

BOARD OF DIRECTORS

JASON CAMPBELL

Chair

JERRY BLACKWELDER

Vice Chair

LEO LASKA

BRUCE DELGADO

CARRIE THEIS

DAN ALBERT

KIM SHIRLEY

WENDY ROOT ASKEW

LUKE COLETTI



TIMOTHY S. FLANAGAN

General Manager

GUY PETRABORG, P.E., G.E.
Director of Engineering & Compliance

TIM BROWNELL

Director of Operations

ZOE SHOATS

Director of Communications

ROBERT WELLINGTON

Legal Counsel

MONTEREY REGIONAL
WASTE MANAGEMENT DISTRICT
Home of the Last Chance Mercantile
FINANCE COMMITTEE MEETING
AGENDA

Wednesday, January 12, 2022

9:00 a.m.

Bales Boardroom

14201 Del Monte Blvd., Monterey County, CA

Please Note: The meeting will be held both 1) virtually via Zoom and is compliant with California Government Code Section 54953(e)(1)(A), with Governor Newsom's executive Order N-29-20 and with the Recommendation of the Monterey County Health Official dated September 22, 2021, regarding social distancing including remote meetings of legislative bodies, which together allow local legislative bodies to hold public meetings electronically or via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and address the local legislative body to avoid public gatherings, and which suspended all contrary provisions of the Brown Act, and 2) as a regular meeting, with teleconference locations identified, as required. To join the zoom webinar, click on this link: <https://us02web.zoom.us/j/84190727218> copy/paste the link into your browser, or type the link into your browser. If your computer does not have audio, you will also need to join the meeting via phone. To participate via phone, please call: 1-669-900-9128; Meeting ID: **841 9072 7218** Public Comments: if you are unable to participate virtually or via telephone, you may also submit your comments by e-mailing them to igonzales@mrwmd.org with one of the following subject lines "Public Comment Item #" (insert the item number relevant to your comment) or "Public Comment - Non Agenda Item". Comments must be received by 4:00 p.m. on Thursday, January 11, 2022. All submitted comments will be provided to the Board and may be read into the record or compiled as part of the record.

CALL TO ORDER

ROLL CALL AND ESTABLISHMENT OF QUORUM

PUBLIC COMMUNICATIONS

Anyone wishing to address the Committee on matters *not* appearing on the 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.

ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION AND ACTION

1. Update on MRWMD - M1W Advanced Water purification Facility (AWPF) Medium Voltage Project Bid Results
2. CNG Materials Recovery Facility (MRF) Vehicle Purchases
3. Update on Microgrid Project

GM COMMUNICATIONS

ADJOURNMENT

NEXT MEETING DATE: Wednesday, February 2, 2022 9:00 a.m.

This agenda was posted at the District offices at 14201 Del Monte Blvd, Monterey County, CA. Staff reports and additional information regarding these agenda items are available on the District website (www.mrwmd.org) and at the District offices during regular business hours (additional fee for copying). All meetings are open to the public. The District does not discriminate against persons with disabilities and the Boardroom is wheelchair accessible. Recordings of meetings can be provided upon request. To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please call Ida Gonzales at (831) 384-5313 or e-mail: igonzales@mrwmd.org. Requests must be made at least 48 hours in advance of the meeting.



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: January 7, 2021
TO: Finance Committee
FROM: General Manager
SUBJECT: Finance Committee Meeting of January 12, 2022

ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION AND ACTION

1. **Update on MRWMD-M1W AWPf Medium Voltage Project Bid Results**

Kennedy Jenks will provide a presentation at the Finance Committee meeting. Three construction bids were received at the December 7, 2021 public bid opening for the MRWMD electrical connection to the M1W Advance Water Purification Facility (AWPF). Staff requests guidance from the Finance Committee on their preference for the direction they wish staff to take on the project given the implications of the bid results on the current capital budget and project funding approvals.

Recommendation: Information Only

2. **CNG MRF Vehicle Purchases** Please refer to the enclosed staff report from Tim Brownell, Director of Operations on the purchase of a new vehicles for the MRF operations. The new vehicles will be CNG powered and will comply with our policy commitment. There will be five vehicles; two Tractor Trailers, one water truck, and two Roll-Off trucks. The two existing tractor trailers are approximately 12 years old and the water truck is completely worn out. The shop will require building modifications to meet state and local air standards, and to have the ability to work on the CNG trucks. Staff will bring a plan for the shop modifications as part of the next fiscal year budget.

Recommendation: Support Board Approval

3. **Update on Monterey Microgrid Project**

Staff is working on the joint Monterey Microgrid project development together with M1W staff and a consultant, Gary Darling of Darling h2o. Staff will provide a verbal update to the Finance Committee on the project activities including the status of three grant applications and the progress of consultations with the National Renewable Energy Lab (NREL).

Recommendation: Information Only

GENERAL MANAGER COMMUNICATIONS

MRF Pavement Project – An emergency corrective paving of a severely worn pavement section in the MRF C&D tip area was completed on January 5th. Staff incorporated the emergency paving work into an already scheduled pavement maintenance of a portion of the “racetrack” (aka MRF perimeter road) on the ‘inbound’ approach to the landfill entrance. Boyd’s Asphalt Services of Salinas, CA performed the paving work in both areas. An additional expense of approximately \$23,000 is anticipated for the emergency paving of the damaged MRF C&D tip area and will be included in the January expense report next month.

AdHoc Committee Meeting Update - The joint AdHoc committee, consisting of both M1W and MRWMD board and staff members, met for the first time on November 12, 2021 via a virtual meeting. The topics covered included the micro grid opportunity and associated potential formation of a joint powers agency for electrical distribution, grant funding applications, the organics-to-energy opportunities associated with SB1383 legislation, and formalizing a shared services agreement for the care and maintenance of jointly used areas. Staff presented a 6-month plan with each agency contributing \$175,000 of funding for the project and received concurrence from the AdHoc Committee to bring the plan forwarded to their respective boards. The next AdHoc Committee Meeting is planned for January 11, 2022. The joint staff plans to modify that 6-month plan to become an 18-month plan and will be requesting committee support, and subsequently board authorization, for the approval of approximately \$200,000 from each agency in next fiscal year to supplement the \$175,000 contribution from each agency for the 6-month plan to advance with the development of the joint microgrid opportunity.

SB 1383 Update: In accordance with the law, California's Short-Lived Climate Pollutant Reduction Strategy law was implemented by District jurisdictions on January 1. The law aims at reducing methane generation from the disposal of organics in the landfill and diverts that material to be used as a beneficial resource—compost. Residential customers are now encouraged to place food scraps in their green carts along with their yard trimmings. Commercial customers who are not already diverting food scraps as a part of the existing Organics to Energy program will also be encouraged to participate.

The District has supplied judications and haulers with public education materials for residential customers so that program information is consistent. In addition, the District is hosting more detailed information on our website. Thus far the program has received a good amount of media attention in TV, print and on social media. Paid media campaigns are also being developed to further outreach efforts.

According to our commercial composter, Keith Day Company, the inclusion of food scraps in the stream has been minimal, but that is to be expected as the program is in its first weeks.

Recently, CalRecycle announced grant funding available for jurisdictions and special districts who provide solid waste collection services. The District has offered to submit a single grant application on behalf of jurisdictions who choose, and with direction as to project specifics.

As this law is multi-faceted, other aspects of the law are still in the development stage.

Respectfully submitted,



Felipe Melchor



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 1-7-22
General Manager

DATE: January 7, 2022
TO: General Manager
FROM: Director of Engineering & Compliance
SUBJECT: Update on Monterey One Water (M1W) Electrical Connection Project

RECOMMENDATION: For Information Only – Provide General Direction To Staff.

BACKGROUND

In 2016 the District entered into a memorandum of understanding agreement with Monterey One Water (M1W) to supply 1800 kilowatts (KW) of electricity from the District's renewable energy generation plant (aka Landfill Gas-To-Energy (LFGTE) Plant) to the Advanced Water Purification Facility (AWPF) being planned by M1W. The project plan was for M1W to take the lead role of project delivery and design, permit, and build the infrastructure necessary to connect to a dedicated meter at the District's LFGTE Plant, and for the District to provide a supporting role during project delivery. The design was finalized in 2018 and then subsequently bid to solicit construction proposals in March 2020. The October 2019 Engineer's Estimate (Kennedy Jenks Consultants) of construction costs for the project was \$1.3 million. The March 2020 bids ranged from \$2.3 million to \$2.44 million. The AWPF Phase 1 project finished construction in 2020 and began full scale deep well injection operations early in 2020 utilizing utility power from PG&E. Due to a variety of reasons, very little response to the bid solicitation was received by M1W and the bids received were over the project cost estimates and approved budget. M1W subsequently put the project on hold at that time.

In the Fall of 2020, the District and M1W decided to switch roles on the project whereby the District would take the lead role and M1W would take a support role on delivering the project for both agencies. The District then authorized Kennedy Jenks Consultants to assess the potential for value engineering design modifications and specification improvements. Their findings were presented in a Technical Memorandum dated March 11, 2021 and indicated the potential for cost savings through value engineering design modifications of the electrical transmission alignment and removal of several 'sole source' requirements for several switchgear, protective relay, and control equipment. The Board then approved a Kennedy Jenks Consultant's scope of work in March 2021 to amend the project design plans and specifications accordingly. In October 2021 the Board authorized the call for construction bids. The call for bids occurred in November 2021 and three construction bids were subsequently received on December 7, 2021 at a public bid opening meeting at the District's Administrative office.

DISCUSSION

The three construction bids received by the District on December 7, 2021 are as follows:

Anderson Pacific Eng. Const., Inc.	Santa Clara, CA	\$ 2,876,400
PB Electric, Inc.	Rancho Cordova, CA	\$ 3,179,874
Blocka Construction, Inc.	Pleasanton, CA	\$ 4,235,000

The construction bids are both significantly greater than the Engineer's Cost Estimate of \$2,001,000 and the District's approved budget for the project. The bid results are conveying the continued price escalation in the construction industry associated with supply chain challenges, inflationary pressures, labor shortages, and wage increases all in the backdrop of conducting business in the COVID-19 pandemic. The table below presents a revised estimate of costs associated with construction of the project utilizing the lowest qualified bid received from Anderson Pacific. The project is now estimated to cost almost \$4 million, about \$1.5 million more than previously anticipated.

Item	Budget Cost
Construction Bid Cost (Based on Alignment A)	\$2,876,400
Potential Additional Bid Cost for Alignment B	\$140,000
Recommended Construction Contingency Budget (~10%)	\$302,000
Construction Subtotal	\$3,318,400
Engineering Services During Construction	\$189,243
Construction Management	\$329,058
Recommended Construction Management Contingency (~10%)	\$52,000
Construction Management Subtotal	\$570,300
Total Recommended Budget	\$3,888,700

Given the lack of any substantial remaining cost saving alternatives, the options for the project are either i) to proceed by revising the approved capital budget and project funding or ii) not proceed and close the project. For the project to proceed, the Board of Directors will need to approve a revised funding approval for the project and incorporate the project's capital expenditures in a revised FY21-22 budget and both the FY22-23 and FY 23-24 budget plans. It is estimated that the following adjustments would be necessary to proceed with the project:

- FY21-22 budget would need to be revised and increased by \$700,000
- FY22-23 budget would need to increase by \$150,000 (in addition to the \$2 million forecasted)
- FY23-24 budget would need to be \$750,000
- The Board approves the lowest qualified bid submitted by Anderson Pacific on December 7, 2021

It is estimated that the Return on Investment (ROI) associated with a capital expenditure of \$4 million would be less than 6 years. In addition, it is also estimated that M1W would receive a reduction in electrical costs at a faster rate than that attributed to the financial benefits of the ROI earned by the District. Both of these elements are positive benefits to each agency, respectively.

SUMMARY

Staff has provided a summary to the Finance Committee of i) the three construction bids received at the December 7, 2021 public bid opening and ii) the implications of the bid results on the current capital budget and project funding approvals. Kennedy Jenks will provide a presentation at the Finance Committee meeting to review this information and facilitate the discussions of the Finance Committee. Staff requests guidance from the Finance Committee on their preference for the direction they wish staff to take on the project.



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: GA
General Manager

Date: 1-7-22

DATE: January 7, 2022
TO: General Manager
FROM: Director of Operations
SUBJECT: Purchase of One New Peterbilt Heavy-Duty CNG Water Truck
Purchase of Two New Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks
Purchase of Two New Peterbilt 3 Axle CNG Tractor (Semi)Truck

RECOMMENDATION: That the Board of Directors 1) Adopt Resolution 2022-XX (attached) authorizing the purchase of one new Peterbilt Heavy-Duty CNG Water Truck, two new Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks, and two New Peterbilt 3 Axle CNG Tractor (Semi) Trucks using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the three proposals (attached) by Coast Counties Peterbilt of Salinas, CA, dated November 12, 2021 and November 30, 2021, to provide a Peterbilt Heavy-Duty CNG Water Truck for the total price of \$354,779.86; two Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks for the total price of \$702,433.68; and two new Peterbilt 3 Axle CNG Tractor (Semi) Trucks for the total price of \$458,687.42. Purchase total for all five trucks to be \$1,515,900.96 including sales tax, freight.

BACKGROUND

Several Heavy-Duty Truck purchases were postponed in FY 20/21 due to Covid-19 pandemic uncertainties. Now that the District is more confident with its revenue streams, Staff is looking to replace several older trucks used in daily operations. The District operates a small fleet of On-Road Heavy-Duty Trucks utilized for various activities throughout the Site. Replacement of On-Road Heavy-Duty Trucks powered by a 2010 or older diesel engine, is required to meet emission standards set forth by the California Air Resources Board (CARB) by January 1, 2023.

Unit SI58, a 2010 Volvo Water Truck with a 2009 diesel engine. This truck with 59,725 miles, will be designated "low use" and parked within the MRF footprint for quick access and response to emergency situations as needed. The water truck is utilized by the District's site operations for dust control over District roadways, leachate management, as well as fire protection, and other related tasks. Funds in the amount of \$320,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

Unit MR37 and Unit MR38 are both 2009 Volvo Roll-Off Trucks with a 2009 diesel engine. These trucks with over 93,000 miles are critical in MRF operations, primarily utilized to transfer commodities, as well as construction and demolition materials from Tip Floor secondary pile. Funds in the amount of \$650,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

Unit MR44 and Unit MR45 are both 2009 International Transtar 8600 Semi-Trucks with over 228,000 miles, powered by a 2009 diesel engine. These Semi-Trucks (with attached walking floor trailer) are utilized for MRF transfer operations to the active Landfill face for disposal of residue from both Construction and Demolition (C&D) and Single Stream (SS) processing lines. Funds in the amount of \$300,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

DISCUSSION

Beginning January 1, 2023, On-Road Heavy-Duty Trucks powered by a 2010 or older diesel engine will not be permitted to operate in the State of California due to revisions in emission standards set forth by the California Air Resources Board (CARB). Staff recommends replacing unit SI58, a 2010 Volvo Water Truck (2009 diesel engine) with a new 2023 Peterbilt Heavy-Duty CNG Water Truck. Staff also recommends moving to CNG (Compressed Natural Gas) as an alternate clean burning fuel, widely used by commercial waste haulers in the industry.

In addition, Staff recommends replacing unit MR37 and unit MR38, both are 2009 Volvo Roll-Off Trucks (2009 diesel engine) with new 2023 Peterbilt Heavy-Duty CNG Hook Lift (Roll-Off) Trucks. Staff also recommends moving to CNG as an alternate clean burning fuel.

Moreover, Staff recommends replacing unit MR44 and unit MR45, both are 2009 International Transtar 8600 Semi-Trucks (2009 diesel engine) with new 2023 Peterbilt 3 Axle CNG Tractor (Semi)Trucks. Staff also recommends moving to CNG as an alternate clean burning fuel. Staff had included \$300,000 in the current FY 21/22 budget for the purchase of two (2) used CNG semi-tractors. During the budgeting process staff did indicate that these vehicles would be difficult to find and procure and that staff would most likely be returning to the board to authorize the purchase of two (2) new CNG semi-tractors.

Staff is coming to the Board at this time to authorize entering into agreements at this time, which will be moving funds approved from FY 21/22 capital funds to the FY 22/23 capital budget. An order is required at this time to meet the long procurement times that the global supply chain issues have created, and for the District to meet the CARB standards by January, 2023.

Staff is choosing to purchase CNG fueled vehicles as opposed to electric vehicles for two reasons. First, we have our own capacity to process LFG into RCNG, utilizing our own resources to supply a renewable fuel source to our own fleet. Secondly, electric heavy-duty vehicles are not yet widely available, or their reliability and performance generally understood. Staff feels it would be prudent to evaluate after this generation of mobile equipment purchases once there is wider acceptance and understanding of their performance.

Finally, Staff recommends sourcing Heavy-Duty Trucks from one single truck manufacturer. This will accomplish the standardization of the District's On-Road fleet to realize savings in operating cost relative to driver efficiencies, as well as parts inventory, technical training, tools, and diagnostic equipment for equipment maintenance personnel. Peterbilt has been selected for their durability and reliability and is commonly preferred by commercial waste haulers in the industry such as Waste Management and GreenWaste Recovery.

PURCHASE CONTRACT

The District is a member of Sourcewell (formally NJPA). Sourcewell is a public agency serving member agencies across the country as a municipal contracting agency. Sourcewell establishes and provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law (M.S. 471.345 Subd. 15). The Joint Exercise of Power Law (M. S. 471.59) allows its members to legally purchase through its contracts without duplicating their own competitive bidding process and requirements. The result of this cooperative effort is a high-quality selection of nationally leveraged, competitively bid contract solutions to allow member agencies access to top national contract volume pricing.

FINANCIAL IMPACT

Funds totaling \$1,275,000 were included in the FY 2021/22 Capital outlay portion of the budget for these purchases. Staff is asking the Board to not spend those funds in FY 21/22 and instead authorize the pre-authorization of FY 22/23 Capital outlay of \$1,515,901 for the five (5) new CNG fueled vehicles. This is an increase of \$240,900.96.

STRATEGIC PLAN

The purchase of these new Peterbilt Heavy-Duty Trucks is not related to the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations.

CONCLUSION

It is therefore recommended that the Board of Directors: 1) Adopt Resolution 2022-XX authorizing the purchase of new Peterbilt Trucks without competitive bidding using the preferential competitive pricing offered through the Sourcewell program; and 2) Accept proposals by Coast Counties Peterbilt Salinas, CA, to provide a new Peterbilt Heavy-Duty CNG Water Truck for a total price of \$354,779.86; two new Peterbilt Heavy-Duty CNG Hook Trucks for a total price of \$702,433.68; and two new Peterbilt 3 Axle CNG Tractor Trucks for a total price of \$458,687.42 (all including freight and sales tax). Estimated delivery of new equipment is currently 8 to 10 months from time of order placement.