

NOTICE & AGENDA



Regular Meeting of the Board of Directors

July 22, 2022, 9:05 a.m.

(Immediately following the Authority Meeting)

In-Person: Bales Board Room

Virtually: <https://us02web.zoom.us/j/84014019150>

Meeting ID: 840 1401 9150

Please see meeting information notice at the end of this agenda for more details.

Call to Order

Call meeting to order as ReGen Monterey and reveal new logo.

Roll Call & Establishment of Quorum

Chair: Jason Campbell, City of Seaside

Vice Chair: Jerry Blackwelder, City of Sand City

Directors: Leo Laska, Pebble Beach Community Services District

Bruce Delgado, City of Marina

Carrie Theis, City of Carmel-by-the-Sea

Dan Albert, City of Monterey

Kim Shirley, City of Del Rey Oaks

Wendy Root Askew, County of Monterey

Bill Peake, City of Pacific Grove

Pledge of Allegiance

Public Communications

Anyone wishing to address the Board 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. For information about submitting public comments in writing in advance of the meeting, please see the Meeting Information section of this agenda.

Welcome New Solid Waste Engineer, Sunanda Katragadda

Consent

These matters include routine financial and administrative actions, which are usually approved by a single majority vote. Individual items may be removed from consent for discussion and action.

1. Approve Resolution No. 2022-16, regarding the Ralph M. Brown Act (California Government Code §§54950- 54963, hereinafter the "Brown Act") and Assembly Bill 361, making certain findings, and authorizing the District to implement remote teleconferenced public meetings of the Board and the District's standing committees (i.e., Finance and Personnel) for the period July 22, 2022 through August 22, 2022.
2. Approve Minutes of June 17, 2022, Regular Board Meeting.

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

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ReGenMonterey.org
@ReGenMonterey

Let's not waste this.



3. Approve Minutes of June 23, 2022, Special Board Meeting.
4. Approve Report of Disbursements, and Board and Employee Reimbursements for June 2022.
5. Receive Report on July 6, 2022, Finance Committee Meeting.
6. Receive Report on July 6, 2022, Personnel Committee Meeting.
7. Authorize the General Manager to Approve a Change Order to the BSE General Engineering Contract for LFG Collection Well Installation in an Amount not to Exceed \$250,000.
8. Authorize the Purchase of Landfill Gas Well Piping Materials from ISCO Industries of Louisville, KY in an Amount not to Exceed \$150,000.
9. Authorize the General Manager to Execute a Change Order to the Module 7 Mass Excavation Phase 2 Construction Contract Awarded to David Crye General Engineering Contractor, Inc. for Hauling Soil to the Landfill for Long-term Intermediate Cover in the Amount not-to-exceed \$225,000.

Recommendation: Approve Consent Agenda items

Recognition/Presentations

10. Recognition of 20 Years of Service to Antonio Diaz, Materials Recovery Facility Operator II.

Discussion/Action

11. Approve Strategic Plan

Recommendation: That the Board Approve Strategic Plan

12. Authorize General Manager to Execute the Waste Disposal and Organics Diversion Disposal Contracts for Scotts Valley, CA Subject to District Legal Counsel's Concurrence to Form.

Recommendation: That the Board authorize the General Manager to execute the Waste Disposal and Organics Waste Disposal Contracts for Scotts Valley, CA subject to District Legal Counsel's concurrence to form.

13. Consider Adoption of the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan

Recommendation: That the Monterey Regional Waste Management District Board of Directors adopt the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan: Volume 1: Planning Area Wide Elements and, Volume 2: Monterey Regional Waste Management District Annex.

14. Adopt Resolution 2022-17 for the Adoption of the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan.

Recommendation: Adopt Resolution 2022- 17

15. Approve Employee and Retiree Dumping Privilege Policy

Recommendation: Approve Employee and Retiree Dumping Privilege Policy.

16. Approve 2022 Funding of Capital Reserves.

Recommendation: That the Board approve designated bank accounts for, and funding of, both the Capital Equipment Reserve and the Capital Infrastructure Reserve consistent with the Capital Reserve Policy adopted in June 2022.

17. 1) Adopt Resolution 2022-18 Authorizing the Purchase of One New Caterpillar 2EP10000 Forklift, using the Preferential Competitive Pricing Offered through Sourcwell (formally known as National Joint Powers Alliance, NJPA); and 2) Accept the proposal by Quinn



Company of Salinas, CA, dated June 2, 2022, to provide a Caterpillar for the total price 2EP10000 Electric Forklift of \$134,392.56. Price includes sales tax, freight.

Recommendation That the Board of Directors 1) Adopt Resolution 2022-18 authorizing the purchase of one new Caterpillar 2EP10000 Forklift, using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the proposal by Quinn Company of Salinas, CA, dated June 2, 2022, to provide a Caterpillar for the total price 2EP10000 Electric Forklift of \$134,392.56 Price includes sales tax, freight.

18. 1) Adopt Resolution 2022-19 (attached) authorizing the purchase of one new Caterpillar 740EJ Ejector Truck, using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the proposal by Quinn Company of Salinas, CA, dated June 30, 2022, to provide a Caterpillar 740 Ejector Truck for the total price of \$1,059,190.58. Price includes sales tax, freight and is not subject to any future price increases.

Recommendation That the Board of Directors 1) Adopt Resolution 2022-19 authorizing the purchase of one new Caterpillar 740EJ Ejector Truck, using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); and 2) Accept the proposal by Quinn Company of Salinas, CA, dated June 30, 2022, to provide a Caterpillar 740 Ejector Truck for the total price of \$1,059,190.58. Price includes sales tax, freight and is not subject to any future price increases.:

Staff Reports

- 19. Review Finance, Operating, and Recycling Reports
- 20. Safety Update
- 21. Staffing Update
- 22. Report on Technical Advisory Committee (TAC) and SB 1383 – June 8, 2022 Meeting.

Other Correspondence

General Manager Communications

Board Communications

Closed Session

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a closed session to consider specific matters dealing with litigation, certain personnel matters, real property negotiations or to confer with the ReGen Monterey's Meyers-Milias-Brown Act representative.

- 1. Conference with Labor Negotiators
District Negotiators: Felipe Melchor, Helen Rodriguez and Berta Torres
Employee Organizations: Operating Engineers
- 2. Public Employee Performance Evaluation: General Manager

Return to Open Session

Please note: A report out and announcement concerning the closed session will be provided. Anyone requesting a report out of closed session items may contact the board clerk.



Adjournment

Next Meeting Date: September 23, 2022

Note: The August 19, 2022, Regular Board Meeting has been cancelled. In addition, the August 3, 2022, Finance and Personnel Committee meetings have been cancelled.

MEETING INFORMATION

Virtual & Regular Meeting Notice: The meeting will be held (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.

To join the Zoom webinar: Click on this link: <https://us02web.zoom.us/j/84014019150> 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: 840 1401 9150.

Public Comments: If you are unable to participate virtually or via telephone, you may also submit your comments by e-mailing the board clerk at IGonzales@ReGenMonterey.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 p.m. on the day prior to the scheduled meeting. All submitted comments will be provided to the Board and may be read into the record or compiled as part of the record.

Posting Information

This agenda was posted at the ReGen Monterey administrative offices at 14201 Del Monte Blvd, Salinas, CA, 93908. The agenda, including staff reports and additional information regarding these items, are available on our website at ReGenMonterey.org and our administrative office during regular business hours (additional fee may apply for copying).

This agenda is subject to revision and may be amended prior to the scheduled meeting. If amended, a final agenda will be reposted.

Accessibility

All meetings are open to the public. ReGen Monterey does not discriminate against persons with disabilities and the boardroom is wheelchair accessible. In compliance with the Americans Disabilities Act, if you need special assistance to participate, please contact Board Clerk, Ida Gonzales at 831-384-5313 or email IGonzales@ReGenMonterey.org. Notification 48 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible. Recordings of meetings can be provided upon request.

July 22, 2022

Item No. 1

Board of Directors of the
Monterey Regional Waste Management District

Board Regular Meeting of
July 22, 2022

BOARD OF DIRECTORS CONSIDER ADOPTING A RESOLUTION REGARDING THE RALPH M. BROWN ACT AND ASSEMBLY BILL 361, MAKING CERTAIN FINDINGS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE DISTRICT BOARD AND ITS STANDING COMMITTEES (CONSTITUENT BODIES) FOR THE PERIOD FROM JULY 22, 2022 THROUGH AUGUST 22, 2022, PURSUANT TO APPLICABLE BROWN ACT PROVISIONS.

REQUEST:

It is requested that the District Board consider: Adopting Resolution No. 2022-16 regarding the Ralph M. Brown Act (California Government Code §§54950-54963, hereinafter the “Brown Act”), making certain findings, and authorizing the district to continue to implement remote teleconferenced public meetings of the Board of Directors and its constituent bodies for the period from July 22, 2022 through August 22, 2022.

BACKGROUND:

Government Code §54953(e) allows local public agencies and districts to continue to meet remotely during states of emergency proclaimed by the Governor under modified Brown Act requirements that are similar to but not identical to the rules and procedures established by the prior Executive Orders of Governor Newsom relating to the relaxation of certain Brown Act requirements during the COVID-19 pandemic.

Government Code §54953(e), which is presently to remain effective until at least January 1, 2024, authorizes local agencies to use teleconferencing without complying with teleconferencing requirement imposed by the Brown Act during a declared state of emergency when state or local health officials have imposed or recommended measures to promote social distancing during the proclaimed state of emergency or when the legislative body had determined by majority vote that meeting in person would present imminent risks to the health or safety of attendees. In that regard, please note the Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies issued by the County of Monterey Health Department on September 22, 2021, and still in effect, which is Attachment 1 to the accompanying Resolution 2021-12.

At a regular meeting held on June 17, 2022, the District Board adopted Resolution 2022-16 regarding the Brown Act, making certain findings, and authorizing the District to implement remote teleconferenced public meetings of the Board and its constituent bodies for the period of June 22, 2022 through July 22, 2022.

ANALYSIS:

As the Delta and Omicron variants surged in California, the legislature took action to extend the COVID-19 exemptions to the Brown Act's teleconference requirements, subject to some additional requirements. Assembly Bill 361 amended Government Code §54953 and allowed a local agency to use teleconferencing in any of the following circumstances without complying with certain Brown Act provisions:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote taken at a meeting held for the purpose described in 2 above, that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

A local agency that holds a meeting under any of these circumstances would be required to follow certain requirements listed in the attached Resolution, in addition to giving notice of the meeting and posting agendas as required under the Brown Act. These additional requirements are intended to protect the public's right to participate in the meetings of local agency legislative bodies. The District currently adheres to the listed requirements.

Government Code §54953(e)(3) provides that if the state of emergency remains active for more than 30 days, a local agency must make the following findings by majority vote every 30 days to continue using the exemption to the Brown Act teleconferencing requirements:

- The legislative body has reconsidered the circumstances of the emergency; and
- Either of the following circumstances exist: the state of emergency continue to directly impact the ability of members to meet safely in person or State or local officials continue to impose or recommend social distancing measures.

The goal of Government Code §54953 as revised by AB 361 is to improve and enhance public access to local agency meetings during the COVID-19 pandemic and future applicable emergencies by allowing broader access through teleconferencing options. The current version of Government Code §54953 became effective on September 16, 2021, with a sunset of the present version on January 1, 2024.

FISCAL IMPACT:

None identified.

CONCLUSION:

This request is submitted for the District Board's consideration and possible adoption of a resolution proclaiming that a local emergency persists, re-ratifying the proclamation of a state of emergency by Governor Newsom on March 4, 2020, and, in addition to regular meetings, re-authorizing remote teleconference meetings of the District Board and its constituent bodies for the period from July 22, 2022 through August 22, 2022, pursuant to applicable Brown Act provisions.

Respectfully submitted,

Rob Wellington

Robert Wellington
District Legal Counsel



COUNTY OF MONTEREY HEALTH DEPARTMENT

Etsa Mendoza Jimenez, Director of Health

Administration Clinical Services Behavioral Health Clinic Services
Emergency Medical Services Environmental Health Public Administrator/Public Guardian Public Health

Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies

Issued: September 22, 2021

The Monterey County Health Department continues to recommend that physical and social distancing strategies be practiced in Monterey County, which includes remote meetings of legislative bodies of local agencies, to the extent possible.

Monterey County continues to experience transmission of COVID-19 locally. Physical and social distancing is still an effective measure to reduce the spread of COVID-19, especially when combined with use of face coverings, frequent hand washing, staying home when ill, testing, and vaccination with U.S. Food and Drug Administration approved or authorized COVID-19 vaccines.

Remote meetings of legislative bodies allow for the virtual participation of agency staff, presenters, and community members in safer environments, with less risk of exposure to SARS-CoV-2, the virus that causes COVID-19.

The Monterey County Health Officer will continue to monitor local metrics and the necessity of this recommendation.

RESOLUTION NO. 2022-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGARDING THE RALPH M. BROWN ACT AND ASSEMBLY BILL 361, MAKING CERTAIN FINDINGS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE DISTRICT'S BOARD AND ITS STANDING COMMITTEES FOR THE PERIOD JULY 22, 2022 THROUGH AUGUST 22, 2022, PURSUANT TO APPLICABLE BROWN ACT PROVISIONS.

WHEREAS, the MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT ("District") is committed to preserving and nurturing public access and participation in meetings of the District Board and its constituent bodies; and

WHEREAS, all meetings of the District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the District Board previously adopted its Resolution No. 2021-11 on October 6, 2021, finding that the requisite conditions exist for the Board and its constituent bodies to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, the District Board most recently adopted its Resolution No. 2022-16 on June 22, 2022, finding that the requisite conditions exist for the Board and its constituent bodies to continue to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the District Board must reconsider the circumstances of the state of emergency that exists in the District, and the District Board has done so; and

WHEREAS, emergency conditions continue to persist in the District, specifically, the March 4, 2020, proclamation by the Governor of a state of emergency in the State of California due to COVID-19, and said proclamation of a state of emergency remains in effect; and

WHEREAS, on September 22, 2021, the County of Monterey Health Department issued a Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies, a copy of which is attached hereto as Attachment 1, which Recommendation has not been revoked or set aside; and

WHEREAS, the Board does hereby find that as of July 18, 2022, the COVID-19 data dashboard for Monterey County reported a raised 233.1 7-day Average Case Rate (per 100,000 residents), which has increased from the previous week, and the federal Centers for Disease Control and Prevention rated the community risk level for possible transmission of COVID-19 in Monterey County as having risen to high, with the CDC recommending that people wear a mask indoors in public, and the present situation will continue to have the potential to cause conditions of peril to the safety of persons within the County, and thus the District, and thus the District hereby desires to recognize and affirm a local emergency still exists and to re-ratify the proclamation of a state of emergency by the Governor of the State of California and to recognize the County of Monterey Health Department's continuing recommendation regarding social distancing; and

WHEREAS, as a consequence of the local emergency persisting, the District Board does hereby find that the District Board and its constituent bodies shall be permitted to continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District will continue to implement the following measures for meetings of its District Board and its constituent bodies:

- Allow the public to access the meeting and require that the agenda provide an opportunity for the public to directly address the legislative body pursuant to the Brown Act's other teleconferencing provisions.
- In each instance when the local agency provides notice of the teleconferenced meeting or posts its agenda, give notice for how the public can access the meeting and provide public comment.
- Identify and include in the agenda an opportunity for all persons to attend via a call-in or an internet-based service option; the legislative body need not provide a physical location for the public to attend or provide comments.
- Conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the public.

- Stop the meeting until public access is restored in the event of a service disruption that either prevents the local agency from broadcasting the meeting to the public using the call-in or internet-based service option or is within the local agency's control and prevents the public from submitting public comments (any action taken during such a service disruption could be challenged under the Brown Act's existing challenger provisions).
- Not require comments be submitted in advance (though the legislative body may provide that as an option) and provide the opportunity to comment in real time.
- Provide adequate time for public comment, either by establishing a timed public comment period or by allowing a reasonable amount of time to comment.
- If the legislative body uses a third-party website or platform to host the teleconference, and the third-party service requires users to register to participate, the legislative body must provide adequate time during the comment period for users to register and may not close the registration comment period until the comment period has elapsed.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board hereby reconsiders the conditions of the state of emergency in the District and proclaims that a local emergency continues to persist throughout the District, and:

(a) On September 22, 2021, the County of Monterey Health Department issued a Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies; and

(b) As of July 18, 2022, the COVID-19 data dashboard for Monterey County reported a raised 33.1 7-day Average Case Rate (per 100,000 residents) and that the federal Centers for Disease Control and Prevention rated the community risk level for possible transmission of COVID-19 in Monterey County as having risen to high, with the CDC recommending that people wear a mask indoors in public.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The District Board hereby reconsiders and re-ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The District Board and its constituent bodies, are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect on June 21, 2022, immediately upon the expiration of the previous Resolution No. 2022-10 (adopted May 20, 2022), and shall be effective until the earlier of (i) July 22, 2022, or (ii) such time the Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District Board and its constituent bodies may continue to hold teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of the Monterey Regional Waste Management District at a regular meeting held this 22nd day of July, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jason Campbell, Chair

ATTEST:

Felipe Melchor, General Manager/Board Secretary

BOARD OF DIRECTORS

JASON CAMPBELL
Chair

JERRY BLACKWELDER
Vice Chair

LEO LASKA
BRUCE DELGADO

CARRIE THEIS
DAN ALBERT
KIM SHIRLEY
WENDY ROOT ASKEW
BILL PEAKE



FELIPE MELCHOR
General Manager

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

HELEN RODRIGUEZ
Director of Finance & Administration

ZOË SHOATS
Director of Communications

ROBERT WELLINGTON
Legal Counsel

**MONTEREY REGIONAL
WASTE MANAGEMENT DISTRICT**
Home of the Last Chance Mercantile

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
REGULAR MEETING MINUTES**

Friday, 9:00 a.m.
June 17, 2022

MRWMD Bales Boardroom and Via Zoom
14201 Del Monte Blvd., Monterey County, CA

MEMBERS PRESENT: Jason Campbell, (Chair) City of Seaside Councilmember
Jerry Blackwelder, (Vice Chair) City of Sand City Vice Mayor
Leo Laska, Pebble Beach Community Services District Director
Carrie Theis, City of Carmel-by-the-Sea Councilmember
Dan Albert, City of Monterey Councilmember
Kim Shirley, City of Del Rey Oaks Councilmember
Bill Peake, City of Pacific Grove Mayor
Wendy Root Askew, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Bruce Delgado, City of Marina Mayor (Seated 10:20 a.m.)

MEMBERS ABSENT: None

STAFF PRESENT: Felipe Melchor, General Manager
Rob Wellington, Legal Counsel
Guy Petraborg, Director of Engineering & Compliance
Zoe Shoats, Director of Communications
Helen Rodriguez, Director of Finance & Administration
Berta Torres, Human Resources Manager
David Ramirez, Senior Engineer
Garth Gregson, Accounting Manager
Kristin O'Hara, Communications and Public Education Manager
Rosemary Perez, Accounting Technician
Erica Espinoza, Accounting Assistant
Ana Quiroz, Administrative Support Assistant
Fatima Ochoa, Human Resources Assistant
Victor Perez, Shop Supervisor
Israel Hernandez
Randy Evanger

OTHERS PRESENT: Mike Niccum, Pebble Beach Community Services District
Eric Mora, Monterey County
Cesar Zuniga, Salinas Valley Solid Waste Authority
Kimberle Herring

CALL TO ORDER AT 9:00AM

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the June 17, 2022 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Campbell at 9:00 a.m.

PUBLIC COMMUNICATIONS

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

No public comments

CONSENT AGENDA

These matters include routine financial and administrative actions, which are usually approved by a single majority vote. Individual items may be removed from Consent for discussion and action.

Director Askew (joined meeting virtually)

Director Peake pulled agenda item 8. from the consent agenda.

Following a motion by Director Albert seconded by Director Askew, the Board unanimously approved agenda item Consent Agenda items 1-7 and 9-10.

- 1) Approve Resolution No. 2022-12, regarding the Ralph M. Brown Act (California Government Code §§54950- 54963, hereinafter the “Brown Act”) and Assembly Bill 361, making certain findings, and authorizing the District to implement remote teleconferenced public meetings of the Board and the District’s standing committees (i.e., Finance and Personnel) for the period June 21, 2022 through July 22, 2022.
- 2) Approve Minutes of May 20, 2022 Regular Board Meeting.
- 3) Approve Report of Disbursements, and Board and Employee Reimbursements for May 2022.
- 4) Receive Report on June 1, 2022 Finance Committee Meeting.
- 5) Receive Report on June 1, 2022 Personnel Committee Meeting.
- 6) Adopt Resolution (2022-13) Establishing Investment Policy Guideline for District for Fiscal Year 2022/23
- 7) Authorize the General Manager to execute the engagement letter with Eide Bailly, CPA’s & Business Advisors for Fiscal 2022 audit fees estimated to be \$46,800.
- 9) Approve Payment for a 350KW Generator in the Amount of \$137,662.50 to Quin Caterpillar of Salinas, CA. for Closure of RPO Agreement E26876.
- 10) Adopt Resolution (2022-14) of Appreciation for Retired District Employee Kimberle Herring

- 8) Authorize the General Manager to Execute the Amendment No 1 to the Agreement with Recology for Single Stream Recycling Services

At the requested of Director Peake agenda item 8 regarding was pulled from the consent agenda. Staff will return with additional information at a Special Board to be scheduled by the end of July.

RECOGNITION/PRESENTATIONS

- 11) Presentation of Resolution of Appreciation for Retired District Employee Kimberle Herring
Kimberly Herring was presented with a Resolution of Appreciation for her dedication to the District.
- 12) Recognition of 20 Years of Service to Victor Perez, Heavy Equipment Operator
Efrain Lopez recognized Victor Perez for his 20 years of service with the District.
- 13) Recognition of 20 Years of Service to Israel Hernandez, Heavy Equipment Operator
Randy Evanger, recognized Israel Hernandez for his 20 years of service to the District.
- 14) Present Edible Food Recovery Organizations with Awarded Funds for Capacity Building under SB 1383

PUBLIC HEARING

- 15) Public Hearing to Consider a) FY2022/23 Tipping Fee Increases for All Gate Rate Items. Effective July 1, 2022; b) Single Stream Recycling Rates will remain at \$40 per ton for all member agencies and the residual fee charge will be eliminated.

The Public Hearing was opened then closed with no public comments

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 16) (a) Effective July 1, 2022 Approve FY2022/23 Tipping Fee Increases for All Gate Rate Items; b) Approve that single Stream Recycling Rates will remain at \$40 per ton for all member agencies and the residual fee charge will be eliminated.

It was moved by Laska, seconded by Director Albert and Unanimously Carried To: (a) Effective July 1, 2022 Approve FY2022/23 Tipping Fee Increases for All Gate Rate Items; b) Approve that single Stream Recycling Rates will remain at \$40 per ton for all member agencies and the residual fee charge will be eliminated.

Motion Passed

- 17) Adopt Resolution (2022-15) Approving Final Budget for Fiscal Year 2022/23

It was moved by Director Laska , seconded by Director Theis and Unanimously Carried To: Adopt Resolution (2022-15) Approving Final Budget for Fiscal Year 2022/23

Motion Passed

18) Approve Revised Pay Schedules for the Operating Engineers Local 3 (OE3) Support and LSC Units to Incorporate Cost of Living Adjustments for Fiscal Year 2022/23.

It was moved by Director Laska, seconded by Director Theis and Unanimously Carried To: Approve Revised Pay Schedules for the Operating Engineers Local 3 (OE3) Support and LSC Units to Incorporate Cost of Living Adjustments for Fiscal Year 2022/23.

Motion Passed

19) Approve Revised Pay Schedule for the Management Unit to Incorporate Cost of Living Adjustments for Fiscal Year 2022/23.

It was moved by Director Laska , seconded by Director Theis and Unanimously Carried To: Approve Revised Pay Schedule for the Management Unit to Incorporate Cost of Living Adjustments for Fiscal Year 2022/23.

Motion Passed

20) Approve Revised Pay Schedules for General Manager and Unrepresented, Confidential, At-Will Classification to Incorporate Cost of Living Adjustments for Fiscal Year 2021/22. *Motion Passed*

It was moved by Laska, seconded by Director Theis and Unanimously Carried To: Approve Revised Pay Schedules for General Manager and Unrepresented, Confidential, At-Will Classification to Incorporate Cost of Living Adjustments for Fiscal Year 2021/22.

21) Adopt New Reserve Policy

It was moved by Theis , seconded by Director Askew and Unanimously Carried To: Adopt New Reserve Policy

22) Approve 1) of payment of a one-time FY21-22 Economic Hardship Discretionary Bonus for Eligible Employees not to Exceed \$1,000 before the Necessary Payroll Deductions, 2) Approval of Resolution (2022-16) Approving Payment of a Discretionary Bonus, and 3) Authorize General Manager to Execute Letter of Understanding.

It was moved by Theis , seconded by Director Askew and Unanimously Carried To: Approve 1) of payment of a one-time FY21-22 Economic Hardship Discretionary Bonus for Eligible Employees not to Exceed \$1,000 before the Necessary Payroll Deductions, 2) Approval of Resolution (2022-16) Approving Payment of a Discretionary Bonus, and 3) Authorize General Manager to Execute Letter of Understanding.

Motion Passed

23) Declare Surplus and Authorize Sale of Demco Trailer, Electric 3 Ton Cain Hoist, Crown Electric Pallet Jack, Clubcar Golf Cart, Tarpomatic Tarp, Gearmore Drag Scraper, and Genie Light Tower (2).

It was moved by Director Albert, seconded by Director Blackwelder and Unanimously Carried To: Declare Surplus and Authorize Sale of Demco Trailer, Electric 3 Ton Cain Hoist, Crown Electric Pallet Jack, Clubcar Golf Cart, Tarpomatic Tarp, Gearmore Drag Scraper, and Genie Light Tower (2).

Motion Passed

23A) Award Construction Contract for Landfill Module 7 Mass Excavation Project Phase 2 to the Qualified Low Bidder, David Crye General Engineering Contractor, Inc. of Morro Bay, CA, in the Amount of \$542,868.

It was moved by Director Albert, seconded by Director Blackwelder and Unanimously Carried To: Award Construction Contract for Landfill Module 7 Mass Excavation Project Phase 2 to the Qualified Low Bidder, David Crye General Engineering Contractor, Inc. of Morro Bay, CA, in the Amount of \$542,868.

Motion Passed

STAFF REPORTS

24) Background Memo Regarding the District's Standing Committees

The Board reviewed information regarding the District's Standing Committees. Staff will work with the committees to review the committee purpose and responsibilities.

25) Review Finance, Operating, and Recycling Reports

Garth Gregson, Finance Manager provided a summary of the Finance and Operating reports.

26) Report on Technical Advisory Committee (TAC) and SB 1383 – May 11, 2022 Meeting.

Zoe Shoats, Director of Communications and Outreach provided an update on the recent TAC committee meeting and SB 1383.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

BOARD COMMUNICATIONS

CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, real property negotiations or to confer with the District's Meyers-Milius-Brown Act representative.

1. Conference with Labor Negotiators:

District Negotiators: Felipe Melchor, Helen Rodriguez and Berta Torres

Employee Organizations: Operating Engineers

2. Conference with Legal Counsel--Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9: One case

3. Conference with Property Negotiators

Property: Landfill Site Space/Capacity

District Negotiators: Felipe Melchor, Guy Petrabor, Jay Ramos, Helen Rodriguez and Garth Gregson

Terms Being Negotiated: Price and Terms of Payment

Negotiating Party: Recology Inc.


RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back into open session 12:25 p.m. and Legal counsel announced that in closed session the Board received information as to each of the closed session items and discussion had been held; no reportable action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the June 17, 2022. Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Campbell at 12:26 p.m.

RECORDED BY:



Ida Gonzales

Executive Assistant/ Board Clerk

AUTHENTICATED BY:



Felipe Melchor

General Manager/Secretary

BOARD OF DIRECTORS

JASON CAMPBELL
Chair

JERRY BLACKWELDER
Vice Chair

LEO LASKA
BRUCE DELGADO

CARRIE THEIS
DAN ALBERT
KIM SHIRLEY
WENDY ROOT ASKEW
BILL PEAKE



**MONTEREY REGIONAL
WASTE MANAGEMENT DISTRICT**
Home of the Last Chance Mercantile

FELIPE MELCHOR
General Manager

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

HELEN RODRIGUEZ
Director of Finance & Administration

ZOË SHOATS
Director of Communications

ROBERT WELLINGTON
Legal Counsel

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
SPECIAL MEETING MINUTES**

Friday, 9:00 a.m.
June 24, 2022

MRWMD Bales Boardroom and Via Zoom
14201 Del Monte Blvd., Monterey County, CA

MEMBERS PRESENT: Jason Campbell, (Chair) City of Seaside Councilmember
Jerry Blackwelder, (Vice Chair) City of San Jose City Vice Mayor
Kim Shirley, City of Del Rey Oaks Councilmember
Wendy Root Askew, (Unincorporated) Monterey County Board of
Supervisors Chair (District 4)
Bill Peake, City of Pacific Grove Mayor

MEMBERS ABSENT: Leo Laska, Pebble Beach Community Services District Director
Bruce Delgado, City of Marina Mayor
Dan Albert, City of Monterey Councilmember
Carrie Theis, City of Carmel-by-the-Sea Councilmember

STAFF PRESENT: Felipe Melchor, General Manager
Guy Petrabor, Director of Engineering & Compliance
Helen Rodriguez, Director of Finance & Administration
Garth Gregson, Accounting Manager
Ida Gonzales, Executive Assistant /Board Clerk

OTHERS PRESENT: None

CALL TO ORDER AT 11:00 AM

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the June 24, 2022 Special Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Campbell at 11:04 a.m.

PUBLIC COMMUNICATIONS

Anyone wishing to address the Board 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.

No public comments during the meeting.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 1) Authorize the General Manager to Execute a Single Stream Recycling Services Agreement with Recology South Valley Subject to District Legal Counsel's Concurrence to Form.

It was moved by Director Campbell, seconded by Director Askew and Unanimously Carried To: Authorize the General Manager to Execute a Single Stream Recycling Services Agreement with Recology South Valley Subject to District Legal Counsel's Concurrence to Form

Motion Passed

GENERAL MANAGER COMMUNICATIONS

BOARD COMMUNICATIONS

ADJOURNMENT

There being no further business to come before the Board at this time, the June 24, 2022. Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Campbell at 11:20 a.m.

RECORDED BY:



Ida Gonzales
Executive Assistant/ Board Clerk

AUTHENTICATED BY:



Felipe Melchor
General Manager/Secretary

NEXT MEETING DATE:

July 22, 2022 at 9 a.m.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Cash Disbursements Report
June 2022

Check Number	Check Date	Payee	Purpose	Document Amount
89970	6/2/2022	McMASTER-CARR SUPPLY CO	LFG SUPPLIES/PARTS	\$1,455.03
89971	6/2/2022	RON MOONEYHAM	RETIREE HEALTH INSURANCE REIMBURSEMENT	379.20
89972	6/2/2022	LYNETTE MOONEYHAM	RETIREE HEALTH INSURANCE REIMBURSEMENT	352.71
89973	6/2/2022	MOTION INDUSTRIES INC	LFG SUPPLIES/PARTS	1,791.60
89974	6/2/2022	OPERATING ENG. LOCAL UNION #3	UNION DUES MAY 2022	4,797.00
89975	6/2/2022	OPER.ENG.PUBLIC & MISC EE'S	HEALTH INSURANCE JULY 2022	207,512.00
89976	6/2/2022	OFFICE DEPOT CREDIT PLAN	OFFICE SUPPLIES MAY 2022 STATEMENT	333.39
89977	6/2/2022	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	42.67
89978	6/2/2022	JEANETTE PAGAN	RETIREE HEALTH INSURANCE REIMBURSEMENT	872.00
89979	6/2/2022	ERIC PALMER	EE REIMBURSEMENT ITEMS PURCHASED FOR AIR RECEPTION	49.35
89980	6/2/2022	PRUDENTIAL GROUP INSURANCE	HEALTH INSURANCE	9,395.95
89981	6/2/2022	QUALITY WATER ENTERPRISES INC	EQUIPMENT RENTAL	45.00
89982	6/2/2022	PITNEY BOWES RESERVE ACCOUNT	POSTAGE REFILL	500.00
89983	6/2/2022	QUINN COMPANY, INC.	SHOP REPAIR PARTS	18,220.63
89984	6/2/2022	DAVID REYES	RETIREE HEALTH INSURANCE REIMBURSEMENT	872.00
89985	6/2/2022	SAFETY KLEEN SYSTEMS, INC.	HW DISPOSAL	269.75
89986	6/2/2022	SELECT STAFFING	TEMP STAFF WK END 5/22/22	3,992.59
89987	6/2/2022	SC WORKS	SITE SIGNAGE	4,716.49
89988	6/2/2022	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	3,715.88
89989	6/2/2022	STURDY OIL COMPANY	FUELS	36,993.06
89990	6/2/2022	JOSE TAVARES	RETIREE HEALTH INSURANCE REIMBURSEMENT	743.89
89991	6/2/2022	TOM'S SITE SERVICES	MRF PORTABLES 5.8.22-6.4.22	3,656.70
89992	6/2/2022	TORO PETROLEUM CORP	FUELS	10,165.63
89993	6/2/2022	ULINE SHIPPING SUPPLY SPECIAL	SAFETY APPAREL	125.57
89994	6/2/2022	VALLEY FABRICATION, INC.	MMT REPAIR PARTS	6,493.55
89995	6/10/2022	FIRST ALARM	MONITORING SERVICE	862.80
89996	6/10/2022	ACE HARDWARE	OPERATING SUPPLIES	348.79
89997	6/10/2022	ACME RIGGING & SUPPLY CO.	SHOP REPAIR PARTS	2,355.07
89998	6/10/2022	VICTOR AGUILLON	EE REIMBURSEMENT HAZMAT ENDORSEMENT 2022	86.50
89999	6/10/2022	AGUILAR TIRE SERVICE	TIRE REPAIRS	1,137.28
90000	6/10/2022	ALHAMBRA & SIERRA SPRINGS	WATER SERVICE MAY 2022	2,071.76
90001	6/10/2022	ALTIUS MEDICAL	HW DISPOSAL	230.00
90002	6/10/2022	AT&T	UTILITIES	887.76
90003	6/10/2022	AUTOMOTIVE & INDUSTRIAL CO.	SHOP REPAIR PARTS	103.79
90004	6/10/2022	BAYONET & BLACK HORSE GOLF CLUB	TIM FLANAGAN RECOGNITION EVENT 6/9/22	2,182.81
90005	6/10/2022	BLUE STRIKE ENVIRONMENTAL	CALREC LOCAL ASSIST GRNT PROGR	2,881.50
90006	6/10/2022	BANK OF AMERICA BUSINESS CARD	DISTRICT CREDIT CARDS	17,367.87
90007	6/10/2022	LANDSCAPE MAINTENANCE OF AMERICA	LITTER ABATEMENT	675.00
90008	6/10/2022	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	1,345.00
90009	6/10/2022	CINTAS CORPORATION #630	DISTRICT WEAR/UNIFORM SERVICE	5,888.21
90010	6/10/2022	COLLINS ELECTRICAL COMPANY, INC.	ELECTRICAL WORK @ ADM	8,028.00
90011	6/10/2022	CALIFORNIA PREMIER RESTORATION	DRYWALL REPLACEMENT ADM	5,925.00
90012	6/10/2022	CSC OF SALINAS	OPERATING SUPPLIES	5,231.41
90013	6/10/2022	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	3,177.46
90014	6/10/2022	DATAFLOW BUSINESS SYSTEMS INC.	COPIER LEASE	413.76
90015	6/10/2022	DELL MARKETING L.P.	INFO SYS SUPPLIES/SERVICES	3,024.01
90016	6/10/2022	EDWARDS TRUCK CENTER, INC	SHOP REPAIR PARTS	186.52
90017	6/10/2022	FAST CARE, INC	MEDICAL SERVICES	1,636.00
90018	6/10/2022	FASTENAL COMPANY	SHOP REPAIR PARTS	9,071.24
90019	6/10/2022	FALCON AIR BIRD ABATEMENT LLC	BIRD ABATEMENT	2,530.00
90020	6/10/2022	BRIDGESTONE AMERICAS, INC	TIRE REPAIRS	3,458.79
90021	6/10/2022	GRAINGER	OPERATING SUPPLIES	28.96
90022	6/10/2022	GREEN LINE	HYDRO/VAC @MRF	3,465.00
90023	6/10/2022	GREEN RUBBER AND INDUSTRIAL	OPERATING SUPPLIES	1,743.35
90024	6/10/2022	MONTEREY COUNTY HERALD	PUBLIC NOTICE	749.24
90025	6/10/2022	HYDRO ENGINEERING, INC	PREVENTATIVE MAINT PUMP	744.00
90026	6/10/2022	INTELEX TECHNOLOGIES, ULC	SAFETY CONSULTING	3,333.75
90027	6/10/2022	JENNIFER KEMMERLY	3RD PARTY DAMAGE CLAIM	344.66
90028	6/10/2022	KOFFLER ELECTRICAL MECHANICAL	LFG SUPPLIES/PARTS	1,600.00
90029	6/10/2022	KYSMET SECURITY & PATROL, INC	SECURITY @ LCM	9,352.00
90030	6/10/2022	KENNEDY/JENKS CONSULTANTS, INC	M1W ELEC CONNECTION	135.20
90031	6/10/2022	SCOTT MESSIER	EE REIMBURSEMENT TREAD FOR ADM STAIRS	339.72
90032	6/10/2022	MOTION INDUSTRIES INC	OPERATING SUPPLIES	4,460.25
90033	6/10/2022	MONTEREY PENINSULA ENGINEERING	ENTRY ROAD CLEAN UP	23,950.00
90034	6/10/2022	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	195.18
90035	6/10/2022	POTENTIAL INDUSTRIES, INC.	RECYCLING BROKER FEES APR 2022	3,634.72
90036	6/10/2022	QED ENVIRONMENTAL SYSTEMS, INC.	LFG SUPPLIES/PARTS	3,990.05
90037	6/10/2022	QUINN COMPANY, INC.	NEW D6 XE DOZER/SHOP REPAIR PARTS	546,973.02

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Cash Disbursements Report
June 2022

Check Number	Check Date	Payee	Purpose	Document Amount
90038	6/10/2022	R&S ERECTION OF MONTEREY BAY	FRONT GATE REPAIRS	403.00
90039	6/10/2022	TINA REID	RETIREE HEALTH INSURANCE REIMBURSEMENT	1,744.00
90040	6/10/2022	SAFETEQUIP, INC	SAFETY SUPPLIES	2,977.52
90041	6/10/2022	ADMINISTRATOR-SDRMA	WORKERS COMP YR 2022-2023 6882	510,200.35
90042	6/10/2022	SELECT STAFFING	TEMP STAFF WK END 5/22/22	4,032.10
90043	6/10/2022	SMART SIGNS & GRAPHICS	SIGNAGE FOR LFO	393.30
90044	6/10/2022	STAPLES ADVANTAGE	OFFICE SUPPLIES MAY 2022 STATEMENT	2,957.40
90045	6/10/2022	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	2,975.55
90046	6/10/2022	STURDY OIL COMPANY	FUELS	38,585.04
90047	6/10/2022	THE SCAFFOLD WORKS, INC	EQUIPMENT RENTAL	280.00
90048	6/10/2022	TORO PETROLEUM CORP	FUELS	12,704.60
90049	6/10/2022	TY CUSHION TIRE LLC	TIRE REPAIRS	6,187.49
90050	6/10/2022	ULINE SHIPPING SUPPLY SPECIAL	SAFETY SUPPLIES	3,285.58
90051	6/10/2022	VALLEY FABRICATION, INC.	MMT REPAIR PARTS	1,435.98
90052	6/10/2022	VALLEY SAW AND GARDEN EQUIP.	OPERATING SUPPLIES	566.99
90053	6/10/2022	WEST COAST RUBBER RECYCLING, INC	TIRE DISPOSAL 5/16/22	1,815.00
90054	6/10/2022	WHITSON AND ASSOCIATES	ENTRANCE IMPROVEMENTS	2,703.50
90055	6/10/2022	WORKSITE INTERNATIONAL, INC.	ERGONOMICS EVALUTIONS/TRAINING	10,835.00
90056	6/10/2022	SCS ENGINEERS	COMPOST POND ODOR CONTROL ASSISTANCE	14,999.00
90057	6/10/2022	RAIN FOR RENT	UTILITIES	3,254.66
90058	6/17/2022	AT&T	UTILITIES	22.43
90059	6/17/2022	AT&T	UTILITIES	22.43
90060	6/17/2022	AT&T	UTILITIES	22.45
90061	6/17/2022	AT&T	UTILITIES	278.82
90062	6/17/2022	AT&T	UTILITIES	22.43
90063	6/17/2022	AT&T	UTILITIES	1,214.14
90064	6/17/2022	ACME RIGGING & SUPPLY CO.	SHOP REPAIR PARTS	72.91
90065	6/17/2022	AMERICAN SUPPLY CO	OPERATING SUPPLIES	2,099.72
90066	6/17/2022	BARNES WELDING SUPPLY	MMT REPAIR PARTS	536.46
90067	6/17/2022	BECKS SHOE STORE, INC	SAFETY BOOTS	150.82
90068	6/17/2022	CABALLUS CATERING - MARIA DE LOURDES GUTIERREZ RIVERA	HEALTHY MEALS PROGRAM	570.00
90069	6/17/2022	CAMPOS BROTHERS RECOVERY, INC	HW DISPOSAL	1,467.00
90070	6/17/2022	CENTRAL COAST SCREEN PRINTING & EMBROIDERY	SAFETY APPAREL	829.68
90071	6/17/2022	CALIFORNIA INDUSTRIAL RUBBER COMPANY	MMT REPAIR PARTS	7,884.35
90072	6/17/2022	CUTTING EDGE SUPPLY	SHOP REPAIR PARTS	260.86
90073	6/17/2022	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	2,481.18
90074	6/17/2022	KEITH DAY COMPANY, INC.	CONTRACT RECYCLING	30,871.74
90075	6/17/2022	DELL MARKETING L.P.	LAPTOP FOR PUB ED	2,530.87
90076	6/17/2022	EDGAR & ASSOCIATES, INC.	COMPOST COALITION MAY 2022	1,457.50
90077	6/17/2022	EDWARDS TRUCK CENTER, INC	SHOP REPAIR PARTS	137.37
90078	6/17/2022	FALCON AIR BIRD ABATEMENT LLC	BIRD ABATEMENT	2,585.00
90079	6/17/2022	FASTENAL COMPANY	OPERATING SUPPLIES	5,916.36
90080	6/17/2022	GRAINGER	OPERATING SUPPLIES	1,603.86
90081	6/17/2022	ALEJANDRO HERNANDEZ	EMP BBQ-CATERING SERVICE	3,254.05
90082	6/17/2022	HOFFMEYER COMPANY, INC.	MMT REPAIR PARTS	1,345.96
90083	6/17/2022	GLENN JOHNSON DBA SPRINGBOARD	REGEN REBRANDING ITEMS	5,600.00
90084	6/17/2022	PAUL KEENE INVESTIGATIONS	PROFESSIONAL SERVICES HR	4,481.80
90085	6/17/2022	MIDWEST MOTOR SUPPLY INC	MMT REPAIR PARTS	157.19
90086	6/17/2022	LAWSON PRODUCTS, NC	OPERATING SUPPLIES	587.63
90087	6/17/2022	LINDE GAS & EQUIPMENT, INC	OPERATING SUPPLIES	221.84
90088	6/17/2022	MAGID GLOVE & SAFETY MANUFACTURING COMPANY, LLC	SAFETY SUPPLIES	270.24
90089	6/17/2022	MONTEREY ONE WATER	M1W PROJECT	8,341.02
90090	6/17/2022	MONTEREY ONE WATER	WATER STMNT 5.1.22-6.30.22	2,356.45
90091	6/17/2022	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	1,127.76
90092	6/17/2022	PATRICK SPENCER CLARK	CONSULTING	2,187.50
90093	6/17/2022	PITNEY BOWES GLOBAL FINANCIAL SERVICES, LLC	POSTAGE METER LEASE	156.37
90094	6/17/2022	QUINN COMPANY, INC.	SHOP REPAIR PARTS	5,664.21
90095	6/17/2022	ALEJANDRO RAMOS	EE REIMBURSEMENT - EDUCATION SPRING 2022	258.70
90096	6/17/2022	SAFETEQUIP, INC	SAFETY SUPPLIES	2,134.21
90097	6/17/2022	SCS ENGINEERS	AIR QUALITY COMPLIANCE	9,000.00
90098	6/17/2022	SELECT STAFFING	TEMP STAFF WK END 6/5/22	2,481.75
90099	6/17/2022	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	2,849.17
90100	6/17/2022	STURDY OIL COMPANY	FUELS	979.55
90101	6/17/2022	TRILLIUM CNG	CNG FUEL PURCHASES MAY 2022	60,846.50
90102	6/17/2022	ULINE SHIPPING SUPPLY SPECIAL	OPERATING SUPPLIES	745.08
90103	6/17/2022	WASTE MANAGEMENT INC.	TRASH SERVICE JUNE 2022	608.39
90104	6/17/2022	WESTERN ENERGY SYSTEMS	LFG REPAIR PARTS	1,862.94
90105	6/24/2022	PACIFIC GAS & ELECTRIC	UTILITIES	114.23

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Cash Disbursements Report
June 2022

Check Number	Check Date	Payee	Purpose	Document Amount
90106	6/24/2022	PACIFIC GAS & ELECTRIC	UTILITIES	26.29
90107	6/24/2022	PACIFIC GAS & ELECTRIC	UTILITIES	7,902.86
90108	6/24/2022	FIRST ALARM	OPERATING SUPPLIES	87.53
90109	6/24/2022	ACCENT CLEAN & SWEEP, INC.	STREET SWEEPING	2,323.75
90110	6/24/2022	ACE HARDWARE	OPERATING SUPPLIES	170.30
90111	6/24/2022	AGUILAR TIRE SERVICE	TIRE REPAIRS	972.44
90112	6/24/2022	ALHAMBRA & SIERRA SPRINGS	COFFEE SERVICE JUNE 2022	462.72
90113	6/24/2022	AT&T	UTILITIES	1,845.17
90114	6/24/2022	BARNES WELDING SUPPLY	MMT REPAIR PARTS	71.11
90115	6/24/2022	C & N TRACTORS	SHOP REPAIR PARTS	373.33
90116	6/24/2022	CABALLUS CATERING - MARIA DE LOURDES GUTIERREZ RIVERA	HEALTHY MEALS PROGRAM	264.00
90117	6/24/2022	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	1,214.00
90118	6/24/2022	CASTROVILLE AUTO PARTS	SHOP REPAIR PARTS	216.86
90119	6/24/2022	CENTRAL COAST TIRE, LLC	TIRE REPAIRS	407.26
90120	6/24/2022	CINTAS CORPORATION #630	UNIFORM SERVICE 6/3/22	2,271.54
90121	6/24/2022	CLAREMONT BEHAVIORAL SERVICES	JULY 2022 EAP PREMIUM	514.80
90122	6/24/2022	ADRIAN MARQUEZ JR	CLEANING SERVICES JUN 2022	10,165.00
90123	6/24/2022	COASTAL ROOFING AND WATERPROOFING	ADMIN ROOF COATING	7,810.00
90124	6/24/2022	CYPRESS WATER SERVICE, INC	FACILITIES MAINTENANCE	1,010.00
90125	6/24/2022	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	5,655.81
90126	6/24/2022	DATAFLOW BUSINESS SYSTEMS INC.	COPIER LEASE	525.82
90127	6/24/2022	DAVIS ENGINEERING COMPANY	SAFETY TRAINING	2,470.00
90128	6/24/2022	DELL MARKETING L.P.	REPLACEMENT PC'S FOR SCALES	4,531.65
90129	6/24/2022	ENERGY DYMAMICS, LLC	LFG REPAIR PARTS	5,344.17
90130	6/24/2022	FALCON AIR BIRD ABATEMENT LLC	BIRD ABATEMENT	2,585.00
90131	6/24/2022	FASTENAL COMPANY	OPERATING SUPPLIES	307.75
90132	6/24/2022	FEDERAL EXPRESS	SHIPPING FEES	71.54
90133	6/24/2022	GEO-LOGIC ASSOCIATES	ENVIRONMENTAL SERVICES	18,914.25
90134	6/24/2022	GOLD STAR BUICK GMC, INC	SHOP REPAIR PARTS	159.73
90135	6/24/2022	GRAINGER	OPERATING SUPPLIES	67.36
90136	6/24/2022	HOFFMEYER COMPANY, INC.	MMT REPAIR PARTS	22,595.96
90137	6/24/2022	J.M. EQUIPMENT CO., INC	SHOP REPAIR PARTS	100.23
90138	6/24/2022	MIDWEST MOTOR SUPPLY INC	SHOP REPAIR PARTS	87.77
90139	6/24/2022	KYSMET SECURITY & PATROL, INC	SECURITY @ LCM	7,014.00
90140	6/24/2022	MONTEREY BAY TECHNOLOGIES, INC.	INFO SYS SUPPLIES/SERVICES	1,954.74
90141	6/24/2022	NVB EQUIPMENT, INC.	FIRE SUPPRESSION INSTALL CATD6	10,080.25
90142	6/24/2022	PANKEY'S RADIATOR SHOP, INC.	LFG REPAIR PARTS	2,433.40
90143	6/24/2022	PENINSULA MESSENGER LLC	MAIL P/U SERVICE	409.00
90144	6/24/2022	PILOT SANDBLAST & COATINGS, INC	SANDBLAST/REPAINT EQUIPMENT	2,500.00
90145	6/24/2022	POTENTIAL INDUSTRIES, INC.	RECYCLING BROKER FEES MAY 2022	5,517.99
90146	6/24/2022	QUINN COMPANY, INC.	SHOP REPAIR PARTS	1,540.67
90147	6/24/2022	SELECT STAFFING	TEMP STAFF	7,801.16
90148	6/24/2022	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	5,234.03
90149	6/24/2022	STURDY OIL COMPANY	FUELS	42,103.67
90150	6/24/2022	SWANA	ARF SUSTAINABLE MATERIALS MANAGEMENT	3,285.14
90151	6/24/2022	TORO PETROLEUM CORP	FUELS	13,732.12
90152	6/24/2022	U.S. ENVIRONMENTAL PROTECTION AGENCY	OIL SPILL LIABILITY FEE	1,100.00
90153	6/24/2022	VIASYN, INC.	POWER SALES SCHEDULING SERVICE	4,672.00
90154	6/24/2022	ROBERT WELLINGTON, JR.	LEGAL FEES	7,386.00
90155	6/24/2022	FALCON AIR BIRD ABATEMENT LLC	BIRD ABATEMENT	2,475.00
				<u>\$2,027,409.22</u>

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Employee Credit Card Activity
June 2022

Purpose	Amount
CONFERENCES/MEETINGS	664.06
MEMBERSHIPS/SUBSCRIPTIONS	1,018.89
TRAVEL EXPENSE	340.88
SOCIAL COMMITTEE EXPENSE	458.90
OFFICE SUPPLIES	3,238.98
INFO SYS SUPPLIES/SERVICES	2,433.73
EE RECOGNITION/GOODWILL	1,074.96
TRAINING	147.00
PROFESSIONAL SERVICES	659.00
EQUIPMENT R&M	723.24

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Employee Cash Disbursements
June 2022

Check Date	Check Number	Payee	Description	Amount	Purpose	Location
6/17/2022	90095	Alejandro Ramos	Education Spring 2022	\$ 209.00	Education	Marina, CA
6/10/2022	90031	Scott Messier	Tread For Adm Stairs	\$ 3,468.37	Tread for Admin Stairs	Marina, CA

MINUTES



DATE: July 13, 2022
TO: Board of Directors
FROM: Committee Chair
SUBJECT: Summary of Finance Committee Meeting of July 6, 2022

The Finance Committee met on July 6, 2022 at 9:00 a.m., at the District administrative offices and via Zoom virtual conference. Committee members in attendance were Directors Laska, Albert and Shirley. Staff members in attendance were Felipe Melchor, Guy Petrabor, Helen Rodriguez, Zoe Shoats, Jay Ramos, Berta Torres, Garth Gregson, and Ida Gonzales. Legal counsel Rob Wellington was also in attendance.

Review Single Stream Recyclables (SSR) Contract Renewals

Staff presented information about SSR contract renewals with Waste Management, Republic Services of Salinas, Recology South Valley and the City of Watsonville. Staff has been working to get the contract language consistent among all customers bringing SSR material to the District. There was discussion about the impact on franchise member collection rates with and without the SSR material from outside of the District and the impact on District operations without the revenue from SSR material from outside of the District. There was discussion and questions and comments from the Committee.

Internal Cost Rate Study

At a recent Board meeting a topic was discussed regarding the costs to perform various District tasks. When the topic was initially discussed a suggestion was made to contract with a consultant to prepare the cost study. The Committee believes that the District performs a cost study each year when the annual budget is prepared. Staff and Committee agreed that District staff should continue to review costs when the annual budget is prepared.

Funding of Capital Reserves

Staff requested input from the Committee about the funding of the Capital Reserve and whether the reserve should include contributions for FY21/22 and FY22/23 or only F22/23. The contribution for FY21/22 would be \$1.5 million and the contribution for FY22/23 would be \$2.1 million. The Committee recommended that the total contributions for FY21/22 and FY22/23 of \$3.6 million be included in the Capital Reserve.

Finance Committee Purpose and Responsibilities

Staff presented information about the history and purpose of the Finance Committee. The purpose of the Committee is to break down, review and analyze information before the information is presented to the entire Board. The length of term on the Committee is not specified. In 2015 the Board approved that the Board chair maintain and appoint members to the Committee. Staff will prepare a final proposal about the purpose and responsibilities of the Committee at the next Committee meeting.

GENERAL MANAGER COMMUNICATIONS

Strategic Planning A Special Meeting/Strategic Planning Retreat was held on May 18, 2022 with the consultant, Catherine Hambley of Brain-Based Strategies Consulting. Staff will present the

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final plan at the July 22 Board meeting.

MBARD NOV-22-013 – 3-Hour Average Flare Temperature Deviation The District received a Notice of Violation from the Monterey Bay Air Resources District (MBARD) for deviations from the 3-hour average

Flare temperature requirement for August 5, 2021. The settlement of this violation is under review by MBARD.

MBARD NOV-22-019 – Moving Stationary Backup Generator The District received a Notice of Violation

from the Monterey Bay Air Resources District (MBARD) for moving a permitted stationary emergency

engine generator and operating it at a different location during a utility power outage on June 4, 2022.

The meeting adjourned and went into closed session at 9:54 a.m.

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

MINUTES



DATE: July 19, 2022
TO: Board of Directors
FROM: Committee Chair
SUBJECT: Summary of Personnel Committee Meeting of July 6, 2022

The Personnel Committee met on July 6, 2022 at 10:30 a.m., at the District administrative offices and via Zoom virtual conference. Committee members in attendance were Chair Campbell, Directors Theis and Albert and . Staff members in attendance were Felipe Melchor, Guy Petrabor, Helen Rodriguez, Zoe Shoats, Berta Torres, Garth Gregson, and Ida Gonzales. Legal counsel Rob Wellington was also in attendance.

Personnel Committee Purpose and Responsibilities

As requested by the Board the committee discussed the purpose and responsibility of the committee. Helen Rodriguez, Director of Finance and Administration will provide a draft document that will include the committees proposed purpose and responsibilities. Following committee review the document will be presented to the Board for approval.

Process for General Manager Performance Review

Berta Torres, Human Resources Manager requested direction from the committee regarding the General Manager review process. Discussion was held and the committee provide guidance for the review process. The proposed review process will be presented to the Board next month.

Employee and Retiree Dumping Privilege Policy

The committee reviewed the Districts Employee and Retiree Dumping Privilege Policy and recommended changes. The revised policy recommendations will be provided at the next meeting.

Safety Update for FY 21/22

Loreana Medina, Safety Manager provided a report on the Districts Safety Performance.

General Manager Communications

The General Manager reported that the Strategic Plan will be presented at the next Board meeting.

The meeting adjourned went into closed session at 12:00 p.m.

Next Meeting Date: September 7, 2022, at 10:30 a.m.

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Discussion/Action Item #: 7

Meeting Date: July 22, 2022

To: Board of Directors
From: Director of Engineering and Compliance, Guy R. Petraborg
Approved by: General Manager, Felipe Melchor

Subject: Authorize the General Manager to Approve a Change Order to the BSE General Engineering Contract for LFG Collection Well Installation in an Amount not to Exceed \$250,000

Recommendation

That the Board authorize the General Manager to Approve a Change Order to the BSE General Engineering Contract for LFG Collection Well Installation in an amount not-to-exceed \$250,000.

Background

The Board approved budget for FY2022/23 for the expansion of landfill's Gas Collection and Control System (GCCS) with new vertical and/or horizontal LFG collection wells and associated laterals and sub-header piping is \$800,000.

Discussion

With the regulatory requirement to install at least one (1) LFG collection well caused by an exceedance during the Second Quarter Surface Emissions Monitoring (SEM) survey and the next board meeting planned for September, staff is requesting authorization at this time to purchase LFG well piping materials (prior agenda item) and to amend the BSE General Engineering, Inc. construction contract via a Change Order (this agenda item) for drilling of LFG wells and the installation of the wells and associated lateral piping and sub-header piping. Staff is planning to install at least eight (8) vertical LFG collection wells with associated lateral and sub-header piping. Staff is also considering possibly installing a dedicated header for selective LFG collection from wells with high gas quality for use in the Biogas-to-RNG. This will be contingent upon verification that high quality gas conditions exist by a well testing survey being conducted this week. The authorization for purchasing well piping material (prior agenda item) and authorizing a Change Order to the construction contractor's contract (this agenda item), will allow staff to accomplish the LFG well installation within the 120 day regulatory time frame requirement.

Financial Impact

The financial impact associated with authorizing the General Manager to execute a Change Order to the BSE General Engineering, Inc.'s construction contract associated with LFG well drilling and installation of the purchased LFG well piping material is an not-to-exceed amount of \$250,000. The funds for this construction contract Change Order would be obtained from the approved FY 2022/23 capital infrastructure budget. The \$800,000 approved budget would be reduced by \$250,000 and have a remaining balance of \$550,000 for the LFG Management

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project. Together with the prior agenda item for this Board Meeting, to authorize the purchase of LFG well piping material for an amount not-to-exceed \$150,000, the approved project budget would be further reduced by \$150,000 and the remaining project budget would be \$400,000 compared to the original approved amount for the fiscal year of \$800,000.

Conclusion

Staff request that the Board authorize the General Manager to Approve a Change Order to the BSE General Engineering Contract for LFG Collection Well Installation in an amount not-to-exceed \$250,000.

MEMO



Discussion/Action Item #: 8

Meeting Date: July 22, 2022

To: Board of Directors
From: Director of Engineering and Compliance, Guy R. Petraborg
Approved by: General Manager, Felipe Melchor

Subject: Authorize the Purchase of LFG Well Piping Materials from ISCO Industries of Louisville, KY in an Amount not to Exceed \$150,000

Recommendation

That the Board authorize the purchase of LFG well piping materials from ISCO Industries of Louisville, KY in an amount not-to-exceed \$150,000.

Background

The Board approved budget for FY2022/23 for the expansion of landfill's Gas Collection and Control System (GCCS) with new vertical and/or horizontal LFG collection wells and associated laterals and sub-header piping is \$800,000.

Discussion

With the regulatory requirement to install at least one (1) LFG collection well caused by an exceedance during the Second Quarter Surface Emissions Monitoring (SEM) survey and the next board meeting planned for September, staff is requesting authorization at this time to purchase LFG well piping materials (this agenda item) and to amend the BSE General Engineering, Inc. construction contract via a Change Order (the following agenda item) for drilling of LFG wells and the installation of the wells and associated lateral piping and sub-header piping. Staff is planning to install at least eight (8) vertical LFG collection wells with associated lateral and sub-header piping. Staff is also considering possibly installing a dedicated header for selective LFG collection from wells with high gas quality for use in the Biogas-to-RNG. This will be contingent upon verification that high quality gas conditions exist by a well testing survey being conducted this week. The authorization for purchasing well piping material (this agenda item) and authorizing a Change Order to the construction contractor's contract (the following agenda item), will allow staff to accomplish the LFG well installation within the 120 day regulatory time frame requirement.

Financial Impact

The financial impact associated with authorizing the purchase of LFG well piping material is \$150,000 and the funds would be obtained from the approved FY 2022/23 capital infrastructure budget. The \$800,000 approved budget would be reduced by \$150,000 and have a remaining balance of \$650,000 for the LFG Management project. The following agenda item for this Board Meeting, to authorize the General Manager to execute a Change Order to the BSE General Engineering, Inc.'s construction contract to not-to-exceed \$250,000, is associated with LFG well drilling and installation of the purchased LFG well piping material. Thus, the approved project

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budget would be further reduced by \$250,000 for the LFG construction activities and the remaining project budget would be \$400,000 compared to the original approved amount for the fiscal year of \$800,000.

Conclusion

Staff request that the Board authorize the purchase of LFG well piping materials from ISCO Industries of Louisville, KY in an amount not-to-exceed \$150,000.

Attachments:

None

MEMO



Discussion/Action

Item #: 9

Meeting Date: July 22, 2022

To: Board of Directors
From: Senior Engineer, David Ramirez
Approved by: General Manager, Felipe Melchor

Subject: Authorize the General Manager to Execute a Change Order to the Module 7 Mass Excavation Phase 2 Construction Contract Awarded to David Crye General Engineering Contractor, Inc. for Hauling Soil to the Landfill for Long-term Intermediate Cover in the Amount not-to-exceed \$225,000

Recommendation

That the Board Authorize the General Manager to execute a Change Order to the Module 7 Mass Excavation Phase 2 construction contract that was awarded to David Crye General Engineering Contractor Inc. for hauling soil to the landfill for long-term intermediate cover in an amount Not-to-exceed \$225,000.

Background

The Monterey Peninsula Landfill is defined as a Class III Sanitary Landfill. The designation as a sanitary landfill stipulates that the waste is contained (covered) daily with an approved cover material. The specifications of cover material require it to perform several key functions. Cover material must mitigate vectors, odors, stormwater runoff, and windblown litter; to name a few. State regulations require that the landfill is covered with at least six inches of soil each day or an approved Alternative Daily Cover (ADC) material or tarp. An additional cover thickness, known as Intermediate Cover, is required for inactive areas when there will be no additional solid waste deposited in the area within 180 days. Intermediate cover is an additional 6 inches of soil on top of the daily cover soil (min. 6 inches) and makes a total cover thickness of a minimum of 12 inches of compacted earthen materials over the waste (27 CCR 20700).

David Crye General Engineering Contractor Inc. (DC) was awarded the contract for Module 7 Mass Excavation Phase 2 construction in June 2022 and is currently onsite performing contract work. The contract has DC excavating soil from the Module 7 area and hauling the soil to a large stockpile on the east side of the site. The change being proposed by this Board Action item would be to divert some of the excavated soil away from the stockpile and instead to haul it to the landfill where it will be used by District staff as intermediate cover. The haul distance to the landfill where the intermediate cover soil is needed is as much as twice the distance as that to the stockpile. In addition, there is more elevation change (height) in the haul routes to the landfill.

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Discussion

The quantity of soil needed at the landfill for intermediate cover is approximately 45,000 cubic yards (CY). The total amount of soil being excavated as part of the Module 7 Mass Excavation Phase 2 Project is approximately 99,000 CY. Staff recognizes the operational efficiency of diverting the Module 7 excavated soil from the stockpile to the landfill areas that needs intermediate cover. At current staffing and equipment levels, Operations Staff do not believe they can accomplish the intermediate cover project in the required timeframe. However, DC will have sufficient staff and equipment on site as part of the Module 7 Phase 2 project to complete the soil hauls to the landfill in the required timeframe needed to meet the intermediate cover requirement. The operational efficiency is gained by eliminating ‘double handling’ of the soils that would have otherwise occurred; first by the contractor in excavating the soils and hauling to the stockpile and then by District staff by loading the soil in the stockpile and hauling it to the landfill. Staff estimates that the District’s costs would be more than \$300,000 to accomplish loading/hauling of the needed intermediate cover soil to the landfill and that DC’s costs would be less than \$225,000. For this cost savings and, more importantly, the ability for the contractor to accomplish the soil hauling in a timely, efficient manner, staff recommends that the Board authorize the General Manager to execute a change order to DC’s construction contract.

Financial Impact

The \$225,000 of funding for this contract change order authorization will be obtained from the FY2022-23 budget approved for the Module 7 Mass Excavation Phase 2 project. The Module 7 Mass Excavation Project winning bid by DC came in significantly lower than the District’s budgeted amount and the other bidders. The Engineer’s Estimate for the project was \$970,000. DC’s bid was \$542,868, leaving a project surplus of \$427,132. Staff recommends that an amount not-to-exceed \$225,000 of this budget surplus be applied to performing hauling excavated soil for long-term intermediate cover purposes on the landfill.

Strategic Plan

The authorization of DC to perform this work fits under several general policy directives cited in the District’s “Pillars of Sustainability” plan.

Environment

Intermediate cover soil protects the landfill and is a regulatory requirement. Mitigating vectors, odors, stormwater runoff, windblown litter, etc.

People

Outsourcing this work would maintain a manageable workload for heavy equipment operators so they can focus on daily waste volumes, placing the intermediate cover soils delivered to the landfill, and other site projects.

Financial

There are several financial efficiencies achieved with outsourcing this work. DC is currently mobilized onsite with equipment, manpower, and supervisory staff. In addition, DC will be able to dedicate full time staff and equipment to this effort and will accomplish work more efficiently than



MRWMD staff who have limited hours and equipment available to work on projects outside of the landfilling operations.

Conclusion

The authorization of a change order for DC to divert soil from the stockpile to intermediate cover areas on the landfill provides numerous financial and operational efficiencies for the District which take advantage of having a contractor with specialized resources currently available and onsite. **Staff therefore recommends that the Board Authorize the General Manager to Execute a Change Order to the Module 7 Mass Excavation Phase 2 Construction Contract Awarded to David Crye General Engineering Contractor, Inc. for Hauling Soil to the Landfill for Long-term Intermediate Cover in the Amount not-to-exceed \$225,000.**



Year 2030 Strategic Plan: ReGen Monterey

Mission: *Doing more to waste less.*

Vision: Be a leader in environmentally sustainable waste management that fosters and inspires a zero-waste culture in our community.

Our TRAITS (core values):

Teamwork: We collaborate with one another to do our best to achieve our common purpose.

Respect: We seek and value each other's unique contribution and appreciate how it enriches us and our workplace.

Accountability: We take ownership of our role in the organization and keep our commitments, communicating if something changes.

Integrity: We are intentional about what we say and how we act, doing the right thing even when no one is looking.

Transparency: We actively share information (even if it is uncomfortable) for the purpose of learning, understanding, and fostering trust and collaboration.

Stewardship: We ensure our ongoing sustainability by making decisions that balance the interests of people, the environment, and finances.

Strategic Priorities and their specific objectives (each objective has a set of action plans):

Engagement: Cultivate understanding, excitement, and commitment to doing more to waste less.

1. Foster an engaged and talented workforce that reflects our *people-first* commitment
2. Grow our commitment to creating a culture that values diversity, equity, and inclusion.
3. Expand our safety culture to ensure an accident- and injury-free site, so people go home safe
4. Enhance education and outreach to the public and haulers to improve diversion rates and reduce contamination
5. Rebrand the District to better reflect our priorities and processes
6. Support member agencies with CalRecycle compliance and franchise management through the Technical Advisory Committee (TAC)

Stewardship: Ensure our continued fiscal and operational sustainability so we can lessen the community's environmental impact.

1. Develop a zero-waste culture at ReGen Monterey
2. Support mission-related community and state-led environmental initiatives and advocacy activities.
3. Continue to expand and adopt waste reduction initiatives to further our community's ability to reduce waste and its impact.
4. Ensure fiscal stability so that we can meet the present and future waste management needs of the region

Innovation: Continue to expand cutting-edge solutions that move closer to a zero-waste community.

MEMO



Discussion/Action

Item #: 12

Meeting Date: July 22, 2022

To: Board of Directors
From: Director of Engineering and Compliance, Guy R. Petraborg
Approved by: General Manager, Felipe Melchor

Subject: Authorize General Manager to Execute the Waste Disposal and Organics Waste Diversion Contracts for Scotts Valley, CA Subject to District Legal Counsel's Concurrence to Form

Recommendation

That the Board authorize the General Manager to execute the Waste Disposal and Organics Waste Diversion Contracts for Scotts Valley, CA subject to District Legal Counsel's concurrence to form.

Background

The District has been providing Scotts Valley with solid waste disposal services for more than 30 years. In August 2017, the Board directed the General Manager to send Scotts Valley a Notice of Termination letter for early termination of the solid waste disposal agreement. The current solid waste disposal agreement required a minimum 5-year period for terminating the agreement. The termination for convenience was deemed necessary because of several significant changes in applicable California law that have occurred since the original disposal agreement was entered into (circa 2009/2010), including, but not limited to:

- 1) AB 341, Mandatory Commercial Recycling, requiring mandatory recycling participation from commercial businesses and multi-family apartment buildings,
- 2) SB 1826, Mandatory Commercial Organics Recycling, which requires mandatory separation of food scrap organic materials in accordance with a phased-in schedule based on volume of material generated,
- 3) SB 1383, Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions, which establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025, and
- 4) the 2016 California Green Building Standards Code (CalGreen), effective January 1, 2017, which requires 65% diversion from residential and commercial construction projects.

Discussion

In August 2017, the District notified its regional customers of Capitola, Santa Cruz County, Scotts Valley, and Watsonville of the District's intent to terminate the solid waste disposal agreement and desire to establish an agreement for solid waste disposal services that would transition the disposal rate over a 5-year period and would reach a disposal rate equivalent to 95% of the

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Member Agency disposal rate. The other regional customers have transitioned to new disposal agreements.

At the April 17, 2020 Board meeting, the Board authorized the General Manager to convey proposed terms and conditions for a new agreement for solid waste disposal and other services. Since then, Scotts Valley has been coordinating with staff regarding a new solid waste disposal agreement and also for organic waste processing services, herein called an Organics Waste Diversion agreement. The two agreements are attached as Attachment A and Attachment B, respectively. Both agreements received the Scotts Valley City Council's approval in their meeting in June 2022. The agreements incorporate past guidance from the Finance Committee and the full Board of Directors for the regional contracts.

Financial Impact

The financial impact associated with approving both the Scotts Valley solid waste disposal agreement, that sets a pathway to reaching a rate of 95% of the Member Agency rate, and the organic waste disposal agreement, that establishes a rate equal to the Member Agency rate for organic waste processing, is that increased revenues will be collected for continuing these services than otherwise would not have been the case had the District not provided the Notice of Termination of the solid waste disposal agreement. The new agreements incorporate the Finance Committee and Board guidance to staff for the renewal of regional contracts.

Conclusion

Staff request that the Board authorize the General Manager to execute the Waste Disposal and Organics Waste Diversion Contracts for Scotts Valley, CA subject to District Legal Counsel's concurrence to form. The two agreements have received the Scotts Valley City Council's approval in June 2022.

Attachments:

A – Scotts Valley Waste Disposal Agreement – June 2022

B – Scotts Valley Organic Wastes Diversion Agreement – June 2022

**AGREEMENT TO CONTINUE
WASTE DISPOSAL SERVICES BY AND BETWEEN
THE MONTEREY REGIONAL WASTE MANAGEMENT
DISTRICT AND THE CITY OF SCOTTS VALLEY**

THIS AGREEMENT TO CONTINUE WASTE DISPOSAL SERVICES (hereinafter “Agreement”) is made and entered into on June _____, 2022 by and between the Monterey Regional Waste Management District, a public entity duly organized pursuant to the provisions of California Health and Safety Code sections 4170 *et seq.* (the “District”), and the City of Scotts Valley, a California general law city (the “City”) (collectively, the “Parties”), as follows:

RECITALS

A. On December 18, 2009, District and City entered into “WASTE DISPOSAL AGREEMENT BY AND BETWEEN DISTRICT AND CITY,” for a term of thirty years, to facilitate the delivery of waste generated and collected in the City to District’s Monterey Peninsula Landfill for disposal. Due to certain legal considerations, including without limitation changes to applicable laws, District has given notice to City of termination for convenience of the 2009 agreement, and the Parties are in accord that the 2009 agreement shall be superseded by this Agreement.

B. The Parties are also in accord that they continue to be satisfied with the performance of each of the parties hereto, with the benefits enjoyed by each of the parties under the terms of the 2009 agreement, and with the facts, principles, and descriptions set out in the Recitals of the 2009 agreement, and therefore those Recitals are incorporated here by reference as if set out in full herein.

C. District has determined that the execution by District of this Agreement will serve the public health, safety, and welfare of the District by continuing to provide a more stable, predictable and reliable supply of municipal solid waste to optimize the Monterey Peninsula Landfill, and that the resulting revenue will assist in the District’s rate stabilization efforts and waste diversion programs.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter set forth, District and City agree to the following Terms and Conditions:

TERMS AND CONDITIONS

1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below.

1.1 "Acceptable Waste" means all non-hazardous solid wastes such as garbage, refuse, rubbish, and other materials and substances discarded or rejected as being spent, useless, worthless, or in excess to the owners at the time of such discard or rejection and which is normally disposed of or collected from residential (single family or multi-family), commercial, industrial, governmental, and institutional establishments by haulers, and which is acceptable at Class III landfills under Applicable Law. "Acceptable Waste" also means solid waste that has been source separated and/or processed with reasonable due diligence to remove the following: reusable and recyclable materials; Unacceptable Waste; Hazardous Substances or Hazardous Materials; Universal Waste (as defined by State law); and Hazardous Waste.

1.2 "Act" means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded, and replaced from time to time.

1.3 "Applicable Law" means the Act, the Monterey County Code, CERCLA, RCRA, CEQA, any legal entitlement and any other rule, regulation, requirement, guideline, permit, action, determination, or order of any governmental body having jurisdiction, applicable from time to time, relating to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management, operation, or maintenance of the Monterey Peninsula Landfill or the transfer, handling, transportation, and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages).

1.4 "CEQA" means the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.) as amended or superseded, and the regulations promulgated under the statute.

1.5 "CERCLA" means the Comprehensive Environmental Responsibility Compensation and Liability Act (42 U.S.C. Section 9601 *et seq.*) as amended or superseded, and the regulations promulgated under the statute.

1.6 "Disposal Services" means the solid waste disposal services to be provided to the City by the District under this Waste Disposal Agreement.

1.7 "Hazardous Material" or "Hazardous Substance" has the meaning given such terms in CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Section 25300 et seq.), and Titles 22 and 26 of the California Code of Regulations, as well as other regulations promulgated under these statutes, as they exist now and as they may be amended from time to time.

1.8 "Hazardous Waste" means (a) any waste which by reason of its quality, concentration, composition or physical, chemical, or infectious characteristic may do any of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness, or pose a substantial threat or potential hazard to human health or the environment when improperly treated, stored, transported or disposed of or otherwise mismanaged; or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act (RCRA) and the regulations contained in 40 CFR Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 et seq.) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117, 25115, 25249.8, 25281 and 25316; (4) the California Public Resources Code, Section 40141; and (5) future additional or substitute Applicable Law pertaining to the indemnification, treatment, storage, or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 et seq.) and the regulations contained in 10 CFR Part 40.

1.9 "Household Hazardous Waste Element" or "HHWE" means a solid waste planning document prepared by each city and unincorporated county pursuant Division 30, Section 41000 et seq. of the Act.

1.10 "Non-District Waste" also "Out-of- District Waste," means solid waste originating outside the jurisdictional boundaries of the District.

1.11 "RCRA" means the Resource Conservation and Recovery Act, 42 USC Section 6901 *et seq.*, as amended and superseded.

1.12 "Self-Hauler" means any person not engaged commercially in waste cartage that collects and hauls to the Monterey Peninsula Landfill Acceptable Waste generated from residential or business activities.

1.13 "Source Reduction and Recycling Element" or "SRRE" means a solid waste planning document prepared by each city and unincorporated county pursuant to Division 30, Section 41000 *et seq.* of the Act.

1.14 "Transfer Trucks" means any large, multi-axle vehicle not exceeding 80,000 pounds gross vehicle weight.

1.15 "Unacceptable Waste" means Hazardous Waste; Hazardous Substances; Hazardous Materials; untreated medical waste; Household Hazardous Waste that has been separated from Acceptable Waste; explosives; bombs; ordnance, such as guns and ammunition; highly flammable substances; noxious materials; drums and closed containers; liquid waste, including liquid concrete; oil; human wastes and sewage sludge; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts; motor vehicles or major components thereof; agricultural equipment; trailers; marine vessels and steel cable; hot loads, including hot asphalt, and hot liquid sulfur; loads of whole tires; friable asbestos; and any waste which the Monterey Peninsula Landfill is prohibited from receiving under Applicable Law.

1.16 "Uncontrollable Circumstances" means only the following acts, events or conditions, whether affecting the City, or the District, to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement:

1. an act of nature, hurricane, landslide, lightning, pandemic, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;
2. a change in law affecting either party's ability to perform an obligation or complying with any condition required of such party under this Agreement;
3. pre-emption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain.

Provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party.

2. TERM OF AGREEMENT

2.1 Term of Agreement

The term of this Agreement shall commence on the date first written above and shall continue for thirty years thereafter.

3. DELIVERY OF WASTE

3.1 Commitment to Deliver Waste

The City shall be permitted to annually deliver Acceptable Waste to the Monterey Peninsula Landfill during the term of this Agreement.

Waste shall generally be delivered by refuse collection or transfer vehicles of the City's franchised waste hauler.

Waste shall be delivered to the Monterey Peninsula Landfill during the hours of 5:30 A.M. TO 4:00 P.M. Monday through Friday, and 8:00 A.M. to 4:00 P.M. on Saturdays, excepting certain holidays where closed or operating under shortened business hours, or as otherwise approved in writing by the District or as modified by a regulatory entity at the time of a permit renewal or issuance of a new permit.

The City shall deliver to the Monterey Peninsula Landfill one hundred percent of the Acceptable Waste generated from residential or business activities within the City and collected by the City's franchised waste hauler or any subcontractor. The delivery to any other landfill of Acceptable Waste generated from residential or business activities within the City by the

City's franchised waste hauler or any subcontractor is a default under the terms of this Agreement, in which event, the District shall be entitled to reasonably estimate the amount of Acceptable Waste that would have been delivered to the Monterey Peninsula Landfill and invoice the City for such amount in accordance with Section 4.2.

3.2 City's Authority to Deliver Waste

The City warrants that it has and shall maintain during the term of this Agreement the right, power, and authority to deliver the Acceptable Waste to the District through franchises, contracts, permits, licenses, or other arrangements.

4. PROVISION OF DISPOSAL SERVICES

4.1 Commitment to Provide Disposal Services

The District agrees to provide Disposal Services to the City for the term of the Agreement under the conditions specified in the Agreement. The District warrants that it can receive City's Acceptable Waste at the designated Monterey Peninsula Landfill, under the facility permit for the term of this Agreement.

4.2 Fee for Disposal Services

For the first four years of this Agreement, City shall pay rates for refuse delivered to District according to Exhibit A, Refuse Rates, attached hereto and incorporated herein by this reference. Beginning in Year Five, and for the remainder of the term of this Agreement, City shall pay a rate equal to 95% of District's Posted Rate for Acceptable Waste (also known as the "Member Agency Rate" or "Disposal Tip Fee Rate") delivered to District for disposal. For the entirety of this Agreement, all other materials and services shall be paid at rates equal to the District's Posted Rates for such materials and services. All changes to District's Posted Rates are subject to approval by District's Board of Directors, in the exercise of its sole discretion. For the purposes of this Agreement, the first year, or "Year 1", shall begin on July 1, 2022 and end on June 30, 2023.

4.3 Payment for Disposal Services

The City is responsible for payment for Disposal Services and all other fees or charges under this Agreement. The District may, in its discretion, charge and accept payment from the City's franchised waste hauler for Disposal Services but responsibility for payment of any charges not paid by the City's franchised waste hauler remains the City's responsibility. The

disposal fee may be paid in cash in advance for each load at the time of delivery, or the District may elect to establish a deferred billing account under a process mutually agreed upon.

4.4 Annual Disposal Fee Increase Adjustment for Provision of Disposal Services

The rate specified in Section 4.2 shall be as specified in Exhibit A. All rate increases shall be effective on July 1 of each year. Rate increases shall be approved by the District's Board of Directors.

4.5 Increase in Governmental Fees or District Costs Due to New Regulatory or Statutory Mandates

If any fees or charges are imposed or increased by law or regulation after the date first written above and levied on the District by any local, state, or federal government or a local enforcement agency, the District shall have the right, upon 30-days prior written notice to the City, to increase the then current fee charged to the City hereunder in an equitable manner relative to the services provided to the City under this Agreement. Any increased cost borne by the District due to new regulatory or statutory mandates beyond the District's control shall be allocated based on the percentage of tons of waste delivered to the District by the City compared to all other tons delivered to the District and included in the disposal fee charged.

5. PROCEDURES FOR DELIVERY AND ACCEPTANCE OF WASTE

5.1 Procedures for Delivery and Acceptance of Out-of-District Waste

City shall deliver Acceptable Waste to the Monterey Peninsula Landfill according to the conditions and procedures in **Exhibit B**. The General Manager of the District and the City's designee may mutually agree to modify **Exhibit B**, provided such modifications are made in writing signed by both parties and subject to the terms and conditions of this Agreement.

The City through its franchised waste hauler shall bear all costs of collection, processing, transfer, transportation, taxes, permits, or impositions assessed by any governmental body related to the delivery of waste to the Monterey Peninsula Landfill. The District assumes all costs incurred as a result of the acceptance of the City's Acceptable Waste.

5.2 Unacceptable Waste

The City shall act with reasonable due diligence to prevent the delivery of any waste to the Monterey Peninsula Landfill that is defined as Unacceptable Waste under this Agreement.

5.3 Out-of-City Waste

Only waste originating inside of the City (with the exception of up to 5% of out-of-City waste per Section 8.4) may be delivered to the Monterey Peninsula Landfill pursuant to this Agreement. City shall maintain records and supporting source documents that adequately identify the origin of all "Acceptable Waste" delivered by the City to the Monterey Peninsula Landfill pursuant to this Agreement. All records and source documentation shall be maintained by the City for a minimum of five years following the termination of this Agreement. Documents shall be maintained in a location mutually acceptable to District and City.

District shall, through its duly authorized agents or representatives, have the right to examine and audit records and supporting source documents maintained by City concerning the origin of waste delivered to the Monterey Peninsula Landfill at any and all reasonable times, upon thirty (30) days written notice, for purposes of determining the accuracy of those records and of the reports provided to District pursuant to this Agreement and of the accuracy of City payments to District pursuant to this Agreement. If any Audit of the City's or its franchised hauler's invoices or other records reveals any variance from any invoice for waste delivered to the District in excess of five percent (5%) of the amount shown on such invoice, or if the City has failed to maintain true and complete books, records and supporting source documents in accordance with this Section, City shall immediately reimburse District for all costs and expenses incurred in conducting such Audit.

5.4 Hazardous Materials, Substances or Waste

The City shall act with reasonable due diligence to prevent the delivery of Unacceptable Wastes, Hazardous Materials, Hazardous Substances, or Hazardous Waste to the Monterey Peninsula Landfill. The City program for detection and removal of Hazardous Materials, Hazardous Waste, Hazardous Substances or Unacceptable Waste from Acceptable Waste ("Hazardous Materials Removal Program") is set out in **Exhibit C**, incorporated herein by this reference as if fully set forth herein.

The City shall notify the General Manager of the District, in writing, at least 30-days prior to making any significant modifications in City's Hazardous Materials Removal Program. The District may object to any such modification in writing within 15-days of receipt. The City shall give reasonable consideration to any District objections. The intentional delivery any quantity of Hazardous Waste shall constitute a material breach of this Agreement.

5.5 Emergency Re-Designation of Facility

The District shall have the right to suspend acceptance of Acceptable Waste to the Monterey Peninsula Landfill at any time for up to 45-days upon the occurrence of a natural disaster or other Uncontrollable Circumstances which affect the ability of the District to accept, under Applicable Law, City's otherwise Acceptable Waste at the Monterey Peninsula Landfill.

The District will make every reasonable effort to provide advance notice; however, exigent circumstances may require re-designation of Acceptable Waste on a temporary basis without prior notice. No adjustments shall be made to the disposal fee of waste redirected due to emergency.

5.6 Mutual Aid

In the event of an emergency, the parties may provide mutual aid to one another through the sharing of resources.

5.7 Weights for Payment

Payment shall be based upon weight provided by the Districts' regular vehicle weighing scale system.

6. REGULATORY COMPLIANCE

6.1 Applicable Law

Throughout the term of this Agreement the parties shall comply with Applicable Law; and shall obtain and maintain any permits, licenses, or approvals which are required for the performance of the party's respective obligations under this Agreement.

6.2 Compatibility with The Act

The actions of the City in entering into this Agreement shall be compatible with the goals, policies, and agreements of the Source Reduction and Recycling Element(s) (SRREs) of the jurisdiction(s) generating the waste which is accepted in the Monterey Peninsula Landfill.

6.3 Disposal Reporting

The City shall supply all information necessary to comply with the District's Disposal Reporting System and any other information required by the District to comply with the Act, or any other Applicable Law.

6.4 Recordkeeping and Reporting

Upon City's request, District shall provide any and all records and/or reports related specifically to the use of facilities relied upon by District for performance under this Agreement that have been provided to other governmental agencies, including but not necessarily limited to: County of Monterey, Regional Water Quality Board, Air Quality Management District, or CalRecycle, unless such records are the subject of litigation disclosure or confidentiality agreements, or where disclosure is limited or prohibited in accordance with State or local privacy laws.

6.5 Capacity Assurance

District warrants that as of the Commencement Date, it has sufficient capacity to dispose of all Acceptable Waste throughout the Term, and that it shall maintain that capacity throughout the Term and any extension.

7. TERMINATION, DEFAULT AND REMEDIES

7.1 Termination for Convenience

Commencing on the first day of the eleventh year of this agreement, either party may terminate this Agreement for convenience during the term hereof by giving a 30-day's written notice to the other party. Upon the expiration of the 30-day notice period, a five-year final term on the same terms and conditions set forth herein shall commence.

7.2 Termination for Cause

Either party may terminate this Agreement for cause for the reasons set forth below, without the commencement of a final 5-year term (as provided in paragraph 7.1). In the case of termination for cause, the terminating party shall not be liable to the non-terminating party for any damages incurred due to early termination, including, but not limited to, consequential damages.

A. Termination for Cause by District

The District may terminate for cause if:

- i. The City delivers waste originating outside the City in excess of 5% (paragraph 5.3);
- ii. The City intentionally delivers and attempts to deliver Unacceptable Waste; Hazardous Substances or Hazardous Materials or Universal Waste (as defined by State law) (paragraph 5.4); or
- iii. The City fails to comply with a Household Hazardous Waste Program that complies with state law (paragraph 8.4).

B. Termination for Cause by City

The City may terminate for cause if the District is unable to accept Acceptable Waste for more than 45-days and the parties are unable to reach a mutually acceptable resolution through modification of this Agreement (paragraph 5.5).

C. Termination for Cause by Either Party

Either party may terminate for cause if:

- i. The District is ordered by court of competent jurisdiction to cease providing Disposal Services under the terms and conditions of this Agreement. In such event District will not be liable for actual or consequential damages due to the inability to provide Disposal Services.
- ii The other party is determined to be in violation of Applicable Law, despite reasonable due diligence.

D. Opportunity for Cure

If either party fails to perform any of its obligations hereunder, that party shall have 30 business days from receipt of written notice of default from the other party within which to cure such default. However, the City's intentional delivery of industrial or commercial Hazardous Waste (pursuant to paragraph 5.4) or failure to maintain a Household Hazardous Waste (HHW) Management Program that complies with state law (pursuant to paragraph 8.4) may be grounds for termination in the District's discretion. Such default may be subject to termination pursuant to paragraph 7.2. In the case of a default involving HHW under paragraph 5.4 by City, City must cure the default within 24 hours of written notice of the default in compliance with applicable laws and regulations, including District ordinances and established procedures.

7.3 Dispute Resolution

If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall meet and confer in a good faith attempt to resolve the matter between themselves. If a dispute concerns any amounts to be paid to the District by the City, then the City shall pay the amount demanded on time, under protest, notwithstanding that the City has commenced or proposes to commence the dispute resolution procedures specified herein. If a dispute is not resolved by meeting and conferring within a period of thirty (30)

days after the first notice of the dispute is received by the non-disputing party, the matter shall be submitted for formal mediation to a mediator mutually agreed upon by the parties. The expenses of such mediation will be shared equally between the parties. If the dispute is not or cannot be resolved by mediation within one-hundred-twenty (120) days after the notice of the dispute is received by the non-disputing party, then either party may pursue any and all available legal and equitable remedies.

8. GENERAL CONDITIONS

8.1 Uncontrollable Circumstances

Each party will excuse performance by the other in the event of Uncontrollable Circumstances.

8.2 Indemnification and Hold Harmless

A. Indemnification by City. City and District agree that District, its Board of Directors, officers, employees and agents, shall to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorney's fees, litigation cost, defense cost, court cost or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the District. City acknowledges that District would not enter into this agreement in the absence of this commitment to indemnify and protect District as set forth herein.

To the full extent permitted by law, the City shall defend, indemnify and hold harmless District, its Board of Directors, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by District, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or willful misconduct of the City or its franchised waste hauler or contractor(s). All obligations under this provision are to be paid by the City as they are incurred by the District.

Without affecting the rights of the District under any provision of this Agreement or this section, the City shall not be required to indemnify and hold harmless District as set forth above for liability attributable to the active negligence of the District, its officers, employees or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the District is shown to have been actively negligent and not in instances where the City, or its franchised waste hauler or contractor(s) are solely or partially at fault or in instances where the District's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the City will be for that portion or percentage of liability not attributable to the active negligence of the District, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

The City shall obtain executed indemnity agreements from its franchised waste hauler and any contractor or any other person or entity involved by, for, with or on behalf of the City in the performance or subject matter of this Agreement. In the event the City fails to obtain such indemnity obligations from others as required here, the City shall be fully responsible according to the terms of this section.

Failure of the District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder and shall survive the termination of this Agreement or this section.

B. Indemnification by District. To the full extent permitted by law, the District shall defend, indemnify and hold harmless the City, its City Council, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or the willful misconduct of the District. All obligations under this provision are to be paid by the District as they are incurred by the City.

Without affecting the rights of the City under any provision of this Agreement or this section, the District shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the active negligence of the City, its officers, employees, contractors or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City or its franchised waste hauler or contractor(s) are shown to have been actively negligent and not in instances where the District is solely or partially at fault or in instances where the City's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the District will be for that portion or percentage of liability not attributable to the active negligence of the City, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

C. Notice of Claims

A party seeking indemnification shall promptly notify the other party of the assertion of any claim against it for which it seeks to be indemnified, shall give the other party the opportunity to defend such claim, and shall not settle the claim without the approval of the other party. These indemnification provisions are for the protection of the Parties only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection shall survive termination of this Agreement.

8.3 Insurance

A. CITY'S INSURANCE. City shall require its franchise waste hauler to maintain, and require any of its subcontractors or others hired for this Agreement to maintain, insurance coverage as described hereunder effective the date first written above and such insurance shall remain in full force at all times throughout the full term of this Agreement. Insurers providing coverage as required by this Agreement shall be acceptable to District and must be authorized to do business in the State of California.

Certificates of insurance or other evidence satisfactory to the District shall be furnished in duplicate, evidencing City coverage of Workers' Compensation Insurance, Commercial General Liability, and Comprehensive Auto Liability; such certificates shall show the insurer's name, policy number, limit of coverage, and the period of the policy and cancellation conditions of these specifications. Such certificates shall state that coverage there under shall

not be terminated or reduced in coverage until 30 days' written notice is given to General Manager of the District of cancellation or reduction in coverage; allow for severability of interest of District; and be primary and non-contributing with insurance maintained or self-insured by the District.

The District shall be added, by endorsement to the policy for Commercial General Liability, Auto Liability and Employer's Liability coverage, as an additional insured party on the above-described policies, as they pertain to the operations of the named insured performed under this Agreement for the District. The District, as the additional insured party, shall be defined as follows: "Monterey Regional Waste Management District and Agency, its Council, boards and commissions, officers, employees, agents, and volunteers". Entire limits of liability maintained must be certified but in no event shall limits be less than specified herein below:

<u>Coverage</u>	<u>Minimum Limit</u>
Workers' Compensation	Statutory
Employer's Liability	\$1,000,000 per accident or disease
Comprehensive General Liability	\$1,000,000 Combined
General Aggregate	\$2,000,000 Single limit each occurrence
Comprehensive Auto Liability	\$1,000,000 Combined

B. **DISTRICT INSURANCE.** District shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

1. Limits.

Commercial General Liability – \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.

Automobile Liability – \$1,000,000 combined single limit per accident for bodily injury and property damage (include coverage for hired and non-owned vehicles).

Workers' Compensation (WC) – Statutory Limits/Employers' Liability.

General Liability and Auto Liability Limits of Insurance may be satisfied by a combination of primary and umbrella or excess insurance.

2. Additional Insured. The City, its officers, officials, employees, volunteers, representatives, and agents shall be named as additional insured on all but the WC.

3. Said policies shall remain in force through the life of this Agreement and shall be payable on a “per occurrence” basis unless City’s Risk Manager specifically consents in writing to a “claims made” basis. For all “claims made” coverage, in the event that the District changes insurance carriers District shall purchase “tail” coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such “tail” or other continuous coverage shall be required at any time that the District changes to a new carrier prior to receipt of any payments due.

4. The District shall declare all aggregate limits on the required coverage are in place before commencing performance of this Agreement and are available throughout the performance of this Agreement.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days’ prior written notice (10 days for non-payment) has been given to the City. If District’s insurer refuses to provide this endorsement, District shall be responsible for providing written notice to the City that coverage will be canceled thirty (30) days after the date of the notice or ten (10) days for non-payment.

5. The deductibles or self-insured retentions are for the account of District and shall be the sole responsibility of the District.

6. District shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on insurance industry forms, provided those endorsements or policies conform to the contract requirements. All certificates and endorsements are to be received and approved by the City before work commences. “The City reserves the right to review at District’s corporate office copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications. The District shall be allowed to redact information that it considers confidential”.

The Certificate with endorsements and notices shall be mailed to:

City of Scotts Valley
City Manager
One Civic Center Drive
Scotts Valley, CA 95066

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A-VII, unless otherwise approved by City Risk Manager.

7. The policies shall cover all activities of District, its officers, employees, agents and volunteers arising out of or in connection with this Agreement.

8. For any claims relating to this Agreement, the District’s insurance coverage shall be primary, including as respects City, its officers, agents, employees, and volunteers. Any insurance maintained by City shall apply in excess of, and not contribute to,

coverage provided by District's liability insurance policy.

9. The District shall waive, by evidenced endorsement to the policy, all rights of subrogation against City, its officers, employees, agents, and volunteers.

10. Endorsements. Prior to the Effective Date pursuant to this Agreement, District shall furnish City with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, the City's Risk Manager before work commences.

11. Renewals. During the Term of this Agreement, District shall furnish City with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf.

12. Workers' Compensation. District shall provide workers' compensation coverage as required by State law, and prior to the Effective Date pursuant to this Agreement, District shall file the following statement with City:

"I am aware of the provisions of Section 3700 of the Labor Code that require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing any services required by this Agreement.

District agrees to include in any subcontract the same requirements and provisions of this Agreement including the indemnity and insurance requirements to the extent they apply to the scope of the Subcontractor's work. Subcontractors hired by District agree to be bound to District and City in the same manner and to the same extent as District is bound to City under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the Contract/Agreement and Insurance Provisions will be furnished to the Subcontractor. The District shall require all Subcontractors to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencement of any work and will provide proof of compliance to the City.

The person executing this Certificate on behalf of District affirmatively represents that she/he has the requisite legal authority to do so on behalf of District, and both the person executing this Agreement on behalf of District and District understand that City is relying on this representation in entering into this Agreement."

8.4 Solid Waste Origin

City may deliver solid waste collected by City or any other entity under subcontract to City. The District understands and agrees that up to 5% of the City's Acceptable Waste delivered to the Monterey Peninsula Landfill during any twelve-month period may originate

outside the City. Waste originating outside City in excess of the 5% cap, may not be delivered without the express prior written consent of the District General Manager. All waste delivered must originate from a municipality or district that has implemented an approved Household Waste Collection Program and has fully implemented its SRRE.

8.5 Non-Assignment of Agreement

City may not assign this Agreement or any of the rights or obligations under this Agreement without the prior written consent of the District, which may be withheld at the District's sole discretion. Any person or entity to whom this Agreement is assigned shall expressly agree to be bound by all provisions of this Agreement. City will remain liable to District for all obligations under this Agreement notwithstanding any assignment made pursuant to this clause.

8.6 Notices

Any notice required or permitted by this Agreement shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective parties set forth in this Agreement. Any changes to the respective addresses to which notices may be directed, may be made from time to time by any party by notice to the other party. The present addresses of the parties are:

District	Monterey Regional Waste Management District Attn: General Manager Location for Direct Deliveries and Certified Mail: 14201 Del Monte Blvd., Monterey County, CA 93908 (Physical) P.O. Box 1670, Marina, CA 93933-1670 (Mailing Address)
City	City of Scotts Valley. Attn: City Manager One Civic Center Drive Scotts Valley, CA 95066

8.7 Indemnification for Taxes and Contributions

Each party shall exonerate, indemnify, defend, and hold harmless the other (which for the purpose of this paragraph shall include, without limitation, its officers, agents, employees,

and volunteers) from and against:

Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect each party's officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

8.8 Non-Discrimination

During and in relation to the performance of this Agreement, both parties agree as follows:

Neither party shall discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Both parties agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

8.9 Independent Contractor Status

The District and City have reviewed and considered the principal test and secondary factors for determining independent contractor status and agree that this is an independent contractor arrangement and that neither party is an employee of the other. Each party is responsible for its own insurance (workers' compensation, unemployment, etc.) and all payroll-related taxes. Neither party is entitled to any employee benefits from the other. Each party shall have the right to control the manner and means of accomplishing the result contracted for herein.

8.10. Amendment or Modification

This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration or modification, executed by authorized representatives of both of the parties hereto.

8.11. Further Actions

Each of the parties shall execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to give effect to the terms and conditions of this Agreement.

8.12. Interpretation

This Agreement has been negotiated by and between the general managers and engineers or principals of both parties, all persons knowledgeable in the subject matter of this Agreement, which was then reviewed and drafted by attorneys representing both parties, in joint consultation with both general managers and engineers or principals. Accordingly, any rule of law (including Civil Code §1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

8.13. Captions

Titles or captions of sections and paragraphs contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of it.

8.14. Severability

If any of the provisions of this Agreement are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement, unless this Agreement without the severed provision would frustrate a material purpose of either party in entering into this Agreement.

8.15. Attorneys' Fees and Costs

In the event it should become necessary for either party to enforce any of the terms and conditions of this Agreement by means of court action or administrative enforcement, the prevailing party, in addition to any other remedy at law or in equity available to such party, shall be awarded all reasonable costs and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing party.

8.16 Relationship of Parties

Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between the parties.

8.17 Controlling Law; Jurisdiction

The parties agree that this Agreement and the rights and remedies of the parties hereunder shall be governed by California law. Each party consents to the exclusive jurisdiction of the Superior Court of California in and for the County of Monterey with respect to any dispute which is not otherwise resolved as herein provided and for the enforcement hereof.

8.18 Waiver

No waiver of any right or obligation of either party hereto shall be effective unless made in writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Agreement or any other right at any time shall not be a bar to exercise of the same right on any subsequent or any other right at any time.

8.19 Counterparts

This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute one and the same instrument.

8.20 Entire Agreement

This Agreement constitutes the entire and complete agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates opposite their respective signatures:

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Date: _____ By _____
Chairperson of the Board of Directors

CITY OF SCOTTS VALLEY

Date: _____ By _____
City Manager

ATTEST:

Date: _____ By _____
MRWMD Board Secretary

Date: _____ By _____
City Clerk

APPROVED AS TO FORM:

By _____ Date: _____
District Legal Counsel

By _____ Date: _____
City Attorney

APPROVED AS TO INSURANCE:

By _____ Date: _____
City Risk Manager

EXHIBIT A
REFUSE RATES

	Refuse Disposal Rates		
Effective Date of new Rates	Current	7/1/2023	7/1/2024 and thereafter
Posted MRWMD Refuse Rates	\$65.00	TBD	TBD
Contractual Refuse Rates			
City of Scotts Valley	\$50.00	\$55.00	95% of Posted Refuse Rate

EXHIBIT B
**CONDITIONS & PROCEDURES FOR DELIVERY OF ACCEPTABLE WASTE BY
CITY OF SCOTTS VALLEY TO MONTEREY PENINSULA LANDFILL**

1. The City will not deliver any Acceptable Waste to the Landfill after 4:00 P.M. Monday-Saturday except in the case of an emergency, or with prior written approval of the District General Manager or his/her designee.
2. The types of vehicles to deliver Acceptable Waste will be Transfer Trucks or Refuse Collection Packer Trucks only.
3. The City will participate in a Household Hazardous Waste Program that complies with state law.

City delivery vehicles shall proceed to the Districts' regular vehicle weighing scale system upon arrival at the Monterey Peninsula Landfill for all loads accepted. District staff will invoice the City monthly based upon weight provided by the Districts' regular vehicle weighing scale system. Terms of payment will be net 30 day's upon receipt of invoice

EXHIBIT C
CITY HAZARDOUS MATERIALS REMOVAL PROGRAM

**AGREEMENT FOR ORGANIC WASTE DIVERSION
SERVICES BY AND BETWEEN
THE MONTEREY REGIONAL WASTE MANAGEMENT
DISTRICT AND THE CITY OF SCOTTS VALLEY**

THIS AGREEMENT FOR ORGANIC WASTE DIVERSION SERVICES

(hereinafter "Agreement") is made and entered into on June ____, 2022 by and between the Monterey Regional Waste Management District, a public entity duly organized pursuant to the provisions of California Health and Safety Code sections 4170 *et seq.* (the "District"), and the City of Scotts Valley, a California general law city (the "City") (collectively, the "Parties"), as follows:

RECITALS

A. On December 18, 2009, District and City entered into "WASTE DISPOSAL AGREEMENT BY AND BETWEEN DISTRICT AND CITY," for a term of thirty years, to facilitate the delivery of waste generated and collected in the City to District's Monterey Peninsula Landfill for disposal. Due to certain legal considerations, including without limitation changes to applicable laws, District has given notice to City of termination for convenience of the 2009 agreement, and the Parties are in accord that the 2009 agreement shall be superseded by a new "Waste Disposal Agreement" and separately, this Agreement for Organic Waste Diversion.

B. The Parties agreed to extend that agreement subject to the terms of that certain agreement entitled Agreement To Continue Waste Disposal Services By And Between The Monterey Regional Waste Management District And The City Of Scotts Valley.

C. On September 17, 2016, the California Legislature passed Senate Bill 1383 which establishes regulatory requirements for jurisdictions, generators, haulers, solid waste facilities, and other entities to support achievement of State-wide Organic Waste Diversion (disposal reduction) targets.

D. The City desires to have a continued right to deliver Organic Waste to the Monterey Peninsula Landfill ("Landfill").

E. The District is in the process of preparing a master plan for its facilities which may affect capacity and services offered at the Landfill's organic processing area.

F. The Parties desire to enter into a short-term agreement for the processing, diversion, and disposal of Organic Waste at the Landfill subject to the terms of this Agreement until such time as the master plan is approved and changes are proposed at the Landfill.

G. District has determined that the execution by District of this Agreement will serve the public health, safety, and welfare of the District by providing a more stable, predictable and reliable supply of Organic Waste to optimize the District's composting operations, and that the resulting revenue will assist in the District's rate stabilization efforts and waste diversion programs.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter set forth, District and City agree to the following Terms and Conditions:

TERMS AND CONDITIONS

1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below.

1.1 "Applicable Law" means the Act, the Monterey County Code, CERCLA, RCRA, CEQA, SB 1383, any legal entitlement and any other rule, regulation, requirement, guideline, permit, action, determination, or order of any governmental body having jurisdiction, applicable from time to time, relating to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management, operation, or maintenance of the Landfill or the transfer, handling, transportation, and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire,

environmental protection, labor relations, mitigation monitoring plans, building codes, non-discrimination and the payment of minimum wages).

1.2 "CEQA" means the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) as amended or superseded, and the regulations promulgated under the statute.

1.3 "CERCLA" means the Comprehensive Environmental Responsibility Compensation and Liability Act (42 U.S.C. Section 9601 *et seq.*) as amended or superseded, and the regulations promulgated under the statute.

1.4 "Organic Waste Diversion Services" means the Organic Waste processing, diversion, and disposal services to be provided to the City by the District under this Organic Waste Diversion Agreement.

1.5 "Food Scraps" means those discarded materials that will decompose and/or putrefy including: (i) all kitchen and table food waste; (ii) or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) (iv) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (v) vegetable trimmings, houseplant trimmings and other Compostable organic waste common to the occupancy of residential dwellings. Food Scraps are a subset of Mixed Organic Waste.

1.6 "Mixed Organic Waste" means discarded organic materials that are collected from a residential customer that includes a mixture of Food Scraps and Yard Trimmings. Mixed Organic Waste does not include items herein defined as Excluded Waste, and contaminants such as glass, plastic (including Compostable Plastics), ceramics, metal, waxed paper, animal waste, restaurant or commercially Collected post-consumer food waste, dirt, treated or painted wood, concrete, or tree stumps.

1.7 "Non-District Waste" also "Out-of- District Waste," means solid waste originating outside the jurisdictional boundaries of the District.

1.8 "Source Reduction and Recycling Element" or "SRRE" means a solid waste planning document prepared by each city and unincorporated county pursuant to Division 30, Section 41000 *et seq.* of the Act.

1.9 "Transfer Trucks" means any large, multi-axle vehicle not exceeding 80,000 pounds gross vehicle weight.

1.10 "Unacceptable Waste" means Hazardous Waste; Hazardous Substances; Hazardous Materials; untreated medical waste; Household Hazardous Waste that has been separated from Acceptable Waste; explosives; bombs; ordnance, such as guns and ammunition; highly flammable substances; noxious materials; drums and closed containers; liquid waste, including liquid concrete; oil; human wastes and sewage sludge; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts; motor vehicles or major components thereof; agricultural equipment; trailers; marine vessels and steel cable; hot loads, including hot asphalt, and hot liquid sulfur; loads of whole tires; friable asbestos; and any waste which the Landfill is prohibited from receiving under Applicable Law.

1.11 "Uncontrollable Circumstances" means only the following acts, events or conditions, whether affecting the City, or the District, to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement, if such act, event or condition is beyond the reasonable control and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Agreement:

- a. an act of nature, hurricane, landslide, lightning, pandemic, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;
- b. a change in law affecting either party's ability to perform an obligation or complying with any condition required of such party under this Agreement;
- c. pre-emption of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain.

Provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party.

1.12 "Yard Trimmings" means those discarded materials that will decompose and/or putrefy, including, but not limited to, green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, and other types of

materials resulting from normal yard and landscaping maintenance. Yard Trimmings does not include items herein defined as Excluded Waste. Yard Trimmings are a subset of Mixed Organic Waste.

2. TERM OF AGREEMENT

2.1 Term of Agreement

The term of this Agreement shall commence on the date first written above and shall continue as long as the District's existing processor continues compost operations on site. A 12-month notice will be given to City if the 3rd party processor's operations are discontinued. The City shall give the District a 12-month notice if they choose to stop delivering organic waste to the District.

3. DELIVERY OF ORGANIC WASTE

3.1 Commitment to Deliver Organic Waste

The City shall be permitted to annually deliver Mixed Organic Waste to the Landfill during the term of this Agreement. Waste shall generally be delivered by organics collection or transfer vehicles of the City's franchised waste hauler. Waste shall be delivered to the Landfill during the hours of 5:30 A.M. TO 4:00 P.M. Monday through Friday, and 8:00 A.M. to 4:00 P.M. on Saturdays, excepting certain holidays where closed or operating under shortened business hours, or as otherwise approved in writing by the District or as modified by a regulatory entity at the time of a permit renewal or issuance of a new permit. At any time, the City may redirect its Mixed Organic Waste to another landfill or processing facility.

3.2 City's Authority to Deliver Waste

The City warrants that it has and shall maintain during the term of this Agreement the right, power, and authority to deliver the Mixed Organic Waste to the District through franchises, contracts, permits, licenses, or other arrangements.

4. PROVISION OF ORGANIC WASTE DIVERSION SERVICES

4.1 Commitment to Provide Organic Waste Diversion Services

The District agrees to provide Organic Waste Diversion Services to the City for the term of the Agreement under the conditions specified in the Agreement. The District warrants that it can receive City's Mixed Organic Waste at the District's composting facility, under the facility permit for the term of this Agreement.

4.2 Fee for Organic Waste Diversion Services

City shall pay an initial rate for Mixed Organic Waste delivered to District in the amount of \$61.00/ton. For the entirety of this Agreement, all other materials and services shall be paid at rates equal to the District's Posted Rates for such materials

and services, including Mixed Organic Waste, except where agreed to otherwise in writing by both parties. All changes to District's Posted Rates are subject to approval by District's Board of Directors, in the exercise of its sole discretion. For the purposes of this Agreement, the first year, or "Year 1", shall begin on July 1, 2022 and end on June 30, 2023.

4.3 Payment for Organic Waste Diversion Services

The City is responsible for payment for Organic Waste Diversion Services and all other fees or charges under this Agreement. The District may, in its discretion, charge and accept payment from the City's franchised waste hauler for Organic Waste Diversion Services but responsibility for payment of any charges not paid by the City's franchised waste hauler remains the City's responsibility. The diversion fee may be paid in cash in advance for each load at the time of delivery, or the District may elect to establish a deferred billing account under a process mutually agreed upon.

4.4 Annual Diversion Fee Increase Adjustment for Provision of Organic Waste Diversion Services

The rate specified in Section 4.2 shall be the initial rate through June 30, 2023. All rate increases shall be effective on July 1 of each year.

4.5 Increase in Governmental Fees or District Costs Due to New Regulatory or Statutory Mandates

If any fees or charges are imposed or increased by law or regulation after the date first written above and levied on the District by any local, state, or federal government or a local enforcement agency, the District shall have the right, upon 30-days prior written notice to the City, to increase the then current fee charged to the City hereunder in an equitable manner relative to the services provided to the City under this Agreement. Any increased cost borne by the District due to new regulatory or statutory mandates beyond the District's control shall be allocated based on the percentage of tons of waste delivered to the District by the City compared to all other tons delivered to the District and included in the diversion fee charged.

5. PROCEDURES FOR DELIVERY AND ACCEPTANCE OF WASTE

5.1 Procedures for Delivery and Acceptance of Out-of-District Waste

City shall deliver Mixed Organic Waste to the District's composting facility according to the conditions and procedures in **Exhibit A**. The General Manager of the

District and the City's designee may mutually agree to modify **Exhibit A**, provided such modifications are made in writing signed by both parties and subject to the terms and conditions of this Agreement.

The City through its franchised waste hauler shall bear all costs of collection, processing, transfer, transportation, taxes, permits, or impositions assessed by any governmental body related to the delivery of Mixed Organic Waste to the Landfill. The District assumes all costs incurred as a result of the acceptance of the City's Mixed Organic Waste.

5.2 Unacceptable Waste

The City shall act with reasonable due diligence to prevent the delivery of any waste to the Landfill that is defined as Unacceptable Waste under this Agreement.

5.3 Out-of-City Waste

Only Mixed Organic Waste originating inside of the City (with the exception of up to 5% of out-of-City waste per Section 8.4) may be delivered to the District's composting facility pursuant to this Agreement. City shall maintain records and supporting source documents that adequately identify the origin of all Mixed Organic Waste delivered by the City to the District's composting facility pursuant to this Agreement. All records and source documentation shall be maintained by the City for a minimum of five years following the termination of this Agreement. Documents shall be maintained in a location mutually acceptable to District and City.

District shall, through its duly authorized agents or representatives, have the right to examine and audit records and supporting source documents maintained by City concerning the origin of waste delivered to the Monterey Peninsula Landfill at any and all reasonable times, upon thirty (30) days written notice, for purposes of determining the accuracy of those records and of the reports provided to District pursuant to this Agreement and of the accuracy of City payments to District pursuant to this Agreement. If any Audit of the City's or its franchised hauler's invoices or other records reveals any variance from any invoice for waste delivered to the District in excess of five percent (5%) of the amount shown on such invoice, or if the City has failed to maintain true and complete books, records and supporting source documents in accordance with this Section, City shall immediately reimburse District for all costs and expenses incurred in conducting such Audit.

5.4 Hazardous Materials, Substances or Waste

The City shall act with reasonable due diligence to prevent the delivery of Unacceptable Wastes, Hazardous Materials, Hazardous Substances, or Hazardous Waste to the District's composting facility. The City program for detection and removal of Hazardous Materials, Hazardous Waste, Hazardous Substances or Unacceptable Waste from Acceptable Waste ("Hazardous Materials Removal Program") is set out in **Exhibit B**, incorporated herein by this reference as if fully set forth herein.

The City shall notify the General Manager of the District, in writing, at least 30-days prior to making any significant modifications in City's Hazardous Materials Removal Program. The District may object to any such modification in writing within 15-days of receipt. The City shall give reasonable consideration to any District objections. The intentional delivery any quantity of Hazardous Waste shall constitute a material breach of this Agreement.

5.5 Emergency Re-Designation of Facility

The District shall have the right to suspend acceptance of Mixed Organic Waste to the District's composting facility at any time for up to 45-days upon the occurrence of a natural disaster or other Uncontrollable Circumstances which affect the ability of the District to accept, under Applicable Law, City's otherwise Mixed Organic Waste at the District's composting facility.

The District will make every reasonable effort to provide advance notice; however, exigent circumstances may require re-designation of Mixed Organic Waste on a temporary basis without prior notice. No adjustments shall be made to the diversion fee of organic waste redirected due to emergency.

5.6 Mutual Aid

In the event of an emergency, the parties may provide mutual aid to one another through the sharing of resources.

5.7 Weights for Payment

Payment shall be based upon weight provided by the Districts' regular vehicle weighing scale system.

6. **REGULATORY COMPLIANCE**

6.1 Applicable Law

Throughout the term of this Agreement the parties shall comply with Applicable Law; and shall obtain and maintain any permits, licenses, or approvals which are required for the performance of the party's respective obligations under this Agreement.

6.2 Compatibility with The Act

The actions of the City in entering into this Agreement shall be compatible with the goals, policies, and agreements of the Source Reduction and Recycling Element(s) (SRREs) of the jurisdiction(s) generating the waste which is accepted in the Landfill.

6.3 Reporting

The City shall supply all information necessary to comply with the District's Diversion and Disposal Reporting System and any other information required by the District to comply with the Act, or any other Applicable Law.

6.4 Recordkeeping and Reporting

Upon the City's request, the District shall provide any and all records and/or reports related specifically to the use of facilities relied upon by the District for performance under this Agreement that have been provided to other governmental agencies, including but not necessarily limited to: County of Monterey, Regional Water Quality Board, Air Quality Management District, or CalRecycle, unless such records are the subject of litigation disclosure or confidentiality agreements, or where disclosure is limited or prohibited in accordance with State or local privacy laws.

6.5 Capacity Assurance

The District warrants that as of the Commencement Date, it has sufficient capacity to process, divert, and dispose of all Mixed Organic Waste throughout the Term, and that it shall maintain that capacity throughout the Term and any extension.

6.6 SB 1383 Requirements

District's performance of services described in this Agreement shall be performed in accordance with those provisions of the SB 1383 regulations, incorporated herein by reference, which specifically pertain to District's Organic Waste Diversion Services under this Agreement and which does not pertain solely to services provided by the City's franchised collector or programs operated by the City.

7. TERMINATION, DEFAULT AND REMEDIES

7.1 Termination for Convenience

Commencing on the first day of the fifth year of this agreement, the District may terminate this Agreement in the event the District has completed its master plan and has implemented new policies, procedures and fees for the processing, diversion, and disposal of Mixed Organic Waste; provided the District has negotiated in good faith with the City to execute a new agreement subject to the new policies, procedures and fees for the processing, diversion, and disposal of Mixed Organic Waste.

7.2 Termination for Cause

Either party may terminate this Agreement for cause for the reasons set forth below. In the case of termination for cause, the terminating party shall not be liable to the non-terminating party for any damages incurred due to early termination, including, but not limited to, consequential damages.

a. Termination for Cause by District

The District may terminate for cause if:

- i. The City delivers waste originating outside the City in excess of 5% (paragraph 5.3).

b. Termination for Cause by City

The City may terminate for cause if the District is unable to accept Mixed Organic Waste for more than 45-days and the parties are unable to reach a mutually acceptable resolution through modification of this Agreement (paragraph 5.5).

c. Termination for Cause by Either Party

Either party may terminate for cause if:

- i. The District is ordered by court of competent jurisdiction to cease providing Organic Waste Diversion Services under the terms and conditions of this Agreement. In such event District

will not be liable for actual or consequential damages due to the inability to provide Organic Waste Diversion Services.

- ii The other party is determined to be in violation of Applicable Law, despite reasonable due diligence.

d. Opportunity for Cure

If either party fails to perform any of its obligations hereunder, that party shall have 30 business days from receipt of written notice of default from the other party within which to cure such default.

7.3 Dispute Resolution

If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall meet and confer in a good faith attempt to resolve the matter between themselves. If a dispute concerns any amounts to be paid to the District by the City, then the City shall pay the amount demanded on time, under protest, notwithstanding that the City has commenced or proposes to commence the dispute resolution procedures specified herein. If a dispute is not resolved by meeting and conferring within a period of thirty (30) days after the first notice of the dispute is received by the non-disputing party, the matter shall be submitted for formal mediation to a mediator mutually agreed upon by the parties. The expenses of such mediation will be shared equally between the parties. If the dispute is not or cannot be resolved by mediation within one-hundred-twenty (120) days after the notice of the dispute is received by the non-disputing party, then either party may pursue any and all available legal and equitable remedies.

8. **GENERAL CONDITIONS**

8.1 Uncontrollable Circumstances

Each party will excuse performance by the other in the event of Uncontrollable Circumstances.

8.2 Indemnification and Hold Harmless

a. Indemnification by City. City and District agree that District, its Board of Directors, officers, employees and agents, shall to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorney's fees, litigation cost, defense cost, court cost or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity

provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the District. City acknowledges that District would not enter into this agreement in the absence of this commitment to indemnify and protect District as set forth herein.

To the full extent permitted by law, the City shall defend, indemnify and hold harmless District, its Board of Directors, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by District, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or willful misconduct of the City or its franchised waste hauler or contractor(s). All obligations under this provision are to be paid by the City as they are incurred by the District.

Without affecting the rights of the District under any provision of this Agreement or this section, the City shall not be required to indemnify and hold harmless District as set forth above for liability attributable to the active negligence of the District, its officers, employees or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the District is shown to have been actively negligent and not in instances where the City, or its franchised waste hauler or contractor(s) are solely or partially at fault or in instances where the District's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the City will be for that portion or percentage of liability not attributable to the active negligence of the District, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

The City shall obtain executed indemnity agreements from its franchised waste hauler and any contractor or any other person or entity involved by, for, with or on behalf of the City in the performance or subject matter of this Agreement. In the event the City fails to obtain such indemnity obligations from others as required here, the City shall be fully responsible according to the terms of this section.

Failure of the District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder and shall survive the termination of this Agreement or this section.

b. Indemnification by District. To the full extent permitted by law, the District shall defend, indemnify and hold harmless the City, its City Council, officers, employees and agents from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees, and any other costs or expenses of any kind whatsoever without restriction or limitation which arise from or are connected with or are caused or claimed to be caused by the sole or active negligence or the willful misconduct of the District. All obligations under this provision are to be paid by the District as they are incurred by the City.

Without affecting the rights of the City under any provision of this Agreement or this section, the District shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the active negligence of the City, its officers, employees, contractors or agents, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City or its franchised waste hauler or contractor(s) are shown to have been actively negligent and not in instances where the District is solely or partially at fault or in instances where the City's active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of the District will be for that portion or percentage of liability not attributable to the active negligence of the City, as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

c. Notice of Claims

A party seeking indemnification shall promptly notify the other party of the assertion of any claim against it for which it seeks to be indemnified, shall give the other party the opportunity to defend such claim, and shall not settle the claim without the approval of the other party. These indemnification provisions are for the protection of the Parties only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection shall survive termination of this Agreement.

8.3 Insurance

a. City's Insurance. City shall require its franchise waste hauler to maintain, and require any of its subcontractors or others hired for this Agreement to maintain, insurance coverage as described hereunder effective the date first written above and such insurance shall remain in full force at all times throughout the full term of this Agreement. Insurers providing coverage as required by this Agreement shall be acceptable to District and must be authorized to do business in the State of California.

Certificates of insurance or other evidence satisfactory to the District shall be furnished in duplicate, evidencing City coverage of Workers' Compensation Insurance, Commercial General Liability, and Comprehensive Auto Liability; such certificates shall show the insurer's name, policy number, limit of coverage, and the period of the policy and cancellation conditions of these specifications. Such certificates shall state that coverage there under shall not be terminated or reduced in coverage until 30 days' written notice is given to General Manager of the District of cancellation or reduction in coverage; allow for severability of interest of District; and be primary and non-contributing with insurance maintained or self-insured by the District.

The District shall be added, by endorsement to the policy for Commercial General Liability, Auto Liability and Employer's Liability coverage, as an additional insured party on the above-described policies, as they pertain to the operations of the named insured performed under this Agreement for the District. The District, as the additional insured party, shall be defined as follows: "Monterey Regional Waste Management District and Agency, its Council, boards and commissions, officers, employees, agents, and volunteers". Entire limits of liability maintained must be certified but in no event shall limits be less than specified herein below:

<u>Coverage</u>	<u>Minimum Limit</u>
Workers' Compensation	Statutory
Employer's Liability	\$1,000,000 per accident or
disease	
Comprehensive General Liability	\$1,000,000 Combined
General Aggregate	\$2,000,000
	Single limit each occurrence
Comprehensive Auto Liability	\$1,000,000 Combined

b. District Insurance. District shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:

i. Limits.

Commercial General Liability – \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.

Automobile Liability – \$1,000,000 combined single limit per accident for bodily injury and property damage (include coverage for hired and non-owned vehicles).

Workers' Compensation – Statutory Limits/Employers' Liability.

General Liability and Auto Liability Limits of Insurance may be satisfied by a combination of primary and umbrella or excess insurance.

ii. Additional Insured. The City, its officers, officials, employees, volunteers, representatives, and agents shall be named as additional insured on all but the workers' compensation coverage.

iii. Said policies shall remain in force through the life of this Agreement and shall be payable on a "per occurrence" basis unless City's Risk Manager specifically consents in writing to a "claims made" basis. For all "claims made" coverage, in the event that the District changes insurance carriers District shall purchase "tail" coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such "tail" or other continuous coverage shall be required at any time that the District changes to a new carrier prior to receipt of any payments due.

iv. The District shall declare all aggregate limits on the required coverage are in place before commencing performance of this Agreement and are available throughout the performance of this Agreement.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice (10 days for non-payment) has been given to the City. If District's insurer refuses to provide this endorsement, District shall be responsible for providing written notice to the City that coverage will be canceled thirty (30) days after the date of the notice or ten (10) days for non-payment.

v. The deductibles or self-insured retentions are for the account of District and shall be the sole responsibility of the District.

vi. District shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on insurance industry forms, provided those endorsements or policies

conform to the contract requirements. All certificates and endorsements are to be received and approved by the City before work commences. "The City reserves the right to review at District's corporate office copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications. The District shall be allowed to redact information that it considers confidential".

The Certificate with endorsements and notices shall be mailed to:

City of Scotts Valley
City Manager
One Civic Center Drive
Scotts Valley, CA 95066

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by City Risk Manager.

vii. The policies shall cover all activities of District, its officers, employees, agents and volunteers arising out of or in connection with this Agreement.

viii. For any claims relating to this Agreement, the District's insurance coverage shall be primary, including as respects City, its officers, agents, employees, and volunteers. Any insurance maintained by City shall apply in excess of, and not contribute to, coverage provided by District's liability insurance policy.

ix. The District shall waive, by evidenced endorsement to the policy, all rights of subrogation against City, its officers, employees, agents, and volunteers.

x. Endorsements. Prior to the Effective Date pursuant to this Agreement, District shall furnish City with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, the City's Risk Manager before work commences.

xi. Renewals. During the Term of this Agreement, District shall furnish City with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf.

xii. Workers' Compensation. District shall provide workers' compensation coverage as required by State law, and prior to the Effective Date pursuant to this Agreement, District shall file the following statement with City:

"I am aware of the provisions of Section 3700 of the Labor Code that require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such

provisions before commencing any services required by this Agreement.

District agrees to include in any subcontract the same requirements and provisions of this Agreement including the indemnity and insurance requirements to the extent they apply to the scope of the Subcontractor's work. Subcontractors hired by District agree to be bound to District and City in the same manner and to the same extent as District is bound to City under the Contract Documents. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of the Contract/Agreement and Insurance Provisions will be furnished to the Subcontractor. The District shall require all Subcontractors to provide a valid certificate of insurance and the required endorsements included in the Agreement prior to commencement of any work and will provide proof of compliance to the City.

The person executing this Certificate on behalf of District affirmatively represents that she/he has the requisite legal authority to do so on behalf of District, and both the person executing this Agreement on behalf of District and District understand that City is relying on this representation in entering into this Agreement.”

8.4 Mixed Organic Waste Origin

City may deliver Mixed Organic Waste collected by City or any other entity under subcontract to City. The District understands and agrees that up to 5% of the City's Mixed Organic Waste delivered to the District's composting facility during any twelve-month period may originate outside the City. Waste originating outside City in excess of the 5% cap, may not be delivered without the express prior written consent of the District's General Manager. All waste delivered must originate from a municipality or district that has implemented a SB1383 diversion program and an approved Household Waste Collection Program and has fully implemented its SRRE.

8.5 Non-Assignment of Agreement

City may not assign this Agreement or any of the rights or obligations under this Agreement without the prior written consent of the District, which may be withheld at the District's sole discretion. Any person or entity to whom this Agreement is assigned shall expressly agree to be bound by all provisions of this Agreement. City will remain liable to District for all obligations under this Agreement notwithstanding any assignment made pursuant to this clause.

8.6 Notices

Any notice required or permitted by this Agreement shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective parties set forth in this Agreement. Any

changes to the respective addresses to which notices may be directed, may be made from time to time by any party by notice to the other party. The present addresses of the parties are:

District	Monterey Regional Waste Management District Attn: General Manager Location for Direct Deliveries and Certified Mail: 14201 Del Monte Blvd., Monterey County, CA 93908 (Physical) P.O. Box 1670, Marina, CA 93933-1670 (Mailing Address)
City	City of Scotts Valley Attn: City Manager One Civic Center Drive Scotts Valley, CA 95066

8.7 Indemnification for Taxes and Contributions

Each party shall exonerate, indemnify, defend, and hold harmless the other (which for the purpose of this paragraph shall include, without limitation, its officers, agents, employees, and volunteers) from and against:

Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect each party's officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

8.8 Non-Discrimination

During and in relation to the performance of this Agreement, both parties agree as follows:

Neither party shall discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship), employment,

upgrading, demotion, or transfer. Both parties agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

8.9 Independent Contractor Status

The District and City have reviewed and considered the principal test and secondary factors for determining independent contractor status and agree that this is an independent contractor arrangement and that neither party is an employee of the other. Each party is responsible for its own insurance (workers' compensation, unemployment, etc.) and all payroll-related taxes. Neither party is entitled to any employee benefits from the other. Each party shall have the right to control the manner and means of accomplishing the result contracted for herein.

8.10. Amendment or Modification

This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration or modification, executed by authorized representatives of both of the parties hereto.

8.11. Further Actions

Each of the parties shall execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to give effect to the terms and conditions of this Agreement.

8.12. Interpretation

This Agreement has been negotiated by and between the general managers and engineers or principals of both parties, all persons knowledgeable in the subject matter of this Agreement, which was then reviewed and drafted by attorneys representing both parties, in joint consultation with both general managers and engineers or principals. Accordingly, any rule of law (including Civil Code §1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

8.13 Captions

Titles or captions of sections and paragraphs contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of it.

8.14 Severability

If any of the provisions of this Agreement are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement, unless this Agreement without the severed provision would frustrate a material purpose of either party in entering into this Agreement.

8.15 Attorneys' Fees and Costs

In the event it should become necessary for either party to enforce any of the terms and conditions of this Agreement by means of court action or administrative enforcement, the prevailing party, in addition to any other remedy at law or in equity available to such party, shall be awarded all reasonable costs and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing party.

8.16 Relationship of Parties

Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between the parties.

8.17 Controlling Law; Jurisdiction

The parties agree that this Agreement and the rights and remedies of the parties hereunder shall be governed by California law. Each party consents to the exclusive jurisdiction of the Superior Court of California in and for the County of Monterey with respect to any dispute which is not otherwise resolved as herein provided and for the enforcement hereof.

8.18 Waiver

No waiver of any right or obligation of either party hereto shall be effective unless made in writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Agreement or any other right at any time shall not be a bar to exercise of the same right on any subsequent or any other right at any time.

8.19 Counterparts

This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute one and the same instrument.

8.20 Entire Agreement

This Agreement constitutes the entire and complete agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates opposite their respective signatures:

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Date: _____ By _____
Chairperson of the Board of Directors

CITY OF SCOTTS VALLEY

Date: _____ By _____
City Manager

ATTEST:

Date: _____ By _____
MRWMD Board Secretary

Date: _____ By _____
City Clerk

APPROVED AS TO FORM:

By _____ Date: _____
District Legal Counsel

By _____ Date: _____
City Attorney

APPROVED AS TO INSURANCE:

By _____ Date: _____
City Risk Manager

EXHIBIT A

CONDITIONS & PROCEDURES FOR DELIVERY OF ACCEPTABLE WASTE BY CITY OF SCOTTS VALLEY TO MONTEREY PENINSULA LANDFILL

1. The City will not deliver any Acceptable Waste to the Landfill after 4:00 P.M. Monday-Saturday except in the case of an emergency, or with prior written approval of the District General Manager or his/her designee.
2. The types of vehicles to deliver Acceptable Waste will be Transfer Trucks or Refuse Collection Packer Trucks only.
3. The City will participate in a Household Hazardous Waste Program that complies with state law.

City delivery vehicles shall proceed to the Districts' regular vehicle weighing scale system upon arrival at the Monterey Peninsula Landfill for all loads accepted. District staff will invoice the City monthly based upon weight provided by the Districts' regular vehicle weighing scale system. Terms of payment will be net 30 day's upon receipt of invoice

EXHIBIT B

CITY HAZARDOUS MATERIALS REMOVAL PROGRAM

MEMO



Discussion/Action Item #:13

Meeting Date: July 22, 2022

To: Board of Directors
From: David Ramirez, Senior Engineer
Approved by: General Manager, Felipe Melchor

Subject: Consider Adoption of the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan

Recommendation

That the Monterey Regional Waste Management District Board of Directors adopt the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan:

- Volume 1: Planning Area Wide Elements and,
- Volume 2: Monterey Regional Waste Management District Annex

Background

Over the past few years Monterey County Officials and the Monterey Regional Waste Management District (MRWMD) have been coordinating an effort to develop an update to the County's Multi-Jurisdictional Hazard Mitigation Plan (MJHMP). This plan covers many types of public agencies ranging from City Governments to Special Districts. MRWMD has not previously been included in previous incarnations of this plan. The current iteration of this plan now includes MRWMD as a participating entity.

The Federal Emergency Management Agency (FEMA) and the California Governors' Office of Emergency Services (Cal OES) have completed a preliminary review of the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan (MJHMP). FEMA and Cal OES have given tentative approval of the plan, pending local adoption. The approval of the plan ensures the Monterey Regional Waste Management District's eligibility and pre-qualification for potential federal pre-and post-disaster funding. The plan includes hazard identification, risk and vulnerability assessments, and mitigation strategies to reduce vulnerability and risk from hazards and reduce the severity of the effects of hazards on people, property, and the environment.

On May 21, 2022 MRWMD Staff offered a presentation to the Board of Directors and the Public regarding the Multi-Jurisdictional Hazard Mitigation Plan and the District's participation.

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Discussion

Monterey County and the Monterey Regional Waste Management District are potentially vulnerable to a wide range of natural and man-made hazards. These hazards can threaten the life and safety of residents and visitors and have the potential to damage or destroy both public and private property and disrupt the local economy and overall quality of life. While the threats from hazard events may never be fully eliminated, there is much that can be done to lessen their potential impact. The purpose of hazard mitigation is to implement and sustain actions that reduce vulnerability and risk from hazards or reduce the severity of the effects of hazards on people, property, and the environment.

The Disaster Mitigation Act (DMA) of 2000 (Public Law 106-390) requires state and local government agencies to prepare comprehensive Hazard Mitigation Plans in order to be eligible to receive pre-and post-disaster mitigation funding from the Federal Emergency Management Agency (FEMA). The DMA also requires the Hazard Mitigation Plan to be monitored, evaluated, and updated within a five-year cycle to remain eligible for disaster related benefits under the DMA.

The 2022 Monterey County Multi-Jurisdictional Local Hazard Mitigation Plan (MJHMP) is a comprehensive update to the 2016 Monterey County Multi-Jurisdictional Hazard Mitigation Plan and represents the third iteration of the Monterey County Multi-Jurisdictional Hazard Mitigation Plan, which was initially adopted in 2007. The planning area for the MJHMP encompasses the entire geographic area of Monterey County and includes the following Participating Jurisdictions: Monterey County, the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, as well as the Monterey County Water Resources Agency, the Carmel Area Wastewater District, Monterey One Water, the Monterey Regional Waste Management District, and the Moss Landing Harbor District.

The 2022 update to the MJHMP was developed by the MJHMP Steering Committee, made up of participants from the County and Participating Jurisdictions. The Steering Committee served as an advisory body on hazard and mitigation action priorities both for the County as a whole and each jurisdiction individually, with Monterey County Office of Emergency Services as the Planning Lead. The Monterey County MJHMP:

- Provides an explanation of prevalent hazards within the County and describes how hazards may affect the County and participating jurisdictions differently based upon various relationships to natural hazards.
- Includes a discussion of hazard location, size of a typical event, historical occurrences, and the probability of future occurrences for each identified hazard.
- Identifies risks to vulnerable assets, both people and property.
- Provides a mitigation strategy that responds to the identified vulnerabilities within each community and provides prescriptions or actions to achieve the greatest risk reduction based upon available resources.
- Pools resources from throughout the County and creates a uniform local hazard mitigation plan that can be consistently implemented.
- Ensures eligibility for Federal Emergency Management Agency (FEMA) and Cal OES grants



The Monterey Regional Waste Management District Annex provides specific details on the District's planning process, a District specific risk and vulnerability assessment, and a mitigation strategy that responds to the identified vulnerabilities within to achieve the greatest risk reduction based upon available resources.

The plan underwent review by the County and Participating Jurisdictions, the general public (Review period occurred from December 2021 to March 2022) and received Approval Pending Adoption from FEMA on June 14, 2022.

Other Agency Involvement:

The Multi-Jurisdictional Hazard Mitigation revision process brought together representatives of involved stakeholder agencies and organizations who could have a role in mitigation planning and implementation of mitigation strategies as identified in the plan. Monterey County, the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, as well as the Monterey County Water Resources Agency, the Carmel Area Wastewater District, Monterey One Water, the Monterey Regional Waste Management District, and the Moss Landing Harbor District participated in the planning and completion of the plan.

Financial Impact

There is no fiscal impact for the adoption of the 2022 MJHMP and its adoption does not change the District's approach to hazard mitigation in staff's planning and design processes. Implementation of the MJHMP will require planning, design, permitting, funding and staff resources as part of the normal process of site development and site improvements. Future funding requests will come before this Board for consideration as part of the regular fiscal year budget process.

Conclusion

It is recommended that the Monterey Regional Waste Management District Board of Directors adopt the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan:

- Volume 1: Planning Area Wide Elements and,
- Volume 2: Monterey Regional Waste Management District Annex

Attachments:

The following Attachments can be downloaded from <https://tinyurl.com/h482x28n>:

- Volume 1: Planning Area Wide Elements
- Volume 2: Monterey Regional Waste Management District Annex

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2022-17

A Resolution of Monterey Regional Waste Management District Adopting the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan

WHEREAS, the federal Disaster Mitigation Act of 2000 requires all cities, counties, and special districts to have adopted a Hazard Mitigation Plan to receive pre-and post-disaster mitigation funding from the Federal Emergency Management Agency (FEMA); and

WHEREAS, a coalition of Monterey County local governments and special districts embarked on a planning process to prepare for and lessen the impacts of specified hazards by updating the Monterey County Multi-Jurisdictional Hazard Mitigation Plan (MJHMP), which is the blueprint for reducing the Operational Area's vulnerability to disasters and hazards; and

WHEREAS, the update to the MJHMP has been prepared in accordance with federal laws, including the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended; Disaster Mitigation Act of 2000, as amended; the National Flood Insurance Act of 1968, as amended; and the National Dam Safety Program Act, as amended; and

WHEREAS, the MJHMP identifies mitigation goals and actions to reduce or eliminate long-term risk to people and property from the impacts of future hazards and disasters; and

WHEREAS, the MJHMP planning partnership completed a coordinated planning process that engaged the public, assessed the risk and vulnerability to the impacts of natural hazards, developed a mitigation strategy consistent with a set of uniform goals and objectives, and created a plan for implementing, evaluating, and revising the strategy; and

WHEREAS, each jurisdiction has been responsible for the review and approval of their individual sections of the Plan and the Plan presents the accumulated information in a unified framework to ensure a comprehensive and coordinated hazard mitigation plan that covers the entire Monterey County Operational Area planning area that is aligned with the goals, objectives and priorities of the State's multi-hazard mitigation plan; and

WHEREAS, the result of the countywide organizational effort is a two volume Hazard Mitigation Plan, which will result in a Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (Cal OES) approved multi-jurisdictional, multi-hazard mitigation plan; and

WHEREAS, the MJHMP has been reviewed by the California Governor's Office of Emergency Services (Cal OES) and FEMA, Region IX, and have approved it contingent upon its official adoption by the participating governing bodies; and

WHEREAS, adoption of the Plan will allow the jurisdictional partners to collectively and individually become eligible to apply for hazard mitigation project funding and demonstrates its commitment to hazard mitigation and achieving the goals outlined in the Monterey County Multi-Jurisdictional Hazard Mitigation Plan.

WHEREAS, the Monterey Regional Waste Management District property is vulnerable to natural hazards that may result in loss of life and property, economic hardship, and threats to the public health and safety; and

WHEREAS, Monterey Regional Waste Management District anticipates changes in the environment may exacerbate the severity, frequency, and impacts of natural hazards; and

WHEREAS, pro-active mitigation of known hazards before a disaster event can reduce or eliminate long-term risk to life and property; and

NOW, THEREFORE, BE IT RESOLVED that the Monterey Regional Waste Management District, finds this action exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262 (feasibility and planning studies) and Section 15061(b)(3) (common sense exemption).

BE IT FURTHER RESOLVED that the Monterey Regional Waste Management District, hereby adopts the 2022 Monterey County Multi-Jurisdictional Hazard Mitigation Plan, consisting of Volume 1 in its entirety and Monterey Regional Waste Management District's Annex in Volume 2.

BE IT FURTHER RESOLVED that the Monterey Regional Waste Management District directs staff to:

1. Use the Plan to guide pre-and post-disaster hazard mitigation.
2. Pursue implementation of the identified mitigation actions subject to the limitations of available of funding and staff.
3. Coordinate the strategies in the plan with other planning programs and mechanisms under its jurisdictional authority.
4. Continue support of ongoing countywide mitigation efforts.
5. Continue to participate in the regional planning partnership as described by the MJHMP.

MEMO



Discussion/Action Item #: 15

Meeting Date: July 22, 2022

To: Board of Directors
From: Director of Finance and Administration, Helen Rodriguez
Approved by: General Manager, Felipe Melchor

Subject: Employee and Retiree Dumping Privileges

Recommendation

Staff request that the Board consider and approve the revised Employee and Retiree Dumping Privileges policy (Policy).

Background

Attached is the Policy as revised on September 2019 (Attachment A)

Discussion

On the June 22, 2022, the Board discussed the Policy and requested that it be reviewed by the Personnel Committee. The Personnel Committee met on July 1, 2022, discussed the Policy, and recommended the attached revision be approved by the Board (Attachment B - red-lined draft and Attachment C – clean proposed revised Policy).

Financial Impact

There is no financial impact associated with this Policy.

Conclusion

Staff request that the Board consider and approve the revised Employee and Retiree Dumping Privileges policy as discussed and recommended by the Personnel Committee.

Attachments:

- A – Employee and Retiree Dumping Privileges Policy – revised September 2019
- B – Red-lined draft revision of Policy
- C – Clean draft version of Policy

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9.6 Employee Dumping Privileges

Revised: Sept 2019

Active employees (currently working and/or on paid leave) and former employees who have retired from the District with at least five years of service can dispose of their own household waste without paying tipping fees. This includes waste brought by contractors who are working on the employee's residence, provided the employee has made prior arrangements with the Scales staff. This privilege can be revoked if the employee abuses the policy by disposing, without fees, waste that is not generated from their own household.

If the load weighs over 100 lbs., the vehicle must be weighed at the scale. If the load is less than 100 lbs., the employee can stop in the right lane and enter the scale house directly without waiting in line to be weighed. In either case, the weighmaster will need to record information about the load including the origin of the waste for official records. The weighmaster may inspect the load.

9.6 Employee Dumping Privileges

DRAFT: 7/2022

PURPOSE: The Employee Dumping Privilege is an employee perk that allows for the disposal of household garbage generated by the employee at the employee's primary residence only and that is in excess of, or would not qualify for, the employee's regular residential garbage pick-up by the garbage hauling service provider. This privilege is not intended to, and shall not, replace the weekly garbage collection services that are required of all residential garbage hauling services. It is intended for the uncommon circumstance of excess household garbage that might occur around a holiday, Spring cleaning or in association with an employee's home improvement project. This limited employee privilege is solely for the qualified employee for excess waste generated at the employee's primary residence and is not transferrable to any other person nor any other location under any circumstance.

Active employees (currently working and/or on paid leave), and former employees who have retired from the District with at least five years of service and are receiving CalPERS retirement benefit, ~~can~~ may dispose of their own household waste generated at their place of primary residence without paying tipping fees a maximum of twelve (12) loads per year. ~~once per month (e.g., 12 per year).~~ ~~12 loads per calendar year.~~ This includes waste brought by contractors who are working on the employee's primary residence, provided the employee has ~~made prior arrangements~~ informed the lead and Accounting Manager or designee ~~in advance in writing.~~ ~~with the Scales staff.~~

An employee may request an exception to ~~once per month~~ the disposal limit for major remodel or renovation work performed at employee's primary residence ~~home that requires more than the maximum disposal loads.~~ To request an exception, employee must submit a written request to the ~~lead Scales and~~ Accounting Manager or designee, identifying reason for exception request and supporting documentation. ~~-If the exception is approved, Accounting Manager will provide written confirmation of approval, which must be presented to scales attendant at time of disposal.~~

~~If the load weighs over 100 lbs., the vehicle must be weighed at the scale. If the load is less than 100 lbs., the employee can stop in the right lane and enter the scale house directly without waiting in line to be weighed. In either case, the weighmaster will need to record information about the load including the origin of the waste for official records. The weighmaster may inspect the load.~~

All employee loads must be weighed at the scale and the following information must be recorded by the scales attendant at that time: full name of employee or eligible retiree, load type and origin of waste, vehicle license plate, and name and drivers' license of person delivering load. Retirees

must also provide their phone number to the scale attendant either by themselves or by the driver delivering the load.

This privilege ~~can~~will be revoked if the employee abuses the policy by disposing, without fees, waste that is not generated from their own household and the employee shall be subject to disciplinary action and a possibility of termination. Random and annual audits will be conducted to monitor for abuse.

End of policy.

9.6 Employee Dumping Privileges

DRAFT: 7/2022

PURPOSE: The Employee Dumping Privilege is an employee perk that allows for the disposal of household garbage generated by the employee at the employee's primary residence only and that is in excess of, or would not qualify for, the employee's regular residential garbage pick-up by the garbage hauling service provider. This privilege is not intended to, and shall not, replace the weekly garbage collection services that are required of all residences. It is intended for the uncommon circumstance of excess household garbage that might occur around a holiday, Spring cleaning or in association with an employee's home improvement project. This limited employee privilege is solely for the qualified employee for excess waste generated at the employee's primary residence and is not transferrable to any other person nor any other location under any circumstance.

Active employees (currently working and/or on paid leave), and former employees who have retired from the District with at least five years of service and are receiving CalPERS retirement benefit, may dispose of their own household waste generated at their place of primary residence without paying tipping fees a maximum of twelve (12) loads per year. This includes waste brought by contractors who are working on the employee's primary residence, provided the employee has informed the lead Accounting Manager or designee in advance in writing. An employee may request an exception to the disposal limit for major remodel or renovation work performed at employee's primary residence. To request an exception, employee must submit a written request to the Accounting Manager or designee, identifying reason for exception request and supporting documentation. If the exception is approved, Accounting Manager will provide written confirmation of approval, which must be presented to scales attendant at time of disposal.

All employee loads must be weighed at the scale and the following information must be recorded by the scales attendant at that time: full name of employee or eligible retiree, load type and origin of waste, vehicle license plate, and name and drivers' license of person delivering load. Retirees must also provide their phone number to the scale attendant either by themselves or by the driver delivering the load.

This privilege will be revoked if the employee abuses the policy by disposing, without fees, waste that is not generated from their own household and the employee shall be subject to disciplinary action and a possibility of termination. Random and annual audits will be conducted to monitor for abuse.

End of policy.

MEMO



Staff Reports Item #: 16

Meeting Date: July 22, 2022

To: Board of Directors
From: Director of Engineering and Compliance, Guy R. Petraborg
Approved by: General Manager, Felipe Melchor

Subject: Approve Funding of Capital Reserves

Recommendation

That the Board approve designated bank accounts for, and funding of, both the Capital Equipment Reserve and the Capital Infrastructure Reserve consistent with the Capital Reserve Policy adopted in June 2022.

Background

Reserves are essential to ensuring fiscal responsibility, a key organizational goal of the District. The Reserves can also provide the savings necessary to balance budgets during periods of fiscal constraint, allow for emergency preparedness, assist in maintaining stable solid waste service rates, provide for a well-maintained infrastructure, and demonstrate a commitment to investing in the future. Maintaining reserves can support the organization's credit rating and periodic debt borrowing capacity. The Government Finance Officers Association recommends that organizations adopt a policy governing the amount of resources to be held in reserve and the conditions under which those reserves can be used. A reserve policy is central to a strategic, long-term approach to financial management for the District. In June 2022, the Finance Committee recommended adoption, and the Board of Directors approved, a Capital Reserve Policy (Policy) that for the first time established both a Capital Equipment Reserve and a Capital Infrastructure Reserve. The Policy is presented in Attachment A.

Discussion

The June 2022 Policy established both a Capital Equipment Reserve and a Capital Infrastructure Reserve. The Policy provides methodologies for staff to use as a basis to make the funding recommendations to the Board for each capital reserve. The Board has the role to consider and approve the funding of the capital reserves and has the discretion to determine the amount of annual funding of the capital reserves, either consistent with or independent of the funding amounts determined by the Policy methodologies.

The Policy provides guidance that the annual funding for the Capital Equipment Reserve be determine for capital equipment in excess of \$100,000 based on its replacement cost and remaining asset life. Attachment B presents a listing of the Capital Equipment Plan for equipment with replacement costs in excess of \$100,000 and the annual funding of the Capital Equipment Reserve for both FY 2021/22 and FY 2022/23 for each of those pieces of equipment. . Based on

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the Policy, it was determined that the annual Capital Equipment Reserve funding for FY 2021/22 and FY 2022/23 were \$891,330 and \$891,330, respectively. A combined total of \$1,782,660 for the two fiscal years for the Board to consider and approve as the initial funding contribution to the newly established Capital Equipment Reserve.

The Policy provides guidance that the annual funding for the Capital Infrastructure Reserve be determine for capital projects in excess of \$1,000,000 in the fiscal year's capital plan and based on a 10% contribution rate. Attachment C presents a listing of the capital projects that are in excess of \$1,000,000 and the annual funding of the Capital Infrastructure Reserve for both FY 2021/22 and FY 2022/23 for each of those projects. Based on the Policy, it was determined that the annual Capital Infrastructure Reserve funding for FY 2021/22 and FY 2022/23 were \$566,000 and \$1,165,000, respectively. A combined total of \$1,731,000 for the two fiscal years for the Board to consider and approve as the initial funding contribution to the newly established Capital Infrastructure Reserve.

Financial Impact

There is no financial impact associated with funding the capital reserves in accordance with the Policy. The capital reserves are funded by transferring funds from the District's Cash Balance (an undesignated account) to each of the designated capital reserve accounts. Staff requests that the Board approve the setup of two bank accounts: one designated for Capital Equipment Reserve funds and the other for Capital Infrastructure Reserve funds. The District's Investment Policy, as approved by the Board, will be used by staff for management of these two bank accounts. Establishing the two designated bank accounts for these capital reserves and providing an initial funding of reserves for both FY 2021/22 and FY 2022/23 was discussed with the Finance Committee on July 6, 2022. The Finance Committee recommended that the designated bank accounts be established, and the reserves be funded for both fiscal years.

Conclusion

Staff request that the Board approve designated bank accounts for, and funding of, both the Capital Equipment Reserve and the Capital Infrastructure Reserve consistent with the Capital Reserve Policy adopted in June 2022 and the Finance Committee's recommendation of July 6, 2022, that the reserves be initially funded for both FY 2021/22 and FY 2022/23.

Attachments:

- A – Capital Reserve Policy – June 2022
- B – Capital Equipment Reserve Funding Basis
- C – Capital Infrastructure Reserve Funding Basis



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

RESERVE POLICY

Adopted by Board of Directors on June 17, 2022

This Policy replaces the previous Board approved policy of November 2002 as amended in February 2009.

Reserves are essential to ensuring fiscal responsibility, a key organizational goal of the District. They can also provide the savings necessary to balance budgets during periods of fiscal constraint, allow for emergency preparedness, assist in maintaining stable solid waste service rates, provide for a well-maintained infrastructure, and demonstrate a commitment to investing in the future. The Government Finance Officers Association recommends adopting a policy governing the amount of resources to be held in reserve and conditions under which those reserves can be used. A reserve policy is central to a strategic, long-term approach to financial management.

This Reserve Policy defines that the District maintains reserves in three designated categories: an Operating Reserve, a Capital Equipment Reserve, and a Capital Infrastructure Reserve. These reserves are described below and are considered "unrestricted" funds meaning that they are not encumbered by a third party and can be used for the District based on Board approval of use. Note that the general purpose of a reserve policy is to establish reserve funds to help meet known and estimated future obligations or unknown events causing economic or physical disruption. This policy establishes the level of fund balances and the process whereby funds may be spent. The source of all District funds are tip fee revenue, commodity revenue, and service revenue.

This Policy will be reviewed annually during the budget process to ensure conformance with the District's goals and objectives and compliance with any changes in regulations or standards.

After meeting all normal operating and debt service obligations of the District, the following reserve accounts shall be funded in the order of priority as shown below:

1. Operating Reserve

Purpose

The purpose of the District's Operating Reserve is to ensure that the District will at all times have sufficient funding available to meet annual operating costs. The Operating Reserve serves as a rainy-day fund in the event that revenue or operating expenses are impacted by unexpected occurrences. Operating Reserves will be managed in a manner that allows the District to fund expenses consistent with the annually updated Budget. Adequate reserves, along with other sound financial policies, provide financial flexibility in the event of unanticipated expenditures or revenue fluctuations.

Definitions and Goals

The Operating Reserve is defined as the designated funds set aside by action of the Board of Directors. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The District's goal is to replenish funds used within twelve months to restore the Operating Reserve balance to the target minimum amount. To the extent possible, the District will control operating expenditures and direct budget surpluses to replenish the reserve balance.

Target Reserve Balance

The minimum Operating Reserve balance target is 20% of cash operating expenses, equal to approximately 2.5 months of spending. Cash operating expenses are outlined in the annual budget, identified as all operating expenses less routine non-cash expenses. In a typical year, depreciation & amortization and closure/post closure costs are the largest non-cash operating expenses in the budget.

The target balance will be calculated annually as part of the annual budget process. The Board may choose to set a balance amount above or below the calculated target.

Accounting for Reserve

The Operating Reserve will be recorded in the financial records as a Board designated operating reserve. The Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District. All investment accounts will be managed in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserve

The Operating Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Operating Reserve.

Use of Funds

The use of Operating Reserve funds will be for unanticipated operating costs or revenue shortfalls and for unplanned repairs, improvements and fixed asset acquisitions. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. Requests for reserve funds will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and the reason for the shortfall. The funds can only be used with specific Board approval.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.

2. Capital Equipment Reserve

Purpose

The District's operations are very capital-intensive and can result in significant swings from year to year in the funds required for capital investment. The District has historically funded capital spending using cash generated from operations and, at times, through the use of debt. The purpose of the District's Capital Equipment Reserve is to ensure that cash is available to fund the repair, maintenance, or replacement of the District's mobile equipment most routinely used and replaced capital assets. At this time, the Capital Equipment Reserve is not designed to set aside funds for all future capital equipment investments. Establishing a Capital Equipment Reserve allows the cost of certain capital mobile equipment expenditures to be spread over time rather than impacting just the budget year in which the assets necessary to operate the District are repaired or replaced.

Definitions and Goals

The Capital Equipment Reserve is defined as designated funds set aside by action of the Board of Directors. The reserve can be reviewed and adjusted in response to internal and external changes upon approval of the Board.

The District's goal is to set aside funds for qualified future capital mobile equipment repairs, maintenance, replacement and enhancement of the District's equipment in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

The target balance of the Capital Equipment Reserve will be calculated based on the following methodology:

1. Assets subject to Capital Equipment Reserve contribution: This reserve is designed to provide funding for the heavy mobile equipment used extensively in District operations. This includes dozers, compactors large trucks and other rolling stock identified as Mobile Equipment in the annual Capital Equipment Spending Plan that is included in the budget. Reserves will be established for all such equipment costing \$100,000 or more.
2. Initial Capital Equipment Reserve balance calculation: Develop a schedule of qualifying Mobile Equipment, including estimated replacement cost and years remaining to replacement. Initial reserve balance will be calculated as the total replacement cost times the percentage of life consumed. Example: a 5-year old dozer with a 10 year life and \$400,000 replacement cost would result in a calculated initial reserve balance of \$200,000.
3. Annual update of target balance: Each year the reserve balance is increased by the sum of all annual contributions to the reserve and decreased by the use of reserve funds. Annual contributions are calculated by dividing the total replacement cost of an asset by its estimated useful life. Example: a dozer with a 10-year life and \$400,000 replacement cost would result in a \$40,000 annual contribution to the Capital Equipment Reserve. The balance would be reduced by the amounts spent on scheduled mobile equipment replacements in the year.

The target balance will be calculated annually as part of the annual budget process and maintained in a Capital Equipment Reserve balance schedule. The Board may choose to set a balance amount above or below the calculated target.

Accounting for Reserves

The Capital Equipment Reserve will be recorded in the financial records as a Board designated operating and capital improvement reserve. The Capital Equipment Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District. All investment accounts will be in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Capital Equipment Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Capital Equipment Reserve.

Use of Funds

The use of the Capital Equipment Reserve will be for the maintenance, repair or replacement of qualified capital mobile equipment assets unless otherwise specifically directed in writing by Board approval. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. The funds can only be used with specific Board approval. Reserve fund requests will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and a description of the capital asset. Use of Capital Equipment Reserve funds for another specific purpose may also be requested and approved by the Board during the budget process, at the discretion of the Board.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.

3. Capital Infrastructure Reserve

Purpose

The District's disposal and recycling operations are very capital-intensive and can result in significant swings from year to year in the funds required for capital investment. The District has historically funded capital spending using cash generated from operations and, at times, through the use of debt. The purpose of the District's Capital Infrastructure Reserve is to ensure that cash is available to fund new or replacement infrastructure and reduce the magnitude of debt associated with major infrastructure funding. At this time, the Capital Infrastructure Reserve is not designed to set aside funds for all future capital investments. Establishing a Capital Infrastructure Reserve allows the cost of certain capital expenditures to be spread over time rather than impacting just the budget year in which the infrastructure assets necessary to operate the District are constructed or replaced.

Definitions and Goals

The Capital Infrastructure Reserve is defined as designated funds set aside by action of the Board of Directors for capital infrastructure improvements. The reserve can be reviewed and adjusted in response to internal and external changes upon approval of the Board.

The District's goal is to set aside funds for qualified future capital infrastructure repairs, maintenance, replacement and enhancement of the District's infrastructure in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

The target balance of the Capital Infrastructure Reserve will be calculated based on the following methodology:

1. Assets subject to Capital Infrastructure Reserve contribution: This reserve is designed to provide funding for capital infrastructure required in District operations. This includes buildings, roads, landfill base liner systems, environmental control systems, waste processing facilities, fixed equipment, and other major infrastructure identified in the annual Capital Infrastructure Spending Plan that is included in the budget. Reserves will be established for all such infrastructure projects costing \$1,000,000 or more.

2. Initial Capital Infrastructure Reserve balance calculation: Develop a schedule of qualifying capital infrastructure from the fiscal year budget plan. Initial reserve balance will be calculated as the total capital infrastructure budget amount multiplied by ten percent (10%). Example: a fiscal year budgeted capital infrastructure amount of \$4,750,000 would result in a calculated initial reserve balance of \$475,000.
3. Annual update of target balance: Each year the reserve balance is increased by the sum of all annual contributions to the reserve and decreased by the use of any reserve funds. Annual contributions are calculated as the total capital infrastructure budget amount for that fiscal year multiplied by ten percent (10%). Example: a \$5,400,000 capital infrastructure budget cost would result in a \$540,000 annual contribution to the Capital Infrastructure Reserve. The balance would be reduced by any Board approved amounts withdrawn from the reserve account in the year.

The target balance will be calculated annually as part of the annual budget process and maintained in a Capital Infrastructure Reserve balance schedule. The Board may choose to set a balance amount above or below the calculated target, or by changing the ten percent contribution rate factor used herein.

Accounting for Reserves

The Capital Infrastructure Reserve will be recorded in the financial records as a Board designated capital infrastructure improvement reserve. The Capital Infrastructure Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District. All investment accounts will be in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Capital Infrastructure Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Capital Infrastructure Reserve.

Use of Funds

The use of the Capital Infrastructure Reserve will be for the capital maintenance, repair or replacement of qualified capital infrastructure assets. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. The funds can only be used with specific Board approval. Reserve fund requests will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and a description of the capital asset. Use of Capital Infrastructure Reserve funds for another specific purpose may also be requested and approved by the Board during the budget process, at the discretion of the Board.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.

ATTACHMENT B

July 22, 2022 Board Meeting

Capital Equipment Reserve - Proposed Funding Amounts

Description	Equipment Name	Dept	Model Year	Asset Life (years)	FY 21/22	FY 22/23	TOTALS (\$000)
D6R Dozer	LF06	LFO	1999	12	50.83	50.83	101.66
John Deere 6415 Ag Tractor	LF18	LFO	2006	10	22.5	22.5	45.00
CAT 740 Articulated Haul Truck	LF12	LFO	2002	15	60.0	60.0	120.00
D9T Dozer --> D8	LF16	LFO	2005	12	100.0	100.0	200.00
627G Scraper -> articulating ejector truck	LF02	LFO	2001	15	60.0	60.0	120.00
D8T Dozer	LF26	LFO	2016	10	128.0	128.0	256.00
836K Compactor	LF27	LFO	2016	12	106.7	106.7	213.40
Volvo Roll Off	MR37	MRF	2009	15	24.7	24.7	49.40
Volvo Roll Off	MR38	MRF	2009	15	24.7	24.7	49.40
324DL Excavator	MR43	MRF	2011	12	41.7	41.7	83.40
966K Wheel Loader	MR46	MRF	2012	10	57.5	57.5	115.00
IHC Semi Truck	MR44	MRF	2008	15	17.7	17.7	35.40
IHC Semi Truck	MR45	MRF	2008	15	17.7	17.7	35.40
Clark C50SL - 10K Propane Forklift	MR47	MRF	2013	7	19.3	19.3	38.60
CAT GPC50N Forklift	MR49	MRF	2016	7	19.3	19.3	38.60
GP30N Forklift	MR50	MRF	2017	7	N/A	N/A	0.00
GP30N Forklift	MR50	MRF	2017	7	N/A	N/A	0.00
Sterling Service Truck	SH07	SHO		15	16.7	16.7	33.40
Volvo Water Truck	SI58	SIT	2010	15	24.7	24.7	49.40
725 Water Truck		SIT	2008	15	85.0	85.0	170.00
CAT GP25N forklift --> GP30N	LC17	LC	2016	7	14.3	14.3	28.60
Total (k\$)					891.33	891.33	1,782.66

1. Mobile Equipment Capital Spending Plan of 6-16-2022

ATTACHMENT C

July 22, 2022 Board Meeting

Capital Infrastructure Reserve Proposed Funding Amounts

Description	FY 21/22	FY 22/23	TOTALS (\$000)
Admin Building CAPEX Upgrades			
LFGTE Facility CAPEX Upgrades			
M1W - AWPf Medium Voltage Project		2,500	2,500
Compost Site - CASP (ORG 4) Project	2,500	500	3,000
Module 7 Development	2,000	6,500	8,500
Module 8 Development			
Module 9 Development			
Storm Water Management			
MRF C&D Tip Pad - external area			
Road Paving CAPEX	1,160	2,150	3,310
Total (k\$)	5,660	11,650	17,310

Annual Contribution to Reserve @ 10%	566	1,165	1,731
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1. Capital Infrastructure Spending Plan of 6-16-2022

MEMO



Discussion/Action Item #: 17

Meeting Date: July 22, 2022

To: Board of Directors
From: Jay Ramos, Director of Operations
Approved by: General Manager, Felipe Melchor

Subject: Purchase of One New Caterpillar 2EP10000 Electric Forklift from Quinn Company of Salinas, CA in the amount of \$134,392.56.

Recommendation

That the Board of Directors 1) Adopt Resolution 2022-18 (attached) authorizing the purchase of one new Caterpillar 2EP10000 Forklift, using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); and 2) Accept the proposal (attached) by Quinn Company of Salinas, CA, dated June 2, 2022, to provide a Caterpillar 2EP10000 Electric Forklift for a total price of \$ 134,392.56. Price includes sales tax, freight.

Background

Staff is looking to replace the MR47 forklift, an older piece of equipment used in daily operations. The District operates a small fleet of MRF equipment utilized for various activities throughout the Site. Phasing out of the Off-Road Equipment not powered by a Tier 4 Final diesel engine is required to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026.

Unit MR47 is a 2013 Clark C50SL forklift with a Tier 1 engine. This forklift, with 10,524 hours of operation, has reached the end of its useful life for the District. The movement of bales within the recycling plant is part of the MRF daily routine. Funds in the amount of \$134,392.56 are approved FY 2022/23 Capital Outlay Budget for this purchase.

Discussion

MRF Equipment not powered by Tier 4 Final diesel engine are required to be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommends replacing unit MR47, a 2013 Clark C50SL forklift (Tier 1 engine), with a new Caterpillar 2EP10000 Electric Forklift.

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

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Let's not waste this.



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 \$134,392.56 are in the FY 2022/23 Capital outlay portion of the budget for this purchase.

Strategic Plan

The purchase of this new Caterpillar Equipment is not related to the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations and provides the District with effective tools for support of efficient operations.

Conclusion

It is therefore recommended that the Board of Directors:

1) Adopt Resolution 2022-18 authorizing the purchase of new Caterpillar Equipment without competitive bidding using the preferential competitive pricing offered through the Sourcewell program; and 2) Accept proposals by Quinn Company of Salinas, CA, to provide a new Caterpillar 2EP10000 Electric Forklift for a total price of \$ 134,392.56; Estimated delivery of new equipment is currently 1 year from time of order. The Board's approval of this purchases at this time, will secure a production slot for delivery and of this piece of equipment.

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2022-18

**AUTHORIZING THE PURCHASE WITHOUT COMPETITIVE BIDDING OF ONE NEW
CATERPILLAR 2EP1000 UTILIZING THE PREFERENTIAL COMPETITIVE PRICING PROGRAM
OFFERED THROUGH SOURCEWELL (FORMALLY KNOWN AS NATIONAL JOINT POWERS
ALLIANCE, NJPA);**

-oOo-

WHEREAS, the Monterey Regional Waste Management District has a requirement for new MRF equipment purchases a new Caterpillar 2EP10000.

WHEREAS, NJPA 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 Powers Laws (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 help meet the challenging needs of current and future member agencies; and

WHEREAS, when the competitive bidding requirement is satisfied through the NJPA contracts, therefore, such duplication of our own competitive bidding process is not required.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Regional Waste Management District, as follows:

That the Board does hereby authorize the purchases from Sourcewell through Quinn Company of Salinas, CA approving the three proposals by Quinn Company of Salinas, CA, dated June 2, 2022, to provide a Caterpillar 2EP10000 for the total price of \$134,392.56 including sales tax, freight.

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Monterey Regional Waste Management District duly held on July 22, 2022, by the following votes:

AYES:

NOES:

ABSENT:

Jason Campbell, Chair of the Board

ATTEST:

Felipe Melchor
General Manager/Secretary of the Board

MEMO



Discussion/Action Item #: 18

Meeting Date: July 22, 2022

To: Board of Directors
From: Jay Ramos, Director of Operations
Approved by: General Manager, Felipe Melchor

Subject: Purchase of One New Caterpillar 740EJ Ejector Truck from Quinn Company of Salinas, CA for a Total Price of \$1,059,190.58.

Recommendation

That the Board of Directors 1) Adopt Resolution 2022-19 (attached) authorizing the purchase of one new Caterpillar 740EJ Ejector Truck, using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the proposal (attached) by Quinn Company of Salinas, CA, dated June 30, 2022, to provide a Caterpillar 740 Ejector Truck for the total price of \$1,059,190.58. Price includes sales tax, freight and is not subject to any future price increases.

Background

Staff is looking to replace LF02 an older piece of equipment used in daily operations. The District operates a small fleet of Off-Road equipment utilized for various activities throughout the Site. Phasing out of the Off-Road Equipment not powered by a Tier 4 Final diesel engine is required to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026.

Unit LF02 is a 2001 Caterpillar 627G scraper with a Tier 1 engine. This scraper, with 13,992 hours of operation, has reached the end of its useful life for the District. The movement of sand and dirt during finish work on slopes and other related tasks is part of the daily landfill routine. The Operation and Safety team has recommended transitioning from scrapers to ejector dump trucks. The ejector trucks allow for more flexibility in the daily operation, improve efficiency and are more stable on slopes. Funds in the amount of \$1,059,190.58 are in the FY 2022/23 Capital Outlay Budget for this purchase.

Discussion

Off-Road Equipment not powered by Tier 4 Final diesel engine are required to be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommends replacing unit LF02, a 2001 627G Caterpillar scraper (Tier 1 engine) with new Caterpillar 740EJ dump truck.

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**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 \$1,059,190.58 are in the FY 2022/23 Capital outlay portion of the budget for this purchase.

Conclusion

It is therefore recommended that the Board of Directors:

1) Adopt Resolution 2022-19 authorizing the purchase of new Caterpillar Equipment without competitive bidding using the preferential competitive pricing offered through the Sourcewell program; and 2) Accept proposals by Quinn Company of Salinas, CA, to provide a new Caterpillar D6XE Dozer for a total price of \$ 1,059,190.58; Estimated delivery of new equipment is currently 1 year from time of order. The Board's approval of this purchases at this time, will secure a production slot for delivery and of this piece of equipment.

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2022-19

AUTHORIZING THE PURCHASE WITHOUT COMPETITIVE BIDDING OF ONE NEW CATERPILLAR 740EJ EJECTOR TRUCK UTILIZING THE PREFERENTIAL COMPETITIVE PRICING PROGRAM OFFERED THROUGH SOURCEWELL (FORMALLY KNOWN AS NATIONAL JOINT POWERS ALLIANCE, NJPA);

-oOo-

WHEREAS, the Monterey Regional Waste Management District has a requirement for new heavy equipment purchases a new caterpillar new Caterpillar 740 Ejector Truck.

WHEREAS, NJPA 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 Powers Laws (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 help meet the challenging needs of current and future member agencies; and

WHEREAS, when the competitive bidding requirement is satisfied through the NJPA contracts, therefore, such duplication of our own competitive bidding process is not required.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Regional Waste Management District, as follows:

That the Board does hereby authorize the purchases from Sourcewell through Quinn Company of Salinas, CA approving the three proposals by Quinn Company of Salinas, CA, dated June 30, 2022, to provide a Caterpillar 740 Ejector Truck for the total price of \$1, 059,190.58 including sales tax, freight.

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Monterey Regional Waste Management District duly held on July 22, 2022, by the following votes:

AYES:

NOES:

ABSENT:

Jason Campbell, Chair of the Board

ATTEST:

Felipe Melchor
General Manager/Secretary of the Board

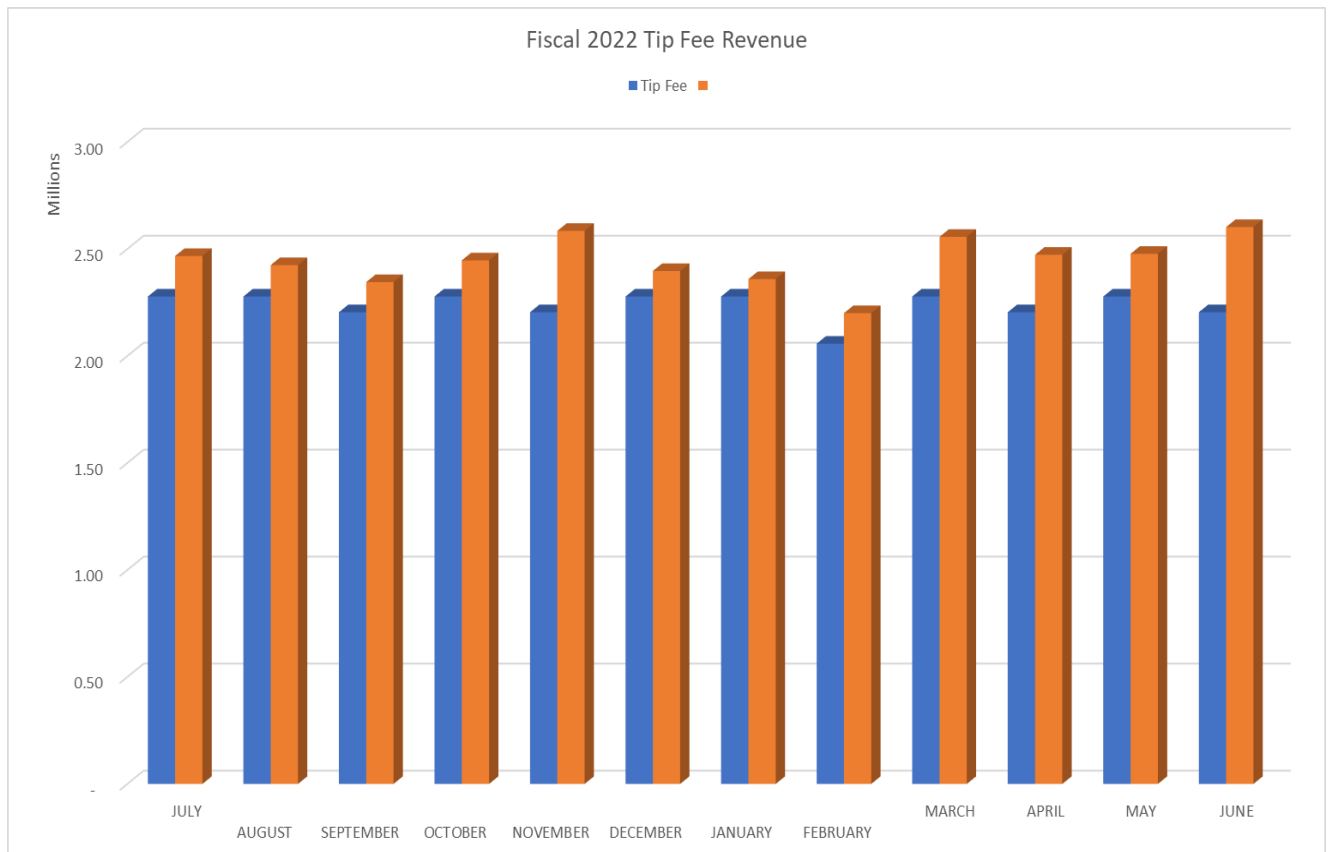
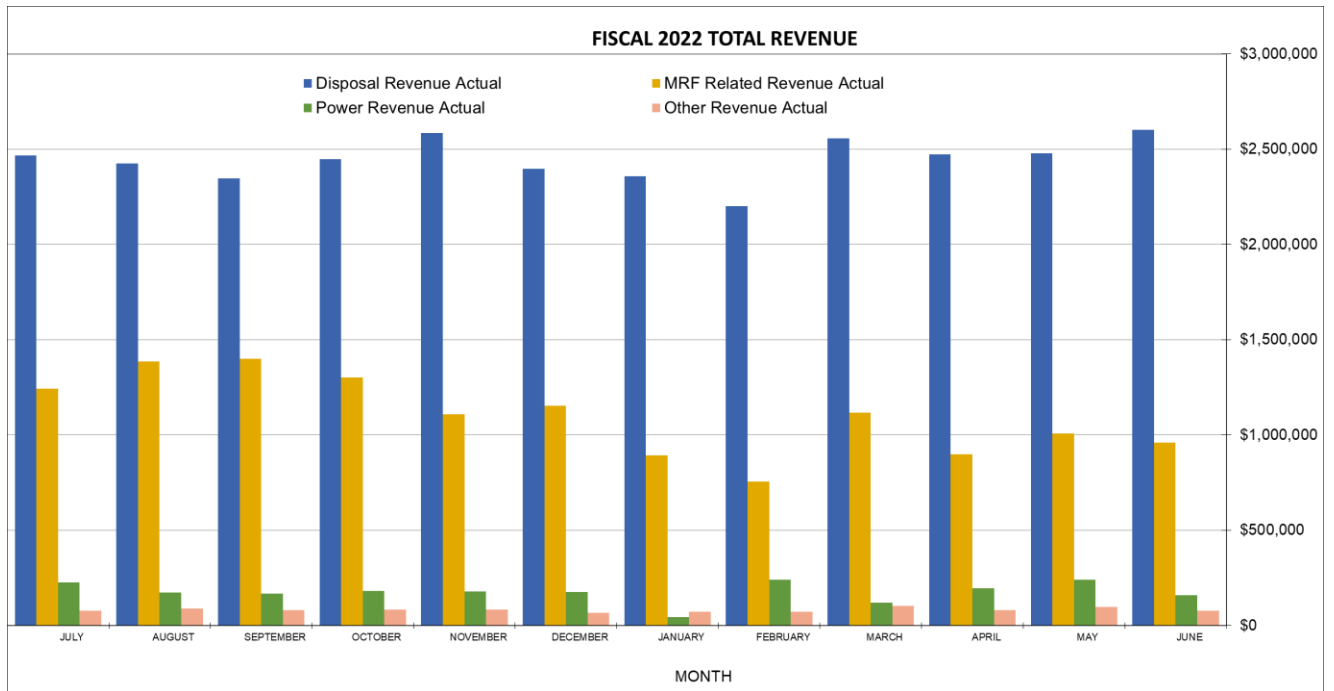
Financial & Operations Review June 2022

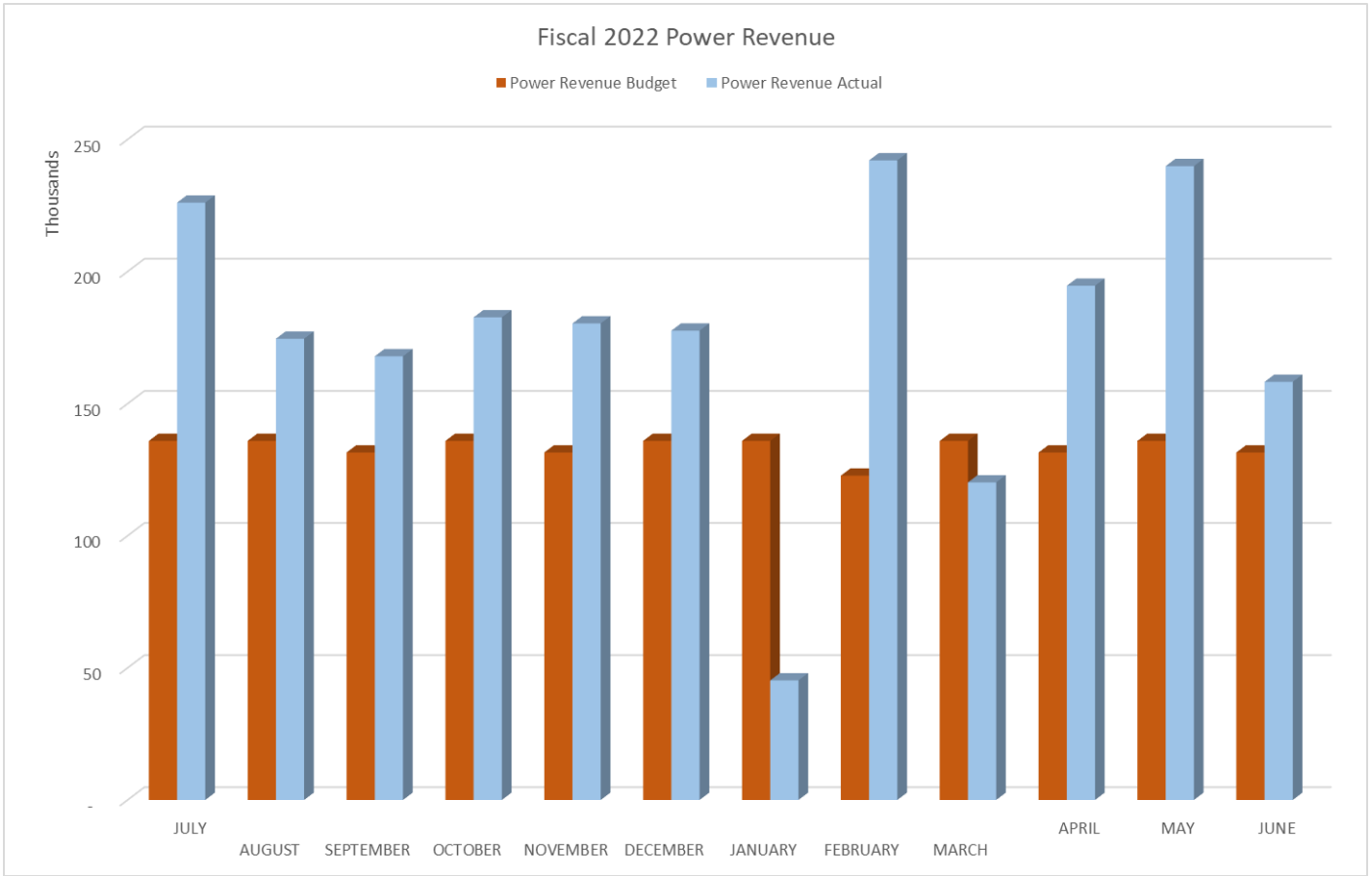
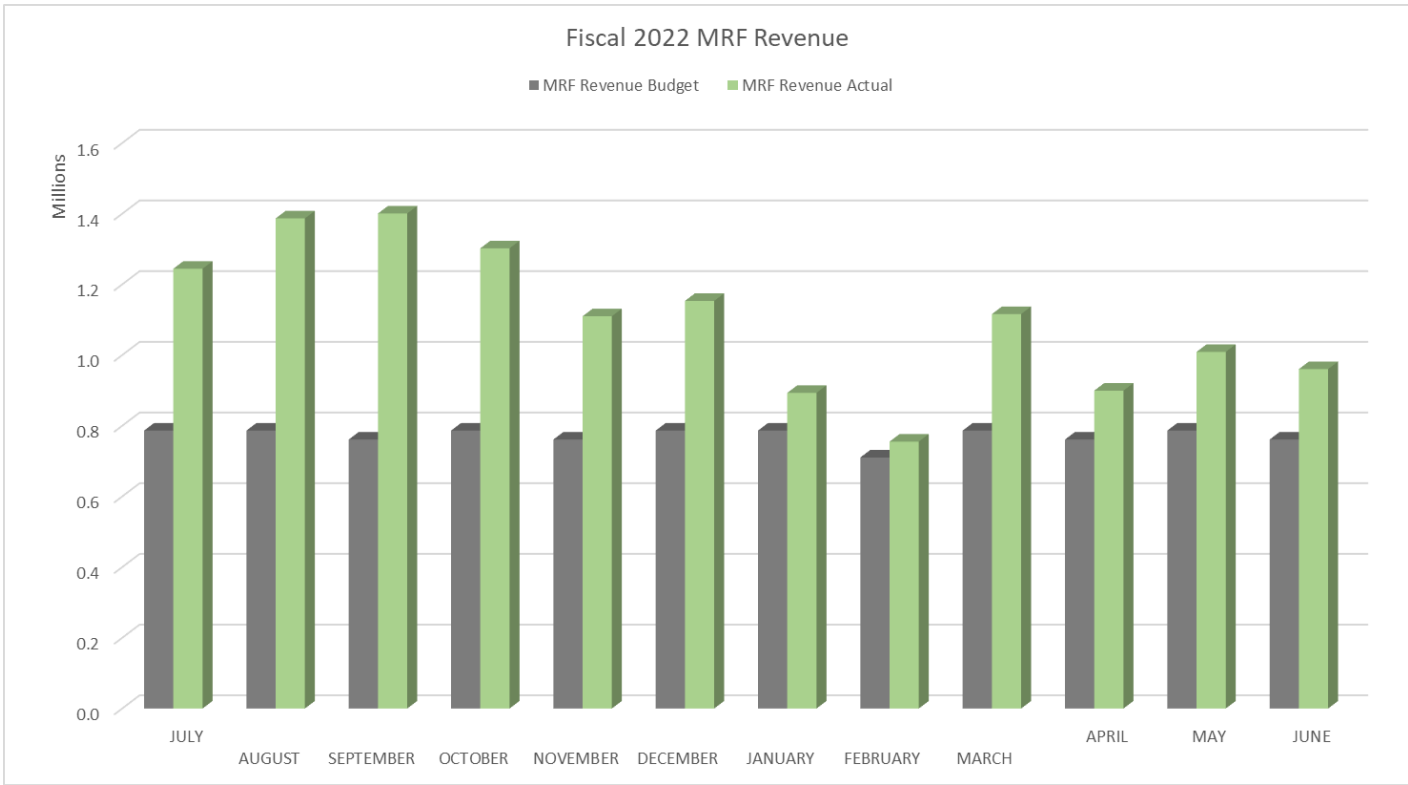
June 2022 and Full Year Operating Results (\$'000)

	June	Month Budget	B/(W) Month	Year to Date	YTD Budget	B/(W) YTD	'21 Year to Date	B/(W) LY YTD
Tip Fees	\$ 2,602,334	\$ 2,204,323	\$ 398,012	\$ 29,334,021	\$ 26,819,257	\$ 2,514,764	\$ 28,374,166	\$ 959,855
Other Sales Revenue	1,197,876	972,740	225,137	16,330,785	11,835,000	4,495,785	14,085,429	2,245,356
* Total Operating Revenues *	3,800,210	3,177,062	623,148	45,664,806	38,654,257	7,010,549	42,459,595	3,205,211
<u>Operating Expenses</u>								
Employment Expenses	1,320,501	1,243,437	(77,064)	15,084,220	15,128,487	44,267	15,933,622	849,401
Other Operating Expense	2,188,078	1,560,305	(627,773)	18,426,750	18,724,340	297,590	18,223,229	(203,521)
Total Operating Expenses	3,508,579	2,803,743	(704,837)	33,510,970	33,852,827	341,857	34,156,850	645,880
Operating Income	291,631	373,320	(81,689)	12,153,836	4,801,430	7,352,406	8,302,745	3,851,091
Non-op Revenues (Expenses)	218,713	(127,276)	345,989	(576,687)	(1,523,886)	947,199	(457,267)	(119,420)
Change in Net Position	\$ 510,344	\$ 246,044	\$ 264,300	\$ 11,577,149	\$ 3,277,544	\$ 8,299,605	\$ 7,845,478	\$ 3,731,672

Revenue

- June tip fee revenue is \$2.6 million and is \$398K or 18.1% over budget and is \$182K or 7.5% higher than June of 2021.
- Permit tonnage received in April is 60.1K tons which is 2.6K tons or 4.5% higher than May.
- Other revenue in April is \$1.2 million and is \$225K or 23.1% over budget. MRF product revenue is \$485K, CRV rebates are \$254K and single stream processing and residual fees are \$246K.
- June total revenue is \$3.8 million which is \$623K or 19.6% over budget and \$7K or 0.3% lower than June 2021.
- Year to date tip fee revenue is \$29.3 million and is \$2.5 million or 9.4% over budget and \$960K or 3.4% higher than last year. Tip fee revenue for the year is 64.2% of total revenue compared to 66.8% in F21.
- Permit tonnage received for the year to date is 663,714 tons and is 30,193 tons or 4.4% lower than 2021.
- Year to date other revenue is \$16.3 million and is \$4.5 million over budget. MRF product revenue is \$6.6 million, CRV revenue is \$4.0 million and single stream processing and residual fees are \$2.6 million. MRF product revenue is \$2.5 million over budget and \$2.4 million higher than 2021. CRV rebates are \$189K or 4.5% lower than 2021.
- Total revenue for the year is \$45.7 million which is \$7.0 million or 18.1% over budget and \$3.2 million or 7.2% higher than 2021.





Operating Expenses & Net Income

June

- Employment expense is \$1.3 million and is \$77K or 9.6% over budget. The overspend is primarily due to the employee bonus and comp time pay outs paid in June.
- Environmental services are \$192K over budget in June due to the cost of the material used for air quality monitoring.
- Fuel costs are \$110K over budget due to the impact of rising fuel prices.
- Recycling services are \$308K over budget in June due to a catch up of word waste and food waste processing costs.
- Office expense is \$36K over budget due to higher administrative related costs.
- Repair and maintenance costs are \$28K over budget primarily due to repair costs of the power generating machinery.
- Total operating expense for the month is \$3.5 million and is \$705K or 25.1% over budget.
- Nonoperating revenue includes a payment of \$300K from PG&E relating to the termination of the natural gas agreement with PG&E.
- Net income for the month is \$510K and is \$264K over budget.

2022 Full Year

- Employment expense for F2022 is \$15.1 million and is \$44K or 0.3% under budget.
- Fuel costs are \$478K over budget due to rising fuel prices throughout the year.
- Office expense is \$454K and is \$173K over budget. The overspend is primarily due to higher administrative and communications related costs.
- Recycling service costs are \$1.9 million and are \$364K over budget. The overspend is due to a higher volume of material being processed during the year and an increase in processing fees because of the impact of SB1383.
- Repairs and maintenance costs are \$3.4 million and are \$198K over budget. The overspend is primarily due to higher maintenance costs relating to the power generating machines, \$348K over budget and higher partially offset by lower other site equipment maintenance costs.
- Total operating expense for the year is \$33.5 million and is \$342K or 1.0% under budget.
- Net income for the year is \$11.6 million and is \$8.3 million above budget and \$3.7 million higher than F2021.

Fiscal 2022 Capital Spending

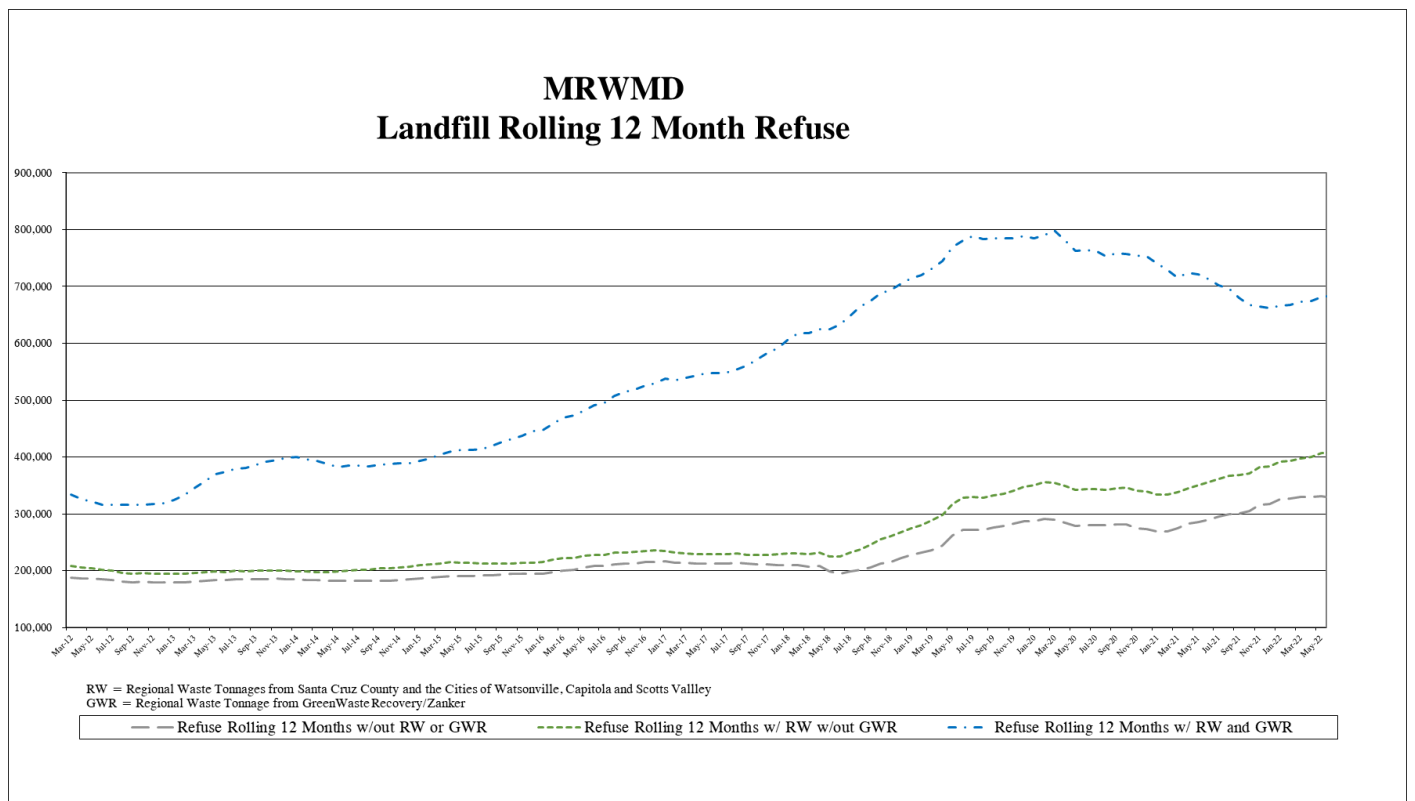
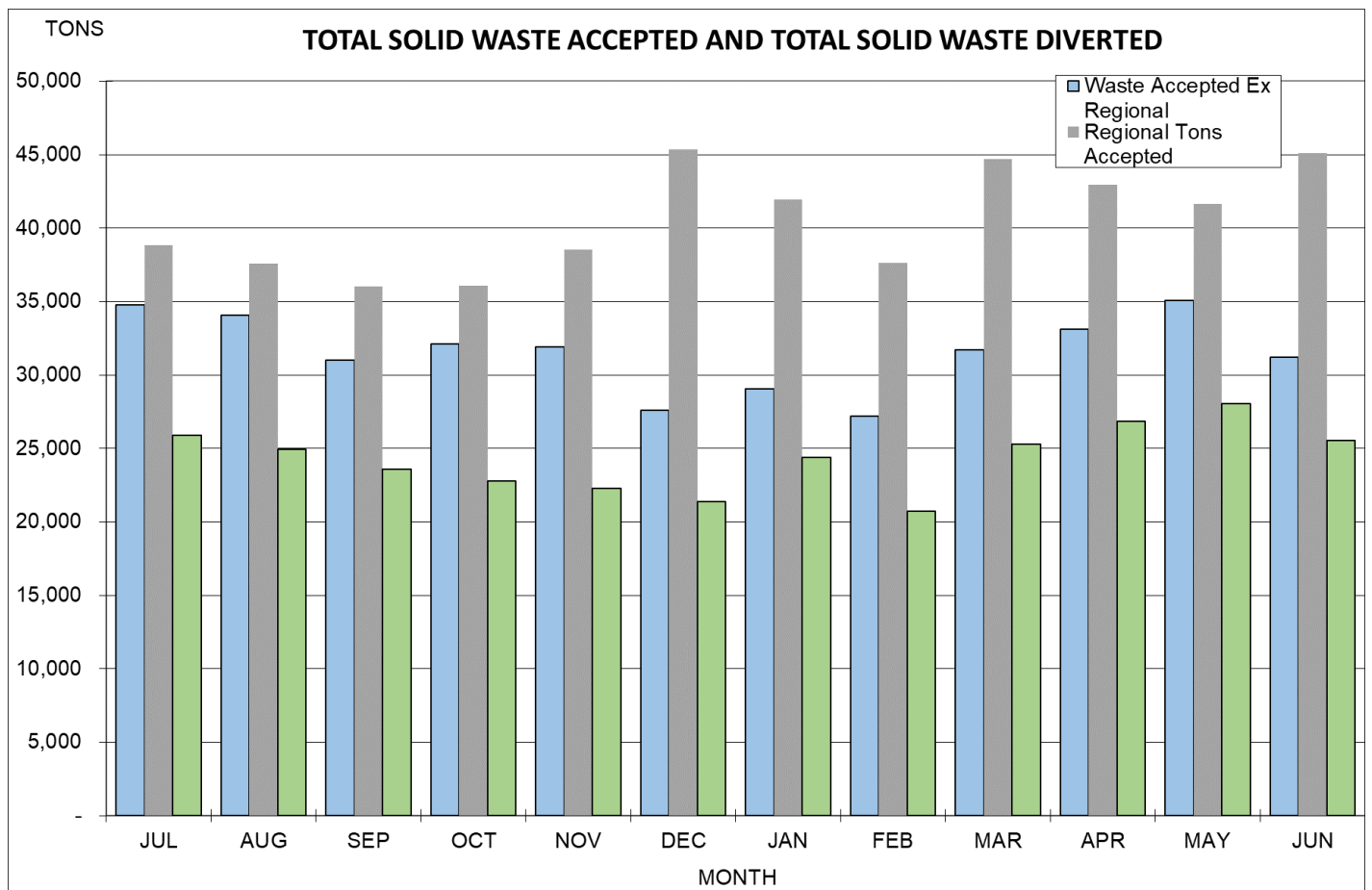
Facilities	\$ 2,414,520
Module development	1,879,521
Equipment	775,137
	<u>\$ 5,069,179</u>

Cash Position

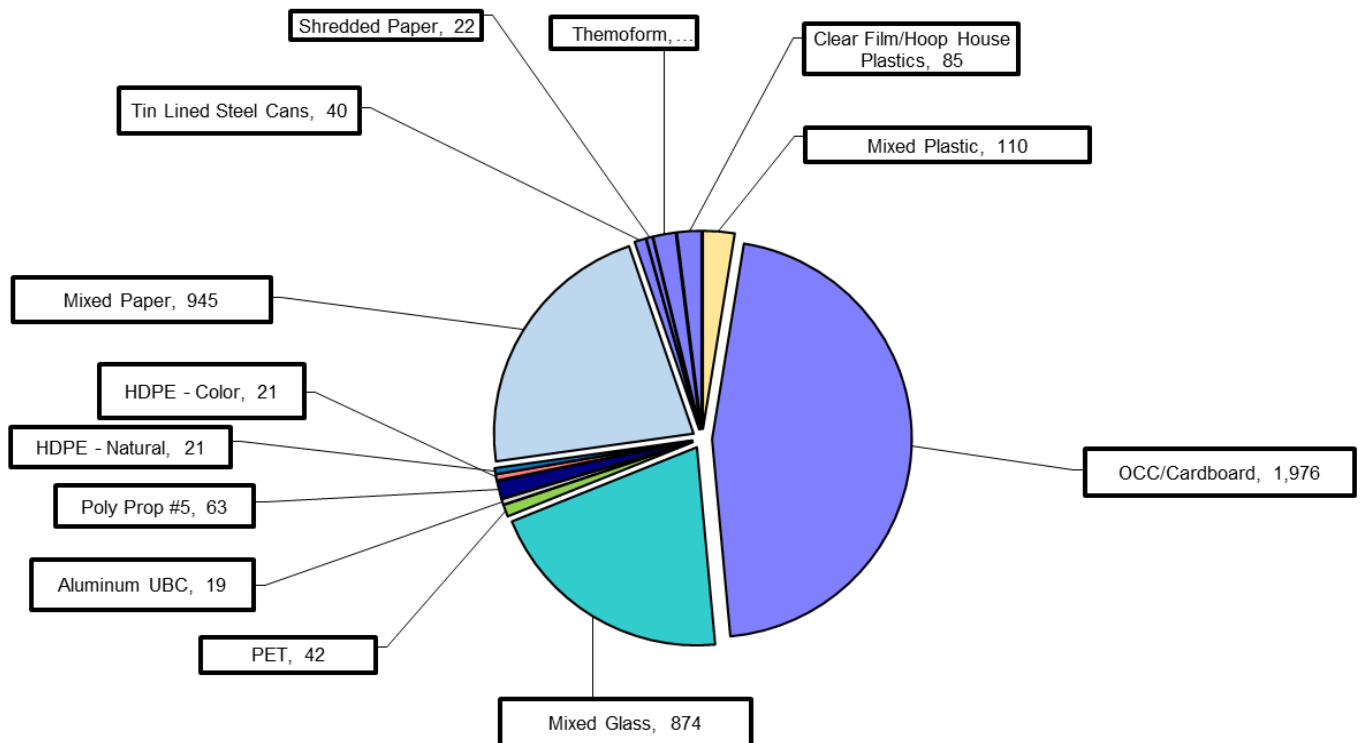
	July 1, 2021	June 30, 2022	Change
Cash in bank	\$ 9,819,316	\$ 17,917,265	\$ 8,097,950
Temporary investments	19,581,480	19,643,148	61,668
Restricted funds	2,500,000	2,500,000	-
	\$ 31,900,796	\$ 40,060,413	\$ 8,159,618

Summary of Landfill & MRF Tonnage Activity

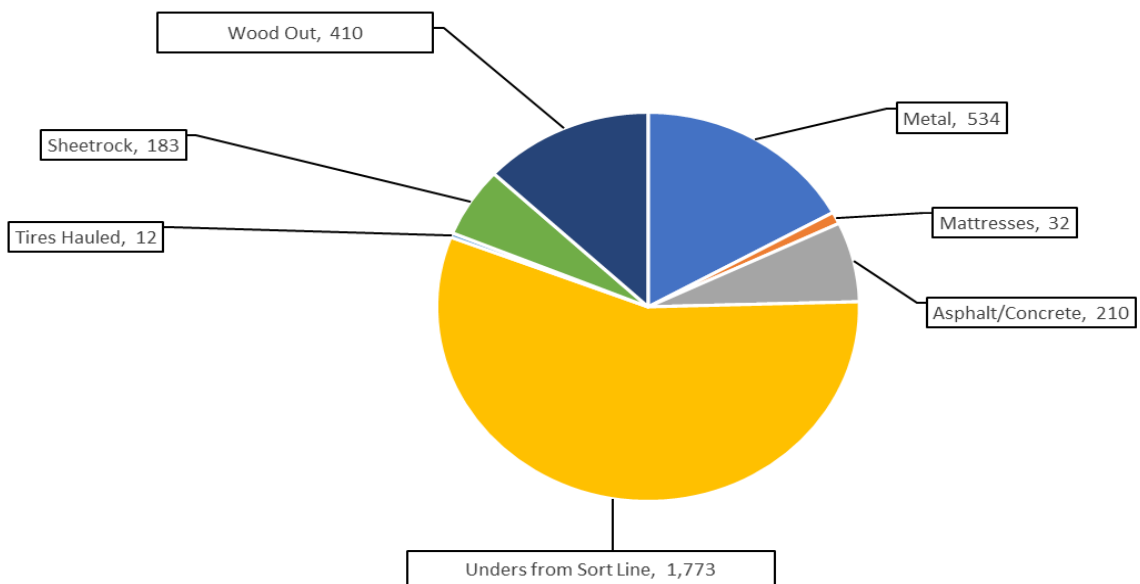
SITE Tonnage	Jun 2022	June FY22 YTD	June FY21 YTD	More/(Less) Prior Year
Site Accepted Materials				
Refuse - Landfill	10,947	127,930	127,573	357
Refuse - Landfill - Regional Waste	33,617	356,648	392,313	(35,664)
All Other Site Accepted Materials	31,714	381,605	361,132	20,473
Total Accepted Materials	76,278	866,184	881,018	(14,834)
Total Diverted Materials	25,513	292,978	275,510	17,469
Landfilled	50,765	573,206	605,508	(32,302)
% Diverted	59.8%	57.5%	56.4%	
 MRF C&D Accepted	4,934	46,067	40,210	5,857
MRF SSR Accepted	5,606	65,194	67,770	(2,576)
Total MRF Accepted Materials	10,540	111,261	107,980	3,281
C&D - Diverted Material				
Metal	534	5,727	5,903	(177)
Mattresses	32	366	430	(65)
Asphalt/Concrete	210	1,746	2,332	(585)
Unders from Sort Line	1,773	12,418	13,216	(797)
Roofing Materials	0	0	914	(914)
Tires Hauled	12	177	161	16
Sheetrock	183	1,555	1,556	(1)
Wood Out	410	5,057	4,621	435
Total C&D Diverted	3,152	27,046	29,134	(2,088)
SSR - Diverted Material				
Mixed Plastic	110	693	548	144
OCC/Cardboard	1,976	19,930	20,074	(144)
Mixed Glass	874	9,256	9,340	(84)
PET	42	1,022	1,100	(77)
Aluminum UBC	19	277	287	(10)
Poly Prop #5	63	362	333	28
HDPE - Color	21	538	695	(157)
HDPE - Natural	21	427	472	(45)
Mixed Paper	945	8,956	9,136	(180)
Aluminum scrap	0	41	42	(2)
Tin Lined Steel Cans	40	545	619	(74)
Shredded Paper	22	147	63	84
Thermoform	79	394	333	61
Clear Film/Hoop House Plastics	85	952	203	749
Total SSR Diverted	4,296	43,540	43,245	295
Total MRF Diverted Materials	7,448	70,586	72,379	(1,793)
 <u>12 Month Average</u>				
C&D Percent Diversion		58.7%	71.8%	
SSR Percent Diversion		66.8%	62.8%	
Percent Diversion - Entire MRF		63.4%	66.3%	



SSR Diverted Materials Fiscal 2022 - June



C&D Diverted Materials Fiscal 2022 - June



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Revenue, Expenses, and Changes in Net Position for the Period Ending
June 30, 2022

	June	Month Budget	B/(W) Budget Month	Year to Date	YTD Budget	B/(W) Budget YTD
* Operating Revenues *						
Tipping Fees Revenue	\$2,602,334	\$2,204,323	\$398,012	\$29,334,021	\$26,819,257	\$2,514,764
Other Sales Revenue:						
Power Sales	158,243	131,507	26,736	2,109,481	1,600,000	509,481
MRF Sales & CRV Revenue	960,377	761,096	199,281	13,230,542	9,260,000	3,970,542
Other Sales	79,257	80,137	(880)	990,762	975,000	15,762
Total Other Sales Revenue	1,197,876	972,740	225,137	16,330,785	11,835,000	4,495,785
* Total Operating Revenues *	3,800,210	3,177,062	623,148	45,664,806	38,654,257	7,010,549
* Operating Expenses *						
Employment Expenses	1,320,501	1,243,437	(77,064)	15,084,220	15,128,487	44,267
Non-Employment Expenses:						
Amortization & Depreciation	390,361	358,333	(32,028)	4,417,271	4,300,000	(117,271)
Closure/Post Closure Costs	30,422	31,250	828	347,410	375,000	27,590
Outside Services	44,488	60,667	16,179	719,100	728,000	8,900
Environmental Services	252,588	61,042	(191,546)	743,173	732,500	(10,673)
Gasoline, Oil & Fuel	193,510	83,667	(109,843)	1,481,811	1,004,000	(477,811)
Hazardous Waste Disposal	33,846	33,458	(387)	333,639	401,500	67,861
Insurance	75,575	75,083	(492)	915,271	901,000	(14,271)
Office Expense	59,645	23,450	(36,195)	454,074	281,400	(172,674)
Operating Supplies	113,319	94,118	(19,201)	929,247	1,129,420	200,173
Other Expense	3,317	3,525	208	32,124	42,300	10,176
Professional Services	98,889	154,919	56,030	915,918	1,859,700	943,782
Public Awareness	22,168	26,708	4,540	92,407	320,500	228,094
Recycling Services	434,739	126,667	(308,072)	1,884,237	1,520,000	(364,237)
Repairs & Maintenance	291,010	263,500	(27,510)	3,360,236	3,162,000	(198,236)
Safety Equip/Supplies/Training	16,567	21,131	4,564	223,474	253,570	30,096
Taxes & Surcharges	105,277	119,875	14,598	1,323,596	1,438,500	114,904
Training/Meetings/Education	10,604	12,121	1,517	85,445	145,450	60,005
Utilities	11,755	10,792	(963)	168,316	129,500	(38,816)
Total Non-Employment Expenses:	2,188,078	1,560,305	(627,773)	18,426,750	18,724,340	297,590
* Total Operating Expenses *	3,508,579	2,803,743	(704,837)	33,510,970	33,852,827	341,857
** Operating Income (Loss) **	291,631	373,320	(81,689)	12,153,836	4,801,430	7,352,406
Nonoperating Revenues (Expenses)	218,713	(127,276)	345,989	(576,687)	(1,523,886)	947,199
*** Change in Net Position ***	\$510,344	\$246,044	\$264,300	\$11,577,149	\$3,277,544	\$8,299,605

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Net Position
as at June 30, 2022

Assets

Current Assets:

Cash and Short Term Investments	\$37,475,679
Accounts Receivable, net	5,266,627
Accrued Interest Receivable	17,436
Other Receivable	2,709,117
Prepaid Expenses	1,730,958
Current Assets	<u>47,199,816</u>

Non-Current Assets	3,956,116
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Restricted Assets	2,584,727
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Fixed Assets:

Land	578,210
Facilities	37,005,936
Equipment	51,220,577
Facilities/Equipment - In Progress	5,321,469
Module Development	19,855,869
Power Project	22,905,061
Less Total Accumulated Depreciation	(53,205,652)
Total Fixed Assets	83,681,470

Intangible Assets	57,423
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*** Total Assets ***	<u><u>\$137,479,551</u></u>
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$3,000,421
Accrued State/County Disposal Fee	273,455
Interest Payable Revenue Bonds	236,380
Interest Payable Equipment Leasing	15,386
Accrued Vacation / Compensation Payable	231,739
Deferred Revenue	10,000
Lease Payable - Current	458,783
Sales/Use Tax Payable	297
Security Deposits/Gift Cert	52,172
Total Current Liabilities	<u>4,278,632</u>

Non-Current Liabilities	18,861,861
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Total Long Term Debt	53,449,666
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Total Liabilities	<u>76,590,160</u>
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Net Position	60,889,392
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*** Total Liabilities and Net Position ***	<u><u>\$137,479,551</u></u>
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Monterey Regional Waste Management District
Summary of Investments as at June 30, 2022

Depository	Description of Security	Maturity	Interest Rate/Yield	Dollar Amount	Market Value
State of California	Local Agency Investment Fund (LAIF)	Immediate	0.861%	<u>\$ 22,143,140.11</u>	<u>\$ 22,143,140.11</u>

MEMO



Staff Reports Item #: 22

Meeting Date: July 22, 2022

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

Subject: TAC / SB 1383 Update from June 8, 2022, Meeting

Recommendation

That the Board receive this report.

Background

The Technical Advisory Committee (TAC) is a staff working group comprised of at least one representative from each member jurisdiction MRWMD serves; the three franchise haulers who serve them; and MRWMD staff. The TAC was initially formed to better coordinate MRWMD member jurisdictions in choosing a common franchise hauler to provide curbside collection service for the benefit of the community. Since then, the group meets at a frequency set by demand to share resources and work collaboratively towards common goals and meet regulations. The Committee does not make decisions, rather, staff members recommend actions for the MRWMD Board and/or their elected bodies to take action.

Discussion

The TAC met on Wednesday, June 8, 2022, virtually via Zoom. Items discussed include:

- 1. “Turn the Tide on Plastics” Campaign Presentation from the California Green Business Network** – The TAC received a presentation from Jo Fleming of the California Green Business Network as to success they had working with local businesses in Seaside aiding the businesses in switching from using single-use plastics to reusables in accordance with their City ordinance banning single-use plastics. Program successes were both environmental and economical.
- 2. Notification of invoicing for remainder of FY 21/22 SB 1383 Shared Costs per MOU** – Member jurisdictions were notified of invoices being sent for the remainder of FY 21/22 shared costs to allow for payments to be made within the fiscal year in accordance with jurisdictional budgets.
- 3. Notification of invoicing for CalRecycle Local Assistance Grant funds** - Member jurisdictions were notified of invoices being sent for grant funds to come to ReGen Monterey for shared projects as outlined in the grant submission.

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Let's not waste this.



- 4. Scheduling council approvals for FY 23 updates to SB 1383 Shared Costs MOU (Exhibits A, B, and D)** – An update on status of MOU passage was given to the group. At the time of the creation of this Board packet, all member jurisdictions had passed the revisions to the MOU except for the City of Monterey, who is reviewing with legal before scheduling with their City Council.
- 5. Organic Materials Procurement Requirement Update** – An update was given to the TAC regarding an alternative method for the member jurisdictions to meet SB 1383 requirements for procurement of organic material (compost or mulch). CalRecycle provides an option for jurisdictions to obtain compliance through direct service provider agreements. Direct service provider agreements allow others to procure organic material on behalf of the jurisdictions. Currently the cost per ton of compost from Keith Day Company is \$28. With the direct service provider agreement, the jurisdiction would only pay \$5 per ton for program administration.

In addition, for calendar year 2022, a portion of CalRecycle Local Assistance Grant funds will be applied towards procurement. With the grant funds applied, member jurisdictions should not have to pay for the cost of compost procurement in calendar year 2022 as a part of the FY 22/23 SB 1383 Shared Costs MOU, Exhibit D. Due to Keith Day Company's high-quality organic compost generated from food scraps and yard trimmings and market share, direct service provider agreements are possible.
- 6. SB 1383 Postcard Generator Mailing Lists** – A discussion was had as to if educational postcards under SB 1383 are required to be sent to all hauler accounts or all generators. ReGen Monterey staff has requested clarification from CalRecycle.

Financial Impact

None

Conclusion

The TAC will continue to meet monthly and staff members will make recommendations to the boards they serve for action as needed.

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