

# MEMO



**Consent  
Item #: 9**

Meeting Date: May 19 ,2023

To: Board of Directors  
From: Director of Communications, Zoë Shoats  
Approved by: General Manager, Felipe Melchor

**Subject: Approve FY 24 Amendments to Exhibits A & B of the SB 1383 Shared Costs MOU between ReGen Monterey and its Member Jurisdictions**

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## Recommendation

Approve FY 24 Amendments to Exhibits A & B of the SB 1383 Shared Costs MOU between ReGen Monterey and its Member Jurisdictions.

## Background

The State of California has passed legislation, known as Senate Bill 1383, California's Short-Lived Climate Pollutants legislation. The regulation has significant impact on each Member Agency with the goal of reducing organic material being landfilled by 75% by 2025, compared to a 2014 basis. The legislation mandates that Member Agencies undertake certain activities around the handling of organic waste materials collected within their jurisdictions. The regulation also requires 20% recovery of edible food by 2025 to direct it to a beneficial use and thus, prevent it from entering the waste stream. Regulations took effect and local program implementation began on January 1, 2022.

In 2021, the Member Agencies determined that it was in their best interest to coordinate their activities related to this legislation. This coordination is being facilitated by ReGen Monterey's Technical Advisory Committee (TAC) comprised of staff from each Member Agency, the three haulers in our service area (Haulers) and ReGen Monterey.

The Member Agencies determined that ReGen Monterey has the expertise and resources necessary to implement shared activities on the Member Agencies' behalf and requested that the ReGen incur costs to provide these activities. The Member Agencies have agreed to reimburse ReGen for proportionate shares of certain designated annual costs incurred by ReGen for these activities under a Memorandum of Understanding (MOU) between the Monterey Regional Waste Management District (DBA ReGen Monterey) and its Member Agencies Regarding Assistance with Compliance with California Senate Bill 1383.

The purpose of the MOU is to provide a structure for the Member Agencies to reimburse ReGen Monterey for SB 1383 related activities it performs on behalf of the Member Agencies. The MOU

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*Let's not waste this.*



was voluntarily entered into by the Parties for the purpose of facilitating the implementation of SB 1383. The MOU was adopted by the ReGen Monterey Board on June 18, 2021, the Member Agencies soon thereafter, and became effective July 1, 2021.

- **Exhibit A** - Detailed Activities and Costs: Contains the scope of work, and associated costs related to general SB 1383 activities. (Enacted June 2021, updated annually.)
- **Exhibit B** - Member Agencies' Annual Proportionate Shares and Costs: Allocation of such costs to the Member Agencies. (Enacted June 2021, updated annually.)
- **Exhibit C** - Member Agencies' Estimated Allocation of CalRecycle Local Assistance Grant Program Funding: Details proposed programs funded by the CalRecycle Local Assistance Grant Program. (Enacted February 2022, to be updated if future funding becomes available.)
- **Exhibit D** – Member Agencies' Estimated Procurement Requirements of Organic Material: Details the organic materials (compost or mulch) procurement requirements and costs for each Member Agency. (Enacted April 16, 2022, to be updated in 2026 when CalRecycle reevaluates annual procurement targets.)

### **Discussion**

Each year ReGen Monterey staff identifies expected expenses associated with jurisdictional compliance of SB 1383 and compiles those expenses in Exhibit A of the 1383 Shared Costs MOU. Expenses include items such as program administration, public education, monitoring, reporting and edible food recovery capacity building, program administration and outreach.

These expenses are then broken down to proportional percentages per population in Exhibit B.

The draft budget is first presented to the TAC for review, feedback, and consensus. It then is presented to the ReGen Monterey Board of Directors and Member Agencies' Councils and Boards for approval.

The amendment to Exhibits A and B of the MOU would supersede exhibits covering previous fiscal years.

### **Financial Impact**

None. These are costs that ReGen Monterey incurs and is then reimbursed by our Member Agencies, with invoicing occurring twice annually.

### **Conclusion**

ReGen Monterey will continue to support its Member Agencies with SB 1383 compliance in a manner that provides cost savings for the communities we serve.

## EXHIBIT A

### DETAILED ACTIVITIES & COSTS FY 2023-2024

#### Scope of Work

The activities related to the implementation of SB 1383 may include contracting and policy development; public education; materials purchasing and distribution; reporting; contamination monitoring; edible food waste recovery; enforcement; procurement; organics processing; rate setting; cost monitoring; and any other related activities the Parties choose to address.

The District will take the lead producing public education campaigns in concert with the already-provided Hauler and/or Member Agency resources. The Member Agencies will be responsible for production and mailing fees associated with outreach. The District will also contract with a vendor to administer contamination monitoring in the form of curbside lid flipping. The District will also provide CalRecycle reporting services to the Member Agencies. In addition, funds will be allocated to food recovery organizations for procurement of refrigerated holding facilities or transport vehicles to support edible food recovery efforts.

#### Costs

SB 1383 Fee Category	Detail	FY 23/24 Cost	Notes
HF&H General Support & TAC meetings	Task #5 (SB 1383 general support) & task #6 (monthly TAC meetings) of HF&H CY 2023 proposal	\$ 20,500	
Edible Food Recovery Capacity Building	\$40,000 for grant allocations. Grant administration by Blue Strike Environmental will be billed with unused FY 23/23 budget.	\$ 40,000	Joint grant or application process w/ SVR to determine need. SVR allocating \$60k. ReGen allocating \$40k as County is omitted from this line item.
Edible Food Recovery Program Administration	Assessment Updates - Living Document Generation Estimate Update-Using ReGen WCS FRO Capacity Survey - Annual Update Conference Presentations (CRRA) and Other Support TBD EFR E&O - Cycle 2 - Tier 1&2 Follow-up target groups TBD Organics Collections E&O - Target Groups TBD School Food Waste Reductions - Targeted Groups TBD Total: \$70k, split 50/50 with Salinas Valley Recycles	\$ 24,000	ReGen member agency portion only. Split 50/50 with SVR. School outreach not included in cost. Omits County of Monterey
Edible Food Generator Inspections for Tier 1 & 2	County of Monterey provides inspections at rate of \$201/hour. One hour per business which includes one follow-up, if needed.	\$ 22,000	Omits County of Monterey
Public Education	Design/creation of public education materials. Does not include production or distribution of materials created.	\$ 30,000	
Contamination Monitoring (Lid Flipping)	RFP to determine vendor	\$ 13,431	Omits County of Monterey due to WM Smart Truck
Recyclist Fees	Cloud-based recordkeeping and reporting system shared by haulers, jurisdictions and processor.	\$ 12,393	Omits County & City of Monterey who subscribe separately
ReGen Monterey Staff Time	Coordination and Hosting of Monthly TAC Meetings Hosting and/or participating in TAC Subcommittee Meetings SB 1383 Program Coordination and Development of Public Education Materials CalRecycle Reporting Outreach at Community Events Coordination with Sustainability Groups	\$ 40,000	
		\$ 202,324	
Reduction from ReGen recycling revenues		\$ (65,000)	
<b>Total</b>		<b>\$ 137,324</b>	

## EXHIBIT A

### DETAILED ACTIVITIES & COSTS FY 2023-2024 (CONTINUED)

#### HF&H Franchise Management Fees

Task #	Detail	FY 2024	
1	Review Contractor's Quarterly Reports	\$	12,500.00
2	Review Contractor's Annual Report	\$	2,500
3	Review Franchise Fee Payments	\$	2,500
4	Review Contractor's Annual Rate Adjustments	\$	50,000
5	Develop Contract Compliance Checklist	\$	10,000
6	Monitor Contract Compliance	\$	24,000
Total		\$	101,500

HF&H fees apply to GreenWaste Recovery member jurisdictions only.

**EXHIBIT B****MEMBER AGENCIES' ANNUAL PROPORTIONATE SHARES & COSTS\***  
**FY 2023-2024**

District Shared Costs By Jurisdiction				
	Population			
	#	%	Per Agency Cost/Year	With Minimums
<b>Carmel</b>	3,830	2.4%	\$ 9,020	\$ 9,486
<b>DRO</b>	1,525	1.0%	\$ 3,591	\$ 9,000
<b>Marina</b>	21,981	13.7%	\$ 51,765	\$ 48,261
<b>PG</b>	15,522	9.7%	\$ 36,554	\$ 34,080
<b>PBCSD</b>	4,531	2.8%	\$ 10,671	\$ 10,405
<b>Sand City</b>	310	0.2%	\$ 730	\$ 9,000
<b>Seaside</b>	33,956	21.2%	\$ 79,966	\$ 74,553
<b>Monterey City</b>	28,352	17.7%	\$ 31,526	\$ 29,038
<b>County</b>	50,128	31.3%	\$ 15,000	\$ 15,000
<b>TOTAL</b>	<b>160,135</b>		<b>\$ 238,824</b>	<b>\$ 238,824</b>

\*Member Agencies' proportionate costs subject to adjustment annually in accordance with any change in scope and total costs. Costs "with minimums" will be utilized.