

Technical Advisory Committee Meeting Minutes

August 12, 2020
9:00 a.m. – 11:00 a.m.
Via Zoom

9:00 a.m. – 10:00 a.m. MRWMD Staff & TAC Members

Jurisdiction attendees: Chair Mike Nicuum (PBCSD), Co-Chair Lesley Milton (Seaside), Co-Chair Ted Terrassas (Monterey), Karina Alcalá (Monterey County Environmental Health), Brian McMinn (Marina), Suha Killic (PBCSD), Milas Smith (Pacific Grove), Agnes Martelet (Carmel)

District attendees: Tim Flanagan, Zoe Shoats, Tim Brownell, Angela Goebel

Update on District Finances: Review Last Year's Finances, Review Current Year Budget, and Year-to-Date Progress

The District revenue is performing slightly better than budget with tonnages steady. This year the budget is lower than past years due to COVID-19. Tonnage volume from the residential sector is about the same, and the commercial sector is down, especially in hospitality. GreenWaste Recovery's roll-off sector has seen the largest tonnage decline.

In October, the District will do a full first-quarter review of the budget compared with performance for the Board. Peter Skinner and Garth Gregson have put together a bar graph projection comparing this year's month-to-month performance with past year averages.

FY 20/21 District Goals

The District identified five key areas to work on in the FY 20/21 (see emailed document):

1. Financial viability
2. Keep the workforce and customers safe from the impacts of COVID-19
3. Assess and plan for SB 1383
3. Engage the public around single-stream recycling through education and outreach
4. Reopen the Last Chance Mercantile after assessing its financial sustainability and safety

The District could use the TAC's input on SB 1383 and the stakeholder engagement process around the reopening of the Last Chance Mercantile.

EV Charging Station

The District got a \$40,000 grant from the local Air District, which the District will supplement with \$60,000 to get four EV charging stations (expandable to eight) at the administrative building parking lot. These charging stations will be for public use: there will be a service fee, which the District would get a percentage of.

Last Chance Mercantile Re-Opening Process

The District's goal is to reopen the store at the beginning of the next calendar year. Zoe Shoats, Tim Brownell, and Peter Skinner have formed a subcommittee to look at the reopening (see attached document). They looked at how the store relates to District values to help identify potential objectives of the store. Tim Brownell has contacted other reuse entities (such as Urban Ore in Berkeley) to look at their operating models. The subcommittee is evaluating other entities running the store or reopening the store with modified personnel costs and pricing models. The subcommittee has also had a third-party assess COVID-19 safety. There is also a desire to increase reuse diversion in the future.

In discussing the store with the Personnel and Finance Committees of the Board, Board members identified the financial sustainability of the store as a top priority. Ten years ago, the store financially broke even, and last year, the store had a million-dollar loss. Some of these expenses were related to the Buy Back Center, which will not reopen on this site until safety concerns around the public coming down Charlie Benson Road on foot and bike are addressed. E-waste costs are also included. The store itself was losing between \$500-700k a year. The store has done about \$800-900k a year in sales and had \$1.3 million a year in expenses, and there were \$300k a year in other expenses. In the past, the pricing has focused on moving materials out, so there is not a backlog of inventory on-site. The historic clients have largely been swap meet resellers, and the District needs to reassess if this is a desired customer base moving forward.

The next step of the process is stakeholder engagement. Community members who spoke up surrounding the temporary closure, loyal Last Chance customers, the TAC, and former Last Chance employees will all be engaged, as well as other reuse entities. This information and an operating model(s) will be brought to the Board and the community, most likely in a few months.

SB 1383

The District would like to look at broadening the TAC to include Monterey Disposal and Waste Management in future meetings to assess SB 1383. Many of the statutory reporting requirements in SB 1383 are placed on the jurisdictions. The TAC may want to approach SB 1383 collectively and subcontract some of this out. For example, waste audits and/or bin flips need to happen almost daily, and it may be best to do that collectively.

Tim Flanagan asked the TAC if they are already making plans for SB 1383 or if it makes sense to proceed collectively. Brian McMinn said Marina has asked HF&H work on a bite-sized step-plan for them, so that it can be addressed progressively. He recommended that pieces might be discussed over time at the TAC. In the past, collective enforcement and reporting has been discussed. Small agencies do not have the ability to hire additional staff or take this on. A JPA could make sense.

Mike Niccum recommended having monthly meetings around SB 1383, and for TAC members to have backup representatives, so that all cities/jurisdictions can attend every month. Funding is also a question, and it should be addressed in the rates. He did not think a JPA is necessary since the TAC is already in a JPA (through the District) and SB 1383 can be addressed contractually. Public education and outreach are challenging to do agency-by-agency; working collectively is more cost-efficient and effectual.

Ted Terrassas said it makes sense to tackle food recovery programs and enforcement together. CalRecycle may delay enforcement, since it may be financially challenging to enact SB 1383 during the pandemic. There is also new stormwater compliance to put into rates, which will be hitting around the same time. It is frustrating that the SB 1383 regulations are still not complete. Mike Niccum thought the 2022 deadline will be delayed, but we still need to look at our options now. If we work together regionally, there may be funding available to us. We can only raise rates so much. There needs to be a return for investment.

Brian McMinn agreed that the TAC should start monthly meetings and get a road map, so the TAC has a monthly SB 1383 agenda. Agnes Martelet said it is difficult to wrap her head around about which SB 1383 options will be best for the municipalities, such as the cost of flipping lids or doing an analysis when the material gets to the District.

Tim Flanagan pointed out we are well positioned because HF&H is the architect for the state. The state has communicated there will not be too much relaxation on the deadlines. The District already has infrastructure in place; the softer work like the reporting and lid flipping need to be worked out in the next 18 months. A subcontractor can help us on this. Mike Niccum pointed out we need to look at our local goals, in addition to state goals. We will need some pilot projects to see what makes sense financially and practically.

10:00 a.m. – 10:30 a.m. Franchise Haulers Present

GreenWaste Recovery attendees: Sara Treat, Jimmy Moresco, Tracy Adams, Emily Finn

SB 1383

Mike Niccum recapped that we need to invite all haulers to the TAC and meet monthly to plan for SB 1383. Tim Flanagan recapped: how do we tackle the reporting requirements, waste sorting, and engage the haulers for SB 1383? There may be some things we can collectively work on across jurisdictions, including CalRecycle reporting. Mike Niccum said that the state may have made incorrect assumptions in their regulations that we need to test before spending large amounts of money.

The District is looking into the software program Recyclist, a customer relationship management software for haulers and agencies, which will help track regulatory compliance with AB341, AB1826, and SB 1383. The District will arrange a demo for TAC members and GreenWaste Recovery.

Jimmy Moresco wanted to know when Keith Day will be able to mix residential food waste with yard waste in their compost. Tim Flanagan will reach out to Keith to follow-up on this and see if he can make a presentation. Tim Flanagan said there may be air and water regulatory requirements that need to be addressed.

Future Agenda Topics & Meeting Dates

- Invite all haulers
- Meetings will be held on second Wednesday of each month, 9-11 a.m.
- Topics: SB 1383 and Recyclist demo

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Minutes by Angela Goebel