

Monterey Regional Waste Management District
Technical Advisory Committee
Meeting Minutes of February 15, 2017 (9 a.m. – 11:15 a.m.)

Representatives from Pebble Beach, Sand City, Seaside, and Monterey County Environmental Health, attended along with representatives from the District and Jill Larner from CalRecycle. Agencies not represented: City of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Marina, and Pacific Grove.

Introductions

Tim Brownell, the District's new Director of Operations, was introduced to the group. He comes to the District with over 27 years of experience in the industry. He worked in the recycling field designing, developing and operating the residential recycling programs in San Francisco, CA and Ann Arbor, MI. Most recently, he came from the non-profit Eureka Recycling in Minnesota, where he managed a 90,000 tons-per-year Material Recovery Facility serving the greater Twin Cities region.

1. CalRecycle Update: Annual Visits, Electronic Annual Update

Jill Larner, the CalRecycle representative for Monterey County, updated the TAC on the annual site visits to the member jurisdictions beginning with Marina today. Electronic Annual Reports are due August 1st of every year, and a four-year review cycle from 2012-2016 just wrapped up. Jill mentioned that the big news out of Sacramento is the passage of SB 1383 (short-lived climate pollutants bill) last Fall, which calls for methane reductions statewide by 50% by 2020 and 75% by 2025, using 2014 emissions as a baseline. Currently, CalRecycle is now going through the rule making process, which Jill encouraged people to follow and become involved with.

2. Materials Recovery Facility (MRF) Improvement Project

The District opened construction bids this week, after changing the scope of work solicited earlier this year into 3 phases: MRF foundation work, site development, and office improvements. The District estimated the cost of work for phase 1 at \$5.1 million and received one bid from a local construction company at \$5.6 million dollars which was within the budget with contingency. The District is bringing this to the Board in February with the recommendation to accept the bid.

After twenty years of operation, the MRF sort line was shut down on February 13th so the dismantling process could begin. The District has developed a multi-phased plan for handling materials during the February – September construction project. Outreach has been conducted to the construction industry, local building officials, and city managers. Jill recommended that the cities check with their building officials to make sure there is an interim plan to check-in with contractors at the point of permit and inform them of the contingency plans for recycling during the MRF shutdown.

The District is offering an optional MRF service that guarantees CalGreen compliance and offers an additional LEED point at a cost of \$90 per ton. Customers choosing this service will have their load transferred to Zanker Recycling in San Jose. To maximize recycling during construction, the District is providing areas for drop-off of source separated materials and will be performing limited diversion from mixed C&D waste. District staff are working to minimize the inconvenience to customers to the greatest extent possible.

Charles from Sand City requested a "how-to" guide for source separation at construction projects. He said a one-page flyer would be helpful for building officials to hand out.

Mike from PBCSD asked what MRF workers will do during construction. Tim said they will continue source separating materials, provide traffic control, the loaders will still be working, and workers will have the option of using their accrued vacation time. MRF workers and maintenance staff will also have the opportunity to train by touring other facilities in the region that will be similar to the new facility.

Long Term Financial Planning, Tip Fees

Peter Skinner, the District's Director of Finance and Administration, provided a PowerPoint presentation surveying historical tip fees, District cost increases over the last few years, and presenting a hypothetical tip fee increase. The presentation was made to begin discussion around the tip fee topic with the TAC and was also presented to the Finance Committee.

The last District tip fee increase was in January 1, 2014. Since then, capital projects have impacted reserves, regulatory mandates have created need for additional future investment, and tip fees remain the primary vehicle to ensure near-term revenue. For discussion, District staff presented a hypothetical tip fee increase to quantify the impact on ratepayers.

Adding a CPI adjustment to the current tip fee of \$51.75 for the prior 3 years would increase the tip fee to \$56.61 per ton. The TAC discussed a hypothetical tip fee increase to \$60 per ton and how it would impact residential and commercial rates. On average, a \$1 increase in the tip fee increases residential rates by \$.08 per month. Overall, 15-20% of the residential bill payments go to offset disposal costs. The consensus from the TAC was that a one-year increase to \$60 per ton would be difficult to support. Staff plans to incorporate feedback from the prior Finance Committee discussion and the TAC in bringing a tip fee increase recommendation to the Board in April for the FY17-18 budget.

Attending agencies requested the District circle back with Rob Hilton to ensure assumptions about tip fee increases correlate to the impact on local residential and commercial rates. There was also a request for more detailed information about future projections of tonnages from out of County waste and the reasons the District is considering increasing tip fees. Mike suggested that in the coming months member jurisdictions need to start figuring out a way to transfer the \$40/ton revenue that accrues to the agencies from single stream recyclables collected under the Green Waste franchise agreements before the new MRF opens.

Monterey Bay Community Power

Tim Flanagan attended the Monterey County Board of Supervisor's meeting the day before the TAC meeting where the Monterey Bay Community Power (MBCP) program was considered. Tim described concerns voiced by the Board regarding the proposed governance plan. The cities voted on a 5-4-2 (Monterey, Santa Cruz, San Benito Counties) seat structure, whereas Monterey County voted in favor of a 7-5-2 seat structure. Tim recommends adopting the governance structure put forward by MBCP. Getting the JPA participation agreement finalized is the most important part. There will need to be a second consideration of the project before the Board of Supervisors on March 7th.

The meeting was adjourned.

The next meeting of the TAC subcommittee of agencies contracting with GreenWaste Recovery for Collection Services is scheduled for March 22, 9 AM at the MRWMD.