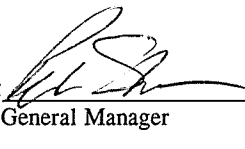




Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 3/15/19
for General Manager

DATE: March 15, 2019
TO: General Manager
FROM: Director of Communications and Sustainability
SUBJECT: Public Education and Recycling Report

Cost-Based Rate Adjustment for GreenWaste Recovery Participating Agencies

The 6th year of the 15-year GreenWaste Recovery (GWR) franchise agreements will commence on July 1, 2019. As an alternative to the annual index-based rate adjustment contained in the GWR franchise agreement contracts, the cities as well as GWR, have the option of calling for a cost-based rate adjustment. The intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation, the number of customers, and the service level of customers. Essentially, it provides an opportunity to true-up the contracts based on detailed analysis of actual GWR operational data as compared to the operational data originally provided by Waste Management, Inc. which was used to set the initial rates.

This winter, the cities of Marina, Seaside, Carmel, and the Pebble Beach Community Services District elected to trigger a cost-based rate adjustment. GWR subsequently elected to call for a cost-based rate adjustment for the cities of Pacific Grove, Del Rey Oaks, and Sand City.

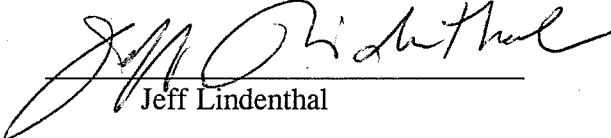
The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, routes, route hours, customers and their service levels, etc.) to determine the total contractor's compensation for the current rate period and to forecast the total contractor's compensation for the coming rate period. The difference (measured as a percentage) between the total contractor's compensation for the coming rate period and the gross receipts most-recently reported calendar year is the "rate adjustment factor". The rate adjustment factor is applied to the then-current rates to determine the rates for the coming rate period.

The participating agencies have retained HF&H Consultants to perform the cost-based rate analysis at a cost of \$99,700 which will be divided among agencies based on their share of total franchise revenues. The agencies have the ability to require GWR to pay for the consultant cost within sixty (60) calendar days of receipt of the Agency's invoice. GWR may recover the cost through the rates as an allowable pass-through cost.

In simple terms, in agencies where actual revenues collected under the contract have exceeded projections, the cost-based rate adjustment may allow for a rate decrease. Conversely, in agencies where actual revenues collected are less than projected, the analysis may lead to a rate increase. The attached summary of 2018 GWR revenues by agency, and by sector, provides a snapshot of the GWR financial performance when comparing actual vs. projected revenues.

Earth Day Zero Waste Event in Partnership with Monterey Bay Aquarium

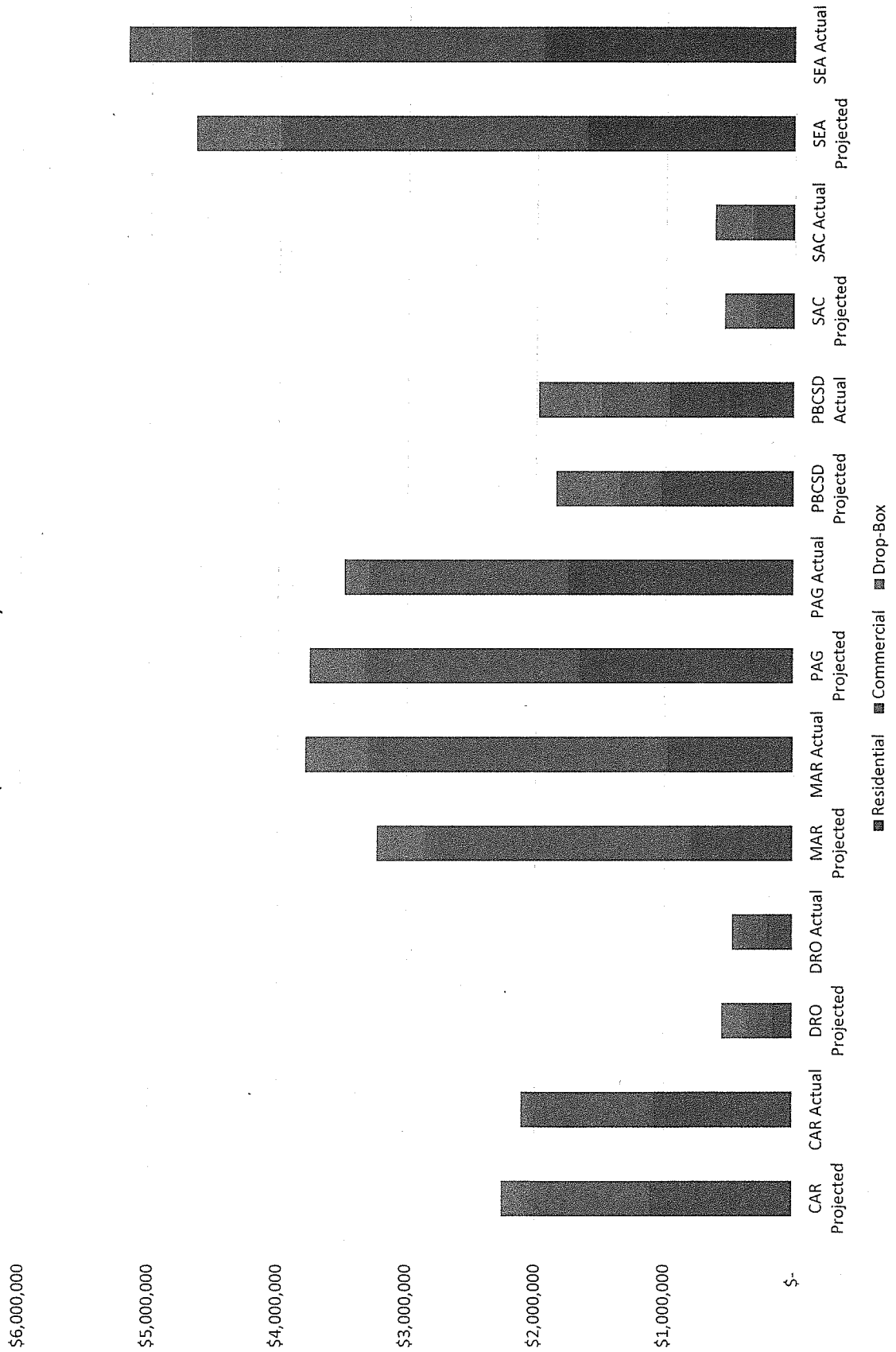
When reporting to the Board last month on the success of the new waste reduction workshops that staff launched this winter, several Board members suggested staff explore opportunities to reach greater numbers of people. In response, staff is working with the Monterey Bay Aquarium (MBA) to host an Earth Day Zero Waste event in the MBA auditorium which will seat 250 people. The event is designed to be an informational and entertaining presentation on what it means to live a zero waste lifestyle. Our keynote speaker for the evening, Bea Johnson, literally wrote the book on the topic "Zero Waste Home - The Ultimate Guide to Simplifying your Life by Reducing your Waste." Ms. Johnson has been called by the *New York Times* "The priestess of waste-free living." We are excited to partner with the MBA to bring Ms. Johnson to our community on Earth Day, April 22, 2019 at 7 p.m. Further details will be provided once available.



Jeff Lindenthal

Attachments

2018 Projected vs. Actual Revenues (last 12 months)



DOWN LESS. WASTELESS. LIVE MORE.

ABOUT BEA

Bea Johnson and her family produce a mere pint of trash per year since 2008. With a blog turned international bestselling book, Bea initiated a global movement. She has inspired hundreds of thousands of people to adopt waste-free living, open unpackaged shops, conceive reusable products, and launch organizations. Leading spokesperson for the zero waste lifestyle, she has completed seventeen international speaking tours and given talks in 60+ countries on 6 continents. She has been featured on TV shows and in publications all over the world and is a Grand Prize winner of The Green Awards. She is a French native who currently lives in Mill Valley, California.



KEYNOTE

In a visually-rich and upbeat presentation, Bea shares her tribulations and secrets to achieving Zero Waste. She covers the importance of applying 5R's in order (Refuse, Reduce, Reuse, Recycle, Rot) and shatters misconceptions, proving that the Zero Waste lifestyle can not only be "stylish", but also lead to significant health benefits, and time and money savings.

She manages to talk about her personal journey with humor and without preaching. She brings an intimidating topic down to a manageable scale, lending a unique perspective and making Zero Waste less daunting. Her non-judgmental approach will inspire your audience to reflect on their lives and change their own habits. Bea talks about her lifestyle with passion and provides many practical solutions to living simply and reducing waste. The environmentally unaware and eco minded alike discover a whole world of possibilities. Rest assured that your event's attendees will leave inspired and will thank you for bringing such a fun and enlightening keynote to them!

Keynote available in English, French or Spanish

bea@zerowastehome.com
ZeroWasteHome.com

AUTHOR : SPEAKER : LIFESTYLE EXPERT

BEA JOHNSON



photo credit Jacqui J. Sze

The Priestess of Waste-Free Living
-- The New York Times