

**Monterey Regional Waste Management District
Technical Advisory Committee (TAC)
Minutes of November 21, 2019 Meeting (9-11 am)**

Attending: Representatives from Carmel, Pacific Grove, Pebble Beach CSD, Monterey, Marina, Monterey County, Sand City, Seaside, as well as HF&H Consultants, Sloan Vasquez McAfee (SVM), and the District.

Agencies Not Represented: Del Rey Oaks

Documents Distributed: TAC Meeting Agenda, Quarterly GreenWaste Recovery (GWR) Report Summary, SVM GWR Franchise Agreement Public Education & Outreach Plan Comparison Sheet

1. Update on GWR Financial Submittal and Cost-Based Rate Review By HF&H

HF&H are moving forward and anticipate a financial adjustment schedule within the next few weeks. Tracy and Jimmy are now involved, which is speeding up the process. GWR has been exceeding allowable costs and rate adjustments will be made accordingly. A January 1, 2020 adjustment is not feasible, and a rate increase is anticipated. Exact rates expected in the coming weeks. The District is anticipating a tip fee increase from 3-10%, but because the District base fees are regionally low, this should not be an issue.

HF&H experienced a one-year delay due to loss of Monique, the GWR controller. The roll-off also contributed to this delay because it was not where expected; this affects all agencies. Reductions should be applied to restructure rates in a way that creates incentives. Given these rate changes and the fact that recycling does not pay for itself, free recycling is no longer an option. Part of the problem is the suggestion that GWR relied too heavily on individual cost accounting, which resulted in a surplus of data; the TAC raised the point that minor costs should be allocated based on anticipated revenues. A need for a December TAC meeting with GWR present was identified.

2. Review of GWR Quarterly Reports

Average monthly revenue actuals higher than target. July came in high due to the US Open in Pebble Beach. The average answer time at the call center was higher this past quarter because three customer services representative left GWR; this led to higher amounts of abandoned calls and a potential of \$20,000 in liquidated damages. The higher volumes of calls in July was due to the rate increase.

Year over year, municipal solid waste (MSW) has been stagnant, while there has been an increase in yard waste and organic waste. Pebble Beach saw a slight increase in waste volume due to opening of new multi-family complex. Hauler diversion rates for 2019 are consistent with 2018.

3. District MRF Financial Update

General Manager Tim Flanagan reported that the recycling contamination rate remained mostly steady at 22%, though it varied from jurisdiction to jurisdiction. The District's MRF is \$2 million off projected budget as a result of change in market conditions. Because of this, the material pricing is very low and has not aligned with expectations; old corrugated containers (OCC) dropped \$60 per ton. Instituting charges for outside agencies has helped.

Director of Operations Tim Brownell noted the need for new equipment, including that which helps optically sort paper. This will increase the price of mixed paper from -\$35/ton to \$35/ton. The District is evaluating automation to reduce reliance on temporary staff. When contamination is reduced, the cost of processing will be reduced. Additionally, there is a need readjust capital expense priorities.

The District anticipates a \$7 per ton impact, but this increase will be from \$40 to \$47. Noted again that the District is already one of the cheapest options for processing recycling by the ton in the state.

4. Public Education and Outreach Discussion by Cliff Feldman

Cliff presented the GWR Franchise Agreement comparisons by agencies and noted that 6 out of 7 agencies have uniform requirements while Pebble Beach has minor differences. This uniformity helps keep costs down. The jurisdictions with the most stringent public education (PubEd) requirements generally have the highest rates of diversion. Despite this, GWR is not meeting the diversion standard, and there is a need to inventory which contracted actions are not taking place. It was noted that PubEd on the Peninsula is still a collective partnership between Waste Management (WM), GWR, Monterey City Disposal, and the District.

5. Member Agency Sharing Regarding GWR Public Education Activities and CalRecycle Compliance

The discussion was opened up for the group to raise concerns. In Carmel, the recycling guide has not been updated. Seaside notes that there has been an estimated 70% decrease in PubEd since GWR took over.

Next, the group clarified differences between the type of outreach that WM, GWR, and MRWMD carry out. GWR has contributed \$25,000 to Central Coast Recycling Media Coalition and has also contributed to WhatGoesWhere. Last year, the District received \$100,000 from the Board for PubEd and Outreach. There has been discussion about a perceived lack of GWR staffing at outreach events as well as a lack of updates on collateral materials. The need for an inventory on which actions GWR is undertaking was emphasized. To be discussed in December.

This may be a dress rehearsal for what will happen with AB 1383. The problem is that GWR is focusing on outputs, and the focus needs to shift to outcomes. Call for volunteers for PubEd subcommittee; Pebble Beach (Mike Niccum), Carmel (Agnes Martelet), and Seaside (Leslie Milton-Rerig) are on board.

CalRecycle has been focused on data quality during their visits; no more visits to the member agencies are scheduled before the end of the year (Kristin Lee is the new CalRecycle Central Section Manager). Discussion of how coordination between the hauler and District takes place when it comes to PubEd. Monterey says that responsiveness is the main advantage of GWR, but there is still a need for more specificity with AB 1383 coming up. The District has good indications of where gaps are thanks to recent waste characterization studies. New studies are likely before SB 1383 goes into effect. Pacific Grove wonders if it is an option to consider a specialty marketing firm; District affirms that this is an option.

6. Contamination Charges

Addressed earlier in meeting during MRF Financial Update.

7. Next Steps

There is a need for another TAC meeting in December. Carmel wonders about food waste processing; The District is currently composting food waste in static aerated piles, since the anaerobic digester (AD) pilot project ended. The District will decide company and technology for the “next generation” of organics processing by 2025. To move forward, how much is being generated and how much capacity there is needs to be established. Discussion to establish coordination efforts regarding food rescue to take place in January 2020. Monterey discussed the need for food rescue and recovery programs and suggested working with the Monterey County Food Bank, as a partner.

The meeting was adjourned at 12 PM. *Minutes by Andrew Jarvis.*