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MONTEREY REGIONAL
WASTE MANAGEMENT DISTRICT
Home of the Last Chance Mercantile

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HELEN RODRIGUEZ

Director of Finance & Administration

ZOË SHOATS

Director of Communications

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Legal Counsel

FINANCE COMMITTEE MEETING
AGENDA

Wednesday, April 6, 2022

Bales Boardroom

9:00 a.m.

14201 Del Monte Blvd., Monterey County, CA

Please Note: The meeting will be held 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 as a regular meeting, To join the zoom webinar, click on this link: <https://us02web.zoom.us/j/83727620871> 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: **837 2762 0871** Public Comments: if you are unable to participate virtually or via telephone, you may also submit your comments by e-mailing them to igonzaes@mrmwd.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 Tuesday, April 5, 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. Hydrogen Sulfide (H₂S) Analyzer Addition to Remote Monitor and Control System
2. Aeration System for Compost Facility's Contact Water Pond
3. Discussion on District Fee Increases for FY2022/23 Preliminary Budget
4. Discussion on Composting Operator's Cost Increases for Processing Food Scraps/Yard Debris
5. Discussion on MRWMD-Trillium CNG Contract Amendment Term Sheet
6. District Janitorial Services

GM COMMUNICATIONS

ADJOURNMENT

NEXT MEETING DATE: Wednesday, May 4, 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: April 1, 2022
TO: Finance Committee
FROM: General Manager
SUBJECT: Finance Committee Meeting of April 6, 2022

ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION AND ACTION

1. **Hydrogen Sulfide (H₂S) Analyzer Addition to Remote Monitor and Control System**
Please refer to the enclosed memo from Guy Petraborg, Director of Engineering and Compliance, District Engineer. Staff requests direction from the Finance Committee to incorporate 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 (SOx) emissions; a combustion byproduct of the destruction of H₂S. With the addition of the Board approved Remote Monitoring and Control System last year for other landfill system elements, the daily H₂S monitoring can be accomplished by an automated system and relieve staff from approximately ten (10) hours associated with the manual monitoring process. Staff recommends 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.
Recommendation: Support Recommendation for Board Approval
2. **Aeration System for Compost Facility's Contact Water Pond**
Please refer to the enclosed memo from Guy Petraborg, Director of Engineering and Compliance, District Engineer. Staff requests direction from the Finance Committee to deliver a water aeration system to 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. Staff recommends the expansion of a wind powered aeration system for the Contact Water Pond.
Recommendation: Support Recommendation for Board Approval
3. **Discussion on District Fee Increases for FY2022/23 Preliminary Budget**
Please refer to the enclosed memo. Staff requests direction from the Finance Committee to prepare the FY2022/23 Draft Preliminary Budget Inclusive of an Approximate 7% Increase in Gate Rates and Adjustment to SSR Processing Rates. Draft Preliminary Budget and in developing a philosophy on annual tip fee increases for subsequent budget planning purposes. 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, and the time and cost of doing business. Discuss the proposed 7% increase in gate rates and changes in Single Stream Recyclables (SSR) processing rates.
Recommendation: Support Recommendation for Board Approval

4. **Discussion on Composting Operator's Cost Increases for Processing Food Scraps/Yard Debris**
Please refer to the enclosed memo. District staff has met with KDI in regards to impacts to the operation in lieu of site upgrades. KDI is now having to manage mixed loads of Food Scraps and Yard clippings. There is more contamination to manage in the entire process, and we are <2% participation for residential participation. Staff request that Finance Committee recommend that the MRWMD Board of Directors authorize the General Manager to execute a \$9 per increase to rates for KDI to process organic material

Recommendation: Support recommendation for Board Approval

5. **Discussion on MRWMD-Trillium CNG Contract Amendment Term Sheet**

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 planned 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. Staff requests direction from the Finance Committee for recommendation to the Board to adopt one of the proposed amendment options.

Recommendation: Support recommendation for Board Approval

6. **District Janitorial Services**

Please refer to the enclosed memo from Director of Finance and Administration, Helen Rodriguez on the Janitorial services provided at the District.

Recommendation: Support recommendation for Board Approval

GENERAL MANAGER COMMUNICATIONS

Microgrid 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 attended last week.

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's activities.

Update on Odor Communications- Staff will coordinate a meeting with Marina residents to discuss and preview draft information to be posted in the near future on the District's website regarding odor reports.

Campus Area Electrification Project- Staff has been coordinating with PG&E and their initiative to terminate the small service, natural gas supply to the District's campus area for water and building heating purposes. The PG&E initiative is due in part to the fact that the small service connection is with a main gas transmission pipeline as opposed to a sublateral pipe system common to distribution networks. Staff plans to present a PG&E agreement for Board approval at the April Board Meeting which will define the natural gas service termination and provide some limited compensation to the District for electrification of water and building heating in the campus area. Staff's electrification plan will also be summarized for the Board.

ADJOURNMENT

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'FM' or similar initials, followed by a horizontal line.

Felipe Melchor



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 4/1/22
General Manager

DATE: March 30, 2022
TO: Finance Committee
FROM: Director of Engineering and Compliance, District Engineer
SUBJECT: Hydrogen Sulfide (H₂S) Analyzer Addition to Remote Monitoring and Control System

RECOMMENDATION: Support recommendation that the Board authorize supplemental project funding of \$115,000 for the hydrogen sulfide (H₂S) analyzer addition to the District's Remote Monitoring and Control System.

RECOMMENDATION: Support recommendation that the Board authorize supplemental

BACKGROUND

In 2021, the Board approved the installation of a Remote Monitoring and Control System (RMCS) at the landfill to monitor the LFG Flare, leachate pumps and storage tanks, and condensate pumps and storage tank. SCS Field Services assisted the District in the design and installation of the RMCS last year. The RMCS provides automated data acquisition and recording, as well as remote, real-time access to the equipment being monitored.

DISCUSSION

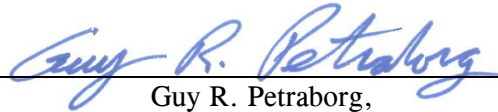
Presently, staff manually monitors five (5) locations on the LFG transmission pipeline on a daily basis (including weekends and holidays) for recording the H₂S concentration. Two monitoring points are located before (inlets) the H₂S treatment system, two monitoring points are located after (outlets) the H₂S treatment system, and one point is located downstream at the LFG bower skid that distributes the LFG to the enclosed flare and engine-generator sets in the Gas Plant. The H₂S monitoring 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. With the addition of the Board approved RMCS last year for other landfill system elements, the daily H₂S monitoring can be accomplished by an automated system with the addition of H₂S analyzers. Having an automated system will relieve staff from approximately ten (10) hours per week (over 500 hours per year) associated with the manual monitoring process. Of notable benefit of an automated system is the relief of staff effort on weekends and holidays.

FINANCIAL IMPACT

Staff estimates that \$115,000 supplemental project funding (inclusive of ~10% contingency) will be necessary to complete electrical design and permitting, purchasing equipment, control system amendments by SCS Field Services, and the public works construction installation of equipment to accomplish automated monitoring of hydrogen sulfide (H₂S) before and after the H₂S treatment system as LFG is delivered to the Gas Plant for destruction and abatement of emissions. The expenditure is planned for this summer in both the current and subsequent fiscal year. Available funding in the current budget would be used this fiscal year and the balance of funding would be included in the FY2022/23 draft preliminary budget.

CONCLUSION

Therefore, Staff recommends that the Finance Committee support supplemental project funding of \$115,000 to accomplish the addition of automated monitoring of hydrogen sulfide (H₂S) into the existing RMCS.

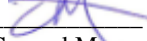
A handwritten signature in blue ink, reading "Guy R. Petrabor", is positioned above a horizontal line.

Guy R. Petrabor,
Director of Engineering and Compliance



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 4/4/22
General Manager

DATE: April 4, 2022
TO: Finance Committee
FROM: Director of Engineering and Compliance, District Engineer
SUBJECT: Aeration System for Compost Facility's Contact Water Pond

RECOMMENDATION: Support recommendation that the Board authorize \$38,500 in funding (inclusive of ~10% contingency) for four (4) wind powered aerators for the Compost Facility's Contact Water Pond.

BACKGROUND

In 2021, the improvements to the Compost Facility operations area were completed in accordance with California's 2015 General Order Waste Discharge Requirements for Composting Facilities. The improvements included, but were not limited to, the construction of a lined Contact Water Pond. Both the active composting area and the storage and curing areas of the operations all drain to the lined Contact Water Pond. "Contact Water" is water that comes into contact with organic wastes (or any waste material) at the compost site. Contact Water is required to be managed separately from storm water and cannot be discharged offsite. It can be reused in the composting process onsite.

Following completion of the compost site improvements, District staff relocated a wind powered aerator to the Contact Water Pond. The aerator had been located in a smaller pre-existing storm water basin near the southeastern corner of the compost site. The system consisted of an 18-foot wind turbine that drives a bellow that forces air into a couple diffusers located in the pond to aerate the pond water. However, the system is only capable of treating about 15% - 20% of the pond area.

DISCUSSION


The storm water runoff from the compost area is required to be managed as Contact Water and thus, it is directed to the lined Contact Water Pond. The Contact Water has contacted organic materials at the compost site and can carry organic matter into the pond where it will decompose over time. The decomposition process can occur aerobically in the presence of oxygenated water or anaerobically in the absence of oxygenated water. To minimize odors emanating from the pond water, management practices consist of i) minimizing the amount of organic matter from entering the pond and ii) maintaining oxygenated water quality in the pond. To mitigate the development of anaerobic conditions developing in the pond, it is necessary to maintain oxygen content and circulation in the pond water. Staff and an engineering consultant have initially investigated various aeration systems. Full scale permanent aeration systems appear to be on the order of a couple hundred thousand dollars in first year costs. As an alternative, staff recommends the expansion of the wind powered aeration system for the Contact Water Pond. At least four (4) more wind turbines (double bellow system) would be necessary to achieve a minimum sufficient aeration supply for the Contact Water Pond. Maintaining oxygenated water quality in the pond will allow for aerobic decomposition processes to be the prevailing condition in the pond.

FINANCIAL IMPACT

Staff estimates that \$38,500 of funding (inclusive of ~ 10% contingency) will be necessary to add four (4) more wind turbine aerators to the Contact Water Pond. Thus, a total of five wind turbine aerators would be operating in the Contact Water Pond. The expenditure is planned for this summer in the current fiscal year (FY2021/22). Available funding in the current budget would be used this fiscal year should this expenditure be approved.

CONCLUSION

Therefore, Staff requests that the Finance Committee support a recommendation that the Board authorize \$38,500 in funding (inclusive of ~ 10% contingency) for the addition of four (4) wind powered aerators to the Compost Facility's Contact Water Pond.



Guy R. Petrabor,
Director of Engineering and Compliance



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 30, 2022

TO: Finance Committee

FROM: General Manager

SUBJECT: Direct Staff to Prepare the FY2022/23 Draft Preliminary Budget Inclusive of an Approximate 7% Increase in Gate Rates and Adjustment to SSR Processing Rates.

RECOMMENDATION: That the Finance Committee direct staff to prepare the FY2022/23 Draft Preliminary Budget Inclusive of an Approximate 7% Increase in Gate Rates and Adjustment to SSR Processing Rates.

BACKGROUND

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, and the time and cost of doing business.

DISCUSSION

Discuss the proposed 7% increase in gate rates and changes in Single Stream Recyclables (SSR) processing rates with the finance committee. This will assist staff in preparing the FY2022/23 Draft Preliminary Budget and in developing a philosophy on annual tip fee increases for subsequent budget planning purposes. Staff plans to continue the trend of diversifying revenues and reducing the dependence of waste disposal revenues in preparation of the draft budget. Staff also recommends the adoption of a couple standard financial practices be incorporated in the draft budget in the form of reserve accounts to accrue funds for capital expenditures, landfill capping (aka Closure Liner), and post-closure care expenditures. The recycling and disposal services provided by the District have significant equipment and infrastructure capital expenditures. These capital intensive service needs are in addition to ongoing inflationary costs affecting labor costs. Staff believes that having dedicated reserves for known capital expenditures is a financial stewardship requirement for the District. The proposed rate increases and reserve policy amendments would help support short- and long-term capital expenses, and capping modules incrementally during the life of the landfill, and future bond funding solicitations. This improvement in financial policies would also mitigate having larger rate increases in the future. The District would be less dependent on certain disposal customers in the future. The proposed changes in SSR Processing Rates will also help offset commodity market price fluctuations, as that is a particularly volatile market.

FINANCIAL IMPACT

Staff anticipates increased expenses in FY2022/23 due in part to inflationary costs, changes in labor contracts, changes in fuel costs, changes in equipment purchase prices, changes in construction industry costs, and SB1383 implementation costs. The proposed 7% increase in gate rates is anticipated to generate revenues to offset the increased expenses and is recommended for staff's purpose of preparing the initial draft preliminary budget for FY2022/23.

The proposed changes in SSR Processing Rates are summarized below. With the proposed elimination of Residual Disposal charge in FY2022/23, as has reportedly been a past staff discussion at TAC meetings, it is anticipated that there will be a slight reduction in revenues when compared to the existing SSR processing rates. The proposed increase in gate rates will help offset this estimated reduction in revenues.

CUSTOMER NAME	SERVICE LOCATION	CURRENT SSR RATES FY21/22		PROPOSED SSR RATES FY22/23	
		SSR Processing	Residual Disposal	SSR Processing	Residual Disposal
		(\$/ton)	(\$/ton)	(\$/ton)	(\$/ton)
GREENWASTE RECOVERY	MRWMD - 7 agencies	40	65	40	0
WATSONVILLE	City of Watsonville	40	65	40	0
WM-CASTROVILLE	West Monterey County	40	65	40	0
RECOLOGY-SAN BENITO	Hollister & County Area	30	65	35	0
REPUBLIC SERVICES	City of Salinas	30	0	35	0

CONCLUSION

Therefore, staff recommends that the Finance Committee direct staff to prepare the FY2022/23 Draft Preliminary Budget to be inclusive of an approximate 7% increase in gate rates and an adjustment to the SSR Processing Rates.



Felipe Melchor, General Manager



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 30, 2022
TO: Finance Committee
FROM: General Manager
SUBJECT: Staff to Prepare the FY2022/23 Draft Preliminary Budget for Keith Day Company, Inc. (KDCI) for Processing Clean Yard Clippings, Food Scraps, and Mixed Yard Clippings with Food Scraps. (SB1383 impacts)

RECOMMENDATION: Support recommendation that the Board authorize the General Manager to execute an increase to the existing processing fee that KDCI charges the District from \$27 a ton to \$36 a ton.

BACKGROUND

The District staff has met with KDCI in regards to impacts to the operation in their processing of yard clippings, commercial food scraps, and residential mixed yard clippings with food scraps. KDCI is now having to manage mixed loads of food scraps and yard clippings from residential sources starting January 1, 2022. KDCI has been separately managing commercial food scraps since the Anaerobic Digester was completed in August 2019. With the addition of mixed yard clippings and food scrap from District residential sources, there is more contamination to manage in the entire process even though it is estimated that there is <2% residential participation in the startup of the SB1383 initiative to divert organics away from landfill disposal. In the past year or so, KDCI has added several laborers and purchased several pieces of equipment to separate organics from non-organics as part of their processing operations at the Compost Facility.

DISCUSSION

Discuss the \$9/ton increase for KDCI processing rates for food scraps and yard clippings with the finance committee. This will assist staff in preparing the FY2022/23 draft preliminary budget. The staff supports the increase proposed by KDCI. They have shared the cost expenses that have been incurred. The KDCI team are great partners with the District. The rate impacts and changes in processing should not only be obligated to KDCI but the District as a partner should merit the increase based on KDCI's service being provided to the District's nine member agencies and customers.

FINANCIAL IMPACT

Staff anticipates continued increased expenses in FY2022/23 due in part to inflationary costs, changes in labor contracts, changes in fuel costs, changes in equipment used in processing, changes in construction industry costs, and SB1383 implementation costs. The proposed \$9/ton increase for KDCI will offset the increased expenses and is recommended that the finance committee supports the increase for KDCI.

CONCLUSION

Therefore, Staff request that Finance Committee recommend that the MRWMD Board of Directors authorize the General Manager to execute a \$9/ton increase to rates for KDCI to process these organic materials.

Felipe Melchor, General Manager



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 4-2-22
General Manager

DATE: April 4, 2022
TO: Finance Committee
FROM: Director of Engineering and Compliance, District Engineer
SUBJECT: Discussion on MRWMD-Trillium CNG Contract Amendment Term Sheet

RECOMMENDATION: Support recommendation that the Board authorize the General Manager to approve the “Option B” amendment to the Trillium Contract for CNG Fuel Supply contingent upon agreement to form by District Legal Counsel.

BACKGROUND

In 2016, Trillium completed construction of the onsite CNG Fueling Facility consisting of a renewable natural gas (RNG) supply from the PG&E utility network, a compressor station, a ‘time-fill’ dispenser infrastructure in the franchise truck yard parking area for ‘overnight’ fueling of refuse collection trucks, and a separate ‘fast-fill’ fuel island for use by the District and others. The District holds a Design, Build, Own, Operate, and Transfer (DBOOT) contract with Trillium that delivered the facility to the site and calls for Trillium to own and operate the CNG Fueling Facility for a period of time before transferring ownership to the District. Coincident with the ownership transfer to the District, it is anticipated that a short-term Operations and Maintenance (O&M) Agreement would be entered into with Trillium or similar CNG Fueling Facility O&M company.

The District has received quality services from Trillium since 2016 in their O&M of the onsite fueling facility. However, the volume of CNG delivered from the fueling facility has been significantly less than anticipated in the pricing model of the DBOOT agreement. Thus, Trillium has not accomplished the planned recapitalization of the infrastructure investment of building the CNG Fueling Facility. As of

DISCUSSION

As of the end of January 2022, approximately 1,420,300 GGE of CNG had been delivered by the CNG Fueling Facility; an average of less than 240,000 GGE annually. The average annual rate is about 55%-60% of the assumed annual delivery rate used in the DBOOT contract. As such, Trillium has not accomplished the planned recapitalization of the infrastructure investment of building the CNG Fueling Facility. Trillium has requested a contract amendment from the District to address this discrepancy with the contract agreement basis. The District requested that Trillium propose two options for the District’s review and consideration. “Option A” is for a five (5) year period for recapitalization recovery and “Option B” is for a ten (10) year recapitalization recovery period. Please refer to the attached term sheet dated March 2, 2022 from Trillium that presents the two proposed options and the current CNG pricing information. Staff requests direction from the Finance Committee for recommendation to the Board to adopt one of the two proposed amendment options. Staff recommends that the District select “Option B” terms given the lower unit rate pricing of CNG, the lower annual fuel cost increase, the longer recapitalization period, and the preference that the transfer of the ownership of the CNG Fueling Facility to the District occur after the planned award of a new franchise collection contract by the nine member agencies for Year 2030.

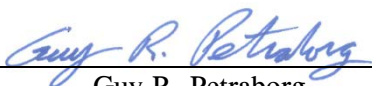
FINANCIAL IMPACT

To address the deficient progress of facility recapitalization, Trillium proposes to change the contract rate from \$1.80/GGE to \$3.10/GGE in “Option A” and to \$2.43/GGE in “Option B”. For comparison, published CNG pricing in the San Francisco Bay Area as of April 2021 was about \$2.35/GGE.

There will be little financial impact to the District for this amendment to the Trillium DBOOT contract as most of the CNG Fuel Costs are associated with the expenses of the franchise collection contractor GreenWaste Recovery in their operations under contract with seven of the District’s nine member agencies. Those expenses are considered ‘direct costs’ and are reimbursable by the member agency through the franchise contract. For the first year (FY2022/23) and subsequent years, staff estimates that the total additional CNG fuel costs for “Option A” would be on the order of \$312,000 per year and that the “Option B” added cost would be on the order of \$151,000 per year. These costs are anticipated to be accrued to the accounts in member agency area differently given that the amount of fuel usage is different from one member agency area to the next. It is anticipated that the fuel costs will be distributed across the number of accounts in the member agency area.

CONCLUSION

Given that recapitalization recovery is not occurring as planned in the Trillium DBOOT contract, staff requests that the Finance Committee support a recommendation that the Board authorize the General Manager to approve the “Option B” amendment to the Trillium Contract for CNG Fuel Supply contingent upon agreement to form by District Legal Counsel.



Guy R. Petrabor,
Director of Engineering and Compliance



2929 Allen Parkway, Suite 4100, Houston, TX 77019

MRWMD - Trillium
CNG Contract Amendment Term Sheet
March 3, 2022

1. Current CNG Pricing per Exhibit III “CNG Pricing”

Table 1
Price Quotation Delayed Capital Recovery

ITEM	ITEM DESCRIPTION	BASIS	UNIT PRICE \$/GGE
1.A	Delivery of 1,650,000 GGE.	Capital Rate of Return plus O&M	\$.75/GGE
1.B	Delivery of next 4,400,000 GGE.	Capital Recovery, plus Capital Rate of Return and O&M	\$1.80/GGE
1.C	Delivery above 6,050,000 GGE.	O&M MRWD is Owner	\$0.40/GGE

Under the Current CNG contract pricing, MRWMD contract total expenditure, before MRWMD consumes a total of 6,050,000 GGE, will be \$9,223,500.

Current Contract		
<u>Volume (GGE)</u>	<u>Rate</u>	<u>Total Amount</u>
1,650,000	\$0.79	\$ 1,303,500
4,400,000	\$1.80	\$ 7,920,000
6,050,000		\$ 9,223,500



2929 Allen Parkway, Suite 4100, Houston, TX 77019

2. Trillium Proposed Updated CNG Pricing

a. Option A

Term Sheet - Option A		
<u>Volume</u>	<u>Rate</u>	<u>Total Amount</u>
1,418,109	\$0.79	\$ 1,120,306
1,430,000	\$3.10	\$ 4,433,000
2,848,109		\$ 5,553,306

- In Option A, the new rate of **\$3.10** will be applicable starting at **1,418,109** GGE consumed by MRWMD until a total of **2,848,109** GGE.
- MRWMD's annual volume consumption requirement will be set as **286,000** GGE. If MRWMD annual volume falls below that threshold, Trillium will invoice MRWMD for the difference between actual and minimum at **\$2.70** per GGE.
- At the **2,848,109** GGE threshold, MRWMD becomes the owner of the CNG equipment. Trillium continues to operate and maintain the CNG station until 07/01/2036 at the same price per unit \$0.40/GGE, and Trillium will have the option to terminate the O&M service by providing MRWMD with six-month notice or negotiate, in good faith, a new O&M price per unit at any point during the service term

O&M Details		
<u>O&M End Date</u>	<u>Basis</u>	<u>Unit Price/GGE</u>
Tuesday, July 1, 2036	O&M	\$0.40

- Trillium also continues to provide RNG as per the existing contractual terms until 07/01/2036. At that point, Trillium and MRWMD will have the option to renegotiate, in good faith, the terms of the RNG supply agreement.
- In Option A, MRWMD's total contractual CNG price savings are estimated at **\$3,670,194**.



2929 Allen Parkway, Suite 4100, Houston, TX 77019

3. Trillium Proposed Updated CNG Pricing

a. Option B

Term Sheet - Option B		
<u>Volume</u>	<u>Rate</u>	<u>Total Amount</u>
1,418,109	\$0.79	\$ 1,120,306
2,860,000	\$2.43	\$ 6,949,800
4,278,109		\$ 8,070,106

- In Option B, the new rate of **\$2.43** will be applicable starting at **1,418,109** GGE consumed by MRWMD until a total of **4,278,109** GGE.
- MRWMD's annual volume consumption requirement will be set as **286,000** GGE. If MRWMD annual volume falls below that threshold, Trillium will invoice MRWMD for the difference between actual and minimum at **\$2.70** per GGE.
- At the **4,278,109** GGE threshold, MRWMD becomes the owner of the CNG equipment. Trillium continues to operate and maintain the CNG station until 07/01/2036 at the same price per unit \$0.40/GGE, and Trillium will have the option to terminate the O&M service by providing MRWMD with six-month notice or negotiate, in good faith, a new O&M price per unit at any point during the service term

O&M Details		
<u>O&M End Date</u>	<u>Basis</u>	<u>Unit Price/GGE</u>
Tuesday, July 1, 2036	O&M	\$0.40

- Trillium also continues to provide RNG as per the existing contractual terms until 07/01/2036. At that point, Trillium and MRWMD will have the option to renegotiate, in good faith, the terms of the RNG supply agreement.
- In Option A, MRWMD's total contractual CNG price savings are estimated at **\$1,153,394**.



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 4-30-22
General Manager

DATE: March 30, 2022
TO: General Manager
FROM: Director Finance and Administration
SUBJECT: Award A Contract to Clean King Janitorial Service for Janitorial Services in the Amount of \$8,985 a month

RECOMMENDATION: That the Board authorize the General Manager to execute a contract with Clean King Janitorial Service for the District facilities janitorial services four days a week in the amount of \$8,985.00 (\$107,820 annually).

BACKGROUND

Staff was informed on March 10, 2022, that Mr. Montejano, the current District janitorial service provider, wished to terminate his contract to provide services to the District effective March 31, 2022 due to family matters. Mr. Montejano provides janitorial services for the District's campus facilities.

DISCUSSION


Given the short 21-day notice provided, District staff reached out to over 15 janitorial service companies/providers. District staff provided tours of the District facilities and the janitorial services requirements to four companies and, ultimately, received only two proposals. The other companies responded with not having enough staff or only providing services to residential or smaller commercial office customers and, thus, not able to fill the needs of the District. Clean King Janitorial Services was selected because of their 1) professional and timely response, 2) ability to service the District facilities for 4 days a week, and 3) cost including equipment and cleaning chemicals, 4) possibility of increasing the number of days service as their other contract commitments allow in the future, and 5) reasonableness of the contract agreement based on service cost per day.

FINANCIAL IMPACT

Funds for janitorial services are included in the Fiscal 2021-2022 Budget and will have no additional impact to the current year budget.

CONCLUSION

Therefore, Staff request that Finance Committee recommend that the MRWMD Board of Directors authorize the General Manager to execute a contract with Clean King Janitorial Service for janitorial services four days a week in the amount of \$8,985 (\$107,820 annually).


Helen Rodriguez, CPA CFE

Attachment: Clean King Janitorial Service Proposal and Contract Agreement



Proposal

Presented to:

***Monterey Regional Waste
Management District***

14201 Del Monte Blvd. Marina, CA



Date: March 18, 2022

Customer: Monterey Regional Waste Management District

Contact: Ida Gonzales and Ana

Thank you for giving Clean King Janitorial Service the opportunity to submit a cleaning proposal for your building. I found the ideas we exchanged very exciting, and I think you'll agree that there is the potential for a mutually beneficial relationship between your company and ours.

We believe that once you have reviewed this proposal you will find that Clean King Janitorial Service has the experience, values and skills to create a cost-effective cleaning program to suit your needs and budget. We look forward to meeting the selection committee to discuss our proposal further and answer any questions you might have.

It would be a pleasure to include your business in our family of satisfied customers. Once again thank you for taking the time out of your busy schedule to review our proposal, and please contact me if I may be of further assistance.

Your cleaning proposal is divided into the following:

1. Cleaning Specifications and Schedule
2. Contract Agreement

Respectfully submitted,

Adrian Marquez Jr (Owner and Operator)



Cleaning Description

Cleaning Schedule: 4 days per week. (Mon, Tue, Wed, Fri.)

Admin Office- Monthly Price: \$2685.00

Daily:

1. Empty all wastebaskets and trash containers, including shredders and recycling bins, and, where appropriate, insert new plastic liners in wastebaskets and containers. Empty out compost bins to outside composter and rinse out compost bins. Dispose of regular and recyclable waste (including cardboard materials) in the appropriate containers and keep recyclable waste separate from regular waste.
2. Sweep/mop restroom floors and all non-carpeted areas such as tile and stairs.
3. Vacuum all carpet areas, as needed.
4. Clean and disinfect all kitchen, break room, and bathroom sinks, countertops, fixtures, partitions, toilets mirrors, shower areas, and outside surfaces of microwaves and refrigerators.
5. Refill all soap, towel, and paper product dispensers.
6. Properly position furniture to maintain a neat appearance.
7. Close all office doors. Turn out all lights. Lock exterior doors & set alarm upon completion of janitorial service.

Weekly:

1. Dust/clean counters, desk tops, workstation surfaces, file cabinets, book shelves, and chairs.
2. Thoroughly vacuum all carpeted areas.
3. Clean and polish metal on elevator inside and out.
4. Clean and disinfect all tables in lunchroom, board room, and conference room.
5. Clean insides of microwaves.
6. Clean glass doors in front lobby area.
7. Clean and disinfect all door handles and bannisters.
8. Wet mop all non-carpeted areas, tile, including stairs.
9. Sweep all outside entrances and exits including stairwells.

Monthly:

1. Board room clean-up and set up for Board meeting (on third Thursday of the month).
2. Clean insides of refrigerators.
3. Clean vents in all bathrooms.
4. Dust all décor, including wall mounted objects in public areas.
5. Spot clean doors and walls.
6. Dust/clean window sills and ledges.

Quarterly, Semi -Annual Services and Annual services such as: window cleaning, carpet cleaning, floor strip and wax, will be performed at additional rate.

MRF Building- Monthly Price: \$2825.00

Daily:

1. Empty out all trash, garbage, recycling and compost bins.
2. Sweep and wet mop all floors.
3. Clean and disinfect all kitchen, break room, and bathroom sinks, countertops, fixtures, partitions, toilets mirrors, shower areas, and outside surfaces of microwaves and refrigerators, lunch tables, chairs upper level only.
4. Interior Microwave
5. Stock all restrooms with supplies.

Weekly:

1. Wipe down exterior lockers, refrigerator interior

Quarterly:

1. Set up chairs for General meeting

Quarterly, Semi -Annual Services and Annual services such as: window cleaning, carpet cleaning, floor strip and wax, will be performed at additional rate.

Shop Building- Monthly Price: \$1900.00

Daily:

1. Empty out all trash, garbage, recycling, and compost bins.
2. Wipe down all lunch tables and kitchen counter area.
3. Clean microwave interior.
4. Clean hand wash basin
5. Wipe down lockers exterior
6. Clean all restrooms and stock supplies as needed.
7. Sweep and wet mop floors and vacuum carpeted areas.

Weekly:

1. Clean interior refrigerator.

Scale House (first floor only)- Monthly Price: \$990.00

Daily:

1. Empty out all trash, garbage, recycling and compost bins.
2. Wipe down enclosed customer service area, countertops, desks etc.
3. Wipe down exterior window customer counter top.
4. Sweep and wet mop floors.
5. Clean main door window and customer receiving window.

LFG-Monthly Price: \$585.00

2 days per week

1. Clean restrooms
2. Sweep and mop office and switch gear room.

Quarterly, Semi -Annual Services and Annual services such as: window cleaning, carpet cleaning, floor strip and wax, will be performed at additional rate



Contract Agreement

This is a contract agreement entered this: March 19, 2022, by and between **Clean King Janitorial Service**, here and after called CKJS and **Monterey Regional Waste Management District**, here and after called customer, located at: 2511 Garden Rd, Suite B-100. Monterey CA. CKJS will provide janitorial services to customer on the following terms:

Frequency of Service

CKJS will provide cleaning service the following days: 4 days per week. (Mon-Wed and Fri.) CKJS observes all (6) major holidays and any other holiday observed by customer.

Supplies and Equipment

CKJS shall furnish all labor, equipment and cleaning chemicals to perform proposed cleaning services. Customer shall furnish trash liners and all restroom sanitary supplies. Or any other chemicals not used by CKJS

Additional Costs

There will be an additional charge for any service not listed on the proposal, any service requested on a holiday, any accumulation of dirt or dust resulting from construction, renovation or catastrophic event that leads to additional labor.

Payment and Late Fees

Customer shall receive a invoice toward the end of each month. Payments are due the first of each month. A late fee of \$25.00 may apply depending on customers payment history.

Termination

This contract may be terminated by either party, giving no less than a 30 day written notice.

Service Charge

CKJS will perform all cleaning duties listed on proposal for the sum of:

Total Monthly Price for all 5 facilities: \$8985.00

We agree to the terms of this cleaning contract.

Date effective:

Adrian Marquez Jr

Monterey Regional Waste Management District