FACILITY REPAIRS		38.63	
	VISTAPRINT: BUSINESS CARDS		58.92	
	VISTA PRINT: OFFICE SUPPLIES		34.61	
	EXPERIAN: CREDIT REFERENCE CHECKS		299.70	
	EL POLLO LOCO: MEETING REFRESHMENTS		41.04	
	ORCHARD SUPPLY: SSTS NEW AIR COMPRESSOR		303.08	
	ENVIROTECHNPDES: NETWORKSHOP TRAINING BRIAN K.		50.00	
	INTERMEDIA:EXCHANGE SERVER		273.75	
	NOB HILL: FIX IT CLINIC SUPPLIES		53.42	
	ACE HARDWARE: CHLF REPAIRS		30.64	
	GASB RENEWAL: ANNUAL MEMEBERSHIP RENEWAL		430.00	
	HOME DEPOT: OFFICE SUPPLIES		70.87	
	VISTA PRINT: OFFICE SUPPLIES		103.86	
	MONTEREY MARRIOTT PARKING		62.00	
	SHAREFILE SUBSCRIPTION		32.95	
	ADOBE: SOFTWARE RENEWAL		24.99	
	SMART AND FINAL: OFFICE SUPPLIES		46.77	
	VALS PLUMBING: SSTS AIR COMPRESSOR		40.38	
	VEGETABLE GROWER SUPPLY: EMPLOYEE UNIFORM		279.02	
	VGS: RAIN GEAR		97.06	
	MIKES PIZZA: BOARD MTG REFRESHMENTS		111.36	
	COMMERCIAL SERVICE CO: REFRIGERATION REPAIR		168.91	
	AMAZON: REPLACEMENT AMPLIFIER FOR CONF. ROOM		76.38	
	HUGHES.NET: SCALEHOUSE INTERNET SERVICE		171.59	
	SMART N FINAL: ADMIN OFFICE SUPPLIES		24.96	
	SMART&FINAL: EC MTG REFRESHMENTS 11-03-16		15.79	
	GRANITEROCK: BASEROCK MATERIAL		610.77	
	GRANITEROCK: BASEROCK MATERIAL		40.25	
	A TOOL SHED EQUIPMENT RENTALS		102.00	
	AMAZON.COM:WORK GEAR FOR ADMIN I		21.99	
	AMAZON.COM:WORK GEAR FOR ADMIN I		23.06	
				4,360.19
17493	**VOID**	12/15/2016	0.00	
				0.00
17494	**VOID**	12/15/2016	0.00	
				0.00
17495	**VOID**	12/15/2016	0.00	
				0.00
17496	VALLEY PACIFIC PETROLEUM SERVICES, INC.	12/15/2016		
	JCLF BIODIESEL FUEL		5,749.42	
				5,749.42
17497	VALLEY TROPHIES & DETECTORS	12/15/2016		
	NAME PLATE FOR ADRIANNA		15.82	
				15.82

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17498	VERIZON WIRELESS SERVICES CELL PHONE SERVICE	12/15/2016	81.06	81.06
17499	VISION RECYCLING INC GREENWASTE CONTAMINATION FY 2015-16 GREEN WASTE PROCESSING	12/15/2016	125.00 17,168.73	17,293.73
17500	WASTE MANAGEMENT INC NOVEMBER REPUBLIC TONNAGE	12/15/2016	39,606.40	39,606.40
17501	WEST COAST RUBBER RECYCLING, INC TIRE AMNESTY TIRE RECYLING	12/15/2016	1,100.00	1,100.00
17502	AIR TOXICS LTD SAMPLE TESTING	12/20/2016	320.00	320.00
17503	ALLEN BROTHERS OIL INC. OPS ADMIN VEHICLE MAINTENANCE	12/20/2016	126.61	126.61
17504	AON RISK INSURANCE SERVICES WEST, INC . AUTO INSURANCE COVERAGE	12/20/2016	30.00	30.00
17505	ASBURY ENVIRONMENTAL SERVICES HHW HAULING & DISPOSAL	12/20/2016	55.00	55.00
17506	AT&T MOBILITY FINANCE INTERNET	12/20/2016	41.65	41.65
17507	AUTOZONE LLC. JCLF VEHICLE MAINTENANCE	12/20/2016	52.16	52.16
17508	BECKS SHOES AND REPAIR JC & JR EMPLOYEE UNIFORMS	12/20/2016	375.66	375.66
17509	CITY OF GONZALES JC LF WATER	12/20/2016	190.07	190.07
17510	CITY OF SALINAS (ENVIRONMENTAL COMPLIANCE BUREAU) SSTS ENVIRONMENTAL INSPECTION	12/20/2016	268.45	268.45
17511	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS VEHICLE MAINTENANCE	12/20/2016	175.65	175.65
17512	CSC OF SALINAS/YUMA SSTS EQUIPMENT MAINTENANCE	12/20/2016	487.66	487.66
17513	EAGLE STAR SECURITY SECURITY SERVICES	12/20/2016	912.00	912.00
17514	EXPRESS SAFETY INC SSTS SAFETY SUPPLIES	12/20/2016	217.60	217.60
17515	FULL STEAM STAFFING LLC JC & JR CONTRACT LABOR JC & JR CONTRACT LABOR	12/20/2016	476.57 322.09	798.66

**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

Check #	Name	Check Date	Amount	Check Total
17516	GFOA - GOVERNMENT FINANCE OFFICERS ASSOCIATION CAFR AWARD APPLICATION	12/20/2016	435.00	435.00
17517	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS VEHICLE MAINTENANCE	12/20/2016	2,881.18	2,881.18
17518	GONZALES ACE HARDWARE JRTS FACILITY MAINTENANCE	12/20/2016	37.69	37.69
17519	GREEN RUBBER - KENNEDY AG, LP CHLF FACILITY MAINTENANCE	12/20/2016	471.75	471.75
17520	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS FACILITY MAINTENANCE	12/20/2016	28.85	28.85
17521	HERC RENTALS INC. JC & SS EQUIPMENT RENTAL	12/20/2016	22.77	22.77
17522	INFINITY STAFFING SERVICES, INC. SSTS CONTRACT LABOR	12/20/2016	1,167.75	1,167.75
17523	KELLY-MOORE PAINT COMPANY INC. JRTS FACILITY MAINTENANCE	12/20/2016	1,368.61	1,368.61
17524	KING CITY HARDWARE INC. JRTS FACILITY MAINTENANCE	12/20/2016	38.89	38.89
17525	MONTEREY AUTO SUPPLY INC SSTS VEHICLE MAINTENANCE	12/20/2016	743.51	743.51
17526	OFFICE DEPOT ADMIN OFFICE SUPPLIES	12/20/2016	384.10	384.10
17527	QUINN COMPANY 836H TRANSMISSION REPLACEMENT SSTS EQUIPMENT MAINTENANCE	12/20/2016	85,505.56 294.54	85,800.10
17528	R&B COMPANY JCLF FACILITY MAINTENANCE	12/20/2016	102.96	102.96
17529	REPUBLIC SERVICES #471 TRASH DISPOSAL SERVICE	12/20/2016	142.92	142.92
17530	ROSSI BROS TIRE & AUTO SERVICE ALL SITES VEHICLE MAINTENANCE	12/20/2016	1,226.65	1,226.65
17531	SALINAS VALLEY CHAMBER OF COMMERCE AGENCY MEMBERSHIP	12/20/2016	1,250.00	1,250.00
17532	SCALES UNLIMITED SSTS SCALE SERVICE	12/20/2016	1,350.00	1,350.00
17533	SCS FIELD SERVICES LR NON ROUTINE SERVICES	12/20/2016	586.00	586.00



**Salinas Valley Solid Waste Authority**  
**Checks Issued Report for 12/1/2016 to 12/31/2016**

<b>Check #</b>	<b>Name</b>	<b>Check Date</b>	<b>Amount</b>	<b>Check Total</b>
17534	SKINNER EQUIPMENT REPAIR, INC. JC VEHICLE MAINTENANCE	12/20/2016	564.69	564.69
17535	SOCIETY FOR HUMAN RESOURCE MANAGEMENT SELF STUDY PROGRAM - TRAINING	12/20/2016	892.54	892.54
17536	STATE WATER RESOURCES CONTROL BOARD CHLF ANNUAL PERMIT FEES	12/20/2016	70,781.00	70,781.00
17537	THOMAS M BRUEN LEGAL SERVICES	12/20/2016	1,450.10	1,450.10
17538	VISION RECYCLING INC NOV. SS GREENWASTE PROCESSING	12/20/2016	62,018.17	62,018.17
17539	WESTERN EXTERMINATOR COMPANY FACILITY VECTOR CONTROL	12/20/2016	369.50	369.50
DFT2016768	WAGEWORKS FSA MONTHLY ADMIN	12/16/2016	128.00	128.00
				<u>128.00</u>
	SUBTOTAL			701,384.32
	PAYROLL DISBURSEMENTS			<u>437,450.17</u>
	GRAND TOTAL			<u><u>1,138,834.49</u></u>



## Report to the Board of Directors

ITEM NO. 3

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: February 16, 2017

From: Mandy Brooks, Resource Recovery Manager

Title: Member and Interagency Activities Report for January 2017 and Upcoming Events

### RECOMMENDATION

Staff recommends the Board accept the report.

### STRATEGIC PLAN RELATIONSHIP

This report relates to the goal to promote the value of Salinas Valley Recycles' services and programs to the community, and is intended to keep the Board apprised of activities and communication with our member agencies and regulators.

#### Monterey County Environmental Health Bureau (Local Enforcement Agency LEA)

The monthly inspection for the Sun Street transfer station was conducted on January 24 with no areas of concern or violations.

The monthly Crazy Horse Landfill and Transfer Station inspections were also completed on January 24 with no areas of concern nor violations noted. The LEA did express concern over the mountain lion spotting on the property. Staff received notification that the final closure of Crazy Horse Landfill was certified by CalRecycle on January 9, 2017.

On Jan 25, 2017 the monthly inspection of the Jolon Road Transfer Station was completed with no concerns or violations noted.

The monthly inspection of the Johnson Canyon Landfill was conducted on January 30 with no areas of concern or violations noted.



**Solid Waste Facilities Permit Revision:** The facility permit application has been granted a second 60-day time extension in order to complete the California Environmental Quality Act (CEQA) analysis to examine the potential odor and vector impacts of adding food waste as a feedstock for the composting operation at Johnson Canyon Landfill. The Notice of Intent has been prepared with feedback from CalRecycle incorporated and is awaiting final legal review. It is estimated that the Notice of Intent will be distributed the second week of February with the public comment period closing on March 6, 2017.

#### King City Franchise Agreement

Staff is working with the City Manager and Waste Management to address commercial recycling rates as part of the new franchise agreement's **rate structure**. The rates were not included in the agreement approved by the City Council in December 2016.

### Future Events with SVR Participation

Gonzales:	2/13 – 2/25	Tire Amnesty Event, Johnson Canyon Landfill
	3/13 – 3/25	Tire Amnesty Event, Johnson Canyon Landfill
	4/3 – 4/29	Tire Amnesty Event, Johnson Canyon Landfill
	6/24 & 6/25	Weekend Clean Up Event, Fairview Middle School
	10/7 & 10/8	Weekend Clean Up Event, Fairview Middle School
Greenfield:	2/15	Tri-Cities Disposal Quarterly Franchise Meeting
	5/22 – 5/27	Clean Up Week, Tri-Cities Disposal Yard
	10/21	Recycling and Clean Up Event, Memorial Hall
King City:	2/2	South County Farm Day, Salinas Valley Fairgrounds
	2/6 & 2/7	Rava Ranch Annual Health Fair
	2/13 – 2/25	Tire Amnesty Event, Jolon Rd Transfer Station
	3/13 – 3/25	Tire Amnesty Event, Jolon Rd Transfer Station
	4/3 – 4/29	Tire Amnesty Event, Jolon Rd Transfer Station
	6/26 – 7/2	Clean Up Week
Salinas:	2/9	Recycling Presentation, Sherwood Center
	2/13 – 2/25	Tire Amnesty Event, Sun St Transfer Station
	2/15	Republic Services Quarterly Franchise Meeting
	2/15	Recycling Presentations, Creekside Head Start
	2/16	Waste Assessment, Martin Luther King Jr Academy
	2/23	Recycling Presentation, Sherwood Center
	2/25	Composting Workshop, Jardin El Sol, 10am -11:30am
	3/13 – 3/25	Tire Amnesty Event, Sun St Transfer Station
	3/15	Recycling Presentations, La Joya Head Start
	3/25	Composting Workshop, Jardin El Sol, 10am -11:30am
	3/25	District 2 Clean Up Event
	4/3 – 4/29	Tire Amnesty Event, Sun St Transfer Station
	4/8	District 4 Clean Up Event
	6/17	District 1 Clean Up Event
	8/19	District 5 Clean Up Event
	9/9	District 3 Clean Up Event
	10/14	Salinas City Wide Clean Up Event
	11/4	District 6 Clean Up Event
Soledad:	5/15 – 5/20	Clean Up Week, City Public Works Yard
	9/30	Recycling and Clean Up Event, Soledad High School
Monterey County:	3/11	Bradley Clean Up Event
	3/25	Pajaro Clean Up Event

 <p>Report to the Board of Directors</p>	ITEM NO. 4
	 <p>Finance Manager/Controller-Treasurer</p>
	 <p>General Manager/CAO</p>
	<p>N/A</p> <p>Legal Counsel</p>

Date: February 16, 2017

From: Patrick Mathews, General Manager/CAO

Title: A Resolution Approving the 2016-19 Strategic Plan Goals and Six-Month Objectives through July 2017

#### RECOMMENDATION

Staff recommends that the Board adopt the resolution.

#### STRATEGIC PLAN RELATIONSHIP

The Authority's Strategic Plan is reviewed and re-evaluated every six months by the Board.

#### FISCAL IMPACT

Funding for the implementation of the specific goals and objectives will be allocated as part of the budget process.

#### DISCUSSION & ANALYSIS

On January 25, 2017, the Board met to review the current Strategic Plan goals and objectives. At that meeting, new six-month objectives were developed for each of the goals, as outlined in Attachment 2. The 2016-19 Strategic Plan Goals remain as follows:

- A. Select and Implement Facilities (e.g., Salinas-Area Materials Recovery Center) and Programs that Lead to Achievement of at least 75% Waste Diversion
- B. Reduce Landfill Disposal Fee Dependence through Self-Funded Programs and New Revenue Sources
- C. Promote the Value of Salinas Valley Recycles Services and Programs to the Community
- D. Maintain a High-Performance and Flexible Workforce

Progress reports on the 2016-19 Strategic Plan Goals and six-month Objectives will be provided monthly to the Board. The Board will meet again on July 24, 2017 to review and re-evaluate the Strategic Plan and develop the next set of measurable six-month objectives.

#### BACKGROUND

In 2007 the Board adopted short and long term goals for the Authority. In 2009, the Board adopted a Mission, Vision and Core Values. In 2010, the Board adopted a three-year Strategic Plan (2010-2013) with six-month objectives. The Board agreed that new goals would be established every three years along with 6-month objectives. The 2013-16 a new set of goals were established for the next Strategic Period which concluded June 2016. The 2016-19 Strategic Plan was developed at the Board's July 13, 2016 retreat and represented the start of a new three-year Strategic Planning period. Progress reports are provided to the Board every month.

ATTACHMENT(S)

1. Resolution
2. Exhibit A – 2016-2019 Strategic Plan Goals and Six-month Objectives through July 2017

RESOLUTION NO. 2017 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING  
2016-19 STRATEGIC PLAN GOALS AND  
SIX-MONTH OBJECTIVES THROUGH JULY 2017

WHEREAS, on July 13, 2016, the Salinas Valley Solid Waste Authority Board of Directors held a Strategic Planning Retreat and provided recommendations for the 2016-19 Strategic Plan that were subsequently approved at its August 18, 2016, regular meeting; and,

WHEREAS, on a monthly basis, the Authority Board of Directors reviews the progress on the Goals and Objectives; and,

WHEREAS, every six months the Authority Board of Directors holds a strategic planning session to review and discuss the current Strategic Plan Goals and Objectives and provides further recommendations; and,

WHEREAS, on January 25, 2017, the Authority Board of Directors met to review and reevaluate the Strategic Plan Goals and Six-month Objectives and provided further recommendations; and,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY, that the 2016-19 Strategic Plan Goals and new Six-month Objectives are hereby approved, as attached hereto and marked "Exhibit A."

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at its regular meeting duly held on the 16<sup>th</sup> day of February 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

---

Simón Salinas, President

---

Erika J. Trujillo, Clerk of the Board

**SALINAS VALLEY SOLID WASTE MANAGEMENT AUTHORITY (SALINAS VALLEY RECYCLES)****SIX-MONTH STRATEGIC OBJECTIVES****January 25, 2017 – July 15, 2017**

THREE-YEAR GOAL: <i>SELECT AND IMPLEMENT FACILITIES (e.g., SALINAS AREA MATERIALS RECOVERY CENTER) AND PROGRAMS THAT LEAD TO ACHIEVEMENT OF AT LEAST 75% WASTE DIVERSION</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the April 20, 2017 and June 15, 2017 Board meetings and at least quarterly thereafter	General Manager	Provide to the Board progress reports on the long-term facility needs Environmental Impact Report (EIR) and other due diligence activities.				
2. By June 1, 2017	General Manager	Schedule and conduct public informational meetings to educate stakeholders and community on the Long-Term Facilities Needs Project scenarios being studied under CEQA and report results to the Board.				
3. By the June 15, 2017 Board meeting	Operations Manager and Resource Recovery Manager, engaging impacted stakeholders	Present to the Board the results of research of debagging equipment to assist with diversion of bagged foods waste produced by agriculture companies and other food waste generators.				
FUTURE: By _____ 2017, concurrent with release of draft EIR	General Manager and Resource Recovery Manager	Present to the Board for consideration the Second Phase of public engagement regarding the future SVR facility options and EIR.				

THREE-YEAR GOAL: <i>REDUCE LANDFILL DISPOSAL FEE DEPENDENCE THROUGH SELF-FUNDED PROGRAMS AND NEW REVENUE SOURCES</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
1. On or before the May 18, 2017 Board meeting	Assistant General Manager	Recommend a final decision on a Construction and Demolition Recycling Program for inclusion in the SVR 2017-2018 budget.				
2. At the June 15, 2017 Board meeting	General Manager	Explore alternative energy projects at SVR facilities and make a recommendation to the Board for action.				



THREE-YEAR GOAL: <i>PROMOTE THE VALUE OF SVR SERVICES AND PROGRAMS TO THE COMMUNITY</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By June 1, 2017	Six Board Members (Rob Cullen, Liz Silva, Simon Salinas, Gloria de la Rosa, Avelina Torres and Tony Barrera)	Attend at least one community event to promote SVR services and programs and report the results to the Board.				
2. At the June 15, 2017 Board meeting	Marketing Committee (Resource Recovery Manager-lead), working with the Marketing Intern	Report to the Board progress on social media projects (e.g., videos and social media promotions) to increase followers.				
3. At the June 15, 2017 Board meeting	General Manager and Resource Recovery Manager	Present to the Board for consideration a Community and Stakeholders Survey for feedback regarding future SVR facility options and the EIR.				
4. By July 1, 2017	Marketing Committee Resource Recovery Manager	Research and make a recommendation to the Management Team and the Board regarding a Green Leader Recognition Award Program for business, multifamily housing and community leaders (e.g., selection criteria, award process and a community event mixer).				

THREE-YEAR GOAL: <i>MAINTAIN A HIGH PERFORMANCE AND FLEXIBLE WORKFORCE</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Beginning in March 2017 and quarterly thereafter	HR Manager	Implement internal employee informational meetings, with potential attendance by Board members.				
2. By June 1, 2017	HR Manager	Complete 360 Feedback Process for Managers (all staff evaluate their managers).				
3. By June 15, 2017	HR Manager	Research performance management systems for employees and make a recommendation to the General Manager.				
4. By July 1, 2017	HR Manager	Expand the current emergency plan to include natural disaster preparedness for all staff and report the results to the Board.				



## Report to the Board of Directors

ITEM NO. 5

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: February 16, 2017

From: Cesar Zuñiga, Operations Manager / Assistant General Manager

Title: A Resolution Authorizing the Purchase of Two Used Transfer Trucks from Golden Gate Truck Center for an Amount of \$127,734.26

### RECOMMENDATION

Staff recommends adoption of the resolution authorizing the purchase of two (2) Used Transfer Trucks for the Sun Street Transfer Station from Golden Gate Truck Center for an amount of \$127,734.26.

### STRATEGIC PLAN RELATIONSHIP

The purchase of the two (2) Used Transfer Trucks Goal D: Maintain a High-Performance and Flexible Workforce. The purchase of two (2) used transfer trucks will replace the two oldest trucks in our fleet, which are over 17 years old and have in excess of 800,000 miles.

### FISCAL IMPACT

Funding for this purchase is included in the 2016-2017 Fiscal Year Capital Improvement Budget. There is currently \$191,260 within Capital Improvement Project (CIP) 9702 for the purchase of the two (2) used transfer trucks for the Sun Street Transfer Station operations. The existing budgeted amount is sufficient to cover the purchase of the proposed two (2) used transfer trucks.

### DISCUSSION & ANALYSIS

In doing research staff obtained quotes for used tractors as shown below:

Dealer	Make / Model	Year	Mileage	Total Cost
Rush Truck Center	Peterbilt 386	2012	312,462	\$75,068
Rush Truck Center	Peterbilt 386	2012	502,891	\$65,525
Golden Gate Truck Center	Freightliner Cascadia	2012	191,758	\$63,867.13
Golden Gate Truck Center	Freightliner Cascadia	2012	194,365	\$63,867.13

The purchase of two (2) used Transfer Trucks will provide the facility with newer units that are more reliable than the existing two (2) units that currently serve as backups. Staff researched a number of used units located throughout California in an effort to find two (2) used transfer trucks that met California Air Resources Board (CARB) final emissions rule and had the lowest mileage possible.

The Authority Code requires public bids for purchases over \$50,000 unless the Board finds that the commodity is unique and not subject to competitive bidding. Staff believes that **due to the nature of the Authority's transfer station operation the purchase of used vehicles** makes more economic sense, especially since these vehicles will last well over 500,000 miles and will primarily serve as replacements for our back-up units. While the purchase of a brand new vehicle would be easy to bid, the purchase of a used vehicle is much harder because no two used vehicles will be exactly alike. In addition to having the lowest price, Freightliner has a local authorized repair center in Salinas, which can provide factory repairs.

Staff requests that the Board authorize the purchase of two (2) Used 2012 Freightliner Cascadia Transfer Trucks from Golden Gate Truck Center at the amount of \$127,734.26.

#### BACKGROUND

On January 1, 2008 the Authority assumed the operations of the Sun Street Transfer Station (SSTS). The facility currently serves the local franchise hauler, Republic Waste Services, and City of Salinas residents. The SSTS processes an average of 390 tons of waste and recyclables daily, utilizing seven (7) transfer trucks, including two (2) which the Authority acquired from Recology when it took over the operation in 2008. These two (2) older units are in need of replacement due to the number of miles and cost associated with repairs. The two (2) units being replaced are listed below:

Make	Year	Mileage
Peterbilt	1999	891,078
Peterbilt	1999	853,174

The replacement of these older units will reduce the vehicle maintenance cost and also reduce down time associated with repairs to these units. Since the proposed transfer trucks are equipped to meet the Final California Air Resources Board ruling on emission, they will not require any future retrofits.

#### ATTACHMENT(S)

1. Resolution
2. Exhibit A – Golden Gate Truck Center Proposal

RESOLUTION NO. 2017 -

A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY  
AUTHORIZING THE PURCHASE OF TWO USED TRANSFER TRUCKS FROM GOLDEN GATE TRUCK  
CENTER FOR AN AMOUNT OF \$127,734.26

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SALINAS VALLEY SOLID WASTE AUTHORITY that the General Manager/CAO is hereby authorized and directed for, and on behalf of, the Salinas Valley Solid Waste Authority to purchase two Used Transfer Trucks from Golden Gate Truck Center, **as attached hereto and marked "Exhibit A,"** and to carry out all responsibilities necessary.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16<sup>th</sup> day of February 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

\_\_\_\_\_  
Simon Salinas, President

\_\_\_\_\_  
Erika J. Trujillo, Clerk of the Board



# Golden Gate Truck Center INVOICE

8200 Baldwin Street Oakland, CA 94621 | (510)632-3535 FAX (510)632-2206

DATE	CUSTOMER NO.	NUMBER
2/1/2017	33534	14016

CUSTOMER	ADDRESS	CITY	STATE	ZIP
SALINAS VALLEY SOLID WASTE AUTHORITY	BOX 2159 (128 SUN ST SUITE 101)	SALINAS	CA	93901

QUANTITY	YEAR	VEHICLE	MODEL #	SERIAL #	
1	2012	FREIGHTLINER	CASCADIA	1FUJGBDV6CSBN9899	58,500.00
1	2012	FREIGHTLINER	CASCADIA	1FUJGBDV9CSBN9900	58,500.00
REGISTER OWNER: SAME AS SOLD TO					
LEGAL OWNER: SAME AS SOLD TO					
DELIVERY POINT: SALINAS, CA					

Comments:

AMOUNT DUE EA:	58,500.00
DOC FEE:	
ESTIMATED LICENSE FEE:	EXEMPT
SALES TAX FOR EA:	5,338.13
CA TITLE FOR EA:	29.00
AMOUNT DUE x (2):	127,734.26

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_



*Thank You*  
GOLDEN GATE TRUCK CENTER





## Report to the Board of Directors

ITEM NO. 6

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: February 16, 2017

From: C. Ray Hendricks, Finance Manager

Title: Tonnage and Diversion Report for the  
Quarter Ended December 31, 2016

### RECOMMENDATION

Staff recommends that the Board accept this report.

### STRATEGIC PLAN RELATIONSHIP

This is a routine information item.

### FISCAL IMPACT

Tipping fees account for more than 85% of our revenue. For the quarter ending December 31, 2016, SVR received \$4.35 million in tipping fees.

### DISCUSSION & ANALYSIS

#### Total Tons Landfilled

As illustrated in the table below, Salinas Valley Recycles landfilled a total of 49,397 tons of solid waste for the quarter ended December 31, 2016. This represents a 12.1% increase from the previous year's total of 44,078 for the same period.

	Oct-Dec 2016	Oct-Dec 2015	Change in	%
<u>Service Area</u>	<u>Tonnage</u>	<u>Tonnage</u>	<u>Tonnage</u>	<u>Change</u>
Authority Service Area	48,579	44,028	4,551	10.3%
Out of District	818	50	767	1535.6%
Total Landfilled	49,397	44,078	5,319	12.1%

### Salinas Valley Recycles Service Area Tonnage

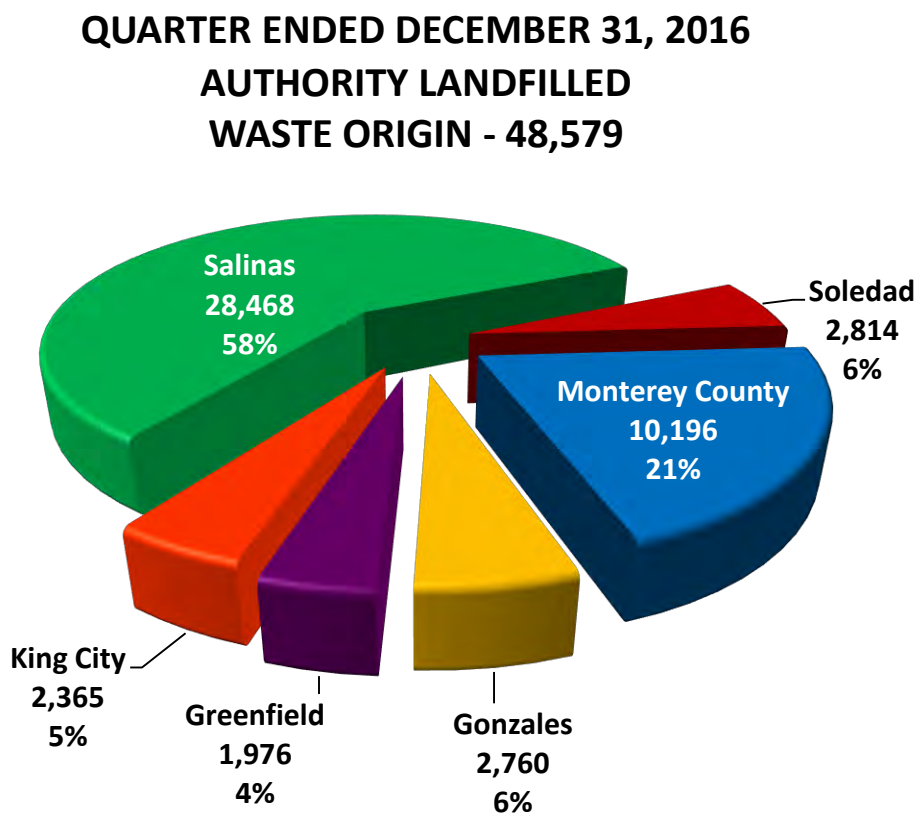
The following table summarizes tonnage accepted from Salinas Valley Recycles' service area for the quarter ended December 31, 2016:

	Oct-Dec 2016		Oct-Dec 2015		Change in	%
	Tonnage	%	Tonnage	%	Tonnage	Change
Total Tons Accepted	63,061	100.0%	58,834	100.0%	4,227	7.2%
Less Diverted Materials	6,730	14.0%	8,851	15.0%	(2,121)	-24.0%
Less Used for ADC	3,626	2.6%	1,622	2.8%	2,004	123.5%
Less Beneficial Reuse	2,270	2.2%	1,359	2.3%	911	67.0%
Less JC market materials	470	0.1%	91	0.2%	379	419.2%
Less SS market materials	1,193	1.3%	808	1.4%	385	47.7%
Less JR market materials	193	0.0%	-	0.0%	193	100.0%
Total Diverted Materials	14,482	23.0%	12,731	21.6%	1,751	13.8%
Total Landfilled	48,579	77.0%	46,103	78.4%	2,476	5.4%

Compared to the corresponding quarter in 2015, the total tons accepted increased by 7.2% and diverted material increased by 13.8%, resulting in a net increase of 5.4% in tons landfilled.

### Waste Origin

Of the 48,579 tons landfilled from our service area, the City of Salinas accounts for 58% of the waste and the County accounts for 21%.

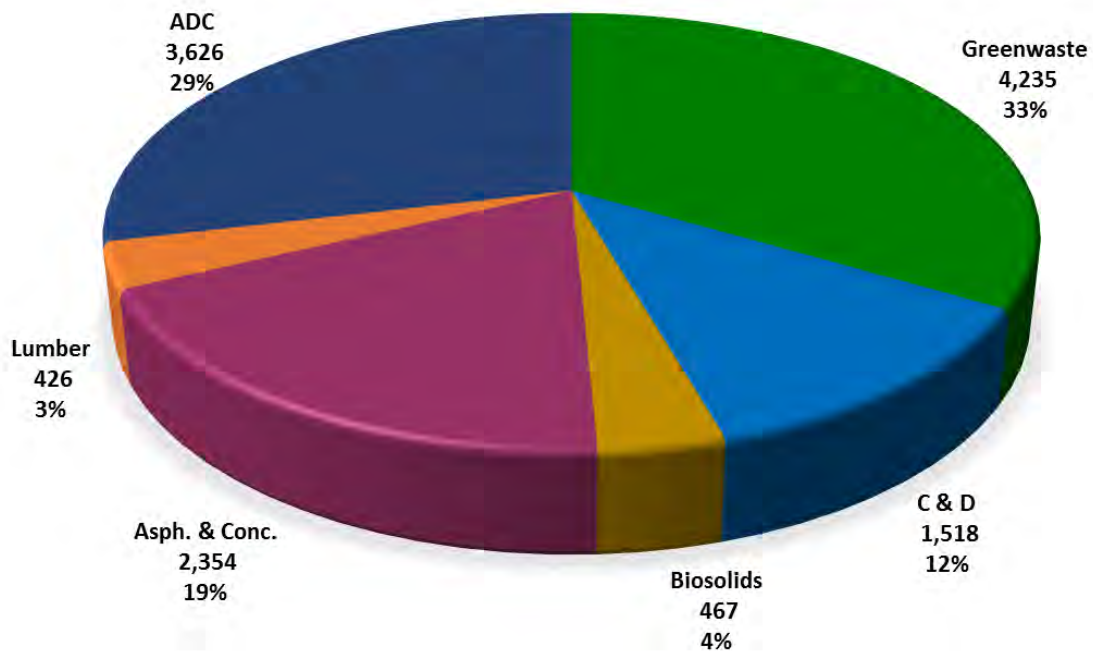




### Diverted Materials

The chart below illustrates that Salinas Valley Recycles diverted a grand total of 12,626 tons of materials for the quarter ended December 31, 2016. In addition to the 12,626 tons of diverted materials received at Johnson Canyon, 470 tons of recyclables were salvaged from the waste stream and sent directly to market. SVR also sent 1,193 tons of recyclable materials to market directly from the Sun Street Transfer Station, 193 tons of recyclable materials to market directly from the Jolon Road Transfer Station. Total tons of diverted materials for the quarter ended December 31, 2016 has resulted in a net increase of 1,751 tons or 13.8% over the same quarter of the previous year.

**QUARTER ENDED DECEMBER 31, 2016  
DIVERTED MATERIALS CHART - 12,626**



### ATTACHMENTS

None



## Report to the Board of Directors

ITEM NO. 7

N/A

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: February 16, 2017

From: Patrick Mathews, General Manager/CAO

Title: History of Salina Area Transfer Station Search

### RECOMMENDATION

Staff recommend that the Board accept this informational report.

### STRATEGIC PLAN RELATIONSHIP

The recommended action helps support Goal No.1 to "Select and Implement Facilities and Programs that Lead to Achievement of at Least 75% Diversion of Waste from Landfilling".

### FISCAL IMPACT

There is no fiscal impact associate with this informational report.

### DISCUSSION & ANALYSIS

With the recent seating of three new Board members and many critical decisions on our long range facility needs coming later this year, staff feels it is important to review the history of our agency's 20-year search for permanent facilities. 80% of SVRs waste is coming from our Salinas and North County service areas and we have been experiencing a significant growing demand for our undersized Sun Street Transfer Station public facilities and services. These decisions are critical to the needs of our agency and the public we serve, and important for our member agency's climate action, economic development and sustainability goals.

### BACKGROUND

Attached you will find a copy of the report presented by Susan Warner, Assistant General Manager on October 15, 2015.

### ATTACHMENT(S)

1. Exhibit A – October 15, 2015 staff report on the "Preparation of Environmental Documents for the Salinas Area Materials Recovery Center and Clean Fiber and Organics Recovery Project"



## Report to the Board of Directors

ITEM NO. 17

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

Legal Counsel

Date: October 15, 2015

From: Patrick Mathews, General Manager/CAO

Title: Preparation of Environmental Review Documents for Salinas Area Materials Recovery Center and Clean Fiber and Organics Recovery Project

## RECOMMENDATION

Staff requests Board direction and concurrence on the final list of sites and projects for environmental review, direction related to discussions with Monterey Regional Waste Management District (MRWMD), and direction to return with Scope of Work and necessary contracts to initiate the environmental study work at the November 2015 Board meeting.

## STRATEGIC PLAN RELATIONSHIP

The recommended action advances **two of the Board's** longest standing Strategic Plan Goals to 1) Fund and Implement 75% Diversion of Waste From Landfilling and 2) Complete the Fact Finding Process for the Salinas Area Materials Recovery Center (SAMRC) by initiating and completing full and factual evaluations of the various project options to assist the Board with final project decisions in the future.

## FISCAL IMPACT

This recommended action has no immediate fiscal impact; however, it will provide the basis for final scoping for due diligence processes including consultant contracts for environmental review, economic impact analysis and long range fiscal modeling. Final contract costs will be known when the sites and project descriptions are completed and our consultant AECOM can then complete final cost estimates for environmental review.

## DISCUSSION &amp; ANALYSIS

In light of the continued facility siting re-direction and clarified policy position from the Salinas City administration, and potential County funding and community concerns related to the Rossi Street extension, the Board directed staff and three appointed Board member to meet with the Salinas City Manager and senior County staff. The purpose of this meeting was to discuss the Rossi Street extension Memorandum of Understanding (MOU) and other relocation related issues to address the ongoing delays in starting the CEQA process. Below is the discussion and positions (support or non-support) from that meeting which the Board may consider in finalizing the California Environmental Quality Act (CEQA) site and project options.

1. Acquisition and purchase of the Madison Lane Transfer Station no longer supported.
  - a. City staff unable to complete MOU with County
  - b. No road construction funding available from County

- c. Ongoing community impact concerns
  - d. SVR should request formal position letter from County
- 2. Swapping SVR's Sun Street properties for City of Salinas Work Street Properties, including relocation of Granite Construction's Asphalt Batch plant to their Handley Ranch quarry not supported.
  - a. Granite does not want to move and desires to improve the site
  - b. City wants to retain economic benefits of batch plant
  - c. Shared use of Work Street properties no longer supported
  - d. City to provide formal position letter to SVR
- 3. Swapping SVR's Sun Street properties for City of Salinas Hitchcock Road Property not supported.
  - a. City plans to use site for solar farm
  - b. Traffic and other adjacent farm concerns
- 4. The Sala Road/Harrison Road property will be considered in CEQA for the Salinas Area Materials Recovery Center and/or the Clean Fiber Organics Recovery system by GOE, optionally supported.
  - a. Good access and minimal traffic impacts on Highway 101
  - b. Available space to provide large buffer zone for residents north of property
  - c. May require rezoning to Public/Quasi-Public Facility
- 5. SVRs Crazy Horse Landfill property will be considered in CEQA for the Salinas Area Materials Recovery Center or the Clean Fiber Organics Recovery system by GOE (not both as space will not permit), optionally supported.
  - a. Pending determination of water availability (potential fatal flaw for Clean Fiber and Organics Recovery portion of project)
- 6. SVRs Johnson Canyon Landfill property will be considered in CEQA for the Clean Fiber Organics Recovery system by GOE, optionally supported.
  - a. Will require continuation of waste transfer from Salinas Area (lower GHG than direct haul to SVR or MRWMD landfills)
  - b. Requires City and County support for relocation of existing transfer station operations in Salinas area (#7 below)
- 7. City of Salinas will assist SVR in identifying any other appropriate sites within the City or its Sphere of influence for siting of:
  - a. A full scale public recycling facility co-located with the Clean Fiber Organics Recovery system by GOE
  - b. A full scale public recycling and transfer station (Assuming potential for continuation of existing transfer of Franchise waste)
  - c. A small public recycling and transfer station (Assuming potential for direct haul of all franchise waste to MRWMD)
- 8. SVR has included City Managers study scenario #7, lowest cost recommendation, in CEQA Scope of Work, optionally supported.
  - a. Other shared service alternatives (tbd) can be built off of this worst-case environmental scenario such as partial or full sharing of processing services/landfills, transportation impact mitigations, and any defined joint use/sharing of assets under merger.
- 9. SVR staff will continue discussion with MRWMD on shared services under contract
  - a. Future use of GOE's Clean Fiber and Organics Recovery material recovery facility after development
  - b. Future use of MRWMD material recovery facility after improvements
  - c. Future use of MRWMD landfill for low cost disposal only

10. Board elected officials will re-open discussions with MRWMD officials on interest in agency merger and joint governance
  - a. SVR staff recommends TAMC governance structure
  - b. SVR will need to develop a rate structure to recover SVR legacy liability costs separate from System operational costs to address one of MRWMDs long standing concerns over merger

## BACKGROUND

In 2003, SVR concluded a 5-year process to locate a permanent home for the SVR operations with the selection and purchase of the Sun Street properties. Environmental review and permitting was completed and long range facilities design was presented to the Board for consideration in 2007.

Soon thereafter and at the request of the City of Salinas, on September 18, 2008 the Board of Directors agreed to stop the facility development process and consider relocating the **Sun Street Transfer Station operations to support the City's new Alisal Market Place** redevelopment project. The 2008 staff report and Board resolution are attached for your reference. City owned properties on Work Street were identified by the City as a feasible and potentially shorter timeline alternative, allowing for some form of property exchange.

The initial SVR use of the Work Street properties anticipated the relocation of the Granite Construction asphalt batch plant to their permitted quarry northeast of the City of Gonzales. City staff informed SVR that Granite already had the appropriate entitlements at their quarry and had expected the relocation to occur at some point in the future. Per the Board's direction, staff began various due diligence efforts and development of a Memorandum of Understanding (MOU) with the City of Salinas. The Board requested the MOU in order to provide some level of assurance that Salinas would consider the land exchange/sale pending investment in and completion of Environmental review and necessary permits. The MOU was developed specifically to be non-binding consistent with California Environmental Quality Act (CEQA) requirements and was requested to establish **terms and conditions for assisting the City's redevelopment efforts and SVR's relocation** efforts, condition on CEQA completion and certification. Initial collaborative efforts with City staff on the MOU were positive; however, as the recession took full hold and the City of Salinas underwent a significant administrative reorganization, the MOU was never completed.

When the relocation process was finally reinitiated as economic recovery began in 2011-12, the new City administration informed staff that they wanted to retain the Granite batch plant at its current location and asked that staff consider shared use (with Granite) of the remaining city properties on Work Street. Staff began in earnest to evaluate **re-design and changes in conditions that would facilitate the City's request**. While a number of issues came up such as potential flood impacts on the new project site, staff and our engineers were able to arrive at a project design that would have allowed the joint use of the City property with Granite construction and addressed the flood and other design challenges. CEQA project descriptions were prepared and a CEQA scope of work was developed to move this alternative use of the Work Street property forward into environmental review.

In 2013 just prior to requesting approval to begin CEQA on the Work Street properties, City staff informed SVR that they believed that SVR should do a full project siting evaluation and look at other location alternatives before considering the Work Street properties

further. As background, SVR had already conducted and certified a full regional facilities CEQA study in 2002 that ended with the selection of the current Sun Street properties.

In 2013, the SVR Board of Directors approved forming a Citizens Advisory Group (CAG) to assist with this re-evaluation of facility locations (per City staff request), among other tasks. After 13 months of careful work and deliberation, the CAG recommend four site options to the Board of Directors for consideration:

1. Work Street (City of Salinas leased to Granite for an asphalt batch plant)
2. Hitchcock Road (current location of the City and County Animal Shelters)
3. Sun Street (present location of the Authority's transfer station and recycling center)
4. Madison Lane (Waste Management's Salinas transfer station off Boronda Road)

At the Boards July 2014 Strategic Planning retreat, Salinas City Manager and staff attended and announced that the City would no longer support use of their Work Street or any other CAG identified properties within the City limits and instead recommend that SVR re-consider acquisition of the existing Madison Lane Transfer Station. The Salinas City Manager and staff assured the Board of its full support and desire to take the lead in developing an MOU with the County for construction of the Rossi Street extension that would address previous traffic mitigation concerns for use of this site.

With limited choices left to consider, the Board agreed to this new change in potential future SVR facilities location and directed staff to begin preliminary design and CEQA preparation for use of the Madison Lane Transfer Station property. The Initial Study, CEQA Checklist and Notice of Preparation has been completed and is awaiting Board action. However, one of the Board conditions to proceeding with CEQA study was completion of the non-binding MOU between the City of Salinas, the County of Monterey and SVR for co-funding of the Rossi Street extension. After several months of SVR inquiry, it became apparent that City staff had not moved forward with development of the Rossi Street Extension MOU and would later inform SVR that they would not move the MOU forward until Monterey Bay Area Manager Group Solid Waste Study was completed. It is and continues to be staff's professional opinion that while this study offers some ideas for consideration, it is missing many important analyses and data that would be critical to good public decision making. This document is not an appropriate decision making tool for SVR's due diligence efforts.

At its September 17, 2015 meeting the Board of Directors was presented with a table of project options and sites with direction to complete preparation of the CEQA scope of work and other related due diligence processes so SVR could progress towards this long awaited decision. The Board indicated support that SVR was finally moving forward with the CEQA process and no substantial comments or recommended changes were offered. A copy of that table is attached for your reference.

In recent weeks the Salinas City Manager has made clear public comment and provided written comment to SVR staff stating that the City of Salinas's policy direction is now for SVR to relocate entirely outside of the City limits. While these comments are not completely unexpected, it is the first time we have had a clear understanding from the City administration regarding the City's previous request for relocation of SVR's Sun Street facilities. The City administration's position has a potential significant impact on the Board's attached list of final project options for CEQA study.

ATTACHMENT(S)

1. Board Report regarding Sun Street facilities relocation, September 18, 2008
2. SVR facility options for CEQA evaluation, September 17, 2015



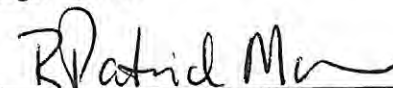
**SALINAS VALLEY  
SOLID WASTE AUTHORITY**

***Report to the Board of Directors***

**ITEM NO. 12**

  
Finance Manager/Controller-Treasurer

***T. Bruen by pm***  
Legal Counsel

  
General Manager/CAO

**Date:** September 18, 2008

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

**Title:** A Resolution Approving Authority Commitment to Relocate the Sun Street Transfer Station and to Investigate and Enter into Negotiations for the Acquisition of the City Only Properties on Work Street

**RECOMMENDATION**

Staff recommends that the Board of Directors discuss and provide staff direction on the Authority's commitment to relocate the Sun Street Transfer Station to a location outside the Alisal Marketplace development zone and direct staff to work with the City of Salinas to consider both the City developer's proposed relocation sites on Work Street and an Alternate Relocation Plan on the City owned Work Street properties proposed by staff.

The Executive Committee tabled this item until additional financial information is provided.

**BACKGROUND**

The Authority's primary public service facilities for the City of Salinas (transfer station, recycling center and household hazardous waste facility) and the Authority's administrative offices are located at 131 and 128 Sun Street in Salinas. After closure of the Crazy Horse Landfill in mid-2009, this facility will also serve as the primary public service center for the entire unincorporated north Monterey County area served by the Authority, with some North-County self-haul waste likely going to Waste Management's Madison Lane Transfer Station. The greater Salinas Service area (Salinas and north Monterey County) encompasses a population of 176,000, which represents 78% of the Authority's service population with the balance located in south Monterey County service areas.

Development of a full-scale public transfer station and recycling center to support the greater Salinas area is an essential public service element of the Authority's long range strategic plan and one of its highest identified priorities. As background, we have attached a summarized history of the Authorities efforts to site and develop a permanent public transfer station and materials recovery operation in the greater Salinas Area.

In the Authority's initial search for a permanent Salinas area transfer station and recycling center, we considered the purchase of the Madison Lane Transfer Station owned by the County's franchise hauler, Waste Management (WM). The Madison Lane Transfer Station was fully studied in the Regional Facilities Environmental Impact Report certified by the Board in 2002. This facility was the first choice but had several development issues that resulted in this option being considered less favorable than the Sun Street option offered by the City of Salinas. WM's requested price was determined by the Board to be too high. There were a number of unknown costs associated with



County roadway and other mitigation requirements that the County was unable to define without further study; and, there were local concerns about potential impacts due to increased traffic and tonnage.

As a result of the above concerns, the Sun Street location was chosen by the Authority Board as the Authority's permanent Salinas area transfer station and recycling center with the full concurrence of the City of Salinas. The Authority then completed development plans and certified environmental review documents for the long range facilities at Sun Street including an interim plan utilizing the existing buildings and infrastructure while the plans for the replacement transfer station and recycling center were finalized and the facilities are permitted and built. Approximately, \$2.1 million in development and design costs, improvements and repairs have been made to the transfer station property since the acquisition in 2005. As of today, we are still utilizing the interim plan for only basic public and franchise hauler services.

In 2007, approximately two years after the Board's commitment to consolidation of the Authority's Salinas operations at the Sun Street location, the City of Salinas identified a major redevelopment project in and around the Authority's Sun Street facilities. The redevelopment project is known as the "Alisal Marketplace". Both the City of Salinas and their developers, Cooley Development Partners (CDP) and the Bristol Group (Bristol), are very eager to fast track this project with minimum administrative delay.

The Alisal Marketplace is a mixed use development consisting of residential, retail and commercial uses. The Authority's Sun Street service facilities, along with the adjacent BFI corporation yard, are located within the development envelope for the Alisal Marketplace and have been designated for relocation and of top priority. The development group has identified four private parcels owned by the Ottone family and a City owned parcel on Work Street for the relocation of the Authority's Sun Street facilities and the City's franchise hauler corporation yard (currently BFI). A parcel map and aerial photo of the proposed Work Street relocation site is attached for your reference.

## **DISCUSSION & ANALYSIS**

### **Authority Commitment to Relocate Sun Street Transfer Station Operations**

As outlined above, plans and environmental review for development of the full scale transfer station and recycling center at the Sun Street location were previously approved by this Board and the City of Salinas. However, progress on the Sun Street plans has temporarily been halted in order to evaluate the proposed relocation plan to assist the City of Salinas with the Alisal Marketplace project.

The Board has taken no formal action to defer the ongoing activities associated with the approved Sun Street Transfer Station project. Therefore, staff is now seeking formal direction from the Board to defer development of a full scale transfer station at the Sun Street project, but to maximize the utility of the site for short term use until Sun Street activities can be relocated.

If the Board approves this approach, staff will present to the Board a report detailing recommended improvements and changes at Sun Street that will enhance the operations at Sun Street with minimal capital and operational costs while the relocation project is implemented over the next three to five years.

### Alternate relocation site on City owned Work Street Properties

Following discussions with Mayor Donahue and representatives of the City of Salinas, staff has identified an alternate relocation site in the same industrial area as the proposal by Cooley Development Partners. The alternate site would encompass two City of Salinas owned parcels adjacent to the Ottone parcels offered by CDP. One parcel is mostly vacant land except a sanitation district pump station and a small aggregate stockpile area leased by Granite Construction. The second City parcel is under a short term lease to Granite Construction for a portable asphalt batch plant. The leases are set to expire in December 2010.

Based on staff's initial analysis of these two relocation options on Work Street (CDPs offer regarding the Ottone property and the City sites), the City sites are larger, and their acquisition would involve fewer troublesome negotiating issues. The City sites also appear to involve fewer environmental issues, and offer better and safer ingress and egress options for the expected truck and public traffic. The City sites also have less potential to be impacted by the adjacent flood zone, and may have lesser mitigation requirements. Ongoing discussions with the City of Salinas and further due diligence on the Authority's part are necessary to determine the feasibility of this alternative relocation site.

### Conclusion

Therefore, staff requests that the Board of Directors take the following actions:

1. Affirm the Board's position on relocation of the Sun Street Transfer Station Operations to facilitate the City's desire to support the proposed Alisal Marketplace Project.
2. Direct staff to investigate the City-only properties on Work Street and to enter into discussions with the City regarding the terms of acquisition of the City parcels. [Staff will be assisted in these negotiations per the prior Board action by the Board's Work Street Acquisition Subcommittee.]

### **FISCAL IMPACT**

Unknown at this time due to ongoing negotiations. Staff's projected assumptions at this point are that standard relocation practices dictate that the relocation will not increase the Authority's costs beyond those that were already anticipated for development of the permanent Sun Street facilities. However, based on ongoing discussions with the City's developer CDP and the City of Salinas, and staff's evaluation of the business points associated with the relocation, additional costs (above those already anticipated for construction of the permanent transfer station) to the Authority are likely and will be presented in closed session as part of staff's real property negotiations report.

### **ATTACHMENT(S)**

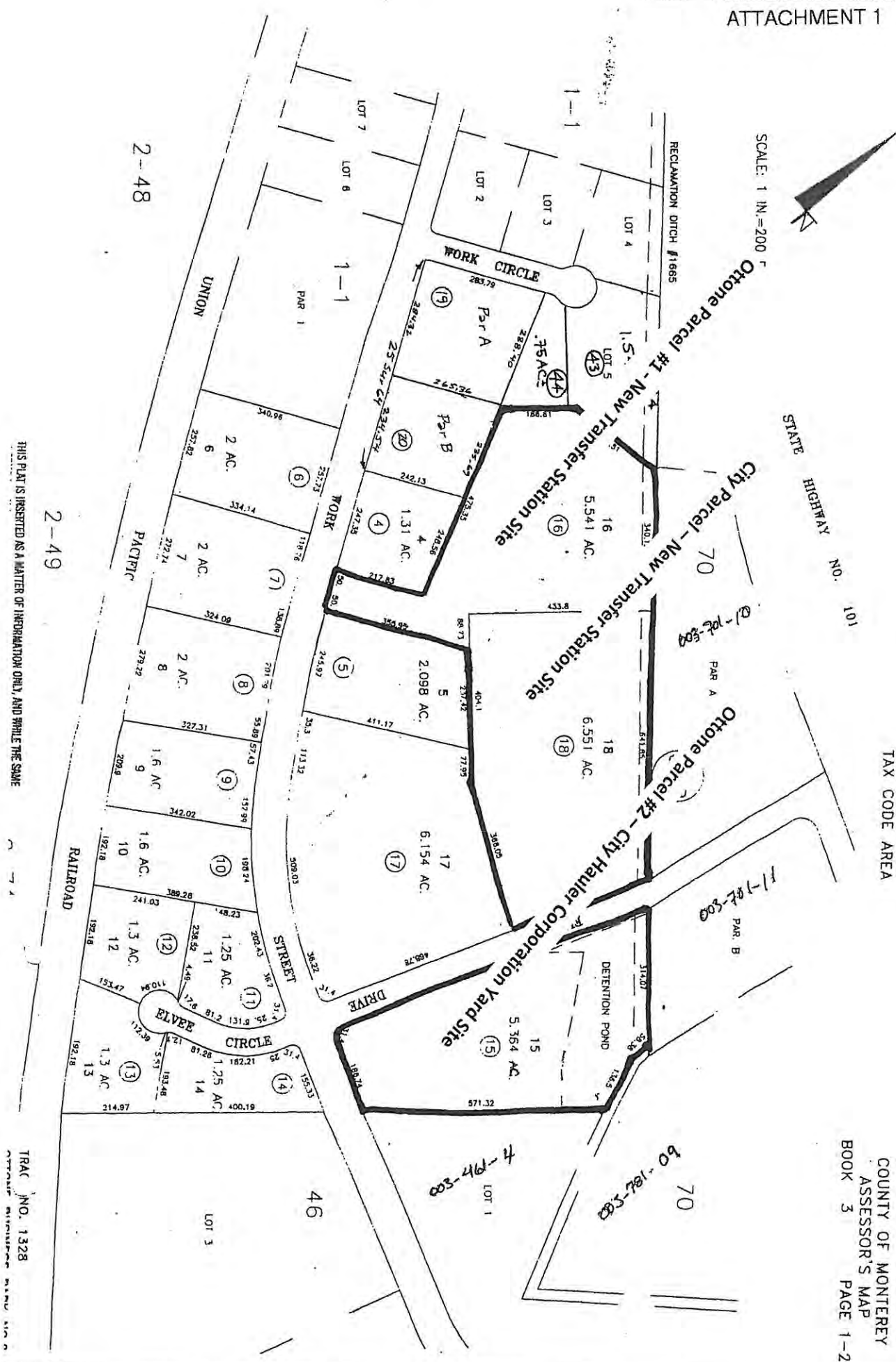
1. Work Street Relocation Parcel Maps
2. Work Street Relocation Aerial Photo
3. Resolution committing to fund environmental review costs
4. Development History for Greater Salinas Area Transfer Station

SCALE: 1 IN.=200 FT.

STATE HIGHWAY NO. 101

TAX CODE AREA

COUNTY OF MONTEREY  
ASSESSOR'S MAP  
BOOK 3 PAGE 1-2

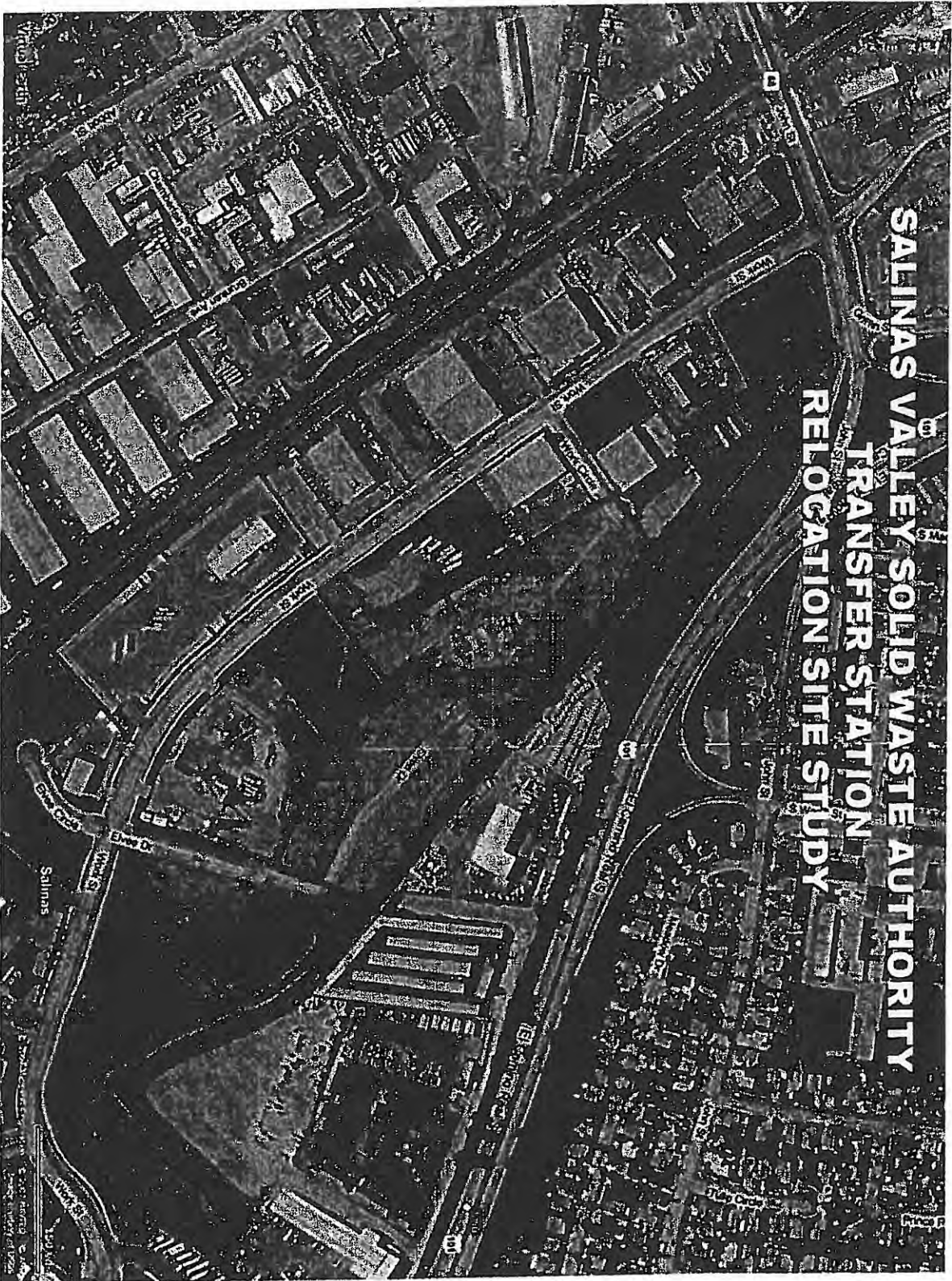


THIS PLAT IS INSERTED AS A MATTER OF INFORMATION ONLY, AND WHILE THE SAME

TRA( NO. 1328  
ATTN: ASSISTANT MANU AG



Figure 2 - Aerial Photo



## RESOLUTION NO. 2008 – 46

### **A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY APPROVING AUTHORITY COMMITMENT TO RELOCATE THE SUN STREET TRANSFER STATION AND TO INVESTIGATE AND ENTER INTO NEGOTIATIONS FOR THE ACQUISITION OF THE CITY ONLY PROPERTIES ON WORK STREET**

**WHEREAS**, the City of Salinas has selected Cooley Development Partners and the Bristol Group to redevelop the Alisal area in and around the Authority's Sun Street Transfer Station, also known as the Alisal Marketplace; and

**WHEREAS**, the proposed Alisal Marketplace redevelopment would require the relocation of the Sun Street Transfer Station operations to a site outside the redevelopment area; and

**WHEREAS**, Authority staff, based on discussions with the City of Salinas, have identified an alternative location for the Sun Street Transfer Station located on two City-owned parcels in the Work Street area (APN #s 003-701-017 and 003-017-018),

**THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Salinas Valley Solid Waste Authority, that

1. It is the Board's position that, subject to receiving adequate compensation for the Sun Street Transfer Station property and improvements and the successful acquisition of an alternate location for the Transfer Station on term's satisfactory to the Board, the Authority shall relocate the Sun Street Transfer Station Operations to facilitate the City's desire to support the proposed Alisal Marketplace Project.
2. Staff is hereby directed to investigate the City-only properties in the Work Street area (APN #s 003-701-017 and 003-017-018), and to enter into discussions with the City of Salinas regarding the terms of acquisition of the City parcels. Staff will be assisted in these negotiations, per prior Board action, by the Board's Work Street Acquisition Subcommittee.

**PASSED AND ADOPTED** by the Board of Directors of the Salinas Valley Solid Waste Authority this 18<sup>th</sup> day of September, 2008 by the following vote:

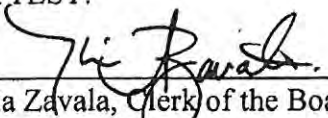
AYES: BOARD MEMBERS: ARMENTA, BARNES, DE LA ROSA, DONOHUE,  
MORENO, ORTIZ, WORTHY

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: CAMPOS

ABSTAIN: BOARD MEMBERS: NONE

ATTEST:

  
Elia Zavala, Clerk of the Board

  
George Worthy, President

## BRIEF HISTORY OF THE SEARCH FOR A SALINAS AREA TRANSFER STATION 1997-2007

Since the inception of the Authority in 1997 it has been a primary goal to own and operate a transfer station/materials recovery facility (MRF) in the Salinas area.

The following is a chronological accounting of the major Board actions which resulted in the selection of Sun Street as the site for the Salinas Area transfer station/MRF.

### October 1997 Policy 97 2 Transfer Station Responsibility

"The Authority shall be responsible for providing solid waste disposal and transfer capacity to all Member Agencies...."

August 1998 -The Board directed staff to study a number of locations in both Salinas and King City. Included in the original Salinas area study was the Madison Transfer station as well as the Georgia Pacific site on Spence Road.

April 1999- The Board broaden the search beyond properties listed for sale and directed staff to reopen the site search for anew Salinas area transfer station considering all potentially suitable properties not just commercially available properties as had been the focus earlier.

December 1999 The Board Transfer Station Subcommittee felt that selection of five Salinas area sites for inclusion in the Regional Facilities EIR would provide reasonable assurance that at least one site would continue to be a viable alternative following CEQA evaluation. The sites recommended were:

Site 2 Northeast Comer of South Sanborn Road and Abbott Street  
 Site 11 Salinas Transfer Station (Madison Lane)  
 Site 1 Northeast Comer of John Street and Abbott Street  
 Site 15 Highway 101 and Somavia Road  
 Site 7 Boronda Road South of the reclamation ditch

1999-2003 The Regional Facilities EIR studied numerous landfill sites to the project level to allow the Authority Board flexibility and selecting a final site. It also studied two transfer station sites in the King City area to a project level; Industrial Way and Jolon Road Transfer Station. However, at direction of the Board, only Madison Lane Transfer Station was included in the final CEQA project description. The other four Salinas area sites were deemed unacceptable by Salinas Board members and withdrawn from further action.

July –August 2002 The Board opted to renew the operating agreement with Waste Management only to 2004 because the cost of purchasing the Madison Lane site was too expensive (\$9.5M) and the additional cost of County CUP improvements (\$1-3M) to the area could never be clearly established. In addition, the only new operating agreement (beyond the existing contract) which Waste Management would accept was a long term contract with no exit clause and would commit the Authority to long term high cost operation.

## BRIEF HISTORY OF THE SEARCH FOR A SALINAS AREA TRANSFER STATION 1997-2007

February 2003 The Board approved lease purchase option for Sun Street for \$3.6M and a monthly lease until it exercised the option to purchase. The Board condition to purchase was the CEQA studies were successful and that there was no City opposition to the project.

November 2003, The Board certified the Sun Street Mitigated Negative Declaration and Mitigation Monitoring plan and directed staff to file the Certified Notice of Determination. It also approved the Sun St Transfer Station/MRF project in two phases with the Phase II to be completed prior to the closing of Crazy Horse landfill.

January 2005 Sun Street Transfer Station opens operated by Norcal. Initial daily tonnage limit is 100 tons.

April 2005 The Board directed staff to solicit request for Proposals for the Integrated Material Recovery Plan and the Sun Street Transfer Station Design.

May 2005 Notice of Completion for the Sun Street Convenience Station construction project (CIP 9199) is filed for a total amount of \$638,000.

July 2005 Board awarded contract for conceptual design of Sun Street facilities

August 2005 A public hearing was held to Subsequent Mitigated Negative Declaration clarifying the Sun Street Transfer Station and Material Recovery Facility project description to assist in obtaining a revised Solid Waste Facility Operating Permit.

October 2006 The board approves the RFP for design service for the Su Street Transfer Station/MRF

June 2007 The Board authorizes Professional Services Agreement with URS Corporation. Instead of full design services, the proposed agreement was reduced to providing pre-project activities prior to the design of the Sun Street Transfer Station. The tasks were:

- A. Stakeholders Interviews and Summary
- B. CEQA approach
- C. Salinas Conditional Use Permit Requirements
- D. Alternative Project Analysis
- E. Fiscal Impact Analysis
- F. Recommendations

It was from the URS stakeholder study that the pubic and private sentiment either against the transfer station development or in favor of the Alisal Market Place became very clear and shortly thereafter the Authority began discussions with Cooley development and the City of Salinas on alternative locations.





**RE: Item No. 12**

**THE FOLLOWING SLIDE  
WAS PRESENTD**

**AT THE  
MEETING OF**

**THE  
BOARD OF DIRECTORS**

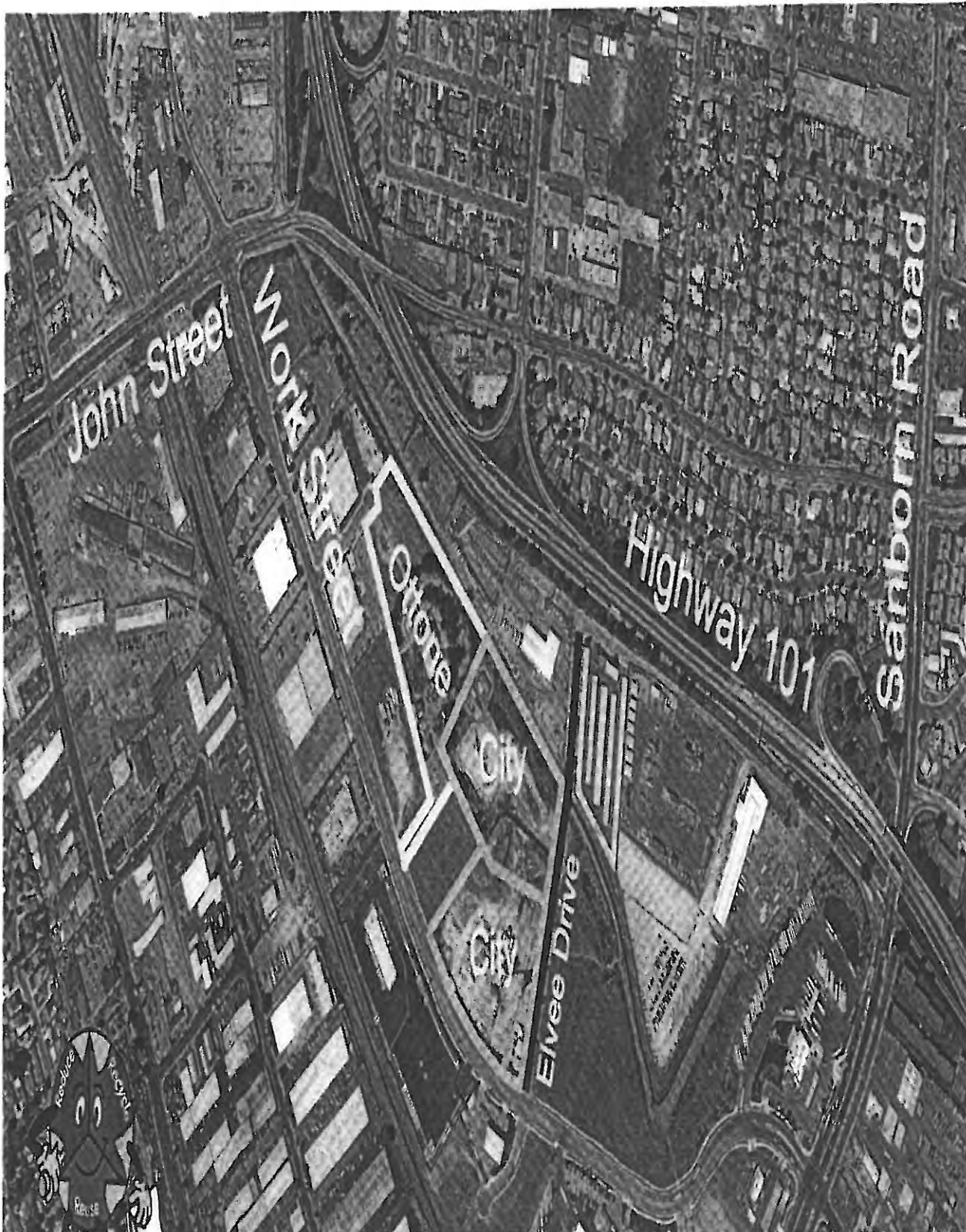
**ON**

**September 18, 2008**

1. Picture Slide – Work Street Options  
From: General Manager/CAO Mathews
-



# Work Street Options



# Salinas Valley Solid Waste Authority

## Salinas Area Materials Recovery Facility - October 15, 2015

Reviewed by Citizens Advisory Group 9-10-15; Reviewed by Board of Directors 9-17-15

### Proposed Projects:

	Madison Lane	Work Street	Hitchcock Rd	Sun Street	Harrison Road	Johnson Canyon	Crazy Horse	MRWMD
<b>1) Transfer Station/Materials Recovery Center/Clean Fiber Recovery System</b> Up to 1,500 tons per day Municipal solid waste, yard waste, recyclables, household hazardous waste From Salinas and North County franchise haulers and self haulers Global Organics Energy clean fiber and organics recovery system Materials Recovery Center Household Hazardous Waste collection facility Transfer station Administrative offices Salvaged material sales	✓ ?	✓ ?	✓ ?		✓			
<b>2) Transfer Station/Materials Recovery Center</b> Up to 1,000 tons per day Municipal solid waste, yard waste, recyclables, household hazardous waste From Salinas and North County franchise haulers and self haulers Materials Recovery Center Household Hazardous Waste collection facility Transfer station	✓ ?	✓ ?		✓	✓			
<b>3) Clean Fiber Recovery System Only</b> Up to 600 tons per day (Phase I)					✓	✓	✓	
<b>4) No Salinas Facility (Solid Waste Study Recommendation)</b> All Salinas and North Monterey County tonnaged direct hauled to Monterey Regional Waste Management District for processing								✓
<b>5) No Project (Sun Street with or without MRWMD)</b> Up to 600 tons per day Salinas franchise solid waste and green waste received at Sun Street North county franchise solid and green waste received at Madison Lane Self haulers choose Sun Street or Madison Lane Materials Recovery Center for self haul customers Household Hazardous Waste Collection facility Tonnage transferred to Johnson Canyon Landfill, or Select tonnage transferred to MRWMD for processing or disposal				✓				✓



# SALINAS AREA TRANSFER STATION SEARCH HISTORY 1997-2017

# Salinas Area Facilities Search

1998-2003 - Madison Lane Transfer St. (1.0)

- **Couldn't agree on purchase price**
- Only one roadway in and out
- High mitigation fees for alternative entrance to address neighborhood traffic impacts

# Salinas Area Facilities Search

## 2002 Regional Facilities EIR

Considered 35 new Salinas area sites, then narrowed to 5 sites for CEQA study:

- Madison Lane (preferred site)
- Boronda Road at S.P. railroad crossing
- John and Abbott
- Sanborn and Abbott
- Somavia and Hwy 101

# Salinas Area Facilities Search

## 2002 Regional Facilities EIR (cont.)

- 2002-03 - No decision on EIR Transfer station sites & Madison Lane dropped
- 2002 - Salinas staff recommends Sun Street as new alternative
- 2003/2004 – Sun Street CEQA and Site acquisition negotiations

# Salinas Area Facilities Search

## Sun Street Transfer Station, Ph. I & II

- 2003 - Sun Street CEQA Document Certified
- 2005 – Opened Ph. I interim facility
- 2010 – Planned opening of Ph. II full scale, enclosed facility with Materials Recovery
- 2008 – Deferred Ph. II project to support **Salinas' Alisal Market Place concept**



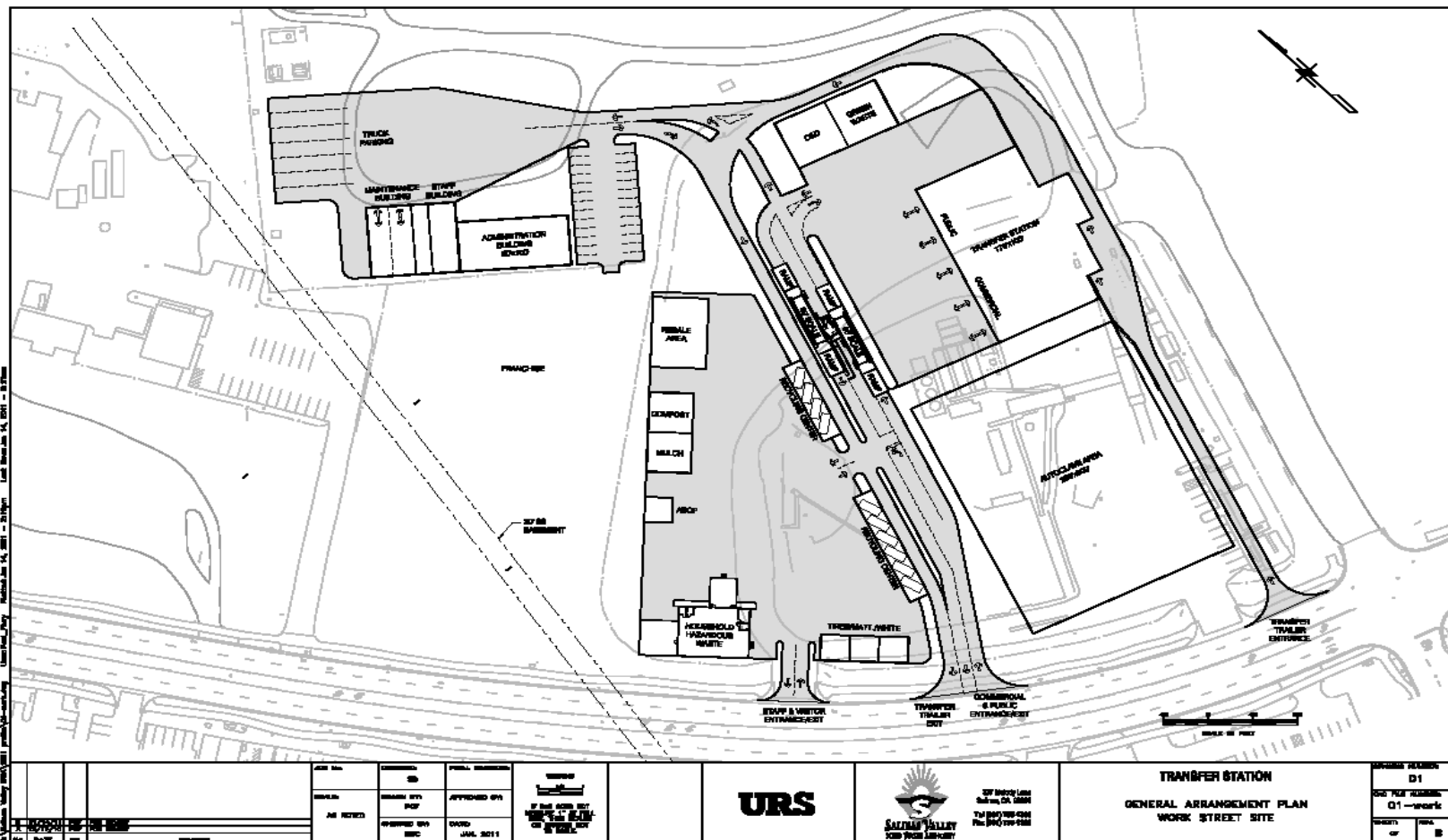


# Salinas Area Facilities Search

## Work Street Relocation Plan (1.0)

- 2008 – Board approved resolution to consider relocation to City of Salinas owned properties on Work Street
- 2009-10 - City/SVR conduct appraisals & negotiates property exchange agreement
- 2009-10 – SVR commences site design & initiation of CEQA activities
- 2010-11 – Project pause due to recession

# WORK STREET 1.0

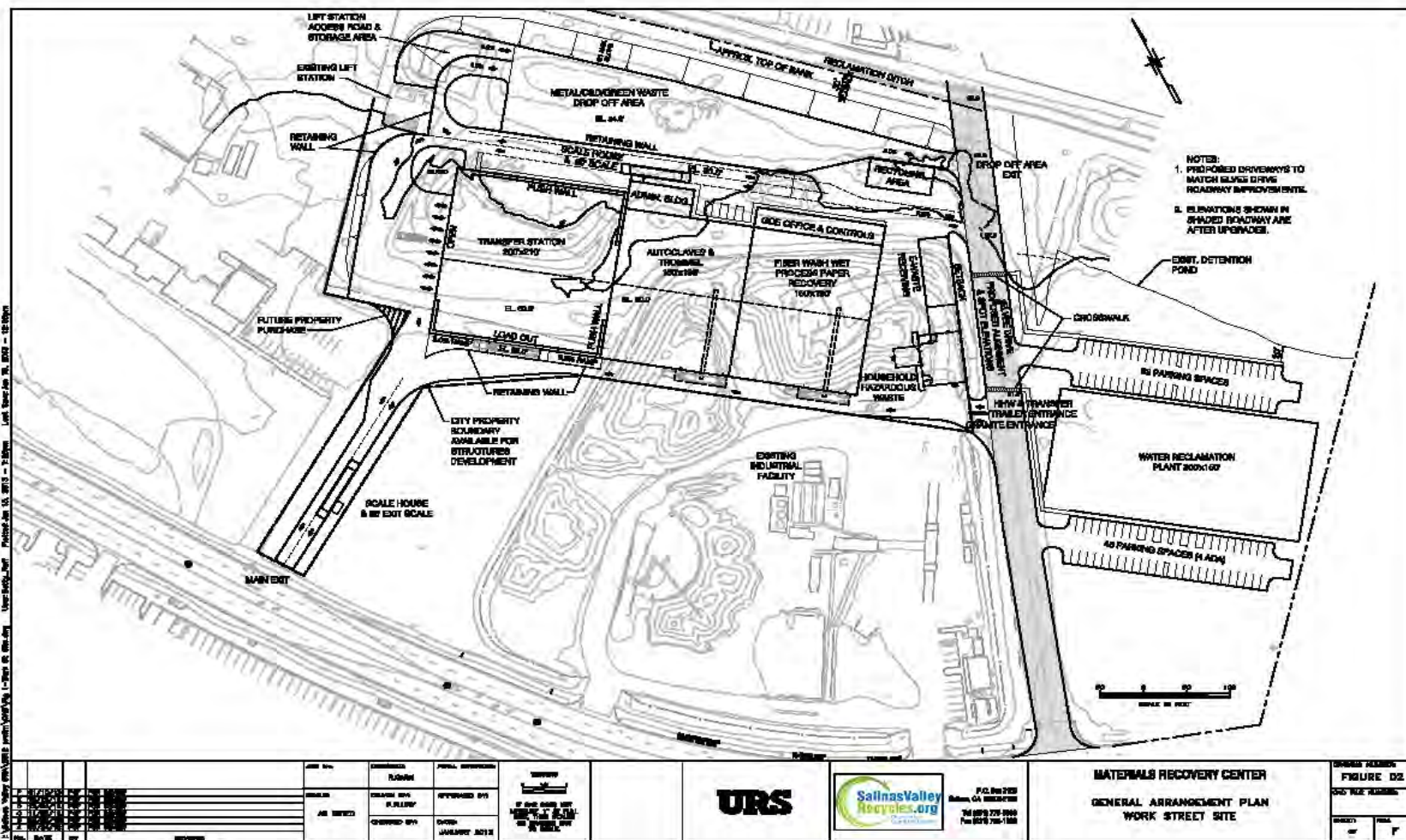


# Salinas Area Facilities Search

## Work Street Relocation Plan (2.0)

- 2012 - City staff informs SVR of decision to retain asphalt batch plant on Work St. property
- 2012 - City staff requests SVR consider co-location on Work St. properties (2.0) with batch plant
- 2012-13 – SVR commences revised site design & initiation of CEQA activities (2.0)

# WORK STREET 2.0



# Salinas Area Facilities Search

## **Citizen's Advisory Group Site Evaluations**

- 2013 – City staff informs SVR it will no longer support Work St. (2.0) relocation
- 2013 – City staff requests new study of alternative sites
- 2013 - CAG is formed to support siting study
- 2014 – CAG siting study results presented to Board

# Salinas Area Facilities Search

## **Citizen's Advisory Group Site Evaluations**

- 2014 – CAG study results identify 4 sites for study/re-study
  - Work Street (City owned)
  - Madison Lane Transfer Station
  - Hitchcock Road (City owned)
  - Sun Street

# Salinas Area Facilities Search

## **Citizen's Advisory Group Site Evaluations**

- 2014 – City staff informs Board it will only support Madison Lane & offers to take lead on Rossi Rd. Extension agreement (traffic mitigation)
- Madison Lane becomes preferred project

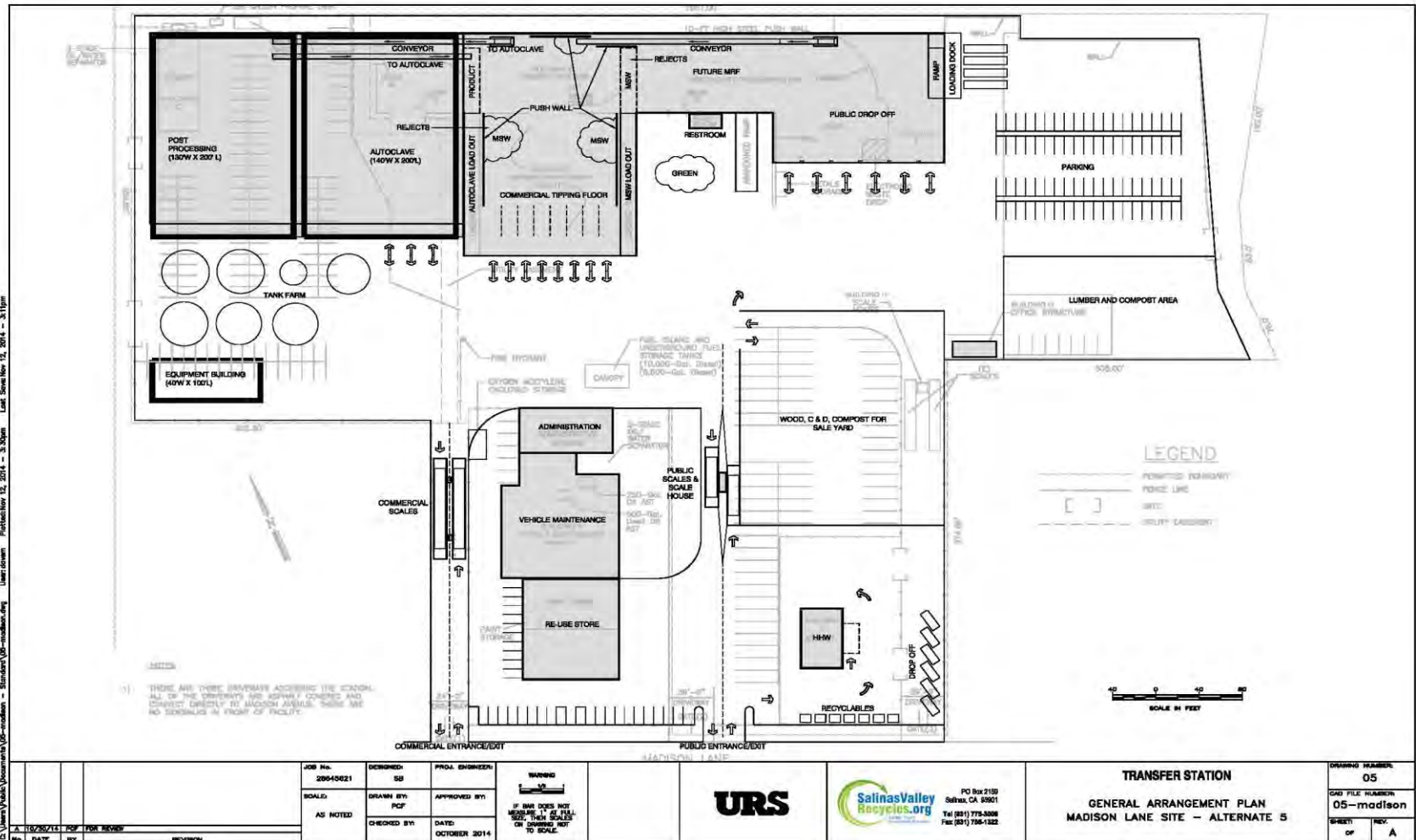
# Salinas Area Facilities Search

## Madison Lane Transfer Station (2.0)

- 2014-15 - SVR commences site design & initiation of CEQA activities
- 2015 - Rossi Road extension funding agreement never completed
- 2015 - Similar obstacles remain to Madison Lane Transfer from 1998-2003 efforts



# MADISON LANE 2.0

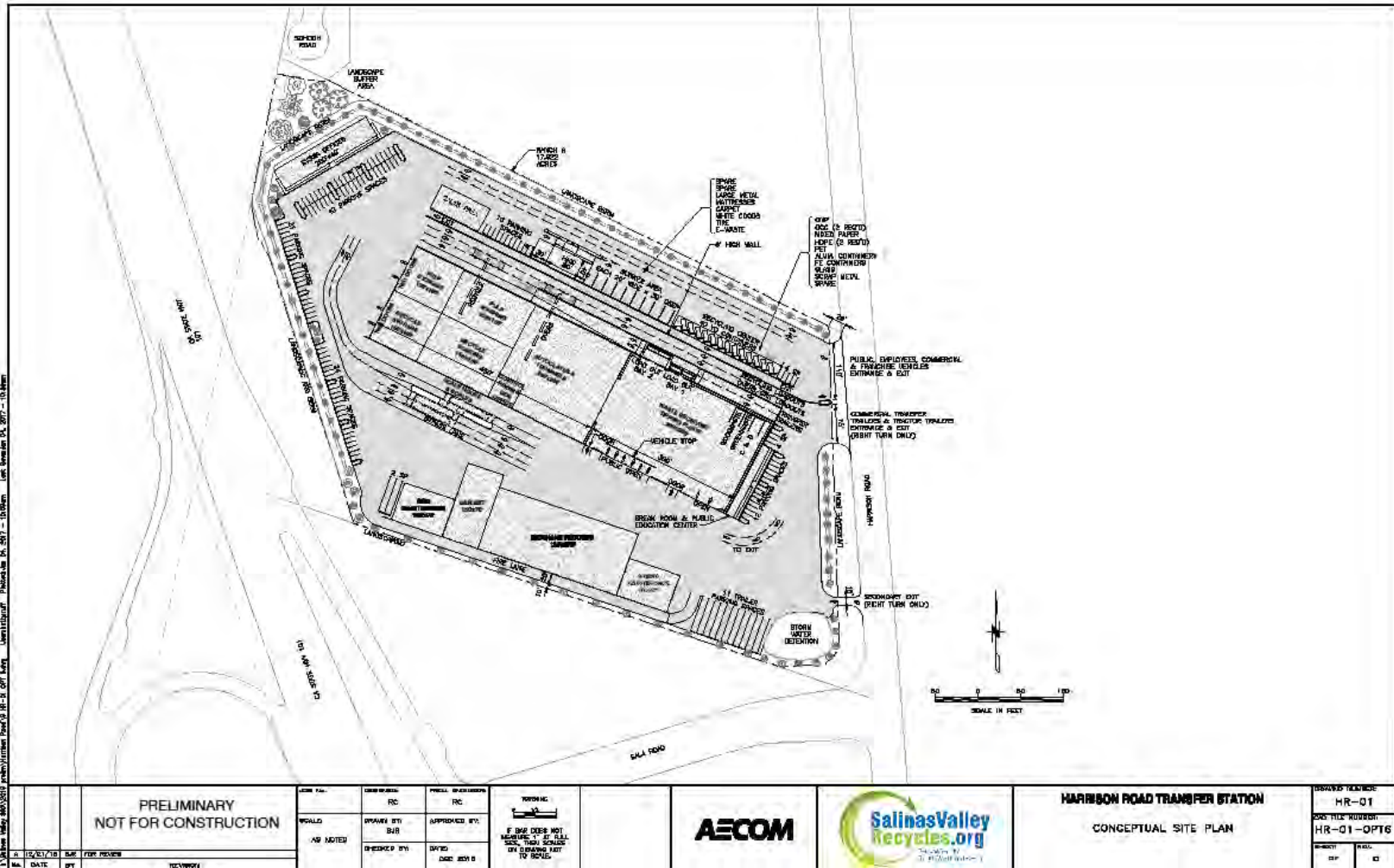


# Salinas Area Facilities Search

## Harrison/Sala Road Alternative Added

- 2015 – Real estate market search identifies Harrison/Sala Road as new alternative after Madison (2.0) does not proceed
- 2015 – Harrison/Sala Road alternative reviewed & added to siting list by CAG
- 2015 – Board approves adding Harrison/Sala to CEQA study sites

# HARRISON/SALA ROAD

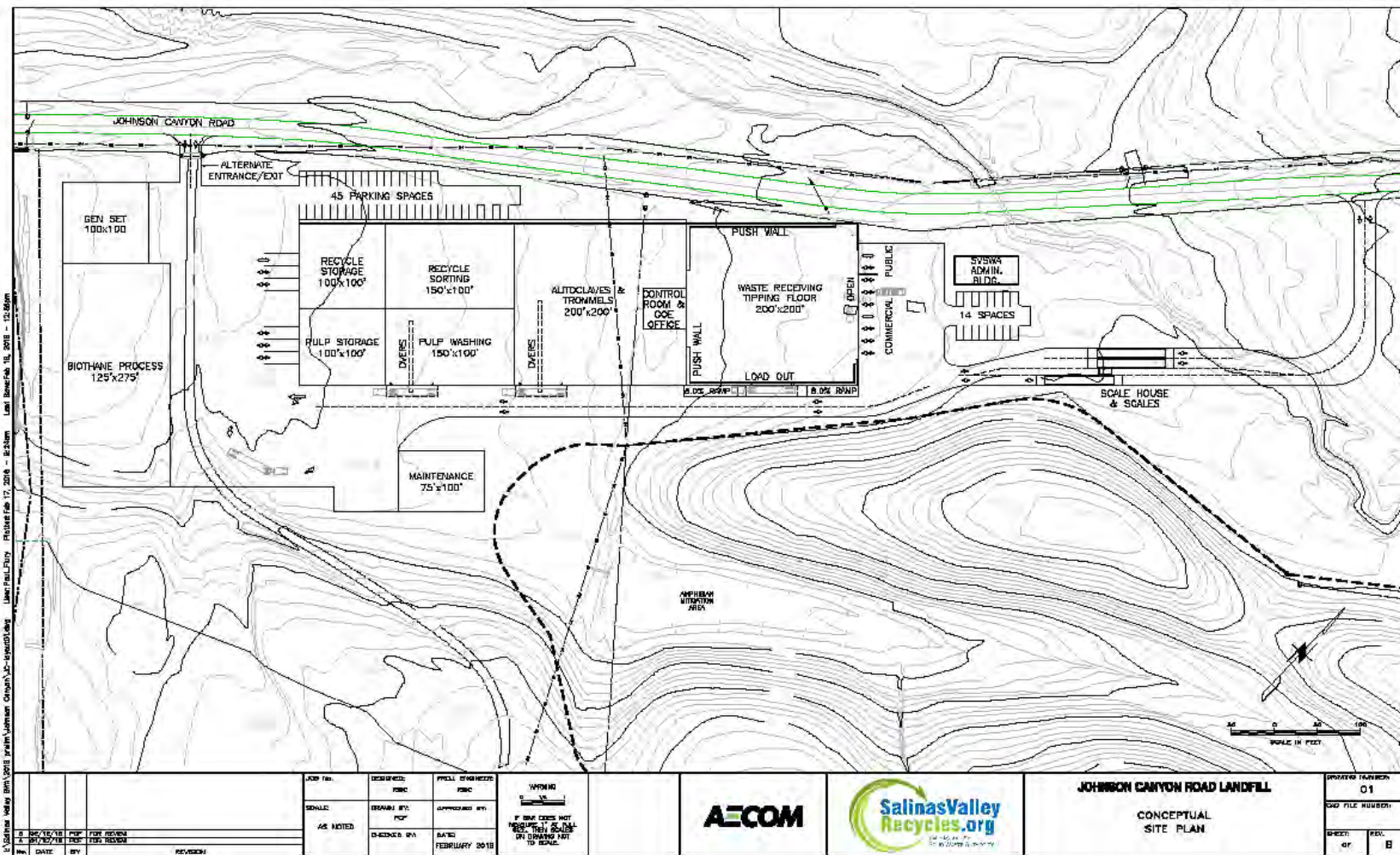


# Salinas Area Facilities Search

## Due Diligence for 5 Project Options

- 2015-16 – Board approves option agreement to purchase Harrison/Sala property conditioned upon completing CEQA and decision on final path
- 2015-2017 – Due Diligence studies in-progress for all options
  - EIR
  - Economic Benefits Studies
  - Long Range Fiscal Impact Studies







# MRWMD



# Salinas Area Facilities Search

## Long-Range Facilities EIR

- 2015 – Board approves final CAG recommendations for CEQA study & all options/sites are approved to be studied at full preferred project level under CEQA
  - Advanced waste recovery public/private(GOE) partnership (2 sites)
  - Transfer Station-only (3 sites)
  - Advanced waste recovery system only (2 sites)
  - Close Sun Street & direct haul to MRWMD for landfilling and/or materials recovery
  - No Project – Remain at Sun Street Transfer St. w/improvements

# Salinas Area Facilities Search

## Other Due Diligence Studies

- Economic Benefits Studies (IMPLAN)
    - Jobs creation (or loss)
    - Economic benefits/impacts
    - Trickle down effects
    - Assess support of member agency
- Economic Development Goals & Objectives



# Salinas Area Facilities Search

## Other Due Diligence Studies

- Long Range Fiscal Impact Studies
  - Modeling and projection of rates
  - Evaluates long term effects of decisions
  - Considers fiscal sustainability of decision options

# QUESTIONS

# A Future Without Landfills?



Salinas Valley Recycles takes a new look at the best approach to managing our trash



# Taking a New Look at Trash

**Why Salinas Valley residents should care about what happens to their garbage once it's out of sight**

BY KATE GONZALES



Salinas Valley Recycles is looking at smarter ways to manage the region's trash. The goal is to stabilize long-term rising costs, create more jobs, grow the economy, maximize the value of what is thrown away and clean up the environment for future generations.

Residents' participation in the process will help Salinas Valley Recycles (SVR) determine if there is a different and better way to manage our community's trash. The fact is, what happens with our garbage decades, even centuries, after it's taken from our homes matters for the health of Salinas Valley, both environmentally and economically. Salinas Valley Recycles, the joint powers authority responsible for managing the region's solid waste, is researching five projects that could potentially reshape our approach to trash. The projects must follow the California Environmental Quality Act process, which aims to reduce environmental harm and enhance public participation.

Residents of the SVR service area, which includes the cities of Salinas, Gonzales, King City, Soledad, Greenfield and eastern unincorporated county areas, are encouraged to participate, keep informed and be engaged as SVR considers these options.

## THE OPPORTUNITY

But why should Salinas Valley residents care about what happens to trash once it's out of sight?

"Because waste is a resource," says Susan Warner, former Diversion Manager/Assistant General Manager with Salinas Valley Recycles. "Essentially any substance you can buy in any store anywhere is buried in that landfill."

So why not put that waste to work? The potential projects could include going to Monterey Regional Waste Management District for recycling (material recovery processing) and/or landfilling, or the construction of a Clean Fiber and Organics Recovery System, in

## "WASTE IS A RESOURCE."

**SUSAN WARNER**

Former Diversion Manager/Assistant General Manager, Salinas Valley Recycles

which trash is heated with steam in an autoclave and automatically separated based on material type. Cardboard, papers and organic materials (like food scraps) are broken down and separated. The separated paper is sold to cardboard manufacturers. Items like aluminum and plastic are recycled. And the organic-rich moisture coming from the trash is used to make electricity for the facility and region.

The autoclave steam and low-heat cooking process alone significantly reduces

the volume of waste, and the entire technology system is estimated to reduce landfilling by as much as 80 percent.

"We want to get away from landfilling and, again, utilize waste as a resource, instead of leaving a future obligation to the next generation," Warner says.

## THE CHALLENGE

In approximately 40 years, Johnson Canyon Landfill located east of Gonzales will reach its capacity. California state law requires all counties to have at least 15 years of landfill capacity available. And these days, the landfill solution to solid waste is inadequate. That's because landfills are not sustainable, present long-term environmental and financial challenges to host communities and permanently impact the land.

Warner says continuing to rely on landfills is problematic. There is diminishing landfill capacity and finding sites for new landfills is difficult, as most people don't want to live near one.

These challenges, however, give SVR a chance to take the long view by making smart changes benefiting citizens today. SVR envisions a future without landfills and can make choices today to get more value and jobs out of the area's trash for years to come.

***Continue reading to learn about the projects Salinas Valley Recycles is considering — and how you can participate!***

## CEQA 101

The California Environmental Quality Act, or CEQA, was passed in 1970 to reduce the environmental impact of projects statewide. While considering new projects, planners like Salinas Valley Recycles must go through the CEQA process, which aims to increase public participation and eliminate or reduce potential environmental impact.

### This process includes:

- Public disclosure of a project's environmental effects identified in preliminary research
- Prevention or lessening of the environmental effects through mitigation measures
- Promoting public participation in the environmental review
- Encouraging the collaboration between government agencies

# Are Landfills Worth it?

## Weighing the costs of landfills

BY MATT JOCKS

When it comes to discussing the cash of trash, it is a classic comparison of short-term costs and benefits versus long-term costs and liabilities.

So says Patrick Mathews, General Manager and Chief Administrative Officer of Salinas Valley Recycles, which is at the forefront of moving the Salinas Valley away from unnecessary and unsustainable reliance on landfills.

"Landfills look like the easy way to go because they are still somewhat cheaper to run," Mathews says. "But I think people are realizing that [landfills] don't present many positives in the long run."

At first glance, dumping waste in a hole is a simple plan. However, because that material involves environmental risk, the regulatory costs have been climbing steadily — and with it the risk of long-term public financial liability. This trend will not change.

At Salinas Valley Recycles, in addition to the basics of labor, fuel and equipment, there are fees to every level of government. Total landfill operating cost tops \$5 million annually, including possible improvements and long-term liabilities.

The reliance on landfilling, as opposed to re-use, also carries the cost of all the lost materials we throw away.

Currently, much of what comes out of people's recycling bin is hauled to a plant to be separated, then taken to the docks and shipped overseas, mostly to China. Customers may see it again in the form of the box their Amazon order comes in or the bottle that holds their soda.

**"PEOPLE ARE REALIZING THAT [LANDFILLS] DON'T PRESENT MANY POSITIVES IN THE LONG RUN."**

**PATRICK MATHEWS**  
General Manager & CAO, Salinas Valley Recycles

"As a country, we invest a lot of money to pull the oil out of the ground and refine it, turn those chemicals into plastic," he says. "We've already invested that money. Why would we take that bottle and send it to another country so they can profit from our original investment?"

Staying with the landfill model involves other lost opportunity costs.

"If I want to have a landfill, that basically involves some truck drivers and maintenance," Mathews says. "That's maybe a dozen jobs."

A paper fiber, organics and/or recyclables recovery systems facility to process the products for reuse could generate five or six times more jobs.

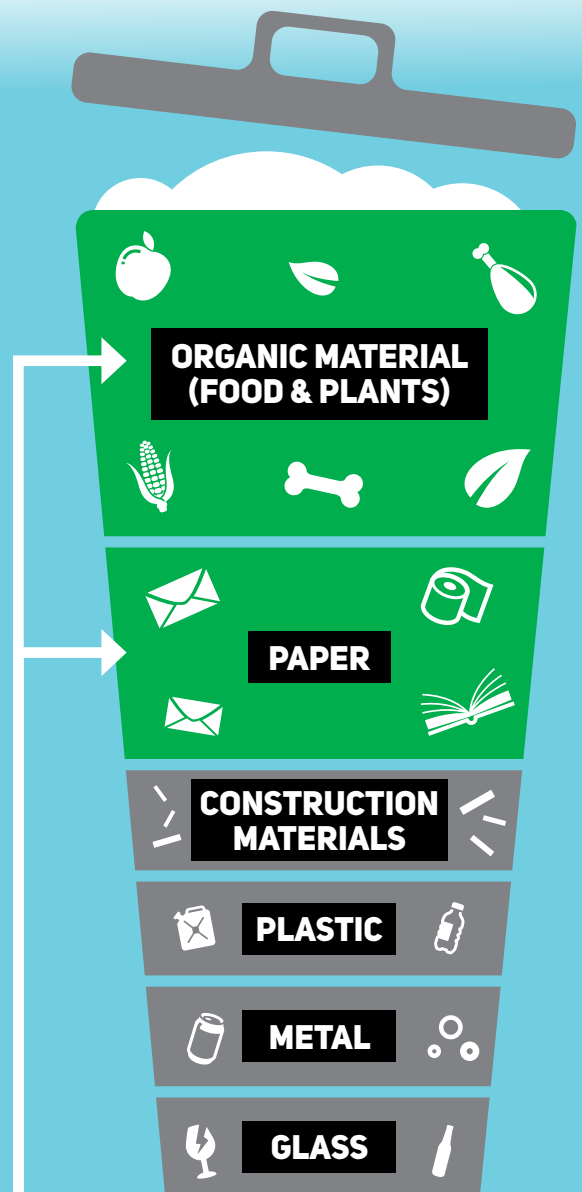
"It involves a larger employment base," he says. "And that stimulates demand in the area, creating jobs in local services."

Those arguments, along with the environmental impacts, and the creeping costs of landfill regulation that get passed on to customers in their monthly service bill, is creating the pressure for a change in direction.

"The biggest hurdle we face is sociopolitical," Mathews says. "Many of our community members and politicians are deeply concerned with increasing costs, and landfills still present a lower cost path in the short run."

"But the other side is the push for sustainability. Sustainability means creating jobs and economic benefits for the area, reducing greenhouse gases, among other things. Cheap is not always better."

## SO, WHAT'S IN THE TRASH?



**65%** of materials that fill our garbage are organics (food scraps and yard waste) and fiber (paper and cardboard), according to a 2008 Salinas Valley Recycles study. These materials can currently be diverted or repurposed using new technology.

## THE GLOBAL DEMAND FOR RECYCLING

It may be best to take the long view when considering the market and economics of recycling — as in, half a world away.

The predominant market for recyclable materials including paper, metal, and plastic from the United States is in Asia, primarily China. Recently, that market has been declining.

"Several years ago, recycling was making money hand over fist," says Patrick Mathews, General Manager and Chief Administrative Officer of Salinas Valley Recycles. "As the economy started to slow, we've had a glut of material and the value for recycled materials has dropped."

That slowdown has not been offset by greater demand in the U.S., and the decline of the American manufacturing sector has long made it a secondary market.

But there is an opportunity to turn this trend around. With increasing concern over materials like plastic and Expanded Polystyrene Foam, the demand for recycled fibers used to make container board or

cardboard is growing. The proposed projects Salinas Valley Recycles is considering could either use a conventional material recovery facility to capture the cardboard or a Clean Fiber and Organics Recovery System that would produce this fiber, that could then be sold to markets here in the Bay Area and not overseas.



# Trash Turned to Treasure

Salinas Valley Recycles looks at ways to become sustainable

BY NATASHA VONKAENEL



Building a sustainable world means looking at every established practice and reinventing it for a new, more economically feasible and environmentally conscious approach that creates jobs. That includes even the less glamorous of systems, like what we do with our trash.

Each day, the average American produces 4.3 pounds of waste. While 34 percent of that will be recycled or composted, the rest, for the most part, ends up in landfills. Given what we know now about landfills, that cannot be a long-term solution. Rather, it is an enduring environmental responsibility and cost.

"When you build a landfill you are committing, for the next 50 to 100 years or longer, to baby-sit a pile of garbage and hope it doesn't cause other problems to the environment," explains Bill Orts, research leader for the U.S. Department of Agriculture. That hope is meager, at best.

In 2013, decomposing garbage in landfills in the United States released more than 114 million metric tons of methane, making them the third-largest human-caused source of methane emissions in the country. While landfills also release other dangerous greenhouse gases, including

carbon dioxide (Co2), methane is the most worrisome. It traps over 25 times more nitrous oxides in our atmosphere than Co2, hastening the impacts of global warming.

**"WE CAN BASICALLY ADD VALUE TO GARBAGE."**

**BILL ORTS**

Research leader for the USDA

Additionally, as trash decomposes, landfills concentrate toxins that can leach into surrounding land and groundwater, contaminating the water supply and damaging agricultural land without expensive controls and treatments. Climate change and earthquakes also pose real risks for Californians and their landfills.

The solution?

"We can basically add value to garbage," Orts says. Salinas Valley Recycles was home to a years-long pilot project, where researchers took several tons of trash a day and steam treated it in an autoclave.

"You literally put it into an industrial mixer and you introduce steam," Orts explains. The heat from the steam breaks down and sterilizes the different waste materials so that similar substances have a similar consistency. Some plastics turn into small plastic beads, aluminum cans and glass bottles rise to the top and paper products coalesce into a sterilized pulp. At the end, they can all be filtered out by size and each isolated part of the garbage is reused appropriately.

For example, paper pulp can be reused to create recycled cardboard, saving forests from unnecessary eradication. And, sanitation workers no longer need to sort through our waste. Waste that could have been recycled is kept out of our landfills.

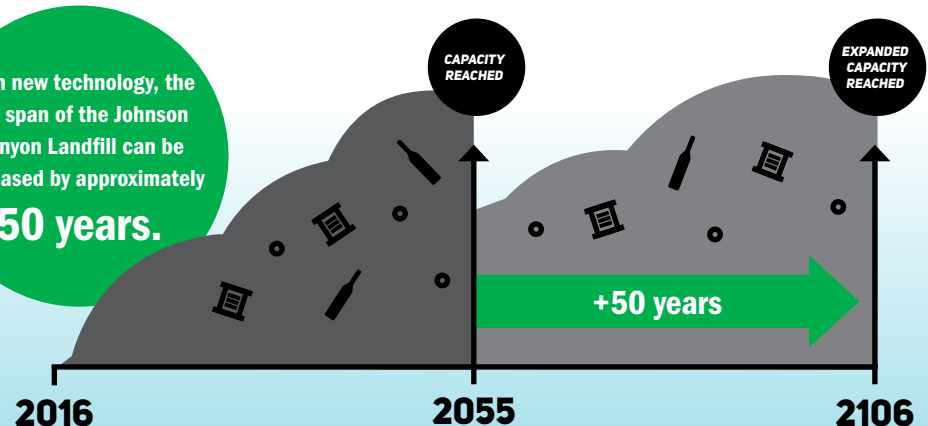
Salinas Valley Recycles is evaluating the possible expansion of the pilot project to process hundreds of tons of garbage a day.

## NEARING THE LIMIT

The trend of disposing solid waste in landfills could be falling by the wayside as more environmentally conscious and economically beneficial approaches are considered.

The State of California requires all communities to maintain at least 15 years of ongoing landfill capacity. The **Johnson Canyon Landfill** east of Gonzales is the only landfill Salinas Valley Recycles runs. It is on track to reach capacity in about four decades, but with the intervention of innovative green technology, that estimate can be more than doubled.

With new technology, the life span of the Johnson Canyon Landfill can be increased by approximately **50 years.**



# Making Trash Work for Us

BY KATE GONZALES

What if there were a way to cut the amount of waste that goes into the landfill by up to 80 percent – AND get more jobs and value from the material saved?

There are ways, and in an effort to reshape how the region manages its garbage to maximize its value at a reasonable cost, Salinas Valley Recycles is considering and fully studying five projects – of which Global OrganicS Energy's (GOE) Clean Fiber and Organics Recovery System is a process that could be utilized. This system recovers materials that would otherwise be sent to a landfill, and

is one of only three types of post-recycling solid waste management systems that don't require pre-sorting. The others are landfilling and incineration – both of which, environmental studies have shown, have potentially greater impacts on the environment.

If a project is selected that uses GOE technology, it would be the first of its kind in the United States.

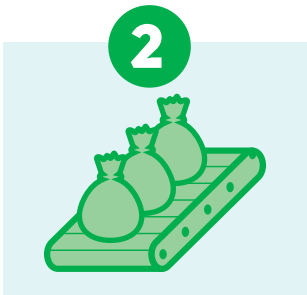


## THE CLEAN FIBER RECOVERY PROCESS, STEP-BY-STEP



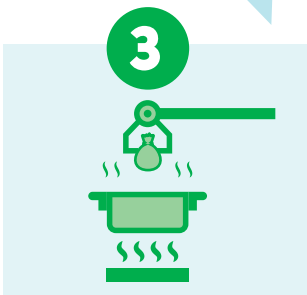
### COLLECTION

Garbage is picked up from homes and delivered to the GOE Clean Fiber and Organics Recovery System site.



### DELIVERY TO AUTOCLAVE

All the unsorted trash is placed on a conveyor and delivered into the steam autoclave.



### STEAM HEAT

Once inside the autoclave, the waste is steam-cooked at a low temperature. After 45 minutes, the waste comes out sanitized and reduced in volume by 60 to 70 percent.



### POWERING THE PLANT

The dirty water, or “fiber wash water” that results from this process is converted to methane to power the GOE plant, with extra energy also available for commercial sales.



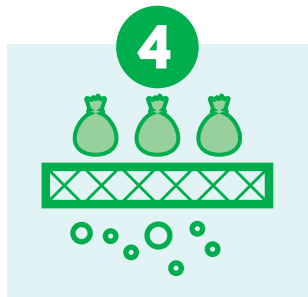
### WATER CIRCULATION

Cleaned water is added, then recirculated back through the system. No dirty water is discharged to the sewer.



### FIBER WASHING

The remaining paper and organic materials are fiber washed then diverted for sale to container board (cardboard) manufacturers.



### SORTING

Materials are run over screens from which unclaimed metal and plastic recyclables are extracted, cleaned, and sent to a recycling center to maximize recycling.

## ENVIRONMENTAL & ECONOMIC ATTRIBUTES



Requires no pre-sorting, leading to greater efficiency



Recovers up to 80 percent of landfill-bound waste for re-purposing and reuse



Reduces the amount of trash sent to the landfill, which helps decrease the amount of methane released into the atmosphere



Helps Salinas Valley Recycles meet the California 2020 goal of diverting at least 75 percent of waste from landfills



Would offer more technical job opportunities and add at least 85 direct new jobs



Supports local economic development goals





# The Need to Lean Green

**Why Salinas Valley Recycles should consider new approaches to trash as a resource**

BY MATT JOCKS

Taking out the garbage used to be a simple process. Dump it in the can and wait for the trucks to come by, collect it and take it to a landfill, hopefully far away and not downwind.

Then came more people, more garbage, more houses being built closer to the landfills and more awareness of what might be piling up and seeping down into the ground.

"The landfills that are more than 30 or 40 years old were built simply as a hole in the ground," said Patrick Mathews, General Manager and Chief Administrative Officer at Salinas Valley Recycles. "Many of them are unlined. And engineers say even our more modern lining systems won't last forever."

What does that mean?

Decomposing organic matter creates gases, primarily methane and carbon dioxide, not all of which can be captured. Potentially toxic chemicals, particularly at sites built before restrictions on dumping such chemicals were in place, could possibly leak into ground water. Not to mention the environmental impact of a fleet of trucks constantly hauling the garbage to the landfills.

If improving the technology of landfills is a band-aid, increasing the reuse of products looks more like real medicine.

It started simple, separating waste into solid, yard waste and recyclables. Bottles and mulch found new life. One step Salinas Valley Recycles is considering is increasing the reuse of pulp — paper products like the massive number of cardboard containers that hold the products people order online.

Using available and emerging technologies to reuse these paper products has a positive chain reaction — reducing the amount of waste in landfills, saving trees and reducing the negative impacts of virgin paper processing.

"That has its own waste and creates its own impact on the air and water," says Jeff Zimmerman, Project Manager at AECOM and a consultant to Salinas Valley Recycles.

While the chance of a significant environmental event related to landfills, such as an earthquake, landslide, floods or chemical-related fire is always present, the impact of increasing regulations may be a more considerable driver of change.

"Getting a permit for a new landfill is a very difficult process now," Zimmerman says.

"You have to have buffers between it and residential areas and that's becoming harder to find.

"There is movement towards having a more holistic facility that includes processes to reuse. You know, there's not a lot of joy about building new landfills."

**"THERE'S NOT A LOT OF JOY ABOUT BUILDING NEW LANDFILLS."**

**JEFF ZIMMERMAN**  
Project Manager, AECOM

**A FUTURE  
FREE OF  
WASTE**



For most, the plastic bottles and paper packaging that are part of everyday life end their usefulness in a matter of moments. Just like that, they turn from container to waste.

Or do they? Is this material only waste if it is, in fact, wasted?

Salinas Valley Recycles envisions a different future for those packaging items, one in which they can be re-purposed. The Clean Fiber and Organics Recovery System project option that Salinas Valley Recycles is considering could make re-purposing recyclables as well as organic materials possible. It would also create jobs and would even use the "fiber wash water" or the organic liquids extracted from the recovery process, to power the system.

Instead of continuing to send most of our recycled material abroad, the proposed Clean Fiber and Organics Recovery System could keep the economic benefits in the U.S.



# A Look at the Options

## Salinas Valley Recycles eyes options for managing trash

BY MATT JOCKS

Salinas Valley's waste may be piling up on the ground, but the future is up in the air when it comes to dealing with it.

As the area seeks to meet the requirements of the California Environmental Quality Act (CEQA), as well as the state's goal that 75 percent of waste is recycled by 2020, Salinas Valley Recycles is looking at five options for the future of waste management and reuse.

The options are in the review process, awaiting the completion of economic benefit and environmental analyses. The outcome will be presented in an Environmental Impact Report (EIR) which will outline the pros and cons of each project.

Here is a brief look at the possibilities:

### DELIVER WASTE TO THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

This project would not require any new facilities to be built. Instead, the Monterey Regional Waste Management District (MRWMD) would receive most of the Salinas Valley trash and process it for recycling and/or directly bury it.

- MRWMD's waste recycling facilities could provide for increased recycling and public diversion services

- Requires vehicles currently using existing Salinas-area facilities to be re-directed to MRWMD's facilities for waste and recycling services
- Existing Salinas Valley Recycles Sun Street facility would close and public would drive to Monterey Regional Waste Management District for services

INCREASES  
RECYCLING



FULL  
PUBLIC  
SERVICES



### NO PROJECT

As with any set of options under CEQA review, the option of no project must be considered.

If the no project option is selected, all options currently under consideration will be placed on hold. However, all stakeholders could continue to explore the benefits of the various options.

Some improvements could be made to the materials recovery center on Sun Street. However, the more ambitious Clean Fiber and Organics Recovery System, or consolidating Salinas Valley waste at the Monterey Regional Waste Management District, would be put on hold.

FULL  
PUBLIC  
SERVICES



### ALL-IN-ONE FACILITY

This proposal could involve the construction of a **new enclosed facility** that would include both a **Transfer Station/Materials Recovery Center for increased recycling** as well as a **Clean Fiber and Organics Recovery System**.

This project would allow Salinas Valley Recycles to collect and process:

- Up to 1,500 tons of waste per day
- Full public services** including municipal solid waste, yard waste, recyclables and household hazardous waste

#### SITES CONSIDERED:

##### Harrison Road, Salinas

- Direct freeway access
- Architectural design will be important due to highway visibility

CLEAN FIBER  
RECOVERY  
SYSTEM



INCREASES  
RECYCLING



NEW  
FACILITY



FULL  
PUBLIC  
SERVICES



### TRANSFER/MATERIAL RECOVERY ONLY

This project would include only a transfer station and a material recovery center in one of three sites. A Clean Fiber and Organics Recovery System could also be built, but on a separate site.

This project could include full public services including municipal solid waste disposal and recycling of yard waste, recyclables and household hazardous waste.

#### SITES CONSIDERED:

##### Harrison Road

- See site description above

##### Crazy Horse Closed Landfill, Salinas

- Capacity to transfer waste from all of north Monterey County

- Set back from highway, but accessible

##### Sun Street, Salinas

- "Temporary" facility for the past 10 years
- Mostly industrial area
- Permanency could improve efficiency
- Opportunity to lessen the impact of noise and dust on its neighbors

FULL  
PUBLIC  
SERVICES



INCREASES  
RECYCLING



NEW  
FACILITY



### CLEAN FIBER RECOVERY SYSTEM ONLY

This project could include the construction of the Clean Fiber and Organics Recovery System. This system could potentially have environmental impacts, including steam release. Building this system could reduce trash volumes and greenhouse gas emissions and prolong the life of the landfill.

#### SITES CONSIDERED:

##### Johnson Canyon Landfill, Gonzales

- Remote setting
- Requires road improvements to accommodate increased traffic

##### Harrison Road

- See site description at top

INCREASES  
RECYCLING



CLEAN FIBER  
RECOVERY  
SYSTEM



NEW  
FACILITY



# You Have a Say!

## Salinas Valley Recycles considers new projects in the community

We generate garbage every day — and it has to go somewhere.

Salinas Valley Recycles is evaluating the options for how the region manages its garbage — with a vision of eliminating the need for landfills and using waste as a resource. As Salinas Valley Recycles considers options to divert trash from the Johnson Canyon Landfill as it approaches capacity, it wants the wider

community to be informed of the process and provide input.

“It’s important to hear from the public,” says Simon Salinas, President of the Salinas Valley Recycles Board of Directors. “We want to make sure we’re listening to what the public has to say.” We can’t continue to waste our waste. Help Salinas Valley Recycles achieve a future without landfills!



128 Sun St., Ste. 101  
Salinas, CA 93901

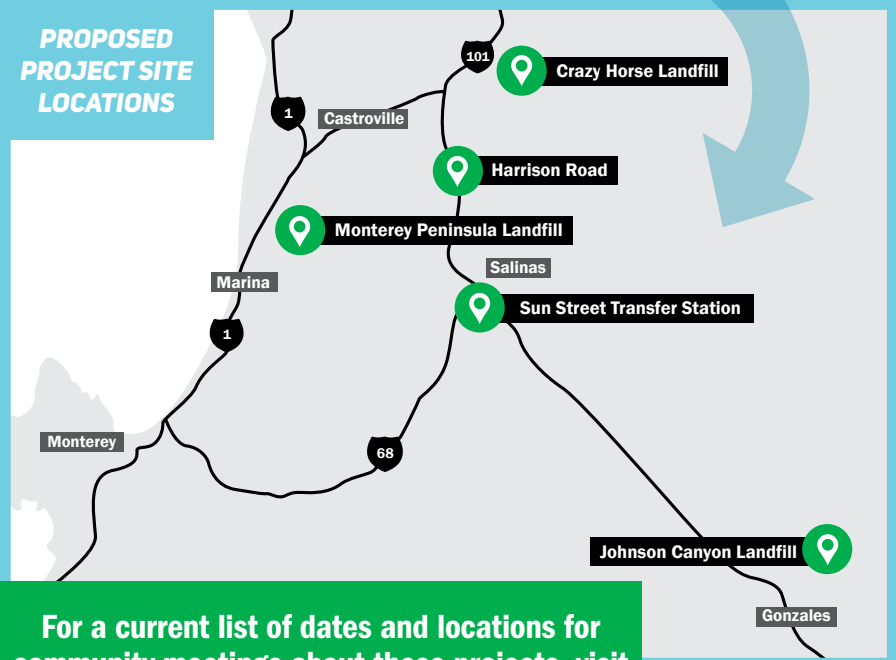


831-775-3000



[www.salinasvalleyrecycles.org](http://www.salinasvalleyrecycles.org)

### PROPOSED PROJECT SITE LOCATIONS



For a current list of dates and locations for community meetings about these projects, visit [www.salinasvalleyrecycles.org](http://www.salinasvalleyrecycles.org).



THOMAS M. BRUEN  
ERIK A. REINERTSON

LAW OFFICES OF  
**THOMAS M. BRUEN**  
A PROFESSIONAL CORPORATION  
1990 NORTH CALIFORNIA BOULEVARD  
SUITE 608  
WALNUT CREEK, CALIFORNIA 94596

TELEPHONE: (925) 295-3137  
FACSIMILE: (925) 295-3132  
TBRUEN@TBSGLAW.COM

February 14, 2017

VIA EMAIL

Patrick Mathews  
General Manager  
Salinas Valley Solid Waste Management Authority  
128 Sun Street, Suite 101  
Salinas, California 93901  
[patrickm@svswa.org](mailto:patrickm@svswa.org)

Re. Salinas Recycles Newsletter and CEQA

Dear Patrick,

You have requested that I provide you a written opinion on the draft Salinas Recycles newsletter on facility alternatives, and advise you whether it creates any risk of a successful CEQA challenge against the Authority if the Authority later approves one of the alternatives described in the newsletter. One basis for the question is the Intended Decision of the Superior Court in the case of *Keep Fort Ord Wild v. Monterey County, et al.*, a copy of which is attached ("*Fort Ord*"). For the reasons stated in this letter, my opinion is that the newsletter should not create any such risk to the Authority.

The *Save Tara v. City of North Hollywood* Case.

The Superior Court judge's decision in the *Fort Ord* case is based on a line of cases going back to the California Supreme Court's 2008 decision in *Save Tara v. City of North Hollywood* ("*Save Tara*"). In *Save Tara*, the City was gifted a Southern style colonial mansion (hence, "*Tara*") on a large parcel of property. There were several seniors already residing as tenants in the mansion. The City wanted the property developed for senior housing through construction of a new residential building on the property, with the mansion to be converted to host common facilities. The City entered into an agreement with a developer to convey the property to the developer at essentially no cost, loaned the developer half a million dollars which did not have to be repaid if the project was not approved, and began relocating the existing tenants in the mansion. No CEQA analysis had yet been done on the project. Several statements by the Mayor and City officials indicated unequivocally that the City intended to develop the property as proposed, without any reference to the need for CEQA review. The agreement with

the developer did state that the conveyance of the property and its development was subject to CEQA review, but the City Manager was authorized to waive this condition without further City Council approval if the City Manager found such waiver to be “reasonable.”

The issue in *Save Tara* was whether the City had violated CEQA by entering into the development agreement prior to its preparation and consideration of the EIR for the project. The Supreme Court found that even though the agreement contained a “CEQA compliance” condition—saying the project was still subject to preparation of an EIR—there were four factors that showed the City had violated CEQA by committing itself to the project “as a practical matter” (and therefore had “approved” the project) before the EIR was prepared. Those factors were: (1) the agreement to convey the property to the developer subject only to “CEQA compliance,” which condition the City Manager could “reasonably” waive without Council approval; (2) the City’s substantial financial contribution to the project, which was not repayable unless the project was approved; (3) the City’s commencing relocation of tenants in the mansion; and (4) City elected and non-elected officials saying the City was committed to the proposed development of the project without any mention of CEQA compliance or any other alternatives.

The City lost this case because it had entered into a contract with the project developer that the Supreme Court felt committed the City to the project as a practical matter. If the City had not given the developer a loan to be repaid only if the project was approved, not had started relocating tenants, and had not authorized the City Manager to waive compliance with CEQA, the City would have likely won this case.

#### The Forty Niners Stadium Case.

There are several California appellate court cases that have interpreted and applied the *Sava Tara* decision since 2008. One notable case is *Cedar Fair LP v. City of Santa Clara* (“Cedar Fair”), which involved a challenge to the Santa Clara City Council’s approval of a detailed 38-page term sheet with a developer for the proposed new Forty Niners stadium. The Court of Appeal upheld the term sheet even though the EIR for the project had not yet been prepared, on the basis that the term sheet contained clear language that the City was not committing itself to the project in any way and that major terms and conditions for the development of the project had yet to be negotiated. The Court of Appeal said the agreement only contained an obligation on the part of the City to negotiate in good faith, but did not otherwise bind the City to the project. The Court also noted the term sheet would help in the preparation of a detailed project description to be used in the EIR. [Note: It is a requirement of CEQA that an EIR contain a clear project description for any project analyzed in an EIR, with sufficient detail to enable environmental analysis to be made, otherwise the EIR can be invalidated for this reason.]

In *Cedar Fair*, because the City had not contractually committed itself to do anything other than negotiate with the developer in good faith, and had not approved any aspect of the project or ruled out any alternatives or mitigation measures, the Court ruled in favor of the City.

#### The Ford Ord Case.

This brings us to the *Ford Ord* case. In *Ford Ord*, the issue was whether a Memorandum of Agreement entered into between the County and the Fort Ord Reuse Authority (FORA), which was also going to be signed but had not yet been signed by other parties such as the County Redevelopment Agency and Cal State Monterey Bay, constituted an approval by the County without prior CEQA review of the “Eastside Parkway” project, which was to be a major north-south road bisecting the Ford Ord property. Using the reasoning of the California Supreme Court in *Save Tara*, the Monterey County Superior Court judge found that the County had violated CEQA by committing itself “as a practical matter” to construction of a specific roadway alignment for the parkway without prior CEQA review. The factors cited in the Superior Court Judge’s Intended Decision that supported this conclusion were: (1) the agreement signed by the County and FORA (and to be signed by the other parties) did not state it was preliminary or non-binding or subject to CEQA compliance; (2) the agreement unconditionally obligated the parties to transfer various rights of way for the specific roadway alignment described in the agreement; (3) the recitals in the agreement stated the agreement transferring property rights was necessary for development of the specific alignment of the parkway; and (4) County officials has stated publically that the proposed roadway alignment was “essential” and a “necessary” mitigation measure for future traffic flows.

In commenting on the statements of public officials supporting the project, the Superior Court Judge quoted from the *Save Tara* case:

"Approval [under CEQA] cannot be equated with the agency's mere interest in, or inclination to support, a project, no matter how well defined. 'If having high esteem for a project before preparing an environmental impact report (EIR) nullifies the process, few public projects would withstand judicial scrutiny, since it is inevitable that the agency proposing a project will be favorably disposed toward it.' [Citation.]" (*Save Tara, supra*, 45 Cal.4th at pp. 136-137.) In isolation, "expressions of enthusiasm for a Project by agency staff members should not be confused with official approval of a project." (*Id.* at p. 142, fn.13.) However, such statements may be weighed in the overall surrounding circumstances analysis to "shed[] light on the degree of [the County's] commitment" to the Project. (*Ibid.*) [Emphasis added.]

The Supreme Court in *Save Tara* also stated that “[a]t oral argument, counsel for City and [the senior housing development] urged strenuously that expressions of enthusiasm for a project by an agency’s staff members should not be confused with official approval of a project. We



agree. In isolation, such statements could rarely, if ever, be deemed approvals for CEQA purposes. Here, of course, we weigh statements by City officials not in isolation but as one circumstance shedding light on the degree of City's commitment when it approved the May 3 and August 9 agreements."

The bottom line is that even when an agency's officials makes unqualified statements of strong support for a proposed project, this factor standing alone will most likely not violate CEQA. It is what the agency does by way of committing itself contractually to a project, far more than what it says, that counts.

#### The Proposed Newsletter

I have reviewed the proposed newsletter and have provided comments to staff, which are reflected in the final draft of the newsletter. In my opinion the contents of the proposed newsletter do not support an argument that the Authority Board of Directors or staff have committed the agency to any particular project or alternative. In fact, I do not read the newsletter as indicating support for any particular project or location. Rather, I believe the newsletter performs an important public noticing and education function, by informing the public of the various alternatives the agency will be considering in an EIR. This is a critical outreach function from both a procedural and substantive law aspect under CEQA. In other words, I believe this type of outreach will enable the Authority to successfully defend against a CEQA challenge to any project the Authority might ultimately approve.

The lesson of the cases cited above is that a public agency gets into trouble when it enters into a binding agreement that could be construed as committing the agency to a particular project before CEQA analysis has been completed. Commitments violating CEQA can take the form of eliminating alternatives or mitigation measures (as in the *Ford Ord* case) before the CEQA analysis is complete. On the other hand, it is perfectly acceptable, as the Supreme Court stated in *Save Tara*, for an agency to expend public money preparing detailed project descriptions and preparing an EIR on a proposed project the agency may strongly favor. The key is not to bind the agency to move forward with the project or eliminate alternatives or mitigation measures before CEQA review is completed.

In our situation, we have an option agreement to purchase the Harrison Road property, but this agreement says the Authority has no obligation to buy the property, will prepare an EIR, and is considering various alternatives and mitigation measures under CEQA. The exercise of the option is expressly conditioned on the completion of CEQA review, and there is no commitment the CEQA review will favor the Harrison Road property versus other locations or alternatives. Option agreements are commonly obtained by public agencies considering buying private property-- otherwise the property may be sold for other purposes while the CEQA process is underway, or the property owner may inflate the price once the property is selected for a project.

We also have an agreement with GOE that does not obligate the Authority in any way to

approve the GOE system as part of any future project, and which contains an express CEQA condition – similar to the Harrison Road option agreement.

Therefore, in my opinion, (1) not only does the newsletter not contain the kinds of statements used against the City in *Save Tara* or the County in *Ford Ord*, but (2) the Authority has not entered into any agreements that would constitute approval or disapproval of any of the alternative projects now being considered.

Moving forward, I would strongly advise the Board against prejudicing any options before the current CEQA process is completed, by either approving or disapproving the alternatives now being considered. In my opinion the safest course of action is to complete the CEQA process that the Board has already approved, and then the Board can make a fully informed decision on whether to approve any project, alternative or mitigation measure based on the completed CEQA analysis.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Thomas Bruen". The signature is written in a cursive, flowing style.

Thomas M. Bruen

**FILED**

JAN 11 2017

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF MONTEREY

TERESA A. RISI  
CLERK OF THE SUPERIOR COURT  
Sally Lopez DEPUTY

Keep Fort Ord Wild,

Case No.: M114961

Petitioner,

INTENDED DECISION

vs.

County of Monterey; Monterey County Board  
of Supervisors, Fort Ord Reuse Authority, Ford  
Ord Reuse Authority Board of Directors

Respondents,

Redevelopment Agency of County of Monterey,  
California State University Monterey Bay,  
Monterey Peninsula College,

Real Parties in Interest,

This matter came on for court trial on November 7, 8, and 10, 2016. All sides were represented through their respective attorneys. The matter was argued and taken under submission.

This intended decision resolves factual and legal disputes, and shall suffice as a statement of decision as to all matters contained herein. (Cal. Rules of Court, rule 3.1590(c)(1).)

**Background**

The Fort Ord Reuse Authority (FORA) and the County propose to construct Eastside Parkway, a major north-south road bisecting the former Fort Ord. The Project was first proposed in FORA's 1997 comprehensive Base Reuse plan as an east-west road called "Eastside Road."



1 Since that time, the proposed alignment for Eastside Parkway has gone through several  
2 iterations. FORA settled on the current proposed alignment in 2010.

3 FORA owns the property along which the road will be built. However, FORA's purpose  
4 is to manage the transition of its property to civilian use, not to maintain that property on an  
5 ongoing basis. (Gov. Code, § 67658.) Accordingly, FORA entered into agreements to, pending  
6 environmental remediation, transfer its property to numerous entities including Respondent  
7 County of Monterey and Real Parties in Interest (the Redevelopment Agency of the County of  
8 Monterey,<sup>1</sup> California State University Monterey Bay (CSUMB),<sup>2</sup> and Monterey Peninsula  
9 College (MPC)).<sup>3</sup>

10 FORA was previously set to expire on June 30, 2014.<sup>4</sup> Thus, FORA selected the County  
11 to construct Eastside Parkway. However, the road's proposed alignment crosses portions of the  
12 land FORA is obligated to eventually transfer to Real Parties in Interest. Accordingly, FORA  
13 and the County prepared a Memorandum of Agreement (MOA) among and between themselves  
14 and Real Parties in Interest to ensure the County ultimately obtained all necessary rights-of-way  
15 along the proposed alignment. FORA and the County executed the MOA, but Real Parties in  
16 Interest have not. Nevertheless, Petitioner contends Respondents' adoption of the MOA  
17 constituted an "approval" of a project under the California Environmental Quality Act (CEQA)  
18  
19

20 <sup>1</sup> Effective February 1, 2012, the Redevelopment Agency of the County of Monterey was dissolved. (*California*  
21 *Redevelopment Assn. v. Matosantos* (2011) 53 Cal.4th 231, 275.)

22 <sup>2</sup> On January 17, 2012, the Board of Trustees of the California State University filed a notice of appearance  
23 indicating that CSUMB was erroneously named and that it, acting as the State of California in its higher education  
24 capacity, was the correct party.

25 <sup>3</sup> On January 9, 2012, Petitioner and MPC entered into and filed a "Disclaimer and Stipulation," under which MPC  
"disclaim[ed] any interest in the alleged approvals, and stipulate[ed] that it is not a real party in regard to the  
Petition." Petitioner then dismissed MPC without prejudice.

<sup>4</sup> Current law sets FORA's sunset for the earlier of June 30, 2020 or when 80% of its Base Reuse Plan has been  
implemented. (AR 3069.)

1 for which prior environmental review was required. Because no such environmental review  
2 occurred, Petitioner seeks a writ directing Respondents to reverse their approvals.

### 3 FORA

4 In 1994, the Legislature created FORA and charged it with facilitating the transfer and  
5 reuse of certain property comprising the Fort Ord military reservation after the closure of Ft.  
6 Ord. (Govt. Code § 67650 et seq.) In 1997, FORA adopted a comprehensive Base Reuse Plan.  
7 (AR 1681-1689.) The Reuse Plan proposed a framework for “ultimate buildout scenario” of the  
8 former Fort Ord for the year 2030. (AR 1701, 1713.) The Reuse Plan included a transportation  
9 plan that described a “long-term vision” of a future “circulation network.” (AR 761; see Govt.  
10 Code § 67675, subd. (c)(2).) The transportation plan included proposals for future road  
11 expansions and new roads to carry traffic from future development that might occur at the former  
12 Fort Ord. (See, e.g., AR 2134-2140.) FORA is responsible for developing the roads it proposes  
13 to build on the former Fort Ord. (Gov. Code, § 67679, subd. (a)(1).) One of the roads identified  
14 in the transportation plan was the “Eastside Road.” (AR 2421.)  
15

### 16 Development of the Eastside Parkway

17 The Reuse Plan described “Eastside Road” as a “new two lane facility . . . proposed  
18 between Imjin and Gigling.” (AR 2139.) Additionally, the proposed 2030 “buildout  
19 transportation network” map described “Eastside Road” as “a four-lane connection between the  
20 proposed State Highway 68 Freeway to Imjin Road.” (AR 2140.)

21 In 2005, FORA engaged the Transportation Agency for Monterey County (TAMC) to  
22 conduct a study to identify new transportation needs for the area. (AR 1201-1255.) As part of  
23 that study, TAMC proposed a new general alignment for “Eastside Road,” now called Eastside  
24 Parkway, which it described as a “two lane arterial from Giggling Road to Schoonover Drive.”  
25

1 (AR 1235, 1255 [map of the new proposed alignment].) FORA approved TAMC's  
2 recommendations, and adopted them for inclusion in the FORA Capital Improvement Program.  
3 (See AR 984-985.) FORA estimated development of the Eastside Parkway would cost more than  
4 \$12 million. (AR 1208.)

5 In 2006, the County entered into a contract with Whitson Engineers (Whitson) for  
6 approximately \$25,000 to, inter alia, design an "alternative route for Eastside Road." (AR 1133-  
7 1143.) In July 2007, the County entered into another contract with Whitson for tasks including  
8 "Preliminary Engineering" for Eastside Road, meeting with "interested parties to discuss  
9 pertinent issues related to the alignment of the Eastside Road," and preparing "preliminary  
10 engineering road plans for alignment(s)." (AR 1113-1126.)

11 In January 2010, FORA received a \$460,000 grant from the Department of Defense's  
12 Office of Economic Adjustment to perform infrastructure studies near the future California  
13 Central Coast Veterans Cemetery, a project planned for former Fort Ord property. (AR 100.)  
14 One component of the grant was devoted to producing a centerline map for the Eastside  
15 Parkway's future alignment. (AR 2.) Accordingly, on May 14, 2010, the FORA Board contracted  
16 with Whitson to "refine[] the preliminary road design work and develop[] a conceptual  
17 alignment for Eastside Parkway . . . ." (AR 100.) The 2010 Whitson agreement directed Whitson  
18 to meet with "stakeholders" located along the proposed alignment's path to receive and consider  
19 feedback regarding the proposed alignment. (AR 886-887.) In March 2011, the FORA Board  
20 approved an amendment to the 2010 Whitson agreement. (AR 373-415.) The amendment  
21 authorized Whitson to perform additional engineering and design of the proposed Eastside  
22 Parkway, and to prepare an Engineer's Opinion of Probable Cost for the roadway and analysis of  
23  
24  
25

1 the necessary environmental documentation. (AR 356-372.) FORA agreed to pay Whitson  
2 \$651,200 for these services. (AR 357, 377.)

3 Following the "stakeholder" meetings, Whitson prepared a "Conceptual Roadway  
4 Centerline Alignment Study Map" of the Eastside Parkway. (AR 2, 3032.) This map was the  
5 basis for the proposed alignment described in the MOA. (AR 374.)

6 The MOA

7 The MOA would 1) obligate Real Parties to transfer rights-of-way along the proposed  
8 alignment to the County on receipt of their respective parcels of land from FORA; and 2) assist  
9 Respondents with grant applications. (AR 1-2.) Pertinent MOA recitals include:

10  
11 "E. The road alignment design criteria attempted to place the road equally on each  
12 jurisdiction's property since the development land has value and the right of way  
13 for the road will be an encumbrance on each jurisdiction's property . . . .

14  
15 I. FORA has a legislated expiration date of June 30, 2014. Therefore, COUNTY  
16 is the logical entity to be granted rights of way ("ROW") for the construction of  
17 Eastside Parkway, should FORA authority not be extended.

18  
19 J. COUNTY will need to receive ROW for future Eastside Parkway construction.  
20 The ROW for future alignment of Eastside Parkway would affect CSUMB,  
21 AGENCY, COUNTY, and MPC property since they are the designated recipients  
22 of these properties . . . . .

23  
24 K. FORA will own and does own properties that would be affected by the  
25 alignment of future Eastside Parkway. FORA will transfer these properties to the

1 designated recipients, exclusive of the Eastside Parkway alignment, after  
2 receiving regulatory approval of environmental remediation.

3  
4 L. FORA, through its consultant Whitson Engineers, has prepared a proposed  
5 alignment for Eastside Parkway (hereinafter referred to as "Proposed  
6 Alignment"), as described in Attachments A and B, that would require COUNTY  
7 to receive ROW from future CSUMB, AGENCY, COUNTY, and MPC property.  
8 FORA held stakeholders meetings that included CSUMB, AGENCY, COUNTY,  
9 and MPC in August 2010 to request feedback on the Proposed Alignment.

10  
11 M. The Parties to this Agreement acknowledge that it is in each of the Parties'  
12 interest to ensure the development of the Eastside Parkway, and that the Eastside  
13 Parkway provides mitigation for each Party's anticipated and approved  
14 developments.

15  
16 N. It is the intention of the Parties to formalize the Proposed Alignment to  
17 advance the redevelopment program envisioned in the BRP and FEIR through  
18 mitigation of traffic impacts." (AR 1-2.)

19  
20 The operative portions of the MOA provide:

21 "1. Agreement to Grant ROW. Parties who will receive land along the  
22 Proposed Alignment agree that ROW as described generally in Attachment A and  
23 more specifically in Attachment B will be granted to COUNTY at no cost to  
24 COUNTY, for the purposes of developing the road currently known as Eastside  
25 Parkway. The Parties understand that the ROW shall be up to 200 feet within the

1 designated Army Corps of Engineers ("COE") parcel L5.7 and 84 feet in all other  
2 affected designated parcels plus a minimum of 5 feet outside the grading daylight.  
3 When FORA has received regulatory approval of environmental remediation on  
4 CSUMB, AGENCY, COUNTY, and MPC properties along the proposed  
5 alignment (COE parcels L20.18, E18.1.2, E19a.5, E19a.1, E19a.3, Sl.3.2, and  
6 L5.7) and when COE parcel L2.3 has conveyed from the U.S. Army to FORA,  
7 FORA will convey Eastside Parkway ROW within these parcels to COUNTY and  
8 the remaining property to the intended recipients. The actual date of property  
9 conveyance is undetermined, but is anticipated prior to 2015.

10  
11 2. Agreement to assist grant application efforts. The construction of Eastside  
12 Parkway from Eucalyptus Road to Intergarrison Road is a project in the FORA  
13 Capital Improvement Program ("CIP"). The FORA CIP identifies the FORA  
14 Development Fee, FORA Community Facilities District Fee, FORA Tax  
15 Increment, Grants, Mitigation Fees, and Miscellaneous Revenues (Revenue  
16 Bonds, Interest) as funding sources for FORA CIP projects, including Eastside  
17 Parkway. FORA and/or COUNTY expect to apply for grants to potentially design  
18 and/or construct the Eastside Parkway project. These grants may require FORA  
19 and/or COUNTY to demonstrate title to or access rights to the Eastside Parkway  
20 project ROW. If required through grant applications, the Parties agree to assist  
21 FORA and/or COUNTY to secure evidence of title or access rights to the Eastside  
22 Parkway project ROW." (AR 2-3.)  
23  
24  
25

1 The MOA contains two attachments. Attachment "A" is a map of the proposed  
2 alignment. Attachment "B" contains engineering drawings of "typical" two- and four-lane  
3 sections of the road. The MOA does not mention CEQA.

4 Respondents' Approvals of the MOA

5 On June 10, 2011, FORA's Board of Directors considered the MOA. (AR 315.) FORA's  
6 agenda report noted, "[e]xecution of the MOA is a necessary first step before detailed design of  
7 Eastside Parkway can begin in earnest." (AR 290.) FORA's Board of Directors approved the  
8 MOA unanimously. (AR 288.)

9 On October 11, 2011, the County Board of Supervisors considered the MOA. The  
10 County's agenda report stated that the MOA was intended to "formalize the agencies' agreement  
11 to the proposed alignment"; the alignment "require[d] the acquisition of right of way through  
12 land" to be owned by five different entities all of whom "concurred with the proposed  
13 alignment"; the MOA indicate[d] that "FORA will convey the Eastside Parkway right-of-way to  
14 the County . . . at no cost to the County"; and that FORA (or the County) would fund and  
15 construct the road. (AR 28-29.)

16 At the hearing, Petitioner was among 15 speakers that objected to the MOA, raising  
17 concerns regarding potential impacts to oak trees, rare plants, wildlife, and recreation. (AR 39-  
18 67, 91-99.) FORA and County officials responded to these concerns. FORA's Executive  
19 Director stated, "this particular alignment agreement is essential for us to move ahead toward the  
20 design, which is crucial to being able to look at the individual site-related characteristics[']  
21 impacts under CEQA, as well as site-related impacts. . . . [T]his . . . Project will continue to be in  
22 front of the public for review as part of the design and evaluation process . . . . [A]ll of the  
23 options for access will continue to be a part of that process . . . ." (AR 74-75.)  
24  
25

1 Similarly, County Director of Housing and Redevelopment Cook noted, "what we're  
2 looking at today is a conceptual endorsement of an alignment that's going to go through a lot  
3 more public process, through the CEQA, through the design, and frankly the MOU does still  
4 need to be considered by MPC, by CSUMB. So there will be many, many more stops along the  
5 road to achieve this particular project." (AR 82-83.)

6 Finally, County Counsel explained that the MOA "does not take any action that requires  
7 CEQA. It merely is an agreement . . . as to what that alignment would be so that you can  
8 development [sic] a project description that can then be compared to what has been previously  
9 approved to see whether you need a supplemental or a subsequent EIR . . . . This is not an action  
10 that needs CEQA review before you can actually identify what it is you want to study." (AR 78.)

11 The County Board of Supervisors adopted the MOA by a 4-1 vote. (AR 25.)

#### 12 The Petition

13 KFOR filed the Petition on November 11, 2011. The Petition requests 1) a writ directing  
14 Respondents to vacate their approvals and comply with CEQA in any subsequent action taken  
15 with respect to the Project; 2) attorney fees and costs; and 3) injunctive relief.

#### 16 *Administrative Record*

17 The court admitted the administrative record into evidence. The court denies Petitioner's  
18 motion to augment the administrative record.

#### 19 *Requests for Judicial Notice*

20 Respondents request judicial notice of excerpts from the FORA Board Packet for the  
21 regular meeting of the FORA Board of Directors scheduled for September 9, 2016. The court  
22 takes judicial notice of the existence of these documents as official acts of government entities –  
23 but not of the truth of their contents – under Evidence Code section 452, subdivision (c). (See  
24  
25



1 *Fowler v. Howell* (1996) 42 Cal.App.4th 1746, 1750; *Herrera v. Deutsche Bank Nat. Trust Co.*  
2 (2011) 196 Cal.App.4th 1366, 1375.)

3 Respondents also request judicial notice of 1) “a comprehensive excerpt of the October  
4 14, 2016 Board materials,” that concerns a possible contract with Whitson to prepare an EIR for  
5 the Project; and 2) excerpts from the FORA Board’s November 4, 2016 Board packet, at which a  
6 second vote on the contract was scheduled. The court takes judicial notice of the existence of  
7 these documents as official acts of government entities – but not of the truth of their contents –  
8 under Evidence Code section 452, subdivision (c). (See *Fowler, supra*, 42 Cal.App.4th at p.  
9 1750; *Herrera, supra*, 196 Cal.App.4th at p. 1375.)

### 11 *Standard of Review*

12 Public Resources Code section 21168.5 provides the standard for actions “to attack,  
13 review, set aside, void or annul a determination, finding, or decision of a public agency on the  
14 grounds of noncompliance with [CEQA].” Under that section, this court must determine  
15 “whether there was a prejudicial abuse of discretion. An abuse of discretion is established if the  
16 agency has not proceeded in a manner required by law or if the determination or decision is not  
17 supported by substantial evidence.” (Pub. Resources Code, § 21168.5.) Whether an agency has  
18 determined the appropriate time for CEQA compliance is “predominantly a legal question . . . .  
19 The claim goes not to the validity of the agency’s factual conclusions but to the required timing  
20 of its actions.” (*Save Tara v. City of West Hollywood* (2008) 45 Cal.4th 116, 131.)

### 23 *Discussion*

24 The court must determine whether the execution of the MOA, taken together with the  
25 surrounding circumstances, violated CEQA.

1     **I.     Legal Background**

2  
3           CEQA applies when a public agency proposes to “approve” a project. (Pub. Resources  
4     Code, 21080, subd. (a); Guidelines, § 15004.) “‘Approval’ means the decision by a public  
5     agency which commits the agency to a definite course of action in regard to a project . . . .”  
6     (Guidelines, § 15352, subd. (a).) This definition applies to both public and private projects.

7           As to public projects, “at the earliest feasible time, project sponsors shall incorporate  
8     environmental considerations into project conceptualization, design, and planning. CEQA  
9     compliance should be completed prior to acquisition of a site for a public project.” (Guidelines, §  
10    15004, subd. (b)(1).) Hence, agencies may not undertake actions that would have a “significant  
11    adverse effect” on the environment; “limit the choice of alternatives or mitigation measures,”  
12    before complying with CEQA; formally decide to use a site unless “the agency has conditioned  
13    the agency’s future use of the site on CEQA compliance”; or “take any action which gives  
14    impetus to a planned or foreseeable project in a manner that forecloses alternatives or mitigation  
15    measures that would ordinarily be part of CEQA review of that public project.” (*Id.* at subd.  
16    (b)(1)-(2).)

17  
18           CEQA does not provide a bright line rule to determine when an agency action ripens into  
19    a commitment to a project. Fortunately, *Save Tara, supra*, 45 Cal.4th 116, the seminal case on  
20    this issue, provides a framework for analysis.

21           **A.   *Save Tara***

22           In *Save Tara*, the Court addressed whether a city’s approval of a conditional conveyance  
23    and development agreement with a developer amounted to project approval. There, developers  
24    proposed building housing units on property owned by the City of West Hollywood. (*Id.* at p.  
25    122.) The City made several public statements in support of the project. (*Id.* at pp. 123, 125.) The

1 City also offered substantial financial support to the project. (*Id.* at pp. 122-125.) A significant  
2 portion of that support was in the form of a loan, nearly half of which was not repayable if the  
3 City did not approve the project. (*Id.* at p. 142.) The agreement contained a CEQA compliance  
4 clause, but that clause did not authorize the City to reject the project on substantive  
5 environmental grounds. (*Id.* at pp. 140-141.)

6 Save Tara filed a petition for writ of mandate. Save Tara contended that CEQA review  
7 was required any time sufficient information about a project exists to permit meaningful  
8 environmental review. (*Id.* at p. 126.) The city claimed CEQA review was unnecessary because  
9 1) the City had not issued its final approval of the project or the conveyance of property; and 2)  
10 the agreement's CEQA compliance condition eliminated the need for CEQA review prior to  
11 approval. (*Ibid.*) The Court rejected both positions.

12  
13 The Court explained that the City's position "would be inconsistent with the CEQA  
14 Guidelines' definition of approval as the agency's '*earliest* commitment' to the project.  
15 ([Guidelines], § 15352, subd. (b), *italics added.*)"<sup>5</sup> The Court further explained, "postponing  
16 environmental analysis can permit 'bureaucratic and financial momentum' to build irresistibly  
17 behind a proposed project, 'thus providing a strong incentive to ignore environmental concerns.'  
18 [Citation.]" (*Id.* at p. 135.) After all, an agency that theoretically retains discretion as to project  
19 approval "may, by executing a detailed and definite agreement with the private developer and by  
20 lending its political and financial assistance to the project, have as a practical matter committed  
21 itself to the project. When an agency has not only expressed its inclination to favor a project, but  
22 has increased the political stakes by publicly defending it over objections, putting its official  
23 weight behind it, devoting substantial public resources to it, and announcing a detailed

24  
25 <sup>5</sup> Guidelines section 15352, subdivision (b) refers to private projects, and *Save Tara* addressed a private project. Nevertheless, subsequent cases have clarified that *Save Tara*'s principles "apply equally to public projects. [Citations.]" (*City of Irvine v. County of Orange* (2013) 221 Cal.App.4th 846, 859.)

1 agreement to go forward with the project, the agency will not be easily deterred from taking  
2 whatever steps remain toward the project's final approval." (*Ibid.*)

3 Similarly, the Court rejected Save Tara's argument that entering into any agreement  
4 would amount to an approval "if at the time it was made the project was sufficiently well defined  
5 to provide "meaningful information for environmental assessment." [Citation.]" (*Id.* at p. 136.)  
6 Such a rule would be impractical, as it would mean, "once a private project had been described  
7 in sufficient detail, *any* public-private agreement related to the Project would require CEQA  
8 review." (*Id.* at p. 136, citations omitted.) The court recognized that agencies often work with  
9 developers in a project's early stages to develop project details. Thus, "requiring agencies to  
10 engage in the often lengthy and expensive process of EIR preparation before reaching even  
11 preliminary agreements with developers could unnecessarily burden public and private planning.  
12 CEQA review was not intended to be only an afterthought to project approval, but neither was it  
13 intended to place unneeded obstacles in the path of project formulation and development." (*Id.* at  
14 p. 137.) Moreover, private projects "often need some form of government consent or assistance  
15 to get off the ground, sometimes long before they come up for formal approval. Approval . . .  
16 cannot be equated with the agency's mere interest in, or inclination to support, a project, no  
17 matter how well defined. 'If having high esteem for a project before preparing an [EIR] nullifies  
18 the process, few public projects would withstand judicial scrutiny, since it is inevitable that the  
19 agency proposing a project will be favorably disposed to it.' [Citation.]" (*Id.* at pp. 136-137.)

21 Because no bright line rule was practical, the Court applied "the general principle that  
22 before conducting CEQA review, agencies must not 'take any action' that significantly furthers a  
23 project 'in a manner that forecloses alternatives or mitigation measures that would ordinarily be  
24 part of CEQA review of that public project.' [Citations.]" (*Id.* at p. 138.) In applying this  
25

1 principle to development agreements, "courts should look not only to the terms of the agreement  
2 but to the surrounding circumstances to determine whether, as a practical matter, the agency has  
3 committed itself to the project as a whole or to any particular features, so as to effectively  
4 preclude any alternatives or mitigation measures that CEQA would otherwise require to be  
5 considered, including the alternative of not going forward with the project." (*Id.* at pp. 138-139.)

6 Applying this analysis, the Court concluded the agreement, coupled with the surrounding  
7 circumstances, constituted approval. (*Id.* at p. 142.) The Court's ruling was based on the  
8 following facts: 1) the agreement declared its purpose was to develop the property based upon  
9 the developer's plans; 2) the City's commitment to convey the property to the developer at a  
10 "negligible" cost; 3) the City's substantial loan commitment to the developer, half of which need  
11 not be repaid unless the City approved the project; 4) the City's relocation of tenants prior to  
12 environmental review and project approval; 5) the City's repeated statements that it was  
13 committed to the project; and 6) that the agreement's CEQA compliance condition contained no  
14 provision permitting the City to disapprove the project. (*Id.* at pp. 140-142.).

15  
16 **B. Cases applying *Save Tara***

17 The court takes additional guidance from subsequent cases interpreting *Save Tara*.

18 *Cedar Fair, L.P. v. City of Santa Clara* (2011) 194 Cal.App.4th 1150 concerned a  
19 proposed transaction between the City and developers intending to build a new football stadium.  
20 The City and developers approved a "term sheet" that set forth the basic terms of the proposed  
21 transaction. (*Id.* at p. 1155.) The petitioner argued the approval should be set aside because no  
22 CEQA review had occurred. (*Id.* at p. 1156.) The petitioner emphasized the term sheet's high  
23 level of detail and the large amount of money the agency had invested in the project. The  
24  
25

1 petitioner also cited subsequent statements of support by officials, staff, and developer  
2 representatives. (*Id.* at pp. 1167-1168.)

3 The court rejected these arguments. The term sheet was expressly intended to  
4 “memorialize . . . preliminary terms” to develop a “general framework” for “good faith  
5 negotiations.” (*Id.* at p. 1168.) Thus, the term sheet provided that it created “no legal obligations”  
6 until agreements were executed based on “information produced from the CEQA environmental  
7 review process.” (*Ibid.*) Further, the City explicitly retained “absolute sole discretion” to modify  
8 the transaction to comply with CEQA, select feasible alternatives, or disapprove the project. (*Id.*  
9 at pp. 1170-1171.)

10 The court acknowledged that the term sheet was “extremely detailed,” but this fact alone  
11 was insufficient to show approval. (*Id.* at p. 1171.) The court recognized that development of a  
12 stadium necessitated certain preliminary steps, including “a long process of hammering out a  
13 multitude of issues.” (*Ibid.*) The nature of the project also justified the nearly \$1 million spent on  
14 consultant fees; the project’s “magnitude and complexity” required significant planning. (*Id.* at p.  
15 1173.) Finally, official statements of support did not render the term sheet binding; the language  
16 of the contract controlled. (*Id.* at p. 1172.)

17 As in *Cedar Fair, Saltonstall v. City of Sacramento* (2015) 234 Cal.App.4th 549  
18 concerned a preliminary nonbinding term sheet related to construction of a sports arena. The  
19 term sheet contained “a disclaimer that the City had no obligation to build, finance, or approve  
20 the project until it completed its environmental review and secured all necessary permits for the  
21 project. The preliminary nonbinding term sheet further stated the City retained sole discretion to  
22 weigh the environmental consequences and to reject the project entirely.” (*Id.* at p. 559.) The  
23 court found these terms persuasive in ruling that the term sheet had not committed the City to the  
24  
25

1 project. (*Id.* at p. 570.) And, although the City had acquired property through the exercise of  
2 eminent domain, it had specific statutory authorization to do so prior to environmental review.  
3 (*Id.* at pp. 571-572, citing Pub. Resources Code, § 21168.6.6.)

4 *City of Irvine v. County of Orange* (2013) 221 Cal.App.4th 846, 851 involved the  
5 County's decision to approve and submit an application for state funding to expand one of its jail  
6 facilities. The City argued the application constituted project approval. The court concluded the  
7 application did not commit the County to the expansion or even to the application process itself.

8 The court explained that the application was "merely a preliminary step that, if approved  
9 by the State, would authorize the County and the State to explore and evaluate the possibility of  
10 expanding the [facility]. [Citations.]" (*Id.* at p. 861.) At most, the application "permitted the  
11 County to explore the possibility of using state funds to expand the [facility]." (*Id.* at p. 863.)  
12 Even in the event the State approved the application, the County was required to take a number  
13 of affirmative steps before the State would disperse funds. (*Id.* at p. 862.) Those steps included a  
14 CEQA analysis, obtaining all necessary local approvals, and securing state approval of the final  
15 construction plans. (*Ibid.*) And, although the application provided a "high level of detail,"  
16 evidencing a definite course of action, the court explained that both "a definite course of action  
17 and commitment to that definite course of action" were required to constitute an approval. (*Id.* at  
18 p. 865, citing Guidelines, § 15352, subd. (a).)

19 *City of Santee v. County of San Diego* (2010) 186 Cal.App.4th 55 involved similar facts.  
20 There, the County entered into a "siting agreement" with the CDC, in which it agreed to identify  
21 up to three potential locations for a state prison reentry facility, in exchange for preference in the  
22 award of state financing of county jail facilities. (*Id.* at p. 59.) Should the State select one of  
23 these locations, the County would be obligated to cooperate with and assist the CDC in planning,  
24  
25

1 constructing, and operating the facility, and to convey any County-owned land at the selected  
2 site. Additionally, the agreement provided that the CDC would conduct CEQA review before  
3 constructing any such facility. (*Id.* at p. 60.)

4 The City challenged the agreement, contending that it represented a de facto approval  
5 under *Save Tara*, effectively committing the County to both a site for the reentry facility and to  
6 expansion of the County's own detention facility. The court rejected this argument. The court  
7 noted that the siting agreement neither selected a location for the reentry facility nor required the  
8 CDC to select any of the locations identified by the County, nor mentioned the detention facility.  
9 (*Id.* at p. 66.) Moreover, the agreement provided that the County could modify or reject the  
10 project based on the CEQA review. (*Ibid.*) Nothing in either the agreement or the surrounding  
11 circumstances indicated the City had foreclosed "consideration of alternatives to any project or  
12 mitigation measures for those projects." (*Id.* at p. 67.) Hence, the court concluded the agreement  
13 was "squarely in the realm of preliminary agreements needed to explore and formulate projects  
14 for which CEQA review would be entirely premature. [Citation.]" (*Id.* at p. 67, citing *Save Tara*,  
15 *supra*, 45 Cal.4th at p. 139.)  
16

17 Finally, in *Delaware Tetra Technologies, Inc. v. County of San Bernardino* (2016) 247  
18 Cal.App.4th 352, the petitioner challenged a County resolution authorizing execution of an MOU  
19 for a groundwater pumping project. The court concluded environmental review was unnecessary  
20 before MOU approval because 1) three additional approvals were required before the project  
21 could go forward; 2) the County retained full discretion to consider the FEIR and to disapprove  
22 the project or require implementation of mitigation measures and/or alternatives; 3) the MOU  
23 contained a CEQA compliance condition; and 4) the MOU provided that its approval did not  
24  
25



1 “constitute an approval of the Project, and is not a decision subject to CEQA.” (*Id.* at pp. 361-  
2 362, italics in original.)

3 **II. Whether Respondents “approved” the Project**

4 Petitioner contends that Respondents have effectively approved the project. Petitioner  
5 supports this contention by citing the unequivocal terms of the MOA, statements by County and  
6 FORA officials, and Respondents’ financial support of the project. Petitioner also notes that  
7 FORA developed the proposed alignment in private meetings, during which numerous  
8 alternative alignments were rejected.

9 Respondents argue the MOA was a preliminary agreement necessary to ensure  
10 coordination among multiple public entities, facilitate project development, and develop a  
11 project description for eventual environmental review. Respondents assert that any financial  
12 support was necessary to develop the proposed alignment. Respondents note they repeatedly  
13 assured the public that environmental review would precede final project approval.  
14

15 The critical question the court must answer is “whether as a practical matter, the agency  
16 has committed itself to the project as a whole or to any particular features, so as to effectively  
17 preclude any alternatives or mitigation measures that CEQA would otherwise require to be  
18 considered, including the alternative of not going forward with the project. (Guidelines, §  
19 15126.6(6).)” (*Save Tara, supra*, 45 Cal.4th at p. 139.) This determination is based upon “the  
20 totality of the circumstances surrounding the public agency’s action” including both the terms of  
21 the agreement and surrounding circumstances. (*City of Irvine, supra*, 221 Cal.App.4th at p. 851.)

22 **A. The MOA**

23 Respondents claim the MOA is a preliminary agreement necessary to develop a project  
24 description for environmental review. Respondents assert the MOA neither binds them to a  
25

1 particular course of action nor commits them to the Project. Respondents liken the MOA to  
2 agreements found not to constitute project approval in *Cedar Fair, Saltonstall, City of Irvine,*  
3 *City of Santee, and Delaware Tetra Technologies.* The court will address each claim in turn.

4 1. The MOA as a Preliminary Agreement

5 Courts have recognized the necessity of preliminary agreements in complex land use  
6 planning. (*Save Tara, supra*, 45 Cal.4th at p. 137 [CEQA review “was not intended to . . . place  
7 unneeded obstacles in the path of project formulation and development”].) It would be difficult  
8 to prepare an EIR without a proposed alignment, a core attribute of any road. A proposed  
9 alignment, then, is a logical prerequisite to a project description.

10 But this does not explain why the parties formalized their preliminary agreement in the  
11 MOA. Before they entered into the MOA, Respondents had worked with stakeholders to  
12 develop a particularized alignment along a well-defined route featuring basic construction  
13 details. (AR 1, 2-3, 6-7.) Presumably, Respondents could have used this alignment as the basis  
14 for a project description for CEQA review. Instead, Respondents adopted the MOA and  
15 formalized the proposed alignment. Respondents offer no explanation why they took this  
16 additional step.<sup>6</sup>

17 While Respondents assert the MOA was merely a preliminary agreement and not a  
18 commitment, in fact, the design of the road, pursuant to the MOA’s proposed alignment,  
19 continued; FORA ultimately commissioned detailed 90% engineering plans. (AR 3398-3399.)

20 2. The MOA’s language

21 The MOA’s language suggests Respondents’ commitment to the project. The recitals  
22 section of the MOA provides that the road is “required.” (AR 1, ¶B.) The signatories  
23

24  
25 <sup>6</sup> Respondents repeatedly point out that several signatories failed to execute the MOA, thereby rendering it ineffective. Nevertheless, environmental review may now be proceeding. FORA recently considered whether to commission an EIR for the road based upon these plans. (Respondents’ Request for Judicial Notice at ¶1.)

1 “acknowledge that it is in each of the Parties’ interest to ensure the development of the Eastside  
2 Parkway” and that it is their intent “to formalize the Proposed Alignment to advance the  
3 redevelopment program envisioned in the BRP and FEIR through mitigation of traffic impacts.”  
4 (AR 2, ¶N.) To accomplish this goal, the signatories agreed to an unconditional transfer of land:

5 “1. Agreement to Grant ROW. Parties who will receive land along the Proposed  
6 Alignment agree that ROW as described generally in Attachment A and more  
7 specifically in Attachment B *will be granted* to COUNTY at no cost to COUNTY,  
8 for the purposes of developing the road currently known as Eastside Parkway.  
9 The Parties understand that the ROW shall be up to 200 feet within the designated  
10 Army Corps of Engineers (“COE”) parcel L5.7 and 84 feet in all other affected  
11 designated parcels plus a minimum of 5 feet outside the grading daylight. When  
12 FORA has received regulatory approval of environmental remediation on  
13 CSUMB, AGENCY, COUNTY, and MPC properties along the proposed  
14 alignment (COE parcels L20.18, E18.1.2, E19a.5, E19a.1, E19a.3, S1.3.2, and  
15 L5.7) and when COE parcel L2.3 has conveyed from the U.S. Army to FORA,  
16 *FORA will convey* Eastside Parkway ROW within these parcels to COUNTY and  
17 the remaining property to the intended recipients . . . .” (AR 2-3, italics added.)  
18

19 The MOA’s language is definite and unequivocal. There is no language providing that the  
20 MOA is preliminary or nonbinding. The MOA neither addresses the potential environmental  
21 impacts of the proposed alignment nor conditions the transfer on CEQA compliance. Further, the  
22 signatories retain no discretion to modify the terms of the transfer, either to account for feasible,  
23 environmentally preferable alternative alignments, or for potential mitigations. In fact, the  
24 signatories retain no discretion to modify or reject the transfer at all. Instead, the MOA binds the  
25

1 signatories to the transfer and acceptance of specific land useful only to the extent necessary to  
2 construct the road along the proposed alignment.<sup>7</sup>

3 3. The MOA is distinguishable from court-approved “preliminary agreements.”

4 Respondents claim the MOA is a mere “preliminary agreement” analogous to the term  
5 sheets in *Cedar Fair* and *Saltonstall*, the application in *City of Irvine*, and the MOU in *Delaware*  
6 *Tetra Technologies*.

7 *Cedar Fair* concerned a nonbinding term sheet containing preliminary terms that served  
8 as a “general framework” for “good faith negotiations” toward a final agreement. (*Cedar Fair*,  
9 *supra*, 194 Cal.App.4th at p. 1168.) The City retained “absolute sole discretion” to modify the  
10 project as necessary to comply with CEQA, select other feasible alternatives to avoid  
11 environmental impacts, or not to proceed with the project at all. (*Id.* at p. 1169.) The term sheet  
12 also expressly provided that it did not create any legal obligations “unless and until the parties  
13 have negotiated, executed and delivered mutually acceptable agreements based upon information  
14 produced from the CEQA environmental review process and . . . subject to all applicable  
15 governmental approvals.” (*Cedar Fair, supra*, 194 Cal.App.4th at pp. 1168-1169.) Accordingly,  
16 the court found that the term sheet made “clear the parties’ intent to not create any ‘binding  
17 contractual obligations’ with respect to the development of the stadium or to commit any party to  
18 ‘a particular course of action.’” (*Id.* at pp. 1170-1171.)

19  
20 Similarly, the term sheet in *Saltonstall* contained “a disclaimer that the City had no  
21 obligation to build, finance, or approve the project until it completed its environmental review  
22 and secured all necessary permits for the project. The preliminary nonbinding term sheet further  
23 stated the City retained sole discretion to weigh the environmental consequences and to reject the  
24 project entirely.” (*Saltonstall, supra*, 234 Cal.App.4th at p. 559.)

25  
<sup>7</sup> Respondents claim they retain discretion to reject the property, but no language in the MOA supports this claim.

1 In *City of Irvine, supra*, 221 Cal.App.4th at 851, the State's "Request for Applications"  
2 stated that approval of the application would result in a conditional award that would not  
3 guarantee funding, but rather, was "merely an expression that the County is qualified, at this  
4 point, to move forward in the process." (*Id.* at p. 861.) Further, the Request mandated CEQA  
5 compliance as a precondition to "reimbursement for authorized costs up to the amount of the  
6 conditional award." (*Id.* at pp. 862-863.)

7 Finally, the MOU in *Delaware Tetra Technologies, supra*, 247 Cal.App.4th 352 did not  
8 require pre-approval environmental review because it 1) provided that the County retained full  
9 discretion to consider the FEIR and disapprove or modify the project to require additional  
10 mitigation measures or alternatives; 2) contained a CEQA compliance condition; and 3) provided  
11 that its approval did not "*constitute an approval of the Project, and is not a decision subject to*  
12 *CEQA.*" (*Id.* at pp. 361-362, italics in original.)

13 The MOA differs markedly from the above agreements. As discussed above, it contains  
14 unequivocal, binding language. It is not a contract to negotiate; rather it creates binding  
15 contractual obligations between and among the parties. It expressly states its intention to  
16 "formalize the Proposed Alignment." (AR 2, ¶N.) Additionally, it contains no CEQA compliance  
17 condition. In fact, it does not mention CEQA at all. The MOA does not state that the agencies  
18 retain discretion to reject transfer of the rights-of-way, the proposed alignment, or the project as  
19 a whole. It does not state that it is a preliminary agreement. Signatories may only amend the  
20 MOA "by a written and recorded instrument executed by the parties," irrespective of  
21 environmental review. (AR 3, ¶4.) In short, the MOA is unlike the agreements courts have held  
22 do not commit agencies to a definite course of action in advance of CEQA review.  
23  
24  
25

1                   4. The MOA violates Guidelines section 15004 subdivision (b)

2                   Guidelines section 15004, subdivision (b)(1) provides that, at the earliest feasible time . .  
3 . [agencies] shall incorporate environmental considerations into project conceptualization,  
4 design, and planning. CEQA compliance should be completed *prior to acquisition of a site for a*  
5 *public project.*" (Italics added.) Accordingly, agencies may not "[f]ormally make a decision to  
6 proceed with the use of a site for facilities which would require CEQA review, regardless of  
7 whether the agency has made any final purchase of the site for these facilities, except that  
8 agencies may designate a preferred site for CEQA review and may enter into land acquisition  
9 agreements when the agency has conditioned the agency's future use of the site on CEQA  
10 compliance." (*Id.* at subd. (b)(2)(A).)

11                   The MOA is effectively a decision to proceed with the use of a specific "site," i.e., the  
12 rights-of-way along the proposed alignment. The MOA contains no CEQA compliance  
13 condition. Accordingly, its adoption violates Guidelines section 15004, subdivision (b).

14                   Respondents concede both that CEQA review of the Project is necessary and that the  
15 MOA contains no CEQA compliance condition. Nevertheless, Respondents claim the MOA  
16 satisfies Guidelines section 15004, subdivision (b)(2)(A). Respondents contend that public  
17 statements of County officials promising future CEQA compliance are equivalent to a CEQA  
18 compliance condition. Respondents state, "[a]lthough many of the cases involve situations where  
19 this condition was included directly in the challenged document, such is not required . . . . *Save*  
20 *Tara* demands a substance-over-form approach, wherein inclusion of a CEQA condition is 'not  
21 determinative,' and the 'surrounding circumstances' are relevant. [Citation.] Here, there can be  
22 no dispute that Respondents always intended to comply with CEQA."  
23  
24  
25

1 In fact, the cited portion of *Save Tara* stands *only* for the proposition that a CEQA  
2 compliance condition “is relevant but not determinative” in determining whether an approval has  
3 occurred. (*Save Tara, supra*, 45 Cal.4th at p. 139.) *Save Tara* expressly cautioned against  
4 interpreting the exception too broadly stating that, while the exception “is a reasonable  
5 interpretation of CEQA, . . . it should not swallow the general rule (reflected in the same  
6 regulation) that the development decision having potentially significant environmental effects  
7 must be *preceded*, not *followed*, by CEQA review. [Citation.]” (*Id.* at p. 134.) Respondents cite  
8 no authority for a contrary position.

9 Moreover, public statements by government officials not represented in the MOA do not  
10 control. “[T]he intention of the parties as expressed in the contract is the source of contractual  
11 rights and duties. A court must ascertain and give effect to this intention by determining what the  
12 parties meant by the words they used.” [Citation.]” (*Cedar Fair, supra*, 194 Cal.App.4th at p.  
13 1172.) In any event, such statements cannot modify the MOA because they are not “written and  
14 recorded instrument[s] executed by the parties.” (AR 3, ¶4.)  
15  
16  
17

## 18 **B. Surrounding Circumstances**

19 The terms of the MOA are sufficient on their own to demonstrate premature project  
20 approval. Nevertheless, the surrounding circumstances buttress this conclusion. Respondents’  
21 officials’ public statements of support, taken together with a closed-door process of evaluating  
22 and rejecting potential alternative alignments, have generated significant “bureaucratic  
23 momentum” in support of the Project, “providing a strong incentive to ignore environmental  
24  
25

1 concerns.” (*Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47  
2 Cal.3d 376, 395 [“*Laurel Heights I*”].)

3 1. Respondents’ statements

4 “Approval [under CEQA] cannot be equated with the agency’s mere interest in, or  
5 inclination to support, a project, no matter how well defined. ‘If having high esteem for a project  
6 before preparing an environmental impact report (EIR) nullifies the process, few public projects  
7 would withstand judicial scrutiny, since it is inevitable that the agency proposing a project will  
8 be favorably disposed toward it.’ [Citation.]” (*Save Tara, supra*, 45 Cal.4th at pp. 136-137.) In  
9 isolation, “expressions of enthusiasm for Project by agency staff members should not be  
10 confused with official approval of a project.” (*Id.* at p. 142, fn.13.) However, such statements  
11 may be weighed in the overall surrounding circumstances analysis to “shed[] light on the degree  
12 of [Respondents’] commitment” to the Project. (*Ibid.*)

13  
14 Here, Respondents’ staff made several statements suggesting commitment. In May 2011,  
15 the County’s Director of Redevelopment and Housing advised the County’s Board of  
16 Supervisors Fort Ord Subcommittee that the “Eastside Parkway is an essential mitigation  
17 required to accommodate projected traffic as part of the basewide Reuse Plan.” (AR 318.) In  
18 recommending approval of the MOA to the FORA Board for the June 10, 2011 Board Meeting,  
19 FORA staff noted that approval of the MOA would “secure a roadway alignment” and “allow  
20 construction of the road to proceed.” (AR 290.) Two months later, at FORA’s Administrative  
21 Committee Meeting, FORA Acting Assistant Executive Officer Steve Endsley stated, “Eastside  
22 Parkway must be built.” (AR 26.) At the County’s public hearing regarding the MOA,  
23 Supervisor Potter acknowledged the Eastside Parkway was “necessitated by” existing and future  
24  
25



1 Fort Ord development. (AR 84.) Finally, FORA documents repeatedly refer to the Eastside  
2 Parkway as a "required" project and an "obligation." (See, e.g., AR 221, 716, 983, 3499.)

3 2. Bureaucratic Momentum

4 Respondents and affected parties developed the proposed alignment in a series of private  
5 meetings at which they considered and rejected numerous other potential alignments. (AR 79-  
6 82.) Respondents assert these meetings were a necessary predicate to preparation of an adequate  
7 project description for environmental review.

8 CEQA does not prohibit agencies from collaborating to prepare a project description for  
9 environmental review. After all, "where future development is unspecified and uncertain, no  
10 purpose can be served by requiring an EIR to engage in sheer speculation as to future  
11 environmental consequences. [Citation.]" (*Lake County Energy Council v. County of Lake*  
12 *(1977) 70 Cal.App.3d 851, 854-855.*) However, "the later the environmental review process  
13 begins, the more bureaucratic and financial momentum there is behind a proposed project, thus  
14 providing a strong incentive to ignore environmental concerns." (*Laurel Heights I, supra*, 47  
15 Cal.3d at p. 395.) Hence, "EIRs should be prepared as early in the planning process as possible  
16 to enable environmental considerations to influence project, program or design. [Citations.]"  
17 (*Ibid.*)

19 By the time of the MOA's adoption, the proposed alignment it "formalized" had "been  
20 looked at innumerable times." (AR 72.) At the County Board of Supervisors hearing on the  
21 MOA, County project manager Nick Nichols gave a presentation describing how the original  
22 alignment outlined in the Reuse Plan had been changed and rerouted. (AR 79-82.) Mr. Nichols  
23 supplemented his presentation with nine slides showing eight separate proposed alignments,  
24 including the "preferred" option detailed in the MOA. (AR 124-131, 333-351.) The various  
25

1 alignments resulted from meetings and "dialogue" between staff of the various affected parties  
2 including MPC, CSUMB, FORA, the County, and others. (AR 79-81, 691-694.)

3 In isolation, this process is unobjectionable. However, the process, taken together with  
4 the MOA's adoption, generated significant bureaucratic momentum in favor of the proposed  
5 alignment. Moreover, there is evidence that the proposed alignment may cause environmental  
6 impacts. (AR 39-42, 46-54, 186-205.) Yet the only apparent criteria for developing the proposed  
7 alignment was the value of the land (AR 1, ¶E) and the preferences of the "stakeholders"  
8 discussed and decided on behind closed doors.

9 Further, the forthcoming EIR will necessarily discuss project alternatives including,  
10 presumably, alternative alignments.<sup>8</sup> The CEQA process may yield one or more environmentally  
11 preferable alignments. But in the face of the MOA, significant financial resources devoted to the  
12 project, and years of private meetings at which numerous potential alignments were considered  
13 and rejected, any such alternative alignment might not stand much chance of fair consideration.  
14 Instead, the proposed alignment would have significant bureaucratic and financial momentum  
15 behind it, "thus providing a strong incentive to ignore environmental concerns." (*Laurel Heights*  
16 *I, supra*, 47 Cal.3d at p. 395.)

### 18 **III. Respondents' objections**

19 Respondents raise several specific objections to issuance of a writ.

20 First, Respondents urge that the MOA cannot represent an approval because it is not fully  
21 executed. But the mere fact that other parties did not approve the MOA does not change that the  
22 County and FORA did, demonstrating their commitment to the Project. Additionally, the lack of  
23

---

24 <sup>8</sup> An alternatives section of an EIR could theoretically address other project characteristics, such as creating wildlife  
25 crossings, the use of recycled materials and construction of the road, and/or the use of low carbon emission vehicles  
in road construction. However, the alignment is such a fundamental characteristic of the road and its potential  
environmental impacts that any meaningful alternative to the road (save the "no project" alternative) would  
necessarily involve a different alignment.

1 full execution does not prevent Petitioner from obtaining effective relief. "[N]o irreversible  
2 physical or legal change has occurred . . . [Petitioner] can still be awarded the relief [it] seeks, an  
3 order that [Respondents] set aside [their] approvals." (*Save Tara, supra*, 45 Cal.4th at p. 127.)

4 Respondents claim their public statements promising CEQA review demonstrate the  
5 Project was not approved. But the issue is not necessarily whether there *will* be environmental  
6 review, it is whether there will be *meaningful* environmental review. If approval is a foregone  
7 conclusion, the CEQA process is but a formality, undermining public accountability, one of the  
8 primary purposes of CEQA. (See Guidelines, § 15003, subd. (d) [an EIR is intended "to  
9 demonstrate to an apprehensive citizenry that the agency has, in fact, analyzed and considered  
10 the ecological implications of its action"]; *Citizens of Goleta Valley v. Board of Supervisors*  
11 (1990) 52 Cal.3d 553, 564 [an EIR's "purpose is to inform the public and its responsible officials  
12 of the environmental consequences of their decisions *before* they are made. Thus, the EIR  
13 'protects not only the environment but also informed self-government'"].)

14 Respondents assert that they have "numerous discretionary decisions ahead of them with  
15 respect to whether and how the proposed Eastside Parkway will be built." The parties dispute  
16 whether this is so, but even assuming that it is, it changes nothing because the Guidelines define  
17 approval as the agency's "*earliest* commitment" to a project. (Guidelines, § 15352, subd. (b),  
18 italics added.) "Just as CEQA itself requires environmental review before a project's approval,  
19 not necessarily its *final* approval (Pub. Resources Code, §§ 21100, 21151), so the guideline  
20 defines "approval" as occurring when the agency *first* exercises its discretion to execute a  
21 contract or grant financial assistance, not when the *last* such discretionary decision is made."  
22 (*Save Tara, supra*, 45 Cal.4th at p. 134; Guidelines, § 15004, subd. (b)(1) [public projects shall  
23 incorporate environmental considerations into project design "at the earliest feasible time"].)  
24  
25

1 Respondents further assert that, even if they abused their discretion in approving the  
2 MOA, the approval was not improper because Petitioner “will have ample opportunity in the  
3 future to express its interests during the project-level EIR proceedings on the proposed Eastside  
4 Parkway.” Again, it is *meaningful* environmental review that is critical. If approval is a foregone  
5 conclusion, the CEQA process is an empty exercise, no matter how much opportunity Petitioner  
6 may ultimately have to be heard. (See Guidelines, § 15003, subd. (d); *Citizens of Goleta Valley*,  
7 *supra*, 52 Cal.3d at p. 564.)

8 Finally, Respondents claim that granting a writ would undermine CEQA policies in two  
9 ways. Respondents claim issuance of a writ would encourage “projects to be attacked before they  
10 are approved” incentivizing “serial litigation — a lawsuit in advance of formal approval, and  
11 another one after approval.” But this argument assumes no approval has occurred. In fact, a writ  
12 can only issue if the court finds Respondents *have* approved the Project. Hence, such a writ  
13 cannot logically encourage “a lawsuit in advance of formal approval.”  
14

15 Respondents argue that issuing a writ would discourage agencies from collaborating in  
16 project development, leading to inefficiencies. The court disagrees. Nothing in CEQA prohibits  
17 such collaboration. However, such collaboration may ripen into a premature approval when, as  
18 here, an agency formalizes the fruits of that collaboration into a binding land acquisition  
19 agreement. (See Guidelines, § 15004, subd. (b)(2)(A).) This is particularly so when surrounding  
20 circumstances confirm that the agency has, as a practical matter, committed to the project. (*Id.* at  
21 p. 139.)

#### 22 **IV. Conclusion**

23 “A public entity that, in theory, retains legal discretion to reject a proposed project may,  
24 by executing a detailed and definite agreement . . . and by lending its political and financial  
25

1 assistance to the project, have as a practical matter committed itself to the project. When an  
2 agency has not only expressed its inclination to favor a project, but has increased the political  
3 stakes by publicly defending it over objections, putting its official weight behind it, devoting  
4 substantial public resources to it, and announcing a detailed agreement to go forward with the  
5 project, the agency will not be easily deterred from taking whatever steps remain toward the  
6 project's final approval." (*Save Tara, supra*, 45 Cal.4th at p. 135.) The combination of the  
7 unequivocal, binding terms of the MOA and the surrounding circumstances demonstrate  
8 Respondents committed to the Eastside Parkway project prior to CEQA review in violation of  
9 *Save Tara*, Public Resources Code sections 21100 and 21151, and Guidelines section 15004.

10  
11 ***Disposition***

12 The petition for writ of mandate is granted. The court directs Petitioner's attorney to  
13 prepare an appropriate judgment and writ consistent with this ruling, present them to opposing  
14 counsel for approval as to form, and return them to this court for signature.

15  
16 Dated: JAN 11 2017

LYDIA M. VILLARREA

HON. LYDIA VILLARREAL  
Judge of the Superior Court

(Code of Civil Procedure Section 1013a)

I do hereby certify that I am employed in the County of Monterey. I am over the age of eighteen years and not a party to the within stated cause. I placed true and correct copies of the **INTENDED DECISION** for collection and mailing this date following our ordinary business practices. I am readily familiar with the Court's practices for collection and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Services in Salinas, California, in a sealed envelope with postage fully prepaid. The names and addresses of each person to whom notice was mailed is as follows:

Michael W. Stamp, Esq.  
Molly Erickson, Esq.  
Stamp & Erickson  
479 Pacific Street, Suite One  
Monterey, CA 93940

Jonathon R. Giffen, Esq.  
Crystal Mothershead Gaudett  
Kennedy Archer & Giffen  
24591 Silver Cloud Court #200  
Monterey, CA 93940

Kathryn Reimann  
Senior Deputy County Counsel  
County of Monterey  
168 W. Alisal St., 3<sup>rd</sup> floor  
Salinas, CA 93901

William Jenkins  
Deputy Attorney General  
Office of the Attorney General  
455 Golden Gate Avenue, Suite 11000  
San Francisco, CA 94102-7004

Dated: **JAN 11 2017**

Teresa A. Risi, Clerk of the Superior Court,

**Sally Lopez**, Deputy Clerk  
Sally Lopez



## Report to the Board of Directors

ITEM NO. 9

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A

General Counsel

Date: February 16, 2017

From: C. Ray Hendricks, Finance Manager

Title: Fiscal Year 2017-18 Preliminary Budget

### RECOMMENDATION

Executive Committee approved this item for presentation to the Board of Directors for discussion and comment prior to returning it for the scheduled rate hearing and consideration of final budget adoption at the March 16, 2017 Board meeting.

### DISCUSSION & ANALYSIS

At its February 2, 2017 meeting, the Executive Committee requested staff consider increasing landfill tonnage projections in order to reduce or eliminate the proposed \$1.00 per ton increase in landfill tipping fees, as outlined in the draft budget directions from the January 2017 Board meeting. Due to improvements in the local economy, SVR has been receiving landfill disposal tonnage above the 2016-17 budget projections. The January budget direction proposed a conservative 5,000 tons per year increase in landfill waste projections (over prior year) and a \$1.00 per ton increase in landfill tipping fees. In order to eliminate the proposed \$1.00 per ton increase, landfill waste projections will need to be increased an additional 2,500 tons for 2017-18 for a total increase of 7,500 tons.

The draft budget now reflects this increased tonnage projection and current projected tonnage for 2016-17 would support that increase.

It is important to note that there are circumstances outside our agency's control that could change disposal tonnage significantly during the 2017-18 fiscal year. Waste disposal has historically tracked very closely with the overall local, state and federal economic conditions. Current uncertainties and political discord at the federal level, and budget challenges at the State level could have future economic consequences that can and have affected our tonnage projections.

The preliminary budget fully funds necessary operation for FY 2017-18. Following is a summary of the budget. Please refer to the attached budget worksheets for more detail.

## Operations Budget Increases (\$572,000)

<u>FY 2017-18 Projected Operating Budget Increase</u>	
Payroll Increases	\$ 230,450
New C&D Driver	109,000
New Diversion Worker	80,900
Debt Service Increase	143,400
Closure Set-Aside	10,500
All other adjustments (net)	<u>( 2,250)</u>
Total Increase	<u>\$ 572,000</u>

### Payroll Increase

The net increase to payroll is scheduled to be \$230,450. Increases are due to Health Insurance, Other Post-Employment Benefits (OPEB), Cola (Net), and a full year of longevity. All other benefit and decreases offset each other. Following is a summary of the increases.

<u>Description</u>	<u>Payroll Budget Increases</u>
Jolon Road	\$ 76,400
Health Insurance	64,600
OPEB	34,700
COLA (Net)	89,700
Longevity	43,000
Net All Other Increases/(Decreases)	<u>(1,550)</u>
Total Payroll Increases	306,850
Jolon Road Contract Ending	<u>(76,400)</u>
Net Payroll Increases	<u>\$ 230,450</u>

### Madison Lane Transfer Increase

The Sun Street Transfer Station is running at capacity and has had to rely on Madison Lane to take a higher amount of Salinas Franchise Waste. The FY 2016-17 mid-year budget adjustment includes an \$80,000 increase for the use of Madison Lane. This amount will need to be carried over to FY 2017-18. Following is a summary of the amounts paid to Madison Lane for transporting Salinas Franchise Waste that could not be transferred from the Sun Street Transfer Station due to tonnage permit limits since FY 2013-14. The mid-year budget adjustment approved on January 19, 2017 used Construction and Demolition excess revenues to fund the estimated additional use of Madison Lane. This cannot be counted on to fund this going forward.

<u>Fiscal Year</u>	<u>Total Spent (\$)</u>
2013-14	166,505
2014-15	182,621
2015-16	263,176
2016-17 (Through November)	177,015



#### New Construction and Demolition (C&D) Driver

Sun Street staff is unable to handle the increased tonnage from C&D and wood waste at Sun Street. Transfer trucks cannot hold as much of this material as compared to solid waste and therefore require additional trips to handle. An additional driver is necessary to manage this tonnage and would increase the payroll budget by \$109,000. Adequate equipment replacement reserves are available for purchase of an additional transfer truck and trailer, specific for the C&D/Wood Waste transfer.

#### New Diversion Worker

The Sun Street Transfer Station currently has four Diversion Workers I to assist with the six-day operations of the facility. The Diversion Workers' tasks include greeting customers, parking vehicles, diverting recyclables from waste, load checking loads for hazardous materials, facility maintenance, and equipment maintenance and cleaning. The facility continues to increase its customer base and the demands placed on the employees are overwhelming at times receiving up to 400 customers. An additional diversion worker is necessary to manage this added traffic and improve safety, and would increase the payroll budget by \$ 80,900. Adding a new Diversion Worker I position will help ease the impact the current employees face daily due to the increase in customer trips to the facility. The facility received a total of 77,153 trips in calendar year 2016 compared to 69,006 in 2015 an increase of 12%.

#### Debt Service Increase

The first principal increase on the bond refinance is due in 2017-18. The total amount of the increase is \$143,400. FY 2018-19 will be the first year of the full bond payment with an additional increase of \$1.1 million in FY 2018-19 with \$3.1 million annual payments for nine years.

#### Revenue Increases (\$619,150)

<u>FY 2017-18 Projected Operating Revenue Increase</u>	
7,500-ton increase in solid waste tonnage projection	513,150
3.6% increase to AB939 Fees	80,900
2.9% Increase to Franchise Transportation Surcharge	52,000
Sales of Materials	(65,500)
Rental Revenue	30,300
All other revenue adjustment	<u>8,300</u>
Total Increase	<u>619,150</u>

The following options are available to balance the budget. For reference, the current cost-of-living index for All Urban Consumers in the Greater Bay Area is running approximately 3.6% for the previous 12 months through October 2016.

#### Increasing the projected landfill tonnage by 7,500 tons

This would increase the budgeted revenue by \$513,150. Tonnage has increased the last two fiscal years, and has so far held steady in FY 2016-17. Tonnage projections are currently running about 12,000 tons over estimates for this fiscal year, so conservatively increasing tonnage by 7,500 for 2017-18 is reasonable. Increases in tonnage will increase some fees and closure funding, but amounts are minimal and will be incorporated in the budget. Increased tonnage requires setting aside additional closure funds. The \$10,500 required for this was included in the budgeted increases above.

#### Increase Franchise Transportation Surcharge by 2.9% (\$0.50/ton)

This would increase our budgeted revenue by \$52,000. The transportation surcharge was last increased in FY 2015-16 to \$17.00. This will help partially offset the increase in Madison Lane Transfer costs due to the ongoing increases in Salinas area waste.

#### Sales of Materials

Markets for sales of recycled materials continue to remain low. Impacts to our relationships and future pricing with Asian markets are clearly an area of future concern for our industry that relies so heavily on China and other Asian countries to market many of our recyclables. Based on current trends a reduction of (\$65,500) to \$244,000 is necessary in order to maintain realistic projections.

#### Rental Revenue

With the operations of Jolon Road being taken over by staff from Waste Management in September 2016, a lease for the Corp Yard was negotiated with Waste Management. This will produce an additional \$30,300 in revenue. Capital Improvement Projects Budget  
**The Board's approval of refinancing the 2002 Revenue Bonds and the Crazy Horse** Installment Purchase Agreement has allowed SVR to generate operating surpluses, which have allowed SVR to fund and complete some much-needed and previously deferred Capital Improvements. The following Projects need to be funded in FY 2017-18:

Johnson Canyon LFG System (Vertical Wells)	60,000
Johnson Canyon Equipment Replacement	50,000
Johnson Canyon LFG System (Horizontal Wells)	30,000
Johnson Canyon Litter Control Fence	50,000
Johnson Canyon Module 7/8 Construction	540,000
Repayment of Expansion Fund Loan	376,000
Jolon Road Transfer Station Improvements	84,000
Jolon Road Equipment Purchase/Replacement (Repayment)	120,000
Lewis Road LFG Well Replacement	30,000
SSTS Equipment Replacement	<u>300,000</u>
Total Operating Surplus Allocations	<u>1,640,000</u>

#### Johnson Canyon Landfill (\$190,000)

As landfill operations continue at the Johnson Canyon Landfill, so is the need to assure an effective environmental control system is in place. For example, installing landfill gas wells in areas of new waste disposal, addressing drainage to continue with storm water pollution prevention, and expanding the litter control fence along the property boundary are some of the features required to for effective landfill operations. In addition, SVR entered into a corrective action program via a pledge of revenue agreement requiring further action for ensure the groundwater is legally monitored.

#### JC Module 7 Engineering and Construction (\$540,000)

As the agency works towards deciding its long range facility needs, it is time to begin planning for the next cell at Johnson Canyon. Initial Engineer estimates have the new cell being built in 5 years (FY 2021-22) at a cost of \$4-6 million. Staff is in the process of working with consultants in order to determine what options are available for the construction schedule as well as revisiting the original estimates. We may be able to spread out the construction of the cell over a longer period of time in order to spread out the needed funding. However, the CIP for this project only has \$350,000 allocated to it. While the direction that the board takes greatly impacts the date a new cell will be needed, it is critical that we begin to fund this project now in order to ensure that there is adequate funding available when the construction of the cell is necessary.

#### Repayment of Expansion Fund (\$376,000)

In order to supply landfill gas to the Ameresco power project at the Johnson Canyon Landfill, SVR was required to pre-treat landfill gas prior to delivery of gas to the Ameresco plant. This required the installation of a gas pre-treatment equipment, which was necessary to remove various contaminants that can harm the generation equipment and engines. At the time the project was approved, the Board approved a temporary loan from reserves to fund this equipment purchase and installation, and agreed to repay this loan as offsetting royalties become available. This capital cost reflects full repayment of the equipment loan.

#### Jolon Road Transfer Station (\$204,000)

Staff took-over of the Jolon Road Transfer Station in September 2016. Rather than take out a private loan, the Board approved borrowing \$398,500 from CIP reserve funds with the remaining \$201,500 coming from operating surpluses in 2016-17. Repayment of these funds are budgeted at \$120,000 per year. Once these funds are repaid, the funds will be allocated to a Capital Equipment Replacement CIP in order to have cash available when the equipment purchased in FY 2016-17 requires replacement.

In addition, there are other site upgrades and repairs that needed to be completed. These include repairs to entrance road, building repairs and drainage modifications. The first half was completed in FY 2016-17, with the second (\$82,000) being funded in FY 2017-18.

#### Lewis Road (\$30,000)

Monitoring at closed landfills is required for a minimum of 30 years. In order to meet the regulatory needs, it is crucial that the inadequate landfill gas extraction wells at Lewis Road be replaced in order to ensure environmental compliance.

#### Sun Street Transfer Station Equipment Replacement (\$300,000)

The Board approved the Sun Street Equipment replacement plan on August 22, 2013. In order to meet CIP requirements, some of the equipment replacement has been delayed. To replace necessary equipment, money is set aside every year.

## BACKGROUND

As part of SVR's three-part budget process, the Executive Committee and the Board of Directors received a report requesting budget direction in January summarizing the various issues, expenses and revenue changes identified by staff that effect the upcoming budget. The second step in this process is presentation of the draft budget in February, followed by approval of the final budget and rates in March.

This structured budget approval schedule is necessary to support the member agency's franchise hauler rate setting processes that occur in April and May of each year. The haulers need to know what SVR's rates will be in order to complete their rate package submittals for each jurisdiction. This structured process has worked very well in the last two budget cycles and allowed for timely approval of the final franchise rates and distribution of advanced public noticing by the haulers.

## ATTACHMENT(S)

1. FY 2017-18 Preliminary Budget - Two-Year Budget Comparison

Salinas Valley Recycles  
Two-Year Budget Comparison  
FY 2017-18

	2016-17 Budget	Proposed 2017-18 Budget	Increase/ (Decrease)	% Change
<u>Revenues</u>				
51.1 - Tipping Fees - Solid Waste	11,645,600	12,158,750	513,150	4.4%
51.2 - Tipping Fees - Surcharge	1,751,000	1,803,000	52,000	3.0%
51.3 - Tipping Fees - Diverted Materials	1,434,400	1,442,700	8,300	0.6%
51.4 - AB939 Service Fee	2,228,900	2,309,800	80,900	3.6%
52.1 - Charges for Services	124,500	124,500	-	0.0%
53.1 - Sales of Materials	309,500	244,000	(65,500)	-21.2%
53.2 - Gas Royalties	220,000	220,000	-	0.0%
54.1 - Investment Earnings	31,700	62,000	30,300	95.6%
Total Revenues	<u>17,745,600</u>	<u>18,364,750</u>	<u>619,150</u>	3.5%
<u>Expenditures</u>				
1110 - Executive Administration	431,000	444,850	13,850	3.2%
1120 - Administrative Support	507,790	532,740	24,950	4.9%
1130 - Human Resources Administration	363,950	381,250	17,300	4.8%
1140 - Clerk of the Board	186,460	170,560	(15,900)	-8.5%
1200 - Finance Administration	625,250	649,950	24,700	4.0%
1300 - Operations Administration	441,200	466,500	25,300	5.7%
2100 - Resource Recovery	826,650	833,300	6,650	0.8%
2150 - Marketing	75,000	75,000	-	0.0%
2200 - Public Education	206,500	206,500	-	0.0%
2300 - Household Hazardous Waste	781,600	784,000	2,400	0.3%
2400 - C & D Diversion	140,000	140,000	-	0.0%
2500 - Organics Diversion	796,200	796,200	-	0.0%
2600 - Diversion Services	18,000	18,000	-	0.0%
3100 - Scalehouse Operations	484,650	529,550	44,900	9.3%
3600 - JR Transfer Station	400,800	349,800	(51,000)	-12.7%
3630 - JR Recycling Operations	124,200	152,900	28,700	23.1%
3650 - ML Transfer Station	265,000	265,000	-	0.0%
3710 - SS Disposal Operations	713,800	743,000	29,200	4.1%
3720 - SS Transfer Operations	954,500	1,084,300	129,800	13.6%
3730 - SS Recycling Operations	590,000	685,600	95,600	16.2%
4500 - JC Landfill Operations	2,365,900	2,386,050	20,150	0.9%
4530 - JC Recycling Operations	374,300	387,500	13,200	3.5%
5300 - Crazy Horse Postclosure Maintenance	609,200	611,400	2,200	0.4%
5400 - Lewis Road Postclosure Maintenance	222,800	224,900	2,100	0.9%
5500 - Johnson Canyon ECS	309,700	311,300	1,600	0.5%
5600 - Jolon Road Postclosure Maintenance	204,650	206,050	1,400	0.7%
5700 - Sun Street ECS	185,300	186,300	1,000	0.5%
6100 - Debt Service - Interest	1,653,300	1,619,100	(34,200)	-2.1%
6200 - Debt Service - Principal	1,052,300	1,229,900	177,600	16.9%
6605 - Closure Set-Aside	238,000	248,500	10,500	4.4%
Total Expenditures	<u>16,148,000</u>	<u>16,720,000</u>	<u>572,000</u>	3.5%
Operating Budget Surplus	1,597,600	1,644,750		
Less New CIP Allocation	(2,084,000)	(1,144,000)		
Repayment of Expansion Fund	-	(376,000)		
Jolon Road Equipment Repayment	-	(120,000)		
Use of CIP Reserves	<u>763,500</u>	<u>-</u>		
Balance Used to Fund Reserves	<u>277,100</u>	<u>4,750</u>		



**FY 2017-18**  
**Preliminary Budget**  
**February 16, 2017**

# Payroll Budget Increases

Jolon Road Operations	\$ 76,400
Health Insurance Increases	64,600
OPEB Funding	34,700
COLA (Net)	89,700
Longevity	43,000
Net All Other Increases/(Decreases)	<u>(1,550)</u>
Total Payroll Increases	306,850
Jolon Road Contract Ending	<u>(76,400)</u>
Net Payroll Increases	<u><u>\$230,450</u></u>

# Madison Lane

<b>Fiscal Year</b>	<b>Total Spent (\$)</b>
2013-14	166,505
2014-15	182,621
2015-16	263,176
2016-17 (Through November)	177,015
2017-18 Proposed	265,000



# Staffing Requests

- New C&D Driver \$ 109,000
- New Diversion Worker (Sun Street)\* \$ 80,900

\* Ongoing request from SSTS facility operations staff during Strategic Planning sessions

# Debt Service Schedule

FY	Bond Payments	Capital Lease	Total Debt Service
2014-15	1,920,876	414,901	2,335,776
2015-16	1,908,648	960,373	2,869,021
2016-17	1,907,820	797,594	2,705,415
2017-18	2,051,271	797,594	2,848,866
2018-19	3,135,978	797,594	3,933,572

# FY 2017-18 Projected Operating Budget Increase

Payroll Increases	\$ 230,450
New C&D Driver	109,000
New Diversion Worker	80,900
Debt Service Increase	143,400
All Other Increases	<u>8,250</u>
Total Budget Increases	<u>572,000</u>

# Projected Revenue Increase

7,500-ton increase in solid waste tonnage projection (4.4% increase)	513,150
3.6% AB939 Increase	80,900
2.9% Increase to Franchise Transportation Surcharge	52,000
Other Revenue Adjustments (Net)	<u>(26,900)</u>
Total Revenue Increase	<u>619,150</u>

# Condensed Two-Year Budget Comparison

	<b>FY 2016-17</b>	<b>Proposed FY 2017-18</b>
Operating Revenue	17,745,600	18,364,750
Operating Expenditures	<u>16,148,000</u>	<u>16,720,000</u>
Operating Budget Surplus	1,597,600	1,644,750
CIP Allocations	(2,084,000)	(1,640,000)
Use of CIP Reserves (Loan)	<u>763,500</u>	<u>-</u>
Balance Used to Fund Reserves	<u>277,100</u>	<u>4,750</u>

# CIP Budget

Johnson Canyon LFG System (Vertical Wells)	60,000
Johnson Canyon Equipment Replacement	50,000
Johnson Canyon LFG System (Horizontal Wells)	30,000
Johnson Canyon Litter Control Fence	50,000
Johnson Canyon Module 7/8 Construction	540,000
Repayment of Expansion Fund Loan	376,000
Jolon Road Transfer Station Improvements	84,000
Jolon Road Equipment Purchase/Replacement (Repayment)	120,000
Lewis Road LFG Well Replacement	30,000
SSTS Equipment Replacement	<u>300,000</u>
Total Operating Surplus Allocations	<u>1,640,000</u>

# Total Estimated Residential Rates

Hauler	Service Level	Current Rate	Hauler CPI Increase	Disposal Increase	Franchise Fee Increase	Total Increase*
Republic	32 gal	\$ 24.44	\$ .27	\$ .07	\$ .12	\$ .46
Tri Cities	48 gal	\$ 28.10	\$ .24	\$ .09	\$ .07	\$ .40
WM- County	35 gal	\$ 30.78	\$ .63	\$ .10	\$ .07	\$ .80
WM- King City	35 gal	\$ 29.74	\$ .79	\$ .12	\$ .15	\$ 1.06

- Tri-Cities CPI increase is for ½ year
- \* Total increase is between 1.4% and 3.6%

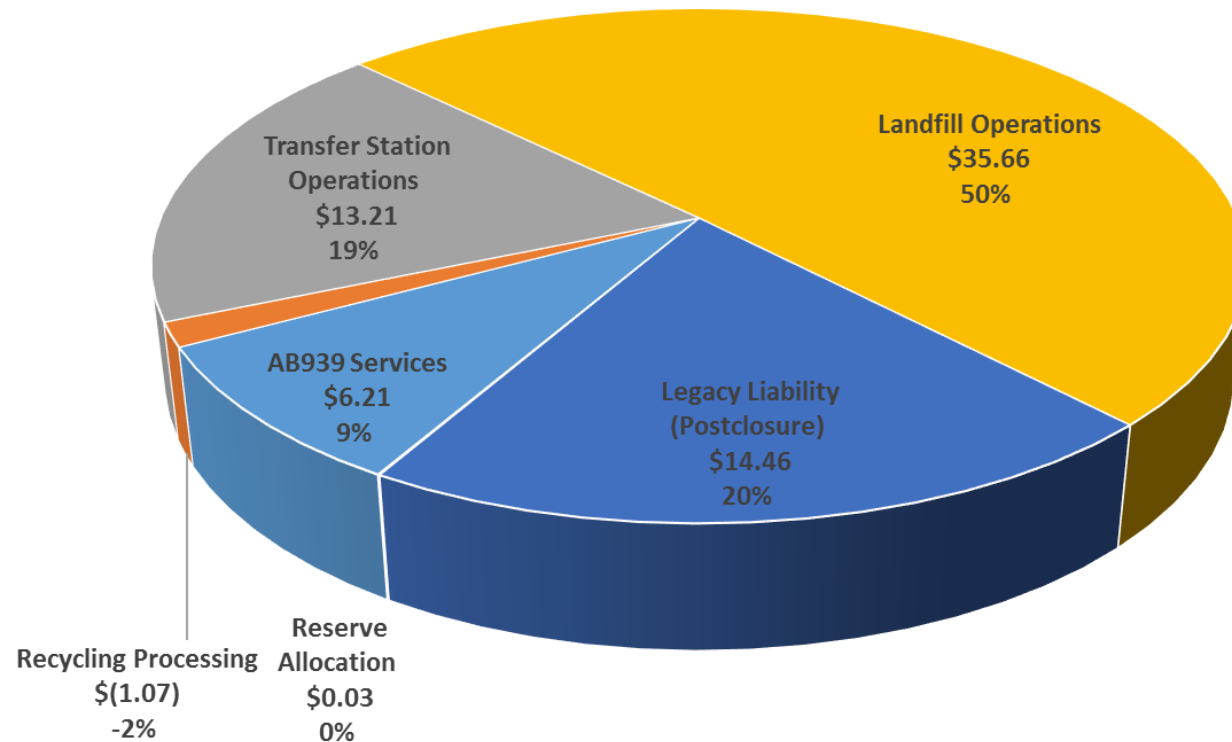
# Total Estimated Commercial Rates

Hauler\$	Service Level	Current Rate	Hauler CPI Increase	Disposal Increase	Franchise Fee Increase	Total Increase*
Republic	1 cy	\$ 281.58	\$ 4.81	\$ .24	\$ 1.77	\$ 6.82
Tri Cities	1 cy	\$ 170.26	\$ 1.65	\$ .51	\$ .43	\$ 2.59
WM- County	1 cy	\$ 175.17	\$ 3.57	\$ .43	\$ .40	\$ 4.40
WM- King City	1 cy	\$ 125.01	\$ 3.34	\$ .48	\$ .63	\$ 4.45

- Tri-Cities CPI increase is for ½ year
- \* Total increase is between 1.5% and 3.6%



# How the \$68.50 is spent



# 5 Year Operating Projections

Description	2016-17 Budget	2017-18 Proposed	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
Landfilled Tonnage	170,000	177,500	177,500	177,500	177,500	177,500
Estimated Tipping Fee	68.50	68.50	69.50	70.00	70.50	71.00
Transportation Surcharge	17.00	17.50	18.00	18.50	19.00	19.50
AB939 Service Fee	2,228,900	2,309,800	2,487,300	2,664,800	2,797,925	2,886,675
Total Revenues	17,645,600	18,364,750	18,800,550	19,118,850	19,392,775	19,622,325
Less Operating Expenditures	14,240,100	14,668,700	14,939,000	14,631,600	14,695,300	14,979,600
Net Revenues	3,405,500	3,696,050	3,861,550	4,487,250	4,697,475	4,642,725
Total Debt Service (Bonds)	1,907,900	2,051,300	3,136,100	3,134,100	3,136,800	3,134,000
Net Income After Debt Service*	1,497,600	1,644,750	725,450	1,353,150	1,560,675	1,508,725
*Allocation for CIP and Reserve funding per Board fiscal policies						
Debt Coverage Ratio	1.78	1.80	1.23	1.43	1.50	1.48

# 5 Year Capital Plan

Description	2016-17 Budget	2017-18 Proposed	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
Gloria Iverson Road	365,000					
Repayment to Expansion Fund (Ameresco Project)	-	376,000				
Equipment Purchase/Replacement	840,000	470,000	220,000	920,000	1,120,000	1,120,000
JC Landfill Improvements	410,000	680,000	425,000	330,000	330,000	260,000
Transfer Station Improvements	82,000	84,000	50,000	50,000	50,000	50,000
Closed Landfill Improvements	387,000	30,000	-	-	-	-
Total CIP's Funded From Operations	<u>2,084,000</u>	<u>1,640,000</u>	<u>695,000</u>	<u>1,300,000</u>	<u>1,500,000</u>	<u>1,430,000</u>

# 5 Year Projected Surplus/(Deficit)

Description	2016-17 Budget	2017-18 Proposed	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
Net Income After Debt Service	1,497,600	1,644,750	725,450	1,353,150	1,560,675	1,508,725
Less CIP's Funded From Operations	1,220,500	1,640,000	695,000	1,300,000	1,500,000	1,430,000
Budgeted Surplus for Reserves	277,100	4,750	30,450	53,150	60,675	78,725



**SVR Agenda Items - View Ahead 2017**

Item No. 10

	Mar	Apr	May	Jun	24-Jul	Aug
<b>A</b>						
1	Minutes	Minutes	Minutes	Minutes	<b>RETREAT STRATEGIC PLAN 6-MONTH OBJECTIVES</b>	A. Minutes 6/15/17 B. Minutes 7/24/17
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)		Claims/Financials (EC)
3	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report		Member Agencies Activities Report
4	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update		Strategic Plan Update
5	CAG Appointments	LTFN EIR Qtrly Update (sp)	1st Qtr Tonnage & Diversion Report	LTFN EIR Qtrly Update (sp)		2nd Qtr Tonnage & Diversion Report
6	City of King Franchise Contract Administration	QTE March Cash & Investments	FY Investment Policy (EC)	Debugging Equipment Report (sp)		QTE June Cash & Investments
7	C&D Recycling Program (sp)	JCLF Organics CEQA	New/Ext Agreements & Contracts	SVR Facilities Energy Projects (sp)		QTE June Facilities Customer Survey
8	City/County Payment Program (EC)	JR/JC Water Supply Report		Board Public Outreach Participation (sp)		Emergency Plan Expansion Report (sp)
9	Vision Recycling Overview/Making Color Mulch	1st Qtr Facilities Customer Survey		Social Media Progress Report (sp)		<b>Annual Tonnage &amp; Diversion Performance Report</b>
10	Public Hearing: Fee Sched Amend	Earth Day Recognition		CEQA Public Information Meeting Report (sp)		
11	New FY 17-18 Budget			EIR & SVR Facility Options Survey Results (sp)		
12				Green Leader Recognition Award Program (sp)		
13						
14						
15						
16						

Consent
Presentation
Consideration
Closed Session
<b>[Other]</b> (Public Hearing, Recognition, Informational, etc.) <b>(EC)</b> Executive Committee <b>(sp)</b> Strategic Plan Item