

MEMORANDUM OF UNDERSTANDING

BETWEEN THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT AND ITS
MEMBER AGENCIES REGARDING ASSISTANCE WITH COMPLIANCE WITH
CALIFORNIA SENATE BILL 1383

This Memorandum of Understanding (“MOU”) is made and entered into as of the date of the signatures set forth below by and between the MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT (“District”, “MRWMD”), a California Garbage and Refuse Disposal District, and its member agencies including the cities of CARMEL-BY-THE-SEA, DEL REY OAKS, MARINA, MONTEREY, PACIFIC GROVE, SAND CITY, and SEASIDE; THE PEBBLE BEACH COMMUNITY SERVICES DISTRICT; and THE COUNTY OF MONTEREY (“Member Agencies”). Collectively these entities shall be known herein as “Parties” or individually as a “Party.”

Recitals

- A. The State of California has passed legislation, known as Senate Bill 1383, California’s Short-Lived Climate Pollutants regulation. The regulation will have significant impact on each Member Agency, with the goal of reducing organic material being landfilled by 75% by 2025, compared to a 2014 basis. The legislation mandates that Member Agencies undertake certain activities around the handling of organic waste materials collected within their jurisdictions. The regulation also requires 20% recovery of edible food by 2025 to direct it to a beneficial use and thus prevent it from entering the waste stream. Regulations take effect, and local program implementation will begin, on January 1, 2022.
- B. The Member Agencies have determined that it is in their best interest to coordinate their activities related to this legislation. This coordination is being facilitated by the District’s Technical Advisory Committee (TAC) comprised of staff from each Member Agency, the three Haulers in the District service area (Haulers), Salinas Valley Recycles (SVR) and MRWMD.
- C. The Member Agencies have further determined that the District has the expertise and resources necessary to implement some of these activities on the Member Agencies’ behalf and have now requested that the District incur costs to provide these activities.
- D. The Member Agencies have agreed to reimburse the District for proportionate shares of certain designated annual costs incurred by the District for these activities.
- E. The form and content of this MOU have been presented to the TAC, and the TAC has recommended it for approval by the Parties

NOW THEREFORE, in consideration of the mutual benefits to be derived by the District and the Member Agencies, and of the promises contained in this MOU, the Parties agree as follows:

Section 1. Recitals: The recitals set forth above are incorporated into this MOU.

Section 2. Purpose: The purpose of this MOU is to provide a structure for the Member Agencies to reimburse the District for SB 1383 related activities it performs on behalf of the Member Agencies.

Section 3. Voluntary: This MOU is voluntarily entered into by the Parties for the purpose of facilitating the implementation of SB 1383.

Section 4. Term: This MOU shall become effective on the last day of its execution by a Party and shall remain in effect until terminated by the Parties.

Section 5. Scope of Work, Costs & Cost Sharing: The scope of work, and associated costs, are set out in Exhibit A, entitled Detailed Activities and Costs, attached hereto and incorporated herein. Allocation of such costs to the Member Agencies is set out in Exhibit B, entitled Member Agencies' Annual Proportionate Shares and Costs, attached hereto and incorporated herein. Exhibit C outlines estimated individual Member Agencies' allocations related to the Department of Resources Recycling and Recovery (CalRecycle) SB 1383 Local Assistance Grant Program (OWR1: 2021-22), attached hereto and incorporated herein. Exhibit D defines the estimated annual procurement requirements of organic material and estimated cost per ton of compost for each Member Agency, attached hereto and incorporated herein.

No later than March 1 of each year, and at such other times as directed by the Parties, the TAC shall meet to consider and, if deemed necessary, modify Exhibits A, B, C, and/or D subject to direction from the governing bodies of each Member Agency to its TAC representative.

Section 6. The District Agrees:

(a) District staff will manage activities as identified in Exhibit A, C, and D which activities include contracting with third party vendors when reasonably necessary and paying those vendors for contracted costs.

(b) Two times per year, on dates to be determined by the TAC, District will invoice Member Agencies for each Member Agency's proportionate share of costs as shown in Exhibit B with each invoice to be fifty percent (50%) of the Member Agency's share of costs.

(c) Upon award of CalRecycle SB 1383 Local Assistance Grant Program funds, the District will invoice Member Agencies for their full allocation of grant funds as shown in Exhibit C. Four times during the grant term, aligned with dates identified by CalRecycle grant Terms & Conditions, the District shall report to Member Agencies a summary of actual grant expenditures and progress toward grant tasks to date.

(d) District will maintain an accounting of activities and expenses and provide reconciliation of payments annually. Material differences between estimated costs and actual incurred costs will result in either: 1) an adjustment made to the final annual payment for each

Member Agency, or 2) such cost difference shall be incorporated into the subsequent year cost allocation.

(e) In year one only, in recognition of expected continuation of improved recycling revenues for the District from recyclable material sales, the District will off-set \$140,000 of the costs identified in Exhibit A. This off-set is reflected in the cost allocations set out in Exhibit B for FY 2021-22.

Section 7. The Member Agencies Agree:

(a) To reimburse the District for all expenses incurred by the District under this MOU in accordance with each Member Agency's proportionate share as shown on Exhibit B, C, and D.

(b) To make a full-faith effort to cooperate with one another and with the District to achieve the purposes of this MOU by providing information, reviewing information in a timely manner, and informing their respective administration and governing bodies.

Section 8. Termination. Any Party may terminate its participation in this MOU upon giving written notice to the District no later than April 1 of any calendar year during the term of this MOU. Within ten days following a Party's termination date, such party shall pay District all charges then due and payable and shall pay when determined any additional charges that shall later come due under the MOU, subject to the limits set out in Exhibits A, B, C, and D.

Section 9. General Provisions.

(a) This MOU is binding and for the benefit of the respective successors, heirs, and assigns of each Party and the District; provided however, no Party may assign its respective rights or obligations under this MOU without the prior written consent of the District.

(b) This MOU is governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

(c) If any provision of this MOU is determined by any court to be invalid, illegal, or unenforceable to any extent, then the remainder of this MOU will not be affected, and this MOU will be construed as if the invalid, illegal, or unenforceable provision had never been contained in this MOU.

(d) Waiver by the District or any Party to this MOU of any term, condition, or covenant of this MOU will not constitute a waiver of any other term, condition, or covenant. Waiver by the District or any Party of any breach of the provisions of this MOU will not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOU.

(e) This MOU may be executed in any number of counterparts, each of which is an original but all of which taken together will constitute one and the same instrument, provided,

however, that such counterparts have been delivered to all parties to this MOU.

(f) All parties acknowledge they have been represented, or have had the opportunity to be represented, by counsel in the preparation and negotiation of this MOU. Accordingly, this MOU will be construed according to its fair language. Any ambiguities will be resolved in a collaborative manner by the District and the Parties and must be rectified by amending this MOU.

- (g) This MOU supersedes and replaces all prior MOUs between the District and the Parties hereto relating to the subject matter of this MOU.

IN WITNESS WHEREOF, the District and the Parties have caused this MOU to be executed by their duly authorized representatives as of the date of their respective signatures.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF CARMEL-BY-THE-SEA

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF DEL REY OAKS

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF MARINA

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF MONTEREY

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF PACIFIC GROVE

By: _____

DATE: _____

APPROVED AS TO FORM:

SAND CITY

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF SEASIDE

By: _____

DATE: _____

APPROVED AS TO FORM:

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

By: _____

DATE: _____

APPROVED AS TO FORM:

COUNTY OF MONTEREY

By: _____

DATE: _____

APPROVED AS TO FORM:

EXHIBIT A

DETAILED ACTIVITIES & COSTS FY 2022-2023

Scope of Work

The activities related to the implementation of SB 1383 may include contracting and policy development; public education; materials purchasing and distribution; reporting; contamination monitoring; edible food recovery; enforcement; procurement; organics processing; rate setting; cost monitoring; and any other related activities the Parties choose to address.

The District will take the lead producing public education campaigns in concert with the already-provided Hauler and/or Member Agency resources. The Member Agencies will be responsible for production and mailing fees associated with outreach. The District will also contract with a vendor to administer contamination monitoring in the form of curbside lid flipping within each Member Agency, except for the County of Monterey, where the County of Monterey will decide how to proceed. The District will also provide CalRecycle reporting services to the Member Agencies. In addition, funds will be allocated to edible food recovery support.

Costs

SB 1383 Shared Costs MOU - Exhibit A

SB 1383 Fee Category	Detail	FY 22/23 Cost	Notes
HF&H General Support & TAC meetings	Task #5 (SB 1383 general support) & task #6 (monthly TAC meetings) of HF&H CY 2022 proposal	\$ 22,500	
Edible Food Recovery Capacity Building		\$ 60,000	Joint grant or applicaion process w/ SVR to determine need. SVR also allocating \$60k.
Edible Food Recovery Program Administration	Assessment Living Document EFR Network Capacity Building (Grant Program) Implementation Schedule CalRecycling Capacity Planning Generation Calculation Tool Refined Survey Tool	\$ 47,006	MRWMD member agency portion, split with SVR
Public Education		\$ 50,000	Covers creation of materials, but not production or distribution
Recyclist Fees		\$ 11,711	Omits County & City of Monterey
MRWMD Staff Time	TAC/SB 1383 Coordination/CalRecycle Reporting	\$ 20,000	
		\$ 211,217	
Reduction from MRWMD from recycling revenues		\$ (100,000)	
		\$ 111,217	
			Estimate —exact cost based on results from RFP. / Omits County due to WM Smart Truck
Contamination Monitoring (Lid Flipping)	RFP to determine vendor	\$ 15,000	
Total		\$ 126,217	

**EXHIBIT A
(Continued)**

HF&H Franchise Management Fees

Task #	Detail	CY 2022	
1	Review Contractor's Quarterly Reports	\$	12,500.00
2	Review Contractor's Annual Report	\$	2,500
3	Review Franchise Fee Payments	\$	2,500
4	Review Contractor's Annual Rate Adjustments	\$	50,000
Total		\$	67,500

EXHIBIT B

MEMBER AGENCIES' ANNUAL PROPORTIONATE SHARES & COSTS* FY 2022-2023

Public Education - Shared With County

	Population			
	#	%	Per Agency Cost/Year	With \$2,500 Minimum
Carmel	3,830	2.4%	\$ 1,196	\$ 2,500
DRO	1,525	1.0%	\$ 476	\$ 2,500
Marina	21,981	13.7%	\$ 6,863	\$ 6,048
PG	15,522	9.7%	\$ 4,847	\$ 4,271
PBCSD	4,531	2.8%	\$ 1,415	\$ 1,247
Sand City	310	0.2%	\$ 97	\$ 2,500
Seaside	33,956	21.2%	\$ 10,602	\$ 9,342
Monterey City	28,352	17.7%	\$ 8,853	\$ 7,801
County	50,128	31.3%	\$ 15,652	\$ 13,792
TOTAL	160,135		\$ 50,000	\$ 50,000

96.5% \$ 42,500

Other TAC Costs - Excluding County

	Population			
	#	%	Per Agency	With \$2,500
Carmel	3,830	3.5%	\$ 2,654	\$ 2,500
DRO	1,525	1.4%	\$ 1,057	\$ 2,500
Marina	21,981	20.0%	\$ 15,229	\$ 14,476
PG	15,522	14.1%	\$ 10,754	\$ 10,222
PBCSD	4,531	4.1%	\$ 3,139	\$ 2,984
Sand City	310	0.3%	\$ 215	\$ 2,500
Seaside	33,956	30.9%	\$ 23,526	\$ 22,363
Monterey City	28,352	25.8%	\$ 19,643	\$ 18,672
TOTAL	110,007		\$ 76,217	\$ 76,217

94.9% \$ 68,717

Contract Management

	Population			
	#	%	Per Agency Cost/Year	With \$2,500 Minimum
Carmel	3,830	4.7%	\$ 3,166	\$ 2,500
DRO	1,525	1.9%	\$ 1,261	\$ 2,500
Marina	21,981	26.9%	\$ 18,171	\$ 17,356
PG	15,522	19.0%	\$ 12,831	\$ 12,256
PBCSD	4,531	5.5%	\$ 3,746	\$ 3,578
Sand City	310	0.4%	\$ 256	\$ 2,500
Seaside	33,956	41.6%	\$ 28,070	\$ 26,811
TOTAL	81,655		\$ 67,500	\$ 67,500

93.1% \$ 60,000

Total Costs

	Population			
	#	%	Per Agency Cost/Year	With Minimums
Carmel	3,830	2.4%	\$ 7,015	\$ 7,500
DRO	1,525	1.0%	\$ 2,793	\$ 7,500
Marina	21,981	13.7%	\$ 40,263	\$ 37,880
PG	15,522	9.7%	\$ 28,432	\$ 26,749
PBCSD	4,531	2.8%	\$ 8,300	\$ 7,808
Sand City	310	0.2%	\$ 568	\$ 7,500
Seaside	33,956	21.2%	\$ 62,198	\$ 58,516
Monterey City	28,352	17.7%	\$ 28,496	\$ 26,473
County	50,128	31.3%	\$ 15,652	\$ 13,792
TOTAL	160,135		\$ 193,717	\$ 193,717

*Member Agencies' proportionate costs subject to adjustment annually in accordance with any change in scope and total costs.

EXHIBIT C

MEMBER AGENCIES' ESTIMATED ALLOCATION OF CALRECYCLE LOCAL ASSISTANCE GRANT PROGRAM FUNDING (OWR1: 2021-22)**

The Member Agencies of Carmel, Del Rey Oaks, Marina, Monterey, Sand City, Seaside, Pacific Grove, and the Pebble Beach Community Services District (PBCSD) join the Local Assistance Grant Program as a regional collaborative project for the implementation of regulation requirements associated with SB 1383, in coordination with other jurisdictions of the Monterey County region to maximize project impact and cost-effectiveness across the countywide area. This regional grant-funded project will be coordinated through the two local waste management governmental agencies within Monterey County, Monterey Regional Waste Management (MRWMD), and Salinas Valley Solid Waste Authority (SVSWA).

The Member Agencies, along with each of the MRWMD and SVSWA member agencies are applying individually to this grant program using a unified regional project design, budget and implementation approach. All participating jurisdictions' individual grant funding will be pooled together and expended in a cooperative manner by their agencies' respective waste districts, MRWMD and SVSWA. The County of Monterey is applying separately and will manage its budget and project implementation independently, in coordination with broader regional planning efforts.

Based on current regional needs and findings to date related to SB 1383 in Monterey County, the following four major components will comprise the principal focus areas of program expenditures under the proposed regional project approach:

- 1) Grant Management, Tracking & Reporting
- 2) Agency Procurement Support
- 3) Edible Food Recovery Implementation and Capacity Building
- 4) Organics & Edible Food Recovery Education, Outreach and Technical Assistance

Each element will be informed by regional coordination through the established MRWMD and SVSWA Technical Advisory Committee forums, Capacity Planning Assessments and related studies completed or in process throughout the region, and new data and information obtained through program implementation trials, stakeholder feedback and best practices as identified. All expenditures will be incurred jointly, facilitated through each respective waste agency, and tracked and reported by each jurisdiction, based on the percentage of grant funds received by each agency compared to the full funding received collectively by all participating member agencies. CalRecycle, based on per capita calculations, using the Department of Finance's January 2021 population statistics, estimates jurisdictions' proportionate grant allocations. A summary of individual and collective agency grant allocations is presented below as **Table 1**.

**EXHIBIT C
(Continued)**

MEMBER AGENCIES' ESTIMATED ALLOCATION OF CALRECYCLE LOCAL ASSISTANCE GRANT PROGRAM FUNDING (OWR1: 2021-22)**

Table 1. Thirteen Agency Collaborative Approach Budget Summary

Agencies	Estimated Funding	% of District Subtotal	% of Region Total	Waste District
Carmel-by-the-Sea	\$20,000	9%	4%	MRWMD
Del Rey Oaks	\$20,000	9%	4%	MRWMD
Marina	\$29,771	14%	6%	MRWMD
Monterey	\$38,247	18%	7%	MRWMD
Pacific Grove	\$21,398	10%	4%	MRWMD
Sand City	\$20,000	9%	4%	MRWMD
Seaside	\$43,151	20%	8%	MRWMD
Pebble Beach Community Services District	\$20,000	9%	4%	MRWMD
Subtotal (MRWMD):	\$212,566	100%	41%	
Gonzales	\$20,000	6%	4%	SVSWA
Greenfield	\$25,157	8%	5%	SVSWA
King City	\$20,665	7%	4%	SVSWA
Salinas	\$211,143	68%	40%	SVSWA
Soledad	\$33,095	11%	6%	SVSWA
Subtotal (SVSWA):	\$310,060	100%	59%	
TOTAL (13 Agency Regional Approach):	\$522,626		100%	

** Working in coordination with the designated CalRecycle grant manager or other agency representatives as appropriate, the region may adjust these proposed expenditure areas, amounts, or priorities, consistent with grant expenditure eligibility requirements, as needed during the course of the grant term based on the needs of the region.

EXHIBIT D
MEMBER AGENCIES' ESTIMATED PROCURMENT REQUIRMENTS
OF ORGANIC MATERIAL

The list below indicates the annual recovered organic waste product procurement targets for each jurisdiction (city, county, or city and county) that will be in effect from January 1, 2022 through December 31, 2026 per CalRecycle.

Member Jurisdiction	Population (1/1/21 estimate)	% of Population	Annual Procurement Target (Tons of Organic Waste)	Tons of Compost (.58)	Cost /Ton Compost	Cost of Compost
Carmel-by-the-Sea	4,023	1%	322	187	\$ 28.00	\$ 5,229.28
Del Rey Oaks	1,670	0%	134	78	\$ 28.00	\$ 2,176.16
Marina	21,920	7%	1,754	1,017	\$ 28.00	\$ 28,484.96
Monterey	28,382	8%	2,271	1,317	\$ 28.00	\$ 36,881.04
Pacific Grove	15,536	5%	1,243	721	\$ 28.00	\$ 20,186.32
Sand City	385	0%	31	18	\$ 28.00	\$ 503.44
Seaside	32,121	10%	2,570	1,491	\$ 28.00	\$ 41,736.80
Pebble Beach CSD	4531	1%	362	210	\$ 28.00	\$ 5,878.88
Unincorporated County*						\$ -
Total MRWMD	108,568	32%	8,687	5,038		\$ 141,076.88

*Unincorporated County not participating in procurement portion of MOU
All product quoted as unbagged F.O.B MRWMD site.
Transportation costs are not included.