

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

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF SALINAS

**SALINAS VALLEY SOLID WASTE
AUTHORITY**

Kimbley Craig, Mayor
City of Salinas

Christopher Lopez, Board President
Salinas Valley Solid Waste Authority

Dated:

Dated: