



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: April 11, 2022
 TO: Board of Directors
 FROM: Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of April 6, 2022

The Finance Committee met on April 6 at 9:00 a.m., at the District administrative offices and via conference call. Committee members in attendance were Directors Albert, Laska and Shirley. Staff members in attendance were Felipe Melchor, Guy Petraborg, Helen Rodriguez, Garth Gregson and Ida Gonzales. Legal counsel Rob Wellington was also in attendance.

Hydrogen Sulfide (H₂S) Analyzer Addition to Remote Monitor and Control System

Staff presented information about a remote H₂S monitoring system. Presently District employees monitor several locations on the LFG pipeline each day (including weekends and holidays) for recording the H₂S levels. This system would eliminate several hundred man hours currently spent manually monitoring the LFG pipeline. The cost of this project would be funded by the deferral of other approved fiscal 2022 capital projects. There was discussion about the project and the Committee supports the staff recommendation to install the automated system.

Aeration System for Compost Facility's Contact Water Pond

Staff presented information about an aeration system for the compost water pond for the primary purpose of minimizing odors from the pond. The District would purchase the material for the system and it would be installed by District staff. There was discussion and the Committee supports the Staff recommendation to install the aeration system.

District Fee Increases for Fiscal 2023

Staff presented information to support a tip fee increase for solid waste, food waste, and yard waste and single stream material processing fees effective July 1, 2022. The following items were discussed regarding the proposed rate increase.

1. The District has deferred rate increases since July 2020. The rates increased 5% effective July 1, 2020.
2. San Francisco Bay Area CPI increases were 1.1% in 2020 and 3.8% in 2021. The CPI increase in 2022 is expected to be at least 5%.
3. Staff recognizes that there is a need to begin establishing reserves for capital spending, incremental landfill capping, closure/post closure costs, pension obligation.
4. District operating costs have increased each year particularly cost of employment. Operating costs will continue to increase in fiscal year 2023 as the District has to comply with new legislative requirements.

General economic conditions have been negatively impacted by events over the past two years and staff proposed an increase to gate rates and some single stream processing fees. There was discussion and the Committee supported the Staff recommendation for use of a 7% fee increase to prepare the FY2023/24 preliminary budget for the Board.

Composting Operator's Cost Increases Re: Food Scraps/Yard Debris

Staff presented information about discussion with Keith Day Company regarding their increased compost processing costs due to the impact of processing mixed food scraps and yard debris from residential collection routes as well as source separated food waste from commercial collection. Keith Day Company is requesting an increase of \$9/ton to their processing fees. Staff has been in discussion with Keith Day Company over the past two years about various factors causing increased costs and recognizes that processing costs have increased and supports the proposed cost increase. There was discussion and the Committee supported the cost increase from Keith Day Company.

Discussion on MRWMD-Trillium CNG Contract Amendment Term Sheet

Staff presented information regarding two options for amending the CNG supply pricing to the District. The actual CNG consumption has been lower than planned in the original agreement with Trillium and thus Trillium has not captured the capital investment costs as planned and agreed to in the original contract. Consequently Trillium is proposing an amended agreement with either a five year or a ten year payback period. Staff recommended choosing the ten year payback option. There was discussion with the Committee and the Committee supports the ten year payback option.

District Janitorial Services

Staff presented information about a new janitorial services contract for the District. The Committee supports the staff recommendation to execute the contract with Clean King Janitorial Service.

GENERAL MANAGER COMMUNICATIONS

Microgrid and Renewable Energy Project – Staff gave an update on the microgrid project. The Microgrid and Renewable Energy Director position has been filled.

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

NEXT MEETING DATE: May 3, 2022, at 9:00 a.m.