



**AGENDA**  
**Special Meeting**  
**BOARD OF DIRECTORS**  
**March 7, 2019, 5:00 p.m.**

128 Sun Street, Suite 101, Salinas, California  
Salinas Valley Solid Waste Authority Administration Office

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**Board Directors**

County: John M. Phillips  
County: Chris Lopez, *Alt. Vice President*  
Salinas: Gloria De La Rosa, *Vice President*  
Salinas: John Villegas  
Salinas: Christie Cromeenes  
Gonzales: Elizabeth Silva  
Soledad: Marisela Lara  
Greenfield: Andrew Tipton  
King City: Robert S. Cullen, *President*

**Alternate Directors**

County: Luis Alejo  
Salinas: Joseph D. Gunter  
Gonzales: Scott Funk  
Soledad: Carla Stewart  
Greenfield: Robert White  
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.

**CLOSED SESSION**

*Receive public comment from audience before entering into closed session:*

1. Pursuant to **Government Code Section 54956.9(d)** to confer with legal counsel regarding one item involving significant exposure to litigation associated with the City of Salinas notice of intention to withdraw.

**RECONVENE**

**CONSIDERATION**

2. **CONSIDERATION OF ACTIONS RELATED TO THE NOTICE OF WITHDRAWAL FROM THE CITY OF SALINAS**
  - A. Receive Report from James Sanchez, Interim General Counsel
  - B. Board Discussion
  - C. Public Comment
  - D. Recommended Action – Provide Direction

**ADJOURNMENT**

.....  
This agenda was posted at the Administration Office of the Salinas Valley Solid Waste Authority, 128 Sun St., Ste 101, Salinas, on the Gonzales Council Chambers Bulletin Board, 117 Fourth Street, Gonzales, and the Authority's Website on **Friday, March 1, 2019**. The Salinas Valley Solid Waste Authority Board will next meet in regular session on, **Thursday, March 21, 2019**. 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.salinasvalleyrecycles.org](http://www.salinasvalleyrecycles.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.*



**RE: GM Comments**

**THE FOLLOWING WAS PROVIDED  
AT THE SPECIAL MEETING OF  
Board of Directors**

**ON**

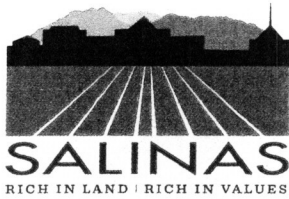
**March 7, 2019**

Letter: City of Salinas Response to the SVSWA January 25, 2019 Letter Requesting Further Financial Assurances from City of Salinas Regarding Possible JPA Withdrawal

From: Ray Corpuz, City of Salinas City Manager

RECEIVED

MAR 07 2019



## City of Salinas

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

SVSWA

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

February 19, 2019

Patrick Matthews  
General Manager  
Salinas Valley Solid Waste Authority  
128 Sun Street, Ste. 101  
Salinas, California 93901

**Re: Your January 25, 2019 Letter Requesting Further Financial Assurances from City of Salinas  
Regarding Possible JPA Withdrawal**

Dear Mr. Matthews:

I am in receipt of your January 25, 2019 letter, purportedly on behalf of the Salinas Valley Solid Waste Authority's (Authority) board of directors, in which you request "further financial assurances" from the City of Salinas as a result of its notice of intent to withdraw as a member of the Authority. I am also in receipt of your February 8, 2019 letter, also purportedly on behalf of the Authority Board, in which you impose a deadline of March 4, 2019 for the City's response to your January 25, 2019 letter. The following responds to those letters and also follows-up our February 28, 2019 meeting among City staff and legal counsel and your staff and the Authority's interim Legal Counsel at which we discussed the City of Salinas's notice of intent to withdraw, including your request for financial assurances. We understand from the meeting that you intend to discuss a "compromise offer" with the Authority's Board designed to keep the City as a member of the Authority and which will include a plan for closure of the Sun Street Transfer Station. We look forward to receiving the Authority's compromise offer and to additional discussions regarding these issues.

### Your Request for "Further Assurances"

Citing to Section 19 of the Joint Powers Agreement Between the City of Salinas, the City of Gonzales, the City of Greenfield, the City of King, the City of Soledad, and the County of Monterey Creating the Salinas Valley Solid Waste Authority (the "Joint Powers Agreement"), you request "the City of Salinas provide further financial assurances to ensure compliance with their contractual obligations in the event Salinas withdraws as a longstanding and founding member of the Authority." Specifically, you suggest that the City of Salinas provide assurances "in the form of a dedicated revenue stream or trust fund setting aside enough revenues to address 1. Annual bond debt service, and post-closure landfill care and related administrative expenses of approximately \$2,900,000 [...] and 2. Guarantee to provide multi-million-dollar funding necessary to address any future environmental liabilities and regulatory compliance



Patrick Matthews  
General Manager  
March 4, 2019  
Page 2 of 5

related to the Authority landfill operations." You further request that the City of Salinas takes your suggestions into consideration when preparing its FY 19/20 budget and "provide the Authority more specific details on the existing dedicated revenue source to meet [its] Authority contractual obligations."

The City finds your demands for "financial assurances" to be premature. As you know, the City's notice of intent to withdraw as a member of the Authority merely served as notice to the Authority and its remaining and triggered a one-year period during which the Authority would be required to take action to reflect the changed membership status. [Joint Powers Agreement, Section 19(b)] The service of a notice of intent to withdraw, however, does not obligate or otherwise require the noticing member to *actually* withdraw. At any point during (or even after) the one-year notice period, the noticing member may rescind its notice and continue as a member of the Authority. You will recall the County of Monterey similarly issued a notice of intent to withdraw in July 2012, but later rescinded its notice and continued as a member of the Authority. As we discussed during our February 28, 2019 meeting, we agree that the twelve-month period is the minimum notice required; the County and the Authority continued their discussions beyond the twelve-month period originally given by the County in its notice. The Salinas City Council specifically acknowledged the possibility of rescinding its notice in its Resolution authorizing issuance of the notice of intent to withdraw: "In the meantime, should the MOU stakeholders build a timely consensus that's in the best interest of the City and the region, the City will have the option to rescind the notice and remain a member of the JPA."<sup>1</sup>

Moreover, Section 19(a) of the Joint Powers Agreement in no way obligates the City to provide the "further assurances" you have requested and certainly not in the form or to the extent you have requested. To be clear, Section 19 provides, in relevant part, any party to the Authority may withdraw upon at least one year's notice "so long as all revenue bonds or other forms of indebtedness issues (*sic*) pursuant hereto, and the interest thereon, shall have been paid or adequate provision for such payment shall have been made in accordance with the resolution (or indenture) adopted by the Authority Board pursuant to the law authorizing the issuance thereof or the approval of the debt." (emphasis added) As we understand it, the Authority has an August 1, 2019 payment in the amount of about \$393,000 due on a privately placed subordinate lien equipment lease. Other than the last payment on the equipment lease, the Authority's only debt is a 2014 bond offering which matures in 2013 and is callable in 2024. Under the 2014 bond documents, the City is not obligated to pay its share of the Authority debt on an accelerated schedule in the event of the City's withdrawal. Per Section 19(a), as discussed above, "adequate provision" does not require the sort or manner of "financial assurances" you have requested. The City understands and acknowledges its obligation to continue paying its share of the 2014 bonds as regularly

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<sup>1</sup> The Salinas City Council authorized by Resolution the issuance of a notice of intent to withdraw from the Authority on November 20, 2018. This action was taken following the Salinas City Council's August 7, 2018 approval of a Memorandum of Understanding memorializing collaboration between the Authority and the Monterey Regional Waste Management District to leverage their resources and efficiently maximize the use of the existing solid waste processing and landfill facilities in Monterey County. That MOU remains in effect and the collaboration between the two agencies continues.

Patrick Matthews  
General Manager  
March 4, 2019  
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scheduled and agrees to continue paying its share of the obligation after withdrawal from the Authority, should withdrawal actually occur.

In addition to agreeing to continue paying its share of the 2014 bonds as regularly scheduled, the City understands and acknowledges its obligations to pay its share of the Authority's legacy costs, also described in Section 19(a): "The Party withdrawing from the [Joint Powers] Agreement will retain its fair share of financial liability for closure and post-closure and site remediation costs based on the tons of material it has contributed to the Authority's solid waste system." **The City understands and acknowledges its obligation to continue paying its share of the closure and post-closure and site remediation costs and that if the City actually withdraws from the Authority that beginning in 2020 and annually thereafter the City will have to meet this obligation. If the City actually withdraws from the Authority, the City will meet its closure and post-closure and remediation cost obligations.**

On March 5<sup>th</sup>, the City Council will consider a recommendation to hire R3 Consulting Group to assist the City on a number of solid waste management topics, including an assessment of the City's financial assurances obligations should the City decide to withdraw from the Authority. As we explained during our February 28, 2019 meeting: This assessment is a continuation of the City's due diligence into solid waste manager and will provide the City with additional information to inform its decision whether to actually withdraw from the Authority.

#### Sun Street Transfer Station

The City has repeatedly made clear its desire and its intent that the Sun Street Transfer Station ("Transfer Station") be closed and relocated to a location outside the City's current and planned future limits. To date, the Authority has made no clear plans to close or to relocate the Transfer Station. As you know, it is currently operating at times above the amount of tonnage approved by the City for the location and has been the source of many resident and business complaints due to the amount of traffic it generates, as well as the odors emanating from the facility. They have also expressed that the transfer station is an environmental justice issue. It is unacceptable that the Transfer Station continue within the City, let alone to operate in this manner. We understand that closure and relocation of the Sun Street Transfer Station will be a component of the Authority's compromise offer to the City. We look forward to receiving and discussing this compromise offer with you.

You may recall that in 2012 the Monterey County Civil Grand Jury issued Interim Final Report No. 5 titled "Salinas Valley Solid Waste Authority." In its Final Report, the Civil Grand Jury made eight findings, including finding no. 7: "[t]he SVSWA's financial decision making policies affect the well-being of many businesses within its jurisdiction. The SVSWA is not looking out for the citizens of the Salinas Valley and north east Monterey County." In addition to making eight findings, the Civil Grand Jury made six recommendations including recommendation nos. 2, 3, and 6:

Patrick Matthews  
General Manager  
March 4, 2019  
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R2. The CGJ (Civil Grand Jury) recommends that the staff of both SVSWA and MRWMD continue to work on the common area of interest and benefit to address waste in Monterey County to the betterment of its citizens. It is the CGJ's recommendation that a consolidation of the two agencies should occur.

R3. The CGJ recommends shutting down the residential waste re-handling process at [the Sun Street Transfer Station (SSTS)]. The CGJ further recommends that SVSWA cease in its desire to replace the SSTS with a site on Work Street. The CGJ feels the Work Street location is not feasible for this site as it is similar to SSTS. The location has two motels, a car lot, agricultural warehouses, and offices within a 1/4 -1/2 mile radius. Work Street is also a heavily traveled route to Hwy. 101 north and south exits.

R6. The CGJ recommends that SVSWA and the City of Salinas work closely with its citizens and businesses by creating an advisory committee to address issues for the recommended closures of SSTS and the utilizing of a facility already in place, Madison Lane Transfer Station.

The City continues its concurrence with the Civil Grand Jury's findings and recommendations and in addition believes that the continued presence of the Transfer Station at its current location presents an issue of environmental justice for those residing and conducting business within proximity to the Transfer Station. In addition to continuing its continued collaboration with the Waste Management District, the City's requests that you and the Authority Board develop a plan, with all deliberate haste, to close the Transfer Station and relocate it outside the City's current and planned future limits..The City of Salinas has already lost development opportunities within its Alisal Marketplace area as a result of the Authority's failure to have a plan in place to close and to relocate the Transfer Station. And, with the City Council's adoption of the Economic Development Element of its General Plan and its work on the Alisal Vibrancy Plan, the Salinas City Council has made clear its policy and has recommitted its efforts to redevelopment and revitalization of this underutilized area. Redevelopment and revitalization of this area cannot coexist with the Transfer Station.

Feel free to let me know if you have any questions or would like to discuss this matter further. In the meantime, we look forward to continued collaboration between the Authority and the Waste Management District and to the Authority's plan for closure and relocation of the Transfer Station.

Sincerely,

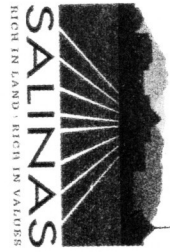


Ray Corpuz  
City Manager

Patrick Matthews  
General Manager  
March 4, 2019  
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cc: City Council  
City Attorney  
Finance Director  
Public Works Director  
City Engineer

Salinas Valley Solid Waste Authority Board of Directors  
Interim Legal Counsel



City of Salinas

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MAR 07 2019

SVSWA

Patrick Matthews  
General Manager  
Salinas Valley Solid Waste Authority  
128 Sun Street, Ste. 101  
Salinas, CA 93901

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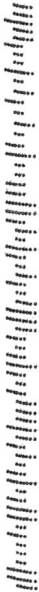
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## **SUPPLEMENTAL MATERIAL WAS ADDED TO THE BOARD OF DIRECTORS**

March 7, 2109  
Special Meeting  
AGENDA PACKET

### **Pertaining to the following Scheduled Items:**

3/5/2019

**ITEM NO. 2: CONSIDERATION OF ACTIONS RELATED TO THE NOTICE OF WITHDRAWAL FROM THE CITY OF SALINAS**

1. March 5, 2019, Letter to the City of Salinas Mayor and Council from SVSWA Board President – Added
2. March 5, 2019, City of Salinas Council Meeting Staff Report and Attachments for Agenda Item ID#19-143- Added

The "Supplemental Materials" have been added to the end of its corresponding agenda item in the agenda packet.





**Mission**

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

**Vision**

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

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

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March 5, 2019

Delivered via e-mail and hard copy 3-5-19

City of Salinas, Mayor and City Council Members  
200 Lincoln Avenue  
Salinas, CA 93901

Subject: Consideration Item ID#19-143 - Proposed R3 Supplemental Solid Waste Study and Salinas Valley Solid Waste Authority Request to Rescind December 6, 2018 Notice of Intent to Withdraw Until Studies are Complete

City of Salinas Mayor and City Council,

This letter is a follow-up to the February 28, 2019 meeting between staff of the Salinas Valley Solid Waste Authority and the City of Salinas. The Authority encourages the due diligence efforts contained in this Council item on tonight's agenda. Our challenge is that it is work that should be conducted outside of the fiscal and operational cloud created by a pending notice of intention to withdraw ("Notice").

Once Salinas provided the Authority the December 6, 2019 Notice, it initiated a legal process placing additional expenses on all Salinas Valley residents in anticipation of a Salinas withdrawal.

The bond disclosure obligations and other legal actions, such as reforming the Joint Powers Agency with the remaining members, that must be considered by the Authority pending the Notice are significant and costly. In light of these costs and actions, we propose that the Salinas City Council consider the following:

1. Direct staff to rescind the Notice until the due diligence steps are complete and prove the cost savings and regulatory benefits of Salinas withdrawing from the Authority.
2. Take advantage of Salinas' current Authority membership and conduct the due diligence studies proposed today in collaboration with the Authority's current due diligence studies.
3. Allow the Authority a reasonable opportunity to offer a compromise proposal which could address the concerns Salinas stated as the basis for the Notice. A compromise proposal is going to be reviewed and discussed at our March 7<sup>th</sup> Board meeting.

We believe these steps are in keeping with the foundational principles of cost-effective and efficient region-wide services championed by the City of Salinas in establishing the Authority. Thank you for consideration of this request.

Sincerely,



Robert Cullen, President  
Salinas Valley Solid Waste Authority

Copy to:        Salinas Valley Solid Waste Authority Board of Directors  
                    Dr. Lew Bauman, County Administrative Officer, Monterey County  
                    Ray Corpuz, City Manager, City of Salinas  
                    Chris Callihan, City Attorney, City of Salinas





## CITY OF SALINAS COUNCIL STAFF REPORT

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**DATE:** MARCH 5, 2019

**DEPARTMENT:** PUBLIC WORKS

**FROM:** DAVID JACOBS, DIRECTOR

**BY:** JIM SANDOVAL, ASSISTANT DIRECTOR/CITY ENGINEER

**TITLE:** AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SALINAS AND R3 CONSULTING GROUP, INC. FOR EXPANDED SOLID WASTE MANAGEMENT CONSULTING SERVICES

RECOMMENDED MOTION:

A motion to approve a resolution that approves:

- a. Amendment No. 2 to the May 1, 2017, Professional Services Agreement between the City of Salinas and R3 Consulting Group, Inc., in the amount of \$169,950 for expanded solid waste consulting services.
- b. A supplemental appropriation of \$169,950 from the General Fund to fund the proposed scope of services.

RECOMMENDATION:

It is recommended that the City Council approve a resolution that approves:

- a. Amendment No. 2 to the May 1, 2017, Professional Services Agreement between the City of Salinas and R3 Consulting Group, Inc. (Amendment No. 2), in the amount of \$169,950 for expanded solid waste consulting services.
- b. A supplemental appropriation of \$169,950 from the General Fund to fund the proposed scope of services.

The purpose of Amendment No. 2 is for R3 Consulting Group, Inc. (R3) to continue assisting the City of Salinas (City) in its efforts to maximize the level of solid waste management services within the City, minimize costs to rate payers, and expedite the removal of the Sun Street Transfer Station from the Alisal Marketplace to encourage economic development opportunities.

BACKGROUND:

The County and all cities in Monterey County are faced with the significant challenges in complying with recent environmental laws that govern the management of solid waste and mandate additional solid waste diversion from landfills. These laws are primarily focused on diverting organic waste (AB 1594,

SB 1826, SB 1383) and recyclables (AB 341) from landfill disposal and will have a profound and long-term impact on all stakeholders involved in paying for and managing Monterey County's solid waste systems.

In an effort to efficiently meet the demands of these mandates and increase the redevelopment potential of the Alisal Marketplace, the City has activated a number of initiatives to achieve these goals:

- On August 7, 2018, the City Council approved a resolution that supports collaboration through a memorandum of understanding (MOU) between the Salinas Valley Solid Waste Authority (SVSWA) and the Monterey Regional Waste Management District (MRWMD) to leverage their resources and efficiently maximize the use of the existing solid waste processing and landfill facilities in Monterey County to minimize the impact of the state regulations noted above. On July 17, 2018, the Monterey County Board of Supervisors declared support of the same MOU.
- In October 2018, the City hired R3 to implement a performance review (i.e., audit) of Republic Services of Salinas (Republic)—the City's franchised solid waste collection company. The audit is being conducted in accordance with Provision 8.8 of the *November 1, 2010 Franchise Agreement between the City and Republic Services*. Per the Franchise Agreement, the audit will be paid for by Republic. The audit is expected to be finalized by the first week of March.
- On November 6, 2018, the City Council approved a resolution that authorizes the City Manager to deliver a one year written notice to the SVSWA of the City's intent to withdraw from the *Joint Powers Agreement Between the City of Salinas, The City of Gonzales, The City of Greenfield, The City of King, The City of Soledad, and the County of Monterey Creating the Salinas Valley Solid Waste Authority*. This notice allows the City to continue the process of determining the most efficient and economical method of delivering waste disposal and diversion services to the Salinas community, and it will allow the SVSWA to begin the process of assessing how to address the City's potential withdrawal from the Joint Powers Agreement.

## DISCUSSION:

The above State mandates and City initiatives, along with Republic's purchase of the Madison Lane Transfer Station in December, have yielded a complex citywide solid waste program with numerous options and variables for the City to assess and manage in 2019. Accordingly, staff have asked R3 to develop a scope of services (SOS) aimed at helping the City assess its options to maximize the level of solid waste management services, while minimizing costs. In summary, the SOS includes the following elements:

### *Task 1--Post-Collection Facility Options*

Task 1 will include an evaluation and rate impact analysis of various scenarios for delivery and use of post-collection facilities (i.e. MRF, transfer, disposal, organics processing). Relevant facilities within a reasonable proximity to the City will be evaluated, including the option to remain as a member of the SVSWA.

### *Task 2--SVSWA Options and Summary Report*

This task will include analyses of the regulatory, contractual, and financial obligations the City will incur if it chooses to withdraw its membership from the SVSWA. It will culminate into a cost-benefit analysis and summary report of the findings in Tasks 1 and 2. The report will include a step-by-step checklist and action plan timeline for the requirements and processes necessary to withdraw from the SVSWA and backfill the services that the SVSWA currently provides to the City.

### *Task 3--Revised /Amended Franchise Agreement*

Task 3 will include working with Republic to a) develop a corrective action plan needed for Republic to address the problems identified in its recent audit, and b) develop and negotiate a revised Franchise Agreement to incorporate operational changes resulting from the decisions made by the City following the work completed in Tasks 1 and 2 above.

Complete details of the SOS are in R3's February 15, 2019, proposal included in Exhibit A of Amendment No. 2, which is attached herein. Please note that the SOS includes Tasks 4 and 5. These tasks have already been contracted with R3 in a \$50,000 purchase order executed in December with budgeted operational funds. R3's Tasks 4 and 5 will provide staff with guidance in taking over the management of the Republic franchise agreement from SVSWA; technical and regulatory assistance in the MOU effort between the SVSWA and MRWMD; and general solid waste management technical and regulatory support. Staff asked R3 to provide more details for Tasks 4 and 5 in the subject proposal because Tasks 1-3 will slightly change the original scope of work for those tasks.

### CEQA CONSIDERATION:

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

### STRATEGIC PLAN INITIATIVE:

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

#### DEPARTMENTAL COORDINATION:

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

#### FISCAL AND SUSTAINABILITY IMPACT:

R3 proposes to undertake Tasks 1-3 for a not-to-exceed amount of \$169,950. To fund this amount, staff requests that the City Council approve a supplemental appropriation from the General Fund.

Staff recommends that R3 be hired as a sole source vendor because they have provided extensive research, technical and regulatory support, and reporting on solid waste operations in Salinas and Monterey County. Thus they are uniquely familiar with the Salinas and regional solid waste issues, and the Franchise Agreement between Republic Services and the City.

The work proposed herein is critical to the City in its efforts to maximize the level of solid waste management services within the City, minimize costs to rate payers, and expedite the removal of the Sun Street Transfer Station from the Alisal Marketplace to encourage economic development opportunities.

#### ATTACHMENTS:

- Resolution
- Amendment No. 2 to the May 1, 2017, Professional Services Agreement between the City of Salinas and R3 Consulting Group, Inc.

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALINAS AUTHORIZING  
AND DIRECTING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT  
TO AN AGREEMENT BETWEEN THE CITY OF SALINAS AND R3 CONSULTING  
GROUP, INC.**

**WHEREAS**, proposed Amendment No. 2 of the Agreement with R3 Consulting Group, Inc. (R3) is established to continue assisting the City of Salinas (City) in its efforts to maximize the level of solid waste management services within the City, minimize costs to rate payers, and expedite the removal of the Sun Street Transfer Station from the Alisal Marketplace to encourage economic development opportunities; and

**WHEREAS**, R3 proposes a not-to-exceed fee of \$169,950 to perform the scope of services in its February 15, 2019, proposal included in Exhibit A of Amendment No. 2, which is attached herein; and

**WHEREAS**, a supplemental appropriation of \$169,950 from the General Fund is necessary to fund the proposed scope of services; and

**WHEREAS**, R3 has provided extensive research, technical and regulatory support, and reporting on solid waste operations in Salinas and Monterey County; and

**WHEREAS**, R3 is uniquely familiar with the Salinas and regional solid waste issues, and the Franchise Agreement between Republic Services and the City; and

**WHEREAS**, R3 is therefore properly characterized as a “sole source” through the City Sole Source Justification category of “compatibility” and is exempt from competitive bidding requirements per City of Salinas *Municipal Code Chapter 12, Sections 25 and 27*.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Salinas that it hereby authorizes and directs the City Manager of the City of Salinas to execute that certain Second Amendment to the Agreement between the City of Salinas and R3 Consulting Group, Inc. (R3) upon the terms and conditions set forth in the said Second Amendment to the Agreement as presented to the Council this date; and

**BE IT FURTHER RESOLVED**, by the City Council of the City of Salinas that it hereby authorizes and directs the City Finance Director to make a supplemental appropriation of \$169,950 from the General Fund to fund the proposed scope of services in the said Second Amendment to the Agreement.

**PASSED AND APPROVED** this 5<sup>th</sup> day of March, 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Joe Gunter, Mayor

**ATTEST:**

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Patricia M. Barajas, City Clerk

## Amendment No. 2

### Agreement for Professional Services Between The City of Salinas and R3 Consulting Group, Inc.

This Second Amendment to the Agreement for Professional Services is entered into by and between the City of Salinas, a California Charter city and municipal corporation, and R3 Consulting Group, Inc., a California corporation.

#### **Recitals**

WHEREAS, the City of Salinas (“City”) and R3 Consulting Group, Inc. (“Consultant”) entered into an Agreement for Professional Services dated May 1, 2017 (the “Original Agreement”), for professional services associated with municipal solid waste management; and

WHEREAS, the Consultant’s scope of services has changed such that the Original Agreement must be amended; and

WHEREAS, the City and the Consultant desire to amend the terms of the Original Agreement in order to accommodate the change in the scope of the Consultant’s services.

NOW, THEREFORE, in mutual consideration of the covenants, terms, and conditions of the Original Agreement and of this Second Amendment to the Original Agreement, the parties agree as follows:

1. **Amendment to Consultant’s Scope of Services.** The scope of the services to be performed and provided by the Consultant and attached to the Original Agreement as Exhibit A is amended to include the additional services and amounts of compensation shown and more particularly described on the Consultant’s February 15, 2019 proposal attached to Exhibit A.
2. **Term; Completion Schedule.** The termination date of the Original Agreement shall be extended to December 31, 2020.
3. **Amendment to Compensation.** Consistent with Section 1 of this Second Amendment and the scope of services attached hereto as Exhibit A, the City shall pay to Consultant a total amount of compensation, for services rendered pursuant to this Second Amendment, in an amount not to exceed one hundred sixty-nine thousand nine hundred fifty dollars (\$169,950).
4. **Original Agreement.** All covenants, terms, and conditions of the Original Agreement, as originally written and set forth therein, shall remain unchanged and shall remain in full force and effect as if set forth fully herein.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City of Salinas and R3 Consulting Group, Inc., have entered into this Second Amendment to the Professional Services Agreement.

**CITY OF SALINAS**

\_\_\_\_\_  
Ray Corpuz, City Manager

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher A. Callihan, City Attorney

\_\_\_\_\_  
Date

**R3 CONSULTING GROUP, INC.**

\_\_\_\_\_  
By: Richard Tagore-Erwin  
Its: Principal

\_\_\_\_\_  
Date



## **Exhibit A**

### **Proposal for Contract Management and Consulting Services**

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**Northern California Office**

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February 15, 2019

Mr. Jim Sandoval  
Assistant Public Works Director  
City of Salinas  
200 Lincoln Ave  
Salinas CA, 93901

**Subject: Strategic Assistance to the Solid Waste efforts of the City of Salinas**

Dear Mr. Sandoval:

R3 Consulting Group, Inc. (R3) is pleased to submit the attached proposal to continue assisting the City of Salinas in their efforts to maximize the level of service provided by Republic Services. The City is currently in a position to enhance every aspect of the quality of service provided to its customers, through collections, post-collections, and contractual opportunities and R3 is honored to aid the City in the difficult decisions ahead. The Task we have outlined in the following pages are interrelated but can be budgeted as stand-alone work tasks. We envision the final outcome to help guide the City in its strategic management of its solid waste collection, processing and disposal system. *Also, please note that the City should require Republic to pay for Task 2, Republic is required to pay for Task 4, and the City should consider requiring Republic to pay for Tasks 1 and 3 due to the importance to Republic if its long-term viability of remaining the City's franchised hauler.*

\* \* \* \* \*

We appreciate the opportunity to submit our proposal to the City of Salinas. Should you have any questions regarding our proposal, or need any additional information, please contact me by phone at (916) 782-7821 or by email at rterwin@r3cgi.com. As Principal at R3, I am authorized to contractually obligate R3 and negotiate contracts on behalf of the organization.

Sincerely,

**R3 CONSULTING GROUP**



Richard Tagore-Erwin | Principal

## Scope of Work

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### Task 1 Post-Collection Facility Options

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#### Task 1.1 Post-Collection Facility Scenarios

R3 Consulting Group, Inc. will work with Republic to analyze and review various options for delivery and use of post-collection facilities (i.e. MRF, transfer, disposal, organics processing). Several scenarios will be developed to depict the potential impacts of facility selection including but not limited to comparative analysis of distances, average processing time of a collection vehicle through the facility via time-in-motion, and tonnage capacities and tipping fees for the facilities if the City's solid waste is redirected there. The cost analysis will take into account the requirements for "City Direction" as included in the Franchise Agreement (Agreement). Relevant facilities within a reasonable proximity to the City will be evaluated, including the option to remain as is.

The anticipated scenarios are as follows:

Scenario A – Direct Haul to Monterey Regional Waste Management District (MRWMD)

Scenario B – Direct Haul to Johnson Canyon Landfill (JCLF)

Scenario C – Direct Haul Hybrid – MRWMD/JCLF

Scenario D – Transfer from Madison Lane Transfer Station (Temporary Scenario: 6 mos. – 2 yrs.)

Scenario E – Remaining in the Salinas Valley Solid Waste Authority – Joint Powers Association (SVSWA)

All of the above scenarios, with the exception of Scenario E, will include City debts and liabilities to SVSWA. Potential separation from the SVSWA will be examined in Task 3 below.

#### Task 1.2 Review of GreenWaste Agreement between Republic and SVSWA

R3 will review the current green waste tipping agreement to ensure compliance of contractual obligations, as well as analyzing new requirements established in SB 1383 that must be met.

#### Task 1.3 Comparative Rate Analysis

R3 will implement a comparative collection rate analysis of Republic versus the other haulers within Monterey County, including GreenWaste Recovery, Inc.; Waste Management, Inc. (WMI); and Monterey Disposal Service, Inc. The analysis may also include communities outside the county similar to Salinas. R3 will factor the following items into the analysis:

- Current direct-haul distances of the above collection companies vs. the distance Republic would direct-haul;
- The varying container tipping fees, processing fees, and other relevant fees associated with post-collection facilities for haulers; and
- Rate comparisons of the most common residential and commercial rate-categories (e.g., 32 gallon cart; 3 cubic yard bin).

#### **Task 1.4 Opportunity Cost Analysis**

R3 will evaluate the opportunity cost and potential economic development opportunity at Sun Street Transfer Station (SSTS).

#### **Task 1 Deliverables**

- Excel Rate Model depicting the projected impacts of selecting a particular post-collection facility, via several scenarios; and
- Rate impact options analysis report, including:
  - Comparison of Republic's residential and commercial rate structures relative to material types collected and tonnages generated;
  - Analysis of green waste agreement with Republic and SVSWA, including recommendations for actions, if needed;
  - Excel spreadsheet containing a comparative rate table of haulers, as described in Task 1.3; and
  - Results of the Opportunity Cost Analysis to be included in the Task 2.4 Summary Report.

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### **Task 2 SVSWA Options and Summary Report**

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#### **Task 2.1 City Alternatives to the SVSWA**

R3 will analyze the City's requirements and options if the City withdraws from the SVSWA documenting the City's regulatory requirements if it is not part of a regional agency. In the event that the City separates from the SVSWA, the City would inherit the regulatory requirements that the SVSWA provides. The City would need to establish accountability for the following:

- Waste Diversion reporting to CalRecycle, including managing:
  - Current requirements and logistics;
  - Future requirements; and
  - Reporting requirements other than Diversion.

Specifically, under AB 939 the City is required to develop its own planning documents (SRRE, HHWE, NDFE, Waste Characterization Study), and provide for all AB 939 and annual reporting, Household Hazardous Waste Programs, public education, and program monitoring. Currently the services and programs are being provided by the SVSWA, but are paid for from the AB 939 surcharge levied by SVSWA against Salinas' franchised disposal tonnage. In turn, the surcharge is incorporated into customer rates, as well as the transfer station charge. As part of our analysis, R3 will calculate the current AB 939 and transfer station charges in total amounts, and as part of current customer rates. Options that will be addressed would include, for example:

- Appropriate use of current AB 939 and transfer station charges (i.e. pay for required AB 939 programs, offset direct haul costs);
- Contracting with MRWMD;

- Contracting back or renegotiating required services with SVSWA;
- Hiring additional City staff;
- Utilizing contract staff or consultants;
- Requiring Republic to offer HHW and expanded public outreach programs; and/or
- A combination of the above.

R3 will summarize the requirements, timeline needed and estimated associated costs (or savings) to City if it withdraws from the SVSWA.

### **Task 2.3      Review of Financial Obligations to SVSWA**

R3 will conduct an analysis of the City's financial obligations to the SVSWA in advance of a potential withdrawal. The analysis will include all items that were acquired by the SVSWA for the purposes of managing the post-collection material processing of the JPA jurisdictions that will be financially affected by the subtraction of the City of Salinas. The list of items will include but is not limited to, a review of the following:

- Bond debt;
- Financial assurances for JCLF and the three closed landfills, including costs associated with:
  - environmental liabilities;
  - closure; and
  - post-closure.
- Capital investments purchased by the SVSWA, including:
  - Equipment;
  - JCLF;
  - Sun Street Transfer Station; and
  - Currently closed landfills.

### **Task 2.4      Summary Report**

Following the analysis of items in Task 1 through Task 2.3, in conjunction with City staff, R3 will draft a plan of action for the City to meet its obligations to its rate payers and SVSWA, and address compliance with CalRecycle mandates. This will include the cost-benefit analysis of direct-haul, use of Madison Lane Transfer Station, potential withdrawal from SVSWA, staffing needs related to AB 939 program requirements, and the impact on franchised services. We anticipate our Task 2.4 Summary Report will include:

- Summary of City obligations and options to meet regulatory requirements of AB 939, AB 341, AB 1594, AB 1826, SB 1383;
- Matrix of alternatives and estimated impacts of continuing to be part of the SVSWA and/ or withdrawing from the SVSWA;

- Summary of programmatic and financial obligations and recommended plan of action for the City to meet them;
- Cost/savings analysis of:
  - Direct haul;
  - Withdrawal from the SVSWA;
  - Up-front costs; and
  - On-going costs;
- Checklist of City requirements and step-by-step process associated with the potential withdrawal from the SVSWA; and
- Action Plan Timeline.

## **Task 2 Deliverables**

- Draft and Final Summary Report of the results of Task 1 – Task 2.3; and
- Meetings as necessary with City Staff, Republic, and CalRecycle.

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## **Task 3      Revised /Amended Franchise Agreement**

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### **Task 3.1      Corrective Plan of Action**

Building on the Performance Review conducted in 2018, R3 will work with the City (and Republic) to implement corrective actions needed for Republic to address the identified problem areas (overweight loads, excessive driver hours, lack of staffing, etc.) outlined in the 2018 Performance Review. The 2018 Performance Review results will be used to set the foundation for a Republic created Corrective Plan of Action to the City. Any Corrective Plan of Action must contain a targeted completion date for all addressed items.

### **Task 3.2      Propose Agreement Revisions / New Agreement**

The current Agreement will be revised to incorporate industry standards, including but not limited to:

- Term;
- Use of facilities;
- Recent legislation (i.e., AB 1594, AB 1826, SB 1383);
- Updated reporting requirements;
- Specific diversion requirements;
- Flow control;
- Addition/revision of liquidated damages; and

- Inclusion of a contract extension payment, reimbursement, or Vehicle Impact Fee to account for the costs associated with road repairs and maintenance due to the degradation of city streets by commercial vehicles.

R3 will assess the opportunities and challenges of a contract extension payment, reimbursement, and/or Vehicle Impact Fee by exploring:

- Options for assumption, payment, or reimbursement of the City's financial obligations of leaving the SVSWA; and
- Addition of a service for a Citywide "Clean Team", including street sweeping services, homeless encampment clean-ups, litter abatement, graffiti abatement, etc.

R3 will also address factors that may impact collection services, but are indirectly tied to the Agreement, such as the impact(s) of a potential withdrawal from the SVSWA. As noted above, these could include . Household Hazardous Waste (HHW) drop locations and direct haul vs. utilizing Madison Lane Transfer Station to transfer solid waste collected by Republic.

Additionally, we will revise the Agreement to reflect the post-collection facility selection following completion of Task 1, and any additional changes from the outcome of Task 2. R3 will also assess the implications of self-haul tonnage through Madison Lane Transfer Station and/or satellite drop off locations within the City and a review of post-collection tonnage capacity permits at Madison Lane Transfer Station to ensure that the facility can adequately support additional tonnage inflow.

The following items will also be discussed for potential inclusion in an updated Franchise Agreement:

- Protective measures against the current decline in the recycling revenue market due to China's National Sword Policy;
- Ensuring current and future regulatory requirements of AB 939 and other mandates are met and maintained by:
  - Assigning responsibility for adhering to those regulation requirements; and
  - Direct reporting by the City or City-designated party.
- Collection and disposal or beneficial use of agricultural culls.

Conversely, based on the findings of the 2018 Performance Review and the analyses in Task 1, the City may wish to explore early termination of the current Agreement with Republic for performance lapses, and R3 will assess options for the City to do so. R3 will utilize the contract compliance findings from the 2018 Performance Audit as a basis for potential breach due to Republic's failure to adhere to the mandated requirements of the current Agreement. This avenue will require a review of the findings with the City Attorney to determine the viability of the City's departure from the current Agreement. Contract separation may necessitate a review of Republic's capital investments to determine the costs of replacing the hauler.

### **Task 3 Deliverables**

- DRAFT of revisions (with tracked changes) to the current Franchise Agreement for City review, including supporting memorandums and calculations to support the revisions;
- Phone and/or in-person meeting(s) to discuss proposed changes with City; and

- Negotiation assistance for City in discussions with Republic.

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## Task 4 Management of Franchise Agreement

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### Task 4.1 Contract Management Guide

The City would greatly benefit from a contract management guide (Guide) for managing its exclusive collection contract with Republic. R3 will prepare this Guide using the contract compliance checklist previously developed for Performance Reviews and incorporate any new requirements developed during Task 2. Prior to finalizing the Guide, R3 will seek review from the City and Republic, and incorporate any necessary modifications. The Guide will include, at a minimum, the following:

- Introduction on how to use the Guide;
- Summary of City and Republic's solid waste responsibilities, as laid out in the contract;
- A calendar of compliance / reporting requirements and details;
- Terms and conditions for assessing liquidated damages; and
- Other monitoring details, as requested by the City.

***Note: the Guide will be updated to reflect the results of Task 2 and 3.***

The final Guide will be provided to both the City and Republic in the form of an electronic spreadsheet and as a PDF file. City staff will be able to use this guide to either manage the contract internally, or through the use of a third party, and ensure that terms and conditions are met in a timely manner.

Additionally, the following items will be included in the Guide:

- Checklist of procedures; and
- Requirements of regulatory obligations.

Once finalized, the Guide will be referenced in the updated Franchise Agreement and integrated into the Agreement as an attachment. Please note that Task 4.1 is a compilation of the responsibilities previously held by SVSWA.

### Task 4 Deliverables

- Guidelines document:
  - Checklist of management procedures;
  - Regulatory action items; and
  - Reporting forms and templates.



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## Task 5      Memorandum of Understanding (MOU) and General Consulting Solid Waste Services

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R3 will assist the City in implementation of the Memorandum of Understanding (MOU) between MRWMD and the SVSWA, and provide general solid waste management consulting services to the City, as requested.

## Schedule

Table 1 below includes the tentative project schedule.

**Table 1**  
**Tentative Schedule**

Task # and Description	Start Date	End Date
Task 1: Post-Collection Facility Options	March 6, 2019	May 15, 2019
Task 2: SVSWA Options and Summary Report	March 6, 2019	August 15, 2019
Task 3: Revised /Amended Franchise Agreement	March 6, 2019	October 15, 2019
Task 4: Management of Franchise Agreement	Under Contract	June 30, 2020
Task 5: MOU Support and General Solid Waste Consulting Services	As Needed	

## Proposed Cost

Table 2 is a not-to-exceed cost estimate of \$169,950 to undertake Tasks 1 - 3, as outlined above. Table 3 includes a not-to-exceed cost estimate of \$49,935 to undertake Tasks 4- 5, as outlined above. Tasks 4 - 5 are partially contracted through Purchase Order No. 2019-00003317, dated 12/28/18. The project cost includes labor, travel, and project expenses, and includes the work and deliverables as listed for each task. R3 will invoice the City of Salinas on a monthly basis only for actual work completed. We would be happy to discuss changes to our scope or budget as may be needed to align with the City of Salinas' needs. ***Please note that the City should require Republic to pay for Task 3, Republic is required to pay for Task 4, and the City should consider requiring Republic to pay for Tasks 1 and 2 due to the importance to Republic if its long-term viability of remaining the City's franchised hauler.*** Attachment 1 includes a breakdown by staff, hours and costs by tasks.

**Table 2**  
**Project Costs – Tasks 1 - 3**

Task	Cost
Task 1: Post-Collection Facility Options	\$39,935
Task 2: SVSWA Options and Summary Report	\$45,095
Task 3: Revised /Amended Franchise Agreement	\$84,920
<b>Totals Tasks 1 - 3</b>	<b>\$169,950</b>

**Table 3**  
**Project Costs – Tasks 4 and 5**

Task	Cost
Task 4: Management of Franchise Agreement (FY 2019/20)	\$24,920
Task 5: MOU Support and General Solid Waste Consulting Services	\$25,015
<b>Totals Tasks 4 - 5</b>	<b>\$49,935</b>

## Billing Rates

**Table 4**  
**Billing Rates**

Classification	Hourly Rate <sup>1</sup>
Principal	\$215 per hour
Project Director	\$215 per hour
Senior Project Manager	\$190 per hour
Project Manager	\$175 per hour
Senior Project Analyst	\$160 per hour
Senior Administrative Support	\$160 per hour
Project Analyst	\$145 per hour
Associate Analyst	\$130 per hour
Administrative Support	\$115 per hour

<sup>1</sup> We charge 150% of the above hourly rates for expert witness services including deposition, testimony, etc.

## Payments

Unless otherwise agreed in writing, fees for work completed will be billed monthly at the first of each month for the preceding month and will be payable within 30 days of the invoice date.

### Attachment 1

Table 2 -- Project Costs for Tasks 1 - 3										
Tasks		R. Tagore-Erwin (Principal)	G. Schultz (Principal)	W. Schoen (Sr Manager)	R. Calkins, C. Baxter, N. Lessa (Sr Project Analyst)	C. Wilson, N. Tagore-Erwin (Project Analyst)	J. Barile (Admin Support)	Cost	Hours	
		\$215	\$215	\$175	\$175	\$145	\$115			
1	Post-Collection Facility Options	85		10	78	40	4	\$39,935	217	
2	SVSWA Options and Summary Report	122	8	48	48		3	\$45,095	229	
3	Revised / Amended Franchise Agreement	240	24	8	84	80	4	\$84,920	440	
Totals Tasks 1 - 3		Hours	447	32	66	210	120	11		875
		Costs	\$96,105	\$6,880	\$11,550	\$36,750	\$17,400	\$1,265	\$169,950	

Table 3 -- Project Costs for Tasks 4 and 5										
Tasks		R. Tagore-Erwin (Principal)	G. Schultz (Principal)	W. Schoen (Sr Manager)	R. Calkins, C. Baxter (Sr Project Analyst)	C. Wilson, N. Tagore-Erwin (Project Analyst)	J. Barile (Admin Support)	Cost	Hours	
		\$215	\$215	\$175	\$175	\$145	\$115			
4	Management of Franchise Agreement	50			22	68	4	\$24,920	144	
5	Memorandum of Understanding (MOU) and General Solid Waste Consulting Services	78			40	7	2	\$25,015	127	
Totals Tasks 4 - 5		Hours	128	0	0	62	75	6		271
		Costs	\$27,520	\$0	\$0	\$10,850	\$10,875	\$690	\$49,935	



**RE: Item No. 2**

**THE FOLLOWING WAS PRESENTED  
AT THE SPECIAL MEETING OF  
BOARD OF DIRECTORS**

**ON**

**March 7, 2019**

Presentation: Salinas Notice of Intent to Withdraw from  
SVSWA

From: Robert Cullen, President of the Board

# Salinas Notice of Intent to Withdraw from SVSWA



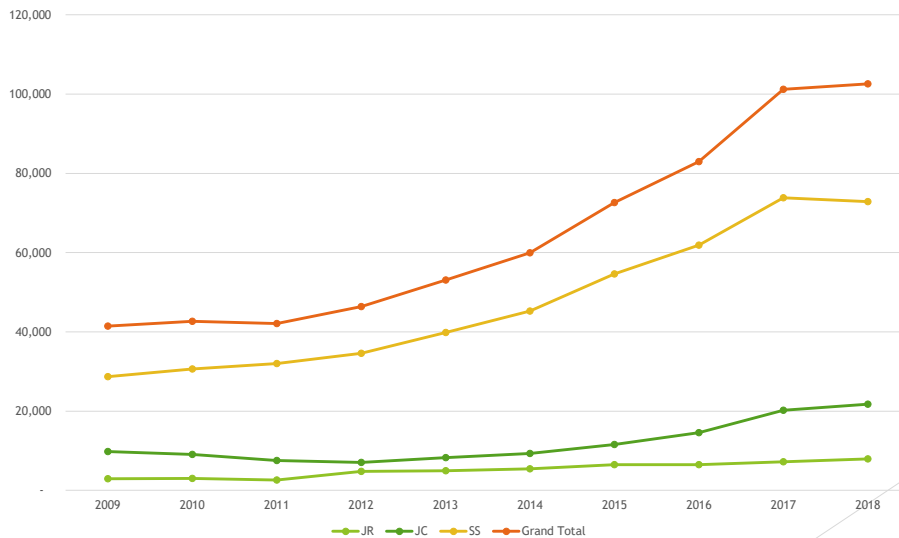
Salinas Valley Recycles  
Board of Directors Meeting  
March 7, 2019

Presented 3/7/2019

1

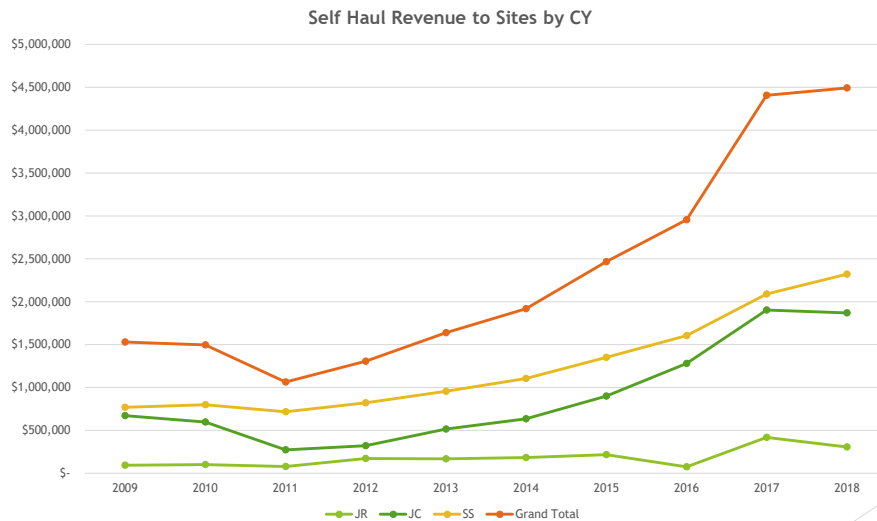
## SELF-HAUL CUSTOMER BACKGROUND

Self Haul Trips to Sites by CY



2

## SELF-HAUL CUSTOMER BACKGROUND



3

## COMPROMISE OFFER TO AVOID WITHDRAWAL

*BUSINESS POINTS TO BE FORMALIZED INTO A FORMAL MOU (AFTER AGREEMENT)*

### SVSWA Commitments:

- ▶ Agrees to irrevocably commit to Close the Sun Street Transfer Station on or before July 1, 2021, through placement of title in Escrow (effective upon rescinding Notice of Intent to Withdraw)
- ▶ Agrees to expeditiously complete any and all mandatory CEQA analysis prior to July 1, 2020, related to reorganization of the agency operations and closure of Sun Street Transfer Station.
- ▶ Agrees to continue to work through the Collaborative MOU with MRWMD to establish cost effective ways to collaborate and share our countywide resources, commencing with a Waste Exchange Agreement to move Organics, Foodwaste and Construction/Industrial Wastes to each agency's respective facilities for advanced processing.

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# COMPROMISE OFFER TO AVOID WITHDRAWAL

*BUSINESS POINTS TO BE FORMALIZED INTO A FORMAL MOU (AFTER AGREEMENT)*

## Salinas Commitments:

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

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## DISCUSSION & DIRECTION

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