



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: APRIL 15, 2022
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the April 22, 2022 Board Meeting

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

CALL TO ORDER AT 9:00 A.M.

ROLL CALL AND ESTABLISHMENT OF QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMUNICATIONS

Anyone wishing to address the Board on matters *not* appearing on the *Authority* Agenda may do so now. *Please limit comments to a maximum of three (3) minutes.* The public may comment on any other matter listed on the agenda at the time the matter is being considered by the Board.

CONSENT AGENDA

These matters include routine financial and administrative actions, which are usually approved by a single majority vote. Individual items may be removed from Consent for discussion and action.

- 1) **Approve Resolution No. 2022-10, regarding the Ralph M. Brown Act (California Government Code §§54950- 54963, hereinafter the “Brown Act”) and Assembly Bill 361, making certain findings, and authorizing the District to implement remote teleconferenced public meetings of the Board and the District’s standing committees (i.e., Finance and Personnel) for the period April 22, 2022 through May 21, 2022.**
- 2) **Approve Minutes of March 18, 2022 Regular Board Meeting.**
- 3) **Approve Report of Disbursements, and Board and Employee Reimbursements for March 2022**
- 4) **Receive Report on April 6, 2022 Finance Committee Meeting.**
- 5) **Receive Report on April 6, 2022 Personnel Committee Meeting.**
- 6) **Authorize the General Manger to approve the “Option B” amendment to the Trillium Contract for CNG Fuel Supply contingent upon agreement as to form by District Legal Counsel.**

Please refer to the enclosed memo from Director of Engineering and Compliance, Guy Petraborg, regarding two options for amending the CNG supply pricing to the District and the onsite franchise collection contract company, GreenWaste Recovery. The actual CNG supply volume has been significantly lower than anticipated in the Design, Build, Own, Operate, and Transfer (DBOOT) contract with Trillium. Thus, Trillium has not accomplished the planned recapitalization of the

infrastructure investment of building the CNG Fueling Facility. Options for a five (5) year and a ten (10) year pay back period are proposed for amending the contract. The Finance Committee and staff recommend that the Board approve the 10-year pay back period (Option B) for amending the CNG pricing in the Trillium contract and notes that the proposed pricing is consistent with current retail pricing in California.

7) Authorize Supplemental Project Funding of \$115,000 for the Hydrogen Sulfide (H₂S) Analyzer Addition to the District's Remote Monitoring and Control System.

Please refer to the enclosed memo from Guy Petraborg, Director of Engineering and Compliance, District Engineer. Staff proposes automatic monitoring of hydrogen sulfide(H₂S) in the landfill gas (LFG) that is delivered to the Gas Plant for destruction and abatement of emissions. Presently, staff manually monitors five (5) locations on the LFG transmission pipeline on a daily basis (including weekends and holidays) for recording the H₂S concentration. This is conducted in association with a Federal requirement that limits the daily amount of sulfur oxides (SO_x) emissions; a combustion byproduct of the destruction of H₂S in LFG. With the addition of the Board approved Remote Monitoring and Control System (RMCS) for other landfill system elements in 2021, the daily H₂S monitoring can now be accomplished by an automated system that is integrated into the RMCS. Automated monitoring will relieve staff from approximately ten (10) hours per week associated with the manual monitoring process. The Finance Committee and staff recommend that the Board approve supplemental project funding to complete electrical design and permitting, purchasing equipment, control system amendments by SCS Field Services, and the public works construction installation of equipment for the automated monitoring system. The supplemental funding is present in the current fiscal year capital budget and will be included in the preliminary budget for the next fiscal year beginning July 1st.

8) Authorize \$38,500 in Funding (inclusive of ~10% contingency) for Four (4) Wind Powered Aerators for the Compost Facility's Contact Water Pond.

Please refer to the enclosed memo from Guy Petraborg, Director of Engineering and Compliance, District Engineer. Staff proposes the expansion of the water aeration system for the Compost Facility's Contact Water Pond. The storm water runoff from the compost area is directed to the lined Contact Water Pond and can contain organic matter that will decompose over time. To minimize odors from the pond water and the development of anaerobic conditions in the water, it is necessary to maintain oxygen circulation and content in the pond water. Staff and an engineering consultant have investigated various aeration systems. The Finance Committee and staff recommend that the Board approve the expansion of a wind powered aeration system for the Contact Water Pond to increase the degree of aeration and help mitigate the development of odors from the pond water.

9) Authorize General Manager to Award a Contract to Clean King Janitorial Services of Salinas, CA, for Sitewide Janitorial Services in the amount of 8,985 per month.

Please refer to the enclosed memo from Helen Rodriguez, Director of Finance and Administration regarding the District janitorial services. The District's janitorial service provider terminated his services on March 31, 2022. As outlined in the memo, Staff recommends awarding a contract to Clean King Janitorial Services for District Sitewide Janitorial Services in the amount of \$8,985 per month.

10) Authorize the General Manager to Approve a PG&E Agreement for Termination of Natural Gas Service to the Administration Building and Last Chance Mercantile Subject as to Approval in Form by District Legal Counsel.

Please refer to the enclosed memo from David Ramirez, Senior Engineer, regarding electrification of small appliances related to the termination of natural gas service to the Administration Building and the Last Chance Mercantile. PG&E contacted District staff and proposed to terminate natural gas service and to compensate MRWMD for having to replace the existing natural gas fueled small appliances on site with electrically powered appliances. PG&E's proposal is limited to the small service in the Administration campus area and does not include the separate, medium service natural gas supply to MRWMD's onsite rCNG Fueling Station. Because of the change to electrical appliances, the 2006 standby generator will need to be replaced with a new generator having sufficient electrical output of all electrical loads. The agreement provided by PG&E for the termination of natural gas service includes a onetime payment of \$300,000 to cover the cost of design, equipment, materials, and construction. District staff believes this should cover the costs of the project based on the quotes already received for the work however, given the cost volatility in the construction market, there may be a need for District funds to cover contingency costs. A 15% contingency of \$45,000 is estimated should District funds be required for the project.

11) Approve the Agreement and Request for Proposals for SB1383 Monitoring and Reporting Services Subject to Approval as to Form by District Legal Counsel.

Please refer to the enclosed draft RFP and contract for SB 1383 monitoring and reporting, subject to approval from District legal counsel. Included in the regulation, sample curbside monitoring ("lid flipping") and reporting of all three streams (trash, recycling, and organics) on each route is mandated. These services are contained within the existing SB 1383 Shared Costs MOU approved by your Board and signed by that of each of the District's member jurisdictions. As such, the District will undertake hiring of a third-party contractor to perform these services on behalf of the member jurisdictions. All jurisdictions will be using this method, with the exception of the County of Monterey, who will utilize Waste Management's Smart Truck technology to survey routes.

Recommendation: Approve Consent Agenda

RECOGNITION/PRESENTATIONS

12) Recognition of Household Hazardous Waste Supervisor, Jimmy Perez for 20 Years of Service to the District.

Jimmy Perez started his career at the District in April of 2002 and received several promotions over the years. Positions held at the District include Labor, Laborer II, HHW Technician, Senior HHW Technician and most recently promoted to HHW Supervisor. Please join us in recognizing Jimmy Perez and his 20 years of service.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

13) Consideration and Discussion of Budget Process and Seven Percent (7%) Tipping Fee Increase for All Material Types for Fiscal Year 2022/23.

Please refer to the enclosed presentation. Staff requests direction from the Board to prepare the FY2022/23 Draft Preliminary Budget inclusive of an approximate 7% increase in Tipping Fee rates and adjustment to SSR Processing Fee Rates. The District has deferred rate increases for two (2) fiscal years. The last increase was in fiscal year 2020/21. During the past two years significant impacts to local, state, national, and global economic conditions have occurred and resulted in negative impacts to the labor market, supply chains, construction industry, and the time and cost of doing business. Economists are also forecasting higher rates of inflation over the next fiscal year. Discuss the proposed 7% increase in Tipping Fee rates and changes in Single Stream Recyclables (SSR) processing rates for the purpose of drafting next year's preliminary budget.

Recommendation: Consideration and Discussion of Budget Process and Seven Percent (7%) Tipping Fee Increase for All Material Types for Fiscal Year 2022/23.

14) Authorize General Manager to Execute a \$9/ton Rate Increase for Keith Day Company, Inc. (KDCI) for Processing Yard Clippings, Food Scraps, and Mixed Yard Clippings with Food Scraps (SB1383 impacts).

Please refer to the enclosed memo. District staff has met with KDCI on a number of occasions during the past two years in regards to operational impacts of processing commercial food wastes and co-mingled food scraps and yard debris from residential collection routes. KDCI is now having to manage mixed loads of food scraps and yard clippings associated with the start of SB 1383 measures to divert organic wastes away from landfill disposal. There is more contamination in the organic materials to manage in the entire process even though the residential participation rate is initially low (estimated <2%). To address the cost impacts of processing new organic materials in the past two years, the Finance Committee and staff recommend that the MRWMD Board of Directors authorize the General Manager to execute a \$9/ton increase to rates charged by KDCI to process these organic materials.

Recommendation: Authorize General Manager to execute a \$9/ton rate increase for KDCI for processing Yard Clippings, Food Scraps, and Mixed Yard Clippings with Food Scraps.

15) Authorize Chair to Cast Vote for One Candidate for Alternate Special District Regular Member Seat on the Local Agency Formation Commission (LAFCO) of Monterey County

Please refer to the enclosed candidate information from LAFCO.

Recommendation: Authorize Chair to Cast Vote for One Candidate for Special District Alternate Member Seat on the Local Agency Formation Commission (LAFCO) of Monterey County.

STAFF REPORTS

16) Review Finance, Operating, and Recycling Reports

17) Report on Technical Advisory Committee (TAC) and SB 1383 – March 9, 2022 Meeting.

Director of Communications, Zoë Shoats will provide an update from the TAC on SB 1383.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

Microgrid and Renewable Energy Project – Staff will provide an update at the meeting on progress of the joint agencies for a potential microgrid and renewable energy projects. Ken Lewis, who the Board interviewed for the District GM position, has accepted the role of MicroGrid and Renewable Energy Director for this joint agency initiative and its 18-month term. Next steps will be concluding the draft RFP for the feasibility studies and put it out for solicitation.

SOAR/SWANA - General Manager, Felipe Melchor will provide a verbal update on the SOAR/SWANA convention.

City of Salinas Planning Department- General Manager met with City of Salinas Staff at their request. This was a short Zoom call to do introductions. City of Salinas Adam Spaulding and Brian Frus requested ongoing quarterly discussions to hear about the District activities.

Update on Odor Communications-- Staff will meet with Marina residents to preview content to be posted on the District website regarding odor reports.

Rebrand – With the new ReGen Monterey brand, name, logo, and slogan approved by your Board at the March meeting, staff is currently working to obtain a California trademark for the name, logo and slogan. Staff is also finishing a style guide to inform proper brand use. Staff plans to introduce the new brand to the public starting July 1. In the meantime, updates are being made behind the scenes to get ready for the roll-out.

BOARD COMMUNICATIONS

CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, real property negotiations or to confer with the District's Meyers-Milias-Brown Act representative.

1. Conference with Legal Counsel--Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9: One case
2. Conference with Labor Negotiators:
District Negotiators: Felipe Melchor, Helen Rodriguez and Berta Torres
Employee Organizations: Operating Engineers

ADJOURNMENT

NEXT MEETING DATE: May 20, 2022, at 9 a.m.

Respectfully submitted,



Felipe Melchor, General Manager