



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: October 18, 2021

TO: Board of Directors

FROM: General Manager

SUBJECT: Six Year Contract extension with Green Waste Recovery/Zanker Road Resource Management, Ltd. (GWR)

RECOMMENDATION: That the Board authorize the General Manager to execute a six year contract extension under the terms and conditions presented with Green Waste Recovery/Zanker Road Resource Management, Ltd., (GWR). to December 31, 2036. This Agreement is for the disposal of up to 300,000 tons per year of refuse and up to 50,000 tons per year of Alternate Daily Cover (ADC). The Agreement would also increase the CPI formula for rate increase to GWR from 80% of the Bay Area CPI to 100%.

BACKGROUND

In July 2007, rather than approving a requested \$5.00 per ton tipping fee increase, the Board directed staff to develop a “Strategic Planning Work Plan” in order to “evaluate the effectiveness and efficiency of existing District operations”. In that effort to find replacement revenues for a scheduled tip fee increase in January 2008, staff was directed to develop and contract with a number of potential jurisdictions and other public and private entities for the potential delivery of regional waste, in an attempt to stabilize the disposal rate structure for District member jurisdictions.

Over the next three years the District developed additional revenue opportunities from the acceptance of regional waste, and long-term agreements were negotiated with the County of Santa Cruz and the cities of Capitola, Scotts Valley, and Watsonville.

In April 2009, upon approval of the Strategic Planning Work Plan, the Board set out on a course to utilize the excess capacity of the Monterey Peninsula Landfill (MPL) as a means to implement “new waste management and recycling programs” and also be used to “stabilize disposal rates to District member agencies”.

In June 2010, in closed session discussion, the Board authorized staff to negotiate a long-term agreement with GWR of San Jose for disposal of refuse. In October of 2011, the Board approved a 20 -year Agreement with Green Waste Recovery/Zanker Road Ltd. This Agreement is slated to end in 2030. This Agreement currently has a two-year sunset clause meaning either party can cancel this Agreement without any cause in two years. This Agreement was, and is, consistent with Board direction and policy developed over several years to secure additional revenue in an effort to stabilize the disposal rate structure for member jurisdictions. The additional revenue from the acceptance of regional waste over the past decade provided funding for additional diversion policies such as the upgrades to the Materials Recovery Facility (MRF), our expanded composting and organics management, and the development of operations and conversion technologies that ultimately set up the provision for renewable power delivery to the Advanced Water Purification Facility for M1W.

The District currently has over 41,000,000 tons of landfill capacity remaining, representing an estimated 120+ years of remaining site life given i) the current fill rate and ii) that the waste tonnage associated with this contract amendment stops at the end of the 15-year term. By extending the term of the existing GWR agreement from 12/31/21 to 12/31/2036, the estimated remaining life of the MPL would be reduced by about an additional 7 or 8 years (with remaining landfill life still estimated at over 100 years) with the acceptance the maximum allowable waste stream possible for the full 15 year term. With over 40,000,000 tons of landfill capacity remaining, the District will most likely never fully utilize this remaining capacity.

DISCUSSION

Staff has had discussions with GWR over the past few months and GWR clarified their earlier request around additional time for the Agreement. GWR has offered the following clarifications to the Long-Term Agreement between the District and GWR – they are as follows:

1. Guarantee of a specific term of five years (5).- eliminating the two year out clause in the current Agreement until 2027.
2. Institute a rolling three year (3) out clause effective 2027. (Any year that notice is not given by either party automatically renews Agreement for next three years).
3. Guarantee delivery of approximately 50,000 tons annually of Alternate Daily Cover (ADC),
4. Increase current CPI percentage from 80% of CPI to 100% of CPI.
5. Annual minimum tonnage increase to 150,000 tons per year.

Since this Agreement was made with GWR, the District has participated in two other long-term disposal RFP's from other public entities. The District was not successful in those two RFP's, losing each by a total of approximately \$3.00 per ton. The rates the District proposed were the current rates granted to GWR, under \$25.00 per ton – basically the status quo.

GWR is interested in securing long-term disposal capacity in order to satisfy long-term recycling contracts they have with jurisdictions in Santa Clara and San Mateo County. This material is primarily post-processed residue from their successful recycling facilities in San Jose and Gilroy. GWR has indicated they are actively pursuing other disposal operators, but they have liked the arrangement with us and we are not a competitor of theirs in any of their markets.

If the District were to accept GWR's request, the District would be essentially **guaranteed** an annual revenue stream of close to \$9 million per year and a total revenue of close to \$80,000,000 over the guaranteed portion of the Agreement from disposal and an additional \$6,000,000 from the delivery of ADC for the same guaranteed portion of the contract. This would conservatively equate to close to \$90,000,000 for the guaranteed portion of the contract. To understand how significant this outside revenue is to the District, the District would have to increase our tipping fees for our current member agencies by \$50 per ton immediately for the full fifteen years to make up that difference in GWR of SJ generated revenues.

This Agreement would be trading about 11-13% of the District's total remaining capacity for ~\$150,000,000 in revenue if the Agreement runs the full 15 years of the contract.

If the District were not to secure this Agreement, our options would be to attempt to match that revenue shortfall by a combination of additional revenue enhancements, (as mentioned earlier by tipping fee increases) and operational cost savings. Most of the District's costs are from labor expenses. The District has already shaved about 20% of our workforce in the past two years through retirements and layoffs. Significant additional savings could not be realized unless the District were to shift from District run operations to 3rd party contract operations. The projected savings from this would be about 10-15% of our annual personnel costs or an annual saving of about \$1.3 to \$1.5 million per year. Total savings over a fifteen year would amount to about \$22 million or 15% of the revenue total needed to match the projected revenue from GWR SJ for the contract extension.

It is clear that the District could not cut operational savings enough to match the revenue requirements necessary to keep the District operations functional.

FUTURE CAPITAL REQUIREMENTS

District staff has projected the need for additional capital for basic District functions to be between \$40-50 million over the next decade. This does not include any additional capital for organic processing or additional waste diversion activities. Our annual capital replacement spend for mobile equipment and facility upkeep and maintenance is averaging about \$7-8 million per year. Module development cost averages about \$6-8 million and is performed currently on a schedule of every two to five years, depending on the size of the module and the incoming tonnage. Our current debt level is such that we will not be able to borrow any significant capital for the next decade. Future capital will need to come from cash from operations.

OPERATIONAL IMPACT

Staff has reviewed the impact on landfill operations with the acceptance of this tonnage, and even with the acceptance of the maximum 300,000 tons per year, the District will be able to adequately cover its costs of operation at the rate of \$25.50 per ton. This material is transported in larger transfer trailer type vehicles (holding 20-25 tons per load), staff has seen only relatively minor impacts to the District's current operational cost structure. No additional personnel and equipment are anticipated to be added to handle the increased tonnage at the contracted levels. Current staffing and equipment should be adequate to handle this tonnage since this is approximately what we are currently handling from GWR SJ.

ENVIRONMENTAL REVIEW AND IMPACT

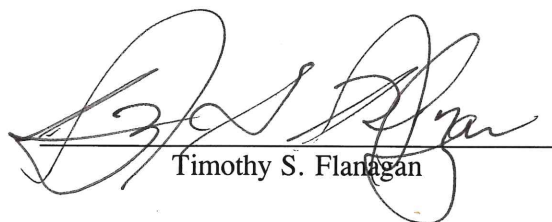
An environmental review has been undertaken by Denis Duffy and Associates. Their findings were that a "Notice of Exemption" would be appropriate for this project. There is no need for any additional environmental review.

CONCLUSION

The major business points of the proposed Agreement are as follows:

1. Extend the current Agreement with GWR SJ to a fixed term of 2036 – a six year extension.
2. Accept a guaranteed term of five (5) years with a rolling three year term to be in place at conclusion of first five years.
3. Accept a maximum of 50,000 tons of ADC (alternative daily cover)
4. Change the basic CPI rate from its current percentage of 80% CPI to 100 % of CPI
5. Agree to evaluate additional reciprocal exchanges of material for processing to make use of cost effective "back-haul" transportation rates for material processing locations in San Jose and Gilroy under GWR SJ control.

Staff recommends that the Board authorize the General Manager to execute the Agreement with GWR subject to final review by Legal Counsel if necessary.



Timothy S. Flanagan

GWR/MRWMD Proposed Contract Amendment 9/9/2021

2.1 Term

Termination date 12/31/2036

3.1 Delivery of Waste

Annual Maximum increased to 300,000 tons

Annual Minimum 150,000 tons

MRWMD to propose language that increases ADC limits based on IB tons

3.1(b) Exclusivity (Amend #2)

GWR contracted obligations to other landfills for more than just SJ material. Broaden language for any contract, existing or future, that requires a designated disposal facility other than MRWMD.

Allow for GWR to use contingency facilities as needed for weekends, days when MRWMD is exceeding daily tonnage limits, and to remain under 300,000 ton annual limit.

4.4 Annual CPI

Annual CPI adjusted to 100% from 80%.

7.1 Termination

At any time after 5 years from the date of this Agreement (or Amendment) GWR may terminate the contract with 3 years written notice.

8.5 Non Assignment

No change needed to this language, but GWR is notifying the District that a sale of GWR (both entities) prior to the end of 2021 is likely. Per the language in 8.5 Paragraph 2, this sale is permissible and the contract remains in effect.

New Terms

MRWMD option to deliver C&D waste to Zanker for **\$91.00** per ton, adjusted annually by CPI.

Every three years, Zanker may make "market adjustment" to rate, resetting at the average rate for municipally owned transfer facilities using Zanker for C&D processing. These rates will be available in public record documents.

MRWMD shall have 1 year to exercise this option or it expires. If exercised, MRWMD guarantees disposal of 100 tons per week average.

Zanker to provide trucking at pass thru cost.

MRWMD option to deliver processed organics to Z-Best at **\$115.00 per ton**, adjusted annually by CPI.

Option to be exercised within 1 year of completion of Z-Best Expansion and notification to MRWMD of available capacity. If exercised, MRWMD guarantees delivery of 750 tons per week average.

Organics deliveries are restricted to the hours of 8pm to 4am. Zanker to provide trucking at pass thru cost.

Zanker to provide definitions of C&D and Processed Organics.

Construction and Demolition (C&D) Debris means a mixture of all non-hazardous waste material resulting from construction, deconstruction, remodeling, repair or demolition activities. C&D Debris includes, but is not limited to: soil, brush, logs, concrete, asphalt, brick, ceramics, stucco, plaster, wood, drywall, metals, wall coverings, roofing materials, wires and conduit, carpet, carpet pad, ceiling tiles, windows, doors, fixtures, insulation, fencing, cardboard, and plastic. Individual pieces of C&D Debris delivered to Contractor shall not exceed 150 pounds or 8 feet in any two directions. There is no minimum size restriction for individual pieces of C&D Debris; however, materials cannot be ground or shredded prior to arriving at Contractor's processing facility.

Processed Organics means the six inch (6") minus material that results from mechanized sorting and screening of Solid Waste, and which are high in organic content. For purposes of this Agreement, Acceptable Processed Organics shall not exceed 25% contamination and shall be sized to six inch(6") minus.

**Monterey Regional Waste Management District
Green Waste Recovery, Inc. Contract Amendment
Notice of Exemption
Supplemental Analysis**

Proposed Project

The Monterey Regional Waste Management District (MRWMD or District) proposes to extend the existing contract with Green Waste Recovery, Inc. (GWR) and accept additional processed, out-of-district waste from the San Jose area.

The existing contract was a 15-year agreement extending from September 1, 2010 to August 31, 2025 that allowed for a two year notice to cancel the contract at any time after August 31, 2013. The contract was later amended in 2011 to extend the end date to August 31, 2030 and again in 2012 as a second amendment. The existing contract called for delivery of post-recycling processed waste (aka residual wastes or MRF residuals) in 26 roundtrip (or 52 one-way trips) daily deliveries from three locations in the San Jose and Gilroy area, six days a week. The facilities and addresses are as follows:

- Z-best Composting: 980 Highway 25, Gilroy
- Zanker Road Landfill: 675-705 Los Carneros, San Jose
- Charles Street Materials Recovery Facility (MRF): 575 Charles Street, San Jose

The breakdown of the number of existing trips originating for each location is shown below in **Table 1, Waste Origin Facilities & Number of Daily Trips to Monterey Peninsula Landfill (Existing)**. Previously, waste from these facilities was delivered to two landfills: the John Smith Landfill in Hollister and the Potrero Hills Landfill in Suisun City. The original contract approval resulted in all waste from the three facilities being delivered instead to the Monterey Peninsula Landfill (MPL) located at 14201 Del Monte Boulevard, north of the City of Marina. The distance and total mileage covered by the waste delivery trucks under existing conditions is shown in **Table 2, Daily Truck Miles (Existing)**. The original contract approval resulted in 678.4 fewer miles traveled per day for the 26 trucks that were diverted from landfills in Suisun City and Hollister to the MPL.

**Table 1. Waste Origin Facilities & Number of Daily Trips
to Monterey Peninsula Landfill (Existing)**

Waste Origin Facility (delivery estimate)	Roundtrips/day	One-way Trips/day
Z-best Composting (31,200 tons/year)	5	10
Zanker Road Landfill (68,640 tons/year)	11	22
Charles Street MRF (62,400 tons/year)	10	20
Totals 162,040 tons/year	26	52
<i>Source: MRWMD (2021)</i>		

Table 2. Daily Truck Miles to the Monterey Peninsula Landfill (Existing)

Waste Origin	Distance One-way Mileage	Roundtrip Mileage	Number of Roundtrips	Total Daily Mileage
Z-best Composting	28.5	57	5	285.0
Zanker Road Landfill	69.1	138.2	11	1,520.2
Charles Street MRF	62.2	124.4	10	1,244.0
Total Miles				3,049.2
<i>Source: MRWMD (2021)</i>				

The proposed contract amendment would extend the contract to December 31, 2036, would increase the annual waste amount, and thus result in an increase in the amount waste delivered to the MPL with an associated increase in daily truck trips; please refer to **Table 3, Waste Origin Facilities & Additional Number of Daily Trips (Proposed)**.

Table 3. Waste Origin Facilities & Additional Number of Daily Trips (Proposed)

Waste Origin Facility (delivery estimate-additional)	Additional Roundtrips/day	Additional One-way Trips/day
Z-best Composting (38,800 tons/year)	8	16
Zanker Road Landfill (70,000 tons/year)	16	32
Charles Street MRF (123,960 tons/year)	26	52
Totals (232,760 tons/year)	50	100
<i>Source: MRWMD (2021)</i>		

Under the proposed contract amendment, the additional waste from Z-best Composting and Zanker Road Landfill would be delivered to the MPL rather than the Billy Wright Landfill in Los Banos and Portero Hills Landfill, respectively. The 225,000 tons/year of waste that would have otherwise likely gone to Kirby Canyon Landfill from the San Jose area collections would first be directed to the Charles Street MRF (225,000 tons/year) before sending a portion of the processed MRF residual wastes to the MPL (123,960 tons/year) under the proposed project. As a result, some landfill emissions are avoided by completing the recycling diversion as compared to disposing all 225,000 tons/year at the landfill. The distance and total mileage covered by the waste delivery trucks to these facilities under existing conditions are shown in **Table 4, Daily Truck Miles to Other Facilities (Existing)**. The distance and total mileage covered by the waste delivery trucks to the MPL under proposed conditions are shown in **Table 5, Daily Truck Miles to the Monterey Peninsula Landfill (Proposed Conditions)**.

Table 4. Daily Truck Miles to Other Facilities (Existing)

Waste Origin	Destination Landfill	Distance One-way Mileage	Roundtrip Mileage	Number of Roundtrips	Total Daily Mileage
Z-best Composting	Billy Wright Landfill, Los Banos	42.2	84.4	8	675.2
Zanker Road Landfill	Portero Hills Landfill, Suisun City	83.8	167.6	16	2,681.6
Charles Street MRF	Kirby Canyon Landfill, San Jose	15	30	43	1,290.0
Total Miles					4,646.8
<i>Source: MRWMD (2021)</i>					

Table 5. Daily Truck Miles to the Monterey Peninsula Landfill (Proposed Conditions)

Waste Origin	Distance One-way Mileage	Roundtrip Mileage	Number of Roundtrips	Total Daily Mileage
Z-best Composting	28.5	57	8	456.0
Zanker Road Landfill	69.1	138.2	16	2,211.2
Charles Street MRF	62.2	124.4	26	3,234.4
Total Miles				5,901.6
<i>Source: MRWMD (2021)</i>				

Environmental Analysis

As explained below, the proposed project is exempt from the California Environmental Quality Act (CEQA; Pub. Resources Code, section 21000, et seq.).

Transportation

With the proposed project, the number of daily trips would increase by 100 truck trips. The truck trips would continue to use the current routes: Highway 101 south to State Route 156, State Route 156 west from U.S. Highway 101 to State Route 1, and State Route 1 from State Route 156 to the MPL. The additional of 50 trucks (100 one-way trips) on these highways is insignificant compared to the current traffic volumes, which are presented in **Table 6, Highway Trip Volumes**.

Table 6. Highway Daily Trip Volumes (2021)

Highway	Existing (2019) Volumes (Annual Average Daily Traffic-Approximate)	Proposed Project Trips	Percentage Increase
U.S. Highway 101 (San Benito/ Monterey County Line)	83,800	100	0.0012%
State Route 156 (Marina)	31,000	100	0.0032%
State Route 1	56,500	100	0.0018%

Source: Caltrans (2019) <https://dot.ca.gov/programs/traffic-operations/census>

SB 743, which was codified in Public Resources Code Section 21099, required changes to the CEQA Guidelines regarding the analysis of transportation impacts. Pursuant to Section 21099, the criteria for determining the significance of transportation impacts must “promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” As a result, the Governor’s Office of Planning and Research (OPR) proposed changes to the CEQA Guidelines that identify vehicle miles traveled (VMT) as the most appropriate metric to evaluate a project’s transportation impacts. VMT refers to the amount and distance of automobile travel attributable to a project.

In 2018, OPR released a technical advisory containing the recommendations regarding the assessment of VMT. The technical advisory provides recommendations for assessing VMT and significance thresholds for residential, office, retail, and transportation projects. It does not provide guidance on assessing VMT or recommend significance thresholds associated with industrial projects. As noted in the advisory, agencies are directed to choose metrics that are appropriate for their jurisdiction to evaluate the potential impacts of a project in terms of VMT. The change to VMT was formally adopted as part of updates to the CEQA Guidelines on December 28, 2018. The deadline for adopting policies to implement SB 743 and the provisions of CEQA Guidelines Section 15064.3(b) was July 1, 2020.

The technical advisory also discusses potential screening thresholds for land use projects. Many agencies use “screening thresholds” to quickly identify when a project should be expected to cause a less-than-significant impact without conducting a detailed study (CEQA Guidelines Section 15063(c)(3)(C), 15128, and Appendix G). The technical advisory suggests that lead agencies may screen out VMT impacts using project size, maps, and transit availability. Specifically, the advisory states that, absent substantial evidence indicating that a project would generate a potentially significant level of VMT, or would be inconsistent with a Sustainable Communities Strategy (SCS) or general plan, projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less-than-significant transportation impact.

The County has not adopted VMT policies, and, until the County does, there is no guidance how to evaluate a proposed project in terms of VMT. As discussed above, the proposed project’s traffic impacts would be less than significant, and would generate fewer than 110 trips per day. Further, the proposed project is consistent with the land use designation in the Monterey County General Plan, Monterey County Zoning Ordinance Title 21, and therefore, consistent with the 2018 Regional Transportation Plan and 2040 Metropolitan Transportation Plan/Sustainable Communities Strategy. Therefore, the proposed

project would not conflict with or be inconsistent with an applicable threshold of significance adopted per CEQA Guidelines Section 15064.3(b).

Air Quality/Greenhouse Gas Emissions

The proposed project site is located within the North Central Coast Air Basin (NCCAB), which is comprised of Santa Cruz, San Benito, and Monterey Counties, and is regulated by the Monterey Bay Air Resources District (MBARD, formally known as Monterey Bay Unified Air Pollution Control District).

The federal Clean Air Act and the California Clean Air Act mandate the control and reduction of certain air pollutants. Under these Acts, the United States Environmental Protection Agency (U.S. EPA) and the California Air Resources Board (CARB) have established ambient air quality standards for specific “criteria” pollutants. These pollutants are carbon monoxide (CO), ozone (O₃), sulfur dioxide (SO₂), nitrogen oxides (NO_x), particulate matter less than 10 microns in diameter (PM₁₀), lead, and particulate matter less than 2.5 microns in diameter (PM_{2.5}).

The MBARD 2008 CEQA Air Quality Guidelines contains standards of significance for evaluating potential air quality effects of projects subject to the requirements of CEQA (see Table 5-3, pg. 5-6, of the MBARD 2008 CEQA Guidelines). According to MBARD, a project would violate an air quality standard and/or contribute to an existing or projected violation if it would:

- Emit 137 or more of volatile organic compounds (VOC) or NO_x;
- Directly emit 550 pounds per day (lbs/day) of CO;
- Generate traffic that significantly affects levels of service;
- Directly emit 82 lb/day or more of PM₁₀ on site during operation or construction;
- 55 lbs/day of fine particulate matter (PM_{2.5}); or
- Directly emit 150 lb/day or more of oxides of Sulfur (SO_x).

Using emission factors from the CARB, emission estimates under existing and proposed project conditions were calculated for the criteria pollutants identified above. The emissions factors used were for Heavy-Heavy Duty Diesel Solid Waste Collection Truck for the year 2021 (EMFAC2017, v1.0.2). The total pounds per day (lbs/day) of each pollutant generated by the truck trips were calculated under existing (**Table 7, Daily Truck Miles and Emissions – Existing Conditions**) and proposed (**Table 8, Daily Truck Miles and Emissions – Proposed Conditions**) conditions. The emissions for all pollutants under proposed project conditions are well below and would not exceed MBARD thresholds. Therefore, the proposed project would have a less-than-significant impact on air quality.

Neither the State, MBARD, nor Monterey County have adopted GHG emissions thresholds or a GHG emissions reduction plan that would apply to the proposed project. In the absence of generally accepted thresholds of significance for projects, a substantial increase, for purposes of this analysis, occurs when a project exceeds thresholds of significance for criteria pollutants. This approach is consistent with guidance from the California Air Pollution Control Officers’ Association (CAPCOA), which notes that implementing CEQA without an explicit threshold prior to formal guidance from the State of California’s Office of Planning and Research is appropriate. In fact, this approach is consistent with CAPCOA’s belief that by defining substantial emissions of GHGs to performance standards (e.g., criteria pollutant

emission thresholds), lead agencies would amass information and experience with specific project categories that would support establishing explicit thresholds in the future.

As described above, the proposed project would not generate traffic that would significantly affect levels of service nor would it conflict with or be inconsistent with an applicable threshold of significance adopted per CEQA Guidelines Section 15064.3(b). In addition, the proposed project would not exceed the thresholds of significance for criteria pollutants or result in significant impacts to air quality. Therefore, the proposed project does not conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

Further, the proposed project does not result in an increase in waste generation or trips. Rather, existing waste would be re-routed to the MPL. Additionally, the 225,000 tons/year of waste from the San Jose area collection that would have likely gone to the Kirby Canyon Landfill in San Jose would first be directed to the Charles Street MRF (225,000 tons/year) before sending a portion of the processed MRF residual wastes to the MPL (123,960 tons/year) under the proposed project. As a result, some landfill emissions are avoided by completing the recycling diversion as compared to disposing all 225,000 tons/year at the landfill. This recycling diversion is also in accordance with AB 341, Mandatory Commercial Recycling, the purpose of which is to reduce greenhouse gas emissions by diverting commercial solid waste to recycling efforts and to expand the opportunity for additional recycling services and recycling manufacturing facilities in California. Therefore, the proposed project facilitates the MRWMD's efforts to meet this mandate and goal to divert 75% of solid waste to recycling.

Table 7. Daily Truck Miles and Emissions – Existing Conditions

Waste Origin	Destination Landfill	Distance One-way Mileage	Roundtrip Mileage	Number of Roundtrips	Total Daily Mileage	Total Emissions (lbs/day)				
						NOx	PM _{2.5}	PM ₁₀	VOC	CO
						<i>4.5770953</i>	<i>0.0209034</i>	<i>0.0218486</i>	<i>0.0211787</i>	<i>0.0299961</i>
Z-best Composting Gilroy, CA (31,200 tons/year)	Monterey Peninsula Landfill, 14201 Del Monte Blvd, MoCo, CA	28.5	57	5	285	2.88	0.01	0.01	0.01	0.02
Zanker Rd Landfill San Jose, CA (68,640 tons/year)	Monterey Peninsula Landfill, 14201 Del Monte Blvd, MoCo, CA	69.1	138.2	11	1,520.20	15.34	0.07	0.07	0.07	0.10
Charles St. MRF San Jose, CA (62,400 tons/year)	Monterey Peninsula Landfill, 14201 Del Monte Blvd, MoCo, CA	62.2	124.4	10	1,244.00	12.55	0.06	0.06	0.06	0.08
Z-best Composting Gilroy, CA (38,800 tons/year)	Billy Wright Landfill Los Banos, CA	42.2	84.4	8	675.2	6.81	0.03	0.03	0.03	0.04
Zanker Rd Landfill San Jose, CA (70,000 tons/year)	Potrero Hills Landfill (3675 Potrero Hills Lane), Suisun City	83.8	167.6	16	2,681.60	27.06	0.12	0.13	0.13	0.18
San Jose Collections (225,000 tons/year)	Kirby Canyon Landfill, San Jose, CA	15	30	43	1,290	13.02	0.06	0.06	0.06	0.09
Total Miles (Existing)					7,696.00	77.66	0.35	0.36	0.36	0.51

Table 8. Daily Truck Miles and Emissions – Proposed Conditions

Waste Origin	Distance One-way Mileage	Roundtrip Mileage	Number of Roundtrips	Total Daily Mileage	Total Emissions (lbs/day)				
					NOx	PM _{2.5}	PM ₁₀	VOC	CO
					<i>4.5770953</i>	<i>0.0209034</i>	<i>0.0218486</i>	<i>0.0211787</i>	<i>0.0299961</i>
Z-best Composting Gilroy, CA (38,800 tons/year)	28.5	57	8	456	4.6	0.02	0.02	0.02	0.03
Zanker Rd Landfill San Jose, CA (70,000 tons/year)	69.1	138.2	16	2,211.20	22.31	0.1	0.11	0.1	0.15
Charles St. MRF San Jose, CA (123,960 tons/year)	62.2	124.4	26	3,234.40	32.64	0.15	0.16	0.15	0.21
Total Miles (proposed)				5,901.60	59.55	0.27	0.29	0.27	0.39
Threshold (lbs/day)					137.00	55.00	82.00	137.00	550.00

Conclusion

Under CEQA Guidelines Section 15061(b)(3), Review for Exemption, activities are exempt from, and otherwise not subject to, CEQA under the "common sense" exemption 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. In addition, CEQA Guidelines Sections 15301-15333 identify projects that fall within classes of exemptions. The Secretary of the California Natural Resources Agency has determined that projects that fall within these classes do not have a significant effect on the environment, and, therefore, are categorically exempt from CEQA. However, the CEQA Guidelines do note exceptions to the categorical exemptions (Section 15300.2).

The proposed project falls within Class 1, Existing Facilities (CEQA Guidelines Section 15301), which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. None of the exceptions apply to the proposed project. Therefore, the proposed project is exempt from CEQA under CEQA Guidelines Sections 15061(b)(3) and 15301, as supported by the analysis herein.

Notice of Exemption

Appendix E

To: Office of Planning & Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

From: (Public Agency) _____
Monterey Regional Waste Management District
P.O. Box 1670, Marina, CA 93933-1670

County Clerk
County of: Monterey
168 West Alisal Street
Salinas, CA 93901-2487

(Address)

County Clerk
County of: Santa Clara
70 West Hedding St. East Wing, 1st Floor
San Jose, CA 95510

Project Title: GreenWaste Recovery 2010 Contract Amendment

Project Applicant: Monterey Regional Waste Management District

Project Location - Specific:

Origination: Z-best Composting: 980 Highway 25, Gilroy; Zanker Road Landfill: 675-705 Los Carneros, San Jose; Charles Street Materials Recovery Facility: 575 Charles Street, San Jose

Destination: Monterey Peninsula Landfill, 14201 Del Monte Blvd, Monterey County, CA (north of the City of Marina)

Project Location – City: San Jose, Gilroy, and Marina Project Location – County: Monterey County and Santa Clara County

Description of Nature, Purpose and Beneficiaries of Project:

The Monterey Regional Waste Management District is considering amending and extending the 2010 contract with GreenWaste Recovery, Inc. to amend the contract term by 6.33 years to end on December 31, 2036, and accept additional processed, out-of-district residual waste materials from the San Jose area. The residual waste materials would be delivered in an additional 50 roundtrip (or 100 one-way trips) daily deliveries from three locations in the San Jose and Gilroy area, six days a week. The three facilities and addresses are as follows:

Z-best Composting: 980 Highway 25, Gilroy

Zanker Road Landfill: 675-705 Los Esteros (formerly Los Carneros), San Jose

Charles St. MRF: 575 Charles Street, San Jose

Name of Public Agency Approving Project: Monterey Regional Waste Management District

Name of Person or Agency Carrying Out Project: Monterey Regional Waste Management District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Class 1, Existing Facilities (Section 15301)
- Statutory Exemptions. State code number: _____
- Other: CEQA Guidelines Section 15061(b)(3)

Reasons why project is exempt:

CEQA Guidelines Section 15301, Class 1, Existing Facilities, consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The proposed project would involve minor expansion of operational activities that would not result in significant effects to the environment. None of the exceptions to the exemption apply to the proposed project. See attached for evaluation of traffic, air pollutants, and greenhouse gas emissions. In addition, CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that 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. Therefore, the proposed project is exempt from CEQA under CEQA Guidelines Sections 15061(b)(3) and 15301, as supported by the analysis conducted.

Lead Agency

Contact Person: Guy Petraborg

Area Code/Telephone/Extension: (831) 264-6385

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____