

NOTICE & AGENDA



September 20, 2024, 9:00 a.m.

Regular Meeting of the Board of Directors

ReGen Monterey is the public name of Monterey Regional Waste Management District.

In-Person: 14201 Del Monte Blvd, Salinas CA 93908 - Bales Board Room

Virtually: <https://us02web.zoom.us/j/87059476917>

Webinar ID: 870 5947 6917

Board Members will be attending this meeting In-Person: Bales Board Room (or otherwise virtually via applicable teleconferencing provisions set forth in the Brown Act). The public may attend this meeting under either option of a hybrid format: in-person, as noted above, or virtually. Please see the meeting information notice at the end of this agenda for more details.

Pages

1. Call to Order

Just Cause Notifications and Emergency Circumstance Requests (AB 2449)

2. Roll Call & Establishment of Quorum

Chair: Kim Shirley, City of Del Rey Oaks

Vice Chair: Bruce Delgado, City of Marina

Directors: Jerry Blackwelder, City of Sand City

Wendy Root Askew, County of Monterey

Bill Peake, City of Pacific Grove

Kim Barber, City of Monterey

Karen Ferlito, City of Carmel-by-the-Sea

Alexis Garcia-Arrazola, City of Seaside

Peter McKee, Pebble Beach Community Services District

3. Pledge of Allegiance

4. 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.

5. 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.

- | | | |
|-----|---|----|
| 5.a | Approve Regular Board Meeting Minutes - July 19, 2024. | 4 |
| 5.b | Receive Draft Finance Committee Minutes - September 4, 2024. | 10 |
| 5.c | Approve Report of Disbursements, and Board & Employee Reimbursements for July 2024 and August 2024. | 13 |
| 5.d | Approve Early Site Closure on December 14, 2024, at 2:00 p.m. | |
| 5.e | Approve Declaration of Surplus Equipment: SH16 2006 Chevrolet 3500 Flatbed. | 24 |

5.f	Adopt Resolution 2024-08 and Approve the Purchase of One (1) New 2024 Caterpillar 323 Excavator.	26
5.g	Adopt Resolution 2024-09 and Approve Purchase of a New Caterpillar 966XE-BR Loader.	35
5.h	Authorize General Manager to Purchase a Jenbacher 420 Engine Short Block.	39
5.i	Approve Resolution of Appreciation (2024-10) for Retiring Employee Randy Evanger Heavy Equipment Operator.	43
5.j	Approve Resolution of Appreciation (2024-11) for Retiring Employee Guy Petraborg Director of Engineering & Compliance.	44
6.	Recognition/Presentations	
6.a	Recognition of Employee Chauncey Hendley, Heavy Equipment Operator for 30 years of Service.	
6.b	Presentation of Resolution (2024-11) in Appreciation of Guy Petraborg Director of Engineering and Compliance.	
6.c	TRAITS Leadership Development Program Update.	45
6.d	Presentation of School Outreach and SB 1383 Compliance in 2023-2024.	59
7.	Discussion/Action	
7.a	Receive Edited White Paper and Public Summary Versions. Recommended Motion: That the Board of Directors receive both the edited White Paper (Attachment 2) and the public summary version of the White Paper, "Where Waste Travels" (Attachment 3) for ReGen's publication and use.	79
7.b	Approve Reserve Policy Revisions and Add Landfill Closure and Post-Closure Reserve Funds. Recommended Motion: That the Board of Directors approve revisions to ReGen's current Reserve Policy including, but not limited to, the addition of both Landfill Closure and Post-Closure Reserve Funds.	208
7.c	Discuss Draft Compost Operations Agreement. Recommended Motion: Information Only.	233
7.d	Approval of Addition of New Classification of Power Systems Manager and Related Pay Schedule. Recommended Motion: That the Board approve the addition of the new classification, Power Systems Manager and related Pay Schedule.	261
8.	Staff Reports	
8.a	Review Finance, Operating, and Recycling Reports	265
8.b	Report on Technical Advisory Committee (TAC) July 10, 2024 Meeting	272
8.c	FY 2024 Safety Board Presentation	274
9.	Other Correspondence	
10.	General Manager Communications	

11. Board Communications**12. Adjournment**

Next Meeting Date: October 18, 2024

Meeting Information:

Virtual & Regular Meeting Notice: The meeting will be held (1) as a regular in-person meeting and (2) virtually via Zoom.

To join the Zoom webinar: Click on this link:

<https://us02web.zoom.us/j/83041005039> 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; Webinar ID: 830 4100 5039

Please note the meeting will proceed as normal even if there are technical difficulties accessing Zoom. ReGen Monterey will do its best to resolve any technical issues as quickly as possible.

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). 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. In an effort to ensure the virtual process closely follows our normal process, public comment will not be accepted in writing during the meeting. During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Board Clerk will call speaker names and unmute speaker mics. You will have 3 minutes to provide your comments.

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 831-264-6388 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.

Regular Meeting of the Board of Directors

Minutes



July 19, 2024, 9:05 a.m.
14201 Del Monte Blvd, Salinas CA 93908
Bales Board Room

Members Present: Vice Chair Shirley
Director Delgado
Director Blackwelder
Director Peake
Director Ferlito
Director Mckee

Members Absent: Director Askew
Director Arrazola
Director Barber

Staff Present: Felipe Melchor, General Manager
Rob Wellington, Legal Counsel
Bob Rathie, Legal Counsel
Guy Petraborg, Director of Engineering
Jay Ramos, Director of Operations
Helen Rodriguez, Director of Finance and Administration
Zoe Shoats, Director of Communications and Public Education
Berta Torres, Director of Human Resources
David Ramirez, Sr. Engineer
Garth Gregson, Finance Manager
Kristin O'hara, Communications Manager
Ida Gonzales, Executive Assistant/Board Clerk
Ana Quiroz, Administrative Support Specialist II

1. Call to Order (Immediately Following the Monterey Regional Waste Management Authority Meeting)

2. Roll Call & Establishment of Quorum

Notice duly given and presence of a quorum established, the July 19, 2024 Regular Meeting of the Monterey Regional Waste Management District dba ReGen Monterey Board of Directors was called to order by Chair Shirley at 9:05 a.m.

3. Pledge of Allegiance

4. **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.

There were no public comments

5. **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.

- 5.a Approve Minutes of June 21, 2024 Regular Board Meeting.
- 5.b Approve Report of Disbursements, and Board & Employee Reimbursements for June 2024.
- 5.c Receive CEQA Categorical Exemption for the CASP Project from Denise Duffy & Associates, Inc.
- 5.d Declare Assets as Surplus SI81 2002 Chevrolet 2500, SH05 1992 Chevrolet 3500, MR55 2018 CAT Loader and Authorize the Disposition of these Specific ReGen Monterey Assets by Selling them for Sealed Bid Solicitation, Third-Party Auction, or Scrap Market.
- 5.e Declare Assets as Surplus (9) 40 Yard Roll Off Boxes, (1) 20 Yard Roll Off Box and Authorize the Disposition of these Specific ReGen Monterey Assets by Selling them for Scrap.

Moved by: Director Blackwelder

Seconded by: Director Ferlito

Motion: Approve the Consent Agenda.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake , Director Ferlito , and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved (6 to 0)

6. **PUBLIC HEARING**

- 6.a Public Hearing to Consider Approval of Fiscal Year 2024/25 Tip Fee Increases for Gate Rate Items and Changes to Minimum Fees, Effective August 1, 2024:

Chair Shirley Opened the Public Hearing.

There were no public comments.

Chair Shirley Closed the Public Hearing.

7. Discussion/Action

- 7.a Approve Fiscal Year 2024/25 Tip Fee Increases for Gate Rate Items and Changes to Minimum Fees Stated in Public Hearing Item 6.a, effective August 1, 2024.

Moved by: Director Delgado

Seconded by: Director Ferlito

Motion: Approve Fiscal Year 2024/25 Tip Fee Increases for Gate Rate Items and Changes to Minimum Fees Stated in Public Hearing Item 6.a, effective August 1, 2024.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake, Director Ferlito , and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved (6 to 0)

- 7.b Approve Memorandum of Understanding (MOU), for the Operating Engineers Local 3 (OE3): 1) Support Unit and 2) Operations Unit effective July 1, 2024.

Berta Torres Director of Human Resources provided a summary of the changes to the MOU's for the Operating Local 3 (OE3) Support Unit and Operations Unit.

Moved by: Director Ferlito

Seconded by: Director Delgado

Motion: Approve Memorandum of Understanding (MOU), for the Operating Engineers Local 3 (OE3): 1) Support Unit and 2) Operations Unit effective July 1, 2024.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake, Director Ferlito, and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved (6-0)

- 7.c Approve Pay Schedules for the Operating Engineers Local 3 (OE3): 1) Support Unit; 2) Operations Unit; and 3) Unrepresented, Confidential and At-Will Classifications, effective July 1, 2024.

Moved by: Director Ferlito

Seconded by: Director Delgado

Motion: Approve Pay Schedules for the Operating Engineers Local 3 (OE3): 1) Support Unit; 2) Operations Unit; and 3) Unrepresented, Confidential and At-Will Classifications, effective July 1, 2024.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake, Director Ferlito , and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved (6-0)

- 7.d Receive White Paper - "High Level Summary for Municipal Solid Waste Practices in California and of the Monterey Regional Waste Management District dba ReGen Monterey, Monterey County California".

Guy Petraborg Director of Engineering and Compliance presented on the White Paper - "High Level Summary for Municipal Solid Waste Practices in California and of the Monterey Regional Waste Management District dba ReGen Monterey, Monterey County California".

Following Board discussion staff will bring an edited version of the document to a future Board meeting.

There were no public comments.

- 7.e Authorize General Manager to Approve up to \$450,000 in Expenditures for the Revised Scale House and Public Restroom Improvement Project.

David Ramirez Director of Engineering and Compliance presented on the Scale House and Public Restroom Improvement Project.

There were no public comments.

Moved by: Director Delgado

Seconded by: Director Ferlito

Motion: Authorize General Manager to Approve up to \$450,000 in Expenditures for the Revised Scale House and Public Restroom Improvement Project.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake, Director Ferlito, and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved (6-0)

- 7.f Receive Module 7 Phase 3 - Project Update and Cost Report.

Guy Petraborg Director of Engineering and Compliance provide a summary of the Module 7 Phase 3 project and Cost Report.

There were no public comments.

- 7.g Authorize Module 7 Phase 3 - Subdrain/Leachate Management Systems Change Order Requests.

David Ramirez Director of Engineering and Compliance presented the change order requests needed for the Module 7 Phase 3 Subdrain/Leachate Management Systems.

There were no public comments.

Moved by: Director Delgado

Seconded by: Director Peake

Motion: Authorize Module 7 Phase 3 - Subdrain/Leachate Management Systems Change Order Requests.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake, Director Ferlito , and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved

- 7.h Consider Adjustment to the Compensation of the General Manager with Approval of Related Pay Schedule, effective July 1, 2024 (Item will be taken up following the closed session).

Following Closed Session, the Board returned to open session and approved a compensation increase for the General Manager of 8.8% pay increase effective July 1, 2024, which represents a market rate adjustment of 5%, plus a COLA of 3.8%.

There were no public comments.

Moved by: Director Blackwelder

Seconded by: Director Peake

Motion: Approve compensation, increase for the General Manager of 8.8% pay increase effective July 1, 2024, which represents a market rate adjustment of 5%, plus a COLA of 3.8%.

For (6): Vice Chair Shirley, Director Delgado, Director Blackwelder, Director Peake, Director Ferlito , and Peter McKee

Absent (3): Director Askew, Director Barber, and Alexis Garcia-Arrazola

Motion Approved (6-0)

8. Staff Reports

- 8.a Review Finance, Operating and Recycling Reports

Garth Gregson Finance Manager reported on ReGen Monterey Finances.

- 8.b TAC SB 1383 Update from June 12, 2024 Meeting

Zoe Shoats Director of Communications provided a summary of the June 12 TAC meeting.

9. Other Correspondence

10. General Manager Communications

The General Manager provided a summary of his comments provided in the Board packet.

11. Board Communications

Director Delgado thanked Staff for providing Board meeting highlights.

12. Closed Session

The Board met on the item list on the agenda

13. Return to Open Session The Board met on the item list on the agenda 1) Public Employee Evaluation of the General Manager - Information was received and questions addressed. No Reportable Action.

The Board returned to Open Session to review item 7h.

14. Adjournment

There being no further business to come before the Board at this time, the July 19, 2024 Regular Board meeting of the Monterey Regional Waste Management District dba ReGen Monterey Board of Directors was adjourned by Chair Shirley at 11:50 a.m.

RECORDED BY:

AUTHENTICATED BY:

Executive Assistant/Board Clerk

General Manager/Board Secretary

**DRAFT Finance Committee Meeting
Minutes**



September 4, 2024, 9:00 a.m.
14201 Del Monte Blvd, Salinas CA 93908
Bales Board Room

Board Members Present: Chair Shirley and Director McKee

Absent: Committee Vice Chair Peake

Staff Present: Felipe Melchor, General Manager
Guy Petraborg, Director of Engineering
David Ramirez, Director of Engineering and Compliance
Jay Ramos, Director of Operations
Helen Rodriguez, Director of Finance and Administration
Zoe Shoats, Director of Communications
David Ramirez, Director of
Garth Gregson, Finance Manager
Ida Gonzales, Executive Assistant/Board Clerk

1. Call to Order

Just Cause Notifications and Emergency Circumstance Requests (AB 2449)
There were no Just Cause Notifications.

2. Roll Call & Establishment of Quorum

Notice duly given and presence of a quorum established, the 2024 Finance Committee Meeting of the Monterey Regional Waste Management District dba ReGen Monterey was called to order by Chair Shirley at 9:00 a.m.

3. Public Communications

There were no public comments.

4. Discussion/Action

4.a Approve Finance Committee Minutes - June 5, 2024

Moved by: Director McKee

Seconded by: Chair Shirley

Motion: Approve Finance Committee Meeting Minutes - June 5, 2024

Motion Approved

4.b Discuss White Paper – Edited and Public Summary Versions.

Guy Petraborg Director of Engineering and compliance presented the edited and public summary versions of the White Paper. The committee thanked staff for

providing both versions as suggested at the July Board meeting. This item will be added to the September Board meeting agenda.

4.c Discuss Draft Compost Operations Agreement.

Staff presented information on the status of the transfer of ownership of the compost operations permit from GabilanAG/Keith Day to ReGen. A draft agreement has been prepared that would transfer ownership of the compost permit to ReGen with Keith Day continuing as the operator. The proposed agreement would be for 15 years with two 5 year options. Compliance responsibilities would remain with Keith Day with ReGen having review capabilities. It is expected that the approval time to get the ownership transferred could be up to 90 days. The lease payments are about \$4,000 per month the amount would remain unchanged for the remainder of fiscal 2025. Staff is requesting that any comments be submitted over the next two-week period. There was discussion and questions and comments from the Committee.

4.d Discuss Draft Reserve Policy Revisions To Add Landfill Closure and Post-Closure Reserve Funds, Engineering-2024-003.

Staff presented information about ReGen reserve policies and a discussion about adding a closure and post closure reserve. ReGen currently has an operating reserve, a capital equipment reserve and a capital infrastructure reserve. The estimated liability for closure costs is approximately \$60 million and the estimated liability for post-closure costs is \$17 million. ReGen will be obligated to care for the closed landfill for at least 30 years after the landfill has closed. The estimated remaining life of the landfill is >100 years however consideration should be given to reaching 100% funding status within a shorter time period such as 50 or 75 years. There was discussion and questions and comments from the Committee and agreement that funds for closure and post-closure should start being reserved now. Staff will develop some scenarios that illustrate 100% funding over different time periods.

4.e Discuss Declaration of Surplus Equipment: SH16 2006 Chevrolet 3500 Flatbed, Operations-2024-003.

Following the Committee's review, this item will be placed on the September Board meeting agenda.

4.f Discuss the Purchase of One (1) New 2024 Caterpillar 323 Excavator, Operations-2024-002.

Following the Committee's review, this item will be placed on the September Board meeting agenda.

4.g Discuss the Purchase of One (1) New Caterpillar 966XE-BR Loader, Operations-2024-001.

Following the Committee's review, this item will be placed on the September Board meeting agenda.

5. General Manager Communications

The General Manager presented comments on the annual West End Celebration, Engine #4 Repair and the progress of Clean California.

6. **Discuss Future Agenda Items**

7. **Adjournment**

Next Meeting Date: October 2, 2024

Monterey Regional Waste Management District
Checks Issued
For the Month of August 2024

Check Date	Check No	Payee	Transaction Description	Amount
8/2/2024	96321	REBECCA AGUILAR	RETIREE HEALTH INS REIM 8/2024	1,666.84
8/2/2024	96322	RON MOONEYHAM	RETIREE HEALTH INS REIM 8/2024	394.44
8/2/2024	96323	LYNETTE MOONEYHAM	RETIREE HEALTH INS REIM 8/2024	366.89
8/2/2024	96324	OPER.ENG.PUBLIC & MISC EE'S	VOID CHECK	282,003.00
8/2/2024	96325	JEANETTE PAGAN	RETIREE HEALTH INS REIM 8/2024	1,131.00
8/2/2024	96326	PRUDENTIAL GROUP INSURANCE	PRUDENTIAL AUGUST 2024	13,323.09
8/2/2024	96327	TINA REID	RETIREE HEALTH INS REIM 8/2024	1,845.43
8/2/2024	96328	JOSE TAVARES	RETIREE HEALTH INS REIM 8/2024	773.89
8/2/2024	96329	OPER.ENG.PUBLIC & MISC EE'S	OE HEALTH INSURANCE SEP 2024	285,848.00
8/9/2024	96331	FIRST ALARM	SERVICE CALL CHARGE	272.50
8/9/2024	96332	ACE HARDWARE	OPERATING SUPPLIES	1,157.81
8/9/2024	96333	ADMANOR, INC.	JUN-24 MEDIA/MARKETING SRVCS	1,600.51
8/9/2024	96334	AFLAC	AFLAC JUL 2024	3,477.82
8/9/2024	96335	AGUILAR TIRE SERVICE	TIRE REPAIRS	1,070.77
8/9/2024	96336	ALHAMBRA & SIERRA SPRINGS	WATER SERVICE JUL-24	2,480.80
8/9/2024	96337	ALHAMBRA & SIERRA SPRINGS	COFFEE JUL-24	1,674.01
8/9/2024	96338	AMERICAN SUPPLY CO	OPERATING SUPPLIES	2,902.95
8/9/2024	96339	ANDERSEN'S LOCK & SAFE INC	KEY SERVICE @ MRF	2,194.45
8/9/2024	96340	APTIM CORP.	REPAIRS OF LFGCS	91,019.87
8/9/2024	96341	BALANCE STAFFING	TEMP STAFF WK END 7/21/24	3,598.03
8/9/2024	96342	BARNES WELDING SUPPLY	MMT REPAIR PARTS	587.19
8/9/2024	96343	BLUE SKY ENVIRONMENTAL, INC.	AIR QUALITY TESTING	4,650.00
8/9/2024	96344	BLUE STRIKE ENVIRONMENTAL	EDIBLE FOOD RCVRY 7.1-7.31.24	17,536.68
8/9/2024	96345	C & N TRACTORS	SHOP REPAIR PARTS	430.00
8/9/2024	96346	CALL2RECYCLE, INC.	HW DISPOSAL	4,028.50
8/9/2024	96347	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	1,302.00
8/9/2024	96348	CENTRAL COAST SIGN & DESIGN	SAFE+SOUND FOAM BOARDS	1,066.28
8/9/2024	96349	CENTRAL COAST SCREEN PRINTING & EMBROIDERY	SAFE+SOUND REGEN HATS	2,559.59
8/9/2024	96350	CENTRAL COAST TIRE, LLC	TIRE REPAIRS	1,486.56
8/9/2024	96351	CINTAS CORPORATION #630	UNIFORM SERVICE WK END 7/19/24	3,121.56
8/9/2024	96352	CLAREMONT BEHAVIORAL SERVICES	JULY 2024 EAP PREMIUM	558.80
8/9/2024	96353	COMMUNITY PRINTERS, INC	BUS CARDS SFT,COMS,MMT	427.40
8/9/2024	96354	CORNERSTONE ENVIRONMENTAL GROUP, LLC	CASP FACILITY	11,479.83
8/9/2024	96355	CSC OF SALINAS	SHOP REPAIR PARTS	160.37
8/9/2024	96356	CUTTING EDGE SUPPLY	SHOP REPAIR PARTS	2,209.00
8/9/2024	96357	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	15,103.41
8/9/2024	96358	DATAFLOW BUSINESS SYSTEMS INC.	COPIER LEASE	500.48
8/9/2024	96359	KEITH DAY COMPANY, INC.	CONTRACT RECYCLING	115,371.96
8/9/2024	96360	SAULO DELGADO	RETIREE HEALTH INS REIM 8/2024	776.30
8/9/2024	96361	EL CAMINO MACH & WELDING, LLC	REPAIR PARTS	5,277.47
8/9/2024	96362	FARMBER BROTHERS CO	COFFEE SERVICE JUL-24	637.22
8/9/2024	96363	FERRELLGAS	PROPANE FOR MRF	3,555.13
8/9/2024	96364	GOLD STAR BUICK GMC, INC	SHOP REPAIR PARTS	2,584.91
8/9/2024	96365	GRAINGER	OPERATING SUPPLIES	4,944.57
8/9/2024	96366	GREEN RUBBER AND INDUSTRIAL	SHOP REPAIR PARTS	1,635.65
8/9/2024	96367	GRANITE ROCK	MOD 7	962,226.98
8/9/2024	96368	GRANITE ROCK	AGGREGATE/ASPHALT	47,942.80
8/9/2024	96369	JEFF HADLEY	EE REIMBURSEMENT - STOLEN TOOLS	4,848.24
8/9/2024	96370	KIMBERLE HERRING	RETIREE HEALTH INS REIM 8/2024	773.89
8/9/2024	96371	HYDRO ENGINEERING, INC	PREVENTATIVE MAINTENANCE	801.66
8/9/2024	96372	KYLER ENGINEERING, INC	MRF PULL OFF ANCHORS	1,000.00
8/9/2024	96373	LIEBERT CASSIDY WHITMORE	LEGAL FEES	261.00
8/9/2024	96374	LOCI CONTROLS, INC	WELL PILOT STUDY	7,975.25
8/9/2024	96375	MARINA PLUMBING & HEATING	PLUMBING SERVICE	330.78
8/9/2024	96376	MONTEREY BAY TECHNOLOGIES, INC.	IT SUPPORT RETAINER AUG-24	7,500.00
8/9/2024	96377	MONTEREY COUNTY HEALTH DEPARTMENT	FA0826080 APR-JUN 2024	75,552.68
8/9/2024	96378	MONTEREY ONE WATER	CLOG BUSTERS SPONSOR FY23-24	1,850.00
8/9/2024	96379	OFFICE DEPOT CREDIT PLAN	OFFICE SUPPLIES JUL 2024	468.19
8/9/2024	96380	PETER D HERNANDEZ JR	S/C EMP APPRECIATION WK COFFEE	1,650.00
8/9/2024	96381	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	253.71
8/9/2024	96382	PRO-EX CONSTRUCTION, INC	SCALES RENOVATIONS	200,337.10
8/9/2024	96383	PROMO DIRECT	CUPS FOR WEST END	6,575.00
8/9/2024	96384	QUALITY WATER ENTERPRISES INC	C&I RENTAL	45.00
8/9/2024	96385	RDO EQUIPMENT CO.	REPAIR PARTS LF18	868.72

Monterey Regional Waste Management District
Checks Issued
For the Month of August 2024

Check Date	Check No	Payee	Transaction Description	Amount
8/9/2024	96386	RUSTY JONES	BIRD ABATEMENT	5,170.00
8/9/2024	96387	RELIABLE MONITORING SERVICES	CALIB OF GAS DETECTION SYSTEM	2,820.00
8/9/2024	96388	R&R LABOR, INC	TEMP STAFF WK END 7/24/24	2,945.60
8/9/2024	96389	REGINA SANTA CRUZ	EE REIMBURSEMENT	183.76
8/9/2024	96390	SCS ENGINEERS	RMC MONTHLY FEE 7.1.24-7.31.24	450.00
8/9/2024	96391	SELECT STAFFING	TEMP STAFF WK END 7/21/24	5,601.78
8/9/2024	96392	SILVER POINT PROTECTION, INC	SECURITY SERVICES 7.26-7.31.24	2,294.00
8/9/2024	96393	SOUTHWESTERN SALES, INC	LANDFILL TARPS	20,890.40
8/9/2024	96394	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	1,291.43
8/9/2024	96395	STURDY OIL COMPANY	FUELS	23,199.59
8/9/2024	96396	SUPERIOR AUTO DETAIL	POWER WASHING HEAVY EQUIPMENT	3,300.00
8/9/2024	96397	TORO PETROLEUM CORP	DIESEL EXHAUST FLUID	455.08
8/9/2024	96398	ULINE SHIPPING SUPPLY SPECIAL	OPERATING SUPPLIES	677.87
8/9/2024	96399	UNITED PARCEL SERVICE	SHIPPING FEES LFG	49.55
8/9/2024	96400	VERIZON WIRELESS	GPS/HOTSPOT	379.03
8/9/2024	96401	WSP USA INC	MOD 7	42,262.35
8/9/2024	96402	QUINN COMPANY, INC.	SHOP REPAIR PARTS	4,169.35
8/16/2024	96403	ACE HARDWARE	OPERATING SUPPLIES	191.16
8/16/2024	96404	AGUILAR TIRE SERVICE	TIRE REPAIRS	754.05
8/16/2024	96405	FIRST ALARM	MONITORING SERVICE	3,064.17
8/16/2024	96406	AT&T	UTILITIES	750.70
8/16/2024	96407	THOMAS AVILA	EE REIMBURSEMENT LFG OP SUPPLS	158.83
8/16/2024	96408	BALANCE STAFFING	TEMP STAFF WK END 7/28/24	3,115.54
8/16/2024	96409	BECKS SHOE STORE, INC	SAFETY BOOTS	1,382.54
8/16/2024	96410	BLUE STRIKE ENVIRONMENTAL	LAGP 7.1.24-7.31.24	985.00
8/16/2024	96411	EDGAR & ASSOCIATES, INC	CA COMPOST COALITION AUG-24	500.00
8/16/2024	96412	LANDSCAPE MAINTENANCE OF AMERICA	LITTER ABATEMENT	675.00
8/16/2024	96413	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	2,250.00
8/16/2024	96414	DON CHAPIN COMPANY INC	BASE ROCK	15,304.93
8/16/2024	96415	CINTAS CORPORATION #630	UNIFORM SERVICE WK END 7/26/24	4,159.68
8/16/2024	96416	CLAREMONT BEHAVIORAL SERVICES	AUG 2024 EAP PREMIUM	444.40
8/16/2024	96417	CONSOLIDATED FABRICATORS CORP.	ROLLOFF CONTAINERS	9,101.45
8/16/2024	96418	CSC OF SALINAS	SHOP REPAIR PARTS	63.76
8/16/2024	96419	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	6,168.73
8/16/2024	96420	KEITH DAY COMPANY, INC.	CONTRACT RECYCLING	135,641.97
8/16/2024	96421	EL CAMINO MACH & WELDING, LLC	MMT REPAIR PARTS	3,373.50
8/16/2024	96422	ENERGY DYNAMICS, LLC	LFG UNIT 4 20K OVERHAUL	21,743.26
8/16/2024	96423	GEO-LOGIC ASSOCIATES	MPL MONITORING 3.1.24-3.31.24	4,456.00
8/16/2024	96424	GOLD STAR BUICK GMC, INC	SHOP REPAIR PARTS	20.04
8/16/2024	96425	AIS INTERNATIONAL, LLC	GP SERVICES	1,149.00
8/16/2024	96426	GRAINGER	OPERATING SUPPLIES	1,487.01
8/16/2024	96427	GREEN WILLOW GROUP, LLC	KIPTRAQ SUBSCRIPTION	2,500.00
8/16/2024	96428	ANDERSON PACIFIC ENGINEERING CONSTRUCTION, INC	VOLTAGE PROJECT	20,805.00
8/16/2024	96429	GRANITE ROCK	LF AGGREGATE/ASPHALT	32,016.21
8/16/2024	96430	GRANITE ROCK	LF AGGREGATE/ASPHALT	11,295.29
8/16/2024	96431	MONTEREY COUNTY HERALD	PUBLIC HEARING NOTICE 7.19.24	654.94
8/16/2024	96432	HF&H CONSULTANTS, LLC	FY24 FRANCHISE MANAGEMENT	30,500.00
8/16/2024	96433	HOFFMEYER COMPANY, INC.	MMT REPAIR PARTS	9,406.63
8/16/2024	96434	KENNEDY/JENKS CONSULTANTS, INC	VOLTAGE PROJECT THRU 7.31.24	791.00
8/16/2024	96435	LAWSON PRODUCTS, NC	OPERATING SUPPLIES	955.31
8/16/2024	96436	MONTEREY BAY ANALYTICAL SERVICES	WATER SAMPLES	833.00
8/16/2024	96437	MONTEREY FIRE EXTINGUISHER	FIRE EXTINGUISHER SERVICE	2,733.44
8/16/2024	96438	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	488.15
8/16/2024	96439	PACIFIC GAS & ELECTRIC	UTILITIES	84.54
8/16/2024	96440	POTENTIAL INDUSTRIES, INC.	RECYCLING BROKER FEES JUN 2024	4,104.38
8/16/2024	96441	QUINN COMPANY, INC.	SHOP REPAIR PARTS	27,947.90
8/16/2024	96442	RUSTY JONES	BIRD ABATEMENT WK END 8/10/24	2,585.00
8/16/2024	96443	R&R LABOR, INC	TEMP STAFF WK END 7/31/24	4,135.60
8/16/2024	96444	SAFETEQUIP, INC	SAFETY VESTS FOR SITEWIDE USE	146.54
8/16/2024	96445	SCS ENGINEERS	OM&M 7.1.24-7.31.24	6,242.50
8/16/2024	96446	SELECT STAFFING	TEMP STAFF WK END 7/28/24	4,523.50
8/16/2024	96447	SILICON ROADWAYS	CONTRACT RECYCLING	6,258.00
8/16/2024	96448	EMMANUEL GALLARDO	FABRICATE STAINLS STEEL FRAMES	2,950.00
8/16/2024	96449	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	908.75

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8/16/2024	96450	STURDY OIL COMPANY	FUELS	7,485.51
8/16/2024	96451	SALINAS VALLEY SOLID WASTE	CCRMC:MEDIA SERVICES FY 24-25	10,000.00
8/16/2024	96452	TOM'S SITE SERVICES	PORTABLE TOILETS 7.28-8.24.24	4,377.53
8/16/2024	96453	TRILLIUM CNG	CNG FUEL PURCHASES	87,959.08
8/16/2024	96454	WESTERN STATES FIRE PROTECTION CO	HHW SPRINKLER REPAIRS	19,090.00
8/16/2024	96455	WHITSON AND ASSOCIATES	AERIAL 2024	4,596.27
8/16/2024	96456	WSP USA INC	AIR PERMIT COMPLIANCE	1,680.00
8/23/2024	96458	ACE HARDWARE	OPERATING SUPPLIES	405.43
8/23/2024	96459	AGUILAR TIRE SERVICE	TIRE REPAIRS	676.37
8/23/2024	96460	ALTIVUS MEDICAL	MEDICAL WASTE DISPOSAL	307.00
8/23/2024	96461	AMERICAN SUPPLY CO	OPERATING SUPPLIES	1,113.06
8/23/2024	96462	ANDERSEN'S LOCK & SAFE INC	LF GATE LOCKS	154.48
8/23/2024	96463	AT&T	UTILITIES	59.19
8/23/2024	96464	AT&T	UTILITIES	59.07
8/23/2024	96465	AT&T	UTILITIES	744.13
8/23/2024	96466	AT&T	UTILITIES	59.07
8/23/2024	96467	AT&T	UTILITIES	59.07
8/23/2024	96468	AT&T	UTILITIES	1,326.15
8/23/2024	96469	BALANCE STAFFING	TEMP STAFF WK END 8/4/24	4,339.05
8/23/2024	96470	BECKS SHOE STORE, INC	SAFETY BOOTS	213.58
8/23/2024	96471	BLUE SKY ENVIRONMENTAL, INC.	LFG REPAIRS	25,570.00
8/23/2024	96472	C & N TRACTORS	SHOP REPAIR PARTS	66.63
8/23/2024	96473	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	2,175.00
8/23/2024	96474	CASTROVILLE AUTO PARTS	SHOP REPAIR PARTS	458.05
8/23/2024	96475	DON CHAPIN COMPANY INC	BASE ROCK	3,256.05
8/23/2024	96476	CINTAS CORPORATION	1ST AID SUPPLIES	408.89
8/23/2024	96477	CINTAS CORPORATION #630	UNIFORM SERVICE 8/9/24	6,217.47
8/23/2024	96478	COAST COUNTIES TRUCK & EQUIPMENT	SHOP REPAIR PARTS	676.11
8/23/2024	96479	COLLINS ELECTRICAL COMPANY, INC.	ELECTRICAL SERVICES	1,468.49
8/23/2024	96480	CORNERSTONE ENVIRONMENTAL GROUP, LLC	CASP COMPOST SRV THRU 63024	4,487.75
8/23/2024	96481	CSC OF SALINAS	OPERATING SUPPLIES	1,230.19
8/23/2024	96482	CUTTING EDGE SUPPLY	REPAIR PARTS	892.43
8/23/2024	96483	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	8,098.90
8/23/2024	96484	DATAFLOW BUSINESS SYSTEMS INC.	CONT INV KYOCERA 6052CI	234.77
8/23/2024	96485	ENERGY DYNAMICS, LLC	LFG UNIT 4 20K OVERHAUL	166.30
8/23/2024	96486	FAST CARE, INC	FIRST AID RESPONSE ANA RIVERA	1,335.00
8/23/2024	96487	GLACIER TECHNOLOGY, INC	AI SCANNER DATA PEPLINK	13,795.93
8/23/2024	96488	GRAINGER	OPERATING SUPPLIES	81.19
8/23/2024	96489	GRANITEROCK	MOD 7	966,832.45
8/23/2024	96490	KADANT PAAL, LLC	MMT REPAIR PARTS	10,741.61
8/23/2024	96491	LAWSON PRODUCTS, NC	SHOP OP SUPPLIES	261.98
8/23/2024	96492	LINDE GAS & EQUIPMENT, INC	SHOP OP SUPPLIES	185.69
8/23/2024	96493	MAPISTRY, INC	MAPISTRY SET UP/CONFIG/SUBSCR	26,978.00
8/23/2024	96494	MCLELLAN INDUSTRIES, INC.	TARP	701.37
8/23/2024	96495	MONTEREY ONE WATER	WATER STMNT 7.1.24-8.31.24	3,752.09
8/23/2024	96496	MOTION INDUSTRIES INC	MMT REPAIR PARTS	4,717.67
8/23/2024	96497	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	561.98
8/23/2024	96498	PACIFIC GAS & ELECTRIC	UTILITIES	6,717.28
8/23/2024	96499	QUINN COMPANY, INC.	SHOP REPAIR PARTS	6,886.87
8/23/2024	96500	ANA QUIROZ	EE MILEAGE REIMBURSEMENT JUL 2024	80.13
8/23/2024	96501	RAIN FOR RENT	PUMP RENTAL LOD	4,303.50
8/23/2024	96502	RDO EQUIPMENT CO.	SHOP REPAIR PARTS	4,242.78
8/23/2024	96503	PITNEY BOWES RESERVE ACCOUNT	POSTAGE REFILL 8/20/24	500.00
8/23/2024	96504	RUSTY JONES	BIRD ABATEMENT WK END 8/17/24	2,585.00
8/23/2024	96505	R&R LABOR, INC	TEMP STAFF WK END 8/10/24	3,136.00
8/23/2024	96506	SAFETY KLEEN SYSTEMS, INC.	HW DISPOSAL	1,094.14
8/23/2024	96507	SCHAEFFER MFG. COMPANY	SHOP OP SUPPLIES 55 GAL GREASE	2,715.30
8/23/2024	96508	SELECT STAFFING	TEMP STAFF WK END 8/4/24	5,643.90
8/23/2024	96509	SILICON ROADWAYS	CONTRACT RECYCLING	1,173.00
8/23/2024	96510	SMART SIGNS & GRAPHICS	SIGNS FOR LF	5,727.99
8/23/2024	96511	SOUTHWESTERN SALES, INC	TARP PARTS	263.68
8/23/2024	96512	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	911.48
8/23/2024	96513	STURDY OIL COMPANY	FUELS	23,758.93
8/23/2024	96514	SUPERIOR AUTO DETAIL	PRESSURE WASH HEAVY EQUIPMENT	990.00

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8/23/2024	96515	TORO PETROLEUM CORP	DIESEL EXHAUST FLUID	571.43
8/23/2024	96516	ULINE SHIPPING SUPPLY SPECIAL	OPERATING SUPPLIES	5,823.44
8/23/2024	96517	UNITED PARCEL SERVICE	SHIPPING FEES LFG	3.96
8/23/2024	96518	WASTE MANAGEMENT INC.	TRASH SERVICE AUG 2024	1,979.18
8/23/2024	96519	WEST COAST RUBBER RECYCLING, INC	TIRE DISPOSAL	2,200.00
8/30/2024	96520	FIRST ALARM	MONITORING SERVICE	223.02
8/30/2024	96521	ACCENT CLEAN & SWEEP, INC.	STREET SWEEPING JUL-24	22,232.56
8/30/2024	96522	ACCENT WIRE HOLDINGS, LLC	BALES WIRE	13,813.56
8/30/2024	96523	ACE HARDWARE	OPERATING SUPPLIES	385.14
8/30/2024	96524	AGUILAR TIRE SERVICE	TIRE REPAIRS	105.00
8/30/2024	96525	JAZMIN ALCARAZ BRAVO	SAFETY SHOE REIMBURSEMENT	100.00
8/30/2024	96526	ANDERSEN'S LOCK & SAFE INC	MR48 KEY COPIES	49.16
8/30/2024	96527	BALANCE STAFFING	TEMP STAFF WK END 8/11/24	4,434.49
8/30/2024	96528	BUSINESS CREDIT INFORMATION	A/R CREDIT REPORTS	53.28
8/30/2024	96529	CALL2RECYCLE, INC.	HW DISPOSAL	1,883.60
8/30/2024	96530	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	2,122.00
8/30/2024	96531	DON CHAPIN COMPANY INC	BASE ROCK	12,920.00
8/30/2024	96532	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC	HW DISPOSAL	32,874.78
8/30/2024	96533	CRUZ UPHOLSTERY	SHOP REPAIR PARTS	600.00
8/30/2024	96534	CSC OF SALINAS	OPERATING SUPPLIES	3,302.80
8/30/2024	96535	CUTTING EDGE SUPPLY	REPAIR PARTS	1,823.77
8/30/2024	96536	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	8,919.97
8/30/2024	96537	DATAFLOW BUSINESS SYSTEMS INC.	CONT INV KYOCERA 6053CI	245.71
8/30/2024	96538	KEITH DAY COMPANY, INC.	CONTRACT RECYCLING	145,974.07
8/30/2024	96539	DISASTER KLEENUP SPECIALISTS, INC	PUBLIC RESTROOM REMODEL	7,976.40
8/30/2024	96540	DOUGHERTY PUMP & DRILLING, INC	MOD 7	30,342.25
8/30/2024	96541	AHHH MASSAGE, INC	S/C EE APPRECIATION WEEK - MESSAGES	1,854.00
8/30/2024	96542	ECONOMIC RESEARCH INSTITUTE	SALLARY ASSESSOR SUBSCRIPTION	3,989.00
8/30/2024	96543	EVERBANK, N.A.	COPIER LEASE KYOCERA 6052CI	335.43
8/30/2024	96544	FASTENAL COMPANY	OPERATING SUPPLIES	3,139.66
8/30/2024	96545	JORGE GARCIA	SAFETY SHOE REIMBURSEMENT	100.00
8/30/2024	96546	GEO-LOGIC ASSOCIATES	MPL MONITORING 6.1.24-6.30.24	80,954.96
8/30/2024	96547	GRAINGER	OPERATING SUPPLIES	4,001.58
8/30/2024	96548	GRANITE ROCK	RIVER ROCK COBBLES	3,938.29
8/30/2024	96549	JOSE GUILLEN	SAFETY SHOE REIMBURSEMENT	100.00
8/30/2024	96550	HOFFMEYER COMPANY, INC.	MMT REPAIR PARTS	6,193.25
8/30/2024	96551	DAVID C. LAREDO	AB1234 ETHICS TRAINING	590.00
8/30/2024	96552	LINDE GAS & EQUIPMENT, INC	OPERATING SUPPLIES	1,945.53
8/30/2024	96553	LIVEVIEW TECHNOLOGIES, INC	MONITORG SOFTWARE SUBSCRIPTION	2,617.63
8/30/2024	96554	MONTEREY BAY TECHNOLOGIES, INC.	INFO SYS SUPPLIES/SERVICES	8,273.43
8/30/2024	96555	McMASTER-CARR SUPPLY CO	LFG OP SUPPLIES	737.70
8/30/2024	96556	MOGO URGENT CARE	MEDICAL SERVICES BENITEZ	166.00
8/30/2024	96557	PACIFIC TRUCK PARTS, INC.	SHOP REPAIR PARTS	73.72
8/30/2024	96558	PENINSULA MESSENGER LLC	MAIL SERVICE P/U	372.00
8/30/2024	96559	QED ENVIRONMENTAL SYSTEMS, INC.	ANNUAL GEM CALIBRATION	1,966.00
8/30/2024	96560	QUINN COMPANY, INC.	SHOP REPAIR PARTS	17,409.94
8/30/2024	96561	RAIN FOR RENT	LF PUMP RENTAL	9,338.31
8/30/2024	96562	ISRAEL RAMIREZ	SAFETY SHOE REIMBURSEMENT	100.00
8/30/2024	96563	SCS ENGINEERS	RMC 8.1.21-8.31.24	450.00
8/30/2024	96564	SELECT STAFFING	TEMP STAFF WK END 8/11/24	6,236.60
8/30/2024	96565	SMART SIGNS & GRAPHICS	MRF SIGNAGE	92.67
8/30/2024	96566	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	1,161.06
8/30/2024	96567	STURDY OIL COMPANY	FUELS	2,044.47
8/30/2024	96568	MONTEREY COUNTY COURIERS, INC	COURIER SERVICE JUL 2024	393.04
8/30/2024	96569	SUPERIOR AUTO DETAIL	POWER WASHING HEAVY EQUIPMENT	1,540.00
8/30/2024	96570	SUPPORT PRODUCT SERVICES	LFG BI-ANNUAL SERVICE	1,917.82
8/30/2024	96571	ULINE SHIPPING SUPPLY SPECIAL	SAFETY HOODIES	510.52
8/30/2024	96572	UNISON SOLUTIONS, INC.	H2S REMOVAL/FILTERS	90,641.40
8/30/2024	96573	VERIZON WIRELESS	GPS/HOT SPOT	496.02
8/30/2024	96574	VIASYN, INC.	MGMT SERVICE FEE JUN/JUL 2024	4,895.00
				<u>\$4,588,320.76</u>

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7/3/2024	96077	FIRST ALARM	MONITORING SERVICE JUL-SEP 24	2,428.68
7/3/2024	96078	ACE HIGH DESIGNS, INC	REGEN LOGO WEAR	241.50
7/3/2024	96079	AFLAC	AFLAC JUN 2024	2,156.76
7/3/2024	96080	REBECCA AGUILAR	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	1,666.84
7/3/2024	96081	AGUILAR TIRE SERVICE	TIRE REPAIRS	140.00
7/3/2024	96082	AMERICAN RESTORE	MRF TIP FLOOR RESURFACING	82,834.40
7/3/2024	96083	APTIM CORP.	LFGCS WELL DRILLING	203,835.24
7/3/2024	96084	ARC DOCUMENT SOLUTIONS, LLC	DOCUMENT SCANNING	418.24
7/3/2024	96085	AT&T	UTILITIES	1,845.17
7/3/2024	96086	AUTOMOTIVE & INDUSTRIAL CO.	SHOP REPAIRS & MAINTENANCE	213.04
7/3/2024	96087	THOMAS AVILA	EE REIMBURSEMENT LFG OP SUPPLIES	164.35
7/3/2024	96088	BALANCE STAFFING	TEMP STAFF WK END 6/16/24	2,168.90
7/3/2024	96089	CalPERS	CALPERS UAL FY 24-25	1,460,736.00
7/3/2024	96090	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	1,780.00
7/3/2024	96091	CINTAS CORPORATION #630	UNIFORM SERVICE WK END 6/14/24	3,194.49
7/3/2024	96092	COLLINS ELECTRICAL COMPANY, INC.	ELECTRICAL SERVICES	230.37
7/3/2024	96093	COMMUNITY PRINTERS, INC	SECURITY ENVELOPES FOR ACT	1,265.51
7/3/2024	96094	CSC OF SALINAS	OPERATING SUPPLIES	549.72
7/3/2024	96095	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	7,162.69
7/3/2024	96096	SAULO DELGADO	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	776.30
7/3/2024	96097	NICOLE EATON	EE REIMBURSEMENT REGEN LOGOWEAR	81.89
7/3/2024	96098	EDWARDS TRUCK CENTER, INC	SHOP REPAIRS & MAINTENANCE	114.71
7/3/2024	96099	GALLAGHER BENEFIT SERVICES, INC	2024 TOTAL COMP STUDY	12,395.00
7/3/2024	96100	KIMBERLE HERRING	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	773.89
7/3/2024	96101	HOFFMEYER COMPANY, INC.	MMT REPAIRS & MAINTENANCE	15,077.53
7/3/2024	96102	JOHNSON ASSOCIATES	SHOP REPAIRS & MAINTENANCE	135.47
7/3/2024	96103	MONTEREY BAY ANALYTICAL SERVICES	WATER SAMPLES	1,207.00
7/3/2024	96104	MONTEREY BAY TECHNOLOGIES, INC.	INFO SYS SUPPLIES/SERVICES	8,276.31
7/3/2024	96105	MONTEREY COUNTY AUDITOR	LAFCO BUDGET ALLOC 24-25	72,326.23
7/3/2024	96106	RON MOONEYHAM	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	394.44
7/3/2024	96107	LYNETTE MOONEYHAM	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	366.89
7/3/2024	96108	NORTHERN TOOL & EQUIP CAP ONE TRADE CREDIT	SHOP OP SUPPLIES	3,124.74
7/3/2024	96109	NVB EQUIPMENT, INC.	SHOP REPAIRS & MAINTENANCE	3,875.09
7/3/2024	96110	OPERATING ENG. LOCAL UNION #3	UNION DUES JUN 2024	5,139.00
7/3/2024	96111	OPER.ENG.PUBLIC & MISC EE'S	OE HEALTH INSURANCE AUG 2024	272,729.00
7/3/2024	96112	PACIFIC TRUCK PARTS, INC.	SHOP REPAIRS & MAINTENANCE	570.29
7/3/2024	96113	JEANETTE PAGAN	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	1,131.00
7/3/2024	96114	PRUDENTIAL GROUP INSURANCE	PRUDENTIAL JULY 2024	12,444.60
7/3/2024	96115	QUINN COMPANY, INC.	SHOP REPAIRS & MAINTENANCE	7,806.42
7/3/2024	96116	RAIN FOR RENT	PUMP RENTAL	5,584.47
7/3/2024	96117	TINA REID	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	1,845.43
7/3/2024	96118	RUSTY JONES	BIRD ABATEMENT WK END 6/29/24	2,585.00
7/3/2024	96119	ADMINISTRATOR-SDRMA	PROP/LIABILITY 24-25 6882	2,006,985.38
7/3/2024	96120	SELECT STAFFING	TEMP STAFF WK END 6/16/24	6,334.76
7/3/2024	96121	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	1,009.80
7/3/2024	96122	STURDY OIL COMPANY	FUELS	27,361.48
7/3/2024	96123	TORO PETROLEUM CORP	DIESEL EXHAUST FLUID	406.69
7/3/2024	96124	VIASYN, INC.	SCHED COORD SETTLMNT JUNE 2024	4,895.00
7/3/2024	96125	WEST COAST RUBBER RECYCLING, INC	TIRE DISPOSAL	2,200.00
7/12/2024	96126	FIRST ALARM	FIRE ALARM SRVC/SMOKE DETECTR	183.66
7/12/2024	96127	AGUILAR TIRE SERVICE	TIRE REPAIRS	1,818.19
7/12/2024	96128	ALHAMBRA & SIERRA SPRINGS	WATER SERVICE	2,775.93
7/12/2024	96129	ALHAMBRA & SIERRA SPRINGS	COFFEE	1,581.43
7/12/2024	96130	AMERICAN SUPPLY CO	OP SUPPLIES SITEWIDE	2,725.32
7/12/2024	96131	AT&T	UTILITIES	1,501.40
7/12/2024	96132	BALANCE STAFFING	TEMP STAFF WK END 6/23/24	2,152.72
7/12/2024	96133	BULK HANDLING SYSTEMS	MMT REPAIRS & MAINTENANCE	1,997.98
7/12/2024	96134	BLUE STRIKE ENVIRONMENTAL	EDIBLE FOOD RECVRJ JUN 2024	13,107.52
7/12/2024	96135	BANK OF AMERICA BUSINESS CARD	DISTRICT CREDIT CARDS	20,075.34
7/12/2024	96136	C & N TRACTORS	SHOP REPAIRS & MAINTENANCE	2,040.74
7/12/2024	96137	CALPELRA	CALPELRA CONFERENCE 2024	790.00
7/12/2024	96138	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	1,660.00

Monterey Regional Waste Management District
Checks Issued
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Check Date	Check No	Payee	Transaction Description	Amount
7/12/2024	96139	CASTROVILLE AUTO PARTS	SHOP REPAIRS & MAINTENANCE	1,257.88
7/12/2024	96140	CENTRAL COAST TIRE, LLC	TIRE REPAIRS	1,086.30
7/12/2024	96141	CINTAS CORPORATION #630	UNIFORM SERVICE WK 6/28/24	5,931.23
7/12/2024	96142	CLARK PEST CONTROL	PEST CONTROL	566.00
7/12/2024	96143	COAST COUNTIES TRUCK & EQUIPMENT	SHOP REPAIRS & MAINTENANCE	305.30
7/12/2024	96144	CONSOLIDATED FABRICATORS CORP.	MMT ROLL OFF CONTAINERS	23,458.06
7/12/2024	96145	CALIFORNIA PRODUCT STEWARDSHIP COUNCIL	ANNUAL CONTRIBUTION 24-25	1,500.00
7/12/2024	96146	CSC OF SALINAS	OPERATING SUPPLIES	209.96
7/12/2024	96147	CYPRESS COAST FORD	SHOP REPAIRS & MAINTENANCE	60.35
7/12/2024	96148	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	3,540.19
7/12/2024	96149	DATAFLOW BUSINESS SYSTEMS INC.	CONT INV KYOCERA 3551CI	597.33
7/12/2024	96150	KEITH DAY COMPANY, INC.	CONTRACT RECYCLING	139,407.42
7/12/2024	96151	EAST BAY TIRE CO.	TIRE REPAIRS	2,403.50
7/12/2024	96152	FARMER BROTHERS CO	COFFEE SERVICE	437.37
7/12/2024	96153	FEDERAL EXPRESS	SHIPPING FEES	95.53
7/12/2024	96154	FERRELLGAS	FUELS	3,793.68
7/12/2024	96155	GLACIER TECHNOLOGY, INC	SCANNER DATA PEPLINK	10,935.93
7/12/2024	96156	GOLD STAR BUICK GMC, INC	SHOP REPAIRS & MAINTENANCE	329.93
7/12/2024	96157	GRAINGER	OPERATING SUPPLIES	95.55
7/12/2024	96158	GRANITE ROCK	MOD 7 CONT NO 2023-0324	938,433.13
7/12/2024	96159	MONTEREY COUNTY HERALD	PUBLIC HEARING NOTICES	3,274.70
7/12/2024	96160	HOFFMEYER COMPANY, INC.	MMT REPAIRS & MAINTENANCE	650.52
7/12/2024	96161	JOE MESCAN WINDMILL, LLC	WIND TURBINE UNIT REPAIR	1,319.00
7/12/2024	96162	KADANT PAAL, LLC	MMT REPAIRS & MAINTENANCE	4,307.00
7/12/2024	96163	LOCI CONTROLS, INC	WELL PILOT STUDY	7,975.25
7/12/2024	96164	MARISELA MARTINEZ	REISSUE STALE/LOST PAYROLL CHK	200.00
7/12/2024	96165	CINDY MEZA	SAFETY SHOE REIMB TEMP STAFF	100.00
7/12/2024	96166	OTIS ELEVATOR COMPANY	ELEVATR MAINT 7.1.24-9.30.24	1,070.07
7/12/2024	96167	PACIFIC TRUCK PARTS, INC.	SHOP REPAIRS & MAINTENANCE	2,129.99
7/12/2024	96168	PANKEY'S RADIATOR SHOP, INC.	SHOP REPAIRS & MAINTENANCE	2,775.00
7/12/2024	96169	PACIFIC GAS & ELECTRIC	UTILITIES	88.43
7/12/2024	96170	PITNEY BOWES GLOBAL FINANCIAL SERVICES, LLC	POSTAGE METER LEASE	244.33
7/12/2024	96171	POTENTIAL INDUSTRIES, INC.	RECYCLING BROKER FEES MAY 2024	5,329.47
7/12/2024	96172	POWER SYSTEMS TESTING CO.	LFG MAINTENANCE/TESTING	91,002.00
7/12/2024	96173	QUALITY SCALE INC.	SCALES REPAIRS	4,148.50
7/12/2024	96174	QUINN COMPANY, INC.	SHOP REPAIRS & MAINTENANCE	14,004.82
7/12/2024	96175	ANA QUIROZ	EE REIMBURSEMENT MILEAGE 6.3.24-6.21.24	104.52
7/12/2024	96176	ALEJANDRO RAMOS	SAFETY SHOE REIMB TEMP STAFF	100.00
7/12/2024	96177	ANALUISA RIVERO	REISSUE STALE/LOST PAYROLL CHK	192.31
7/12/2024	96178	RUSTY JONES	BIRD ABATEMENT WK END 7/6/24	2,585.00
7/12/2024	96179	R&R LABOR, INC	TEMP STAFF WK END 6/26/24	12,135.91
7/12/2024	96180	SAFETEQUIP, INC	MRF SAFETY SUPPLIES	3,551.61
7/12/2024	96181	EDITH SANCHEZ GARCIA	REISSUE STALE/LOST PAYROLL CHK	1,062.02
7/12/2024	96182	SPECTOR CORBETT ARCHITECTS, INC	SCALE HOUSE RENOVATION	28,773.25
7/12/2024	96183	SCS ENGINEERS	ENVIRONMENTAL SERVICES	4,495.00
7/12/2024	96184	THE SPECIAL DISTRICTS ASSOCIATION OF MONTEREY COUNTY	SDAMC QRTLTY MEETG 07162024	40.00
7/12/2024	96185	SELECT STAFFING	TEMP STAFF WK END 6/23/24	7,212.15
7/12/2024	96186	SOUTHWESTERN SALES, INC	LANDFILL TARP REPLACEMENTS	20,960.92
7/12/2024	96187	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	857.79
7/12/2024	96188	STURDY OIL COMPANY	FUELS	36,715.97
7/12/2024	96189	SUPERIOR AUTO DETAIL	SHOP REPAIRS & MAINTENANCE	880.00
7/12/2024	96190	JOSE TAVARES	RETIREE HEALTH INSURANCE REIMBURSEMENT 7/2024	773.89
7/12/2024	96191	TRUCKSIS ENTERPRISES INC	SITE SIGNS	129.42
7/12/2024	96192	TRUE FIRE PROTECTION, INC	EMERGNCY REPAIR LEAK HHW	1,598.00
7/12/2024	96193	ULINE SHIPPING SUPPLY SPECIAL	HHW SAFETY SUPPLIES	3,835.94
7/12/2024	96194	VALLEY FABRICATION, INC.	SHOP REPAIRS & MAINTENANCE	157.87
7/12/2024	96195	WELLS FARGO BANK	INTERCO ACCT 48612500	3,500.00
7/12/2024	96196	WSP USA INC	MPL TV AND REPORTS	6,358.80
7/12/2024	96197	ACE HARDWARE	OPERATING SUPPLIES	90.59
7/18/2024	96198	CASH	PETTY CASH REIMB 063024	206.85
7/19/2024	96199	ACE HARDWARE	OPERATING SUPPLIES	276.05
7/19/2024	96200	CASTROVILLE ACE HARDWARE	OPERATING SUPPLIES	30.13

Monterey Regional Waste Management District
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Check Date	Check No	Payee	Transaction Description	Amount
7/19/2024	96201	AGUILAR TIRE SERVICE	TIRE REPAIRS	546.12
7/19/2024	96202	AUTOMOTIVE & INDUSTRIAL CO.	SHOP REPAIRS & MAINTENANCE	107.07
7/19/2024	96203	BARNES WELDING SUPPLY	MMT REPAIRS & MAINTENANCE	639.62
7/19/2024	96204	C & N TRACTORS	SHOP REPAIRS & MAINTENANCE	170.63
7/19/2024	96205	EDGAR & ASSOCIATES, INC	CA COMPOST COALITION JUL 2024	500.00
7/19/2024	96206	LANDSCAPE MAINTENANCE OF AMERICA	LITTER ABATEMENT	675.00
7/19/2024	96207	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	1,578.00
7/19/2024	96208	DON CHAPIN COMPANY INC	KRAIL FOR LCM	6,656.88
7/19/2024	96209	CINTAS CORPORATION #630	UNIFORM SERVICE WK END 7/5/24	3,070.54
7/19/2024	96210	CSC OF SALINAS	OPERATING SUPPLIES	246.36
7/19/2024	96211	CYPRESS ENGINEERING GROUP, LLC	HAZPOWER TRAINING	5,595.00
7/19/2024	96212	CYPRESS COAST FORD	SHOP REPAIRS & MAINTENANCE	109.51
7/19/2024	96213	KEITH DAY COMPANY, INC.	CONTRACT RECYCLING	134,469.41
7/19/2024	96214	EL CAMINO MACH & WELDING, LLC	SHOP REPAIRS & MAINTENANCE	5,171.85
7/19/2024	96215	FAST CARE, INC	MEDICAL SERVICES	945.00
7/19/2024	96216	GEO-LOGIC ASSOCIATES	MPL MONITORING	66,874.72
7/19/2024	96217	AIS INTERNATIONAL, LLC	INFO SYS SUPPLIES/SERVICES	549.00
7/19/2024	96218	GRAINGER	OPERATING SUPPLIES	5,263.19
7/19/2024	96219	GREEN LINE	PUMP GROUND WATER UNLOAD	980.00
7/19/2024	96220	GREEN WILLOW GROUP, LLC	KIPTRAQ SUBSCRIPTION	2,500.00
7/19/2024	96221	HOFFMEYER COMPANY, INC.	MMT REPAIRS & MAINTENANCE	12,642.17
7/19/2024	96222	JOHNSON ASSOCIATES	SHOP REPAIRS & MAINTENANCE	76.42
7/19/2024	96223	LAWSON PRODUCTS, NC	OPERATING SUPPLIES	944.74
7/19/2024	96224	LINDE GAS & EQUIPMENT, INC	OPERATING SUPPLIES	191.88
7/19/2024	96225	SALLY MADERO	EE REIMBURSEMTN SAFETY COMMITTEE LUNCH	197.62
7/19/2024	96226	MONTEREY BAY ANALYTICAL SERVICES	WATER SAMPLES	580.00
7/19/2024	96227	MONTEREY SIGNS, INC	DECALS FOR PUB ED VAN	375.00
7/19/2024	96228	MELISSA BAXTER DBA NOTHING WASTED CONSULTING	Q2 SB1383 SAMPLING	26,674.00
7/19/2024	96229	QUINN COMPANY, INC.	SHOP REPAIRS & MAINTENANCE	9,681.73
7/19/2024	96230	PITNEY BOWES RESERVE ACCOUNT	POSTAGE REFILL 7/15/24	500.00
7/19/2024	96231	RUSTY JONES	BIRD ABATEMENT WK END 7/13/24	2,585.00
7/19/2024	96232	R&R LABOR, INC	TEMP STAFF WK END 7/3/24	3,124.79
7/19/2024	96233	SAFETEQUIP, INC	SAFETY SUPPLIES	1,391.58
7/19/2024	96234	SELECT STAFFING	TEMP STAFF WK END 6/30/24	3,962.26
7/19/2024	96235	SILICON ROADWAYS	CONTRACT RECYCLING	3,129.00
7/19/2024	96236	SMART SIGNS & GRAPHICS	LANDFILL SIGNS	1,919.03
7/19/2024	96237	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	849.98
7/19/2024	96238	STURDY OIL COMPANY	FUELS	1,366.62
7/19/2024	96239	TORO PETROLEUM CORP	SHOP DIESEL EXHAUST FLUID	534.07
7/19/2024	96240	BERTA R TORRES, SPHR-CA	EE REIMBURSEMENT FRUIT FOR INFO MTG	60.99
7/19/2024	96241	TRILLIUM CNG	CNG FUEL PURCHASES	65,163.39
7/19/2024	96242	ULINE SHIPPING SUPPLY SPECIAL	OPERATING SUPPLIES	892.88
7/19/2024	96243	BALANCE STAFFING	TEMP STAFF WK END 6/30/24	2,905.24
7/26/2024	96244	ACCENT CLEAN & SWEEP, INC.	STREET SWEEPING JUN 2024	18,835.00
7/26/2024	96245	ACE HARDWARE	OPERATING SUPPLIES	148.48
7/26/2024	96246	AGUILAR TIRE SERVICE	TIRE REPAIRS	4,292.05
7/26/2024	96247	AT&T	UTILITIES	3,644.25
7/26/2024	96248	BALANCE STAFFING	TEMP STAFF WK END 7/7/24	7,263.69
7/26/2024	96249	BARNES WELDING SUPPLY	MMT REPAIRS & MAINTENANCE	86.60
7/26/2024	96250	BRUCE BARTON PUMP SERVICE, INC	LFG OP SUPPLIES	4,572.06
7/26/2024	96251	BECKS SHOE STORE, INC	SAFETY BOOTS	2,968.17
7/26/2024	96252	BANK OF AMERICA BUSINESS CARD	DISTRICT CREDIT CARDS	21,478.34
7/26/2024	96253	C & N TRACTORS	SHOP REPAIRS & MAINTENANCE	73.12
7/26/2024	96254	CASTROVILLE ACE HARDWARE	OPERATING SUPPLIES	377.05
7/26/2024	96255	CALL2RECYCLE, INC.	HW DISPOSAL	1,803.75
7/26/2024	96256	CAMPOS BROTHERS RECOVERY, INC	APPLIANCE DISPOSAL	3,349.00
7/26/2024	96257	CASTROVILLE AUTO PARTS	SHOP REPAIRS & MAINTENANCE	394.98
7/26/2024	96258	DON CHAPIN COMPANY INC	KRAIL FOR MRF TIP FLOOR	11,020.75
7/26/2024	96259	CINTAS CORPORATION	1ST AID SUPPLIES	323.25
7/26/2024	96260	CINTAS CORPORATION #630	UNIFORM SERVICE WK END 7/12/24	2,909.77
7/26/2024	96261	CLARK PEST CONTROL	PEST CONTROL 7/19/24	566.00
7/26/2024	96262	CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC	HW DISPOSAL	32,335.84

Monterey Regional Waste Management District
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For the Month of July 2024

Check Date	Check No	Payee	Transaction Description	Amount
7/26/2024	96263	COAST COUNTIES TRUCK & EQUIPMENT	REPAIR PARTS STOCK	226.48
7/26/2024	96264	COMMUNITY PRINTERS, INC	BUSINESS CARDS	334.61
7/26/2024	96265	CSC OF SALINAS	OPERATING SUPPLIES	1,069.83
7/26/2024	96266	CUTTING EDGE SUPPLY	OPERATING SUPPLIES	6,104.32
7/26/2024	96267	DAHL-BECK ELECTRIC	LFG GAS SKID BLOWER OVERHAUL	59,180.28
7/26/2024	96268	DARE CAPITAL PARTNERS, LLC	CONTRACT RECYCLING	10,393.36
7/26/2024	96269	DATAFLOW BUSINESS SYSTEMS INC.	CONT INV KYOCERA 6052CI	243.71
7/26/2024	96270	CESAR RODRIGUEZ	SHOP REPAIRS & MAINTENANCE	603.83
7/26/2024	96271	EDGES ELECTRICAL GROUP LLC	LFG SUPPLIES	196.20
7/26/2024	96272	EVERBANK, N.A.	COPIER LEASE KYOCERA 6052CI	283.65
7/26/2024	96273	FAST CARE, INC	MEDICAL SERVICES	870.00
7/26/2024	96274	FASTENAL COMPANY	OPERATING SUPPLIES	19,941.05
7/26/2024	96275	AIS INTERNATIONAL, LLC	GP MONTHLY SUPPORT APR-JUN 24	1,647.00
7/26/2024	96276	GREEN RUBBER AND INDUSTRIAL	SHOP REPAIRS & MAINTENANCE	4,801.28
7/26/2024	96277	GREEN VALLEY INDUSTRIAL SUPPLY, INC	OPERATING SUPPLIES	48.53
7/26/2024	96278	H&A GOLDEN SUPPLIES INC	SHOP OP SUPPLIES	3,134.36
7/26/2024	96279	HOFFMEYER COMPANY, INC.	MMT REPAIRS & MAINTENANCE	9,622.89
7/26/2024	96280	ISCO INDUSTRIES, INC	LF TARPS	3,442.62
7/26/2024	96281	J.M. EQUIPMENT CO., INC	SHOP REPAIRS & MAINTENANCE	85.58
7/26/2024	96282	KENNEDY/JENKS CONSULTANTS, INC	VOLTAGE PROJECT	2,076.70
7/26/2024	96283	KSBW	PUD ED ADS CHARGED CONVOS	120.00
7/26/2024	96284	L.A. HEARNE CO	OPERATING SUPPLIES	6,730.59
7/26/2024	96285	LIVEVIEW TECHNOLOGIES, INC	MONITORG SOFTWARE SUBSCRIPTION	2,617.63
7/26/2024	96286	MEGATRONICS INTERNATIONAL CORP	SERVICE AGREEMENT	2,200.00
7/26/2024	96287	MOGO URGENT CARE	MEDICAL SERVICES	352.00
7/26/2024	96288	MOTION INDUSTRIES INC	OPERATING SUPPLIES	1,117.73
7/26/2024	96289	NORTHERN TOOL & EQUIP CAP ONE TRADE CREDIT	OPERATING SUPPLIES	5,667.63
7/26/2024	96290	NATIONAL RECOVERY TECHNOLOGIES, LLC	MMT REPAIRS & MAINTENANCE	6,732.60
7/26/2024	96291	NVB EQUIPMENT, INC.	SHOP REPAIRS & MAINTENANCE	5,954.13
7/26/2024	96292	OPERATING ENG. LOCAL UNION #3	UNION DUES JUL 2024	5,070.00
7/26/2024	96293	PENINSULA MESSENGER LLC	MAIL SERVICE PICK UP	564.00
7/26/2024	96294	PACIFIC GAS & ELECTRIC	UTILITIES	5,854.41
7/26/2024	96295	QUINN COMPANY, INC.	SHOP REPAIRS & MAINTENANCE	678,443.12
7/26/2024	96296	RAIN FOR RENT	PUMP RENTAL	9,450.13
7/26/2024	96297	RDO EQUIPMENT CO.	CARLSON COMPACTOR GPS SYSTEM	69,079.60
7/26/2024	96298	RUSTY JONES	BIRD ABATEMENT WK END 7/20/24	2,585.00
7/26/2024	96299	R&R LABOR, INC	TEMP STAFF WK END 7/17/24	5,644.80
7/26/2024	96300	SAFETEQUIP, INC	CUSTOM DECALS	34.75
7/26/2024	96301	SCS ENGINEERS	ENVIRONMENTAL SERVICES	9,450.00
7/26/2024	96302	ADMINISTRATOR-SDRMA	PROP/LIAB 23-24 ADD EQUIP	5,513.80
7/26/2024	96303	SELECT STAFFING	TEMP STAFF WK END 7/14/24	9,936.97
7/26/2024	96304	SILICON ROADWAYS	CONTRACT RECYCLING	4,006.00
7/26/2024	96305	SOUTHWESTERN SALES, INC	LF TARP PARTS	135.79
7/26/2024	96306	STRATEGIC MATERIALS, INC.	CONTRACT RECYCLING	2,115.86
7/26/2024	96307	STURDY OIL COMPANY	FUELS	51,060.87
7/26/2024	96308	MONTEREY COUNTY COURIERS, INC	COURIER SERVICE JUN 2024	393.04
7/26/2024	96309	TOM'S SITE SERVICES	PORTABLE TOILETS 6.2-6.29.24	4,377.53
7/26/2024	96310	TORO PETROLEUM CORP	DIESEL EXHAUST FLUID	23,530.49
7/26/2024	96311	TRINITY CONSULTANTS, INC	SWPPP REVISIONS/COMPLIANCE	9,688.88
7/26/2024	96312	ULINE SHIPPING SUPPLY SPECIAL	SAFETYSUPPLIES	4,616.89
7/26/2024	96313	UNITED PARCEL SERVICE	SHIPPING FEES	38.87
7/26/2024	96314	VALLEY FABRICATION, INC.	SHOP REPAIRS & MAINTENANCE	225.00
7/26/2024	96315	VIASYN, INC.	SCHED COORD SETTLMNT JUL 2024	3,895.00
7/26/2024	96316	WASTE MANAGEMENT INC.	TRASH SERVICE JUL 2024	833.25
7/26/2024	96317	WEST COAST RUBBER RECYCLING, INC	TIRE DISPOSAL	2,200.00
7/26/2024	96318	WSP USA INC	MOD 7	1,733.40
7/26/2024	96319	ALTIUS MEDICAL	MEDICAL WASTE DISPOSAL	265.00
7/26/2024	96320	GOLD STAR BUICK GMC, INC	SHOP REPAIRS & MAINTENANCE	284.64
7/31/2024	96330	PEDRO MONTEJANO	CLEANING SERVICES JUL 2024	14,500.00
				<u>\$7,287,247.77</u>

MONTEREY REGIONAL WASTE MANAGE
Employee Cash Disburseme
July 2024

Check Date	Check Number	Payee	Description
7/3/2024	96087	Thomas Avila	LFG Operating Supplies
7/12/2024	96175	Ana Quiroz	Mileage For Picking Up/Dropping Off Items
7/19/2024	96225	Sally Madero	Safety Committee Lunch

MONTEREY REGIONAL WASTE MANAGE
Employee Cash Disburseme
August 2024

Check Date	Number	Payee	Description
8/9/2024	96389	Regina Santa Cruz	MRF Emp Celebrations
8/9/2024	96369	Jeff Hadley	Stolen Tools
8/16/2024	96407	Thomas Avila	LFG Operating Supplies

MENT DISTRICT

nts

Amount	Purpose	Location
164.35	LFG Operating Supplies	Marina CA
104.52	Mileage For Picking Up/Dropping Off Items	Marina CA
197.62	Safety Committee Lunch	Marina CA
<u>\$ 466.49</u>		

MENT DISTRICT

nts

Amount	Purpose	Location
183.76	MRF Emp Celebrations	Marina CA
4,848.24	Stolen Tools	Marina CA
158.83	LFG Operating Supplies	Marina CA
<u>\$ 5,190.83</u>		

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Employee Credit Card Activity

July 2024

Purpose	Amount
Conferences/Meetings	881.70
Memberships/Subscriptions	2,756.64
Social Committee Expense	4,624.33
Office Supplies	999.28
Info Sys Supplies/Services	1,559.21
EE Recognition/Goodwill	5,660.81
Training	325.00
Professional Services	299.99
Equipment R&M	1,460.00
Facilities R&M	2,044.64
Operating Supplies	866.74
Total	<u>\$ 21,478.34</u>

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Employee Credit Card Activity

August 2024

Purpose	Amount
Conferences/Meetings	\$ 1,677.17
Memberships/Subscriptions	646.88
Social Committee Expense	2,662.65
Office Supplies	268.97
Info Sys Supplies/Services	1,820.86
EE Recognition/Goodwill	603.02
Training	156.90
Equipment R&M	3,227.28
Facilities R&M	1,003.72
Operating Supplies	2,717.70
Safety Supplies	1,916.30
Public Awareness	312.14
Public Awareness Advertisements	8,129.92
TOTAL	<u>\$ 25,143.51</u>

MEMO



Item #: 5.e

Meeting Date: September 20, 2024

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

Subject: Approve Declaration of Surplus Equipment: SH16 2006 Chevrolet 3500 Flatbed

RECOMMENDATION

Approve staff's proposed recommendation to the Board to declare SH16 2006 Chevrolet 3500 Flatbed as surplus and authorize the disposition of this specific ReGen Monterey asset by selling it for sealed bid solicitation, third-party auction, or scrap market.

BACKGROUND AND DISCUSSION

As in past practice, the request to declare certain ReGen Monterey assets as surplus generally consists of identifying those assets that have reached the end of their useful life cycle service to ReGen operations. The assets defined below have been determined to meet the criteria (see pictures of the assets in an attached file). For those equipment or vehicles that are governed by the local Air District (MBARD) or the Air Board (CARB) program requirements, the disposition shall be for "scrap only". The SH16 2006 Chevrolet 3500 Flatbed is not in one of those qualified programs and thus, can be sold or scrapped.

FISCAL IMPACT

There is negligible financial impact associated with declaring this asset as surplus. There will be several hundred dollars in resale or scrap value and also some minor avoided costs associated with maintenance and fuel by not using this vehicle any longer.

ASSET #	Unit #	Description	Purchase Date	Purchase Cost	Accumulated Depreciation	Net Book Value	Est. Market Value
1046	SH16	2006 Chevrolet 3500 Flatbed	2/1/2016	\$15,208.00	\$ -	\$ -	\$ -

CONCLUSION

Staff requests that the Board of Directors consider this recommendation to declare the above-listed asset as surplus and authorize the disposition of ReGen Monterey's surplus equipment for resale or scrap market value.

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Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

Let's not waste this.



2006 Chev 3500

MEMO



Item #: 5.f

Meeting Date: September 20, 2024

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

Subject: Adopt Resolution 2024-08 and Approve the Purchase of One (1) New 2024 Caterpillar 323 Excavator

RECOMMENDATION

Adopt Resolution 2024-08 and approve the purchase of one (1) new 2024 Caterpillar 323 Excavator, using the cooperative purchasing process for public entities and preferential competitive pricing offered through Sourcwell (formally known as National Joint Powers Alliance, NJPA) and without the alternate competitive bidding process. Refer to the attached proposal by Quinn Company of Salinas, CA, dated July 2, 2024, to provide the 2024 Caterpillar 323 Excavator for the total price of \$347,661.24 including sales tax, freight. The purchase price will be protected once the attached sales quote is signed, and the equipment order is completed.

BACKGROUND AND DISCUSSION

The District operates a small fleet of Off-Road equipment utilized for various activities throughout the Site. Phasing out all 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. ReGen Monterey is a participating member in the diesel engine phase-out program for more than a decade and coordinates with the local Air District, Monterey Bay Air Resources District (MBARD), as equipment is retired.

Unit MR43 is a 2011 Caterpillar 324DL Excavator with a Tier 3 engine (see picture in attached file). This almost 14-year-old excavator has 14,049 hours of operation. The excavator is an operationally critical piece of equipment utilized by MRF operations to load four transfer trucks that move material to the 'active face' and other various tasks in the operation of the MRF. Funds in the amount \$350,000 are included in the FY 2024/25 Capital Outlay Budget for this purchase.

Off-Road Equipment not powered by Tier 4 Final diesel engine should be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommend replacing unit MR43, a 2011 Caterpillar 324DL Excavator (Tier 3 engine) at this time with a New 2024 Caterpillar 323 Excavator (Tier 4 final engine). This will accomplish one of the required fleet conversion units and allow ReGen to stay on track to meet the 2026 California Air Resources Board (CARB) emissions deadline that dictates this fleet conversion.

Physical Address	Mailing Address	Phone / Fax	Web / Social
14201 Del Monte Blvd. Salinas, CA 93908	P.O. Box 1670 Marina, CA 93933	831-384-5313 PHONE 831-384-3567 FAX	ReGenMonterey.org @ReGenMonterey

Let's not waste this.

FISCAL IMPACT

Funds totaling \$ 350,000 are included in the FY 2024/25 Capital outlay portion of the budget for this purchase. These funds will be used to purchase the 2024 Caterpillar 323 Excavator for the total price of \$347,661.24 including sales tax and freight.

CONCLUSION

That the Board adopt Resolution 2024-08 and approve the purchase of one (1) new 2024 Caterpillar 323 Excavator for the price of \$347,661.36 without the alternative competitive bidding process by using the Sourcewell public entity cooperative purchasing program and as presented in the attached proposal by Quinn Company of Salinas, CA. Estimated delivery of equipment is currently anticipated by December 2024.

//



176002-01

Jul 02, 2024

MONTEREY REGIONAL WASTE MGMT DIST
ATTN ACCOUNTS PAYABLE
PO BOX 1670
MARINA, California 93933-1670

Attention: JAY RAMOS

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

One (1) New Caterpillar Inc. Model: 323 Excavator including standard and optional equipment as listed below.

STOCK NUMBER: NS0020316

SERIAL NUMBER: 0NDL30315

YEAR: 2024

SMU: 0

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Justin Brown
Machine Sales Representative

One (1) New Caterpillar Inc. Model: 323 Excavator including standard and optional equipment as listed below.

Standard Equipment

POWERTRAIN

C7.1e single turbo Tier 4 Final diesel engine
Electric fuel priming pump
Reversible electric cooling fans
Two-stage fuel filtration system with

water separator and indicator
Sealed double element air filter with integrated pre-cleaner
Biodiesel capable (up to B20)

UNDERCARRIAGE

Grease lubricated track link
Tie down points on base frame

(ISO 15818 compliant)

HYDRAULICS

Electronic main control valve
Auto warm up
Tandem type electronic main pump
Boom and stick regeneration circuits

Automatic two speed travel
Boom and stick drift reduction valve
Element type main hydraulic filter

ELECTRICAL

Maintenance free battery
Centralized electrical disconnect switch
CAT product link
After engine shut down 90 seconds

programmable time delay LED working lights:
One chassis mounted, one LH boom mounted

OPERATOR ENVIRONMENT

Increased rear window size as emergency exit
2 inch (51mm) orange seat belt
Tilt up left side console
Automatic bi-level air conditioner with pressurized function
Washable floor mat
Roller front sunscreen
Beacon ready
2 x 12V DC outlet and USB port
Dome and lower LED interior lights, coat hook, cup holder, console storage
rear storage with net, and overhead storage with net

(Deluxe cab)
-Sound-suppressed ROPS cab (ISO 12117-2 compliant) w/viscous mount
-Openable tempered front upper windshield w/ assist device and removable tempered lower windshield with in cab storage bracket
-Air suspension deluxe seat w/ headrest w/ 2 step seat heater, console height adjustment w/o tools, arm rest height and angle adjustment
-Upper radial wiper for 70/30
-Openable polycarbonate hatch for 2P windshield

SAFETY AND SECURITY

RH hand rail and hand hold
(ISO 2867 compliant)
Service platform with anti-skid plate
and countersunk bolts
Hydraulic lock out lever neutralizes

all controls
Ground level accessible secondary engine
shutoff switch in cab
Signaling / warning horn

OTHER STANDARD EQUIPMENT

Side entry to service platform
Grouped location for engine oil
and fuel filters
Ground level 2nd dipstick for engine oil

Sampling ports for scheduled oil
Sampling (S.O.S)
Remote flash

MACHINE SPECIFICATIONS

323 07F HEX AM-N CFG2B	633-9149
LANE 3 ORDER	0P-9003
STORAGE PROTECTION (EXPORT)	0G-4126
ROLL ON-ROLL OFF	0G-4202
COOLANT, COLD WEATHER	622-0512
INSTRUCTIONS, ENGLISH	0P-3380
STORAGE PROTECTION (EXPORT)	0P-7563
LINES, QC, R9'6" STICK	242-6490
LINES, HP, R9'6" STICK	356-8117
WIPER, RADIAL W/O LOWER	484-8021
SUCTION LINE, PUMP, STD	489-2952
CYLINDER, BKT, B1	490-4179
STK, R9'6" HD W/THUMB BRACKET	490-7676
LINKAGE, BKT, B1 W/EYE GRADE	492-8537
INTEGRATED RADIO, W/O DAB	502-7166
BATTERIES, 2	506-5013
QUICK DRAINS READY	511-7398
GRADE 2D ASSIST & PAYLOAD	624-7796
GRADE SENSOR, REACH BOOM	516-9880
GRADE SENSOR, R9'6"/9'8" STICK	516-9883
CONTROL, QC	517-4758
TRACK, 31" TG HD	526-6475
GUARD, TRACK GUIDE, SEGMENTED	526-8766
FILM, EMC	528-4738
JOYSTICKS, VERTICAL SLIDER	528-6835
LINES, DRAIN, PG QC	549-8149
NETWORK MANAGER, A6N1	555-7286
FILM, STICK WARNING, ANSI	567-3815
FILM, ROPS	567-3816
LINES, QC, REACH BOOM	570-4691
FILM, INTERIOR, ANSI	573-4351
GUARD, BOTTOM, HD	576-9412
BOOM, REACH 18'8" HD	577-5865
LIGHTS, CAB, W/RAIN PROTECTOR	577-8973
FILM, EXTERIOR, ANSI	578-2907
LINES, HP, REACH BOOM	578-9186
LIGHTS PKG, BOOM LH & RH	579-5428
MIRROR, CAB, W/O GUARD	580-8628
CYLINDER, STICK	586-3636
CAMERA, REAR & RH VIEW	593-7355
PROD LINK, PLE643/PLE743 RADIO	594-9052
HYDRAULIC PKG, COMB ADV	633-9190
STORAGE TRAY	576-9463
GRAPPLE, CONTRACTOR G120	590-1856

WARRANTY & COVERAGE

Standard Warranty: 12 MONTHS FULL MACHINE
Extended Coverage: 60 MO/7000 HR PREMIER – FULL MACHINE WARRANTY

MACHINE LIST PRICE	\$370,183.00
SOURCEWELL MEMBER DISCOUNT - 15 %	(\$55,527.45)
FREIGHT, PREP & DELIVERY	\$8,000.00
NET BALANCE DUE	\$322,655.55
SALES TAX (7.75%)	\$25,005.81
AFTER TAX BALANCE	\$347,661.36

PAYMENT TERMS

Cash Invoice Terms

CASH WITH ORDER
\$0.00

ADDITIONAL CONSIDERATIONS

- MACHINE IS IN STOCK
- GRAPPLE IS 4 WEEKS FROM DATE OF ORDER

Accepted by _____ on _____

Signature

MR43 2011 CAT 324D T3



BOARD OF DIRECTORS

Resolution

RESOLUTION
2024-08

Authorizing the purchase without competitive bidding of one (1) New 2024 Caterpillar 323 Excavator, using the cooperative purchasing process for public entities and preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA)

WHEREAS the Monterey Regional Waste Management District dba ReGen Monterey has a requirement for new heavy equipment purchases a New 2024 Caterpillar 323 Excavator; and

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; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of ReGen Monterey, 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 July 2, 2024, to provide a New 2024 Caterpillar 323 Excavator for the total price to be \$ 347,661.24. including sales tax and freight.

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Monterey Regional Waste Management District dba ReGen Monterey duly held on September 20,2024.

:



Kim Shirley
Board Chair

Monterey Regional
Waste Management District,
dba ReGen Monterey

Felipe Melchor
General Manager
Board Secretary

MEMO



Item #: 5.g

Meeting Date: September 20, 2024

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

Subject: Adopt Resolution 2024-09 and Approve Purchase of a New Caterpillar 966XE-BR Loader

RECOMMENDATION

That the Board adopt Resolution 2024-09 (attached) and approve the purchase of one (1) new 2024 Caterpillar 966XE-BR Loader, without competitive bidding, using the cooperative purchasing process for public entities and preferential pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA). Refer to the proposal (attached) by Quinn Company of Salinas, CA, dated July 24, 2024, to provide one new 2024 Caterpillar 966XE-BR Loader for the total price of \$ 716,991.24 including sales tax, freight. The purchase price is protected once the attached sales quote is signed, and the equipment order is completed.

BACKGROUND AND DISCUSSION

The District operates a small fleet of Off-Road equipment utilized for various activities throughout the Site. Phasing out all of the Off-Road Equipment that is 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. ReGen Monterey has been a participating member in the diesel engine phase-out program for more than a decade and coordinates with the local Air District, Monterey Bay Air Resources District, as equipment is retired.

Unit SI26 is a 2002 John Deere 744H Loader with a Tier 3 engine (see picture in attached file). This 21-year-old loader has 23,842 hours of operation. The loader is an operationally critical piece of equipment utilized by Landfill operations to load two of the ejector trucks. The loading operations can occur at various locations onsite; in borrow areas to load soil cover materials or for moving material on the 'active face' during the wet weather season, and other various tasks in the operation of the landfill. Funds in the amount \$ 725,000 are included in the FY 2024/25 Capital Equipment Outlay Budget for this purchase.

Off-Road Equipment not powered by a Tier 4 Final diesel engine should be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommend replacing unit SI26, a 2002 John Deere Loader (Tier 3 engine) with a new 966XE-BR Caterpillar Loader (Tier 4 final engine) and stay on track to meet 2026 California Air Resources Board (CARB) emissions deadline for this state-wide program.

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

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FISCAL IMPACT

Funds totaling \$ 725,000 are included in the FY 2024/25 Capital equipment outlay portion of the budget for this purchase with the total price of \$ 716,991.24.

CONCLUSION

It is therefore recommended that the Board of Directors adopt Resolution 2024-09 and approve the purchase of one (1) new 2024 Caterpillar 966XE-BR Loader for the total price of \$ 716,991.24 using the Sourcewell public entity cooperative purchasing program as presented in the attached proposal by Quinn Company of Salinas, CA and without an alternate competitive bidding process. Estimated delivery of equipment is currently anticipated by December 2024.

//

SI26_2002_JD744H_T3



BOARD OF DIRECTORS

Resolution

RESOLUTION
2024-09

Authorizing the purchase without competitive bidding of One (1) New 2024 Caterpillar 966XE Loader, using the cooperative purchasing process for public entities and preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA

WHEREAS, the Monterey Regional Waste Management District dba ReGen Monterey has a requirement for new heavy equipment purchases a New 2024 Caterpillar 966XE Loader, and;

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, and;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the ReGen Monterey, 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 July 24, 2024, to provide a New 2024 Caterpillar 966XE Loader for the total price to be \$ 716,991.24. including sales tax and freight.

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Monterey Regional Waste Management District dba ReGen Monterey duly held on September 20, 2024.

:



Kim Shirley
Board Chair

Monterey Regional
Waste Management District,
dba ReGen Monterey

Felipe Melchor
General Manager
Board Secretary

MEMO



Item #: 5.h

Meeting Date: September 20, 2024

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

Subject: Authorize General Manager to Purchase a Jenbacher 420 Engine Short Block

RECOMMENDATION

That the Board of Directors 1) Authorize the General Manager to purchase one (1) Jenbacher 420 engine short block to replace Engine #4 's damaged block and 2) Accept the proposal (attached) by Energy Dynamics of Wiscasset, ME dated 8/13/2024, to provide One (1) Jenbacher 420 Short Block Engine for the total price of \$317,486.88 including sales tax. Freight costs will be determined when the order is placed.

BACKGROUND AND DISCUSSION

ReGen Monterey operates a landfill gas fired power plant that produces up to five megawatts of electricity. Landfill gas is extracted from vertical and horizontal collection wells located in the landfill's waste mass and is used to generate renewable energy, which powers all of ReGen's operations and also allows ReGen to sell excess electricity to the utility grid. ReGen's power plant features four generators, each driven by a landfill gas fired engine.

Recently Engine #4, an Austrian made Jenbacher 420 engine with a 1.4MW rating, experienced a mechanical failure of a connecting rod bearing which caused damage to the engine's crankshaft and lesser parts. Due to the number of operating hours that this engine has incurred, the recommendation is to replace the main core portion of the engine, commonly referred to as the "short block". The Finance Committee recommended that this purchase be presented to the Board for their consideration of approval for the capital repair of Engine #4 (7.5-year life extension rating).

FISCAL IMPACT

Funds totaling \$330,000 will be allocated from the Board approved Capital Outlay portion of the FY2024/25 budget for this purchase.

CONCLUSION

1) Authorize the General Manager to purchase One (1) Jenbacher engine short block for Unit #4. 2) Accept the proposal (attached) by Energy Dynamics of Wiscasset, ME dated 8/13/2024, to provide One (1) Jenbacher Short Block Engine for the total price of \$317,486.88 including sales tax. Freight costs will be determined when the order is placed.

ATTACHMENTS:

- 1) Energy Dynamics of Wiscasset, ME proposal dated 8/13/2024.

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

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**Billing:**

P.O. Box 90

Woolwich, ME 04579

Phone: 207-882-8120

Fax: 207-882-8296

Shipping:

139 Chewonki Neck Road

Wiscasset, ME 04578

Quotation

Date	Quote #
8/13/2024	Q241315
J420 B version Shortblock W/O heads	

Name/Address:		Ship To:	
Accounts Payable Monterey Regional Waste Mgmt. Dist. 14201 Del Monte Blvd. Monterey County, CA 93933-1670 US 831-776-6482		Gilbert Najera Monterey Regional Waste Management Dist. 14201 Del Monte Blvd. Monterey County, CA 93933-1670 831-776-6482	
Terms	Valid For	Quote Prepared By	Email
as noted	30 Days	Mike Ryan	mryan@energydynamics.biz

Line#	Reference #	ID Number	Description	Lead Time	Qty	Price	Total	tx
1	EXJ420 Shortbloc J420 SB W/O		J420 Shortblock W/O Cyl heads. Exchange engine. Core charge applies. See attached detail scope of supply.	5-6 weeks to ship	1	\$254,651.40	\$254,651.40	t
2	CJ420 Shortblock J420 SB W/O		Core Charge, refundable based on condition of customer engine. See Energy Dynamics core return policy		1	\$40,000.00	\$40,000.00	t

Payment terms: 50% Payment to secure order, 40% Due prior to shipping completed engine, 10% Due upon commissioning or no more than 30 days after delivery. Freight additional.	SUBTOTAL:	\$294,651.40
	EST. FREIGHT:	\$0.00
	TAX (7.75%):	\$22,835.48
	TOTAL (USD):	\$317,486.88
Acceptance of this order is subject to the attached Energy Dynamics Terms and Conditions		
Customer responsible for all applicable state and local taxes.		
*Any use of any engine manufacturers product codes is for description purposes only. Such use does not mean that parts so described originate from the engine manufacturer. Should confirmation of origin be required, this will be provided separately.		

JENBACHER J420 Short Block w/o Heads
(attachment to Quote Q241315)



New parts and reconditioned components with new parts are supplied as listed below.

All New parts supplied:

Connecting rods
Connecting rod bearings
Pistons
Gear Drive
Cylinder Liners w/ scraper rings
Camshaft and cam followers, cam bearings
Main bearings
Thrust Bearings
Vibration dampers
Cylinder head gaskets
Oil pressure regulation valve
Oil Pump
Oil Filter
Stroke extensions
Gasket and o-rings
Painted and preserved

Reconditioned components with new parts installed (as applicable):

Crankcase w/ covers
Crankshaft w/ flywheel
Oil sump
Piston cooling nozzles



Transport accessories

Transport frame for shipping and core return
Brackets for lifting device

Not included

Gaskets and seals for the balance of assembly and installation
Assembly/installation labor service
Commissioning, engine run-in.

Core return policy

The core engine must be returned for a refund to be applied
The same core engine returned must be the same type and assembly as supplied
Returned freight free within the specified time.

BOARD OF DIRECTORS

Resolution

RESOLUTION
2024-10

In Appreciation of
Randy Evanger

WHEREAS he began his career with the Monterey Regional Waste Management District on May 18, 1992 as a Maintenance Worker and throughout his long tenure held postions as Assistant Mechanic, Heavy Equipment Operator, and Heavy Equipment Supervisor; and

WHEREAS he received his Manager of Landfill Operations (MOLO) Certification from the Solid Waste Association of North America (SWANA) on March 2, 2008; and

WHEREAS he received several awards during his career with ReGen Monterey including Superior Attendance Awards in 2010 and 2011, the Jonathan Livingston Seagull Award in 1998 and two Going the Extra Mile “GEM” Awards in 2022 and 2024; and

WHEREAS he was profficient in heavy equipment operation and shared his knowledge with other operators to further develop their skills; and

WHEREAS he was proud of the organization and was willing to share his knowledge and passion with tour groups including schools, helping them to learn where “away” was when something was thrown away; and

WHEREAS he was dedicated to becoming a subject matter expert with new GPS technology which improves landfill compaction; and

WHEREAS he has performed his duties in a diligent and conscientious manner during his over 32 years with ReGen Monterey.

NOW, THERFORE, IT BE RESOLVED THAT that the Board of Directors of ReGen Monterey hereby commends and expresses its appreciation to Randy Evanger for his service with best wishes upon his retirement on July 31, 2024.

Passed and adopted this September day of 20 2024 by the Board of Directors.

Kim Shirley
Board Chair



Monterey Regional
Waste Management District,
dba ReGen Monterey

Felipe Melchor
General Manager
Board Secretary

BOARD OF DIRECTORS

Resolution

RESOLUTION
2024-11

In Appreciation of
Guy R. Petraborg

WHEREAS he was hired at the Monterey Regional Waste Management District in 2015 as the Principal Engineer and transitioned into the position of Director of Engineering and Compliance in 2016; and

WHEREAS he was instrumental in the organizational restructuring in 2016 that resulted in current leadership structure and led to forward-thinking discussions and planning for new business initiatives with the Board of Directors; and

WHEREAS in 2017, he received the Clean Air Leadership Award for Climate Change Advocate from the Monterey Bay Air Resources District and a Certificate of Recognition from the California Legislature Assembly in honor of receiving the award from MBARD; and

WHEREAS he served on the Board of Directors for the Solid Waste Association of North America’s (SWANA) Gold Rush Chapter for seven years (2017 – 2024) and in 2020 he served on SWANA’s Legislative Task Force as an Alternate Board Member; and

WHEREAS he oversaw ReGen Monterey facility improvements including construction of \$23 million in upgrades to the Materials Recovery Facility (MRF) to include single-stream recycling and construction and demolition materials processing; and

WHEREAS he was instrumental in managing the Landfill-Gas-To-Energy system and constructing a gas conditioning system on-site to reduce emissions and enable the plant to run efficiently; and

WHEREAS he was responsible for ReGen’s grant funding awards for the electrical vehicle (EV) charging stations, landfill gas conditioning system, and covered aerated static pile (CASP) composting grant; and

WHEREAS he reorganized the Engineering Department by implementing durable processes, provided mentorship of staff at all levels of the organization, and has set the stage for continued success at ReGen Monterey; and

WHEREAS he dedicated numerous hours researching ReGen Monterey’s history to create a white paper on municipal solid waste practices in California and of ReGen Monterey that provides clarity of past policy decisions and serves as reference guide for future policy decision makers; and

WHEREAS his sound guidance, leadership, and pioneering thinking have contributed greatly in building ReGen Monterey’s infrastructure for solid waste management, including three landfill modules, the upgrade of the Materials Recovery Facility, electric vehicle charging stations, a pilot biochar facility, and long-term landfill disposal capacity, all at one of the lowest rates in the region and the state.

NOW, THEREFORE, IT BE RESOLVED THAT the Board of Directors of the Monterey Regional Waste Management District dba ReGen Monterey hereby commends and expresses its appreciation to Guy Petraborg for his leadership and wish him well in his retirement.

Passed and adopted this 20 day of September 2024 by the Board of Directors.

Kim Shirley
Board Chair



Monterey Regional
Waste Management District,
dba ReGen Monterey

Felipe Melchor
General Manager
Board Secretary

PRESENTATION



Item #: 6.c

Meeting Date: September 20, 2024

To: Board of Directors
From: Berta Torres, Director of Human Resources
Approved by: Felipe Melchor, General Manager

Subject: TRAITS Leadership Development Program Update

RECOMMENDATION - Informational Only.

BACKGROUND AND DISCUSSION

In January 2023, ReGen's Management Team embarked on a leadership development program, consisting of six (6) half-day workshops, covering a variety of leadership topics, a strengths assessment (Rhodes' Thinking-Intentions Profile), followed by individual coaching sessions with a leadership coach. The program was designed by Dr. Barry and Jeanne Frew from Frew & Associates in consultation with the General Manager and Human Resources Director and incorporated ReGen's Core Values, aka TRAITS, which were adopted by the Board as part of the Strategic Plan the previous year. Enclosed is background information of Dr. Barry Frew and Jeanne Frew ([Attachment A](#)).

The purpose of the program was to provide participants with a learning opportunity to help them grow as individuals, leaders and as a team. The program was rolled out in three phases. Phase 1 participants included all Supervisors, Manager and Directors for a total of 24 participants. In Phase 2, the same participants attended two workshops on the topic of "difficult conversations" and continued with the individual coaching sessions. A new group of participants was added in Phase 3 (shift leads, coordinators and new supervisors) and workshops covered most of the Phase 1 program.

The learning continues and Phase 4 is under development, based on feedback from the program participants with projected rollout in the Fall 2024.

Dr. Barry Frew will be presenting the Board of Directors an update on the learning program at the September Board meeting and will be happy to answer any questions. ([Attachment B](#))

FISCAL IMPACT

The investment in leadership development for 2024/25 is approximately \$50,000 and is included in the FY 2024/25 budget.

CONCLUSION

Leadership succession and creating team cohesiveness and organizational alignment are priorities of the General Manager to ensure ReGen has the capacity to meet its strategic priorities now and into the future. The TRAITS Leadership Development Program supports this endeavor.

Physical Address

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Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

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831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

Let's not waste this.



About the Frew & Associates Team



Founder, CEO Frew & Associates
25565 Boots Road, Monterey, CA, 93940
barry@carmelleadership.com
barry@frewassociates.com
(831) 236-7028 Cell/Text

Barry was born in Portland Oregon but grew up in Roseburg, Oregon, a small logging town in Oregon in the 50's and 60's. After completing an associate degree, he joined the Navy and served 3 tours in Vietnam. He served aboard the USS Hornet and was part of the primary recovery crew for the Apollo 11 moon landing. He served in uniform for 20 years after enlisting and was converted to commissioned officer status mid-career. He also served aboard the USS Midway, homeported in Japan. After retiring from uniform service, he served an additional 18 years in the Department of Defense as a civilian faculty member at the Naval Postgraduate School (NPS), in Monterey, California. He served in a variety of roles at the school including professor and Dean and was awarded academic tenure as well as many awards for teaching, innovation, and leadership during his two government careers (military and civilian.)

In 1997, Barry founded and directed the Center for Executive Education (CEE) at NPS. The Center provided boundary-expanding programs for the U.S. Navy and Department of Defense Flag officers (Generals and Admirals) and Senior Executive Service civilians. Programs delivered by this Center rapidly built a large following and reputation within and external to the Navy. His programs have been credited for changing the culture of Navy leadership, changing the dialogue within the Navy, and expanding the awareness and perception regarding leaders' vision of future possibilities and outcomes. Hundreds of military Admirals and Generals have attended his courses and Barry has coached many of them as well. His entrepreneurial spirit and his innovative approach to executive education have been the focus of many articles, magazines, and news periodicals including New York Lawyer, Chips, Naval Proceedings, and Fast Company. The Center also custom-designed programs for the Navy SEAL community and other mindset-shifting programs for mid-grade officers for the Secretary of the Navy.

Upon leaving his tenured faculty position at NPS in 2002, Barry founded and continues to lead Frew & Associates, an independent professional development firm. Frew & Associates designs and delivers custom and purpose-built development programs that stretch the thinking and enable higher levels of performance for individuals, teams, and organizations. Development programs include deep and practical learning sessions, coaching, and mentoring. These custom programs assist clients in gaining sustainable high performance by becoming

more effective at thinking, communicating, learning, personal and organizational change, and generating higher engagement levels for those they lead. Barry has a robust and active coaching business and continues to design and deliver deep learning events and consulting engagements for a broad range of clients and organizations. This work has proven to be highly impactful for thousands of people who are individual contributors, new and experienced supervisors, mid-level managers and leaders, as well as the most senior and most experienced leaders.

Dr. Frew and his company, Frew & Associates, serve public, nonprofit, and private sector clients. The positive impact has been felt by chairpersons, CEOs, C-suite, senior executives, mid-management, as well as front-line contributors, and teenagers. He has directed leadership development programs for large and small teams. He led a long-term development effort for senior leaders during a sustained period of highest growth for Keurig Green Mountain Coffee (now Keurig Dr. Pepper) and for several public and nonprofit sector organizations. Currently, the client focus is on developing and expanding the Leadership Carmel program and offerings and also includes community-focused local clients.

He was educated at Miami of Ohio (BS in Applied Math/Operations Research/Systems Analysis), Naval Postgraduate School (MS in Computer Systems Management), and completed his doctoral work at Golden Gate University in Public Administration.

Back in the day, he played lots of competitive racquetball and softball, completed 5 marathons, and many 10Ks. His family means everything to him and he enjoys skiing, classic cars, and automobile racing. He has an inactive private pilot license and safely completed a solo parachute jump.



Jeanne Frew | CFO

Jeanne Frew
Co-Owner, Frew & Associates
Monterey, California
Co-Director, Leadership Carmel

jeanne@frewassociates.com
(831) 236-1223 (Cell)

Jeanne's experience is broad from highly technical (technology-based) to senior leadership and professional development. The emphasis has often been on leading and managing change, and on helping others expand their thinking boundaries. The audience has been public and private sectors, not-for-profit, and in educational settings. Her processes have included formal and informal learning programs, coaching and mentoring, as well as, leadership by example.

Her private sector work prior to Frew & Associates included working for a Big 8 Accounting Firm as an Information Technology Consultant and Auditor, and leading a major development technology program for a petroleum company. She has also worked for California State University Monterey Bay, and Naval Postgraduate School.

In her previous job prior to Frew & Associates, Ms. Frew led a military organization as the senior civilian (Technical Director). She provided leadership, strategic thinking, policy development, long-range planning in all aspects of the business, human capital management, and fiscal oversight in a rapidly changing unpredictable environment. Ms. Frew was successful in helping individuals and the organization achieve organizational alignment and transformational change.

Since joining Frew & Associates in 2005, Ms. Frew has designed, developed, and delivered professional development learning events, programs, and coaching. In addition, she assists in the development of professional development content and is certified/licensed in several assessments. She also provides operational and logistical support for F&A and for the learning events, coaching, and consulting for our clients.

Jeanne was born and raised in Roanoke, Virginia. She has a BS in Math from Roanoke College and an MS in Information Technology Management from Naval Postgraduate School. She did Doctoral Studies also at NPS. She retired as a Senior Civil Service Employee in 2003. She has run four marathons and continues to focus on a healthy lifestyle including exercise and diet. She enjoys entertaining and cooking for large gatherings of family, extended family, and friends. Her family is everything to Jeanne.

ReGen Monterey

TRAITS Leadership Development Program



Partnering to Build, Leverage, and Sustain High-Performing Individuals, Teams, and Organizations



Who are we?

- ☐ Jeanne and I have many years of public service.
- ☐ Lived on the Monterey Peninsula since 1982.
- ☐ Founded Frew & Associates in 2002
- ☐ We focus on learning events and coaching individuals, teams, and organizations in the public and private sectors.
- ☐ Our content is research AND experientially-based, deep AND broad, theoretical AND practical.
- ☐ Post-COVID, we transitioned from a national public & private client-based business model to a local and community-focused client model.
- ☐ We consider our work with ReGen to be a good cultural fit with our values.

ReGen's Core Values



Team Work

Respect


Accountability

Integrity

Transparency

Stewardship

Intended Outcomes

- 
- ☐ Participants are:
 - ☐ Able to think more broadly and deeply
 - ☐ more comfortable, confident, and capable of leading in 4 directions
 - ☐ more capable individual and team contributors
 - ☐ able to communicate more effectively, and
 - ☐ able to listen better and ask different and better questions
 - ☐ Teams establish higher trust, and therefore the work is produced more quickly, more effectively, safely, and with less confusion and rework
 - ☐ Increase ReGen's overall capacity for resiliency and innovation

Approach

- ☐ Our proposal for a Leadership Development/Learning Program was selected in late 2022 and began in Feb 2023 with read-aheads, discussions, and coaching.
- ☐ ReGen and Frew & Associates are in partnership to provide a series of custom-designed learning events in combination with 1:1 leadership coaching focused on improving trust and relationships, improving thinking and communication, AND increasing productivity, efficiency, and effectiveness.
- ☐ Foster and leverage ReGen Monterey's core values (TRAITS).



Phased Implementation

- ☐ Topics covered include:
 - ☐ Mindstate and High-Order Thought Framework
 - ☐ Understanding & Leveraging Thinking
 - ☐ Leadership Model
 - ☐ Leading, Managing, and Dealing with Change
 - ☐ Understanding, Building, and Leveraging Trust
 - ☐ High-Performing Individuals, Teams, and Organizations
- ☐ Phase 1 (2023) – The Senior Management Team included Managers, Directors, and Supervisors – 2 cohorts of 12 each
- ☐ Phase 2 (2024) - Focused Similar Content to the Next Level of Leads, Coordinators, and Supervisors
 - ☐ Added a module on Structuring and Conducting Difficult Conversations for Phase 1 Participants and Continued 1:1 Coaching Opportunities





Post Training Evaluation

94% of respondents indicated the material was relevant to their roles.

94% of respondents indicated that 1:1 coaching sessions were helpful.

4.3 on a 1 to 5 scale Participants highly rated the overall quality of training.



Post Training Evaluation Responses

- “
- ☐ This training was very beneficial to my work and role...
 - ☐ The training was really helpful for me. Everything I learned I'm putting into practice at work and out of work. I really take all these classes seriously because I know it's going to help me be a better person and a better leader.
 - ☐ This training helped me in more than just my role at work. It has helped me in my personal life as well.
 - ☐ The training that was provided was excellent. I feel if you wanted to better yourself in a leadership position it was a great class. I really appreciate the opportunity.
 - ☐ I have witnessed change in behaviors...
 - ☐ Engaging...
 - ☐ Empowering...
- ”

Additional Value is Possible

- ☐ Great progress has been made AND work remains to be done.
- ☐ Applying Topics to Actual Thinking, Behaviors, and Situations at ReGEN
- ☐ Improving Alignment
- ☐ Increasing Engagement Levels
- ☐ Better Teaming



PRESENTATION



Item #: 6.d

Meeting Date: September 20, 2024

To: Board of Directors
From: Franco Guzman
Approved by: Felipe Melchor

Subject: Presentation of School Outreach and SB 1383 Compliance in 2023-2024

RECOMMENDATION Information Only.

BACKGROUND AND DISCUSSION

The Communications team has conducted outreach to school districts to help them comply with [SB 1383 California's Short-Lived Climate Pollutants: Organic Waste Reductions](#) law, which requires Californians to separate their organic waste from their trash to reduce methane emissions from landfills ([SB 1383 Lara, Chapter 395, Statutes of 2016](#)). Organic waste includes food scraps and yard trimmings. When this material decomposes in landfills, it rots and creates methane—a potent climate pollutant. ReGen Monterey has been working to educate the community about diverting organics from our landfill. This program allows us to produce valuable compost for local farms, save limited landfill space, and reduce greenhouse gas emissions.

Local education agencies including K-12 public and charter schools, school districts, and county offices of education are required to participate. **Beginning on January 1, 2024, the state of California will begin to enforce SB 1383.** ReGen Monterey is here to help schools with compliance and avoid penalties.

Schools are required to comply with SB 1383 by subscribing to an organic waste hauling service and implementing a kitchen and lunchroom waste sorting station. Organic waste will be transported to ReGen Monterey's site for industrial composting. Schools are not responsible for composting their organic waste, but they are encouraged to compost the material in their school garden, science classes, etc. for educational purposes.

Our Communications and Public Education team has made great strides with several schools on the Monterey Peninsula. We would like to continue the momentum to introduce and improve these sorting programs to all school districts in our service area. Our hope is that local students become environmental advocates for life, and bring this knowledge back home, teaching their families how to separate their recycling, trash, and organics properly.

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

Let's not waste this.



Board of Directors

September 20, 2024

School Outreach 2023-2024

Implementation of SB 1383 Compliance

My Background in Environmental Education



Introduction to SB 1383

- As of January 1, 2022, SB 1383 California's Short-Lived Climate Pollutant: Organic Waste Reductions law requires Californians to separate their organic waste from their trash to reduce methane emissions from landfills (SB 1383 Lara, Chapter 395, Statutes of 2016).
- Organic waste includes food scraps and yard trimmings. When this material decomposes in landfills, it rots and creates methane—a potent climate pollutant.
- Beginning on January 1, 2024, local education agencies are required to comply with SB 1383. ReGen Monterey is here to help.



ReGen Strategy for SB 1383 Compliance Support for Schools

- Letter of support to school districts and administrators
- Assessment of schools with hauler
- Identify a school champion
- Presentations to students and staff
- Green team volunteers
- Sorting signage, sorting game, lunchtime monitoring
- Edible food recovery with Blue Strike Environmental



ReGen Strategy for SB 1383 Compliance Support for Schools

- Schools produce a lot of food waste, including edible food that can be returned to hungry kids and their families, and food scraps that can be composted at ReGen Monterey.
- Students learn at a young age that the three-cart system is routine
- Students bring back the knowledge of food scrap collection, and why its important, back home to their families
- Students become lifelong environmentalists



ReGen Strategy for SB 1383 Compliance Support for Schools



ReGen Strategy for SB 1383 Compliance Support for Schools



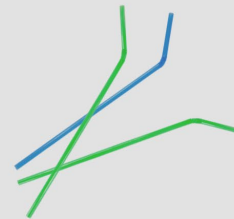
TRASH BASURA



cartons, juice pouches
cartones, bolsas de jugo



dirty trays & containers
platos y contenedores sucios



utensils, napkins
utensilios, servilletas



plastic wrappers & bags
envolturas, bolsas de plastico



food, batteries, lightbulbs
comida, pilas, focos

ReGen Strategy for SB 1383 Compliance Support for Schools



RECYCLE RECICLAJE



plastics #1, 2, 5
plástico #1, 2, 5



paper, cardboard
papel, cartón



metal, aluminum
metal, aluminio



glass
vidrio



plastic bags, black plastic, dirty napkins
bolsas de plástico, plástico negro, servilletas sucias



FOOD SCRAPS RESTOS DE COMIDA



fruits, vegetables
frutas, vegetales



leftovers
sobras



grains
granos



cooked meats, dairy
carne cocida, lácteos



compostables, plastics, liquids
compostables, plásticos, líquidos

Schools that have received Outreach in 2023-2024

Monterey Peninsula Unified School District

- Crumpton Elementary
- International School of Monterey
- King Elementary
- Los Arboles Middle
- Marina Child Development
- Marina High School
- Olson Elementary
- Monte Vista
- Big Sur Charter School
- Chartwell School

Pacific Grove Unified School District

- Forest Grove
- Robert Down
- Monterey Bay Charter

Carmel Unified School District

- Carmel River
- Tularcitos
- All Saints Day School
- Carmel High

North Monterey County & Washington Unified School District

- More Outreach needed.
- SVR's overlapping jurisdiction.

ReGen Strategy for SB 1383 Compliance Support for Schools



ReGen Strategy for SB 1383 Compliance Support for Schools









Marina Child Development Center





Martin Luther King School





ReGen Monterey

14201 Del Monte Blvd.
Salinas, CA 93908
831-384-5313

ReGenMonterey.org
@ReGenMonterey

ReGen Monterey
is the public name of
Monterey Regional Waste
Management District

For more information, please contact:

Franco Guzman
Communications Specialist
fguzman@ReGenMonterey.org

MEMO



Item #: 7.a

Meeting Date: September 20, 2024

To: Finance Committee
From: Guy R. Petraborg, Director of Engineering & Compliance
Approved by: Felipe Melchor, General Manager

Subject: Receive Edited White Paper and Public Summary Versions

RECOMMENDATION

That the Board of Directors receive both the edited White Paper and the public summary version of the White Paper, "Where Waste Travels".

BACKGROUND AND DISCUSSION

On July 19, 2024, the Board received the White Paper titled "High Level Summary of Municipal Solid Waste Management Practices in California and of the Monterey Regional Waste Management District in Monterey County, California". The White Paper was developed with input primarily from ReGen Monterey's (ReGen) Board and Staff. The White Paper generally seeks to convey common practices of the solid waste industry at the State, Monterey County, and ReGen specific levels. This pertains to how/where communities receive recycling and disposal services, the benefits or impacts to the service provider's business operations, and related consequences to those facilities that provide these essential public services to both 'member agency' and 'non-member agency' communities, and other private and public waste generators.

In the process of receiving the White Paper at the July Board Meeting, the Board of Directors discussed editing the White Paper and also having a summary version for use with/by the general public. The White Paper is a report on complex topics or matters and thus, is not close to being the type of document that is readily consumable by most readers of the general public. Staff decided to address both goals that the Board identified in their discussions and present the results at this time.

Attached to this Board Report is a) an edited version of the July 2024 White Paper that was received by the Board (Attachment 2) and b) a short summary version intended for the general public (Attachment 3). Both a 'marked up' version (Attachment 1) and 'clean copy' version (Attachment 2) of the edited July 2024 White Paper are attached to assist in the review of the changes to the White Paper, previously received by the Board. Please review these documents and be prepared to discuss the documents at the Finance Committee Meeting. The purpose of the discussions is to provide staff guidance in finalizing the documents for subsequent presentation and Board action at the September Board Meeting. At the September Finance Committee Meeting, the Finance Committee was provided with the edited version of the White Paper that was received by the Board at the July 2024 Board Meeting (Attachment 2) and the summary text version (no figures) of important aspects of the White Paper which is intended for the general public reader. The Finance Committee supported the staff to bring these both to the Board of Directors for the Board's consideration of receiving the documents for ReGen's publication and use.

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

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FISCAL IMPACT

None – Information Only

CONCLUSION

That the Board of Directors receive both the edited White Paper (Attachment 2) and the public summary version of the White Paper, “Where Waste Travels” (Attachment 3) for ReGen’s publication and use.

Attachments:

1. Edited ('marked up') Version of July 19, 2024 White Paper Received by the Board
2. Edited ('clean copy') Version of July 19, 2024 White Paper Received by the Board
3. Where Waste Travels Summary Report 09-2024_final

Where Waste Travels

WHITE PAPER

High-Level Summary of Municipal Solid Waste Management Practices in California and of the Monterey Regional Waste Management District DBA ReGen Monterey

**Monterey County, California
July 19, 2024**



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- 3.1 Introduction
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- 3.3 Evolution of Business Practices
- 3.4 Influence of Regulatory Policy
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Executive Summary

The management of municipal solid waste in California is a complex and interrelated system involving government, public agencies, the private sector, and many collection, processing, transportation, diversion, recycling and disposal facilities. ~~In addition,~~ California also has a complex framework of legislation and regulations to maximize the reduction, diversion, recycling, reuse and recovery of materials. Their objectives are to minimize the disposal of solid waste in the interest of public health and the environment.

This White Paper is organized into four sections, the first of which discusses the ~~document's~~ ~~document's~~ purpose ~~of the White Paper~~. Section 2 summarizes ~~California's and Monterey County's~~ ~~the~~ municipal solid waste management system and practices ~~of California and Monterey County~~. Section 3 ~~summarizes details~~ ReGen Monterey's business practices, ~~and~~ Section 4 ~~summarizes~~ ~~explores~~ some ~~of the~~ effects of ReGen Monterey's business practices on ~~areas of interest~~ ~~matters~~ such as ~~Service~~ ~~service~~ Rates ~~rates~~ and ~~Landfill~~ ~~Disposal~~ ~~disposal~~ Capacity ~~capacity~~. The White Paper's purpose is briefly described further in the following paragraphs of this Executive Summary.

~~In more detail,~~ Section 2 summarizes public policy and common practices of the solid waste management industry in California and Monterey County. It presents that most jurisdictions do not own solid waste landfills, transfer stations, recycling facilities, ~~or~~ composting facilities. Yet, in California, ~~there are~~ public policies ~~that~~ require all jurisdictions to utilize such facilities to responsibly manage and dispose of the solid wastes generated by ~~their each~~ community. ~~As a result,~~ ~~This results in~~ wastes ~~being are~~ transported in and out of counties ~~so that the waste can be directed to reach the~~ appropriate waste management facilities. ~~These~~ transportation of solid waste to an appropriate permitted facility is a common industry practice across the country. In most states, this includes ~~both~~ interstate transportation ~~in addition to and~~ intrastate transportation ~~in and out of between~~ counties. Every community requires such public services, yet very few cities or counties own the necessary facilities — and ~~yet even~~ fewer restrict business exclusively to their own community. ~~That there are~~ ~~Two purposeful privatization trends have contributed to~~ a relatively small number of ~~City-city-~~ or ~~County-county-~~ owned solid waste facilities ~~has occurred over in recent~~ decades; ~~as the result of a purposeful privatization trend to~~

- i) ~~A purposeful privatization trend to~~ achieve ongoing infrastructure development (private capitalization capacity)

— and ii) ~~A purposeful privatization trend toward~~ efficiency of operations, ~~due to~~ ~~with~~ economies of scale and lower rates, relatively speaking (~~to reach~~ more customers than ~~are exclusively available in~~ any one ~~exclusive~~ community basis).

ii) _____

Section 3 of this White Paper explores the history of ReGen Monterey and ~~the-its~~ evolution from a “disposal-only” facility to ~~an that of an~~ integrated waste management facility ~~that promoting-promotes~~ waste reduction and ~~offering-offers~~ diversion, recycling, and beneficial reuse services. During its entire history, ReGen Monterey has provided solid waste management services to the franchise waste collection companies for ReGen’s Member Agency communities (~~those which are~~ represented on the Board of Directors). That ~~s~~ ~~-has occurred~~ because ~~there is a requirement in the communities’~~ Member Agency agreements with ReGen Monterey ~~state~~ that each Member Agency ~~must~~ include a requirement in ~~their-its Franchise-franchise Waste-waste Collection collection~~ contracts ~~to-that~~ directs non-hazardous solid waste materials to ReGen Monterey. ~~Such f~~Franchise waste contracts are common in the solid waste industry. They are critically important because solid waste industry infrastructure and operations/maintenance are very expensive. ~~These operations and~~ require a secure ‘revenue stream’ to ~~maintain sufficient financial means for thekeep~~ owners/operators ~~to stay~~ in business. The ~~Franchise-franchise Waste-waste~~ contract requirement ~~placed on each Member Agency as part of its participation with ReGen Monterey~~ provides a level of financial surety and assurance.

~~Specifically, this is a requirement that is placed on each Member Agency by ReGen Monterey as part of the Member Agency’s participation with ReGen Monterey.~~ In contrast, ReGen Monterey ~~does not have a~~ ~~is not~~ requirement ~~required~~ to exclusively serve only the Member Agency communities. ~~Establishing such a requirement The would take a Board majority, of the Board would need to establish such a requirement for such a requirement to exist and, presumably, there would be a~~ ~~would be the result of a~~ significant issue. ~~warranting That’s because~~ In reality, such a change ~~as that changewould~~ conflicts with basic economic principles and solid industry business practices for financial security and sustainability.

Section 4 presents some ~~of the effects of interest~~ ~~results that are~~ associated with ~~an~~ increasing ~~number of~~ disposal customers and their ~~shared contribution in sharing the~~ financial support of ReGen’s integrated recycling and disposal facilities. ReGen Monterey has consistently served other public customers (both Member Agency and non-Member

v

Agency customers) and governmental, private commercial and residential customers from both Member Agency and non-Member Agency communities. The record ~~illustrates~~ shows greater tip fee rate changes by percent in the first 40 years, when there ~~was~~ were fewer customers in addition to the Member Agencies. ~~At that time, and the~~ Member Agency franchise waste disposal revenue ~~was made up~~ was made up a greater share of total revenue.

With the Board's subsequent decisions for diversification of disposal customers and revenue sources, Member Agency disposal revenue share ~~is~~ became about a quarter of total disposal revenues. A 1:3 ratio ~~that is illustrative~~ illustrates that many others are contributing, with ~~the Member Agency~~ Member Agencies to share the financial support ~~that is~~ required to own, operate, and maintain ReGen's integrated solid waste recycling and disposal facility. This ~~circumstance influences~~ creates lower rates and slower rate increases ~~compared to the alternative to~~ than without revenue and customer diversification. While ~~it is predicted~~ predictions suggest that ~~the~~ increased landfill disposal ~~during the period of between~~ 2009 ~~through and~~ 2036 (28 years) will equate to 54 to 64 years of -consumed capacity at the pre-existing ~~"baseline"~~ fill rate, ~~there remains~~ a predicted 119 to 129 years of disposal capacity remains. (~~That is~~ greater than the Board-assigned 75 years of exclusive disposal capacity reserved for the Member Agencies).

The review of ReGen's history reveals that its business practices have been Board directed and approved. It is evident that ReGen's Board governance has been influenced by:

- i) ~~i) e~~Common good business practices of diversifying ~~one's the~~ customer base and ~~revenue~~ sources ~~of revenues~~ for greater shared benefit ~~and~~
- ii) ~~ii) p~~Public policies influencing improvements for waste reduction, diversion, recycling and reuse measures.

ReGen has evolved from a "disposal only" model. ~~This has~~The resulted ~~isn~~ a more reliable and sustainable public works organization ~~in the interests of the~~for Member Agencies and all ~~the~~ communities and customers served by ReGen Monterey.

1.0 Purpose

The California municipal solid waste (MSW) system involves government, public agencies, the private sector and a myriad of various collection, processing, transportation, recycling and disposal facilities primarily owned by private companies. The system functions within a complex framework of legislation and regulations and is intended to:

- ~~M~~ maximize the reduction, diversion, recycling, reuse and recovery of materials;
- ~~M~~ minimize the disposal of solid waste; and
- ~~M~~ manage solid waste disposal in discrete waste management units (e.g., landfills) for the protection of public health and the environment.

All jurisdictions (cities and counties), and their communities, businesses, and industries require these collection, processing, transportation, recycling and disposal services to properly manage solid waste consistent with local, state, and federal regulations. In California and the United States, these solid waste management services are primarily provided by private for-profit companies as opposed to public entities such as cities and counties (jurisdictions) or joint power authorities (JPA) organizations.

This multi-faceted purpose of this White Paper is multi-faceted and is intended to provide the reader with a high-level summary of following information:

- ~~S~~ solid waste industry practices in California and Monterey County (Section 2);
- ~~G~~ general solid waste management practices at ReGen Monterey (Section 3);
- ~~A~~ a historical summary of more specific practices at ReGen Monterey (Section 4).

There is a presentation of the effects impact of diversifying revenues and customers to include new contracted non-Member Agency customers. Adding new customers results in adding more recycling and disposal tons relative to "baseline operations" levels. That, in turn, affects financial aspects such as operating expenses, and revenues, and various service fee rates. It also affects shapes operational aspects such as the type and scale of ReGen's both recycling and disposal services performed by ReGen. These services are accessible to all customers, including the Member Agency communities. With increasing disposal quantities, the consumption of landfill "airspace" capacity

increases and the remaining service life of the landfill decreases. ~~The~~ Explaining the relationship between increased waste disposal quantities ~~by~~ from serving more communities and ~~its effects~~ the impact on revenue, customer rates, and landfill lifespan is ~~the one~~ objective ~~associated with the of this~~ White Paper's ~~purposes~~.

2.0 Summary of Municipal Solid Waste Management in Monterey County

Credits: Primary contributions from Manatt, Phelps & Phillips, LLP

Edited by Guy R. Petraborg, P.E.

2.1 Introduction

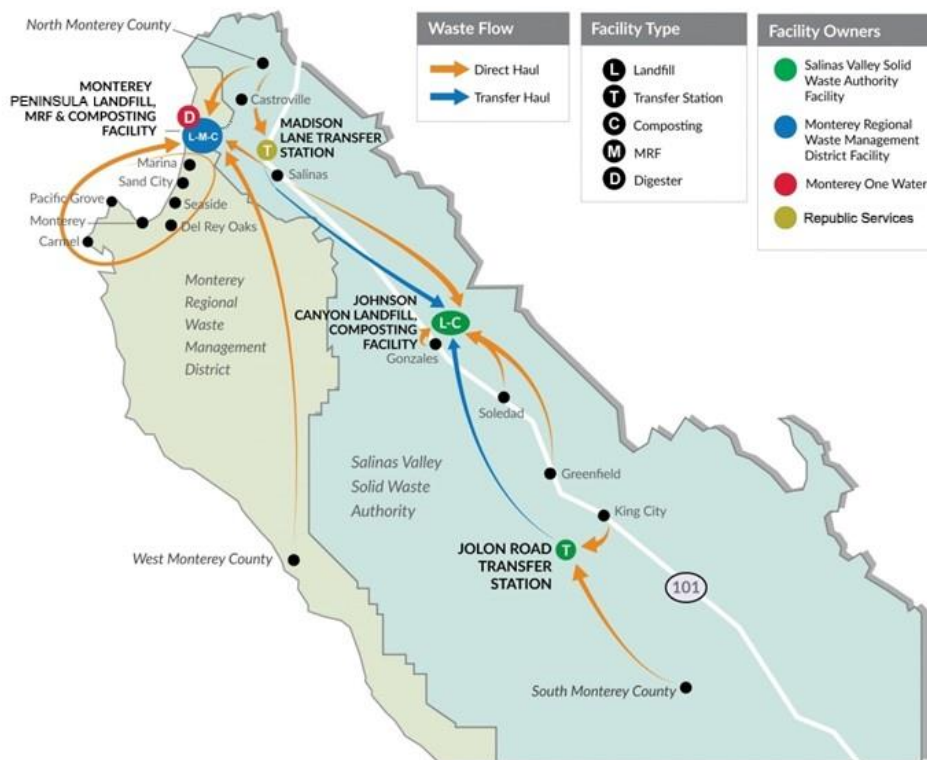
The management of municipal solid waste (MSW) in California is a complex and interrelated system involving government, public agencies, the private sector and many of collection, processing, transportation, recycling and disposal facilities. In addition, the state of California also has a complex framework of legislation and regulations intended to maximize the reduction, diversion, recycling, reuse and recovery of materials – all (e.g., to with the goal of minimize minimizing solid waste disposal).

The Monterey Regional Waste Management District, a California Special District now also known as ReGen Monterey, provides solid waste facilities for processing, diversion, recycling and disposal services. These facilities primarily for serve the western portion of the County of Monterey, inclusive of the Monterey Peninsula, and for much of Santa Cruz County, excluding the City of Santa Cruz. ReGen Monterey's stated mission for providing these valuable public services is for "doing more to waste less." The mission is consistent with principles to refuse waste creation, to reduce, reuse, re-purpose and recycle wastes, and to (e.g., for the goal to minimize overall waste disposal). The majority of Most solid waste produced in Monterey County is also managed within the county – mostly typically at facilities operated by either ReGen Monterey or the Salinas Valley Solid Waste Authority (SVSWA). Refer to Figure 1 for a generalized illustration of solid waste "flow" in Monterey County.

There is also transportation of solid waste 'into' and 'out of' of the county, which is a common solid waste industry practice in California and across the nation. In Monterey County, solid waste collection services are provided by private companies (e.g.,

GreenWaste Recovery, Monterey City Disposal Service, Republic Services, WM). ~~The~~ Monterey County solid waste recycling and disposal services are provided by two public entities, ~~the~~ Salinas Valley Solid Waste Authority (~~DBA~~~~a.k.a.~~ Salinas Valley Recycles) and the Monterey Regional Waste Management District (~~a.k.a.~~~~DBA~~ ReGen Monterey).

Figure 1- Solid Waste Facilities and Waste Flow within Monterey County^{1 2}



The above figure does not illustrate ReGen Monterey's sphere of influence for the City of Salinas and North County areas as approved in 2015 by the Monterey County Local Agency Formation Commission (LAFCO). Those larger areas include the City of Salinas and North County areas which are currently served by SVSWA, ~~also known as DBA~~ Salinas Valley Recycles (SVR). The LAFCO sphere of influence determination figures is depicted [in the about section](#) at:

¹ Note that the SVR Sun Street Transfer Station (SSTS) in Salinas is not shown as it has been closed down and services primarily shifted to the Madison Lane Transfer Station currently operated by Republic Services Inc..

² Modified by ReGen (2024) to update MLTS ownership; North County direct haul; Transfer Haul from MLTS to JCL. Original Source: Monterey County – Evaluation and Analysis of Solid Waste Management System, R3 Consulting Group, April 18, 2020.

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~~Where necessary, s~~Some waste produced in Monterey County, and processed at ReGen Monterey's recyclable materials ~~facilities for recyclable materials,~~ is transported from ReGen Monterey to permitted facilities ~~located~~ in other jurisdictions for further recycling, treatment and disposal, ~~where necessary.~~ -In fact, most facilities that actually process and recycle Monterey's solid waste into new reusable materials are located outside of Monterey County ~~in other jurisdictions.~~ -The recycling facilities in other jurisdictions that receive processed solid waste/recyclable materials from ReGen Monterey ~~(recyclable materials)~~ include those facilities that are needed for the recycling of glass, plastic, metals, paper, cardboard, ~~and other materials. etc.~~

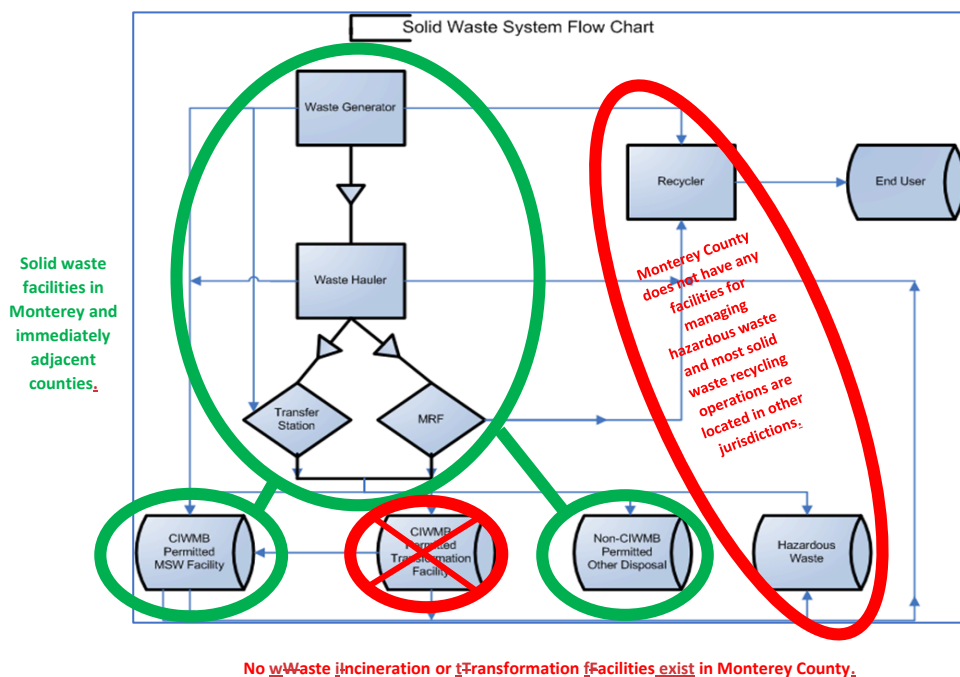
Waste in California is regulated in four different categories: solid waste, universal waste, hazardous waste (HW) and radioactive waste. (Refer to Appendix A for select definitions.) ~~The management of "solid waste" is presented will be discussed~~ later in this document ~~and will not be discussed further here.~~ Batteries, e-wastes, and other "universal waste items" ~~are get to be~~ received by Household household h Hazardous Waste waste (HHW) facilities or permitted, dedicated drop-off locations. These materials are not to be disposed in/collected by the three3-c Cart collection system of the Member Agency Franchise franchise Agreements agreements. Monterey County's ~~The~~ two solid waste management agencies ~~in Monterey County,~~ ReGen Monterey and Salinas Valley RecyclesVR, ~~both each~~ have HHW facilities for public use ~~by the public.~~

There are no hazardous waste facilities located in Monterey County. -All hazardous waste generated ~~within Monterey County~~ by residents and business within the county must be delivered out-of-county to other jurisdictions that ~~provide for offer~~ hazardous waste treatment, storage and disposal. -Incidental hazardous waste is authorized to be removed from the solid waste stream by ReGen Monterey's Household Hazardous Waste (HHW) F facility, ~~and it~~ is transported out-of-county to permitted hazardous waste facilities. -According to the Department of Toxic Substances Control (DTSC), the amount of HW delivered yearly to other jurisdictions is about 9,600 tons per year. ~~However, - although the amount of hazardous waste generated in, and exported from, Monterey County generated and exported approximately 12,000 tons of hazardous waste in 2020 (the most recent year in which with available data was available) was approximately 12,000 tons.~~ - In 2020, there were 276 generators of hazardous waste within Monterey County producing more than one ton of HW, 104 generators producing more than five

tons, 74 generators producing more than 10 tons and 48 generators producing more than 20 tons. A of hazardous—all of that hazardous waste which had to be delivered for proper management in other jurisdictions outside of Monterey County.- Figure 2 generally portrays how solid and hazardous waste is managed withinside of Monterey County.

Figure 2: Background Flow Chart by CalRecycle³

Commented [ZS1]: This table appeared stretched horizontally. I stretched it vertically in an attempt to match width to height ratios.



There is only one registered medical waste facility located in Monterey County. It that is operated by Altius Medical in the City of Monterey, and it's regulated by the California Department of Public Health. -Altius only provides medical waste removal and collection services. -All collected medical waste is transported to permitted medical waste treatment and disposal services located in other jurisdictions.

³ Basic Flow Chart provided by CalRecycle: <https://calrecycle.ca.gov/lqcentral/wastestream/swsflwchart/>

There are no permitted radioactive facilities located in Monterey County. -Radioactive waste is collected in accordance with the requirements of the California Department of Public Health and transported out of Monterey County for disposal.

In addition, for ~~a variety of various~~ reasons, municipal solid waste generated in Monterey County ~~is known to have~~~~has~~ been transported ~~for disposal~~ to 18 other California ~~Counties~~~~counties for disposal~~. The approximately 13,600 tons of waste transported from Monterey County in 2019 represent about ~~three percent (3%)~~ of the total waste generated in Monterey County ~~that requiring required~~ disposal. ~~The following~~ Figure 3 illustrates the destination of municipal solid waste ~~that was~~ transported for disposal from Monterey County to other California counties in 2019 – ~~the (the~~ most recent year ~~for which this with available data) was available~~. Similar numbers are available for the immediately preceding years. Refer to Table 1 for the list of solid waste tonnage by county. Note that many counties in California have similar figures/listings as ~~that shown below~~~~those of~~ for Monterey County.

Figure 3: — Solid Waste Disposal from Monterey County to other Counties (2019) ⁴



4. Source: <https://www2.calrecycle.ca.gov/LGCentral/DisposalReporting/Statewide/TransportedSolidWaste>. Note that exported total is rounded to nearest whole number and does not equal all entries in Table. Several very small exports to other counties are not included.

Total leaving Monterey County for disposal elsewhere (3%) 13,595 tons
Does not include waste disposal in Monterey County

TABLE 1: Solid Waste Tonnage "FROM" / "TO" Monterey County & other named County (2019)			
Name of County	Travel Distance (Miles)	Tonnage "FROM" Monterey County (Tons)	Tonnage "TO" Monterey County (Tons)
Alameda	99	154.76	27,769.87
Butte	238		16.85
Contra Costa	114	345.01	3,167.99
Fresno	141	3,793.54	113
Kern	205	102.11	
Kings	149	4,783.98	
Los Angeles	303	16.36	178.6
Madera	118	2.65	
Marin	121		1,909.48
Merced	107	60.8	
Napa	142		11.98
Sacramento	174	1.56	206.12
San Benito	28	2,693.26	6,816.34
San Francisco	107		15,999.05
San Joaquin	129	40.14	72.79
San Luis Obispo	126	75.62	
San Mateo	81	23.36	55,135.28
Santa Clara	60	203.71	259,022.10
Santa Cruz	36.8	700.94	66,808.83
Shasta	302	3.61	
Solano	133	444.79	1,325.52
Sonoma	157		8,320
Stanislaus	110	143.3	
Yolo	169	5.75	
Yuba	211	0.07	
		Total "Sent From" MoCo = 13,595.32 tons	Total "Sent To" MoCo = 446,873.8 tons
		Net Total Tonnage = ("Sent To") - ("Sent From") MoCo = 433,278.48 tons into MoCo	
		Total Tonnage Generated Inside MoCo = 502,942.16.48 tons	
		Total Tonnage Disposed in MoCo = (446,873.8) + (502,942.16) = 949,815.96 tons	

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ReGen Monterey also receives solid waste from other jurisdictions, — primarily post-processing residuals for disposal. ~~This is in large part due to the fact that That's~~ because most cities do not have their own recycling and disposal facilities, given the scarcity of appropriately zoned land areas in cities and the significant capital costs to design, permit, construct, operate and maintain such facilities. ~~In addition~~Plus, there

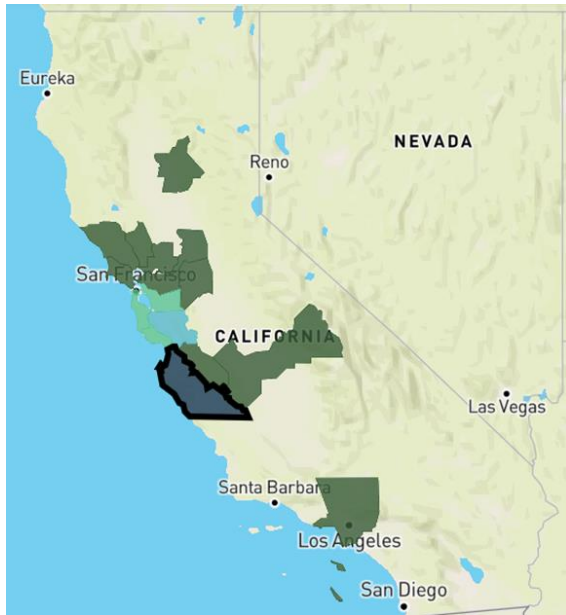
has been a significant reduction in waste requiring disposal – both within Monterey County and ~~other in~~ nearby counties – due to Assembly Bill 939 (AB 939—1989), the Integrated Waste Management Act. ~~This has more recently been enhanced due to the enactment of~~ More recently, significant California legislation ~~has that requires~~ that all cities and counties ~~achieve a~~ reduce solid waste disposal by 75% ~~reduction in solid waste disposal~~ by 2025 through enhanced waste reduction, diversion, recycling and resource recovery activities. -For a complete summary of major solid waste reduction and recycling legislation ~~currently for~~ of the past 30+ years, ~~go to: see~~ <https://www.cawrecycles.org/caw-history>. -This website is maintained by Californians Against Waste (www.cawrecycles.org), ~~which has been~~ the leading solid waste reduction and recycling advocacy organization in California.

Table 1 ~~(and the summary below Figure 4)~~ show ~~that~~s the amount of solid waste disposed of in Monterey County in 2019 ~~from totaled all sources was~~ 949,816 tons ~~from all sources~~. Of that amount, 446,874 tons, ~~or (-47%)~~, ~~were~~as received from other counties/jurisdictions – principally from San Benito, Santa Cruz, Santa Clara and San Mateo ~~Counties~~counties. ReGen Monterey received almost 92% (~410,000 tons) of the solid waste materials sent from those other communities. ReGen received those materials to fulfill ~~their its~~ service responsibilities associated with five ~~Regional regional Customer customer~~ contracts (~~e.g., that includes the~~ City of Capitola, City of Scotts Valley, City of Watsonville, County of Santa Cruz, and San Jose area communities via the franchise agreement with GreenWaste Recovery-San Jose operations).

ReGen’s Board of Directors initially approved those ~~Regional regional Customer customer~~ contracts ~~in the between~~ 2009 ~~through and~~ 2013 ~~time period~~. -In 2019, there ~~was were~~ also 502,942 tons (53%) generated in Monterey County, ~~approximately~~ approximately 325,000 tons sent to ReGen’s facilities, and 177,000 tons directed to ~~the SVR~~Salinas Valley Recycle’s Johnson Canyon Landfill east of Gonzales. Refer to Table 1 for a list of the counties involved in sending waste to Monterey County and ~~those the~~ counties that received waste from Monterey County. Note that many counties in California have similar solid waste tonnage figures/listings as ~~that those~~ shown for Monterey County.

Figure 4: Solid Waste Disposed in Monterey County from all Jurisdictions (2019) ⁵

⁵ Source: <https://www2.calrecycle.ca.gov/LGCentral/DisposalReporting/Statewide/TransportedSolidWaste>. Note that total is rounded to nearest whole number and may not equal all entries in Table 1. Several very small tonnages entering Monterey County from other counties are not included.



Total solid waste <u>entering</u> Monterey County for disposal (47%)	446,874 tons
Does not include waste generated within Monterey County (53%)	502,942 tons
2019 Total disposed in Monterey County Landfills = 949,816 tons	

For more information about ReGen Monterey's history, facilities, organization, and operations, go to:
<https://www.regenmonterey.org/about/> and
<https://www.regenmonterey.org/services/ReGenMonterey.org>.

2.2 Standards and Benefits for Receiving Waste from ~~other Jurisdiction~~other Jurisdictions

Standards for the ~~Management~~management of ~~Waste~~waste in Monterey County:

- The California Environmental Protection Agency (Cal/EPA) administers and enforces the solid waste rules for the entire state of California through the Department of Resources Recycling and Recovery (CalRecycle), with the assistance of ~~Local~~local ~~Enforcement~~enforcement ~~Agencies~~agencies. Cal/EPA has delegated authority to administer ~~Federal~~federal solid waste regulations. Solid waste transporters (a.k.a. "haulers") are regulated by local enforcement agencies.
- Monterey County does not have any permitted hazardous waste facilities, and all hazardous waste generated within Monterey County must be transported out-of-county and delivered to appropriately permitted facilities ~~in other counties to manage~~that manage the waste in accordance with applicable laws. All medical and radioactive waste must similarly be exported from Monterey County for proper management.
- ReGen Monterey ensures that municipal solid waste received for disposal from other jurisdictions meets and exceeds applicable standards for the reduction and recycling of solid waste prior to disposal in Monterey County.
- California regulations for the collection and transport of solid waste involve meeting local vehicle and equipment standards enforced by Monterey County and ReGen Monterey contract provisions.
- A person shall not collect, haul or transport refuse for hire in Monterey County/City without first obtaining a health permit from Monterey County Health Department (HD).
- The County of Monterey Health Department's Solid Waste Services (HD) is the local enforcement agency ~~that is~~ responsible for administering and enforcing the County of Monterey Code of Ordinance to all persons and businesses with vehicle(s) that haul solid waste in the County of Monterey area. The HD oversees the registration requirements and annual inspections for all solid waste haulers (vehicles) operating in Monterey County.

The purpose of these programs is to ensure proper containment of solid waste (including refuse) and leachate (liquid generated from solid waste or that has contacted

solid waste) within a waste management unit (landfill). Solid waste shall only be disposed at a permitted disposal facility (landfill), processing facility (transfer station), compost operation and/or recycling facility.

Any openings, cracks, splits, holes, or breaches identified in the solid waste storage compartments, tanks, trailers, truck bed, bins, lids and/or covers from either an inspection or complaint inspection will result in a cease-and-desist order to discontinue any solid waste hauling-related activities for the vehicle(s) of interest. That order stands until the issue has been repaired and the business has received approval from the HD inspector, ensuring solid waste will be properly contained during storage and transport.

The Solid Waste Hauler program ensures that:

- Solid waste is properly disposed, recycled and/or reused at an authorized and permitted disposal facility (landfill), processing facility (transfer station), compost operation and/or recycling facility.
- —
- All vehicles, storage compartments, tanks, trailers, truck bed, bins, lids and/or covers are watertight and free of any openings, cracks, splits, holes or breaches, preventing uncontrolled littering/disposal of solid waste during transport. Solid waste is properly disposed, recycled and/or reused at an authorized a permitted disposal facility (landfill), processing facility (transfer station), compost operation and/or recycling facility.
- —
- ⇒ All vehicles, storage compartments, tanks, trailers, truck bed, bins, lids and/or covers are watertight and free of any openings, cracks, splits, holes or breaches, preventing uncontrolled littering/disposal of solid waste during transport.

Benefits of Receiving Waste from other Jurisdictions

- **Public Health:-** City and County-county planning policies and practices, such as zoning requirements, have been designed to protect public health by preventing or limiting the development of solid waste facilities in urban and suburban areas, and in residential or commercial developments located found in rural areas. These public policies align with solid waste regulatory principles to-that involve manage-managing waste in a designated management unit that is properly sited and permitted to protect the public health and the environment. As a result, many jurisdictions do not have solid waste facilities in their jurisdictions and are required to use facilities located in other jurisdictionselsewhere. The solid wastes

facilities are sited and permitted in areas of less population density, using zoning designations to properly site such facilities. Once the solid waste facilities are properly sited, the public policy challenge then becomes the protecting ion of those zoning designations and the preventioning of residential growth around existing solid waste facilities.

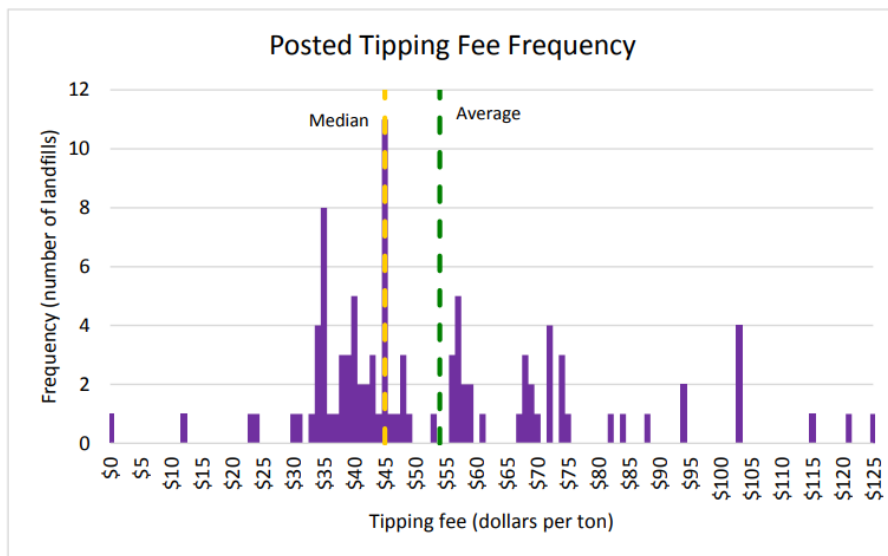
- **Environmental Health:** City and County-county planning policies and practices, such as zoning requirements, have also been designed to protect environmental health in most cases. The zoning designations for solid waste facilities often take into account the local natural resources that exist and provide for some degree of separation from and consideration for those natural resources, so as to reduce or prevent environmental impacts. Together with requirements of the National Environmental Protection Act (NEPA) and the California Environmental Quality Act (CEQA), these public policies are used to properly site and permit solid waste facilities. As a result, many jurisdictions do not have solid waste facilities in their jurisdictions and are required to use facilities located in other jurisdictionselsewhere.
- **Regulatory Requirements:-** For jurisdictions that do not have solid waste facilities within their boundaries, there is an absolute regulatory requirement that the wastes generated in that jurisdiction be collected, processed, transported, recycled and disposed at a properly sited and permitted solid waste facility that is located outside of their jurisdiction. This is a central principle of solid waste regulations: to properly manage wastes in a designated waste management unit that is actively operated, and maintained, and to contained wastes in the managed-unit in a way that controls the waste exposure of waste that would otherwise impact public health and the environment.
- **Lower Costs:** -For jurisdictions that do not have solid waste facilities within their boundaries, the cost of developing, operating, and maintaining such facilities is very large _ independent of whether or not such facilities can be sited and permitted in that jurisdiction in the first place. This stark reality influences jurisdictions to coordinatione with otherbetween jurisdictions to address their common public service needs for solid waste management via an inclusive approach. In Monterey County, various cities came together with the County-county at different times to form two different agencies to-that manage solid waste in Monterey County: namely the Monterey Regional Waste Management District in (1951), for western Monterey County and its sphere of influence areas, and the Salinas Valley Solid Waste Authority (1997) for eastern Monterey County areas. These cities and the County-county have experienced lower costs for solid waste management services-service costs than would otherwise have occurredthey would have without had they not-joineding together to address this public service need. In aHistorically, whenddition, it has been the history of both agencies in Monterey County agencies that when the agency also provides the

same solid waste services to other jurisdictions, the fixed costs of the each agency's facilities are shared by the other jurisdictions. This -and thus- lowers the cost of for each of the agency's member cities and the Countycounty.

- **Lower Service Fees:** Receiving solid waste from other jurisdictions helps reduce the unit cost of solid waste recycling and disposal services for the owner/operator of the solid waste facility and the communities and customers served by the facility. -This is a basic economic principle-; the fixed costs are shared by more parties (jurisdictions or customers) and the variable-cost increase for adding a new party (jurisdiction or customer) is small, so that all parties (jurisdictions or customers) have a lower unit cost. Lower tip fees equate to lower service costs, which is a financial benefit for the Monterey County communities and their residents and businesses.

Figure 5: All landfills accepting public disposal in California, by tipping fee.

The yellow dashed line represents the median of the data set, and the green line represents the average of the data set. *Source: Landfill Tipping Fees in California, CalRecycle, February 2015.*



Source: Landfill Tipping Fees in California, CalRecycle, February 2015

- **Increased revenues:** The increased revenues from receiving waste from other jurisdictions also accrue to supporting investments in technology and infrastructure. This, in turn, reduces the amount ~~needed from~~ in-county revenues ~~needed~~ to support ~~the~~ planned and permitted capital development and equipment replacement/maintenance, ~~which that~~ are significant costs for Monterey County's solid waste management facilities.

2.3 Restrictions on the Intrastate Flow of Solid Waste ~~between~~ Between Cities and Counties

There are currently no state or local provisions that either restrict, or allow the restriction of, the movement of solid waste between California cities and counties ~~of California~~. Any limitation on ~~the solid waste~~ delivery ~~of solid waste~~ from other jurisdictions would be controversial and would have to be based on a need to protect the people and environment of the receiving area, while ensuring ~~and~~ that the communities and environments where the wastes are generated are not ~~unduly~~ unacceptably harmed. Given that solid waste recycling and disposal is strictly regulated by the State of California, it would likely be very difficult to justify a limitation on ~~the solid waste~~ delivery and disposal ~~of solid~~ from outside ~~of~~ Monterey County ~~for disposal in Monterey County~~. ~~Historically, these practices have been; as this has been a consistent~~ consistent ~~historical practice~~ under existing State ~~state~~ and Federal ~~federal~~ law. ~~For example~~ Overall, solid waste ~~received~~ from another jurisdiction is likely to be very similar in nature to municipal solid waste ~~requiring disposal~~ produced ~~from~~ within Monterey County. ~~In theory, it and~~ would not pose any additional public health, public safety or environmental harm different than the County's ~~county's~~ own solid waste.

2.4 Section Summary

The integrated ~~Waste-waste Management-management System-system~~ in California is complex. -Most cities (jurisdictions) do not have any, and certainly not all, of the necessary permitted facilities for managing solid waste generated within their own jurisdiction. -Monterey County is no different. -All ~~of the~~ hazardous waste generated within Monterey County must be hauled out-of-county to other jurisdictions for proper management because there are no hazardous waste management facilities in the county.

-At the same time, Monterey County has sufficient disposal capacity to more than adequately manage the municipal solid waste generated within ~~Monterey-Cthe~~ county and other nearby jurisdictions for the foreseeable future. -Monterey County, together with California, has sufficient regulations to ensure that solid waste delivered ~~to Monterey County~~ to the county is managed in accordance with all applicable regulations and requirements. ~~And-Finally~~, the State of California has enacted sweeping legislation that requires all solid waste to be minimized, diverted, reduced and recycled to lessen the amount of waste requiring landfill disposal ~~in a landfill~~.

The delivery of solid waste for disposal in another county, such as Monterey County, lowers the overall cost responsibility of local waste management ~~in that county~~. Thus, ~~the-one~~ benefits of sharing ~~the-use-of~~ a limited number of solid waste facilities between communities ~~include, but are not limited to, is~~ reducing the 'per share' cost ~~to anyone of~~ each jurisdiction or Member Agency. This is a basic 'economy of scale' ~~premise that's~~ fundamental ~~of-to~~ financial business practices. In ReGen's case, the revenues ~~that were in addition to the collected beyond~~ Member Agency franchise contract revenues ~~have been a play a~~ significant ~~factor-role~~ in the development of ReGen's ~~the~~ recycling and diversion facilities ~~at ReGen~~. These Recycling-recycling and diversion facilities and related services ~~that all are available to all~~ customers ~~can have access to~~, including Member Agency communities, ~~for which the, and the~~ costs are shared ~~by a greater number of more~~ customers ~~as- not just opposed to by~~ Member Agencies ~~only~~. This ~~provides a benefits for the people and businesses of~~ Monterey County residents and businesses by expanding to have proximate access to such non-disposal facilities, such as (recycling facilities that are ~~periodically~~ improved ~~ments to recycling facilities~~, HHW facilities, compost facilities and more, etc.).

Reducing the disposal of recyclable materials helps preserve landfill 'airspace' capacity for future use, and, ~~in a case where~~when 'excess' capacity ~~is present~~exists, ~~allows for the ability to provide~~opens service to more communities~~;~~. ~~This is~~ a basic public service that every community has ~~a~~ needs, ~~and it's for and~~ one that most communities do not have access to ~~their own facility for their own use~~within their own jurisdictions.

3.0 Summary of ReGen Monterey's Business Practices

Credits: Various ReGen Monterey records and staff records contributions

3.1 Introduction

The management of municipal solid waste (MSW) in California is a complex and interrelated system involving government, public agencies, the private sector and many of collection, processing, transportation, recycling and disposal facilities. ReGen Monterey is one of those public agencies performing a limited role in the solid waste management system in the tri-county area consisting generally of the Monterey, San Benito, and Santa Cruz counties.

ReGen Monterey was formed as a California Special District in 1951 to serve a solid waste management role for the interests of its Member Agencies. The Member Agencies consist of the cities of Carmel-by-the Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, and Seaside, along with the County of Monterey, and the Pebble Beach Community Services District (PBCSD). In addition to its management role, ReGen Monterey also provides non-hazardous solid waste processing, diversion, recycling, transfer, and composting services to the Member Agency communities, other cities and counties, private businesses, and private individuals (either 'by contract' with ReGen or by direct 'self-haul' to ReGen).

3.2 Historic Background

More than 100 years ago, waste from the Monterey Peninsula was routinely dumped on the beach and into Monterey Bay and the ocean. Several decades later, a private "dump" operated on the coastal area of what is now part of Sand City. The site was being used for waste disposal primarily through the process of burning trash. City

and ~~County-county~~ leaders knew there had to be a better way to manage refuse than ~~by disposing of or burning it~~ on the Monterey Bay shoreline.

In 1951, the Monterey County Board of Supervisors established the Monterey Peninsula Garbage and Refuse Disposal District, now known as ReGen Monterey (Legal Name: Monterey Regional Waste Management District, a California Special District with management responsibilities for non-hazardous solid waste). The first order of business was to find a suitable location for a sanitary landfill to replace the old "burn dumps" then in operation. An interim landfill was developed and operated in the vicinity of the Laguna Seca area until October 1965. At that time, ReGen Monterey opened the Monterey Peninsula Landfill as a Class III Landfill for non-hazardous solid waste disposal for its Member Agency franchise collection contracts. ~~The contracts included (a requirement of that each Member Agency to direct their-its community'sies non-hazardous solid wastes to ReGen's landfill, which as-providea financial assurance purpose for the organization (ReGen. This type of assurance in this case) and the exact situation that is what successful owners/operators pursue diligently to achieve business sustainability from an economic/financial perspective).~~

Since 1965, ReGen has provided disposal services to many different public and private customers originating from both Member Agency jurisdictional areas (sometimes referred to as "~~In--District~~" areas) as well as non-Member Agency jurisdictional areas (sometimes referred to as "~~Outout--of--District~~" areas or "Regional" customers). These customers are ~~served~~ in addition to the Member Agency franchise contract hauler(s) customer(s). In other words, ~~ReGenthere has never been a situation at ReGen where the served only its Member Agency franchise haulers have been the and no other nly customers served by ReGen. In-Additionally,~~ there has never been a situation at ReGen where ~~ReGen's its the customers served by ReGen~~ only came from the Member Agency communities. The fact ~~of the matter is, that the~~ Member Agency franchise haulers are the only customers ~~that are~~ required to access and use ReGen facilities and services, ~~and there has-have~~ always been other customers ~~originating~~ from within and outside of Member Agency community areas ~~who accessing~~ ReGen's facilities and services.

Since about 1970, ~~an evolution of~~ recycling and diversion services ~~began to occurring~~ at ReGen's 470-acre property ~~have evolved~~. It is an evolution that continues today, as ReGen ~~endeavors to works hard to continue~~ **"doing more to waste less."** Director Gary Bales, who served on ReGen's Board of Directors for 52 years, was a key ~~contributor to influence the advocating for~~ increased ~~ReGen of~~ recycling services

~~provided by ReGen.~~ As a result, ReGen Monterey has developed significant operations support facilities and recycling/diversion facilities, ~~such as the:~~ such as the

- ~~Heavy Equipment Maintenance Shop,~~ the
- ~~Franchise Hauler Truck Yard Lease Facility,~~ the
- ~~Material Recovery Facilities (including MRF 1.0 in the mid-1990's, used for construction and demolition debris (C&D) recycling, metal/glass containers, and newspaper/paper/cardboard recycling; and the MRF 2.0, with 2018 recapitalization upgrades in 2018 for both C&D and source separated recyclables (SSR) processing)~~
- ~~, the Household Hazardous Waste (HHW) Facility, the~~
- ~~Compost Facility, and~~
- ~~Modules 2 through 7.~~

~~It is known to be quite costly to develop, own, operate and maintain infrastructure for these types of solid waste facilities is known to be quite costly to develop and also quite costly to own, operate, and maintain.~~

Over the years ReGen Monterey has added programs to reduce, reuse, divert, and recycle materials. ~~in support of its "Doing doing more to waste less" in other words. Examples include:~~

- ~~1953: From e~~Early cardboard recycling ~~starting in 1953, to~~
- ~~1970s: Supporting the first community collection of glass bottles~~
- ~~1983: Beneficial reuse of landfill gas (LFG) for renewable energy generation~~
- ~~1988: Diversion of yard debris (a.k.a. green waste materials) and agricultural or food processing plant scrap materials to windrow composting in 1988, to~~
- ~~1991: E~~the establishment of the Last Chance Mercantile ~~in 1991 for retail sales of usable materials~~
- ~~1996: Introduction of, to~~ ReGen's first Materials Recovery Facility (MRF), ~~which that came on-line in 1996 for the processing of construction and demolition (C&D) materials for and recovery of recyclable or reusable materials~~
- ~~2018: T, to the capital replacement of the C&D materials processing line and the addition of a recyclables processing line (a.k.a. "Single-s Stream r Recycling (SSR) (d") as part of the MRF 2.0 improvements.~~

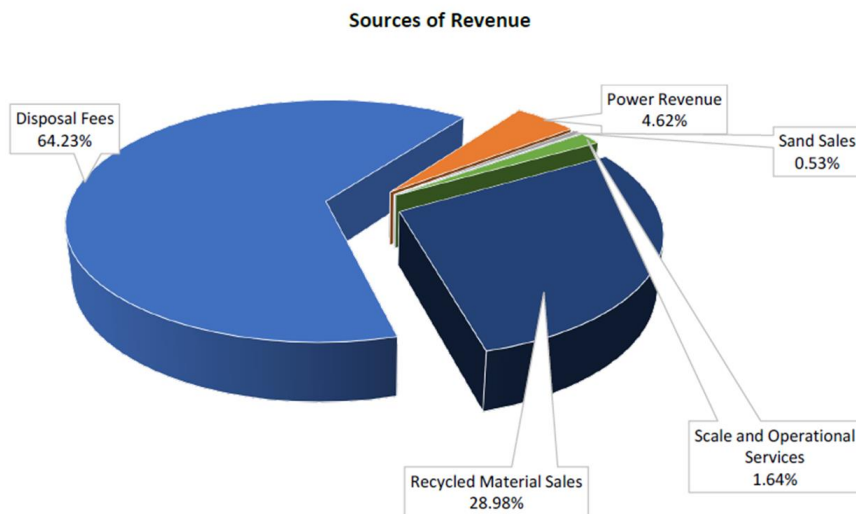
~~The in 2018; the~~ integrated facilities that ReGen Monterey operates today are a unique resource for the tri-county region and embody ~~our the organization's~~ mission of **"doing more to waste less"** by turning waste into a beneficial resource.

3.3 Evolution of Business Practices

In 1965, when ReGen ~~began~~ landfill ~~began~~ operations, fees for waste disposal, ~~or the "aka" "Tip Fees,"~~ were charged to customers delivering waste to the landfill. ~~The~~ ~~Customers~~ consisted of the ~~Member~~ ~~Agency~~ communities and other public and private "self-haul" customers from the nearby Salinas and North County areas. The disposal revenues represented 100% of ReGen's revenues and were collected to cover the landfill operations expenses, administrative expenses, and other permit or ancillary service expenses.

As new diversion and recycling services were added over time, these added services typically had some level of revenue collection ~~which. As a result,ed in the~~ landfill disposal fees no longer ~~representing-represented~~ 100% of ReGen's revenue collection. This basic business practice is referred to as revenue diversification. ~~For example, bBy = FY2008/-09,~~ the landfill disposal fees represented about 76% of all revenues. Figure 6 below illustrates the distribution of revenue sources in FY2021-22 at about 64%.

Figure 6: Summary of ReGen's Revenue Sources (FY2021-22)



The evolution of business practices at ReGen Monterey ~~were~~ was generally influenced by future trends that service providers, regulators and municipalities in the solid waste management industry being proposed and discussed in the solid waste management industry by service providers, regulators, and municipalities. Note that this evolution was from a “disposal-only” model to a “reduce, divert, recycle, reuse, and disposal” model. It takes a strong will and vision to successfully modify-transition a ‘disposal-only’ model to that of an integrated waste management facility like ReGen Monterey. This was the case That’s because waste disposal has historically been where most revenues are collected; ~~as it~~. It is an essential public service and critical to accomplish the public policy goal of the protection of ing public health and the environment.

The ReGen Monterey ~~has had strong will and vision in their~~ Board of Directors and ~~Staff~~ staff leadership leaders have had strong will and vision over much of ~~its~~ the organization’s history. ReGen has been an early adopter of technologies that lessen waste disposal by y to improving thee reuse and recycling of materials ~~to lessen waste disposal~~. This brings ese developments means additional costs ~~to the organization~~. Many organizations have a limited ability for additional revenues, ~~+~~ which often results in using the disposal ‘tip fee’ to collect the needed revenue to cover offset the additional expenses of non-disposal activities.

By October 15, 2004, the ReGen Board had formalized ~~their-its~~ practices in a "Guiding Principles" document (~~October 15, 2004~~) and ~~was~~ engaged with staff leadership to pursue business practices that would maintain relatively low service fees and sustainably manage annual fee increases ~~in a sustainable manner~~. These discussions led to revisions to the "Guiding Principles" document on September 16, 2005, and later, ~~in-on~~ November 16, 2007. Refer to Appendix B for all three versions of the "Guiding Principles" documents. Of note, the 2004 version ~~of the Guiding Principles~~ proposed that the Board consider a policy that would be:

"...establishing a minimum 75 to 80 year landfill life to serve projected waste streams exclusively generated by the MRWMD member agencies. Certified landfill capacity exceeding the 75 to 80 years would be considered excess capacity, which could be considered for sale to the County of Santa Cruz and the Salinas Valley Solid Waste Authority (SVSWA) at "market rates". The purpose of the sale of the excess capacity is to mitigate further rate increases to the MRWMD member agencies and to permit the SVSWA and the County of Santa Cruz adequate time to identify and develop additional long term landfill capacity within their respective jurisdictions."

This was revised in 2005 to read as follows:

"The sale of the MRWMD excess landfill capacity will be subject to a contract approved by the MRWMD Board of Directors;" and that "A "reserve landfill capacity" shall be established to provide an initial 75 year landfill life which will serve projected waste streams generated by the MRWMD member agencies to at least the year 2080. -In other words, the amount of regional waste to be accepted will not reduce the MRWMD's certified landfill capacity below 75 years (to 2080).- Certified landfill capacity exceeding 75 years would be considered to be "excess landfill capacity", which could be made available for sale to public agencies, such as the County of Santa Cruz and the SVSWA."

Note that the exclusivity of the definition stating of which parties ~~the the~~ "excess capacity" could be sold to ~~as defined~~ in the 2004 Guiding Principles version was eliminated in the 2005 version, of the "Guiding Principles" (The current 2007 version remains "as revised in 2005," in the current version (2007).

—

ReGen Monterey has long had the goal ~~to of~~ maintaining relatively low disposal tip fees, year over year (refer to Figure 7). By around 2000 or so, prevailing economic conditions ~~had showed~~ a growth trend with rising costs (inflation) and the Board of Directors ~~were~~

was reluctant to raise service fees. At that time, ReGen had a ~~d~~Disposal Tip tip Fee fee rate of \$30 per ton disposal tip fee rate and ~~SVR~~ Salinas Valley Recycles had a \$40 per ton Tip tip Fee fee rate. Even though ReGen had the lowest Tip tip Fee fee rate at that time, staff recommendations for the annual ~~increases of~~ service fees (aka fee increases) were deferred by the Board on one or more occasions around that time. Instead, the Board directed staff to:

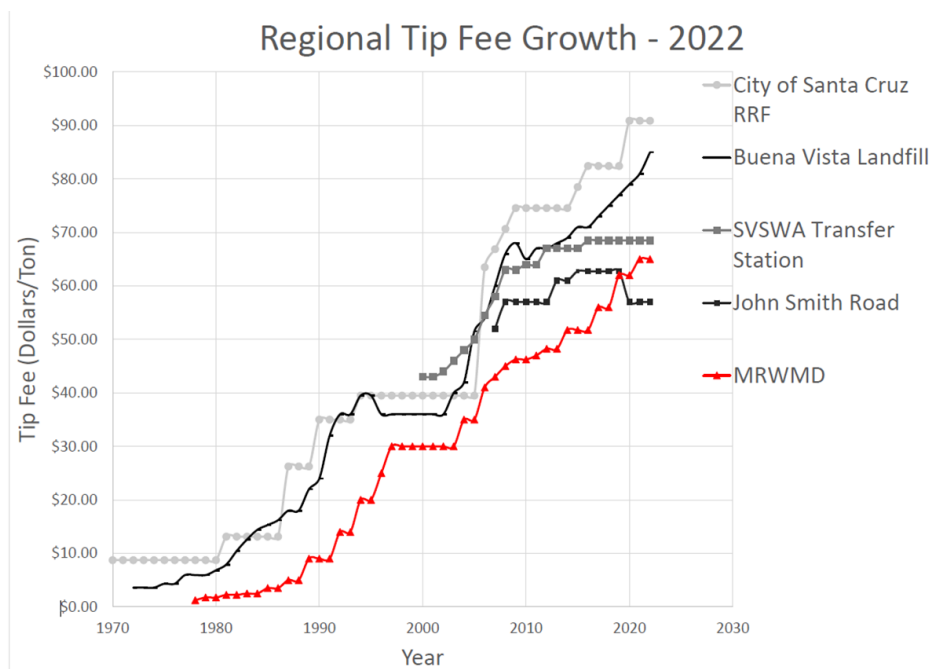
- i) ~~i) c~~Control expenses and
- ii) ~~Dii) d~~develop a plan with recommendations to reduce operational costs, and to identify new customers and other sources of revenue.

By 2007, ReGen Monterey was engaging with new, non-Member Agency municipal customers (~~non-Member Agencies~~) in Santa Cruz County for possible long-term (30 year) disposal service agreements. Ultimately, by 2009, Capitola, Scotts Valley, Watsonville, and the County of Santa Cruz had signed long-term disposal agreements with ReGen Monterey. ~~By In~~ 2013, ReGen signed a long-term agreement for disposal of residual materials (waste) following recycling processing at two MRFs materials recovery facilities (MRF) in the City of San Jose: a MSW-municipal solid waste processing MRF and a SSR-single-stream recycling materials MRF. Refer to Table 2 below for a summary of the current Regional Customer contracts.

Table 2: Summary of ReGen’s Regional Customer Contract Information (2024)

COUNTY	REGIONAL CUSTOMER	CONTRACT		TERMS		DISPOSAL RATE	
		Start Date	End Date	Base (yrs)	Extension (yrs)	FY 2023/24	FY 2024/25
Santa Cruz	City of Capitola	10/14/2020	10/13/2050	30	N/A	\$55/ton	TBD 95% of Posted Rate for Refuse Disposal
	City of Scotts Valley	7/22/2022	7/21/2052	30	N/A		
	City of Watsonville	8/26/2020	8/25/2050	30	N/A		
	County of Santa Cruz	5/25/2021	5/24/2051	30	N/A		
Santa Clara	GreenWaste Recovery - San Jose MRF's	11/19/21 Amendment #3	12/31/2036	25	N/A	Tiered	TBD - Based on April CPI
						0-75K tons \$30.08/ton	
						75K-125K tons \$29.39/ton	
						125K + tons \$28.68/ton	
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	3/31/2022	3/30/2026	4	Month to Month - 30 day notice	\$35/ton	\$37.50/ton

Figure 7: Summary of ReGen Monterey's (MRWMD) Disposal Tip Fee History (2022)



Between 2000 and 2007, ReGen Monterey's expense budget grew from about \$9.1 million per year to \$17.5 million per year (92%). In the same time period, the expense rate of cost-per-disposal-ton grew from \$50/ton to \$91/ton (e.g., approximatesing total expenses distributed over (only) total disposal tons). Note that there was considerable capital investment in the 1990s for the ReGen Landfill Gas-to-Energy Facility (LFGTE) plant, Materials Recovery Facility (the first MRF (MRF) 1.0), Last Chance Mercantile store, Household Hazardous Waste (HHW) Facility, Shop Maintenance Facility, and Truck Entrance Scale and Administration offices. The development and breadth of services provided by these facilities has helped-influenced, in part, the expense increases. Refer to Figure 8 for revenue and expense budget data at various points in time between the years-2000 and 2017.

As-With the addition of new municipal customers and expansion of non-disposal revenue sources between began-to-occur-in-the-2007 to-and 2009 period-and

later beyond, the financial metrics began to improve. Between 2007 and 2010, total expenses per disposal ton decreased from \$91/ton to \$81/ton (>10% reduction). Between 2010 and 2017, total expenses per disposal ton decreased from \$81/ton to \$59/ton (27% reduction). This is illustrative of both increased waste volumes and associated revenues from new customers and diversification of revenue sources.

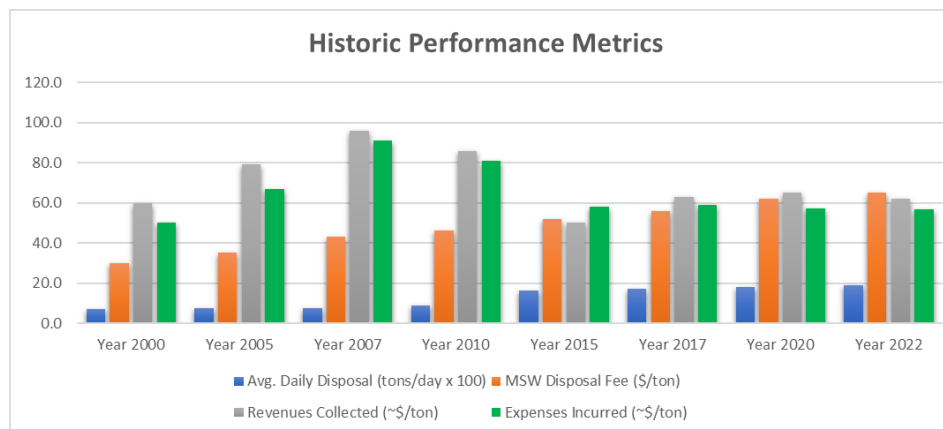
Figure 8: ReGen's Revenue and Expense Budget Snapshots (2000--2017)

YEAR 2000		YEAR 2005		YEAR 2007	
MSW Tip Fee (\$/ton)	30.00	MSW Tip Fee (\$/ton)	35.00	MSW Tip Fee (\$/ton)	43.00
Daily Tons (avg)	700	Daily Tons (avg)	750	Daily Tons (avg)	735
Annual Tons (avg)	182,000	Annual Tons (avg)	195,000	Annual Tons (avg)	191,100
Budget - Revenues	\$10,836,000	Budget - Revenues	\$15,455,000	Budget - Revenues	\$18,420,000
Revenues/ton	\$60	Revenues/ton	\$79	Revenues/ton	\$96
Budget - Expenses	\$9,110,000	Budget - Expenses	\$13,039,000	Budget - Expenses	\$17,485,000
Expenses/ton	\$50	Expenses/ton	\$67	Expenses/ton	\$91
Staff - FTE	119	Staff - FTE	123	Staff - FTE	145
YEAR 2010		YEAR 2015		YEAR 2017	
MSW Tip Fee (\$/ton)	46.25	MSW Tip Fee (\$/ton)	51.75	MSW Tip Fee (\$/ton)	56.00
Daily Tons (avg)	888	Daily Tons (avg)	1,633	Daily Tons (avg)	1,700
Annual Tons (avg)	230,864	Annual Tons (avg)	424,507	Annual Tons (avg)	442,000
Budget - Revenues	\$19,956,000	Budget - Revenues	\$21,235,000	Budget - Revenues	\$27,745,000
Revenues/ton	\$86	Revenues/ton	\$50	Revenues/ton	\$63
Budget - Expenses	\$18,802,000	Budget - Expenses	\$24,776,000	Budget - Expenses	\$25,858,000
Expenses/ton	\$81	Expenses/ton	\$58	Expenses/ton	\$59
Staff - FTE	130 est.	Staff - FTE	123 est.	Staff - FTE	115

Refer to Figure 9 for a graphical representation of this information, which illustrates that total revenues collected per disposal ton and total expenses per disposal ton were near their highest points around 2007. They and began to decline as ReGen grew its customer base and diversified its sources of revenues. By 2013, the cumulative increase in new revenue sources became an important 'foundational support' for the improvement of ReGen's debt rating and its ability to bond approximately \$45,000,000 in debt to develop the Franchise Truck Yard Lease Facility (2016) and to cover the replacement upgrade of the MRF 2.0 recycling facility (MRF 2.0 in (-2018)).

Figure 9: ReGen ~~Monterey's~~ Budget Historic Performance Metrics Chart (2000--2022)

Monterey Peninsula Landfill - Historic Performance Metrics				
	Avg. Daily Disposal (tons/day x 100)	MSW Disposal Fee (\$/ton)	Revenues Collected (~\$/ton)	Expenses Incurred (~\$/ton)
Year 2000	7.0	\$30.00	\$60	\$50
Year 2005	7.5	\$35.00	\$79	\$67
Year 2007	7.4	\$43.00	\$96	\$91
Year 2010	8.9	\$46.25	\$86	\$81
Year 2015	16.3	\$51.75	\$50	\$58
Year 2017	17.0	\$56.00	\$63	\$59
Year 2020	18.0	\$62.00	\$65	\$57
Year 2022	19.0	\$65.00	\$62	\$57



3.4 Influence of Regulatory Policy

Local, ~~State~~state, and ~~Federal~~federal regulations restrict not only how waste is managed and disposed of, but also where waste management facilities can be located, built, and operated. ~~Because of these these regulatory restrictions, m~~Most cities do not have a landfill, waste transfer facility, or a recycling facility. ~~This is due to those regulatory restrictions.~~All communities generate waste that requires ~~there to be~~waste management facilities. For jurisdictions ~~that do not have~~that lack solid waste facilities

within their boundaries, there is an absolute regulatory requirement that ~~the~~ wastes generated in that jurisdiction be collected, processed, transported, recycled and disposed of at a properly sited and permitted solid waste facility ~~that is~~ located outside of their jurisdiction. This is a central principle of solid waste regulations ~~that supports in order to properly waste management waste~~ in a designated waste management unit that protects public health and the environment.

For nonhazardous solid wastes, ~~this~~ is the role of ReGen Monterey's permitted operations. For non-hazardous liquid wastes, ~~that it~~ is the role of Monterey One Water's (M1W) permitted operations at the wastewater treatment facility ~~located~~ adjacent to ReGen's facilities. These two waste management facilities are approved conditional uses in an ~~Agricultural-agricultural Zoning-zoning Area-area~~ of unincorporated Monterey County. One ~~of the~~ goals of that zoning designation is to separate such facilities from residential and commercial developments that are common to incorporated cities and certain areas in rural settings.

~~Again, t~~These public policies align with solid waste regulatory principles ~~to manage waste in a designated management unit that is properly sited and permitted to protect the public health and the environment~~. As a result, many cities and some counties do not have solid waste facilities in their jurisdictions and are required to use facilities located in other jurisdictions. There are two active solid waste landfills in Monterey County, ~~but~~ neither ~~are is~~ located in ~~any~~ one of the ~~county's~~ 28 cities ~~in Monterey County~~. Yet ~~all~~ those cities, ~~and like all every cities~~, requires such facilities to receive the waste generated by each community. These public policies result in solid wastes facilities ~~to be~~ sited and permitted in areas of less population density, and often in areas of lower property value.

Once ~~the~~ solid waste facilities ~~have been~~ are properly sited, the public policy challenge then becomes ~~the protection ng of~~ those zoning designations and ~~the prevention ng of~~ residential growth around existing solid waste facilities. For example, the City of Marina, ~~which~~ was incorporated in 1975, about 12 years after ReGen's landfill had been sited. It has an ~~u~~Urban Growth-growth Boundary-boundary on its northern boundary, immediately abutting the ~~Unincorporated-unincorporated County-county~~ lands that have ~~Agricultural-agricultural Zoning-zoning~~ designation and contain the two public works waste management properties of ReGen and M1W. Those facilities have been properly developed to provide regional public services in an area located a couple of miles ~~away~~

from the City of Marina. This is why the northern city limits of Marina should never be changed – the goal is to prevent the city from getting any closer to these public works facilities. For that ~~to occur~~kind of growth to occur, ~~it would be necessary that the~~ public policies and plans ~~that are~~ designed to keep appropriately site waste management facilities appropriately far away from cities and residential areas would have to be undone and abandoned, ~~and the~~. The good public practice principles of such policies would have to be 'thrown out the window' and discarded.

3.5 Influence of Public Policy

Local, ~~State~~state, and ~~Federal~~federal regulatory permits are required for ReGen Monterey to operate and deliver its non-hazardous solid waste management and processing services to the municipalities and their communities that generate the waste materials requiring the services. Over time, public policy initiatives can be adopted and cause changes not only to regulations and regulatory permits, but also to the practices used in the solid waste management systems.

Public ~~p~~Policy has been one of the primary 'drivers' for changes in ~~business practices at~~ ReGen Monterey business practices. ~~Be it the~~That includes policies such as:

- ~~The~~ California Integrated Waste Management Act (AB 939, Sher, Chapter 1095, Statutes of 1989 as amended [IWMA]), ~~which that~~ made all California cities, counties, and approved regional solid waste management agencies responsible for enacting plans and implementing programs to divert 25% ~~percent~~ of their solid waste by 1995 and 50% ~~percent~~ by ~~year~~ 2000. Later legislation mandated that the 50% ~~percent~~ diversion requirement be achieved every year. ~~Or be it~~
- —~~The the~~ Mandatory Commercial Recycling measures ~~that were~~ adopted in the Assembly Bill 32 Scoping Plan by the California Air Resources Board (CARB), pursuant to the California Global Warming Solutions Act (Chapter 488, Statutes of 2006). The Mandatory Commercial Recycling Measure focuses on increased commercial waste diversion as a method to reduce GHG-greenhouse gas (GHG) emissions. It is designed to achieve a reduction in GHG emissions of 5 million metric tons of carbon dioxide (CO2) equivalents. To ~~achieve this objective~~make that happen, ~~an additional~~ 2 to 3 million tons of materials ~~more annually will~~ need to be recycled from the commercial sector each year, by the year 2020 and beyond.
- —

- ~~Or be it the~~The more recent methane emissions reduction targets for California (SB 1383 Lara, Chapter 395, Statutes of 2016), ~~part of in~~ a statewide effort to reduce emissions of short-lived climate pollutants (~~SLCP~~) by reducing and diverting organic materials to non-disposal processing (~~or non-landfill~~) facilities (~~e.g., not for disposal in landfills~~). The SB 1383 targets are to reduce organic waste disposal in 2025 and beyond by at least 75% of 2014 organic waste levels, to rescue edible food for people to eat at a rate of at least 20% of currently disposed surplus food by 2025, and to reduce the generation of food waste in the first place.

ReGen Monterey staff tracks these public policy and regulatory topics over time and considers ~~their~~ impacts ~~to on~~ permits, operations, and business practices. ~~Staff members also~~ ~~and~~ develops recommendations to address possible changes to permits, business plans, and operational practices.

3.6 Section Summary

This review of ReGen's history reveals that its business practices have been Board directed and approved. It is evident that ReGen's Board governance has been influenced by:

- i) ~~e~~Common good business practices of diversifying ~~one's the~~ customer base and ~~revenue~~ sources ~~of revenues and~~
- i) ———
- ii) ~~ii) P~~public policies influencing improvements for waste reduction, diversion, recycling and reuse measures. This is ReGen's evolution from a "disposal only" model that has happened over the past 50 to 55 years.

The financial support that allowed the development of ReGen's recycling and diversion facilities and services was largely funded by ~~the~~ additional disposal customers revenues, ~~as~~ ~~(Member Agency franchise waste contract revenues represent only about a quarter of disposal revenues)~~. This investment in non-disposal alternatives, ~~(largely funded by disposal revenues)~~, has resulted in a more reliable and sustainable public works organization ~~acting~~ in the interests of all Member Agencies and non-Member Agency customers and communities served by ReGen Monterey in the tri-county area.

4.0 Summary Effects of ReGen Monterey's Business Practices

Credits: Various ReGen Monterey records and staff records contributions

4.1 Introduction

The management of municipal solid waste (MSW) in America has advanced during the past 100 years and provides some general conclusions that assist today's owners/operators and governmental bodies. Many standards have basic economic underpinnings that can influence the success of an organization. Be it, whether that is financial success and/or the successful in delivering of the breadth a range of recycling and disposal services established by that governmental policies have established. The record indicates that city- and county-owned and operated landfills are challenged by cost of services, ability to influence revenue growth, and difficulty in of raising capital for continued development of a landfill. Private owners and joint power authority public entities like ReGen have business practices and policies that enable them to address the significant financial needs of landfill ownership, development, operations and maintenance, closure, and post-closure care for 30 years after cessation of disposal (and disposal revenues).

A Waste360 article dated September 18, 2018, and titled, "Why Some Landfills are Becoming Privatized, While Others Remain Public," and referencing a 2017 Solid Waste Association of North America (SWANA) study, It presented presents the following information characterizing the privatization trend of landfill ownership: Forty years ago, in (1984), 83% of landfills were publicly owned (17% privately owned). By In 1998, 64% of landfills were publicly owned (36% privately owned). By 2018, about 50% of landfills were publicly owned. However, m More notably, the 50% of landfills that are privately owned are reported to have 85% to 90% of permitted disposal capacity.

That circumstance represents a significant challenge to public entity landfill owners/operators ~~to-as they~~ compete with privately owned and operated landfills in the same region. ~~Those p~~Public entity landfills that conduct business in a similar fashion as private owners (as delivered by their required public transparency and decision-making process) tend to have better financially sustainable characteristics than those public entities ~~that have with~~ discretionary requirements ~~or (possible limitations)~~ imposed by their decision-making bodies, ~~especially when those requirements which~~ restrict or interfere with basic economic business practices.

Basic economic conditions impact the solid waste industry similarly to other businesses. Waste disposal quantities tend to increase in volume during 'growth' cycles, ~~when demand (increasinges, 'demand')~~ and decrease during market slowdowns ~~(decreasingor moments of decreasingfalling 'demand')~~. The 'law' of supply and demand ~~also is present ininfluences~~ the disposal capacity sales market ~~behavior~~. "Excess" capacity tends to get sold for lower prices and ~~that~~ tends to lower the pace of tip fee rate increases. The opposite occurs where disposal capacity is limited or in high demand.

As people and businesses continue to generate waste, the ~~landfill's remaining~~ disposal capacity is an ever-decreasing quantity ('status quo' conditions assumed). ~~As such, that~~ the ratio of supply ~~to demand~~ ~~for disposal capacity~~ is ~~also~~ an ever-decreasing ratio. ~~S and, said another way, an ever-increasing demand to use disposal capacity and its increases the~~ pressure on the tip fee rates and landfill economics. That is the 'base case' unless:

- i) ~~i) New~~ landfill capacity is developed; ~~and/or or~~
- ii) ~~ii) aA~~ combination of decreased waste generation rates and improved recycling and diversion processes are adopted.

Both reduced ~~d~~ waste generation and improved recycling and diversion processes help reduce the rate of decline in landfill disposal capacity.

4.2 Effects of ReGen Monterey's Business Practices

As illustrated by the disposal tip fee history presented ~~in~~ Figure 7, ReGen's landfill disposal tip fee has been the lowest in the region. While that ~~s, -characteristic exists in part,~~ because not all future financial liabilities are being 'captured' or 'monetized' in the tip fee rate, it is nonetheless a characteristic of ReGen's business practice and one that

tends to indicate a favorable condition from the ratepayer's perspective. An inspection of Figure 7 tip fee history reveals other information to those who know the history of ReGen's Board decisions. The following paragraphs will elaborate on that history, identify Board decisions that changed ReGen's business practices, and present some effects of those decisions on financial matters and landfill disposal service capacity.

Between late 1965, when ReGen's landfill opened for business, and 2009, when the Board approved ~~Regional-regional Waste-waste Disposal-disposal~~ contracts, the customer base consisted of Member Agency franchise waste. ~~That includes;~~ Member Agency residential, commercial, and governmental 'self-haul' customers, and non-Member Agency residential, commercial, and governmental 'self-haul' customers. ~~It was d~~During that time, ~~that~~ ReGen saw its greatest rate of tip fee increases. ~~ReGen's disposal tip fee rate doubled b~~Between 1986 and 1989, and then again between 1991 and 1994, ~~ReGen's disposal tip fee rate doubled each time.~~ The disposal tip fee ~~than later~~ increased by 50% between 1995 and 1997, ~~and then again-increased again~~ by 30% between 2003 and 2006.

The magnitude of these rate increases ~~were-was~~ due, in part, to the relatively low number of customers present at those times. ~~At that time there were~~With fewer customers, ~~and~~ the Member Agencies represented a larger share of the financial responsibility. This, in turn, also means that Member Agency customers contributed proportionally more ~~(e.g., via in the form of higher rates -)~~than ~~they~~ would have ~~been-the case had there been~~with a greater number of customers present at those times. Nonetheless, it is important to recognize the reasons for these disposal tip fee increases. The primary cause of the rate increases was the design and development of non-disposal facilities that included the following:

- ~~the-The~~ AB 939--influenced construction and demolition (C&D) debris recycling facility, ~~(MRF 1.0~~
- ~~)~~, ~~I~~ the Household Hazardous Waste ~~(HHW)-collection~~ ~~Collection-f~~ Facility
- ~~T~~, the new ~~L~~andfill ~~gasGas-to-energy-Energy~~ ~~(LFGTE)-F~~ facility
- ~~T~~, the Maintenance Shop ~~Addition~~ ~~addition~~
- ~~T~~, the new Last Chance Mercantile store
- ~~T~~, the Public Recycling Drop-off Facility
- ~~T~~, the entrance Scale House Facility
- ~~T~~, the new Administration Office ~~b~~Building, ~~and-r~~
- ~~Related campus-area vehicle parking.~~
- ~~_____~~

Notably, ~~a significant amount of much of this~~ infrastructure development ~~as well as representative of a involved~~ considerable investments in recycling and diversion facilities. ~~A – another example of ReGen~~ **“doing more to waste less”** example.

~~It was b~~ Between 1997 and 2003, ~~that the~~ ReGen Board took a series of actions that ~~diversified the customer base by have ever since influenced the increasing of~~ communities served, ~~(customer diversification)~~ and ~~also diversified revenue sources through~~ continued investments in non-disposal facilities and services. ~~These influences (revenue source diversification) that makemade~~ ReGen the well-integrated solid waste recycling, diversion, and disposal facility that it is today. Notable Board actions that occurred between 1997 and 2007 consist, in part, of the following:

- ~~–~~ Delaying tip fee increases for six years
- ~~–~~ Directing staff to control expenses to the extent possible
- ~~–~~ Directing staff to develop guiding principles that would guide the subsequent development of a business plan
- ~~–~~ Directing staff to develop a business plan that, when implemented, would result in diverse new sources of non-disposal revenues (~~revenue source diversification; such as recycling and beneficial reuse, etc.~~) and new sources of disposal revenue through ~~(customer diversification.)~~

At ~~the its~~ October 15, 2004, ~~Board M~~meeting, the Board agreed on the initial version of the ~~G~~guiding ~~P~~principles document, which included the following:

- ~~–~~ Maintain ~~Governance governance~~ Structure structure of the nine-member Board of Directors
- ~~–~~ Maintain labor policy of primary recycling/disposal services performed by ReGen staff
- ~~–~~ Maintain ~~Operating operating~~ Reserve reserve (25% of OPEX at that time)
- ~~–~~ Maintain ~~Debt debt~~ Service service Ratio ratio of any debt covenant
- ~~–~~ Consider a policy establishing 75 to 80 years of landfill disposal life reserved exclusively for waste generated by the Member Agencies
- ~~•~~ Consider a \$3 to \$5 per ton disposal tip fee increase in 2005, with annual increases thereafter of \$1 per ton to “ensure fiscal solvency and financing of the ongoing range waste and recycling services provided...”

This was revised in 2005 and again in 2007, ~~to be and~~ titled “Guiding Principles for Acceptance of Regional Waste.” Refer to Appendix B for the three different versions of ‘guiding principles’. The Board was relatively clear ~~of about~~ the purpose ~~for the~~

~~'guiding of these~~ principles, as illustrated by the opening paragraph in the most recent version of the document (2007):

~~, which states the following:~~ " The ~~"~~Guiding Principles for the Acceptance of Regional Waste~~"~~ were developed to address the parameters for offering certain limited, excess landfill capacity to public agencies for the disposal of regional ("out-of-District") waste at the Monterey Peninsula Landfill. — Three potential buyers of this excess landfill capacity include the City of Watsonville, the Salinas Valley Solid Waste Authority (SVSWA) and the County of Santa Cruz. — The purpose of the sale of excess capacity is to stabilize disposal rates to the Monterey Regional Waste Management District (MRWMD) -member agencies, provide funding for future expansion of the MRWMD's diversion and recycling programs, -and to permit the City of Watsonville,- the SVSWA and the County of Santa Cruz adequate time to identify and develop additional long-term disposal capacity within their respective jurisdictions. "

4.2.1 Regional Customer Contracts

By 2013, four regional customers from Santa Cruz County and one from the City of San Jose area of Santa Clara County were under contract to deliver waste to ReGen for landfill disposal. At that time, the contract rates were about half of the posted disposal tip fee paid by the Member Agencies and 'self-haul' customers. ~~Recognize that h~~ Had this regional customer revenue not been secured by contract or otherwise received by ReGen, the disposal tip fee paid by the Member Agencies would have been higher ~~—~~ and there would also have been some cuts to labor and maintenance expenses, resulting in reduced service capacity. By 2022, the four Santa Cruz County regional customer contracts had been re-negotiated to include a step tip fee increase that, over five years, ~~that~~ will reach 95% of the disposal tip fee paid by the Member Agencies and 'self-haul' customers in FY2024-25 (Table 2).

Table 2 ~~(-repeated)~~: Summary of ReGen Monterey's Regional Customer Contract Information (2024)

COUNTY	REGIONAL CUSTOMER	CONTRACT		TERMS		DISPOSAL RATE	
		Start Date	End Date	Base (yrs)	Extension (yrs)	FY 2023/24	FY 2024/25
Santa Cruz	City of Capitola	10/14/2020	10/13/2050	30	N/A	\$55/ton	TBD 95% of Posted Rate for Refuse Disposal
	City of Scotts Valley	7/22/2022	7/21/2052	30	N/A		
	City of Watsonville	8/26/2020	8/25/2050	30	N/A		
	County of Santa Cruz	5/25/2021	5/24/2051	30	N/A		
Santa Clara	GreenWaste Recovery - San Jose MRF's	11/19/21 Amendment #3	12/31/2036	25	N/A	Tiered	TBD - Based on April CPI
						0-75K tons \$30.08/ton	
						75K-125K tons \$29.39/ton	
						125K + tons \$28.68/ton	
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	3/31/2022	3/30/2026	4	Month to Month - 30 day notice	\$35/ton	\$37.50/ton

The contract tip fee rates for the two Santa Clara County regional customers (Table 2 above) are more than half as much as the disposal tip fee for others. Those contract rates were negotiated by ReGen staff and approved by the Board. ReGen did have 'market feedback' to contract tip fee rates in 2015, when ReGen-the organization submitted a disposal rate for the Milpitas Request for Proposal (RFP). ReGen quoted a similar contract tip fee rate for waste disposal services as was similar to that of the GreenWaste Recovery (San Jose MRFs) tip fee rate at that time. ReGen was not successful in securing the Milpitas disposal contract, and it is understood that costs were one of the factors affecting the award of that RFP to a service provider.

The rRegional customer disposal volumes (tonnage) are presented in Table 3 below. The regional customers deliver about twice as much waste as the remaining customers (including Member Agencies) that using-use ReGen's disposal services. This is a relatively significant factor to the depletion of landfill 'airspace' (a.k.a- 'available disposal capacity'). Obviously, the disposal tonnage is the unit of measure for which the tip fee is charged to, and which generates the revenues from disposal of those waste materials.

Table 3: Summary of ReGen Monterey's Regional Customer Contract Disposal Tonnage (2024)

COUNTY	REGIONAL CUSTOMER	FY 2018/2019 ACTUAL ANNUAL DATA	FY 2019/2020 ACTUAL ANNUAL DATA	FY 2020/2021 ACTUAL ANNUAL DATA	FY 2021/2022 ACTUAL ANNUAL DATA	FY 2022/2023 ACTUAL ANNUAL DATA	FY 2023/2024 FORECASTED ANNUAL DATA
		Tons	Tons	Tons	Tons	Tons	Tons
Santa Cruz	City of Capitola	7,201	6,532	6,414	6,318	6,289	6,353
	City of Scotts Valley	6,337	6,344	5,914	5,780	5,985	5,671
	City of Watsonville	27,131	29,395	32,419	36,159	35,107	34,307
	County of Santa Cruz	3,880	9,602	15,722	14,705	20,128	30,575
Santa Clara	GreenWaste Recovery - San Jose MRF's	MSW	MSW	MSW	MSW	MSW	MSW
		408,553	375,259	331,814	275,620	270,072	271,590
		ADC	ADC	ADC	ADC	ADC	ADC
		45,178	34,613	60,352	92,323	106,070	70,098
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	-	-		15,282	58,714	60,121
	ADC + MSW Tonnage Total =	498,280	461,745	452,635	446,187	502,365	478,715

The disposal revenues collected from the regional customer waste disposal ~~is-are~~ presented in Table 4 below, and ~~they~~ amount to about \$15,000,000 per year, or almost 30% of total revenues. ~~A-That is a significant contribution to ReGen's finances. That~~ ~~The~~ \$15,000,000 in revenue is about 36% more than the disposal revenue collected from the Member Agency franchise contract waste disposal. Hypothetically ~~-speaking,~~ ~~"if"~~ the regional customer revenue were ~~to-be-~~eliminated and the remaining customers ~~were-to-received~~ the same level of service ~~as they had been receiving~~ ~~were used to, it~~ ~~would require an approximately~~ \$25 to \$30 per ton tip fee increase ~~would not be unexpected to be required.~~

Table 4: Summary of ReGen Monterey's Regional Customer Contract Disposal Revenue (2024)

COUNTY	REGIONAL CUSTOMER	FY 2018/2019 ACTUAL ANNUAL DATA	FY 2019/2020 ACTUAL ANNUAL DATA	FY 2020/2021 ACTUAL ANNUAL DATA	FY 2021/2022 ACTUAL ANNUAL DATA	FY 2022/2023 ACTUAL ANNUAL DATA	FY 2023/2024 FORECASTED ANNUAL DATA
		Revenue (\$000)	Revenue (\$000)	Revenue (\$000)	Revenue (\$000)	Revenue (\$000)	Revenue (\$000)
Santa Cruz	City of Capitola	\$ 258	\$ 243	\$ 257	\$ 284	\$ 315	\$ 349
	City of Scotts Valley	\$ 225	\$ 234	\$ 221	\$ 260	\$ 299	\$ 312
	City of Watsonville	\$ 963	\$ 1,084	\$ 1,297	\$ 1,627	\$ 1,756	\$ 1,887
	County of Santa Cruz	\$ 138	\$ 354	\$ 591	\$ 662	\$ 1,006	\$ 1,701
Santa Clara	GreenWaste Recovery - San Jose MRF's	\$ 10,062	\$ 9,581	\$ 8,551	\$ 7,322	\$ 7,532	\$ 7,973
		\$ 656	\$ 511	\$ 899	\$ 1,416	\$ 1,709	\$ 1,176
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	\$ -	\$ -	\$ -	\$ 497	\$ 1,945	\$ 2,133
Total Revenue =		\$ 12,302	\$ 12,007	\$ 11,816	\$ 12,068	\$ 14,562	\$ 15,531

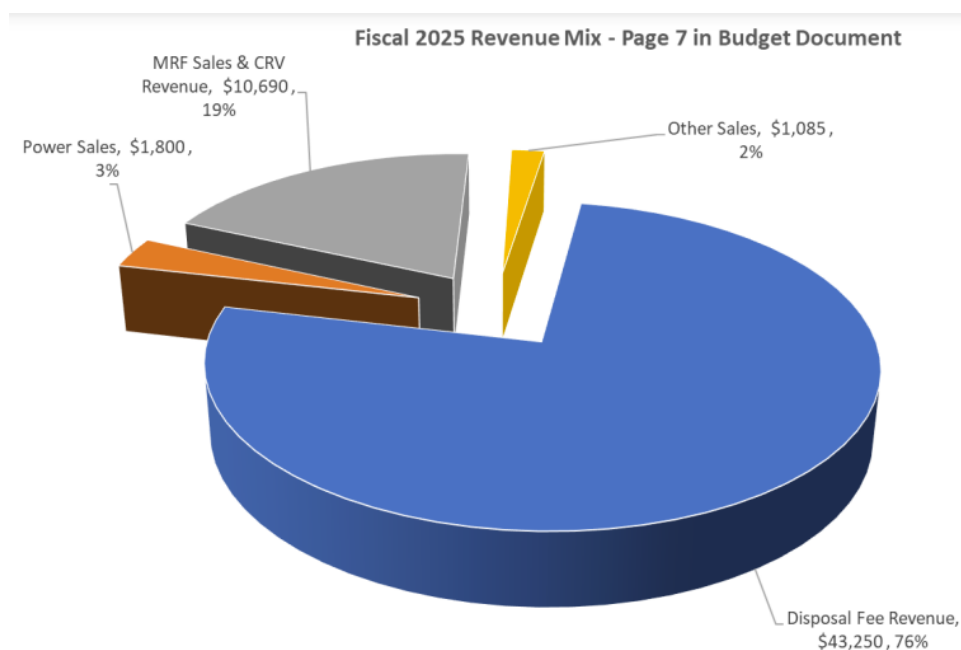
4.2.2 Revenue Diversification

The disposal revenues from regional customers presented in the preceding section ~~above-~~illustrates the Board's goal of increasing revenues. The Board also had a goal of diversifying ~~the revenue~~ sources ~~of revenues,~~ with the intention ~~to-of-~~~~reduce-reducing~~ ~~the degree of dependency~~ ~~upon~~ disposal revenues.

Figure 10 below illustrates that revenues projected for ~~Fiscal Year~~~~the~~ FY-2024-25 budget ~~come~~ from ~~the~~ four leading sources. Disposal revenues are estimated at

\$43,250,000 and represent about 76% of all revenues projected for the next fiscal year. While there has been ~~a little~~some improvement in developing non-disposal revenues (~~including~~ MRF sales, ~~p~~Power sales, and ~~o~~Other sales), Figure 10 illustrates that disposal revenues remain the largest revenue source for ReGen. Please note that disposal service expenses are not 76% of all expenses, ~~I~~and thus, 'net disposal revenues' continue to pay for a portion of the 'non-disposal' expenses such as recycling and diversion services. This is a common scenario in the solid waste industry across America and has been the constant scenario ~~that has existed~~at ReGen to some degree since 1965, when the landfill opened, ~~and~~ waste disposal services began.

Figure 10: ReGen's Revenue Summary – FY2025 Preliminary Budget



Looking at only disposal revenue sources, Figure 11 below illustrates the four major sources of disposal revenues as projected for the ~~Fiscal Year~~FY-2024-25 budget. Revenues from regional customers represent the single largest source of disposal

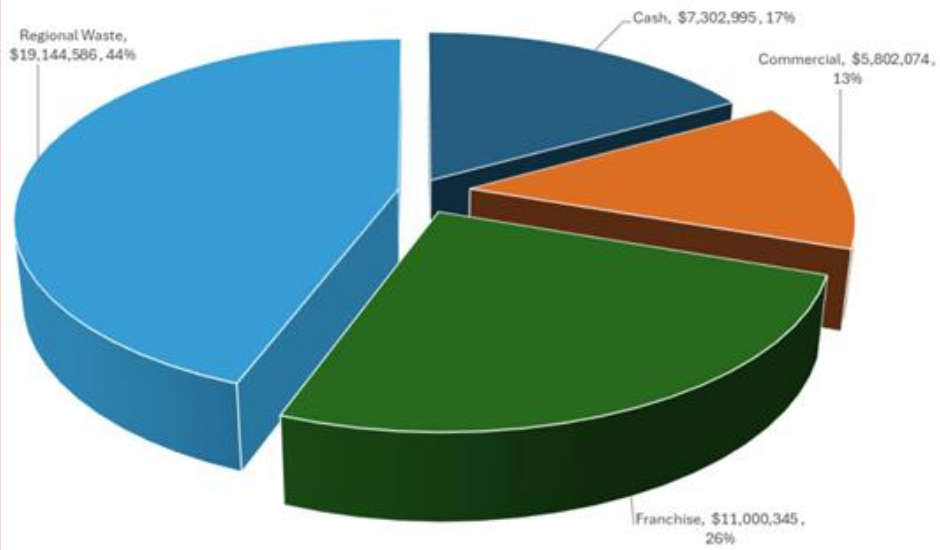
revenues at about \$19,000,000 (44%) of all disposal revenues. This illustrates the importance of the regional customer's waste disposal in its contribution of revenue support to ReGen's activity. About \$15,000,000 ~~(or almost 80%)~~ of that source is from regional customers that have contracts with ReGen (refer to Table 2). The regional contracts have rates that range from a low of about 35% to 40% of the Member Agency tip fee rate to a high of 95% of the Member Agency tip fee rate. The GreenWaste Recovery—San Jose MRF residuals contract is the single largest regional customer disposal revenue source at about \$9,000,000 (60%) of contracted regional customer disposal revenue. The other \$4,000,000 of \$19,000,000 in regional disposal revenues are from non-Member Agency residential, commercial, and governmental 'self-haul' customers who pay the Member Agency tip fee rate.

The Member Agency franchise waste disposal revenues are the second largest disposal revenue source at approximately \$11,000,000 (26%) of total disposal revenues. Commercial and ~~Cash-cash~~ customers comprise about \$13,000,000 (30%) of total disposal revenues, ~~which is~~ more than the Member Agency franchise waste contribution. Notably, the Member Agency franchise waste revenues are about a quarter of total disposal revenues; ~~which~~. This illustrates the significantly greater extent that other customers are supporting the delivery of services to all customers, in addition to the Member Agencies.

The \$9,000,000 in annual disposal revenues from the GreenWaste Recovery—San Jose MRFs regional customer contract is anticipated to end on December 31, 2036. The loss of \$9,000,000 in disposal revenues will likely occur in association with ~~some a~~ reduction in operating expenses preliminarily ~~judged to be on the order of~~ ~~about~~ ~~estimated around~~ \$4,000,000. ~~This will or so~~ likely ~~leaving-leave needed revenues of on the order of~~ about \$5,000,000 ~~in needed revenue~~ to offset the net loss of this specific disposal revenue source. As a rough estimate, that ~~scenario~~ would likely translate to about a \$20 per ton (25%) increase in tip fee rate for Member Agency franchise waste and 'self-haul' customers ~~for that scenario~~. Staff considers this specific contract to represent a significant risk of loss to plan for and mitigate before the planned date of the loss ~~(e.g., in December 31, 2036)~~.

Figure 11: ReGen ~~Monterey~~'s Disposal Revenue by Customer Type – FY2025 Preliminary Budget

F2025 Disposal Revenue by Customer Type



Commented [ZS3]: For clarity, should it be noted that “commercial” refers to ReGen account holders rather than commercial customers of the franchise haulers?

4.2.3 Landfill Capacity and Remaining Disposal Service Life

Increasing the number of disposal customers, ~~(independent of their location,)~~ leads to increased quantities (volume) of waste for landfill disposal, an increased rate of disposal capacity consumption (loss), and a corresponding reduction in the remaining disposal service life of the landfill. Following ~~the~~ ReGen's Board of Director's approval of ~~the~~ regional contracts ~~(circa 2009)~~, staff prepared an estimate of the impact of more waste ~~being disposed~~ than had ~~been~~ recently ~~occurring-occurred just prior to that time~~. That estimate is referred to as the "2010 Joint Technical Document (JTD)" scenario, and it predicted a Closure Year of 2160 (137 years from now).

With the addition of the GreenWaste Recovery—San Jose MRFs regional contract in 2013, the actual volume of waste being received by ReGen exceeds the rate assumed for the 2010 JTD scenario. Thus, staff developed two scenarios with greater volumes of waste assumed in each. ~~They intended to, with the intent to~~ bracket ~~the~~ actual volumes anticipated to be received between 2009 and December 31, 2036. Scenario A ~~is intended to have estimates~~ slightly less than actual volumes of waste delivered, and Scenario B ~~is intended to have estimates~~ slightly ~~greater more~~ than actual volumes of waste delivered in that 28-year ~~time~~ period. Refer to Table 5 below for the summary of predicted ~~Closure-closure y~~Years and remaining landfill disposal service life.

Table 5: Estimate of Landfill Closure Year and Remaining Disposal Service Life (2024)

Source of Remaining Service Landfill Capacity Estimate	Approximate Remaining Landfill Capacity (circa 2009)	Estimated Remaining Landfill Life from 2009	Estimated Closure Year (Remaining Disposal Service Life - 2024)	Scenario Description
	(CY)	(YEARS)	(DATE & {YEARS})	
2010 Joint Technical Document (JTD)	72,300,000	152	2160 (137 years)	Assume ~330,000 tpy Total (Baseline + Regional Customer). Somewhat elevated Regional Customer disposal tonnage through 2036 is ~235,000 tpy on average. For Year 2037 going forward - return to lower (Baseline + Regional Customer) disposal rate of ~225,000 tpy (~75,000 tpy +/- Regional).
2024 Staff Estimate - Scenario A	72,300,000	144	2152 (129 years)	Assume ~580,000 tpy Total (Baseline + Regional Customer). Elevated Regional Customer disposal tonnage through 2036 is ~350,000 tpy on average. For Year 2037 going forward - return to new lower (Baseline + Regional Customer) disposal rate of ~350,000 tpy (~75,000 tpy +/- Regional Customers).
2024 Staff Estimate - Scenario B	72,300,000	134	2142 (119 years)	Assume ~665,000 tpy Total (Baseline + Regional Customer). Elevated Regional Customer disposal tonnage through 2036 is ~435,000 tpy on average. For Year 2037 going forward - return to new lower (Baseline + Regional Customer) disposal rate of ~350,000 tpy (~75,000 tpy +/- Regional Customers).

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The regional waste delivery Scenario A assumptions ~~resulted in the~~predict the following predictions:

- ~~—~~ 26 additional years of disposal capacity would be consumed (relative to prior 'baseline' disposal capacity consumption rate) during the 28-year time-period of regional waste deliveries assumed
- ~~— The A predicted Closure-closure Year-year is predicted as Year of~~ 2152, ~~÷~~ 129 years from 2024

The regional waste delivery Scenario B assumptions ~~resulted in~~predict the following predictions:

- ~~—~~ 36 additional years of disposal capacity would be consumed (relative to prior 'baseline' disposal capacity consumption rate) during the 28-year time-period of regional waste deliveries assumed
- ~~— The A predicted Closure-closure Year-year is predicted as Year of~~ 2142, ~~÷~~ 119 years from 2024

All three of the closure year estimates presented in Table 5 ~~indicate that~~meet the Board-assigned criteria ~~that there be of~~ 75 years of disposal ~~capacity-capacity reserved~~ exclusively for the Member Agencies ~~has been achieved~~. Because the predicted 119 to 129 years of remaining disposal service life exceeds the 75-year requirement, this ~~would indicate~~s that there remainings "excess capacity" available for use by the Member Agencies and/or available for sale to other communities in need of disposal capacity.

As time elapses and waste disposal continues, a landfill's disposal capacity decreases until the landfill ~~is full's disposal capacity is eventually reached~~. Once a landfill is closed, the customers that were using that landfill ~~have to~~must find a new landfill to serve their disposal needs. Often, that landfill is not located nearby or as close as the landfill that was closed. This leads to increased demand for a scarcer resource: ~~÷~~ landfill disposal capacity. ~~—~~Table 6 presents a list of landfills in the region and their estimated ~~Closure-closure Year-year~~ (Source: CalRecycle Solid Waste Information System (SWIS)). By ~~the Year~~ 2037, when the GreenWaste Recovery ~~—~~ San Jose MRFs contract with ReGen is scheduled to end, five ~~(5)~~ landfills in the region are predicted to have closed. Within 20 years, nine landfills in the region are predicted to have closed.

Table 6: Landfill Closure Year of Regional Landfills

LANDFILL NAME and COUNTY NAME	CLASSIFICATION	LANDFILL CLOSURE DATE (est.)	PERMIT DAILY TON LIMIT	TOTAL PERMIT AREA	PERMIT DISPOSAL AREA
	Class I, II, or III	(yyyy)	(tons/day)	(acres)	(acres)
John Smith Road Landfill- San Benito	Class III	2025	1,000	90.4	58
City of Watsonville Landfill - Santa Cruz	Class III	2029	275	103	48
Buena Vista Drive Sanitary Landfill - Santa Cruz	Class II, III	2031	838	126	61
Corinda Los Trancos Landfill - San Mateo	Class III	2034	3,598	2786	173
City of Santa Cruz Resource Recovery Facility- Santa Cruz	Class III	2037	535	100.00	67
Chicago Grade Landfill - San Luis Obispo	Class III	2039	500	188	77.07
Cold Canyon Landfill, INC - San Luis Obispo	Class III	2040	1,650	209	121

Table 6: Landfill Closure Year of Regional Landfills (continued)

LANDFILL NAME and COUNTY NAME	CLASSIFICATION	LANDFILL CLOSURE DATE (est.)	PERMIT DAILY TON LIMIT	TOTAL PERMIT AREA	PERMIT DISPOSAL AREA
	Class I, II, or III	(yyyy)	(tons/day)	(acres)	(acres)
Newby Island Sanitary Landfill - Santa Clara	Class III	2041	4,000	342	298
Guadalupe Sanitary Landfill - Santa Clara	Class III	2043	3,650	411	115
Camp Roberts Landfill - San Luis Obispo	Class III	2045	618	85.4	13.34
City of Paso Robles Lanfill- San Luis Obispo	Class III	2051	450	80	65
Kirby Canyon Recycl. & Disp. Facility - Santa Clara	Class III	2059	2,600	743	311
Johnson Canyon Landfill - Monterey	Class III	2066	1,694 thru 2025; increasing thereafter	163	96.3
Monterey Peninsula Landfill - Monterey	Class III	>100 years	3,500	460	315

4.3 Section Summary

The ReGen's Board's decisions to diversify customers and revenue sources in the mid-2000's, and the subsequent accomplishment of securing the of regional customer contracts for limited-term disposal capacity, has have provided the financial support that allowed the development of ReGen's recycling and diversion facilities. This investment in non-disposal alternatives, (largely funded by disposal revenues,) helps decrease the amount of waste landfilled and provides an integrated facility with more reliable and sustainable public works services. This is squarely in the interests of all

Member Agencies and non-Member Agency customers and communities served by ReGen Monterey in the tri-county area.

Having ~~the a~~ larger customer base distributes a relatively smaller share of financial responsibility in the form of lower rates and smaller rate increases. While the increased disposal amounts associated with ~~the increased~~ higher disposal revenues results in greater consumption of landfill 'airspace' capacity, ~~that has been accomplished while ReGen still~~ maintaining more than ~~the~~ Board-assigned 75 years of exclusive disposal capacity for ~~the~~ Member Agencies. ~~What has transpired at ReGen's experience is similar to that of has been experienced by~~ other solid waste landfill owners and is associated with basic good business practices.

Secure 'revenue streams' are a fundamental requirement for capital-intensive businesses ~~such as is represented by~~ such as landfill development, operations and maintenance, closure, and post-closure care responsibilities. The ReGen's Board's decisions have secured ~~that~~ revenue streams through December 31, 2036, when the GreenWaste Recovery—San Jose MRFs contract ends, and to a lesser extent, through about 2050 for the four Santa Cruz County regional customer contracts (Table 2). Advanced planning and action will be necessary to mitigate the financial impacts ~~of the loss of these~~ of losing those regional customer revenues and ~~to avoid a decrease in decreasing~~ service-s associated with labor and expense reductions.

APPENDIX A

Definitions

CA. Public Resource Code (PRC) CHAPTER 2. Definitions [40100 – 40201]

40141. **"Hazardous waste"**

(a) "Hazardous waste" means a waste, defined as a "hazardous waste" in accordance with Section 25117 of the Health and Safety Code, or a combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may do either of the following:

- (1) Cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness.
- (2) Pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

(b) Unless expressly provided otherwise, "hazardous waste" includes extremely hazardous waste and acutely hazardous waste.

40191. **"Solid waste"**

(a) Except as provided in subdivision (b), "solid waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes.

(b) "Solid waste" does not include any of the following wastes:

- (1) Hazardous waste, as defined in Section 40141.
- (2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).

(3) Medical waste regulated pursuant to the Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a solid waste landfill, as defined in Section 40195.1. Medical waste that has been treated and deemed to be solid waste shall be regulated pursuant to this division.

(Amended by Stats. 1996, Ch. 1041, Sec. 9. Effective January 1, 1997.)

CCR-Title 22, § 66261.9 - **Requirements for Universal Waste**

(a) The hazardous wastes listed in this section are exempt from the management requirements of chapter 6.5 of division 20 of the Health and Safety Code and its implementing regulations except as specified in chapter 23 and, therefore, are not fully regulated as hazardous wastes. The wastes listed in this section are subject to regulation pursuant to chapter 23 and shall be known as "**universal wastes.**"

- (1) Batteries, as described in section 66273.2, subsection (a);
- (2) Electronic devices, as described in section 66273.3, subsection (a);
- (3) Mercury-containing equipment, as described in section 66273.4, subsection (a);
- (4) Lamps, as described in section 66273.5, subsection (a) (including, but not limited to, M003 wastes);
- (5) Cathode ray tubes, as described in section 66273.6, subsection (a);
- (6) Cathode ray tube glass, as described in section 66273.7, subsection (a);
- (7) Aerosol cans, as specified in Health and Safety Code section 25201.16; and
- (8) Photovoltaic modules, as described in section 66273.7.1, subsection (a).

(b) Unless specified otherwise in section 66273.60, universal wastes shall be managed as hazardous wastes pursuant to chapters 10 through 16, 18, and 20 through 22 of this division upon arrival at a destination facility.

APPENDIX B

"Guiding Principles" Documents

October 15, 2004

September 16, 2005

November 16, 2007

APPENDIX C

Select History of ReGen's Monterey's Evolution of Business Practices

Select History of ReGen Monterey's Evolution of Business Practices:

Circa 2004 – Board declines a \$5/ton ~~d~~Disposal ~~T~~ip ~~f~~Fee increase and encourages cost control and development of guidance measures to generally increase customer base and new sources of revenue. Board adopts a "Guiding Principle" document October 15, 2004.

2006 – Financial recession signals are present and decreasing disposal tons forecasted in future years associated with predicted declining market conditions. Board directs development of a strategic plan inclusive of a financial strategy to diversify revenue sources, broaden customer base, and seek operational efficiencies.

2007 – Strategic ~~P~~Plan drafted. Guiding Principles are updated to provide services to Regional Waste customers (cities/counties outside of Monterey County (direct or via Franchise Hauler)).

2008 – Operational efficiency for sand excavation adopted inclusive of material sale royalties and asphalt/concrete recycling services (Tenant ~~c~~Contract with Don Chapin Company, Inc.).

2009 – Contracts approved with Regional Waste customers in Santa Cruz County.

2010 – Preliminary concept plans developed for District-wide Collection Services RFP, a Franchise Contract Truck Yard Facility onsite, and renovation of the MRF to improve C&D recycling process and to add a new processing line for batch processing of either Single-Stream Recycling (SSR) or mixed-municipal solid waste materials.

Circa 2013 – Board approves disposal services contract with franchise hauler GreenWaste Recovery (GWR) for MRF post-processing residuals from the San Jose/South Bay communities.

2014 – District-wide Collections Services RFP issued and Franchise Lease Truck Yard Facility identified as being available to all service providers submitting proposals for this solicitation.

Select History of Evolution of Business Practices (continued):

2015 – Seven (7) of the nine (9) Member Agencies approve new franchise collection contracts with GreenWaste Recovery ~~WR~~ (peninsula) and Board approves construction of the Franchise Lease Truck Yard Facility and CNG Fueling Facility. City of Monterey and Monterey County retained their respective existing franchise collections contracts.

2017 – Board approves construction of MRF 2.0 and facility begins new recycling operations in 2018 for processing of Single Stream Recyclable (SSR) materials for all Member Agencies and Construction & Demolition (C&D) materials for all customers visiting the facility.

2019 – Board approves additional single-stream recycling (SSR) processing contracts with new customers including City of Salinas via their franchise hauler Republic Services Inc..

2020 – Board approves RFP solicitation for Last Chance Mercantile operations.

2021 – Board approves contract with Veterans ~~T~~ransition Center of California (VTC) for Last Chance Mercantile operations.

2022 – Board approves short-term nonhazardous solid waste disposal contract for the cities of Gilroy and Morgan Hill via their franchise collections contractor Waste Connections, Inc.

2022-23 – Board approves additional single-stream recycling (SSR) processing contracts with new customers via their franchise hauler for temporary processing services during operational 'outages' of their primary recycling and/or transfer facilities.

Where Waste Travels

WHITE PAPER

High-Level Summary of Municipal Solid Waste Management Practices in California and of the Monterey Regional Waste Management District DBA ReGen Monterey

Monterey County, California

July 19, 2024



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Executive Summary

The management of municipal solid waste in California is a complex and interrelated system involving government, public agencies, the private sector, and many collection, processing, transportation, diversion, recycling and disposal facilities. California also has a complex framework of legislation and regulations to maximize the reduction, diversion, recycling, reuse and recovery of materials. Their objectives are to minimize the disposal of solid waste in the interest of public health and the environment.

This White Paper is organized into four sections, the first of which discusses the document's purpose. Section 2 summarizes the municipal solid waste management system and practices of California and Monterey County. Section 3 details ReGen Monterey's business practices. Section 4 explores some effects of ReGen Monterey's business practices on matters such as service rates and landfill disposal capacity.

In more detail, Section 2 summarizes public policy and common practices of the solid waste management industry in California and Monterey County. It presents that most jurisdictions do not own solid waste landfills, transfer stations, recycling facilities or composting facilities. Yet, in California, public policies require all jurisdictions to utilize such facilities to responsibly manage and dispose of the solid wastes generated by each community. As a result, wastes are transported in and out of counties to reach the appropriate waste management facilities. This transportation of solid waste to an appropriate permitted facility is a common industry practice across the country. In most states, this includes both interstate transportation and intrastate transportation between counties. Every community requires such public services, yet very few cities or counties own the necessary facilities – and even fewer restrict business exclusively to their own community. Two purposeful privatization trends have contributed to a relatively small number of city- or county-owned solid waste facilities in recent decades:

- i) A trend to achieve ongoing infrastructure development (private capitalization capacity)
- ii) A trend toward efficiency of operations, due to economies of scale and lower rates, relatively speaking (to reach more customers than are exclusively available in any one community).

Section 3 of this White Paper explores the history of ReGen Monterey and its evolution from a disposal-only facility to an integrated waste management facility that promotes

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waste reduction and offers diversion, recycling, and beneficial reuse services. During its entire history, ReGen Monterey has provided solid waste management services to the franchise waste collection companies for ReGen's Member Agency communities (which are represented on the Board of Directors). That's because communities' Member Agency agreements with ReGen Monterey state that each Member Agency must include a requirement in its franchise waste collection contract that directs non-hazardous solid waste materials to ReGen Monterey. Such franchise waste contracts are common in the solid waste industry. They are critically important because solid waste industry infrastructure and operations/maintenance are very expensive. These operations require a secure revenue stream to keep owners/operators in business. The franchise waste contract requirement placed on each Member Agency as part of its participation with ReGen Monterey provides a level of financial surety and assurance.

In contrast, ReGen Monterey is not required to exclusively serve only the Member Agency communities. Establishing such a requirement would take a Board majority, and, presumably, would be the result of a significant issue. In reality, such a change would conflict with basic economic principles and solid industry business practices for financial security and sustainability.

Section 4 presents some results associated with an increasing number of disposal customers and their shared financial support of ReGen's integrated recycling and disposal facilities. ReGen Monterey has consistently served other public customers (both Member Agency and non-Member Agency customers) and governmental, private commercial and residential customers from both Member Agency and non-Member Agency communities. The record shows greater tip fee rate changes by percent in the first 40 years, when there were fewer customers in addition to the Member Agencies. At that time, Member Agency franchise waste disposal revenue made up a greater share of total revenue.

With the Board's subsequent decisions for diversification of disposal customers and revenue sources, Member Agency disposal revenue share became about a quarter of total disposal revenues. A 1:3 ratio illustrates that many others are contributing, with Member Agencies sharing the financial support required to own, operate and maintain ReGen's integrated solid waste recycling and disposal facility. This creates lower rates and slower rate increases than without revenue and customer diversification. While predictions suggest that increased landfill disposal between 2009 and 2036 (28 years) will equate to 54 to 64 years of consumed capacity at the pre-existing baseline fill rate, a predicted 119 to 129 years of disposal capacity remains. (That is greater than the

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Board-assigned 75 years of exclusive disposal capacity reserved for the Member Agencies).

The review of ReGen's history reveals that its business practices have been Board directed and approved. It is evident that ReGen's Board governance has been influenced by:

- i) Common good business practices of diversifying the customer base and revenue sources for greater shared benefit
- ii) Public policies influencing improvements for waste reduction, diversion, recycling and reuse measures.

ReGen has evolved from a disposal only model. The result is a more reliable and sustainable public works organization for Member Agencies and all communities and customers served by ReGen Monterey.

1.0 Purpose

The California municipal solid waste system involves government, public agencies, the private sector and various collection, processing, transportation, recycling and disposal facilities primarily owned by private companies. The system functions within a complex framework of legislation and regulations and is intended to:

- Maximize the reduction, diversion, recycling, reuse and recovery of materials
- Minimize the disposal of solid waste
- Manage solid waste disposal in discrete waste management units (e.g., landfills) for the protection of public health and the environment.

All jurisdictions (cities and counties) and their communities, businesses and industries require these collection, processing, transportation, recycling and disposal services to properly manage solid waste consistent with local, state and federal regulations. In California and the United States, solid waste management services are primarily provided by private for-profit companies as opposed to public entities such as cities and counties (jurisdictions) or joint power authorities (JPA) organizations.

This multi-faceted White Paper intends to provide a high-level summary of following:

- Solid waste industry practices in California and Monterey County (Section 2)
- General solid waste management practices at ReGen Monterey (Section 3)
- A historical summary of more specific practices at ReGen Monterey (Section 4)

There is a presentation of the impact of diversifying revenues and customers to include new contracted non-Member Agency customers. Adding new customers adds more recycling and disposal tons relative to baseline operations levels. That, in turn, affects financial aspects such as operating expenses, revenues and various service fee rates. It also shapes operational aspects such as the type and scale of ReGen's recycling and disposal services. These services are accessible to all customers, including the Member Agency communities. With increasing disposal quantities, the consumption of landfill "airspace" capacity increases and the remaining service life of the landfill decreases. Explaining the relationship between increased waste disposal quantities from serving more communities and the impact on revenue, customer rates and landfill lifespan is one objective of this White Paper.

2.0 Summary of Municipal Solid Waste Management in Monterey County

Credits: Primary contributions from Manatt, Phelps & Phillips, LLP

Edited by Guy R. Petraborg, P.E.

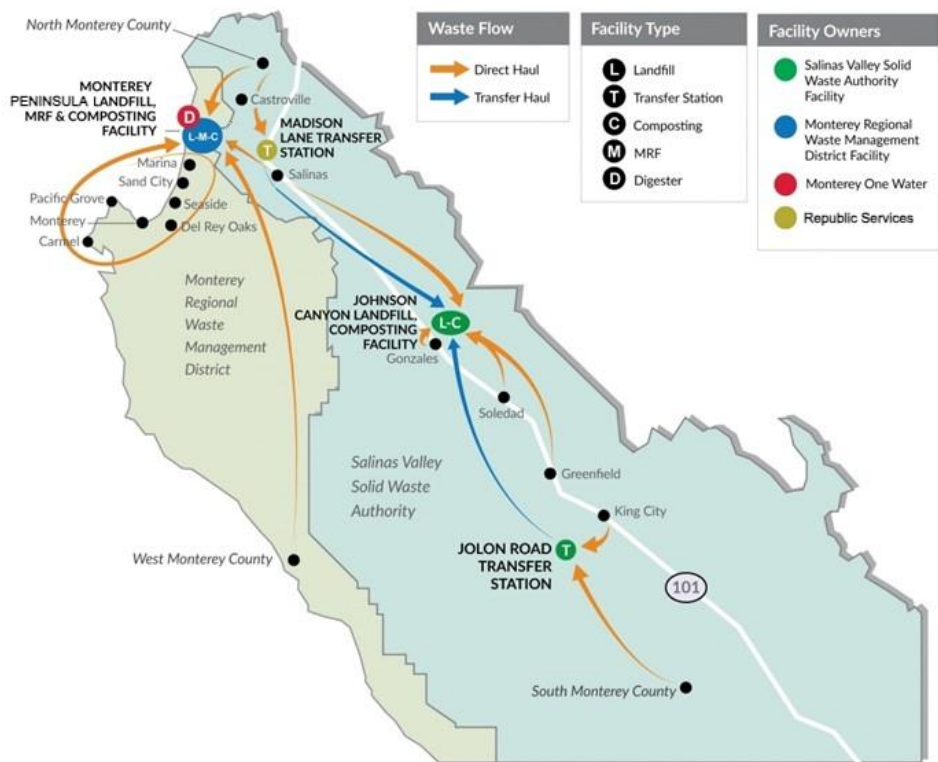
2.1 Introduction

The management of municipal solid waste in California is a complex and interrelated system involving government, public agencies, the private sector and many collection, processing, transportation, recycling and disposal facilities. In addition, the state of California has a complex framework of legislation and regulations intended to maximize the reduction, diversion, recycling, reuse and recovery of materials – all with the goal of minimizing solid waste disposal.

The Monterey Regional Waste Management District, a California Special District now also known as ReGen Monterey, provides solid waste facilities for processing, diversion, recycling and disposal services. These facilities primarily serve the western portion of the County of Monterey, inclusive of the Monterey Peninsula, and much of Santa Cruz County, excluding the City of Santa Cruz. ReGen Monterey's stated mission for providing these valuable public services is **"doing more to waste less."** The mission is consistent with principles to refuse waste creation, to reduce, reuse, re-purpose and recycle wastes, and to minimize overall waste disposal. Most solid waste produced in Monterey County is also managed within the county – typically at facilities operated by either ReGen Monterey or the Salinas Valley Solid Waste Authority (SVSWA). Refer to Figure 1 for a generalized illustration of solid waste "flow" in Monterey County.

There is also transportation of solid waste into and out of the county, which is a common solid waste industry practice in California and across the nation. In Monterey County, solid waste collection services are provided by private companies (e.g., GreenWaste Recovery, Monterey City Disposal Service, Republic Services, WM). Monterey County solid waste recycling and disposal services are provided by two public entities, the Salinas Valley Solid Waste Authority (DBA Salinas Valley Recycles) and the Monterey Regional Waste Management District (DBA ReGen Monterey).

Figure 1: Solid Waste Facilities and Waste Flow within Monterey County ^{1 2}



The above figure does not illustrate ReGen Monterey’s sphere of influence for the City of Salinas and North County areas as approved in 2015 by the Monterey County Local Agency Formation Commission (LAFCO). Those larger areas include the City of Salinas and North County areas which are currently served by SVSWA, DBA Salinas Valley Recycles (SVR). The LAFCO sphere of influence determination figures is depicted in the about section at:

¹ Note that the SVR Sun Street Transfer Station (SSTS) in Salinas is not shown as it has been closed down and services primarily shifted to the Madison Lane Transfer Station currently operated by Republic Services Inc..
² Modified by ReGen (2024) to update MLTS ownership; North County direct haul; Transfer Haul from MLTS to JCL. Original Source: Monterey County – Evaluation and Analysis of Solid Waste Management System, R3 Consulting Group, April 18, 2020.

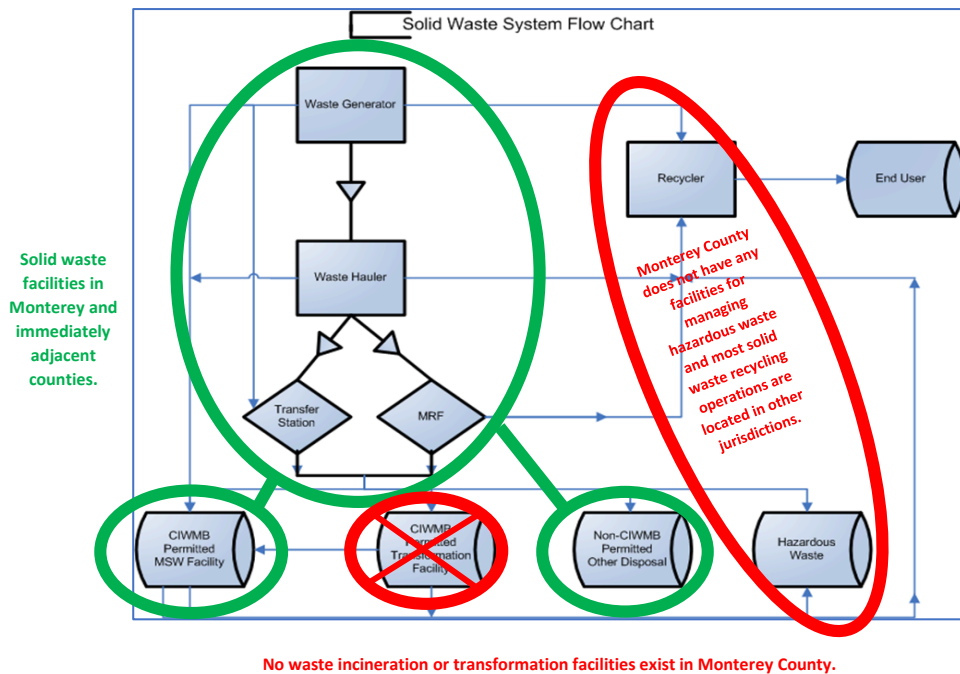
ReGenMonterey.org

Where necessary, some waste produced in Monterey County and processed at ReGen Monterey's recyclable materials facility is transported from ReGen Monterey to permitted facilities in other jurisdictions for further recycling, treatment and disposal. In fact, most facilities that actually process and recycle Monterey's solid waste into new reusable materials are located outside of Monterey County. The recycling facilities in other jurisdictions that receive processed solid waste/recyclable materials from ReGen Monterey include facilities that are needed for the recycling of glass, plastic, metals, paper, cardboard and other materials.

Waste in California is regulated in four different categories: solid waste, universal waste, hazardous waste (HW) and radioactive waste. (Refer to Appendix A for select definitions.) The management of solid waste will be discussed later in this document. Batteries, e-waste and other universal waste items get received by household hazardous waste (HHW) facilities or permitted, dedicated drop-off locations. These materials are not to be disposed in/collected by the three-cart collection system of the Member Agency franchise agreements. Monterey County's two solid waste management agencies, ReGen Monterey and Salinas Valley Recycles, each have HHW facilities for public use.

There are no hazardous waste facilities located in Monterey County. All hazardous waste generated by residents and business within the county must be delivered out-of-county to other jurisdictions that offer hazardous waste treatment, storage and disposal. Incidental hazardous waste is authorized to be removed from the solid waste stream by ReGen Monterey's Household Hazardous Waste (HHW) Facility, and it is transported out-of-county to permitted hazardous waste facilities. According to the Department of Toxic Substances Control (DTSC), the amount of HW delivered yearly to other jurisdictions is about 9,600 tons per year. However, Monterey County generated and exported approximately 12,000 tons of hazardous waste in 2020 (the most recent year with available data). In 2020, there were 276 generators of hazardous waste within Monterey County producing more than one ton of HW, 104 generators producing more than five tons, 74 generators producing more than 10 tons and 48 generators producing more than 20 tons. All that hazardous waste had to be delivered for proper management outside of Monterey County. Figure 2 generally portrays how solid and hazardous waste is managed within Monterey County.

Figure 2: Background Flow Chart by CalRecycle³



There is only one registered medical waste facility located in Monterey County. It is operated by Altius Medical in the City of Monterey, and it's regulated by the California Department of Public Health. Altius only provides medical waste removal and collection services. All collected medical waste is transported to permitted medical waste treatment and disposal services located in other jurisdictions.

There are no permitted radioactive facilities located in Monterey County. Radioactive waste is collected in accordance with the requirements of the California Department of Public Health and transported out of Monterey County for disposal.

In addition, for various reasons, municipal solid waste generated in Monterey County has been transported to 18 other California counties for disposal. The approximately

³ Basic Flow Chart provided by CalRecycle: <https://calrecycle.ca.gov/lqcentral/wastestream/swsflwchart/>

13,600 tons of waste transported from Monterey County in 2019 represent about 3% of the total waste generated in Monterey County that required disposal. Figure 3 illustrates the destination of municipal solid waste transported for disposal from Monterey County to other California counties in 2019 (the most recent year with available data). Similar numbers are available for the immediately preceding years. Refer to Table 1 for the list of solid waste tonnage by county. Note that many counties in California have similar figures/listings as those of Monterey County.

Figure 3: Solid Waste Disposal from Monterey County to other Counties (2019)
 4



Total <u>leaving</u> Monterey County for disposal elsewhere (3%)	13,595 tons
<i>Does not include waste disposal in Monterey County</i>	

4. Source: <https://www2.calrecycle.ca.gov/LGCentral/DisposalReporting/Statewide/TransportedSolidWaste>. Note that exported total is rounded to nearest whole number and does not equal all entries in Table. Several very small exports to other counties are not included.

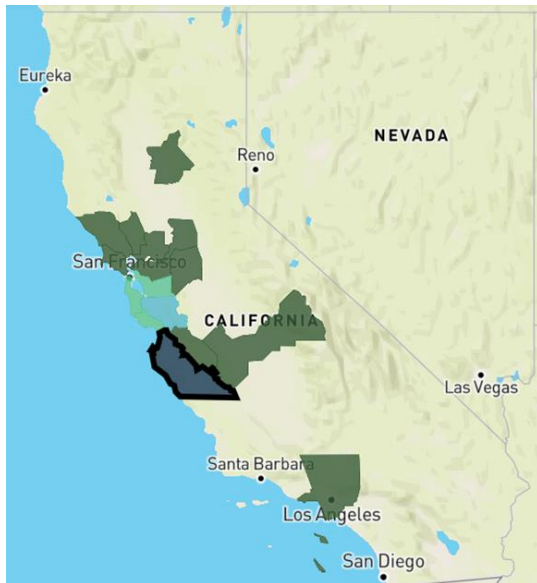
TABLE 1: Solid Waste Tonnage "FROM" / "TO" Monterey County & other named County (2019)			
Name of County	Travel Distance	Tonnage "FROM" Monterey County	Tonnage "TO" Monterey County
	(Miles)	(Tons)	(Tons)
Alameda	99	154.76	27,769.87
Butte	238		16.85
Contra Costa	114	345.01	3,167.99
Fresno	141	3,793.54	113
Kern	205	102.11	
Kings	149	4,783.98	
Los Angeles	303	16.36	178.6
Madera	118	2.65	
Marin	121		1,909.48
Merced	107	60.8	
Napa	142		11.98
Sacramento	174	1.56	206.12
San Benito	28	2,693.26	6,816.34
San Francisco	107		15,999.05
San Joaquin	129	40.14	72.79
San Luis Obispo	126	75.62	
San Mateo	81	23.36	55,135.28
Santa Clara	60	203.71	259,022.10
Santa Cruz	36.8	700.94	66,808.83
Shasta	302	3.61	
Solano	133	444.79	1,325.52
Sonoma	157		8,320
Stanislaus	110	143.3	
Yolo	169	5.75	
Yuba	211	0.07	
		Total "Sent From" MoCo = 13,595.32 tons	Total "Sent To" MoCo = 446,873.8 tons
		Net Total Tonnage = ("Sent To") - ("Sent From") MoCo = 433,278.48 tons into MoCo	
		Total Tonnage Generated Inside MoCo = 502,942.16.48 tons	
		Total Tonnage Disposed In MoCo = (446,873.8) + (502,942.16) = 949,815.96 tons	

ReGen Monterey also receives solid waste from other jurisdictions – primarily post-processing residuals for disposal. That's because most cities do not have their own recycling and disposal facilities, given the scarcity of appropriately zoned land in cities and the significant capital costs to design, permit, construct, operate and maintain such facilities. Plus, there has been a significant reduction in waste requiring disposal – both within Monterey County and in nearby counties – due to Assembly Bill 939 (AB 939-1989), the Integrated Waste Management Act. More recently, significant California legislation has required that all cities and counties reduce solid waste disposal by 75% by 2025 through enhanced waste reduction, diversion, recycling and resource recovery activities. For a complete summary of major solid waste reduction and recycling legislation of the past 30+ years, see <https://www.cawrecycles.org/caw-history>. This website is maintained by Californians Against Waste (www.cawrecycles.org), the leading solid waste reduction and recycling advocacy organization in California.

Table 1 and the summary below Figure 4 show that the amount of solid waste disposed of in Monterey County in 2019 totaled 949,816 tons from all sources. Of that amount, 446,874 tons (47%) were received from other counties/jurisdictions – principally from San Benito, Santa Cruz, Santa Clara and San Mateo counties. ReGen Monterey received almost 92% (~410,000 tons) of the solid waste materials sent from those other communities. ReGen received those materials to fulfill its service responsibilities associated with five regional customer contracts (that includes the City of Capitola, City of Scotts Valley, City of Watsonville, County of Santa Cruz, and San Jose area communities via the franchise agreement with GreenWaste Recovery-San Jose operations).

ReGen's Board of Directors initially approved those regional customer contracts between 2009 and 2013. In 2019, there were also 502,942 tons (53%) generated in Monterey County, approximately 325,000 tons sent to ReGen's facilities, and 177,000 tons directed to Salinas Valley Recycle's Johnson Canyon Landfill east of Gonzales. Refer to Table 1 for a list of the counties involved in sending waste to Monterey County and the counties that received waste from Monterey County. Note that many counties in California have similar solid waste tonnage figures/listings as those shown for Monterey County.

Figure 4: Solid Waste Disposed in Monterey County from all Jurisdictions (2019) ⁵



Total solid waste entering Monterey County for disposal (47%)	446,874 tons
Does not include waste generated within Monterey County (53%)	502,942 tons
2019 Total disposed in Monterey County Landfills = 949,816 tons	

For more information about ReGen Monterey’s history, facilities, organization, and operations, go to: [**ReGenMonterey.org**](http://ReGenMonterey.org).

⁵ Source: <https://www2.calrecycle.ca.gov/LGCentral/DisposalReporting/Statewide/TransportedSolidWaste>.
Note that total is rounded to nearest whole number and may not equal all entries in Table 1. Several very small tonnages entering Monterey County from other counties are not included.

2.2 Standards and Benefits for Receiving Waste from other Jurisdictions

Standards for the management of waste in Monterey County:

- The California Environmental Protection Agency (Cal/EPA) administers and enforces the solid waste rules for the entire state of California through the Department of Resources Recycling and Recovery (CalRecycle), with the assistance of local enforcement agencies. Cal/EPA has delegated authority to administer federal solid waste regulations. Solid waste transporters (a.k.a. haulers) are regulated by local enforcement agencies.
- Monterey County does not have any permitted hazardous waste facilities, and all hazardous waste generated within Monterey County must be transported out-of-county and delivered to appropriately permitted facilities that manage the waste in accordance with applicable laws. All medical and radioactive waste must similarly be exported from Monterey County for proper management.
- ReGen Monterey ensures that municipal solid waste received for disposal from other jurisdictions meets and exceeds applicable standards for the reduction and recycling of solid waste prior to disposal in Monterey County.
- California regulations for the collection and transport of solid waste involve meeting local vehicle and equipment standards enforced by Monterey County and ReGen Monterey contract provisions.
- A person shall not collect, haul or transport refuse for hire in Monterey County/City without first obtaining a health permit from Monterey County Health Department (HD).
- The County of Monterey Health Department's Solid Waste Services (HD) is the local enforcement agency responsible for administering and enforcing the County of Monterey Code of Ordinance to all persons and businesses with vehicle(s) that haul solid waste in the County of Monterey area. The HD oversees the registration requirements and annual inspections for all solid waste haulers (vehicles) operating in Monterey County.

The purpose of these programs is to ensure proper containment of solid waste (including refuse) and leachate (liquid generated from solid waste or that has contacted solid waste) within a waste management unit (landfill). Solid waste shall only be disposed at a permitted disposal facility (landfill), processing facility (transfer station), compost operation and/or recycling facility.

Any openings, cracks, splits, holes, or breaches identified in the solid waste storage compartments, tanks, trailers, truck bed, bins, lids and/or covers from either an inspection or complaint inspection will result in a cease-and-desist order to discontinue any solid waste hauling-related activities for the vehicle(s) of interest. That order stands until the issue has been repaired and the business has received approval from the HD inspector, ensuring solid waste will be properly contained during storage and transport.

The Solid Waste Hauler program ensures that:

- Solid waste is properly disposed, recycled and/or reused at an authorized and permitted disposal facility (landfill), processing facility (transfer station), compost operation and/or recycling facility.
- All vehicles, storage compartments, tanks, trailers, truck bed, bins, lids and/or covers are watertight and free of any openings, cracks, splits, holes or breaches, preventing uncontrolled littering/disposal of solid waste during transport.

Benefits of Receiving Waste from other Jurisdictions

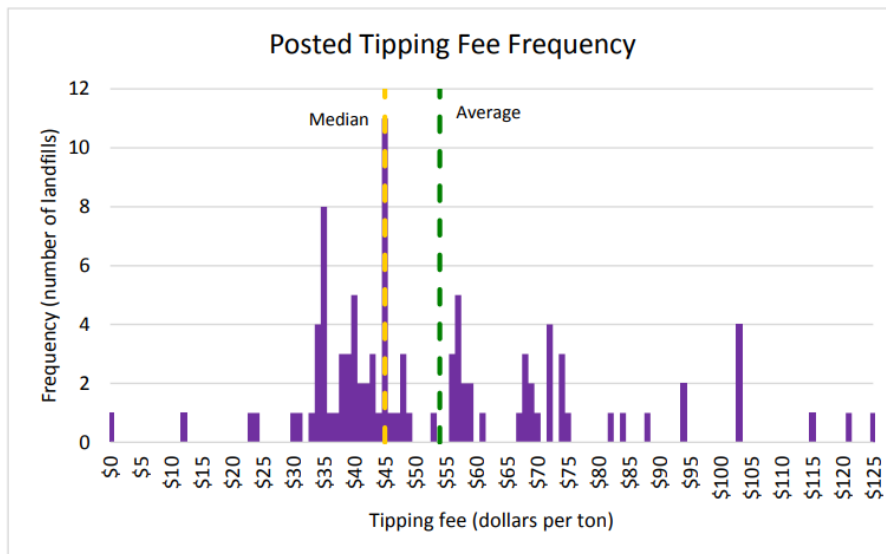
- **Public Health:** City and county planning policies and practices, such as zoning requirements, have been designed to protect public health by preventing or limiting the development of solid waste facilities in urban and suburban areas, and in residential or commercial developments located in rural areas. These public policies align with solid waste regulatory principles that involve managing waste in a designated management unit that is properly sited and permitted to protect public health and the environment. As a result, many jurisdictions do not have solid waste facilities in their jurisdictions and are required to use facilities located elsewhere. The solid waste facilities are sited and permitted in areas of less population density, using zoning designations to properly site such facilities. Once solid waste facilities are properly sited, the public policy challenge becomes protecting those zoning designations and preventing residential growth around existing solid waste facilities.
- **Environmental Health:** City and county planning policies and practices, such as zoning requirements, have also been designed to protect environmental health in most cases. The zoning designations for solid waste facilities often take into account the local natural resources that exist and provide for some degree of separation from consideration for those natural resources, so as to reduce or prevent environmental impacts. Together with requirements of the National Environmental Protection Act (NEPA) and the California Environmental Quality Act (CEQA), these public policies are used to properly site and permit solid waste

facilities. As a result, many jurisdictions do not have solid waste facilities in their jurisdictions and are required to use facilities located elsewhere.

- **Regulatory Requirements:** For jurisdictions that do not have solid waste facilities within their boundaries, there is an absolute regulatory requirement that the wastes generated in that jurisdiction be collected, processed, transported, recycled and disposed at a properly sited and permitted solid waste facility located outside the jurisdiction. This is a central principle of solid waste regulations: to properly manage wastes in a designated waste management unit that is actively operated, maintained, and contained in a way that controls waste exposure that would otherwise impact public health and the environment.
- **Lower Costs:** For jurisdictions that do not have solid waste facilities within their boundaries, the cost of developing, operating and maintaining such facilities is very large – whether or not such facilities can be sited and permitted in that jurisdiction in the first place. This stark reality influences coordination between jurisdictions to address common public service needs for solid waste management via an inclusive approach. In Monterey County, various cities came together with the county at different times to form two different agencies that manage solid waste: Monterey Regional Waste Management District (1951), for western Monterey County and its sphere of influence areas, and the Salinas Valley Solid Waste Authority (1997) for eastern Monterey County areas. These cities and the county have experienced lower solid waste management service costs than they would have without joining together to address this public service need. Historically, when both Monterey County agencies also provide solid waste services to other jurisdictions, the fixed costs of each agency's facilities are shared by the other jurisdictions. This lowers the cost for each agency's member cities and the county.
- **Lower Service Fees:** Receiving solid waste from other jurisdictions helps reduce the unit cost of solid waste recycling and disposal services for the owner/operator of the solid waste facility and the communities and customers served by the facility. This is a basic economic principle: the fixed costs are shared by more parties (jurisdictions or customers) and the variable-cost increase for adding a new party is small, so all parties have a lower unit cost. Lower tip fees equate to lower service costs, which is a financial benefit for Monterey County communities and their residents and businesses.

Figure 5: All landfills accepting public disposal in California, by tipping fee.

The yellow dashed line represents the median of the data set, and the green line represents the average of the data set.



Source: *Landfill Tipping Fees in California, CalRecycle, February 2015*

- Increased revenues:** The increased revenues from receiving waste from other jurisdictions also accrue to support investments in technology and infrastructure. This, in turn, reduces the amount of in-county revenues needed to support planned and permitted capital development and equipment replacement/maintenance, which are significant costs for Monterey County's solid waste management facilities.

2.3 Restrictions on the Intrastate Flow of Solid Waste Between Cities and Counties

There are currently no state or local provisions that either restrict, or allow the restriction of, the movement of solid waste between California cities and counties. Any limitation on solid waste delivery from other jurisdictions would be controversial and would have to be based on a need to protect the people and environment of the receiving area, while ensuring that the communities and environments where the wastes are generated are not unacceptably harmed. Given that solid waste recycling

and disposal is strictly regulated by the State of California, it would likely be very difficult to justify a limitation on solid waste delivery and disposal from outside Monterey County. Historically, these practices have been consistent under existing state and federal law. Overall, solid waste from another jurisdiction is likely to be very similar in nature to municipal solid waste produced within Monterey County. In theory, it would not pose any additional public health, public safety or environmental harm different than the county's own solid waste.

2.4 Section Summary

The integrated waste management system in California is complex. Most cities (jurisdictions) do not have any, and certainly not all, of the necessary permitted facilities for managing solid waste generated within their own jurisdiction. Monterey County is no different. All hazardous waste generated within Monterey County must be hauled out-of-county to other jurisdictions for proper management because there are no hazardous waste management facilities in the county.

At the same time, Monterey County has sufficient disposal capacity to more than adequately manage the municipal solid waste generated within the county and other nearby jurisdictions for the foreseeable future. Monterey County, together with California, has sufficient regulations to ensure that solid waste delivered to the county is managed in accordance with all applicable regulations and requirements. And, the State of California has enacted sweeping legislation that requires all solid waste to be minimized, diverted, reduced and recycled to lessen the amount of waste requiring landfill disposal.

The delivery of solid waste for disposal in another county, such as Monterey County, lowers the overall cost responsibility of local waste management. Thus, one benefit of sharing a limited number of solid waste facilities between communities is reducing the per share cost of each jurisdiction or Member Agency. This is a basic economy of scale premise that's fundamental to financial business practices. In ReGen's case, the revenues collected beyond Member Agency franchise contract revenues play a significant role in the development of ReGen's recycling and diversion facilities. These recycling and diversion facilities and related services are available to all customers, including Member Agency communities, and the costs are shared more customers – not just by Member Agencies. This benefits Monterey County residents and businesses by expanding access to such non-disposal facilities, such as recycling facilities that are periodically improved, HHW facilities, compost facilities and more.

Reducing the disposal of recyclable materials helps preserve landfill airspace capacity for future use, and, when excess capacity exists, opens service to more communities. This is a basic public service that every community has needs, and it's one that most communities do not have access to within their own jurisdictions.

3.0 Summary of ReGen Monterey's Business Practices

Credits: Various ReGen Monterey records and staff records contributions

3.1 Introduction

The management of municipal solid waste in California is a complex and interrelated system involving government, public agencies, the private sector and many collection, processing, transportation, recycling and disposal facilities. ReGen Monterey is one of those public agencies performing a limited role in the solid waste management system in the tri-county area consisting generally of Monterey, San Benito and Santa Cruz counties.

ReGen Monterey was formed as a California Special District in 1951 to serve a solid waste management role for the interests of its Member Agencies. The Member Agencies consist of the cities of Carmel-by-the Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City and Seaside, along with the County of Monterey and the Pebble Beach Community Services District (PBCSD). In addition to its management role, ReGen Monterey also provides non-hazardous solid waste processing, diversion, recycling, transfer and composting services to the Member Agency communities, other cities and counties, private businesses and private individuals (either by contract with ReGen or by direct self-haul to ReGen).

3.2 Historic Background

More than 100 years ago, waste from the Monterey Peninsula was routinely dumped on the beach and into Monterey Bay and the ocean. Several decades later, a private dump operated on the coastal area of what is now part of Sand City. The site was for waste disposal primarily through the process of burning trash. City and county leaders knew there had to be a better way to manage refuse than by disposing of or burning it on the Monterey Bay shoreline.

In 1951, the Monterey County Board of Supervisors established the Monterey Peninsula Garbage and Refuse Disposal District, now known as ReGen Monterey (Legal Name: Monterey Regional Waste Management District, a California Special District with management responsibilities for non-hazardous solid waste). The first order of business was to find a suitable location for a sanitary landfill to replace the old “burn dumps” then in operation. An interim landfill was developed and operated in the vicinity of the Laguna Seca area until October 1965. At that time, ReGen Monterey opened the Monterey Peninsula Landfill as a Class III Landfill for non-hazardous solid waste disposal for its Member Agency franchise collection contracts. The contracts included a requirement that each Member Agency direct its community’s non-hazardous solid wastes to ReGen’s landfill, which provided financial assurance for ReGen. This type of assurance is what successful owners/operators pursue diligently to achieve business sustainability from an economic/financial perspective.

Since 1965, ReGen has provided disposal services to many different public and private customers originating from both Member Agency jurisdictional areas (sometimes referred to as “in-District” areas) as well as non-Member Agency jurisdictional areas (sometimes referred to as “out-of-District” areas or “Regional” customers). These customers are served in addition to the Member Agency franchise contract haulers’ customers. In other words, ReGen has never served only its Member Agency franchise haulers and no other customers. Additionally, there has never been a situation at ReGen where its customers only came from Member Agency communities. The fact is, Member Agency franchise haulers are the only customers required to access and use ReGen facilities and services, and there have always been other customers from within and outside of Member Agency community areas who access ReGen’s facilities and services.

Since about 1970, recycling and diversion services occurring at ReGen’s 470-acre property have evolved. It is an evolution that continues today, as ReGen works hard to continue **doing more to waste less**. Director Gary Bales, who served on ReGen’s Board of Directors for 52 years, was a key influence advocating for increased ReGen recycling services. As a result, ReGen Monterey has developed significant operations support facilities and recycling/diversion facilities, such as the:

- Heavy Equipment Maintenance Shop
- Franchise Hauler Truck Yard Lease Facility
- Material Recovery Facilities (including MRF 1.0 in the mid-1990s, used for construction and demolition debris (C&D) recycling, metal/glass containers, and

newspaper/paper/cardboard recycling; and MRF 2.0, with 2018 recapitalization upgrades for both C&D and single stream recyclables (SSR) processing)

- Household Hazardous Waste (HHW) Facility
- Compost Facility
- Modules 2 through 7.

It is known to be quite costly to develop, own, operate and maintain infrastructure for these types of solid waste facilities.

Over the years ReGen Monterey has added programs to reduce, reuse, divert and recycle materials. Examples include:

- 1953: Early cardboard recycling
- 1970s: Supporting the first community collection of glass bottles
- 1983: Beneficial reuse of landfill gas (LFG) for renewable energy generation
- 1988: Diversion of yard debris (a.k.a. green waste materials) and agricultural or food processing plant scrap materials to windrow composting
- 1991: Establishment of the Last Chance Mercantile for retail sales of usable materials
- 1996: Introduction of ReGen's first Materials Recovery Facility (MRF), which came online for the processing of construction and demolition (C&D) materials and recovery of recyclable or reusable materials
- 2018: The capital replacement of the C&D materials processing line and addition of a recyclables processing line – a.k.a. single-stream recycling (SSR) – as part of MRF 2.0 improvements.

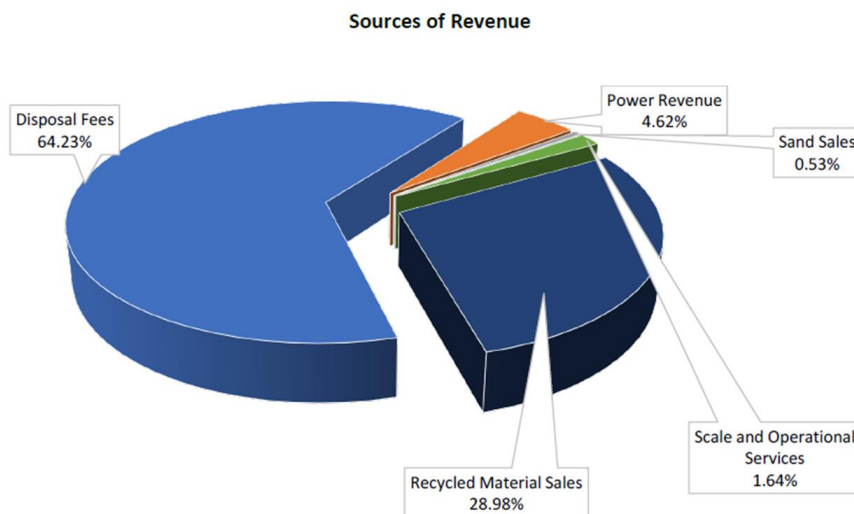
The integrated facilities that ReGen Monterey operates today are a unique resource for the tri-county region and embody the organization's mission of **doing more to waste less** by turning waste into a beneficial resource.

3.3 Evolution of Business Practices

In 1965, when ReGen began landfill operations, fees for waste disposal, or "tip fees," were charged to customers delivering waste to the landfill. Customers consisted of the Member Agency communities and other public and private self-haul customers from the nearby Salinas and North County areas. The disposal revenues represented 100% of ReGen's revenues and were collected to cover the landfill operations expenses, administrative expenses and other permit or ancillary service expenses.

As new diversion and recycling services were added over time, these added services typically had some level of revenue collection. As a result, landfill disposal fees no longer represented 100% of ReGen's revenue collection. This basic business practice is referred to as revenue diversification. By 2008-09, the landfill disposal fees represented about 76% of all revenues. Figure 6 below illustrates the distribution of revenue sources in FY2021-22 at about 64%.

Figure 6: Summary of ReGen's Revenue Sources (FY2021-22)



The evolution of business practices at ReGen Monterey was generally influenced by future trends that service providers, regulators and municipalities in the solid waste management industry proposed and discussed. Note that this evolution was from a "disposal-only" model to a "reduce, divert, recycle, reuse and disposal" model. It takes a strong will and vision to successfully transition a disposal-only model to that of an integrated waste management facility like ReGen Monterey. That's because waste

disposal has historically been where most revenues are collected. It is an essential public service and critical to accomplish the public policy goal of protecting public health and the environment.

The ReGen Monterey Board of Directors and staff leaders have had strong will and vision over much of the organization's history. ReGen has been an early adopter of technologies that lessen waste disposal by improving the reuse and recycling of materials. These developments mean additional costs. Many organizations have a limited ability for additional revenues, which often results in using the disposal tip fee to offset the additional expenses of non-disposal activities.

By October 15, 2004, the ReGen Board had formalized its practices in a Guiding Principles document and engaged with staff leadership to pursue business practices that would maintain relatively low service fees and sustainably manage annual fee increases. These discussions led to revisions to the Guiding Principles document on September 16, 2005, and later, on November 16, 2007. Refer to Appendix B for all three versions of the Guiding Principles documents. Of note, the 2004 version proposed that the Board consider a policy that would be:

"...establishing a minimum 75 to 80 year landfill life to serve projected waste streams exclusively generated by the MRWMD member agencies. Certified landfill capacity exceeding the 75 to 80 years would be considered excess capacity, which could be considered for sale to the County of Santa Cruz and the Salinas Valley Solid Waste Authority (SVSWA) at "market rates". The purpose of the sale of the excess capacity is to mitigate further rate increases to the MRWMD member agencies and to permit the SVSWA and the County of Santa Cruz adequate time to identify and develop additional long term landfill capacity within their respective jurisdictions."

This was revised in 2005 to read as follows:

"The sale of the MRWMD excess landfill capacity will be subject to a contract approved by the MRWMD Board of Directors" and that "A "reserve landfill capacity" shall be established to provide an initial 75 year landfill life which will serve projected waste streams generated by the MRWMD member agencies to at least the year 2080. In other words, the amount of regional waste to be accepted will not reduce the MRWMD's certified landfill capacity below 75 years (to 2080). Certified landfill capacity exceeding 75 years would be considered to be "excess landfill capacity", which could be made available for sale to public agencies, such as the County of Santa Cruz and the SVSWA."

Note that the exclusivity of the definition stating which parties the excess capacity could be sold to in the 2004 Guiding Principles version was eliminated in the 2005 version. (The current 2007 version remains “as revised in 2005.”).

ReGen Monterey has long had the goal of maintaining relatively low disposal tip fees, year over year (refer to Figure 7). By around 2000, prevailing economic conditions showed a growth trend with rising costs (inflation) and the Board of Directors was reluctant to raise service fees. At that time, ReGen had a \$30 per ton disposal tip fee rate and Salinas Valley Recycles had a \$40 per ton tip fee rate. Even though ReGen had the lowest tip fee rate, staff recommendations for the annual service fee increases were deferred by the Board on one or more occasions. Instead, the Board directed staff to:

- i) Control expenses
- ii) Develop a plan with recommendations to reduce operational costs, and to identify new customers and other sources of revenue.

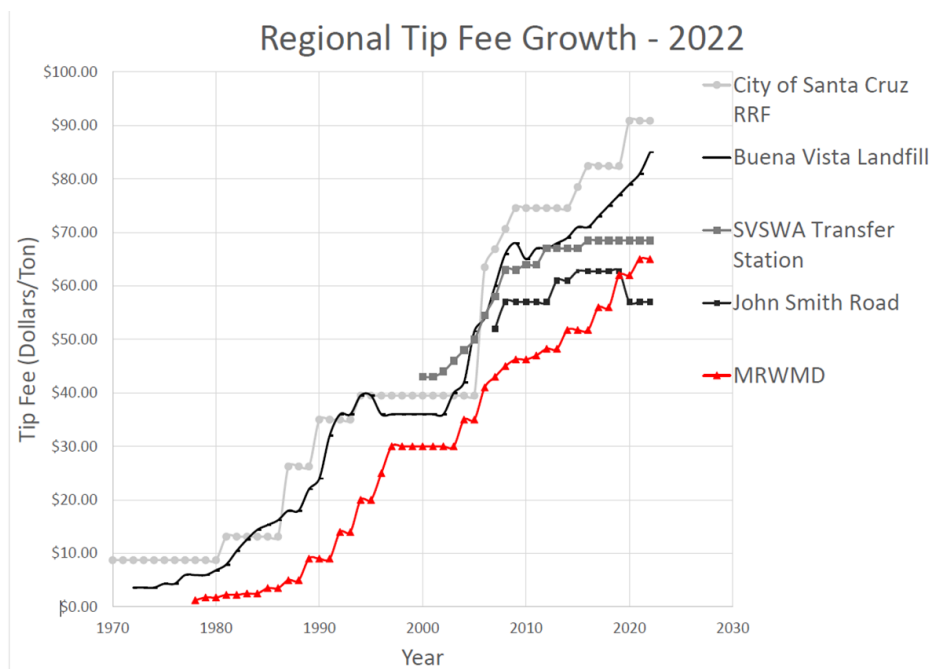
By 2007, ReGen Monterey was engaging with new, non-Member Agency municipal customers in Santa Cruz County for possible long-term (30 year) disposal service agreements. Ultimately, by 2009, Capitola, Scotts Valley, Watsonville and the County of Santa Cruz had signed long-term disposal agreements with ReGen Monterey. In 2013, ReGen signed a long-term agreement for disposal of residual materials (waste) following recycling processing at two materials recovery facilities (MRF) in the City of San Jose: a municipal solid waste processing MRF and a single-stream recycling materials MRF. Refer to Table 2 below for a summary of the current Regional Customer contracts.

Table 2: Summary of ReGen’s Regional Customer Contract Information (2024)

COUNTY	REGIONAL CUSTOMER	CONTRACT		TERMS		DISPOSAL RATE	
		Start Date	End Date	Base (yrs)	Extension (yrs)	FY 2023/24	FY 2024/25
Santa Cruz	City of Capitola	10/14/2020	10/13/2050	30	N/A	\$55/ton	TBD 95% of Posted Rate for Refuse Disposal
	City of Scotts Valley	7/22/2022	7/21/2052	30	N/A		
	City of Watsonville	8/26/2020	8/25/2050	30	N/A		
	County of Santa Cruz	5/25/2021	5/24/2051	30	N/A		
Santa Clara	GreenWaste Recovery - San Jose MRF's	11/19/21 Amendment #3	12/31/2036	25	N/A	Tiered	TBD - Based on April CPI
						0-75K tons \$30.08/ton	
						75K-125K tons \$29.39/ton	
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	3/31/2022	3/30/2026	4	Month to Month - 30 day notice	125K + tons \$28.68/ton \$35/ton	\$37.50/ton

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Figure 7: Summary of ReGen Monterey's (MRWMD) Disposal Tip Fee History (2022)



Between 2000 and 2007, ReGen Monterey's expense budget grew from about \$9.1 million per year to \$17.5 million per year (92%). In the same period, the expense rate of cost-per-disposal-ton grew from \$50/ton to \$91/ton (approximating total expenses distributed over only total disposal tons). Note that there was considerable capital investment in the 1990s for the ReGen Landfill Gas-to-Energy Facility, Materials Recovery Facility (MRF) 1.0, Last Chance Mercantile store, Household Hazardous Waste (HHW) Facility, Shop Maintenance Facility, and Truck Entrance Scale and Administration Offices. The development and breadth of services provided by these facilities influenced, in part, the expense increases. Refer to Figure 8 for revenue and expense budget data at various points in time between 2000 and 2017.

With the addition of new municipal customers and expansion of non-disposal revenue sources between 2007 and 2009 and beyond, financial metrics began to improve. Between 2007 and 2010, total expenses per disposal ton decreased from \$91/ton to

\$81/ton (>10% reduction). Between 2010 and 2017, total expenses per disposal ton decreased from \$81/ton to \$59/ton (27% reduction). This is illustrative of both increased waste volumes and associated revenues from new customers and diversification of revenue sources.

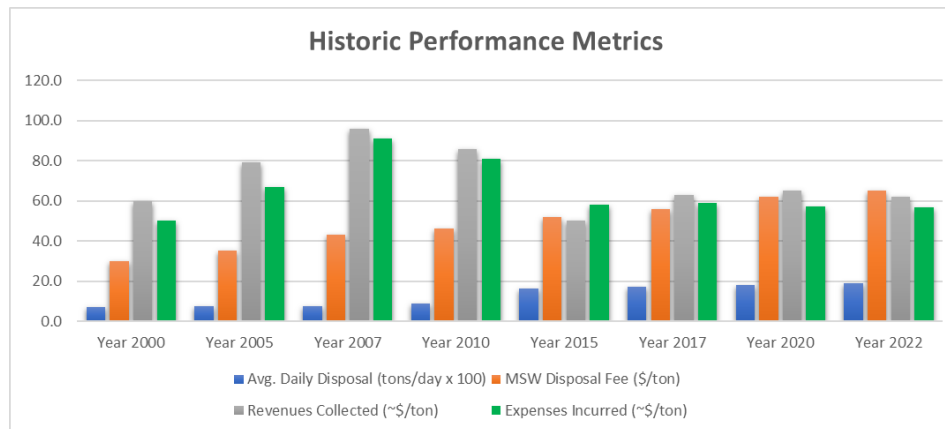
Figure 8: ReGen’s Revenue and Expense Budget Snapshots (2000-2017)

YEAR 2000		YEAR 2005		YEAR 2007	
MSW Tip Fee (\$/ton)	30.00	MSW Tip Fee (\$/ton)	35.00	MSW Tip Fee (\$/ton)	43.00
Daily Tons (avg)	700	Daily Tons (avg)	750	Daily Tons (avg)	735
Annual Tons (avg)	182,000	Annual Tons (avg)	195,000	Annual Tons (avg)	191,100
Budget - Revenues	\$10,836,000	Budget - Revenues	\$15,455,000	Budget - Revenues	\$18,420,000
Revenues/ton	\$60	Revenues/ton	\$79	Revenues/ton	\$96
Budget - Expenses	\$9,110,000	Budget - Expenses	\$13,039,000	Budget - Expenses	\$17,485,000
Expenses/ton	\$50	Expenses/ton	\$67	Expenses/ton	\$91
Staff - FTE	119	Staff - FTE	123	Staff - FTE	145
YEAR 2010		YEAR 2015		YEAR 2017	
MSW Tip Fee (\$/ton)	46.25	MSW Tip Fee (\$/ton)	51.75	MSW Tip Fee (\$/ton)	56.00
Daily Tons (avg)	888	Daily Tons (avg)	1,633	Daily Tons (avg)	1,700
Annual Tons (avg)	230,864	Annual Tons (avg)	424,507	Annual Tons (avg)	442,000
Budget - Revenues	\$19,956,000	Budget - Revenues	\$21,235,000	Budget - Revenues	\$27,745,000
Revenues/ton	\$86	Revenues/ton	\$50	Revenues/ton	\$63
Budget - Expenses	\$18,802,000	Budget - Expenses	\$24,776,000	Budget - Expenses	\$25,858,000
Expenses/ton	\$81	Expenses/ton	\$58	Expenses/ton	\$59
Staff - FTE	130 est.	Staff - FTE	123 est.	Staff - FTE	115

Refer to Figure 9 for a graphical representation of this information, which illustrates that total revenues collected per disposal ton and total expenses per disposal ton were near their highest points around 2007. They began to decline as ReGen grew its customer base and diversified its sources of revenues. By 2013, the cumulative increase in new revenue sources became an important foundational support for the improvement of ReGen’s debt rating and its ability to bond approximately \$45,000,000 in debt to develop the Franchise Truck Yard Lease Facility (2016) and to cover the replacement upgrade of the MRF 2.0 recycling facility (2018).

Figure 9: ReGen Monterey's Budget Historic Performance Metrics Chart (2000-2022)

Monterey Peninsula Landfill - Historic Performance Metrics				
	Avg. Daily Disposal (tons/day x 100)	MSW Disposal Fee (\$/ton)	Revenues Collected (~\$/ton)	Expenses Incurred (~\$/ton)
Year 2000	7.0	\$30.00	\$60	\$50
Year 2005	7.5	\$35.00	\$79	\$67
Year 2007	7.4	\$43.00	\$96	\$91
Year 2010	8.9	\$46.25	\$86	\$81
Year 2015	16.3	\$51.75	\$50	\$58
Year 2017	17.0	\$56.00	\$63	\$59
Year 2020	18.0	\$62.00	\$65	\$57
Year 2022	19.0	\$65.00	\$62	\$57



3.4 Influence of Regulatory Policy

Local, state and federal regulations restrict not only how waste is managed and disposed of, but also where waste management facilities can be located, built and operated. Because of these regulatory restrictions, most cities do not have a landfill, waste transfer facility or recycling facility. All communities generate waste that requires waste management facilities. For jurisdictions that lack solid waste facilities within their boundaries, there is an absolute regulatory requirement that wastes generated in that

jurisdiction be collected, processed, transported, recycled and disposed of at a properly sited and permitted solid waste facility located outside of the jurisdiction. This is a central principle of solid waste regulations that supports proper waste management in a designated waste management unit that protects public health and the environment.

For nonhazardous solid wastes, this is the role of ReGen Monterey's permitted operations. For non-hazardous liquid wastes, it is the role of Monterey One Water's (M1W) permitted operations at the wastewater treatment facility adjacent to ReGen's facilities. These two waste management facilities are approved conditional uses in an agricultural zoning area of unincorporated Monterey County. One goal of that zoning designation is to separate such facilities from residential and commercial developments that are common to incorporated cities and certain areas in rural settings.

Again, these public policies align with solid waste regulatory principles. As a result, many cities and some counties do not have solid waste facilities in their jurisdictions and are required to use facilities located in other jurisdictions. There are two active solid waste landfills in Monterey County, but neither is located in one of the county's 28 cities. Yet those cities, like all cities, require such facilities to receive the waste generated by each community. These public policies result in solid wastes facilities sited and permitted in areas of less population density, and often in areas of lower property value.

Once solid waste facilities are properly sited, the public policy challenge then becomes protecting those zoning designations and preventing residential growth around existing solid waste facilities. For example, the City of Marina was incorporated in 1975, about 12 years after ReGen's landfill had been sited. It has an urban growth boundary on its northern boundary, immediately abutting the unincorporated county lands that have agricultural zoning designation and contain the two public works waste management properties of ReGen and M1W. Those facilities have been properly developed to provide regional public services in an area located a couple of miles from the City of Marina. This is why the northern city limits of Marina should never be changed – the goal is to prevent the city from getting closer to these public works facilities. For that kind of growth to occur, public policies and plans designed to keep site waste management facilities appropriately far away from cities and residential areas would have to be undone and abandoned. The good public practice principles of such policies would have to be discarded.

3.5 Influence of Public Policy

Local, state and federal regulatory permits are required for ReGen Monterey to operate and deliver its non-hazardous solid waste management and processing services to the municipalities and their communities that generate the waste materials requiring the services. Over time, public policy initiatives can be adopted and cause changes not only to regulations and regulatory permits, but also to the practices used in the solid waste management systems.

Public policy has been one of the primary drivers for changes in ReGen Monterey business practices. That includes policies such as:

- The California Integrated Waste Management Act (AB 939, Sher, Chapter 1095, Statutes of 1989 as amended [IWMA]), which made all California cities, counties and approved regional solid waste management agencies responsible for enacting plans and implementing programs to divert 25% of their solid waste by 1995 and 50% by 2000. Later legislation mandated that the 50% diversion requirement be achieved every year.
- The Mandatory Commercial Recycling measures adopted in the Assembly Bill 32 Scoping Plan by the California Air Resources Board (CARB), pursuant to the California Global Warming Solutions Act (Chapter 488, Statutes of 2006). The Mandatory Commercial Recycling Measure focuses on increased commercial waste diversion as a method to reduce greenhouse gas (GHG) emissions. It is designed to achieve a reduction in GHG emissions of 5 million metric tons of carbon dioxide (CO₂) equivalents. To make that happen, 2 to 3 million tons of materials more need to be recycled from the commercial sector each year, by the year 2020 and beyond.
- The more recent methane emissions reduction targets for California (SB 1383 Lara, Chapter 395, Statutes of 2016), part of a statewide effort to reduce emissions of short-lived climate pollutants by reducing and diverting organic materials to non-disposal processing (non-landfill) facilities. The SB 1383 targets are to reduce organic waste disposal in 2025 and beyond by at least 75% of 2014 organic waste levels, to rescue edible food for people to eat at a rate of at least 20% of currently disposed surplus food by 2025, and to reduce the generation of food waste in the first place.

ReGen Monterey staff tracks these public policy and regulatory topics over time and considers the impacts on permits operations, and business practices. Staff members also develop recommendations to address possible changes to permits, business plans and operational practices.

3.6 Section Summary

This review of ReGen's history reveals that its business practices have been Board directed and approved. It is evident that ReGen's Board governance has been influenced by:

- i) Common good business practices of diversifying the customer base and revenue sources
- ii) Public policies influencing improvements for waste reduction, diversion, recycling and reuse measures. This is ReGen's evolution from a disposal only model that has happened over the past 50 to 55 years.

The financial support that allowed the development of ReGen's recycling and diversion facilities and services was largely funded by additional disposal customers revenues, as Member Agency franchise waste contract revenues represent only about a quarter of disposal revenues. This investment in non-disposal alternatives, largely funded by disposal revenues, has resulted in a more reliable and sustainable public works organization acting in the interests of all Member Agencies and non-Member Agency customers and communities served by ReGen Monterey in the tri-county area.

4.0 Summary Effects of ReGen Monterey's Business Practices

Credits: Various ReGen Monterey records and staff records contributions

4.1 Introduction

The management of municipal solid waste in America has advanced during the past 100 years and provides some general conclusions that assist today's owners/operators and governmental bodies. Many standards have basic economic underpinnings that can influence the success of an organization, whether that be financial success or the successful delivery of a range of recycling and disposal services established by governmental policies. The record indicates that city- and county-owned and operated landfills are challenged by cost of services, ability to influence revenue growth, and difficulty of raising capital for continued development of a landfill. Private owners and joint power authority public entities like ReGen have business practices and policies that enable them to address the significant financial needs of landfill ownership, development, operations and maintenance, closure, and post-closure care for 30 years after cessation of disposal (and disposal revenues).

A Waste360 article dated September 18, 2018, and titled, "Why Some Landfills are Becoming Privatized, While Others Remain Public," references a 2017 Solid Waste Association of North America (SWANA) study. It presents the following information characterizing the privatization trend of landfill ownership: Forty years ago, in 1984, 83% of landfills were publicly owned (17% privately owned). In 1998, 64% of landfills were publicly owned (36% privately owned). By 2018, about 50% of landfills were publicly owned. More notably, the 50% of landfills that are privately owned are reported to have 85% to 90% of permitted disposal capacity.

That circumstance represents a significant challenge to public entity landfill owners/operators as they compete with privately owned and operated landfills in the

same region. Public entity landfills that conduct business in a similar fashion as private owners (as delivered by their required public transparency and decision-making process) tend to have better financially sustainable characteristics than those public entities with discretionary requirements or possible limitations imposed by their decision-making bodies, especially when those requirements restrict or interfere with basic economic business practices.

Basic economic conditions impact the solid waste industry similarly to other businesses. Waste disposal quantities tend to increase in volume during growth cycles, when demand increases, and decrease during market slowdowns or moments of falling demand. The law of supply and demand also influences the disposal capacity sales market. Excess capacity tends to get sold for lower prices and that tends to lower the pace of tip fee rate increases. The opposite occurs where disposal capacity is limited or in high demand.

As people and businesses continue to generate waste, the landfill's remaining disposal capacity is an ever-decreasing quantity (status quo conditions assumed). As such, the ratio of supply-to-demand for disposal capacity is also an ever-decreasing ratio. Said another way, an ever-increasing demand to use disposal capacity increases the pressure on the tip fee rates and landfill economics. That is the case unless:

- i) New landfill capacity is developed; and/or
- ii) A combination of decreased waste generation rates and improved recycling and diversion processes are adopted.

Both reduced waste generation and improved recycling and diversion processes help reduce the rate of decline in landfill disposal capacity.

4.2 Effects of ReGen Monterey's Business Practices

As illustrated by the disposal tip fee history presented in Figure 7, ReGen's landfill disposal tip fee has been the lowest in the region. While that's, in part, because not all future financial liabilities are being captured or monetized in the tip fee rate, it is nonetheless a characteristic of ReGen's business practice and one that tends to indicate a favorable condition from the ratepayer's perspective. An inspection of Figure 7 tip fee history reveals other information to those who know the history of ReGen's Board decisions. The following paragraphs elaborate on that history, identify Board decisions that changed ReGen's business practices, and present some effects of those decisions on financial matters and landfill disposal service capacity.

Between late 1965, when ReGen's landfill opened for business, and 2009, when the Board approved regional waste disposal contracts, the customer base consisted of Member Agency franchise waste. That includes Member Agency residential, commercial and governmental self-haul customers, and non-Member Agency residential, commercial and governmental self-haul customers. During that time, ReGen saw its greatest rate of tip fee increases. ReGen's disposal tip fee rate doubled between 1986 and 1989, and then again between 1991 and 1994. The disposal tip fee later increased by 50% between 1995 and 1997, and increased again by 30% between 2003 and 2006.

The magnitude of these rate increases was due, in part, to the relatively low number of customers present at those times. With fewer customers, the Member Agencies represented a larger share of the financial responsibility. This, in turn, also means that Member Agency customers contributed proportionally more – in the form of higher rates – than they would have with a greater number of customers present at those times. Nonetheless, it is important to recognize the reasons for these disposal tip fee increases. The primary cause of the rate increases was the design and development of non-disposal facilities that included the following:

- The AB 939-influenced construction and demolition (C&D) debris recycling facility, MRF 1.0
- The Household Hazardous Waste Facility
- The new Landfill Gas-to-Energy Facility
- The Maintenance Shop addition
- The new Last Chance Mercantile store
- The Public Recycling Drop-off Facility
- The entrance Scale House Facility
- The new Administration Office building
- Related campus-area vehicle parking.

Notably, much of this infrastructure development involved considerable investments in recycling and diversion facilities – another example of ReGen **doing more to waste less**.

Between 1997 and 2003, the ReGen Board took a series of actions that diversified the customer base by increasing communities served, and also diversified revenue sources through continued investments in non-disposal facilities and services. These influences made ReGen the well-integrated solid waste recycling, diversion and disposal facility

that it is today. Notable Board actions that occurred between 1997 and 2007 consist, in part, of the following:

- Delaying tip fee increases for six years
- Directing staff to control expenses to the extent possible
- Directing staff to develop guiding principles that would guide the subsequent development of a business plan
- Directing staff to develop a business plan that, when implemented, would result in diverse new sources of non-disposal revenues (such as recycling and beneficial reuse) and new sources of disposal revenue through customer diversification.

At its October 15, 2004, meeting, the Board agreed on the initial version of the Guiding Principles document, which included the following:

- Maintain governance structure of the nine-member Board of Directors
- Maintain labor policy of primary recycling/disposal services performed by ReGen staff
- Maintain operating reserve (25% of OPEX at that time)
- Maintain debt service ratio of any debt covenant
- Consider a policy establishing 75 to 80 years of landfill disposal life reserved exclusively for waste generated by the Member Agencies
- Consider a \$3 to \$5 per ton disposal tip fee increase in 2005, with annual increases thereafter of \$1 per ton to "ensure fiscal solvency and financing of the ongoing range waste and recycling services provided..."

This was revised in 2005 and again in 2007, and titled "Guiding Principles for Acceptance of Regional Waste." Refer to Appendix B for the three different versions of guiding principles. The Board was relatively clear about the purpose of these principles, as illustrated by the opening paragraph in the most recent version of the document (2007):

" The 'Guiding Principles for the Acceptance of Regional Waste' were developed to address the parameters for offering certain limited, excess landfill capacity to public agencies for the disposal of regional ("out-of-District") waste at the Monterey Peninsula Landfill. Three potential buyers of this excess landfill capacity include the City of Watsonville, the Salinas Valley Solid Waste Authority (SVSWA) and the County of Santa Cruz. The purpose of the sale of excess capacity is to stabilize disposal rates to the Monterey Regional Waste Management District (MRWMD) member agencies, provide funding for future expansion of the MRWMD's diversion and recycling programs, and to permit the City of Watsonville, the SVSWA and the County of Santa Cruz adequate time

to identify and develop additional long-term disposal capacity within their respective jurisdictions.”

4.2.1 Regional Customer Contracts

By 2013, four regional customers from Santa Cruz County and one from the City of San Jose area of Santa Clara County were under contract to deliver waste to ReGen for landfill disposal. At that time, the contract rates were about half of the posted disposal tip fee paid by the Member Agencies and self-haul customers. Had this regional customer revenue not been secured by contract or otherwise received by ReGen, the disposal tip fee paid by the Member Agencies would have been higher – and there would also have been some cuts to labor and maintenance expenses, resulting in reduced service capacity. By 2022, the four Santa Cruz County regional customer contracts had been re-negotiated to include a step tip fee increase that, over five years, will reach 95% of the disposal tip fee paid by the Member Agencies and self-haul customers in FY2024-25 (Table 2).

Table 2 (repeated): Summary of ReGen Monterey’s Regional Customer Contract Information (2024)

COUNTY	REGIONAL CUSTOMER	CONTRACT		TERMS		DISPOSAL RATE	
		Start Date	End Date	Base (yrs)	Extension (yrs)	FY 2023/24	FY 2024/25
Santa Cruz	City of Capitola	10/14/2020	10/13/2050	30	N/A	\$55/ton	TBD 95% of Posted Rate for Refuse Disposal
	City of Scotts Valley	7/22/2022	7/21/2052	30	N/A		
	City of Watsonville	8/26/2020	8/25/2050	30	N/A		
	County of Santa Cruz	5/25/2021	5/24/2051	30	N/A		
Santa Clara	GreenWaste Recovery - San Jose MRF's	11/19/21 Amendment #3	12/31/2036	25	N/A	Tiered	TBD - Based on April CPI
						0-75K tons \$30.08/ton	
						75K-125K tons \$29.39/ton	
						125K + tons \$28.68/ton	
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	3/31/2022	3/30/2026	4	Month to Month - 30 day notice	\$35/ton	\$37.50/ton

The contract tip fee rates for the two Santa Clara County regional customers (Table 2 above) are more than half as much as the disposal tip fee for others. Those contract rates were negotiated by ReGen staff and approved by the Board. ReGen did have market feedback to contract tip fee rates in 2015, when the organization submitted a disposal rate for the Milpitas Request for Proposal (RFP). ReGen quoted a contract tip fee rate for waste disposal services similar to that of GreenWaste Recovery (San Jose MRFs) at that time. ReGen was not successful in securing the Milpitas disposal contract, and it is understood that costs were one factor affecting the award of that RFP to a service provider.

Regional customer disposal volumes (tonnage) are presented in Table 3 below. The regional customers deliver about twice as much waste as the remaining customers (including Member Agencies) that use ReGen's disposal services. This is a relatively significant factor to the depletion of landfill airspace (available disposal capacity). Obviously, the disposal tonnage is the unit of measure for which the tip fee is charged to, and which generates the revenues from disposal of those waste materials.

Table 3: Summary of ReGen Monterey's Regional Customer Contract Disposal Tonnage (2024)

COUNTY	REGIONAL CUSTOMER	FY 2018/2019 ACTUAL ANNUAL DATA	FY 2019/2020 ACTUAL ANNUAL DATA	FY 2020/2021 ACTUAL ANNUAL DATA	FY 2021/2022 ACTUAL ANNUAL DATA	FY 2022/2023 ACTUAL ANNUAL DATA	FY 2023/2024 FORECASTED ANNUAL DATA
		Tons	Tons	Tons	Tons	Tons	Tons
Santa Cruz	City of Capitola	7,201	6,532	6,414	6,318	6,289	6,353
	City of Scotts Valley	6,337	6,344	5,914	5,780	5,985	5,671
	City of Watsonville	27,131	29,395	32,419	36,159	35,107	34,307
	County of Santa Cruz	3,880	9,602	15,722	14,705	20,128	30,575
Santa Clara	GreenWaste Recovery - San Jose MRF's	MSW	MSW	MSW	MSW	MSW	MSW
		408,553	375,259	331,814	275,620	270,072	271,590
		ADC	ADC	ADC	ADC	ADC	ADC
		45,178	34,613	60,352	92,323	106,070	70,098
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	-	-		15,282	58,714	60,121
	ADC + MSW Tonnage Total =	498,280	461,745	452,635	446,187	502,365	478,715

The disposal revenues collected from the regional customer waste disposal are presented in Table 4 below, and they amount to about \$15,000,000 per year, or almost 30% of total revenues. That is a significant contribution to ReGen’s finances. The \$15,000,000 in revenue is about 36% more than the disposal revenue collected from the Member Agency franchise contract waste disposal. Hypothetically, if the regional customer revenue were eliminated and the remaining customers received the same level of service they were used to, it would require an approximately \$25 to \$30 per ton tip fee increase.

Table 4: Summary of ReGen Monterey’s Regional Customer Contract Disposal Revenue (2024)

COUNTY	REGIONAL CUSTOMER	FY 2018/2019 ACTUAL ANNUAL DATA	FY 2019/2020 ACTUAL ANNUAL DATA	FY 2020/2021 ACTUAL ANNUAL DATA	FY 2021/2022 ACTUAL ANNUAL DATA	FY 2022/2023 ACTUAL ANNUAL DATA	FY 2023/2024 FORECASTED ANNUAL DATA
		Revenue (\$000)	Revenue (\$000)	Revenue (\$000)	Revenue (\$000)	Revenue (\$000)	Revenue (\$000)
Santa Cruz	City of Capitola	\$ 258	\$ 243	\$ 257	\$ 284	\$ 315	\$ 349
	City of Scotts Valley	\$ 225	\$ 234	\$ 221	\$ 260	\$ 299	\$ 312
	City of Watsonville	\$ 963	\$ 1,084	\$ 1,297	\$ 1,627	\$ 1,756	\$ 1,887
	County of Santa Cruz	\$ 138	\$ 354	\$ 591	\$ 662	\$ 1,006	\$ 1,701
Santa Clara	GreenWaste Recovery - San Jose MRF's	\$ 10,062	\$ 9,581	\$ 8,551	\$ 7,322	\$ 7,532	\$ 7,973
		\$ 656	\$ 511	\$ 899	\$ 1,416	\$ 1,709	\$ 1,176
	Waste Solution Group of San Benito, LLC (Gilroy & Morgan Hill communities)	\$ -	\$ -	\$ -	\$ 497	\$ 1,945	\$ 2,133
	Total Revenue =	\$ 12,302	\$ 12,007	\$ 11,816	\$ 12,068	\$ 14,562	\$ 15,531

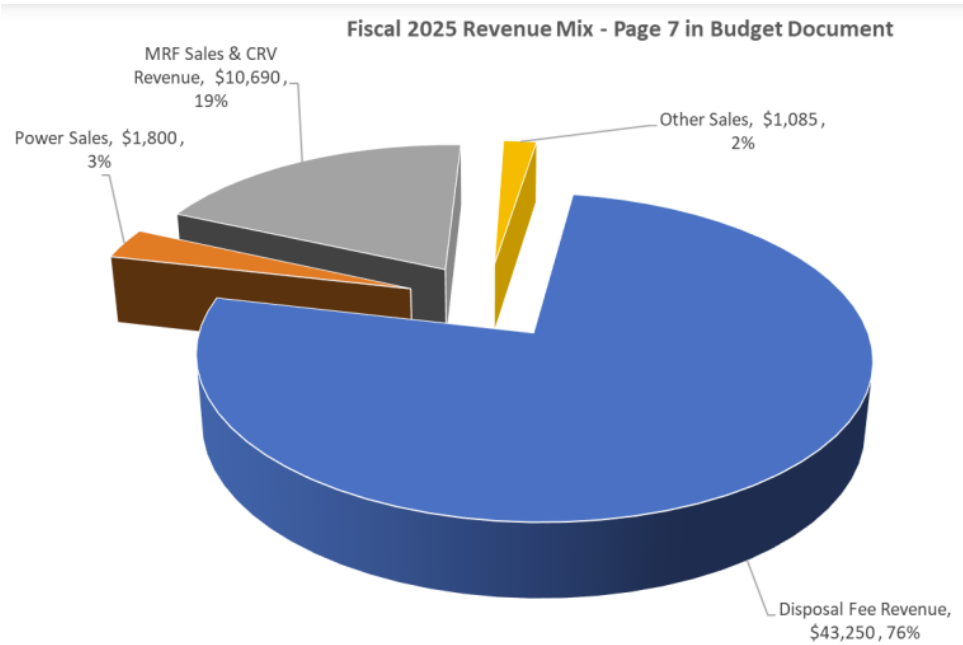
4.2.2 Revenue Diversification

The disposal revenues from regional customers presented in the preceding section illustrate the Board’s goal of increasing revenues. The Board also had a goal of diversifying revenue sources, with the intention of reducing dependence on disposal revenues.

Figure 10 below illustrates that revenues projected for the FY2024-25 budget come from four leading sources. Disposal revenues are estimated at \$43,250,000 and represent about 76% of all revenues projected for the next fiscal year. While there has

been some improvement in developing non-disposal revenues (including MRF sales, power sales and other sales), Figure 10 illustrates that disposal revenues remain the largest revenue source for ReGen. Please note that disposal service expenses are not 76% of all expenses. Thus, net disposal revenues continue to pay for a portion of the non-disposal expenses such as recycling and diversion services. This is a common scenario in the solid waste industry across America and has been the constant scenario at ReGen to some degree since 1965, when the landfill opened, and waste disposal services began.

Figure 10: ReGen’s Revenue Summary – FY2025 Preliminary Budget



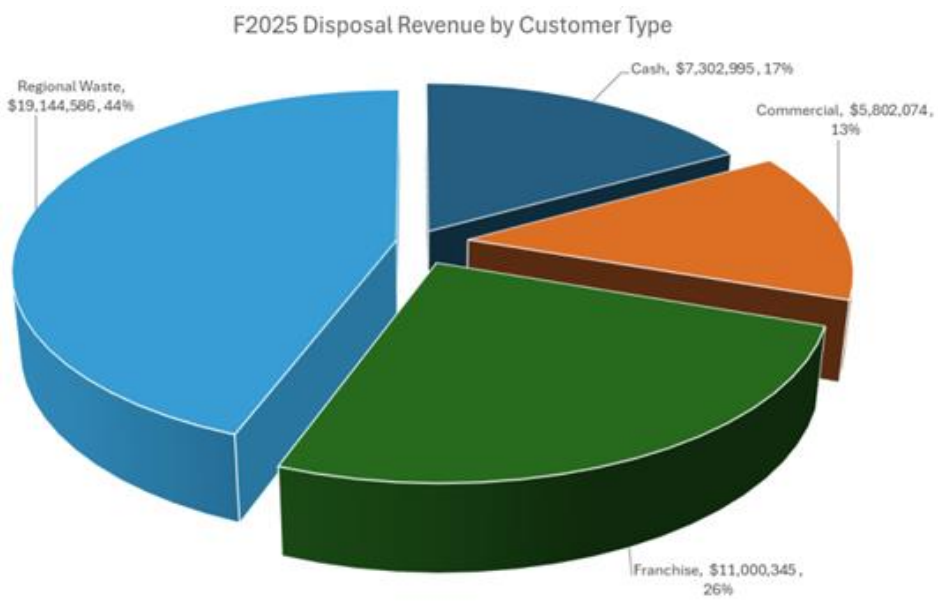
Looking at only disposal revenue sources, Figure 11 below illustrates the four major sources of disposal revenues as projected for the FY2024-25 budget. Revenues from regional customers represent the single largest source of disposal revenues at about \$19,000,000 (44%) of all disposal revenues. This illustrates the importance of the

regional customer's waste disposal in its contribution of revenue support to ReGen's activity. About \$15,000,000 (almost 80%) of that source is from regional customers that have contracts with ReGen (refer to Table 2). The regional contracts have rates that range from a low of about 35% to 40% of the Member Agency tip fee rate to a high of 95% of the Member Agency tip fee rate. The GreenWaste Recovery-San Jose MRF residuals contract is the single largest regional customer disposal revenue source at about \$9,000,000 (60%) of contracted regional customer disposal revenue. The other \$4,000,000 of \$19,000,000 in regional disposal revenues are from non-Member Agency residential, commercial and governmental self-haul customers who pay the Member Agency tip fee rate.

The Member Agency franchise waste disposal revenues are the second largest disposal revenue source at approximately \$11,000,000 (26%) of total disposal revenues. Commercial and cash customers comprise about \$13,000,000 (30%) of total disposal revenues, which is more than the Member Agency franchise waste contribution. Notably, the Member Agency franchise waste revenues are about a quarter of total disposal revenues. This illustrates the significantly greater extent that other customers are supporting the delivery of services to all customers, in addition to the Member Agencies.

The \$9,000,000 in annual disposal revenues from the GreenWaste Recovery-San Jose MRFs regional customer contract is anticipated to end on December 31, 2036. The loss of \$9,000,000 in disposal revenues will likely occur in association with a reduction in operating expenses preliminarily estimated around \$4,000,000. This will likely leave needed revenues of about \$5,000,000 to offset the net loss of this specific disposal revenue source. As a rough estimate, that scenario would likely translate to about a \$20 per ton (25%) increase in tip fee rate for Member Agency franchise waste and self-haul customers. Staff considers this specific contract to represent a significant risk of loss to plan for and mitigate before the planned date of the loss in December 2036.

Figure 11: ReGen Monterey's Disposal Revenue by Customer Type – FY2025 Preliminary Budget



4.2.3 Landfill Capacity and Remaining Disposal Service Life

Increasing the number of disposal customers, independent of their location, leads to increased quantities (volume) of waste for landfill disposal, an increased rate of disposal capacity consumption (loss), and a corresponding reduction in the remaining disposal service life of the landfill. Following the ReGen Board of Directors' approval of regional contracts circa 2009, staff prepared an estimate of the impact of more waste disposal than had recently occurred. That estimate is referred to as the "2010 Joint Technical Document (JTD)" scenario, and it predicted a Closure Year of 2160 (137 years from now).

With the addition of the GreenWaste Recovery-San Jose MRFs regional contract in 2013, the actual volume of waste being received by ReGen exceeds the rate assumed for the 2010 JTD scenario. Thus, staff developed two scenarios with greater volumes of waste assumed in each. They intended to bracket the actual volumes anticipated to be received between 2009 and December 31, 2036. Scenario A estimates slightly less than actual volumes of waste delivered, and Scenario B estimates slightly more than actual volumes of waste delivered in that 28-year period. Refer to Table 5 below for the summary of predicted closure years and remaining landfill disposal service life.

Table 5: Estimate of Landfill Closure Year and Remaining Disposal Service Life (2024)

Source of Remaining Service Landfill Capacity Estimate	Approximate Remaining Landfill Capacity (circa 2009)	Estimated Remaining Landfill Life from 2009	Estimated Closure Year (Remaining Disposal Service Life - 2024)	Scenario Description
	(CY)	(YEARS)	(DATE & {YEARS})	
2010 Joint Technical Document (JTD)	72,300,000	152	2160 (137 years)	Assume ~330,000 tpy Total (Baseline + Regional Customer). Somewhat elevated Regional Customer disposal tonnage through 2036 is ~235,000 tpy on average. For Year 2037 going forward - return to lower (Baseline + Regional Customer) disposal rate of ~225,000 tpy (~75,000 tpy +/- Regional).
2024 Staff Estimate - Scenario A	72,300,000	144	2152 (129 years)	Assume ~580,000 tpy Total (Baseline + Regional Customer). Elevated Regional Customer disposal tonnage through 2036 is ~350,000 tpy on average. For Year 2037 going forward - return to new lower (Baseline + Regional Customer) disposal rate of ~350,000 tpy (~75,000 tpy +/- Regional Customers).
2024 Staff Estimate - Scenario B	72,300,000	134	2142 (119 years)	Assume ~665,000 tpy Total (Baseline + Regional Customer). Elevated Regional Customer disposal tonnage through 2036 is ~435,000 tpy on average. For Year 2037 going forward - return to new lower (Baseline + Regional Customer) disposal rate of ~350,000 tpy (~75,000 tpy +/- Regional Customers).

The regional waste delivery Scenario A assumptions predict the following:

- 26 additional years of disposal capacity would be consumed (relative to prior baseline disposal capacity consumption rate) during the 28-year period of regional waste deliveries assumed
- A predicted closure year of 2152, 129 years from 2024

The regional waste delivery Scenario B assumptions predict the following:

- 36 additional years of disposal capacity would be consumed (relative to prior baseline disposal capacity consumption rate) during the 28-year period of regional waste deliveries assumed
- A predicted closure year of 2142, 119 years from 2024

All three of the closure year estimates presented in Table 5 meet the Board-assigned criteria of 75 years of disposal capacity reserved exclusively for Member Agencies. Because the predicted 119 to 129 years of remaining disposal service life exceeds the 75-year requirement, this indicates remaining excess capacity available for use by the Member Agencies and/or available for sale to other communities in need of disposal capacity.

As time elapses and waste disposal continues, a landfill's disposal capacity decreases until the landfill is full. Once a landfill is closed, the customers that were using that landfill must find a new landfill to serve their disposal needs. Often, that landfill is not located nearby or as close as the landfill that was closed. This leads to increased demand for a scarcer resource: landfill disposal capacity. Table 6 presents a list of landfills in the region and their estimated closure year (Source: CalRecycle Solid Waste Information System (SWIS)). By 2037, when the GreenWaste Recovery-San Jose MRFs contract with ReGen is scheduled to end, five landfills in the region are predicted to have closed. Within 20 years, nine landfills in the region are predicted to have closed.

Table 6: Landfill Closure Year of Regional Landfills

LANDFILL NAME and COUNTY NAME	CLASSIFICATION	LANDFILL CLOSURE DATE (est.)	PERMIT DAILY TON LIMIT	TOTAL PERMIT AREA	PERMIT DISPOSAL AREA
	Class I, II, or III	(yyyy)	(tons/day)	(acres)	(acres)
John Smith Road Landfill - San Benito	Class III	2025	1,000	90.4	58
City of Watsonville Landfill - Santa Cruz	Class III	2029	275	103	48
Buena Vista Drive Sanitary Landfill - Santa Cruz	Class II, III	2031	838	126	61
Corinda Los Trancos Landfill - San Mateo	Class III	2034	3,598	2786	173
City of Santa Cruz Resource Recovery Facility - Santa Cruz	Class III	2037	535	100.00	67
Chicago Grade Landfill - San Luis Obispo	Class III	2039	500	188	77.07
Cold Canyon Landfill, INC - San Luis Obispo	Class III	2040	1,650	209	121

Table 6: Landfill Closure Year of Regional Landfills (continued)

LANDFILL NAME and COUNTY NAME	CLASSIFICATION	LANDFILL CLOSURE DATE (est.)	PERMIT DAILY TON LIMIT	TOTAL PERMIT AREA	PERMIT DISPOSAL AREA
	Class I, II, or III	(yyyy)	(tons/day)	(acres)	(acres)
Newby Island Sanitary Landfill - Santa Clara	Class III	2041	4,000	342	298
Guadalupe Sanitary Landfill - Santa Clara	Class III	2043	3,650	411	115
Camp Roberts Landfill - San Luis Obispo	Class III	2045	618	85.4	13.34
City of Paso Robles Landfill - San Luis Obispo	Class III	2051	450	80	65
Kirby Canyon Recycl. & Disp. Facility - Santa Clara	Class III	2059	2,600	743	311
Johnson Canyon Landfill - Monterey	Class III	2066	1,694 ^{thru 2025;} increasing thereafter	163	96.3
Monterey Peninsula Landfill - Monterey	Class III	>100 years	3,500	460	315

4.3 Section Summary

The ReGen Board's decisions to diversify customers and revenue sources in the mid-2000s, and the subsequent securing of regional customer contracts for limited-term disposal capacity, have provided the financial support that allowed the development of ReGen's recycling and diversion facilities. This investment in non-disposal alternatives, largely funded by disposal revenues, helps decrease the amount of waste landfilled and provides an integrated facility with more reliable and sustainable public works services.

This is squarely in the interests of all Member Agencies and non-Member Agency customers and communities served by ReGen Monterey in the tri-county area.

Having a larger customer base distributes a relatively smaller share of financial responsibility in the form of lower rates and smaller rate increases. While the increased disposal amounts associated with higher disposal revenues result in greater consumption of landfill airspace capacity, ReGen still maintains more than the Board-assigned 75 years of exclusive disposal capacity for Member Agencies. ReGen's experience is similar to that of other solid waste landfill owners and is associated with basic good business practices.

Secure revenue streams are a fundamental requirement for capital-intensive businesses such as landfill development, operations and maintenance, closure, and post-closure care responsibilities. The ReGen Board's decisions have secured revenue streams through December 31, 2036, when the GreenWaste Recovery-San Jose MRFs contract ends, and, to a lesser extent, through about 2050 for the four Santa Cruz County regional customer contracts (Table 2). Advanced planning and action will be necessary to mitigate the financial impacts of losing those regional customer revenues and to avoid a decrease in service associated with labor and expense reductions.

APPENDIX A

Definitions

CA. Public Resource Code (PRC) CHAPTER 2. Definitions [40100 – 40201]

40141. **"Hazardous waste"**

(a) "Hazardous waste" means a waste, defined as a "hazardous waste" in accordance with Section 25117 of the Health and Safety Code, or a combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may do either of the following:

- (1) Cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness.
- (2) Pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

(b) Unless expressly provided otherwise, "hazardous waste" includes extremely hazardous waste and acutely hazardous waste.

40191. **"Solid waste"**

(a) Except as provided in subdivision (b), "solid waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes.

(b) "Solid waste" does not include any of the following wastes:

- (1) Hazardous waste, as defined in Section 40141.
- (2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).

(3) Medical waste regulated pursuant to the Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a solid waste landfill, as defined in Section 40195.1. Medical waste that has been treated and deemed to be solid waste shall be regulated pursuant to this division.

(Amended by Stats. 1996, Ch. 1041, Sec. 9. Effective January 1, 1997.)

CCR-Title 22, § 66261.9 - **Requirements for Universal Waste**

(a) The hazardous wastes listed in this section are exempt from the management requirements of chapter 6.5 of division 20 of the Health and Safety Code and its implementing regulations except as specified in chapter 23 and, therefore, are not fully regulated as hazardous wastes. The wastes listed in this section are subject to regulation pursuant to chapter 23 and shall be known as "**universal wastes.**"

- (1) Batteries, as described in section 66273.2, subsection (a);
- (2) Electronic devices, as described in section 66273.3, subsection (a);
- (3) Mercury-containing equipment, as described in section 66273.4, subsection (a);
- (4) Lamps, as described in section 66273.5, subsection (a) (including, but not limited to, M003 wastes);
- (5) Cathode ray tubes, as described in section 66273.6, subsection (a);
- (6) Cathode ray tube glass, as described in section 66273.7, subsection (a);
- (7) Aerosol cans, as specified in Health and Safety Code section 25201.16; and
- (8) Photovoltaic modules, as described in section 66273.7.1, subsection (a).

(b) Unless specified otherwise in section 66273.60, universal wastes shall be managed as hazardous wastes pursuant to chapters 10 through 16, 18, and 20 through 22 of this division upon arrival at a destination facility.

APPENDIX B

"Guiding Principles" Documents

October 15, 2004

September 16, 2005

November 16, 2007

APPENDIX C

Select History of ReGen Monterey's Evolution of Business Practices

Select History of ReGen Monterey's Evolution of Business Practices:

Circa 2004 – Board declines a \$5/ton disposal tip fee increase and encourages cost control and development of guidance measures to generally increase customer base and new sources of revenue. Board adopts a "Guiding Principle" document October 15, 2004.

2006 – Financial recession signals are present and decreasing disposal tons forecasted in future years associated with predicted declining market conditions. Board directs development of a strategic plan inclusive of a financial strategy to diversify revenue sources, broaden customer base, and seek operational efficiencies.

2007 – Strategic Plan drafted. Guiding Principles are updated to provide services to Regional Waste customers (cities/counties outside of Monterey County (direct or via Franchise Hauler)).

2008 – Operational efficiency for sand excavation adopted inclusive of material sale royalties and asphalt/concrete recycling services (Tenant contract with Don Chapin Company, Inc.).

2009 – Contracts approved with Regional Waste customers in Santa Cruz County.

2010 – Preliminary concept plans developed for District-wide Collection Services RFP, a Franchise Contract Truck Yard Facility onsite, and renovation of the MRF to improve C&D recycling process and to add a new processing line for batch processing of either Single-Stream Recycling (SSR) or mixed-municipal solid waste materials.

Circa 2013 – Board approves disposal services contract with franchise hauler GreenWaste Recovery (GWR) for MRF post-processing residuals from the San Jose/South Bay communities.

2014 – District-wide Collections Services RFP issued and Franchise Lease Truck Yard Facility identified as being available to all service providers submitting proposals for this solicitation.

Select History of Evolution of Business Practices (continued):

2015 – Seven (7) of the nine (9) Member Agencies approve new franchise collection contracts with GreenWaste Recovery (peninsula) and Board approves construction of the Franchise Lease Truck Yard Facility and CNG Fueling Facility. City of Monterey and Monterey County retained their respective existing franchise collections contracts.

2017 – Board approves construction of MRF 2.0 and facility begins new recycling operations in 2018 for processing of Single Stream Recyclable (SSR) materials for all Member Agencies and Construction & Demolition (C&D) materials for all customers visiting the facility.

2019 – Board approves additional single-stream recycling (SSR) processing contracts with new customers including City of Salinas via their franchise hauler Republic Services Inc..

2020 – Board approves RFP solicitation for Last Chance Mercantile operations.

2021 – Board approves contract with Veterans Transition Center of California (VTC) for Last Chance Mercantile operations.

2022 – Board approves short-term nonhazardous solid waste disposal contract for the cities of Gilroy and Morgan Hill via their franchise collections contractor Waste Connections, Inc.

2022-23 – Board approves additional single-stream recycling (SSR) processing contracts with new customers via their franchise hauler for temporary processing services during operational 'outages' of their primary recycling and/or transfer facilities.



Where Waste Travels

An Introduction to ReGen Monterey & California's Solid Waste Management System



ReGen Monterey has been doing more to waste less since 1951.

Operating on 470 acres in northwestern Monterey County near the cities of Marina (inc. 1975) and Salinas (inc. 1874), ReGen Monterey provides reuse, recycling, diversion and nonhazardous solid waste disposal services. Its programs protect public health and the environment, helping to mitigate man-made impacts to this beautiful region while also providing a valuable public utility service for residents and businesses.

Want to learn more about ReGen's history and how it serves the public today? Continue reading here, or check out the related white paper available at ReGenMonterey.org.

1. Who does ReGen Monterey serve?

ReGen Monterey serves residential and business customers located primarily in the tri-county area of Monterey, Santa Cruz and San Benito counties. ReGen Monterey is a California Special District public entity that is similar to a fire, recreational, water or wastewater district, but with a solid waste management role.

ReGen has a nine-member Board of Directors that represents its local Member Agency communities:

- Carmel-by-the Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City and Seaside
- Unincorporated Monterey County areas of Big Sur, Carmel Highlands, Carmel Valley, Castroville, Corral De Tierra, Laguna Seca, Moss Landing, San Benancio and Toro Park
- The Pebble Beach Community Services District.

By a franchise waste contract, Member Agencies must send their non-hazardous solid waste materials to ReGen. Such contracts are common in the solid waste industry, because they provide organizations like ReGen with the stable funding necessary for expenses and large capital investments for specialized infrastructure. Solid waste industry infrastructure and operations are expensive. And, in the case of landfill disposal service, organizations must also fund at least 30 additional years of post-closure care of the landfill and its environmental protection systems after waste disposal revenues have ended.





2. How do communities and agencies like ReGen Monterey typically handle waste?

In California, governmental bodies, public agencies and private-sector businesses oversee the collection, management, reuse, recycling and disposal of municipal solid waste. Various public policies also encourage communities to reduce waste generation, and to recycle, reuse and recover materials whenever possible. Organizations like ReGen assist communities by providing these types of services. Sometimes, they also act on behalf of communities to coordinate such services with other waste processing service providers.

Few cities have landfills, recycling centers or other waste-disposal facilities within their own borders. For example, Monterey County has two permitted landfills – and neither is located in one of the county’s 28 cities. At the same time, California policies require that all jurisdictions, including cities and counties, send waste to permitted facilities for processing and proper recycling or disposal.

Cities across California and the U.S. commonly send garbage to facilities located in other communities, or even other states, for recycling and disposal. Some of those facilities are privately owned and operated. Others are public entities owned and operated like ReGen. Even ReGen Monterey sends some of your waste to other counties with permitted facilities. When that happens, it's usually done to transfer recyclables for final processing, or it's done to properly dispose of wastes that ReGen is prohibited from accepting or disposing. Clear standards ensure that waste gets moved and managed safely, and that's true whether it is trash tossed in a bin, or household hazardous waste such as batteries, e-waste, dangerous solvents and chemicals, or radioactive waste.

3. What services does ReGen Monterey provide?

ReGen Monterey (the public name of the Monterey Regional Waste Management District) provides facilities for the processing, diversion, recycling and disposal of solid waste. That includes services such as landfilling, recycling, composting, household hazardous waste collection and the sale of reusable items through the Last Chance Mercantile store.





4. What factors influence the services that ReGen Monterey offers?

Regulations at the local, state and federal levels define that wastes get either recycled or properly disposed in an approved waste management unit, like a landfill. The regulations also outline how communities and agencies like ReGen Monterey must manage and dispose of waste. Related rules determine where landfills and solid waste facilities can be located, developed and operated.

Public policies influence ReGen's work, too. One recent example is California's SB 1383 (2016). It set targets for jurisdictions, asking them to reduce organic waste disposal by 75% of 2014 levels by the year 2025, and also to rescue at least 20% of edible food before it reaches a non-edible condition and cannot be used.

The ReGen Monterey Board of Directors provides strategic guidance and makes decisions shaping the agency's operations. Between 1997 and 2003, the Board took several actions to diversify ReGen's customer base and revenue sources. For example, staff members were directed to delay tip fee increases and raise non-disposal revenues through new services. The Board also developed a Guiding Principles document that reserved 75 years of landfill space for ReGen Member Agencies, and later approved regional disposal contracts to receive waste from communities in Santa Cruz, San Benito and Santa Clara counties.

5. How is ReGen Monterey funded?

ReGen Monterey is a public agency that operates like a business by collecting fees for the services it provides. Owning, operating and maintaining solid waste infrastructure is expensive, and that's why ReGen has always welcomed both local Member Agency customers and customers from other areas to use its services.

Since 2009, ReGen has been contracted to receive wastes from regional Santa Cruz County and San Jose-area communities. Receiving solid waste from other jurisdictions increases ReGen's revenue. That helps the agency pay for facility updates, adopt new technologies, and offer innovative recycling and diversion services. Higher revenues typically result in relatively lower tip fees and service costs, and a slower pace of fee increases for ReGen's customers.

Expanded recycling, composting and diversion programs help ReGen Monterey bring in more money. When the agency opened the Monterey Peninsula Landfill in 1965, it got 100% of its revenues from disposal tip fees customers paid when dropping off waste. By the early 2020s, disposal fees made up about 64% of revenues. Other revenue sources now include things like retail sales of donated materials and the sale of recycled materials (including paper, cardboard, glass and metal), renewable energy, compost, construction sand and recycled base rock.





6. How much space is left in the ReGen Monterey landfill?

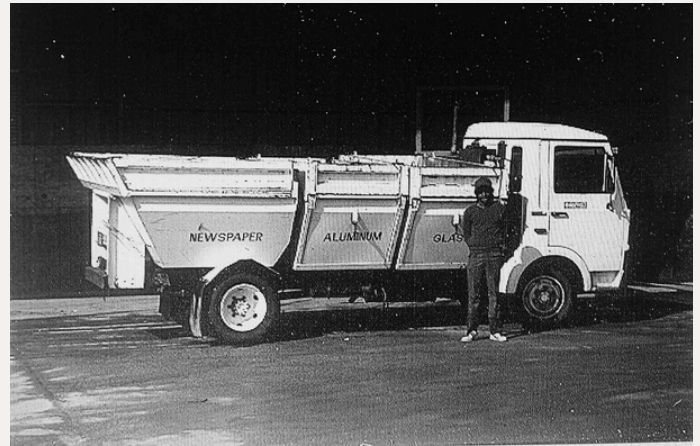
With more customers comes the potential for more waste being disposed in the landfill. ReGen Monterey's ambitious recycling, reuse and reduction programs help offset some waste from the agency's growing customer base. Still, staff members regularly monitor remaining landfill capacity.

Currently, they see three potential scenarios:

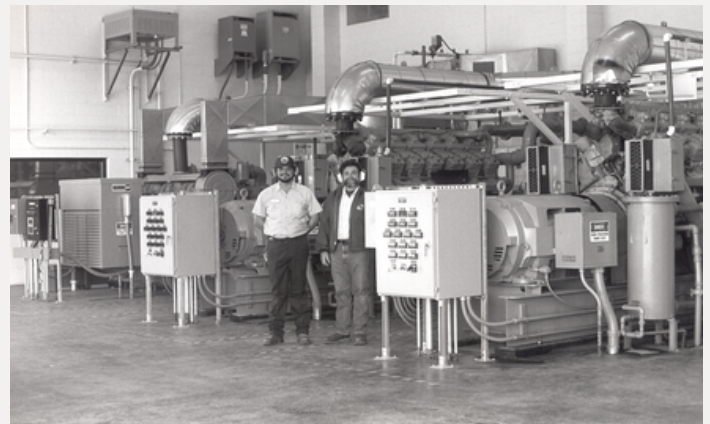
- A 2010 report, written after ReGen added Santa Cruz County customers, estimated that the landfill would reach capacity and close in the year 2160.
- After the 2013 addition of San Jose-area disposal contracts, ReGen teams created two new landfill closure estimates. One estimate assumes lower-than-expected waste volume from those new customers, and projected the landfill closure in the year 2152.
- The other assumes higher-than-expected waste volume and projected the landfill closure in the year 2142.

In 2005, the ReGen Board established a policy that required the organization to reserve 75 years of disposal capacity just for the wastes generated by ReGen's Member Agency communities and to identify the additional disposal capacity that could be sold to other customers. All three estimates of landfill life exceed that policy requirement.

- 1951:** Monterey County Board of Supervisors establishes the Monterey Peninsula Garbage and Refuse Disposal District, now known as ReGen Monterey (legal name: Monterey Regional Waste Management District (MRWMD))
- Early 1950s:** Staff members explore locations for a landfill that would replace a private “coastal dump” near today’s Sand City
- 1953:** New cardboard recycling program begins. New inland landfill opens on Laguna Seca Ranch lease property near Highway 68, replacing the coastal dump
- 1965:** Monterey Peninsula Landfill opens to non-hazardous solid wastes only
- 1970s:** First community collection of glass bottles for recycling
- 1983:** First electricity production from pioneering landfill gas-to-energy project
- 1988:** Diversion of yard trimmings and food scrap materials to windrow composting
- 1991:** Last Chance Mercantile reuse store opens
- 1996:** The \$9.6 million Materials Recovery Facility (MRF) opens, accepting construction and demolition materials and hosting other recovery programs
- 2016:** Franchise Contractor Lease Truck Yard & CNG Fueling Facility opens
- 2018:** MRF 2.0 opens, greatly expanding recycling and landfill diversion capacity
- 2022:** MRWMD organization is rebranded as ReGen Monterey



Early recycle truck



Landfill Gas-to-Energy facility



Early Last Chance Mercantile



First sort line at the Materials Recovery Facility

MEMO



Item #: 7.b

Meeting Date: September 20, 2024

To: Finance Committee
From: Guy R. Petraborg, Director of Engineering & Compliance
Approved by: Felipe Melchor, General Manager

Subject: Approve Reserve Policy Revisions and Add Landfill Closure and Post-Closure Reserve Funds

RECOMMENDATION

That the Board of Directors approve revisions to ReGen's current Reserve Policy including, but not limited to, the addition of both Landfill Closure and Post-Closure Reserve Funds.

BACKGROUND AND DISCUSSION

Landfill Closure and Post-Closure are regulatory mandated events for every owner/operator. The Federal Register's 40 CFR Part 258 and California Code of Regulations Title 27 are the primary governing regulations for California landfills. The regulations define not only technical requirements for these two event categories but also policy and financial assurance requirements. Annually, landfill owners are required to demonstrate financial assurance for closure and post-closure. For ReGen, this consists primarily of a) an annual calculation of relative landfill capacity consumed that in turn is used to define the annual deposit of funds to the Closure Financial Assurance account and b) a Pledge of Revenues assurance certification accepted by CalRecycle as the Post-Closure Financial Assurance for the Monterey Peninsula Landfill. The current balance of the Closure Financial Assurance account as of June 2024 is about \$3,000,000 and annual deposits have been on the order of \$150,000 to \$200,000. The use of Closure Financial Assurance funds are regulatory controlled and have been limited to funding Final Closure activities (the event at the end of the landfill's service capacity when disposal operations have ceased or about to cease) and not for Partial Closure events that occur during the operating life of the landfill. The current balance of the Post-Closure Financial Assurance account as of June 2024 is \$0 (zero dollars) as the Pledge of Revenue attestation satisfies the regulatory financial assurance requirements at this time.

While these financial assurance instruments have served to meet a regulatory administrative requirement for ReGen for almost 59 years now, neither are sufficient to address the financial preparation for and completion of the actual Closure and Post-Closure events. The current Closure liability is estimated at \$60,000,000 (2024 cost basis) and the Post-Closure liability is estimated at \$17,000,000 (2024 cost basis); a combined liability of \$77 million (2024 cost basis). The financial preparation for such liabilities is best addressed by funding them over the longest period of time as possible. The longer the period of time of accruing funds for known liabilities, the smaller the annual funding contributions (and 'per customer' charge) result. Thus, for ReGen's interests, the sooner the funding of Closure and Post-Closure Reserve Funds are started, the smaller the annual contributions will be and the earlier sufficient funds will be available for completion of Partial Closure events (which creates the opportunity for those events to be scheduled at the times that are most advantageous for

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

Let's not waste this.

RE: Approve Reserve Policy Revisions and Add Landfill Closure and Post-Closure Reserve Funds
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those construction activities to occur). Therefore, starting funding of Closure and Post-Closure Reserve funds at this time will allow ReGen to achieve the longest period of time that is currently available to ReGen to address these two known financial liabilities.

In general, reserves are essential to ensuring fiscal responsibility, a key organizational goal of the ReGen. 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 ReGen.

In June 2022, the Board adopted a Reserve Policy (attached) which stipulated that the ReGen maintain a minimum cash reserve (Operating Reserve of 20%) designed to serve as a rainy-day fund in the event that revenue flow or operating expenses are impacted by unexpected occurrences; and both Capital Equipment and Capital Infrastructure Reserve funds. The Landfill Closure and Post-Closure Reserve Funds were deferred at that time given the Board's desire to experience how the new reserve policy was accomplished in the annual budget and year-end financial reporting processes. Since the time that this policy was adopted, a reserve balance has been designated each year during the budget process in a routine manner without issues.

Staff supports continuation of the current cash reserve and recommends updating the policy statement as it contains descriptions of conditions that are no longer present at ReGen and lacks certain elements that could add clarity to the policy's administration. In addition, staff recommend the inclusion of both Closure and Post-Closure Reserve funds in a new Reserve Policy. A draft of the new reserve policy was presented to the Finance Committee at their September meeting. Staff received guidance from the Finance Committee to provide additional information, to elaborate on the proposed approach for funding of the new reserves, and to bring an updated version to the Board for their review and consideration of approval at their September 20, 2024 regular meeting.

During strategic planning activities conducted in recent years, staff and the Board have discussed the value of the reserve policy. The purpose of such a policy would be to designate funds on an ongoing basis that are dedicated to funding future capital investments and certain regulatory required liabilities. The main benefits of doing so are: 1) increasing the likelihood funds are available for investment or expenditure when needed, and 2) spreading the cost of replacing assets over the life of the assets as they are used or depleted; or spreading the funding of certain capital events like "closure" or financial liabilities like "post-closure" over many years and all customers using the landfill facility. Sequestering funds in this way will help ReGen pursue a 'pay-as-you-go' investment practice, thereby reducing reliance on debt or the imposition of extreme fee or rate increases during times of high capital investment demand.

PROPOSED PLAN FOR LANDFILL CLOSURE AND POST-CLOSURE RESERVE

Staff is intentionally proposing a two phased approach to building the Landfill Closure and Post-Closure Reserves. The first phase, Phase A, is proposed as ten (10) years in duration and calls for flexible annual contributions to the Closure and Post-Closure Reserves with a suggested minimum annual contribution of \$550,000 to the Closure Reserve and \$200,000 to the Post-Closure Reserve. The second phase (Year 11 and thereafter), Phase B, is proposed as the defined contribution phase with a staff recommended accrual period of no less than 50 years and no greater than 75 years. The '75 years' maximum term corresponds to the Board adopted policy of having 75 years of landfill

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disposal capacity reserved for ReGen's Member Agencies (interpreted here as the Member Agency franchise waste collection contract materials). Refer to the tables below for details of each phase.

There are multiple reasons for this proposed two phased approach. The primary reason is for ReGen to start the annual process of building these financial reserves. While the past years represents a lost opportunity for building landfill reserve funds, it is 'now', today, that represents the next best available choice for ReGen to begin the annual contributions to both the Closure and Post-Closure Reserve funds. A Partial Closure construction event will likely occur in the next 25 to 35 years. Starting annual contributions to the Closure Reserve now will provide the funding for Partial Closure events in the future. There is also more information needed regarding the definition of the Partial Closure and Final Closure scopes of work, the scheduling of those events, the design of those events, and updated cost estimates associated with the Closure and Post-Closure activities. It is necessary to update the Landfill's Master Plan. Staff anticipates that this information will be determined in the next 10 years corresponding with the first phase of the Closure and Post-Closure Reserve policy. There will also need to be a methodology established to manage the Closure Reserve contributions given the separate funding of the regulatory required Closure Financial Assurance account; so as to avoid 'over funding' Closure as a result of the combined account balances. That potential circumstance will not occur anytime soon and is anticipated to occur in the later years of 'defined period' selected before the second phase (Phase B) of the Closure Reserve policy.

PHASE A - (YEARS 0 - 10)

CATEGORY	PERIOD "n" (YEARS)	PRESENT VALUE (2024)	ASSUMED NET INTEREST RATE	CALCULATED ANNUAL CONTRIBUTION AMOUNT	SUGGESTED MINIMUM ANNUAL CONTRIBUTION AMOUNT	CURRENT FINANCIAL ASSURANCE INSTRUMENT ANNUAL FUNDING AMOUNT (Approximated)	APPROXIMATE PERCENT OF COMBINED ANNUAL CONTRIBUTIONS
Closure	60	\$60,000,000	1%	\$1,334,667	\$550,000	\$200,000	56%
Post-Closure		\$17,000,000		\$378,156	\$200,000	\$0	53%
Closure	85	\$60,000,000	1%	\$1,051,199	\$550,000	\$200,000	71%
Post-Closure		\$17,000,000		\$297,840	\$200,000	\$0	67%

PHASE B - (YEARS 11 - 60 Minimum or YEARS 11 - 85 Maximum)

CATEGORY	PERIOD "n" (YEARS)	ADJUSTED PRESENT VALUE (2034)	ASSUMED NET INTEREST RATE	CALCULATED ANNUAL CONTRIBUTION AMOUNT	DEFINED ANNUAL CONTRIBUTION AMOUNT (Less Financial Assurance Annual Amount)	CURRENT FINANCIAL ASSURANCE INSTRUMENT ANNUAL FUNDING AMOUNT (Approximated)	APPROXIMATE PERCENT OF COMBINED ANNUAL CONTRIBUTIONS
Closure	50	\$54,555,000	1%	\$1,391,847	\$1,191,847	\$200,000	100%
Post-Closure		\$15,020,000		\$383,201	\$383,201	\$0	100%
Closure	75	\$54,555,000	1%	\$1,037,423	\$837,423	\$200,000	100%
Post-Closure		\$15,020,000		\$285,622	\$285,622	\$0	100%

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The proposed revisions to ReGen's Reserve Policy (Attachment 1) include the following features for the Closure and Post-Closure Reserves:

- Flexible annual contributions Years 0 to 10 proposed by staff & approved by the Board (Phase A)
- Suggested minimum annual contribution amounts (Closure \$550,000; Post-Closure \$200,000 – Phase A)
- Funding annually within 60 days of the end of the Fiscal Year (Phases A and B)
- Defined annual contributions Years 11 to ("n" + 10) contingent on length of adopted accrual period (Phase B)

Should the Board approve the attached revised reserve policy, staff recommends that the first contributions to the Closure and Post-Closure Reserves be made for the FY2023/24 period.

FISCAL IMPACT

Updating the existing Reserve Policy results in no material change to ReGen's financial position. Establishing new Closure (~\$60 million liability {2024 dollar basis; 20% estimate adjustment}) and Post-Closure (~\$17 million {2024 dollar basis; 20% estimate adjustment}) reserves would result in a more accurate representation of the true cost of ReGen's disposal operations and be a positive approach to addressing these known liabilities. Successful implementation of these reserves could have the effect of reducing ReGen's reliance on debt or the use of unusually high fee increases during times of heavy capital spending like, for example, a Partial Closure or the Final Closure event. Note that the revisions to the reserve policy specifically for funding of the Closure (a capital infrastructure investment) and Post-Closure events may have an effect on the frequency of the routine rate setting process. This is because these two reserves would essentially represents an additional cost of operations than has historically been the case and thus, it may affect undesignated cash amounts and net positive revenue.

CONCLUSION

That the Board approve the proposed revisions to the reserve policy and addition of a Closure Reserve and Post-Closure Reserve. The new Reserve Policy is consistent with ReGen's stewardship responsibilities and ReGen's pillars of sustainability. Updating the current Reserve Policy and adopting the new Closure and Post-Closure Reserves will assist ReGen in planning and fulfilling its commitment to providing responsible, cost-effective services to the communities it serves.

Attachments:

1. Revised MRWMD Reserve Policy (September 20, 2024)

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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

RESERVE POLICY

Adopted by Board of Directors on September 20, 20242

This revised Reserve Policy replaces the previous Board approved policy of June 17, 2022 and, prior to that date, the November 2002 version which as amended the original in February 2009 version.

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 threefive (5) designated categories: an Operating Reserve, a Capital Equipment Reserve, ~~and~~ a Capital Infrastructure Reserve, a Landfill Closure Reserve, and a Landfill Post-Closure Care 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 or business plans or the District's Solid Waste Facility Permit required landfill closure and post-closure operation plans.

After meeting all normal operating and debt service obligations of the District, the following reserve accounts shall be funded annually 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

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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

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Plan that is included in the budget. Reserves will be established for all such infrastructure projects costing \$1,000,000 or more.

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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 ~~wi~~shall be maintained by the District Accounting Manager.

4. Landfill Closure Reserve

Background

The District owns and operates the Monterey Peninsula Landfill (MPL) in northwestern, unincorporated Monterey County just west of the City of Salinas and north of the City of Marina. The MPL opened almost 60 years ago in late 1965. Until the 1990's when significant recycling infrastructure was delivered, landfill

waste disposal was the main service performed by the District onsite (separate from the solid waste management services provided in the Member Agencies' interests through administration of the Monterey Regional Waste Management Authority and the District). Since 1965, reserve funds for landfill closure have not been collected by the District. Rather the District has maintained i) a permit required minimum financial assurance instrument (approximate value as of July 2024 of <\$2 million dollars) and ii) a 'pledge of revenues' as demonstration of financial adequacy. Two of the primary governing regulations for California landfills are 40 CFR Part 258 in the federal register and CCR Title 27 in the state register. These requirements are captured in the landfill's Solid Waste Facility Permit (SWFP) issued by CalRecycle and the Waste Discharge Requirements (WDR) issued by the Central Coast Regional Water Quality Control Board. The landfill is permitted as a 315-acre non-hazardous solid waste Class III Landfill. Landfill Closure is a capital-intensive endeavor that generally occurs at planned locations and at planned times (e.g., dates) based on the development sequence of the landfill. A main part of Landfill Closure is the construction of the Final Cap Liner System which can be a significant capital investment. During the operating period of the landfill, final cap construction may occur at intervals measured in decades or not at all for smaller landfills. Towards the end of the landfill's 'life' the final cap construction events may occur more frequently and can result in significant swings from year to year in the funds required for cap construction. The regulatory process of "Partial Closure" is used to construct the final cap liner at all times prior to the actual final closure (e.g., last cap construction event). The District has historically funded capital spending using cash generated from operations and, at times, through the use of debt.

Purpose

The purpose of the District's Landfill Closure Reserve is to ensure that cash is available to fund closure activities for the landfill be it the Partial Closure or Final Closure events. At this time (2024) of initiating a reserve fund for landfill closure construction, the Landfill Closure Reserve is not necessarily designed to set aside sufficient funds for all future closure capital funding needs. Rather, the initial intent is to start setting aside some funds and begin reducing the future unfunded liability of landfill closure. Establishing a Landfill Closure Reserve allows the cost of certain, planned capital closure expenditures to be spread over time rather than impacting just the budget year in which the planned closure construction occurs.

Definitions and Goals

The Landfill Closure Reserve is defined as designated funds set aside by action of the Board of Directors. The reserve policy can be reviewed and revised, from time-to-time, in response to internal and external changes upon the request or approval of the Board. At some point in time, in possibly 25 to 30 years or so, there may be a need to co-manage the closure reserve fund balance and the regulatory required restricted financial assurance account (the restricted financial assurance account may have an annually increasing balance requirement relative to the 'percent full' the landfill is at that time). As of June 2024, the closure financial assurance account has a balance of almost \$3,000,000 and has had annual deposits in the range of \$150,000 to \$200,000. The closure financial assurance reserve account is a restricted account and can be funded from the closure reserve fund at that time at the discretion of the staff and approval of the Board. Presently, ReGen satisfies this part of the financial assurance regulatory requirement primarily through annual deposits to the closure financial assurance account and a submittal of such documentation to CalRecycle to document compliance with this regulatory financial compliance requirement.

The District's goal is to set aside funds for qualified future landfill closure capital costs in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

At this time, there is not a ‘target balance’ definition for this initial creation of the Landfill Closure Reserve. The primary reasons for this are a) the organization is responsible to address this known liability and begin setting aside funds for both interim Partial Closure events that occur during the operating period of the landfill and for the Final Closure event at the end of the landfill life and b) there is greater definition needed for the Landfill Development Plan in general (updated Landfill Master Plan) and the subsequent revision of the Preliminary Closure and Post-Closure Maintenance Plan before the sequencing of Partial Closure events are known and the definition of scope for the purpose of estimating costs has been advanced.

Therefore, a two phased approach to funding Landfill Closure Reserves is defined for this initial version of the policy. The first phase, Phase A, shall be ten (10) years in duration, have a suggested minimum annual contribution amount of \$550,000, and shall have a ‘flexible’ annual funding amount process to provide the staff and Board the discretion to approve a lesser or greater amount following consideration of various aspects of ReGen’s financial and business conditions that may be present at that time. The second phase, Phase B, shall begin in Year 11 and extend for a defined period of time (recommended by staff and approved by the Board) that is no less than 50 years in duration and no longer than 75 years in duration. The 75 year duration corresponds to an existing Board policy that there be 75 years of landfill disposal capacity reserved for ReGen’s Member Agencies (interpreted to be associated with the Member Agency Franchise Waste Collection Contract).

The reserve balance will result from the cumulative amounts of any annual contributions made to this designated reserve fund and any interest income earned over time on the balances in the reserve fund. The annual funding of this reserve shall be recommended by staff, approved by the Board and is suggested to be no less than \$550,000 per year. In the future, following adoption of a new Landfill Master Plan with a partial closure and final closure plan schedule, and definition of anticipated expenditures for the new plans, a defined accrual funding schedule methodology shall be define to determine the annual reserve funding amount (Phase B). The defined annual reserve funding amount shall be reduced by the annual regulatory required deposit into the Closure Financial Assurance account. In summary, the notable features of this policy are as follows:

- Flexible annual contributions Years 0 to 10 proposed by staff & approved by the Board - (Phase A)
- Suggested minimum annual contribution amounts - (Closure \$550,000 – Phase A)
- Funding annually within 60 days of the end of the Fiscal Year - (Phases A and B)
- Defined annual contributions Years 11 to (“n” + 10) contingent on length of adopted accrual period - (Phase B)
- Defined annual contributions shall account for (e.g., be reduced by) any regulatory required annual funding amount to the Closure Financial Assurance account – (Phase B)

Accounting for Reserves

The Landfill Closure Reserve will be recorded in the financial records as a Board designated operating and capital improvement reserve. The Landfill Closure Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District within sixty (60) days following the end of the fiscal year on June 30th. All investment accounts will be maintained and managed in accordance with the District’s Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Landfill Closure 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 Landfill Closure Reserve.

Use of Funds

The use of the Landfill Closure Reserve will be for regulatory approved Partial Closure or Final Closure plan activities (CalRecycle and CC-RWQCB) unless otherwise specifically directed in writing by Board approval to another specified business need. Staff will identify the time/schedule of qualifying closure events to access the closure reserve and will submit written requests to the Board at their 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 Partial Closure or Final Closure scope of work and associated capital cost estimate or the awarded construction contract bid schedule. Use of Landfill Closure 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 and provided that those funds are removed from the Landfill Closure Reserve account and the Board acknowledges that the closure fund balance has been reduced by use of funds for a non-closure capital purpose for the organization.

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

5. Landfill Post-Closure Reserve

Purpose

The purpose of the District's Landfill Post-Closure Reserve is to ensure that cash is available to fund post-closure activities for the landfill. Post-Closure care activities occur after disposal operations have ceased (disposal revenues no longer exist) and after Final Closure has been completed and regulatorily approved. Post-closure care activities generally consist of monitoring and maintaining the waste containment systems, environmental control systems, and monitoring stormwater and groundwater to ensure that waste remains in the containment of the waste management unit and is not released to the surrounding environment. At this time (2024) of initiating a reserve fund for landfill post-closure activities, the Landfill Post-Closure Reserve is not necessarily designed to set aside sufficient funds for all future post-closure activities. Rather, the initial intent is to start setting aside some funds and begin reducing the future unfunded liability of landfill closure. Establishing a Landfill Post-Closure Reserve allows for accumulating the funds required over a period of many decades such that the funds necessary for the 30 year post-closure period have been accumulated before the start of the post-closure period. This is generally a 'pay as you go' process that collects a small portion from every disposal customer to share the funding of post-closure activities.

Definitions and Goals

The Landfill Post-Closure 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. At some point in time, in possibly 25 to 30 years or so, there may be a need to co-manage the post-closure reserve fund balance and a regulatory required restricted financial assurance account (the restricted financial assurance account may have an annually increasing balance requirement relative to the 'percent full' the landfill is at that time). The restricted financial assurance reserve account can be funded from the post-closure reserve fund at that time at the discretion of the staff and approval of the Board. Presently, ReGen satisfies this part of the financial assurance regulatory requirement primarily through a 'pledge of revenues' attestation accepted by CalRecycle.

The District's goal is to set aside funds for qualified future landfill post-closure capital costs in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

At this time, there is not a 'target balance' definition for this initial creation of the Landfill Post-Closure Reserve. The primary reasons for this are a) the organization is responsible to address this known liability and begin setting aside funds for the Post-Closure care of the landfill after disposal operations have ceased and the Final Closure of the landfill has been regulatorily approved. The annual funding of this reserve shall be approved by the Board and is suggested to be no less than \$200,000 per year. In the future, Phase B, following adoption of a new Landfill Master Plan with a post-closure plan schedule and definition of anticipated expenditures for the new plan, a defined accrual funding schedule can be considered as the methodology to define the annual reserve funding amount. The balance will be reported to the Board annually as part of the annual budget process and maintained in a Landfill Post-Closure Reserve balance schedule. The Board may choose to set a balance amount above or below the staff recommended funding amount for any given fiscal year.

Therefore, a two phased approach to funding Landfill Post-Closure Reserves is defined for this initial version of the policy. The first phase, Phase A, shall be ten (10) years in duration, have a suggested minimum annual contribution amount of \$200,000, and shall have a 'flexible' annual funding amount process to provide the staff and Board the discretion to approve a lesser or greater amount following consideration of various aspects of ReGen's financial and business conditions that may be present at that time. The second phase, Phase B, shall begin in Year 11 and extend for a defined period of time (recommended by staff and approved by the Board) that is no less than 50 years in duration and no longer than 75 years in duration. The 75 year duration corresponds to an existing Board policy that there be 75 years of landfill disposal capacity reserved for ReGen's Member Agencies (interpreted to be associated with the Member Agency Franchise Waste Collection Contract).

The reserve balance will result from the cumulative amounts of any annual contributions made to this designated reserve fund and any interest income earned over time on the balances in the reserve fund. The annual funding of this reserve shall be recommended by staff, approved by the Board and is suggested to be no less than \$200,000 per year. In the future, for Phase B of this policy, a defined accrual funding schedule methodology shall be define to determine the annual reserve funding amount (Phase B). The defined annual reserve funding amount shall be reduced by the annual regulatory required deposit into the Post-Closure Financial Assurance account, if any. In summary, the notable features of this policy are as follows:

- Flexible annual contributions Years 0 to 10 proposed by staff & approved by the Board - (Phase A)
- Suggested minimum annual contribution amounts - (Post-Closure \$200,000 – Phase A)
- Funding annually within 60 days of the end of the Fiscal Year - (Phases A and B)
- Defined annual contributions Years 11 to ("n" + 10) contingent on length of adopted accrual period - (Phase B)
- Defined annual contributions shall account for (e.g., be reduced by) any regulatory required annual funding amount to the Post-Closure Financial Assurance account – (Phase B)

Accounting for Reserves

The Landfill Post-Closure Reserve will be recorded in the financial records as a Board designated operating and capital improvement reserve. The Landfill Post-Closure Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District within sixty (60) days following the end of the fiscal year on June 30th. All investment accounts will be

maintained and managed in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Landfill Post-Closure 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 Landfill Closure Reserve.

Use of Funds

The use of the Landfill Post-Closure Reserve will be for regulatory approved Post-Closure Plan activities (CalRecycle and CC-RWQCB) 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 Post-Closure scope of work and associated capital cost estimate or the awarded service contract or construction contract bid schedule. Use of Landfill Post-Closure 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 and provided that those funds are removed from the Landfill Post-Closure Reserve account and the Board acknowledges that the post-closure fund has been reduced by use of funds for a non-post-closure capital purpose for the organization.

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



Regular Board Meeting
September 20, 2024

Approve Reserve Policy Revisions and Add Landfill Closure and Post-Closure Reserve Funds

RESERVE POLICY HISTORY

- **Adopted November 2002**
- **Consisted solely as an Operating Reserve**
- **Established an Operating Reserve of 25% of Annual OpEx**

- **Amended February 2009**
- **Reduced Operating Reserve to 20% of Annual OpEx**

- *Note that the Debt Service Coverage (DSC) requirement of 1.25 is an external requirement of the Public Bonds that the District holds and is primary to and separate from the Operating Reserve funds.*

RESERVE POLICY HISTORY

- **Amended June 2022 to consist of three components:**
 - **Operating Reserve**
 - **Capital Equipment Reserve**
 - **Capital Infrastructure Reserve**
- **Defines Priority of Use of Funds**
 - **Operating Reserve funds use is primary and upon Board Approval**
 - **Capital Reserve funds use by Board Approval**
- **Defines Proposed Funding Methodology**
- **Reviewed Annually by Board/Staff in FY Budget process**

DEFINITIONS

- **CLOSURE:** All landfills must eventually be “capped & closed” when filled to capacity or when the disposal operations business is ended.

Two of the main goals of Closure are:

1. Constructing the Final Cap Liner System to isolate the waste mass for the protection of human health and the environment; and
2. Minimizing the need for continual maintenance of the landfill site in accordance with the approved Final Closure Plan.

Primary regulations for California landfills are 40 CFR Part 258 in the federal register and CCR Title 27 in the state register.

- **PARTIAL CLOSURE:** Is the process of constructing the Final Cap Liner System over a portion (subarea) of the landfill during the Operating Period while disposal operations are in-progress (prior to final closure).

DEFINITIONS (continued)

- **POST-CLOSURE:** Post-Closure is the period of time after Closure that the disposal facilities are cared for in accordance with regulatory requirements and the approved Post-Closure Maintenance Plan (min. 30 year requirement).
- The Post-Closure Care Period is to ensure the disposal facilities environmental safety for at least a 30-year period or until the waste mass becomes stabilized (e.g., relatively inert which means there is little or no settlement, gas production or leachate generation).

BACKGROUND

- Circa November 1965 disposal operations began at Monterey Peninsula Landfill. The remaining disposal life of the landfill is estimated to be more than 100 years inclusive of all disposal customers (*Remaining Landfill Life Estimate based on reduced disposal quantities beginning in 2037 following the contract expiration of the GreenWaste Recovery contract for the San Jose municipal service support activities*).
- There is <\$3 million Closure Financial Assurance balance entry on the financial ledger. These funds are restricted for use in the Final Closure event at the end of the disposal capacity of the landfill (e.g., not available for Partial Closure events during landfill disposal operations period).
- There is \$0 Post-Closure Financial Assurance balance entry as ReGen meets the minimum regulatory requirement via a Pledge of Revenue certification. This is a CalRecycle minimum Operating Requirement akin to a requirement for a business to have an insurance policy. By definition, there are not revenues present during the Post-Closure Period thus, owners need a funding mechanism while disposal revenues exist so that sufficient funds are saved by the time disposal operations have ceased.

BACKGROUND (continued)

- To date (2024), ReGen has not adopted a voluntary Funding Account nor a funding mechanism approach to begin funding for either the Closure or the Post-Closure events.
- Industry practice typically defines that the Financial liability for Closure and Post-Closure begins when a landfill “Opens” and ends when a) the last ton of waste is disposed of and the landfill’s Cap Liner System is completed (Closure) and b) 30 years after Closure was accomplished (Post-Closure Care Period).

- **Develop Closure Reserve Policy**
 - Approximate Liability of \$60 million (2024 dollar basis; 20% estimate adjustment)
 - Annual Contributions to Designated Accounts similar to Capital Reserve Policy
 - Flexible Annual Contribution process with annual Board Review (start FY24/25) – Years 0 to 10
 - Defined Annual Contribution process with annual Board Review (start FY24/25) – Years 11 onward
 - Designated Funds managed in a secure investment account in accordance with Investment Policy
 - Before Year 11 – adopt “defined” schedule for reaching 100% funding status (between 50 & 75 years)

- **Develop Post-Closure Reserve Policy**
 - Approximate Liability of \$17 million (2024 dollar basis; 20% estimate adjustment)
 - Annual Contribution to Designated Account similar to Capital Reserve Policy
 - Flexible Annual Contribution process with annual Board Review (start FY24/25) – Years 0 to 10
 - Defined Annual Contribution process with annual Board Review (start FY24/25) – Years 11 onward
 - Designated Funds managed in a secure investment account in accordance with Investment Policy
 - Before Year 11 – adopt “defined” schedule for reaching 100% funding status (between 50 & 75 years)

PROPOSED CLOSURE AND POST-CLOSURE RESERVES PLAN

PHASE A - (YEARS 0 - 10)							
CATEGORY	PERIOD "n" (YEARS)	PRESENT VALUE (2024)	ASSUMED NET INTEREST RATE	CALCULATED ANNUAL CONTRIBUTION AMOUNT	SUGGESTED MINIMUM ANNUAL CONTRIBUTION AMOUNT	CURRENT FINANCIAL ASSURANCE INSTRUMENT ANNUAL FUNDING AMOUNT (Approximated)	APPROXIMATE PERCENT OF COMBINED ANNUAL CONTRIBUTIONS
Closure	60	\$60,000,000	1%	\$1,334,667	\$550,000	\$200,000	56%
Post-Closure		\$17,000,000		\$378,156	\$200,000	\$0	53%
Closure	85	\$60,000,000	1%	\$1,051,199	\$550,000	\$200,000	71%
Post-Closure		\$17,000,000		\$297,840	\$200,000	\$0	67%
PHASE B - (YEARS 11 - 60 Minimum or YEARS 11 - 85 Maximum)							
CATEGORY	PERIOD "n" (YEARS)	ADJUSTED PRESENT VALUE (2034)	ASSUMED NET INTEREST RATE	CALCULATED ANNUAL CONTRIBUTION AMOUNT	DEFINED ANNUAL CONTRIBUTION AMOUNT (Less Financial Assurance Annual Amount)	CURRENT FINANCIAL ASSURANCE INSTRUMENT ANNUAL FUNDING AMOUNT (Approximated)	APPROXIMATE PERCENT OF COMBINED ANNUAL CONTRIBUTIONS
Closure	50	\$54,555,000	1%	\$1,391,847	\$1,191,847	\$200,000	100%
Post-Closure		\$15,020,000		\$383,201	\$383,201	\$0	100%
Closure	75	\$54,555,000	1%	\$1,037,423	\$837,423	\$200,000	100%
Post-Closure		\$15,020,000		\$285,622	\$285,622	\$0	100%



ReGen Monterey

14201 Del Monte Blvd.
Salinas, CA 93908
831-384-5313

ReGenMonterey.org
@ReGenMonterey

ReGen Monterey
is the public name of
Monterey Regional Waste
Management District

For more information, please contact:

Felipe Melchor
General Manager
fmelchor@ReGenMonterey.org

MEMO



Item #: 7.c

Meeting Date: September 20, 2024

To: Finance Committee
From: Guy R. Petraborg, Director of Engineering & Compliance
Approved by: Felipe Melchor, General Manager

Subject: Discuss Draft Compost Operations Agreement

RECOMMENDATION

Information Only.

Discuss the proposed draft Compost Operations Agreement that provides a 25-year base term and two (2) optional five (5) year contract extensions with the Keith Day Company, Inc. for contracted operations of the compost Facility (Subject to Final Review by Legal Counsel). The Finance Committee provided guidance to staff to bring this agenda item to the Board for discussion at the September 20, 2024, regular meeting. Staff requests that the Board provide guidance to staff for the purpose of finalizing the Compost Operations Agreement for subsequent review and approval consideration by the Board at the October Board Meeting.

BACKGROUND AND DISCUSSION

Windrow composting operations have been performed at ReGen's site for more than 36 years. The current operator/permit holder, the Keith Day Company, Inc. (KDCI), assumed operations of the Compost Facility in 2009 which was located on a leased 60-acre parcel since 1998. Since 2009 the size of the lease area 'in use' has decreased to approximately 30 acres due in part to the 2015-16 construction of the Franchise Truck Yard lease facility and the former 2013 Pilot Study Anaerobic Digester facility (closed August 2019). The current lease agreement (2021) for the Compost Facility has an initial 3-Year base term with a supplemental 1-Year extension term clause that can be used annually to extend the lease agreement one more year. For the ten years prior to 2021, ReGen and KDCI have agreed to extend the lease every year so that the processing of wood, yard, and food wastes can continue at the Composting Facilities operated by KDCI.

Since 2009, KDCI has been operating the composting facility at ReGen. They took over the operation when the Venture Capital group that had bought out the prior permit holder went bankrupt and abandoned the operations of the compost facility. Since then, ReGen and KDCI have periodically negotiated the processing rate charged to operate the compost facility due to inflationary costs and certain costs associated with agreed upon changes in the scope of the services. Over that time, KDCI has almost seamlessly expanded its services of yard waste, clean wood waste, and most recently, following the planned termination of the AD Pilot Project in 2019, food scraps upon the request of, and for the benefit of, ReGen and its member communities. KDCI has made strategic hires of both an operations manager and CFO. They have three (3) facilities in Monterey County including the ReGen site.

Over the past year, the Board and staff have discussed abandoning a limited term lease agreement for a long-term Operations Agreement. ReGen's interests are for long-term security of compost operations

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

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services and quality compost and landscape products that are necessary to process the yard debris and food scraps generated by the communities served by ReGen. KDCI's interests are for business stability and sustainability associated with the yard debris and food scraps generated by the communities served by ReGen. ReGen and KDCI both parties have interests in a long-term business circumstance as both have made, and will make, capital investments in land and equipment, respectively. The table below presents some of the agreement terms proposed for a compost operations agreement between the parties. The draft agreement is attached for review.

Parameter	Current Operations Lease Agreement	Proposed Compost Operations Agreement
Permit Owner	Gabilan Ag Services (Keith Day Company)	MRWMD (ReGen Monterey)
Permit Operator	Gabilan Ag Services (Keith Day Company)	Gabilan Ag Services (Keith Day Company)
Agreement Type	Operating Lease (2021)	Operating Lease
Base Term	2 years	15 years
Optional Extension Term	three @ 1 year each	two @ 5 years each
Term - Totals	5 years	25 years
Notice to Cure	No	Yes - variable period depending on issue to cure (<12 months)
Contract Termination Clause	No	Yes - 3 years (or 2 years if a Notice to Cure period expires without "cure" accomplished)
Applicable Laws & Regulations	Yes	Yes
Compliance Responsibilities	Yes - all	Yes - all (w/ limited ReGen Review Participation)

FISCAL IMPACT

There is no financial impact or material change anticipated with adopting the proposed Compost Operations Agreement and terminating the existing compost lease agreement. Lease and Processing Rates change over time and that change process is managed similarly in both agreements. In the absence of significant changes to the operations, these rates are primarily affected by inflation and capital investments in fixed or mobile assets. The lease rate paid to the District by KDCI and the processing rate charged by KDCI to the District both remain the same as the current rate until July 1, 2025. The lease rate is proposed to continue to be adjusted annually on July 1st in accordance with a specified San Francisco Bay regional inflation index. Staff estimates that future rates would be the same, or very similar to, rates that might have developed over the same time through the annual extension process of the current lease agreement. The parties negotiate these rates in an 'open books' process and have had 15 years of experience as contracted parties. Staff anticipates that there is no significant change to the future financial conditions under the proposed draft operations agreement that would otherwise have occurred under the current lease agreement, all aspects being equal.

CONCLUSION

Staff requests that the Board review the proposed draft Compost Operations Agreement and provide guidance to staff for the purpose of finalizing the Compost Operations Agreement for subsequent review and approval consideration by the Board at the October Board Meeting.

Attachments:

1. Discuss Draft Compost Operations Agreement – Presentation Slides
2. Draft Compost Operations Agreement



Regular Board Meeting
September 20, 2024

Discuss Draft Compost Operations Agreement

Director of Engineering & Compliance / Guy Petraborg

Comparison of Agreement Terms – Existing vs. Proposed

Parameter	Current Operations Lease Agreement	Proposed Compost Operations Agreement
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OPERATIONS AND LEASE AGREEMENT FOR COMPOSTING FACILITIES

THIS OPERATIONS AND LEASE AGREEMENT (the “Agreement”) is made and entered into on October ____, 2024, by and between the MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT, a public entity duly organized pursuant to the provisions of California Health and Safety Code §§4170 *et seq.*, (the “District” or the “Owner”), and KEITH DAY COMPANY, INC., a California corporation, doing business as Gabilan AG Services (the “Operator” or “Tenant”), as follows:

Recitals

This Agreement is entered into with reference to the following facts and circumstances, which are hereby found and determined by the parties:

- A. The District owns and operates, under a Use Permit from the County of Monterey and a Solid Waste Facility Permit (SWFP) and Waste Discharge Requirement (WDR) Permit from the State of California, a three hundred fifteen (315) acre Class III sanitary landfill for the disposal of municipal solid waste and other acceptable waste streams. A portion of the permitted landfill disposal area has been set aside for the subject composting facility for the duration of this Agreement.
- B. The Operator, since 2009 under a year-to-year lease and rental agreement, has designed and been operating the District’s composting facility to process organic materials, including yard debris, clean wood and, most recently, food scraps upon the request of and for the benefit of the District and its member communities.
- C. A primary purpose and intent of the District and Operator to have entered into the preceding Lease was to facilitate their joint implementation of the General Order Waste Discharge Requirements for Composting Operation (Order WQ 2015-0121-DWQ) enacted in 2015 by the Regional Water Quality Control Board, for completion in 2021.
- D. The District authorized a capital expenditure of about \$2.5 million for improvements to the composting area site to accomplish the regulatory requirements of Order WQ 2015-0121-DWQ, and in recent years Operator has invested approximately \$3 million in capital equipment for its operations on the District’s site.
- E. The primary purpose and intent of the District and Operator in entering into this new Agreement is to address their separate and mutual interests for the long-term, sustainable business operations of the Composting Facility on behalf of the District’s Member Agencies and their communities, customers, and State policy goals and

regulations. This Agreement allows each party to make capital investments in the Compost Facility and have a 15 to 20 year capital recovery period relatively secured by this Agreement. The District has historically made capital investments in the land and Fixed Asset type elements of the Composting Facility. The Operator has historically made capital investments in equipment and Mobile Asset type elements. Note that processing or operations rates for the Compost Facility (those charged by the Operator to the District) are periodically negotiated by the two parties and include only the Operator's costs of operations (not the District's capital recovery costs for the District's capital investments or other costs).

- F. In recognition of, and initial compensation for, the establishment of this Agreement, which provides for a 15 year Base Term and a potential 25 year Total Term, the Operator agrees to the transfer of the Permit Ownership to the District and remain the Permit Operator on the permits. As such, following the permit transfer, the District will hold ownership of the Compost Permit as a public entity and in the public's interests. The Operator agrees to cooperate with and support the District's staff and consultants as they complete the administrative change in ownership process with CalRecycle and the Central Coast Water Quality Control Board.
- G. A secondary purpose and intent of the District and Operator to enter into this Agreement is to facilitate their joint implementation and completion of the CalRecycle Organic 6 (ORG 6) Grant and conversion of the Composting Facility from a Windrow Compost Method to a Covered Aerated Static Pile (CASP) Compost Method. This conversion of the operations method for the Composting Facility does not impact the Use Permit as there are no changes to the permit limitations or conditions except for reference to the type of composting method being used and updating the required operation plan documents accordingly for the CASP Method. At the District's regularly scheduled board meeting of July 19, 2024, the District's Board of Directors officially received the CEQA Categorical Exemption for the CASP Project from Denise Duffy & Associates, Inc..
- H. As a contract operations agreement or lease of an existing public facility (this Agreement) is categorically exempt from the California Environmental Quality Act ("CEQA") in accordance with CEQA Categorical Exemptions 15301.
- I. It is mutually agreed by the parties hereto that this Operations and Lease Agreement is based upon, and subject to, the following terms, covenants, conditions and provisions, and the Operator covenants, as a material part of the consideration of this Agreement, to keep, perform and comply with each and all of said terms, covenants, conditions and provisions to be kept, performed and complied with, and this Agreement is made and entered into upon the condition of such performance and compliance.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter set forth, District and Operator agree to the following terms and conditions:

Terms and Conditions

ARTICLE I. PREMISES AND TERM

1.02 Leased Premises. District, for and in consideration of the lease payments, covenants and conditions herein contained to be kept, performed and observed by Operator, does hereby lease to Operator, and Operator does hereby lease and accept from Owner, a parcel of real property, hereinafter referred to as the "Premises," consisting of approximately 30 acres, more or less, of the District's permitted sanitary landfill area of the District's property located near the Salinas River in unincorporated Monterey County lands west of the City of Salinas and north of the City of Marina, California. The specific location of which Premises are designated and outlined on the map of the landfill site and the Premises is attached as Exhibit A hereto, which is incorporated herein and initialed by both parties hereto. The specific acreage of the leased Premises shall be determined by a survey of the property, along with a legal description which is required for Operator's operating permit with the California Department of Resources Recycling and Recovery (CalRecycle). Any redesignations or changes in the specific location of the Premises during the term of this Agreement, or any extensions hereof, or any revisions in the total number of acres leased to the Operator, shall occur only with the prior written approval of the District's General Manager and the District's Board of Directors.

1.03 Term. The initial base term of this Agreement shall be fifteen (15) years, commencing on the date first written above. This Agreement may be extended, at the District's option, by five (5) years at a time and for no more than twice (e.g., 2 times) consisting of a combined period of ten (10) years in total, at terms and provisions of this Agreement or as otherwise mutually agreed upon in writing by the parties. District shall provide Operator with notice of District's exercise of its option to extend the term not later than 180 days prior to the conclusion of the initial base term and any extended term.

ARTICLE 2. LEASE PAYMENTS/RENT

2.01 Rent. Effective upon signing this Agreement, Operator agrees to and shall pay to District, at the District's office at 14201 Del Monte Boulevard, Monterey County (Salinas), California, 93908, or at Post Office Box 1670, Marina, California, 93933-1670, as payments and rent ("rent") for the Premises, the sum of \$4,000.00 per month, payable in advance on the first day of each month.

2.02 Adjustment of Rent. The rent provided for in paragraph 2.01 shall be increased as of July 1 each year during the initial or an extended term of this Agreement, starting with July 1, 2025, by the lesser of a) the rate of increase in the Consumer Price Index, All Urban Consumers for the San Francisco-Oakland-San Jose Region, for the prior calendar year period, or b) eight per cent (8%).

2.03 Interest on Late Rent Payments. If Operator defaults or is late in the payment of any monthly installment of rent due hereunder, such installment shall bear interest at the rate of ten per cent (10%) per annum from the day it is due until actually paid.

2.04 Holding Over. Any holding over by the Operator after the expiration of the initial or an extended term of this Agreement with the consent of the District shall be construed to be a tenancy from month-to-month at a monthly rental equal to 125% of the of the monthly rental for the final month of the previous term. Operator's occupancy during any period of holding over shall otherwise be on the same terms and conditions herein specified so far as applicable.

ARTICLE 3. UTILITIES AND TAXES

3.01 Operator to Pay Utilities. Operator shall pay all charges for water, heat, gas, electricity, telephone service, internet service, rubbish removal, portable toilet service and any and all other utility services of any kind and nature whatsoever, supplied to and used on the Premises, or any office trailer located off the Premises, throughout the initial or any extended term of this Agreement, including any connection fees. All utility lines shall be installed underground by Operator at Operator's expense, except where approved otherwise with the prior written permission of Owner. .

3.02 Operator to Pay Taxes. In addition to rent, Operator shall pay and discharge any and all taxes, general and special assessments and other charges of every description, including possessory interest taxes, which during the term of this Agreement may be levied upon or assessed against the Premises and all interests therein and all improvements and other property thereon. Provided, however, that Operator shall not be responsible or liable for any permanent improvement bonds or assessments which are not based upon or do not relate to the use made of the Premises by Operator. Operator is hereby specifically notified that although the District is a public entity not normally subject to property taxes upon its real property, the Premises leased hereby to Operator and Operator's possessory interest therein may well be subject to the payment of property taxes levied thereon by a governing agency, for which Operator shall be solely liable.

ARTICLE 4. USE AND OCCUPANCY

4.01 Use of Premises. Operator shall use the premises solely for the purpose of conducting and carrying on the business of composting organic materials, final product processing and packaging, the wholesale and retail sale of same, and for other uses normally incident thereto, such as landscape product sales and wallboard gypsum processing/recovery, and for no other purpose without first obtaining the prior written consent of the District. Operator agrees to utilize District's feedstock materials to the extent possible. Operator may also import feedstock materials consistent with the limitations contained in the facility permits. To the extent such imports may interfere with use of District's feedstock materials, District and Operator agree to discuss and resolve such issues. In no event may any imported feedstock materials that would otherwise be sent to the landfill be accepted by Operator for a tipping fee without the prior written consent of the District. The intent of these terms is that the Operator's activities do not compete with the District's market area activities and responsibilities.

4.02 Experimental Composting. As part of the consideration for the lease of the Premises to Operator, the Operator agrees that it will continue to make good faith efforts to experiment with the composting and possible reuse of natural wood and yard debris materials

materials, food scraps and other organic wastes as may be received by the District for possible diversion away from disposal at its landfill site.

4.03 Maintenance and Restoration. Operator shall, at its own cost and expense, keep and maintain the Premises, District owned equipment used by the Operator, and all improvements and facilities on the Premises in good order and repair and in as safe and clean a condition as they were when received from the District, reasonable wear and tear excepted, and upon termination of this Agreement or abandonment by Operator of the Premises, Operator shall restore the Premises to a reasonably similar condition as existed prior to Operator's entry thereon, and shall remove all improvements, personal property and stored composting materials therefrom except those improvement(s) that receive the District's written approval to remain. The District and Operator agree that the condition of the lease area shall be the condition that resulted from the 2021 site improvements that satisfied the requirements of the General Order WDR issued by the California Regional Water Quality Board and the Solid Waste Facility Permit issued by CalRecycle; or as may subsequently be established at the completion of the CASP implementation project.

4.04 Access to Premises. The District shall provide Operator with access to said Premises by means of an access road across District's property from Del Monte Boulevard (the old Highway 1), and such access road may be used by persons wishing to purchase from or conduct business with Operator during those hours that the District's disposal site is otherwise open to the public. Composting and any other business operations of Operator shall not be conducted in such a manner as to restrict the access to any of the District's remaining property. Operator shall provide the Owner with advance notice of Operator's, or Operator's subcontractor, use of the Premise outside of the District's public hours.

4.05 Operator Improvements. Operator acknowledges that the District is a public entity and that any improvements to District property represents a "public works" project for which all contractors/subcontractors must i) register as public works contractors, ii) have a contractor's license from the Contractors State License Board if their trade requires one, iii) carry workers' compensation coverage for all employees, iv) pay prevailing wages as published by the California Department of Industrial Relations, and v) have an active business license. When assigned and authorized by the Owner, the Operator shall be responsible for constructing all Operator improvements, including, without limitation, an all-weather working surface, contact water drainage and storage facilities, and stormwater drainage facilities. Operator shall be permitted to place a temporary industrial-type building on the premises and to pave the outside equipment work areas adjacent thereto, but only after first submitting the plans and specifications therefor to the District and obtaining District's written approval of same, which approval shall not be unreasonably withheld, and upon receiving the approvals and a building permit from the County of Monterey.

4.06 Drainage. Drainage from any improvements to or alterations of the Premises shall be engineered by Operator to be i) consistent with the General Order for Compost Facilities, ii) consistent with the design and permits issued for the Composting Facility, iii) separately manages and controls surface water that does not contact wastes (e.g., stormwater) from surface water that contacts waste materials (e.g., contact water), and iv) so that District's remaining lands are not adversely affected and so that surface flows over and above those generated by such land in its present unimproved state are retained in an engineered structure approved by the appropriate

permitting jurisdiction(s). Operator shall be responsible for maintaining the working surface grade to avoid the accumulation of standing water caused by creation of low spots or damage to the barrier layer in those areas of the site where the barrier layer is required.

4.07 Public Health and Safety. Operator shall supply systems for the protection of public health and safety, including without limitation, a materials storage management plan, a fire control program, a dust minimization and abatement program, odor control program, and provisions for vector control including, but not limited to, bird abatement. Operator shall operate the composting facility so as to minimize potential health and safety problems for employees of both Operator and District, other Operators, tour visitors, regulatory representatives, and users of the District's landfill site and neighboring properties. Operator shall operate and maintain the composting facility in a neat and orderly manner and shall monitor the area as frequently as necessary to prevent litter and dust from blowing off the premises of the composting facility.

4.08 Odor Control. Operator shall conduct the composting operation in such a manner as to minimize odors, especially the migration of odors to adjacent properties on and off the District's property. The compost material shall be maintained in an aerobic condition to avoid odors produced by anaerobic conditions. Operator shall utilize operational management practices to minimize or mitigate the generation of foul odors such as outlined in **Exhibit D** or as have been established as a reliable industry practice. Operator shall have an odor monitoring protocol which describes the proximity of possible odor receptors and a method for assessing odor impacts at the locations of the possible receptors. Operator shall maintain a complaint response protocol and a recording log to document any odor complaints received and the Operator's response activities and findings. Operator shall have a description of design considerations and/or projected ranges of optimal operation to be employed in minimizing odor, including method and degree of aeration, moisture content range of materials, feedstock characteristics, airborne emission production, process water distribution, pad and drainage permeability, equipment reliability, personnel training, weather event impacts, utility service interruptions, and any site specific concerns. Operator shall have a description of operating procedure for minimizing odor, including aeration, moisture management, feedstock quality, drainage controls, pad maintenance wastewater pond controls, storage practices, contingency plans, biofiltration, and tarping. Operator shall not be considered in default provided the facility is operated according to the provisions of this Agreement and the requirements of all applicable permits and regulations for the composting facility. In the event that offensive odors are generated occasionally which result in complaints and Operator is operating the facility in accordance with this Agreement and applicable permits and regulations, Operator and District shall work together in resolving such complaints by addressing the root cause that is found to be present at the Operator's compost site or in the Operator's compost operating procedures.

4.09 Waste and Nuisance Prohibited. Operator shall not commit or permit the commission by others of any waste on the Premises, shall not maintain, commit or permit the maintenance or commission of any nuisance as defined in Section 3479 of the California Civil Code on the Premises, and shall not use or permit the use of the Premises for any unlawful purpose.

4.10 Dust Control. To minimize the generation of fugitive dust leaving the Premises, Operator shall apply water and/or environmentally acceptable suppression materials to the composting facility area, or undertake other dust mitigation measures including, but not limited to,

synthetic covers as necessary to control dust, or as necessary to maintain compliance with any Air District permits issued for the composting operations or as a general applicable provision not requiring a permit.

4.11 Fire Control. Operator shall have the composting facility designed by a licensed fire or life safety specialist such that a fire control program can be implemented by the Operator immediately following its construction. The fire control program shall be implemented in accordance with requirements of the local fire department providing fire protection and suppression services to the District's landfill disposal site ("JA", jurisdiction of authority), insurance underwriters requirements, the permits for the composting facility, and all applicable local, state, and federal rules.

4.12 Materials Storage Requirements. Long-term storage of compost materials is only acceptable to the extent that i) it does not interfere with the District's or other's activities, and ii) that satisfactory odor, vector, dust, and fire control measures remain present at all times or such measures are employed to eliminate nuisance, health and safety problems. In the event Operator fails to store materials in an acceptable manner as set forth in this Agreement, Operator shall defend and indemnify the District from all liability and expense resulting from such failure, including, without limitation, nuisance claims by neighboring land users and owners.

4.13 Environmental Requirements. Operator shall ensure that the operations of the composting facility are in compliance with all permit conditions issued for the facility, including without limitation, permits issued by the California Integrated Waste Management Board, the California Regional Water Quality Control Board, the Monterey Bay Unified Air Pollution Control District, and the County of Monterey. The District holds the Land Use Permit from Monterey County.

4.14 Educational Opportunities. Upon notice to the District, and with supervision by the District and Operator, Operator will allow public education opportunities to be conducted at the site with the District's prior approval and, in mutually agreed occasions, with the District's participation. Such opportunities may be arranged by either the Operator or the District.

4.15 Compliance with Permits and Governmental Authorities. Operator shall comply with and shall observe in its use of the Premises all requirements of all permits, governmental authorities, local, state, and federal, in force now or in the future, affecting the Premises or the Owner's landfill operations. As permits are issued to allow certain operations to be completed, Owner and Operator acknowledge that the Operator shall be fully responsible for conducting, recording, documenting, monitoring, and reporting of all compliance required activities defined by prevailing law, regulations, and the facility permits independent of the parties named on the permits. Owner representatives may from time-to-time provide review or consultation services to the Operator regarding new or proposed compliance requirements.

Owner and Operator acknowledge that the parties have collaborated during the past ten (10) years to develop certain operational practices and expectations of each other's activities related to the Composting Facility. In this Agreement, both parties desire to continue their respective operational practices until such time that the parties agree to making changes to those practices. Recently, the

parties have been collaborating on programs that the Member Agencies would use for their jurisdictional compliance with the SB1383 regulations. The Operator will continue to participate with the District and in the District's Member Agency requirement for their procurement of recovered organic waste products per the SB1383 regulations. Operator agrees to allow the District to purchase recovered organic waste products (compost or mulch) on behalf of the Member Agency jurisdictions utilizing a Direct Service Provider Agreement each calendar year.

SB1383 annual procurement targets for recovered organic waste products are set by CalRecycle for each Member Agency jurisdiction. The Operator will fulfil order(s) meeting the nine Member Agency jurisdictions' annual targets in-full, selling the compost to a customer(s) of the Operator's choice using a Direct Service Provider Agreement. The Operator can extend a discount to the customer in exchange for the customer's procurement of the compost on behalf of the Member Agencies. The District will in-turn purchase the compost on behalf of the Member Agencies at a \$5/ton rate (2024 basis) or as the mutually 'agreed to' rate approved in the future by the parties. A signed agreement and invoice recording the District's purchase will be provided monthly to the District from the Operator, and as an annual statement before the end of the calendar year.

4.16 Inspection by Owner. Operator, upon notice, shall permit the District or District's agents, representatives or employees to enter the Premises at all reasonable times for the purpose of inspecting the Premises to determine whether Operator is complying with the terms of this Agreement and for the purpose of doing other lawful acts that may be necessary to protect District's interest in the Premises under this Agreement.

4.17 Liens and Claims. Operator shall promptly pay when due all amounts payable for labor and materials furnished to Operator, so as to prevent any lien or other claim under any provision of law from arising against the District or the Premises and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

ARTICLE 5. INDEMNITY AND INSURANCE

5.01 a) No Liability of Owner for Operator's Acts. The District, its Board of Directors, officers, employees and agents shall not be liable at any time for any loss, damage, injury to the property or person or any person whomsoever, claims, lawsuits, costs, expenses, attorney's fees, court costs or any other cost at any time occasioned by or arising out of any act or omission of the Operator, or any employee or agent of Operator, or of anyone holding under Operator or from the occupancy or use of the Premises or any part thereof by or under the Operator, or directly or indirectly from any state or condition of the Premises or any part thereof during the term of this Agreement.

b) Indemnification of District. Notwithstanding anything to the contrary in this Agreement, to the full extent permitted by law, Operator shall defend, protect, indemnify, and hold the District, its Board of Directors, officers, employees and agents, and the Premises, free and harmless from any and all damages, liabilities, claims, suits, actions, proceedings, costs and expenses of whatsoever nature, without limitation or restriction, arising under the terms of this Agreement or arising out of or in connection with the operation carried on by Operator on, or the use or occupancy of, the Premises.

5.02 Insurance Requirements. Without limiting the Operator's duty to indemnify, the Operator shall maintain in effect throughout the initial and any extended term of the Agreement the insurance coverage set forth in **Exhibit B**, attached hereto and incorporated herein by this reference. Operator will have the District, its board, officers, employees and agents named as additional insureds or covered parties with respect to claims arising out of the performance of Operator's operations under this Agreement, including ongoing and completed operations, and shall further provide that its coverage is primary to any insurance or self-insurance maintained by the District, and that the insurance of an additional insured or covered party shall not be called upon to contribute to a loss covered by the Operator's primary coverage.

5.03 Certificate of Coverage. A certificate of coverage, certifying the Operator's coverage which shall meet all requirements of this Agreement, shall be provided to the District prior to the execution of this Agreement. Acceptance of the certificate of coverage shall in no way modify or change the indemnification provisions of this Agreement, which shall remain in full force and effect. District shall be provided with thirty (30) days' prior written notice of any reduction in coverage or limit, cancellation or intended cancellations.

5.04 Compliance with Insurance Policies. Operator shall comply with all of the terms and conditions of each insurance policy maintained pursuant to the terms of this Agreement to the extent necessary to avoid invalidating such insurance policy of impairing the coverage available thereunder.

5.05 Limits. The limits of insurance maintained by the Operator shall not be construed as limits on its indemnification obligations set forth in the Agreement.

ARTICLE 6. DEFAULT AND REMEDIES

6.01 Default. District may, at its option and without limiting District in the exercise of any other right or remedy it may have on account of a default or breach by Operator, exercise the rights and remedies specified in paragraph 6.02 if:

- a) Rent Default. Operator defaults in the payment of any money agreed to be paid by Operator to District for rent or to be paid for utilities or for any other purpose under this Agreement, and if such default continues for ten days after written notice to Operator by Owner.
- b) Other Default: Operator defaults in the performance of any other of its agreements, permits, conditions, or covenants under this Agreement and such default continues for ten days, plus such period of delay as Operator may encounter in the performance of its agreements by reason of matters beyond the control of Operator.

6.02 Remedies. On any breach or default district may exercise any of the following rights after the periods of time stated in paragraph 6.01:

- a) Re-entry and Removal and Storage of Property and Repairs. Immediately re-enter

and remove all persons and property from the Premises, storing the personal property in a public warehouse or elsewhere at the cost of, for the account of, and at the risk of Operator.

b) Collection of Rent Installments. To collect by suit or otherwise each installment of rent or other sum as it becomes due hereunder, or to enforce, by suit or otherwise, any other term or provision hereof on the part of Operator required to be kept or performed, it being specifically agreed that all unpaid installments of rent or other sums shall bear interest at the rate specified in paragraph 2.03 hereinabove.

c) Termination of Agreement and Damages. Either party may terminate this agreement without cause by providing a minimum three (3) year advance notice of termination in writing to the other party. Either party may terminate this agreement for cause by providing a minimum three (3) year advance notice of termination in writing to the other party that describes the cause for termination, identifies what the claiming party would anticipate necessary to resolve the claim, and provides a 12-month notice to cure to the other party. Should the other party redress the claim to terminate for cause before expiration of the 'cure' period, as mutually agreed by the two parties, the notice for termination shall end or expire at that point in time. At termination of this Agreement, Operator agrees to immediately surrender possession of the Premises and District owned equipment or materials, and to pay to District, in addition to any other remedy District may have, all damages District may incur by reason of Operator's defaults, including the cost of recovering the Premises and District's assets.

6.03 No Waiver of Default. District's failure to take advantage of any default or breach of covenant on the part of Operator shall not be, or be construed as, a waiver hereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Agreement be construed to waive or to lessen the right of District to insist upon the performance by Operator of any term, covenant, or condition hereof, or to exercise any rights given it on account of any such default. A waiver of a particular breach, or default, shall not be deemed to be a waiver of the same or any other subsequent breach or default. The acceptance of rent hereunder shall not be, or be construed to be a waiver of any term, covenant, or condition of this Agreement.

6.04 Remedies Cumulative. The rights, powers, elections, and remedies of the District contained in this Agreement shall be construed as cumulative and no one of them is or shall be considered exclusive of the other or exclusive of any rights or remedies allowed by law, and the exercise of one or more rights, powers, elections, or remedies shall not impair District's right to exercise any other.

ARTICLE 7. GENERAL PROVISIONS

7.01 Dispute Resolution.

a) Duty to Meet and Confer. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good

faith attempt to resolve the matter between themselves. Representatives of each party will personally meet and attempt in good faith to resolve the dispute.

b) Mediation. If their representatives are unable to resolve the dispute within 15 days thereafter, the parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of the Judicial Arbitration and Mediation Service ("JAMS"). The expenses of witnesses for either side shall be paid for the party producing such witnesses. All other expenses of the mediation shall be borne equally by the parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation shall be inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless otherwise agreed upon in writing by both parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. Mediation shall be completed within 30 days after request for the mediation by either party or such additional time as may be mutually agreed upon in writing by both parties.

c) Arbitration. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted under the rules of JAMS. The decision of the arbitrator shall be binding, unless within 30 days after issuance of the arbitrator's written decision a party files an action in a court of law. Venue and jurisdiction for any legal proceeding between the parties shall lie in the Superior Court for the County of Monterey.

7.02 Conditions and Covenants. All of the provisions of this Agreement shall be deemed as running with the land, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

7.03 No Waiver of Breach. No failure by either District or Operator to insist upon the strict performance by the other of any covenant, agreement, term, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term, or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement, and term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.

7.04 Time of Essence. Time is of the essence of this Agreement, and of each provision hereof.

7.05 Subleasing and Assigning. Operator shall not encumber, assign or otherwise transfer this Agreement or any right or interest in this Agreement, or any right or interest in the Premises, without the express written consent of the District. Neither shall Operator sublet the Premises or any part thereof or allow any other persons, other than Operator's agents, employees and customers to occupy or use the premises or any part thereof without the prior written consent

of District. A consent by District to one assignment, subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any encumbrance, assignment, transfer or subletting without the prior written consent of the District, whether it be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of District, terminate this Agreement.

7.06 Insolvency of Operator. The insolvency of Operator as evidenced by a receiver being appointed to take possession of all or substantially all of the property of Operator, the making of a general assignment for the benefit of creditors by Operator, or the adjudication of Operator as a bankrupt under the Federal Bankruptcy Act, shall terminate this Agreement and entitle District to re-enter and regain possession of the Premises.

7.07 Binding on Heirs and Successors. This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing in this paragraph contained shall be construed as a consent by District to any assignment of this Agreement or any interest therein by Operator except as provided in paragraph 7.05 of this Agreement.

7.08 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters covered by this Agreement, and no other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

7.09 Partial Invalidity. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

7.10 Attorney's Fees. Should either party commence any legal action or proceeding against the other based on this Agreement, the prevailing party shall be entitled to an award of attorney's fees.

7.11 Modification. This Agreement is not subject to modification except in writing and as approved by both parties.

7.12 a) Delivery of Notices-Method and Time. All notices, demands, or requests from one party to another may be personally delivered or sent by mail, certified or registered, postage prepaid, to the addresses stated in this section, and shall be deemed to have been given at the time of personal delivery or at the end of the second full day following the date of mailing.

b) Notices to District. All notices, demands, or requests from Operator to District shall be given to District by delivery at the District's offices at 14201 Del Monte Boulevard, Monterey County (Salinas), California, 93908, or at Post Office Box 1670, Marina, California, 93933-1670.

c) Notices to Operator. All notices, demands, or requests from District to

Operator shall be given to Operator at Keith Day Company, Inc. at 1091 Madison Lane, Salinas, California 93907.

d) Change of Address. Each party shall have the right, from time-to-time, to designate a different address by notice given in conformity with this section.

7.13 Counterparts. This Agreement, consisting of thirteen (13) pages, plus Exhibits A, B, C and D, has been executed by the parties hereto in two counterparts, each of which shall be deemed to be an original copy.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Agreement in duplicate on the date first hereinabove stated at Monterey County, California.

OWNER:

MONTEREY REGIONAL WASTE
MANAGEMENT DISTRICT

By _____
Board Chairperson

And by _____
Felipe Melchor, General Manager

OPERATOR:

KEITH DAY COMPANY, INC.

By _____
Keith Day, President

EXHIBIT A - Map showing location of premises [to be initialed by the parties and attached.]

EXHIBIT B - Insurance Requirements

EXHIBIT C – Processing Services Agreement

EXHIBIT D - Odor Management and Mitigation Strategy Options

EXHIBIT A - COMPOST FACILITY AREA MAP



Compost Facility Area – Approximate Limits

EXHIBIT B

INSURANCE REQUIREMENTS

Without limiting Tenant's indemnification obligations to District under this Lease, Tenant shall provide and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation and use of the leased premises. The cost of such insurance shall be borne by the Tenant.

1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.

B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office Form CA0001.

C. Workers Compensation, as required by State of California and Employer's Liability Insurance.

D. Property Insurance against all risk or special form perils, including Replacement Cost and debris removal coverage for any Improvements, without deduction for depreciation, constructed or erected by Tenant, and the personal property of Lessee, its agents and employees.

E. Pollution Legal Liability and Remediation and/or Errors & Omissions applicable to underground or above ground fuel storage tanks, fueling or refueling operations with a limit no less than \$1,000,000 per claim or occurrence and \$2,000,000 aggregate per policy period of one year. This policy shall be endorsed to cover materials to be transported by the Tenant.

2. Minimum Limits of Insurance

Tenant shall maintain limits no less than:

A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.

B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.

C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of the District.

D. Property: Full replacement cost with no coinsurance penalty provision.

3. Deductibles and Self-Insured Retentions

Any liability deductible or self-insured retention must be declared to and approved by the

District's General Manager or his or her designee. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by the Tenant.

4. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement: Any general liability policy provided by Tenant shall contain an additional insured endorsement applying coverage to the District, the members of the District Board of Directors and the officers, agents and employees of the District, individually and collectively.

B. Primary Insurance Endorsement: For any claims related to this Lease, the Tenant's insurance coverage shall be primary insurance as respects the District, the members of the Board of Directors of the District and the officers, agents and employees of the District, individually and collectively. Any insurance or self-insurance maintained by the District, the members of the Board of Directors, the District's officers, officials or employees shall be excess of the Tenant's insurance and shall not contribute with it.

C. Notice of Cancellation: Each required insurance policy shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District at the address shown in section of the Lease entitled "Notices".

General Provisions

5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by District's Risk Manager.

6. Evidence of Insurance

Prior to commencement of this Lease Tenant shall furnish the District with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Tenant shall furnish certified copies of the actual insurance policies specified herein, within thirty days after commencement of Lease. Thereafter, copies of renewal certificates and amendatory endorsements shall be furnished to District within thirty days of the expiration of the term of any required policy. Tenant shall permit District at all reasonable times to inspect any policies of insurance of Tenant which Tenant has not delivered to the District. Policies, renewal certificates and amendatory endorsements shall be delivered to the District at the address shown in the section of the Lease entitled "Notices."

7. Failure to Obtain or Maintain Insurance;

District's Remedies. Tenant's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to

make premium payments required by such insurance, shall constitute a material breach of the Lease, and District may, at its option, terminate the Lease for any such default by Tenant.

8. No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Tenant, and any approval of said insurance by the District are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Tenant pursuant to the Lease, including, but not limited to, the provisions concerning indemnification.

9. Review of Coverage

District retains the right at any time to review the coverage, form and amount of insurance required herein and may require Tenant to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

10. Sub-tenants' Insurance

Tenant shall require any District-approved sub-tenant, of all or any portion of the Premises, to provide the insurance coverage described herein prior to its occupancy of the Premises.

EXHIBIT C PROCESSING SERVICES AGREEMENT

Without limiting Operator's obligations to District under this Lease, Operator shall provide processing services to the District in accordance with this Lease, permit conditions, and applicable statutes and laws. The Operator, since 2009 under a year-to-year rental agreement, has designed and operated the composting facility on District property to process organic materials, including yard waste, clean wood waste and, most recently, food waste upon the request of and for the benefit of the District and its member communities. It is mutually agreed by the parties hereto that the processing services are subject to the following terms, covenants, conditions and provisions, and the Operator covenants, as a material part of the consideration of the processing services, to keep, perform and comply with each and all of said terms, covenants, conditions and provisions to be kept, performed and complied with, and entered into upon the condition of such performance and compliance.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter set forth, District and Operator agree to the following terms and conditions for processing services of green wastes, yard wastes, wood wastes, and food wastes:

Terms and Conditions

ARTICLE I. PROCESSING SERVICES

1.01 Location. Operator shall receive and process materials on the District property that is defined in this Lease except where otherwise agreed to in writing by the District.

1.02 Term. The term of processing services shall be the term of the Agreement.

1.03 Operator Receipt of Materials. The commercial route trucks that deliver green waste, yard waste, and/or food waste materials to the District will be directed to the Lease facility and received by the Operator, at which point all such material shall be owned by and the responsibility of the Operator. At no cost to the Operator, the District shall supply to the Operator an empty roll-off or similar container for the Operator's use to deposit trash and non-organic debris removed from the green/yard/food waste materials delivered to the Operator. The District shall periodically remove and dispose of the trash and return empty containers to the Operator at no cost to the Operator. The Operator shall immediately notify the District, upon receipt of the load, of any loads that contain excessive amounts of trash. The parties acknowledge that both the Operator and the District may have additional costs to which additional fees are charged to the customer involved. The District will accept the "overs" remaining after processing all material at no charge to the Operator. All such "overs" shall be hauled by the District from the Lease Facility to a location at the landfill at no cost to the Operator. The District will also provide a trommel screen to be used, operated and maintained by the Operator. The District shall assist the Operator, if necessary, to receive electrical power utility service. The Operator shall perform normal routine maintenance on the District's trommel

equipment, such as cleaning and lubricating to ensure proper operation. The District shall be responsible for repair and replacement of major components of the trommel equipment except that caused by the Operator's improper or negligent use of the equipment. Should the District request that the Operator perform any such major repairs on the District's trommel equipment, a quote will be provided to the District by the Operator before any work is undertaken. The District and the Operator acknowledge that the quantity of food waste material is likely to increase in the future and that the Operator's operations of the Lease Facility may need to be modified with both new personnel and equipment. The District and the Operator agree that should the annual food waste volume exceed 10,000 tons per year, the processing rate paid to the Operator by the District may need to be renegotiated to accommodate the additional labor and equipment costs needed to process the food waste material.

The delivery of green/yard/wood waste materials that are received by the District at its Material Recovery Facility (MRF) will be sorted and cleaned by the District. Once the material from the public has been processed by the District, the clean green/yard waste will be segregated from the clean wood waste and piled neatly for routine pick up by the Operator at no cost to the District. Upon pick up by the Operator, the materials shall be owned by and the responsibility of the Operator. The District will reduce the size of the wood waste so as not to damage the Operator's trailers when loading and unloading the trailers, which will be performed by the Operator at no cost to District on the northeast side of the District's MRF or at a mutually agreed to alternative location. Alternatively, the Operator may choose to use Operator's grinding equipment to grind the wood waste in-place on the northeast side of the District's MRF, or at a mutually agreed to alternative location, and transfer the wood grindings to the Lease facility at no cost to the District.

The Operator shall assure the District that all organic waste received and processed by the Operator from the District for processing on the Lease Facility shall be diverted from landfill disposal to the greatest extent possible so that such materials shall receive Diversion Credit in accordance with any and all waste diversion requirements under Applicable Law, except regarding non-organic material that is removed during the processing of waste at the Lease Facility.

ARTICLE 2. PROCESSING SERVICES PAYMENTS

2.01 Payments. Effective upon signing this Lease, District agrees to and shall pay to Operator, a processing service payment at a processing rate of \$____ per ton until June 30, 2025. The parties acknowledge that the processing rate is inclusive of minimal to zero amounts of oversized logs and tree trunks. In the event that significant quantities of oversized logs and tree trunks are present, separate compensation to reimburse the Operator for additional services that are necessary to reduce the size of the materials to permit the processing services to be employed shall be mutually agreed to by the parties and recorded in the form of an addendum to this Exhibit.

Operator shall invoice the District on a bi-weekly basis and District shall pay the Operator with a payment term of "Net 15 calendar days" from date of receipt of the invoice. The District

shall electronically submit scale tickets to the Operator within seven (7) business days of the scale ticket transaction date. After June 30, 2025, the processing rate shall be as defined in the following table *{table not presented – to be defined}*. District and Operator acknowledge that annual inflation rates are included in the processing rates presented in the table below.

2.02 Interest on Late Payments. If District is late in the payment of any invoices for processing services by the Operator, such payments shall bear interest at the rate of ten per cent (10%) per annum from the day it is due until actually paid.

2.03 Adjustment of Processing Rate for Changes in Scope of Services. Any changes to the scope of services, either increases or decreases in the processing services performed by the Operator, represent a basis for the District and/or the Operator to request a change in the processing rate. The parties agree to provide a basis for the magnitude of the rate change and to negotiate the rate change in good faith. Mutually agreed changes in the processing rate shall be recorded in an addendum to this Exhibit, In the event that the parties cannot reach an agreement of the rate change, the dispute resolution terms of this Lease shall be used to achieve an agreement.

2.04 Diesel Fuel Surcharge. A surcharge will be applied for any increase above \$3.00 per gallon based on the average California diesel fuel price per gallon as published each Monday by the Energy Information Administration of the US Department of Energy. The base fuel rate of \$3.00 per gallon is included in the above processing rate. Should the cost of diesel fuel exceed this base fuel rate, or fall below the base fuel rate, the calculated fuel surcharge shall be used to determine the extra costs to the Operator for an increase above the base rate or a credit to the District for a cost below the base rate. Operator shall report to the District on a weekly basis the amount of fuel used in the prior week and the Operator's cost of fuel purchase for every purchase of fuel by the Operator. The fuel surcharge will be calculated by the Operator every week and the credits to the Operator and District determined accordingly and presented in the Operator's invoice to the District.

EXHIBIT D

ODOR MANAGEMENT AND MITIGATION STRATEGY OPTIONS

The Tenant shall provide processing services to the District in accordance with this Lease, permit conditions, and applicable statutes and laws that result in products of market value quality and operations that do not cause a nuisance to the District or neighboring properties. The Tenant, since 2009 under a year-to-year rental agreement, has designed and operated the composting facility on District property to process organic materials, including yard waste, clean wood waste and, most recently, food waste upon the request of and for the benefit of the District and its member communities. It is mutually agreed by the parties hereto that the services include processing of materials with various odor characteristics and that the Tenant shall use Best Management Practices (NMPs) for their composting operations to manage odors on site in accordance with this Lease, permit conditions, and applicable statutes and laws to avoid causing a nuisance to the District and neighboring properties. The parties mutually agree that they individually and collectively shall review odor complaints made to the composting operations; and address those that are determined to be from the composting operations. The Tenant's Odor Impact Minimization Plan (OIMP), as required by permit, shall be reviewed and modified from time-to-time to maintain the use of BMPs in the composting operations at the site. The OIMP shall guide the Tenant's activities at the compost site and the Tenant's management of odor in the composting operations. In addition to the OIMP, the Tenant shall consider using one or more of the following strategy options, where appropriate, to address a foul odor condition that is determined to be from the compost operations.

Odors During Receiving:

- Mix or aerate materials (increase material porosity).
- Consider covering odiferous materials with a 6" – 12" layer of bulking agent, high carbon amendments, or finished compost. Moisture condition to reduce odor releases.
- Reject odorous loads if possible (or add odor absorbing material at the originating location, such as sawdust to a load of manure).
- Incorporate wet or odorous loads directly into actively composting windrows; or manage those loads separately and blend with other materials to lessen their concentration.
- Expedite material processing following receipt of material.
- Consider blanketing odiferous materials with a 6" – 12" layer of bulking agent, high carbon amendments, finished compost (water lightly to reduce odor releases), or similar.

Odors During Grinding: (when the odor is a terpene):

- Add light misting of water and/or odor neutralizer to grinder at discharge points
- Consider grinding green materials with woodier materials.

Odors During Mixing:

- Uniformly blend materials in windrows/piles.
- Combine materials to achieve a high C:N ratio (typically > 30 to 1).
- Mist water and/or odor neutralizer at dust generation points.
- Create piles and windrows with good porosity characteristics.

Odors During Composting:

- Modify the “Turn” frequency to re-invigorate the composting process.
- Maintain sufficient windrow moisture content. Avoid over-watering windrows.
- Manage the size of windrows to increase passive aeration.
- Consider blanketing odiferous materials with a 6” – 12” layer of bulking agent, high carbon amendments, finished compost. (water lightly to reduce odor releases), or similar.
- For mercaptans and sulfur, adopt forced aeration.

Odors During Curing:

- Decrease curing pile size (height).
- Increase processing time prior to moving to curing.
- Review moisture content of in-process compost.
- Screen after curing to maintain porosity.
- Alter frequency of aerating curing piles.

Odors at the Site:

- Clean aisles of spilled material prior to the end of day.
- Keep paved areas clean by mechanically sweeping or suitable means.
- Apply water and/or neutralizer to reduce dust during dry conditions.

Odors in Runoff Water:

- Minimize storm water contact with organic materials.
- Remove particles from runoff water prior to the retention basin.
- Filter runoff water through a filter, filter berm, rock sock, or similar.

MEMO



Item #: 7.d

Meeting Date: September 20, 2024

To: Board of Directors
From: Berta Torres, Director of Human Resources
Approved by: Felipe Melchor, General Manager

Subject: Approval of Addition of New Classification of Power Systems Manager and Related Pay Schedule

RECOMMENDATION

That the Board approve the addition of the new classification, Power Systems Manager and related Pay Schedule.

BACKGROUND AND DISCUSSION

For the last two years, the Director of Operations and Director of Engineering & Compliance have shared direct oversight of the Landfill Gas (LFG) operations and compliance functions. This arrangement became necessary after the departure of the Landfill Operations Manager in August 2022 and was intended to be temporary.

Given the critical role of landfill gas operations at ReGen Monterey, the specialized nature of the functions, the complex environmental compliance requirements and the potential for increased gas production, staff recommends adding a department manager who can dedicate his time exclusively to the department and optimize operations. A dedicated Power Systems Manager would ensure effective allocation of resources and address the ongoing challenges with maintaining power production uptime and regulatory compliance in both the power plant and the landfill gas well field. This role will be instrumental in enhancing system efficiency, increasing revenue from improved power plant uptime, deferring costs through onsite power generation, and reducing risks through proactive maintenance and compliance planning.

The enclosed Position Requisition (Attachment A) provides further justification for the position. The position will be classified as a member of the Management Unit for consistency with organizational structure.

FISCAL IMPACT

The FY 2024/25 Annual Budget does not include funding for the Power Systems Manager classification. If approved, total compensation expenses in the amount of \$126,000 approx. may be paid from funds of other vacant positions for the current FY. The position is expected to be filled in January 2025. The proposed Salary Schedule for the Power Systems Manager (Attachment B) is approximately 10% above market for the specialized role and is recommended for competitive advantage in the current labor market.

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

Let's not waste this.

CONCLUSION

The addition of a Power Systems Manager to Regen Monterey's organizational structure would ensure the reliable delivery of electrical power to ReGen's facilities and customers. By prioritizing operational efficiency and environmental responsibility, this position will strengthen the long-term sustainability and success of ReGen's landfill gas operations. Board approval is requested to add the new classification and related pay schedule to the organizational structure.

Position Requested: Landfill Gas Manager Ideal Start Date: 1-6-25

Department: LFG Requesting Manager: General Manager

Is the position budgeted: ☐ Yes ☒ No

Type of Position: ☒ FT ☐ PT ☐ Temporary If temporary, length of assignment: _____

JUSTIFICATION FOR POSITION: Please describe the business need and essential functions of position, i.e., primary responsibilities, what problems is the position expected solve?

The position will manage landfill gas monitoring and compliance.

Transition current monitoring to electronic monitoring and compliance. Currently only 20% of our gas field is on electronic monitoring.

Manage and schedule engine repair and maintenance assignments. Reduce OT

Help transition from only generating power to converting LFG to natural gas into the pipeline. (Future Need)

Understand the delivery of power to M1W- create resiliency for the micorgrid

Compliance aspect of managing the landfill gas to avoid fugitive emissions.

REPORTING STRUCTURE:

Which position will this classification report to:	Director of Operations/assistant DO
Will it have direct reports? If so, list positions:	Landfill Gas supervisor and technicians

Felipe Melchor
Requesting Manager

Date: 8-6-25


General Manager Approval (Signature)

Date: 8-6-25

Monterey Regional Waste Management District
Pay Schedule | Management Unit
Effective July 1, 2024

Board Approved: 06/21/24						
CLASSIFICATION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
EXEMPT						
Senior Engineer						
Bi-weekly	6,151.46	6,459.03	6,781.98	7,121.08	7,477.14	7,851.00
Hourly	76.89	80.74	84.77	89.01	93.46	98.14
Assistant Director of Operations						
Bi-weekly	5,609.46	5,889.93	6,184.44	6,493.66	6,818.34	7,159.26
Hourly	70.12	73.62	77.31	81.17	85.23	89.49
MRF Manager						
Bi-weekly	5,609.46	5,889.93	6,184.44	6,493.66	6,818.34	7,159.26
Hourly	70.12	73.62	77.31	81.17	85.23	89.49
New Position Added and Approved 9/20/24						
Power Systems Manager						
Bi-weekly	5,609.46	5,889.93	6,184.44	6,493.66	6,818.34	7,159.26
Hourly	70.12	73.62	77.31	81.17	85.23	89.49
*Equipment Maintenance Manager						
Bi-weekly	5,198.24	5,458.15	5,731.06	6,017.62	6,318.50	6,634.43
Hourly	64.98	68.23	71.64	75.22	78.98	82.93
Safety Manager						
Bi-weekly	4,614.97	4,845.72	5,088.01	5,342.41	5,609.53	5,890.01
Hourly	57.69	60.57	63.60	66.78	70.12	73.63
Communications Manager						
Bi-weekly	4,416.75	4,637.59	4,869.47	5,112.94	5,368.59	5,637.01
Hourly	55.21	57.97	60.87	63.91	67.11	70.46
Assistant MRF Manager						
Bi-weekly	4,185.82	4,395.11	4,614.86	4,845.61	5,087.89	5,342.28
Hourly	52.32	54.94	57.69	60.57	63.60	66.78
*Employees hired prior to June 30, 2019, are eligible for longevity pay at 2.5% over base after 10 years of service and 5% over base rate after 15 years of service.						

MEMO



Item #: 8.a

Meeting Date: September 20, 2024

To: Board of Directors
From: Garth Gregson
Approved by: Felipe Melchor

Subject: Review Finance, Operating, and Recycling Reports

RECOMMENDATION

Information Only.

This report will include the following items.:

1. Financial review of YTD results.
2. Income Statement.
3. Balance Sheet.
4. Cash disbursement activity.
5. Investment summary.

//

Physical Address

14201 Del Monte Blvd.
Salinas, CA 93908

Mailing Address

P.O. Box 1670
Marina, CA 93933

Phone / Fax

831-384-5313 PHONE
831-384-3567 FAX

Web / Social

ReGenMonterey.org
@ReGenMonterey

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Staff Reports

Meeting Date: September 20, 2024

To: Board of Directors
 From: Accounting Manager, Garth Gregson
 Approved by: General Manager, Felipe Melchor

Subject: August 2024 Financial Review

Financial & Operations Review August 2024

	August	Month Budget	B/(W) Month Bud	Year to Date	YTD Budget	B/(W) YTD Bud
Tipping Fees Revenue	\$3,406,172	\$3,673,288	(\$267,116)	\$6,793,807	\$7,346,575	(\$552,768)
Other Operating Revenue	1,323,087	1,152,945	170,142	2,433,117	2,305,890	127,227
* Total Operating Revenues *	4,729,259	4,826,233	(96,974)	9,226,924	9,652,466	(425,542)
* Operating Expenses *						
Employment Expenses	1,648,858	1,749,441	(100,583)	3,410,251	3,498,883	(88,631)
Non-Employment Expenses:	2,430,466	2,339,137	91,329	4,471,828	4,678,273	(206,446)
* Total Operating Expenses *	4,079,324	4,088,578	(9,254)	7,882,079	8,177,156	(295,077)
** Operating Income **	649,935	737,655	(87,720)	1,344,845	1,475,310	(130,465)
* Nonoperating Revenues (Expenses) *	44,303	(6,917)	51,220	103,730	(13,835)	117,565
Net Income/(Loss)	\$694,238	\$730,738	(\$36,500)	\$1,448,575	\$1,461,475	(\$12,900)

Month

- Total revenue is \$4.73 million and is \$97K under budget.
- Tonnage received in August is 74.6K tons.
- Cost of employment is \$1.65 million compared to budget of \$1.76 million.
- Non-employment operating expenses are \$2.43 million compared to budget of \$2.34 million.
- Net income for the month is \$694K compared to budgeted net income of \$731K.

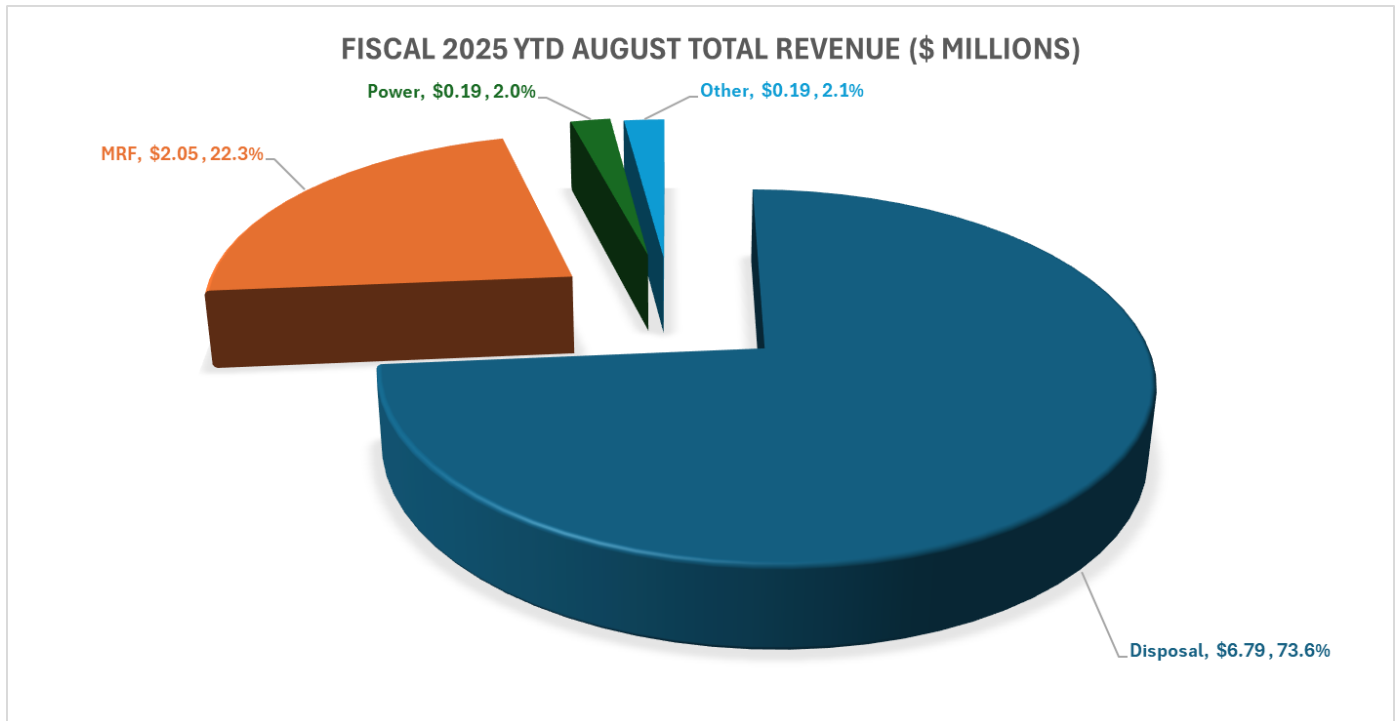
Year to Date

- Tip fee revenue for the year is \$6.79 million and is \$553K below budget and \$186K higher than last year.
- Tonnage received year to date 150.2K tons and compared to 174.9K tons received in Fiscal 2024.
- The rolling 12 month diversion rate for the MRF is 62.3% which is the same as the prior month.
- Total other operating revenue year to date is \$2.43 million and is \$127K over and \$93K higher than last year.
- A summary of the MRF YTD revenue and direct expenses are.

	YTD August 2024	YTD Budget	FY B/(W) Budget
Product revenue	\$820,985	\$703,633	\$117,352
Processing fees	407,798	388,680	19,118
CRV rebates	824,705	723,523	101,182
	2,053,488	1,815,836	237,653
MRF direct expenses	1,697,953	1,746,864	48,910
MRF contribution margin	\$355,535	\$68,972	\$286,563

- Power revenue is \$189K compared to budget of \$306K and \$410 in Fiscal 2024.
- Cost of employment is \$3.41 million compared to budget of \$3.49 million and \$3.10 million last year.

- Environmental services are \$306K and are \$126K under budget.
- Operating supplies are \$533K and are \$282K over budget.
- Professional services \$98K and are \$232K under budget.
- Recycling services are \$627K and are \$65K under budget.
- Total non-employment expenses are \$4.47 million and are \$206K under budget and \$273K higher than last year.
- Net income for the year to date is \$1.45 million compared to budget of \$1.46 million and \$1.48 million for Fiscal 2024.



Operating Expense by Department YTD August 2024

Department	Year to Date	YTD Budget	B/(W) Budget YTD	Annual Budget
Administration	1,754,025	1,697,391	56,634	10,165,278
Human Resources	125,533	160,677	(35,144)	953,268
Accounting	174,522	181,513	(6,991)	1,071,750
Engineering	284,308	334,210	(49,902)	1,979,589
Safety & Risk Management	54,778	82,204	(27,426)	486,973
Public Education	153,521	225,805	(72,285)	1,340,929
Household Hazardous Waste	230,260	182,852	47,408	1,083,019
Last Chance Mercantile	-	10,667	(10,667)	64,000
Landfill Gas	726,706	801,926	(75,220)	4,781,312
Organics	540,672	583,333	(42,662)	3,500,000
Maintenance Shop	543,308	567,556	(24,248)	3,364,952
MRF Operations	1,414,294	1,452,140	(37,846)	8,590,513
MRF Maintenance	283,659	294,724	(11,065)	1,744,823
Scales	188,159	202,278	(14,119)	1,195,758
Site & Facilities	1,408,334	1,399,881	8,453	8,332,394
Total	7,882,079	8,177,156	(295,077)	48,654,558

Fiscal 2025 Capital Spending Through August 2024

	<u>Actual YTD</u>	<u>F25 Budget</u>
Capital improvements	\$ 1,285,541	18,940,000
Equipment	(248,152)	3,197,000
	<u>\$ 1,037,390</u>	<u>\$ 22,137,000</u>

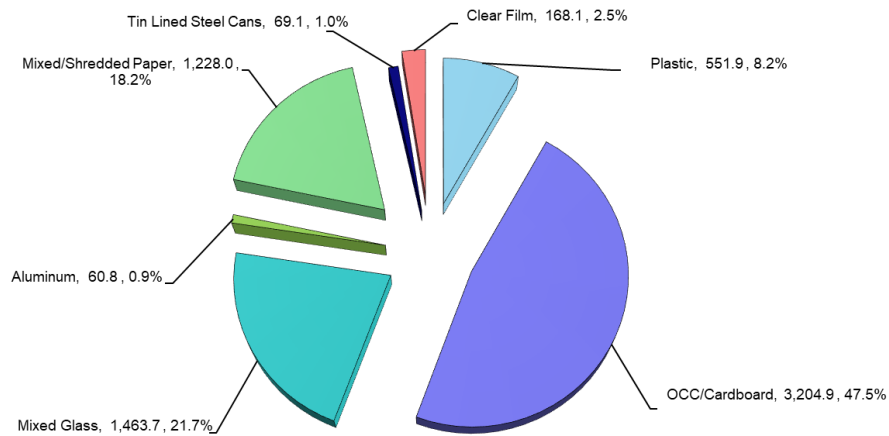
Cash Position

	<u>Jul 1, 2024</u>	<u>Aug 31, 2024</u>	<u>Change</u>
Cash in bank	\$ 19,402,851	\$ 15,191,175	\$ (4,211,676)
Temporary investments	17,373,167	17,552,148	178,981
Restricted funds	6,013,000	6,013,000	-
	<u>\$ 42,789,018</u>	<u>\$ 38,756,323</u>	<u>\$ (4,032,695)</u>

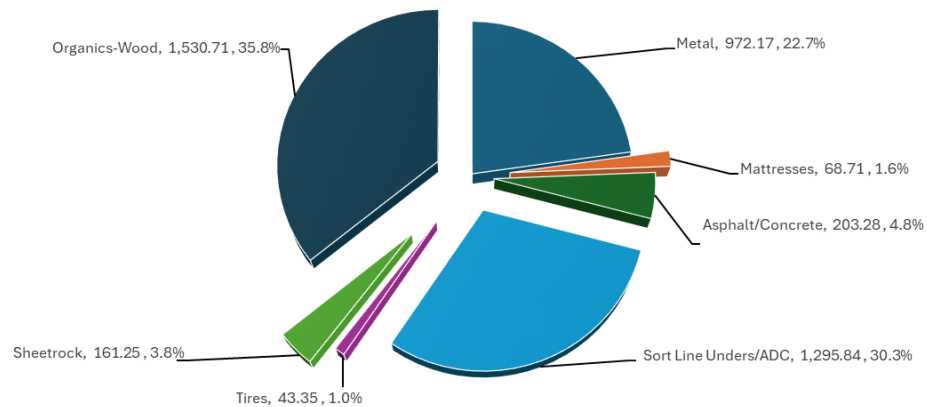
12 Month Rolling Average Diversion

C&D Diversion	60.0%
Single Stream Recycling Diversion	63.8%
Entire MRF Diversion	62.3%

SSR Diverted Materials Fiscal 2025 Tons - YTD August 2024



C&D Diverted Materials Fiscal 2025 Tons - YTD August 2024



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Revenue, Expenses, and Changes in Net Position for the Period Ending
August 31, 2024

	August	Month Budget	B/(W) Budget Mon	Year to Date	YTD Budget	B/(W) Budget YTD
* Operating Revenues *						
Tipping Fees Revenue	\$3,406,172	\$3,673,288	(\$443,966)	\$6,793,807	\$7,346,575	(\$552,768)
Other Sales Revenue:						
Power Sales	84,085	152,877	(68,792)	188,664	305,753	(117,090)
MRF Sales & CRV Revenue	1,141,207	907,918	233,289	2,053,488	1,815,836	237,653
Other Sales	97,795	92,151	5,645	190,965	184,301	6,664
Total Other Sales Revenue	1,323,087	1,152,945	170,142	2,433,117	2,305,890	127,227
* Total Operating Revenues *	4,729,259	4,826,233	(96,974)	9,226,924	9,652,466	(425,542)
* Operating Expenses *						
Employment Expenses	1,648,858	1,749,441	(100,583)	3,410,251	3,498,883	(88,631)
Non-Employment Expenses:						
Amortization & Depreciation	530,813	518,750	12,063	1,059,665	1,037,500	22,165
Closure/Post Closure Costs	60,645	37,500	23,145	120,464	75,000	45,464
Outside Services	107,653	109,833	(2,181)	204,829	219,667	(14,838)
Environmental Services	163,852	216,302	(52,450)	306,044	432,603	(126,559)
Gasoline, Oil & Fuel	169,256	155,667	13,589	311,647	311,333	314
Hazardous Waste Disposal	21,498	26,275	(4,777)	75,741	52,550	23,191
Insurance	132,846	133,333	(487)	264,824	266,667	(1,842)
Office Expense	47,208	53,326	(6,118)	105,695	106,652	(957)
Operating Supplies	379,412	125,500	253,912	532,833	250,999	281,833
Other Expense	598	5,621	(5,023)	6,455	11,242	(4,786)
Professional Services	40,604	115,820	(75,216)	97,745	231,640	(133,896)
Public Awareness	18,442	42,042	(23,600)	25,672	84,083	(58,411)
Recycling Services	328,380	346,106	(17,726)	627,441	692,212	(64,771)
Repairs & Maintenance	369,467	269,550	99,917	518,827	539,100	(20,273)
Safety Equip/Supplies/Training	23,603	24,854	(1,251)	46,134	49,708	(3,575)
Taxes & Surcharges	10,107	124,250	(114,143)	120,232	248,500	(128,268)
Training/Meetings/Education	11,013	16,625	(5,612)	17,079	33,250	(16,171)
Utilities	15,070	17,783	(2,713)	30,501	35,567	(5,066)
Total Non-Employment Expenses:	2,430,466	2,339,137	91,329	4,471,828	4,678,273	(206,446)
* Total Operating Expenses *	4,079,324	4,088,578	(9,254)	7,882,079	8,177,156	(295,077)
** Operating Income (Loss) **	649,935	737,655	(87,720)	1,344,845	1,475,310	(130,465)
* Nonoperating Revenues (Expenses) *	44,303	(6,917)	51,220	103,730	(13,835)	117,565
*** Change in Net Position ***	\$694,238	\$730,738	(\$36,500)	\$1,448,575	\$1,461,475	(\$12,900)

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Net Position
as at August 31, 2024

Assets

Current Assets:

Cash and Short Term Investments	\$32,828,207
Accounts Receivable, net	4,687,334
Accrued Interest Receivable	175,910
Other Receivable	2,225,983
Prepaid Expenses	2,995,928
Total Current Assets	<u>42,913,363</u>

Non-Current Assets	7,081,880
--------------------	-----------

Restricted Assets:

Capital Reserve	3,513,000
Site Closure Fund	1,500,000
Environmental Impairment Fund	1,000,000
Total Restricted Assets	<u>6,013,000</u>

Fixed Assets:

Land	578,210
Facilities	40,738,428
Equipment	61,765,524
Module Development	29,898,416
Power Project	25,606,782
Less Total Accumulated Depreciation	<u>(63,470,799)</u>
Total Fixed Assets	95,116,560

Intangible Assets	22,703
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*** Total Assets ***	<u><u>\$151,147,506</u></u>
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$1,988,225
Accrued State/County Disposal Fee	99,723
Interest Payable Revenue Bonds	375,813
Accrued Vacation / Compensation Payable	542,200
Deferred Revenue	10,000
Sales/Use Tax Payable	1,717
Security Deposits/Gift Cert	50,267
Total Current Liabilities	<u>3,067,945</u>

Non-Current Liabilities:

Accrued Vacation/Comp Non-Current	655,582
Post Employment Health Benefit	3,568,198
Net Pension Liability	18,487,113
Deferred Inflows	102,328
Total Non-Current Liabilities	<u>22,813,221</u>

Long Term Debt	25,984,900
----------------	------------

*** Total Liabilities ***	<u>51,866,066</u>
---------------------------	-------------------

Net Position	99,281,440
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*** Total Liabilities and Net Position ***	<u><u>\$151,147,506</u></u>
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Monterey Regional Waste Management District
Summary of Investments as at August 31, 2024

Depository	Description of Security	Maturity	Interest	Dollar Amount	Market Value
			Rate/Yield		
State of California	Local Agency Investment Fund (LAIF)	Immediate	4.516%	<u>\$ 23,650,032.11</u>	<u>\$ 23,650,032.11</u>

MEMO



Item #: 8.b

Meeting Date: September 20, 2024

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

Subject: Report on Technical Advisory Committee (TAC) July 10, 2024 Meeting

Recommendation

Information only.

Background

The Technical Advisory Committee (TAC) is a staff working group comprised of at least one representative from each member jurisdiction ReGen Monterey serves; the three franchise haulers who serve them; and ReGen Monterey staff. The TAC was initially formed to better coordinate ReGen Monterey 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 ReGen Monterey Board and/or their elected bodies to take action.

Discussion

The TAC met on Wednesday, July 10, 2024, in-person. Items discussed include:

1. **SB 1383 MOU Exhibit Approvals & MOU Billing** – ReGen Monterey
Communications staff gave an update on the status of member agency councils and boards approving amendments A and B of the SB 1383 MOU for FY 25. ReGen staff also reminded member agency staff of their twice-annual billing that was sent later that same month.
2. **CalRecycle Electronic Annual Report (EAR) Status Update** – ReGen Monterey
Communications staff provided an update on the status of compiling data and filing Electronic Annual Reports to CalRecycle on behalf of the member agencies. ReGen Monterey files EARs for eight of our nine member agencies (and supports the County of Monterey in filing theirs as it contains data from ReGen and Salinas Valley Recycles).
3. **Quarterly Report for GreenWaste Recovery by HF&H** – HF&H staff gave an overview presentation of GreenWaste's Q2 performance for the jurisdictions they serve.

Physical Address

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Salinas, CA 93908

Mailing Address

P.O. Box 1670
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Phone / Fax

831-384-5313 PHONE
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Web / Social

ReGenMonterey.org
@ReGenMonterey

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4. **GreenWaste Contract Compliance Checklist by HF&H** – HF&H staff gave a presentation to member agencies regarding a new reporting template that they are implementing for GreenWaste to use. The new reporting template will ensure all reports include necessary information in an organized and easy-to-read fashion, per their contract.

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.

//

Presentation



Item #: 8.c

Meeting Date: September 20, 2024

To: Board of Directors
From: Anthony Martin, Safety Manager
Approved by: Felipe Melchor, General Manager

Subject: FY 2024 Safety Board Presentation

**RECOMMENDATION
Information Only**

//

Physical Address

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Salinas, CA 93908

Mailing Address

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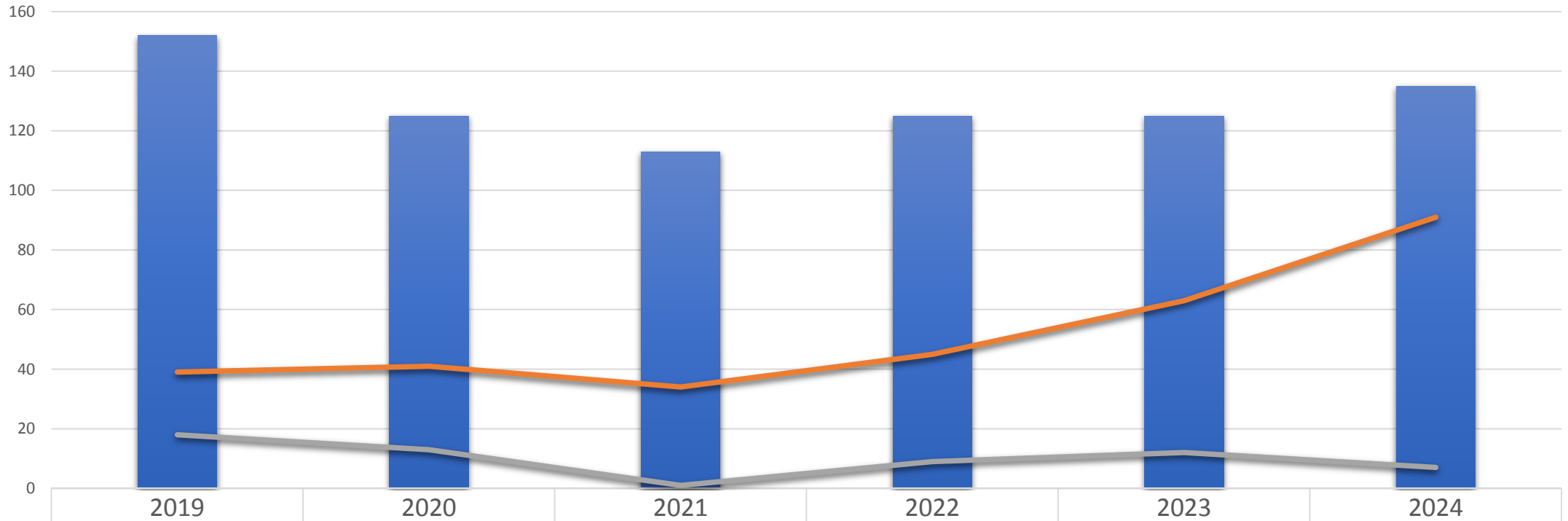
Board of Directors
September 20, 2024

Safety Review

Presented by
Safety Manager, Anthony Martin

Safety Lagging Indicators

Injury/Illness Incidents vs OSHA Recordable Incidents



Employees	152	125	113	125	125	135
All Incidents	39	41	34	45	63	91
OSHA Recordable	18	13	1	9	12	7

Safety Lagging Indicators

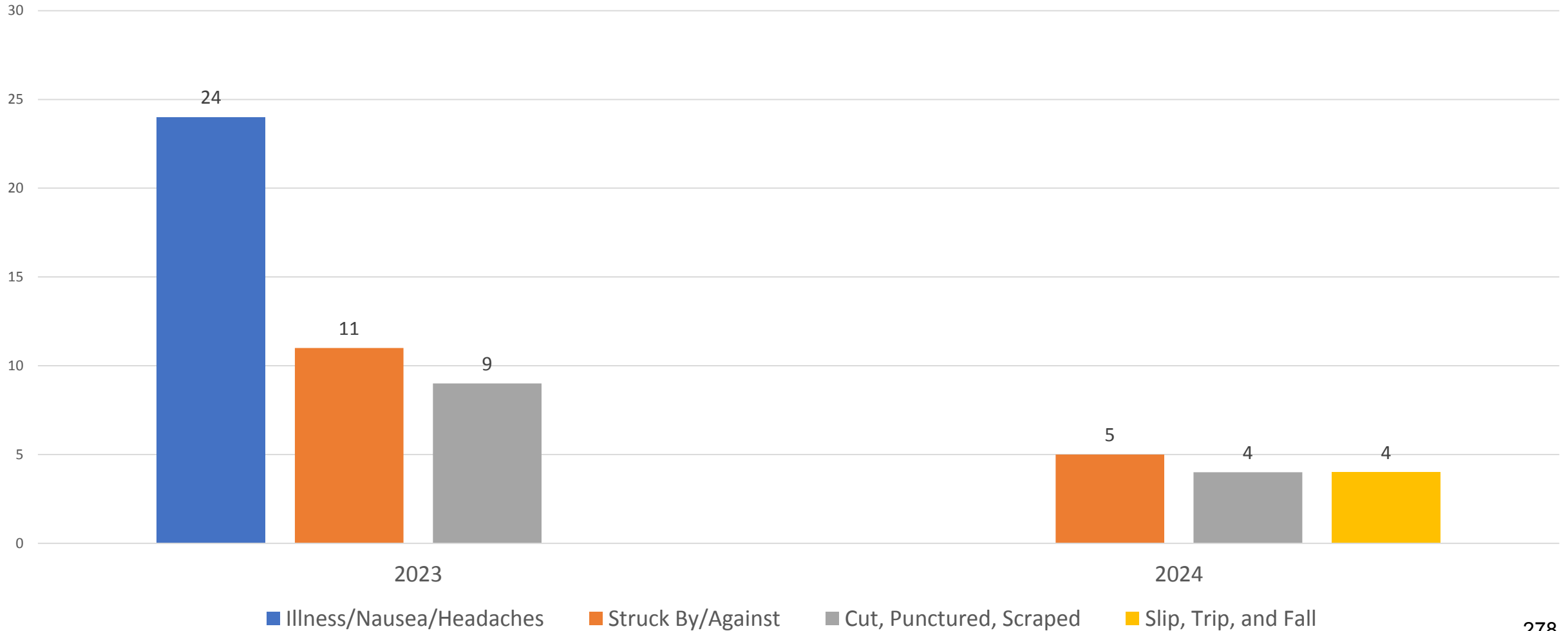
<i>As of 9/07/2024</i>	CY 2021	CY 2022	CY 2023	CY 2024
Experience Modification				84%
# of WC Claims	4	11	13	8
Total Paid	\$ 2,442	\$ 71,680	\$ 138,477	\$ 15,615*

SDRMA EMOD* Comparison

- ❖ ReGen Monterey 10-Year Avg = 1.47
- ❖ SDRMA Member 10-Year Avg = 1.1

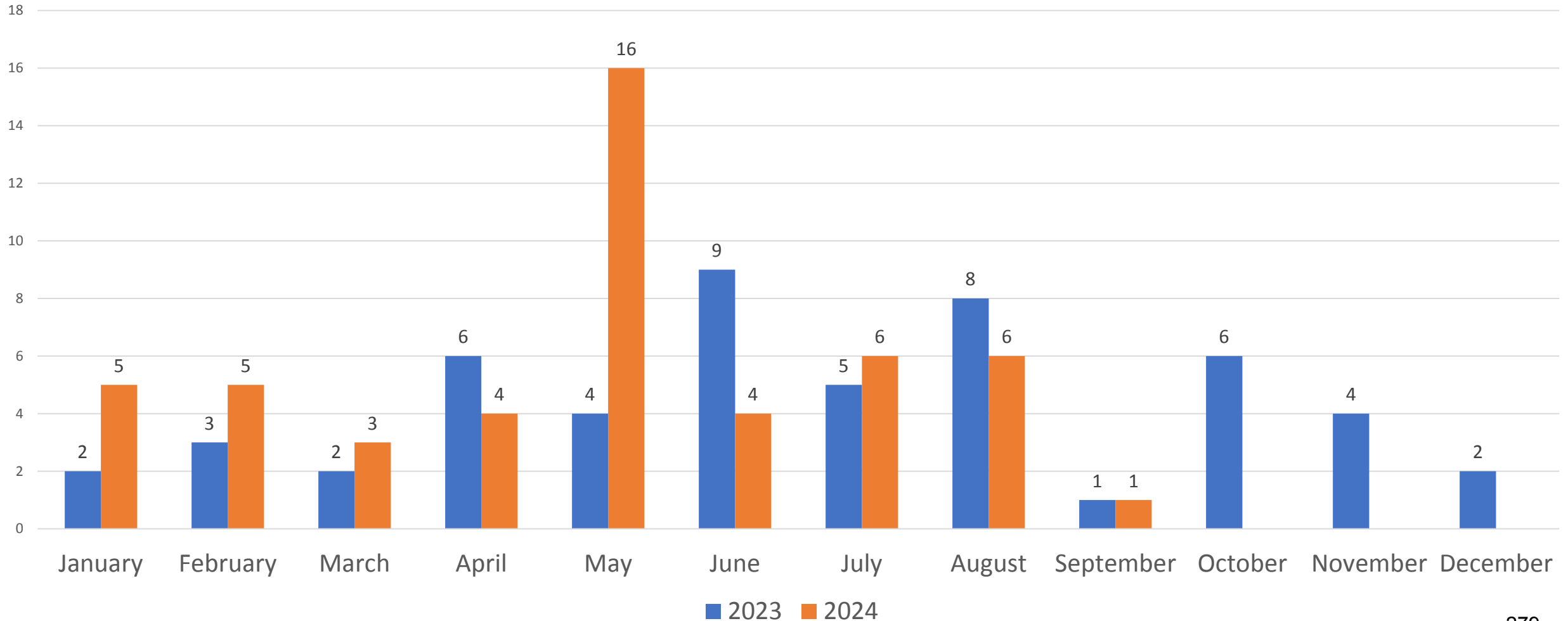
Safety Statistics - Injury Causes

2023 - 2024 Top 3 Injury Causes




Safety Statistics – Fires/Smokers

2023 - CY 2024 Fire/Smoker Incidents



Safety Improvements – SSP 1-10 & 1st Notification





1st Notification Team

Date/Time of Incident Occurrence:
XX/XX/XXXX / XX:XX

Brief Description of Incident:

Location:
Example: MRF, LF, Admin
Detailed Description:

Employee/Customer
Example: Customer

Injuries:
Y / N

Medical Response:
N/A / Declined / Fast Care

Incident POC (Point of Contact(s))

❖ SSP 1-10 Policy Edits

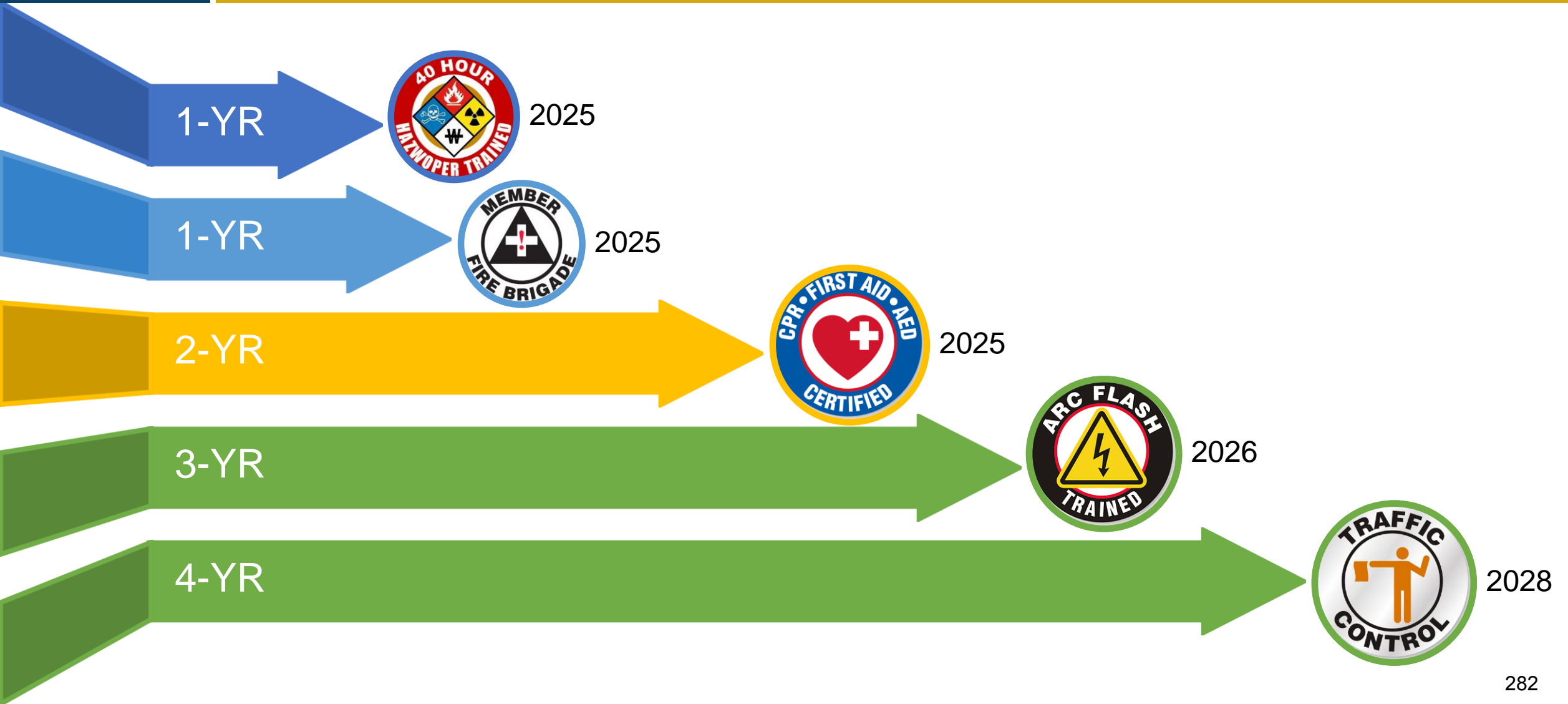
- Implemented a user-friendly investigation reporting system for Supervisors/Managers to more efficiently manage workplace injuries and illnesses.
- Ensures streamlined incident reporting with simplified forms and redefined root cause/corrective action categories for quick input.

❖ 1st Notification E-Form Process Improvement

- Automate tracking, follow-ups, and incident/audit trails are completed and documented timely and effectively.

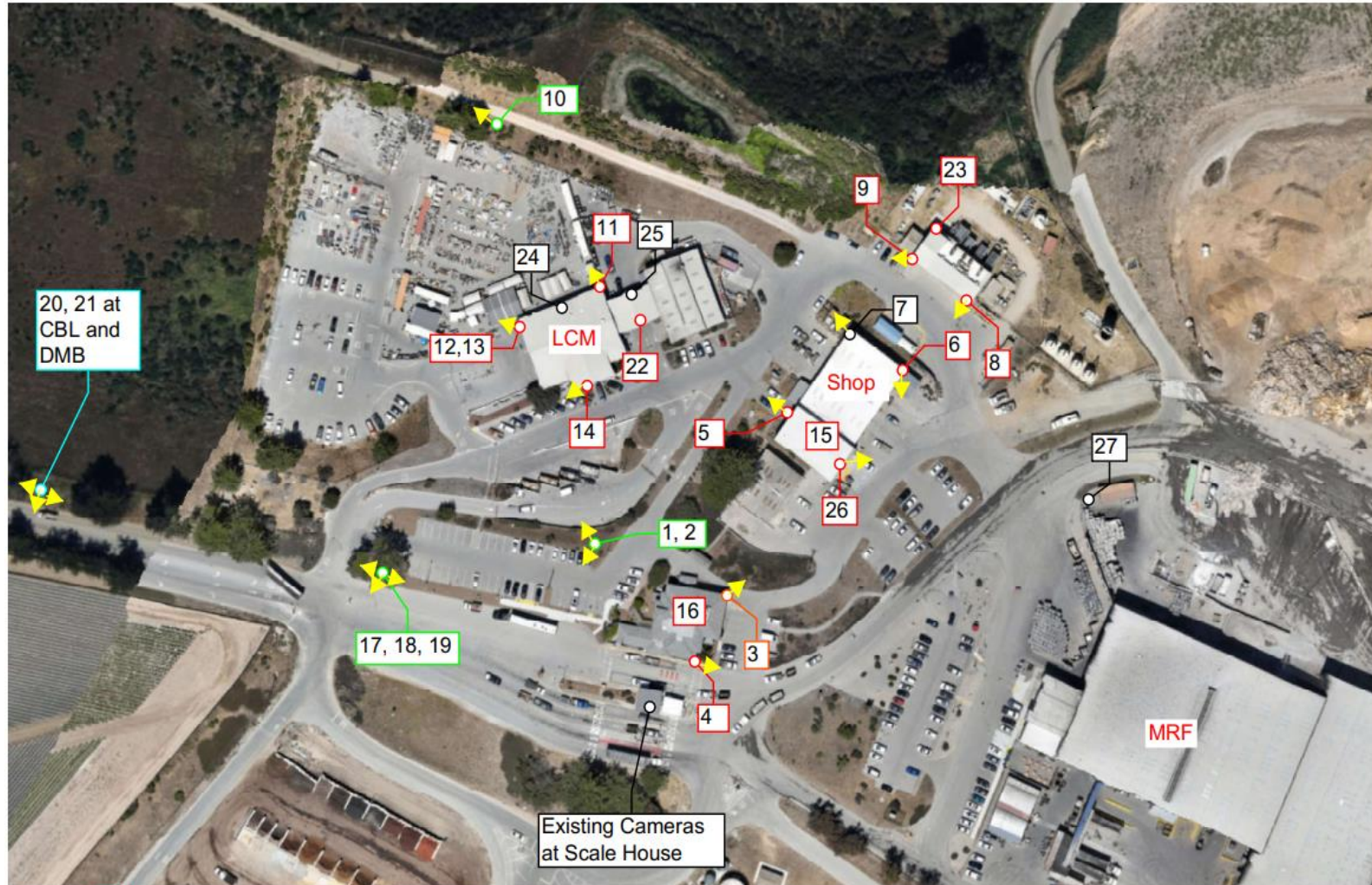


Safety Excellence





Site Security Incident Awareness & Future Improvements



[X] Phase 1 - Power and data readily (15 total)

[X] Phase 2 - Pole mounted, power and data not available (6 total)

[X] Phase 3 - Requires power and data and line of sight to accomplish (3 total)

[X] Future as needed (TBD total)



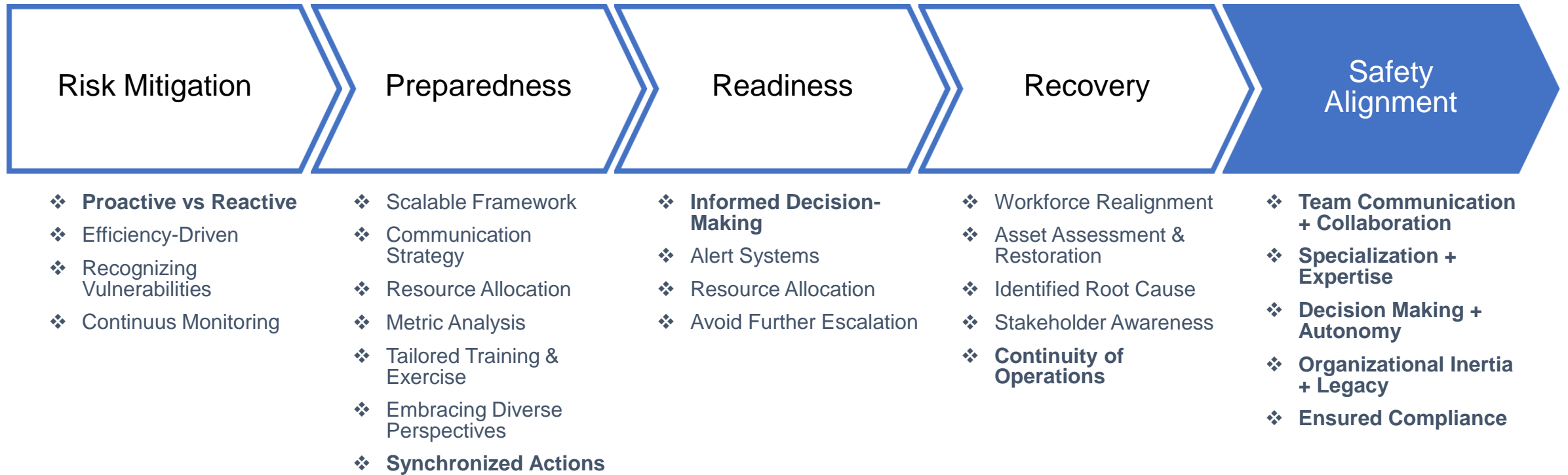
❖ Theft/Trespassing Awareness:

- ReGen Monterey (07/24-07/28):
3 separate incidents.
- Property Value: \$14,562.99
- ReGen Personnel Personal Property (07/24-07/31):
2 separate incidents.
- Property Value: \$4019.64
- Keith Day –Tennant (07/25):
1 Incident.
- Property Value: \$1430.00
- ReGen & LCM 08/25-(09/12):
2 separate trespassing incidents.
- Property Value: \$0.00

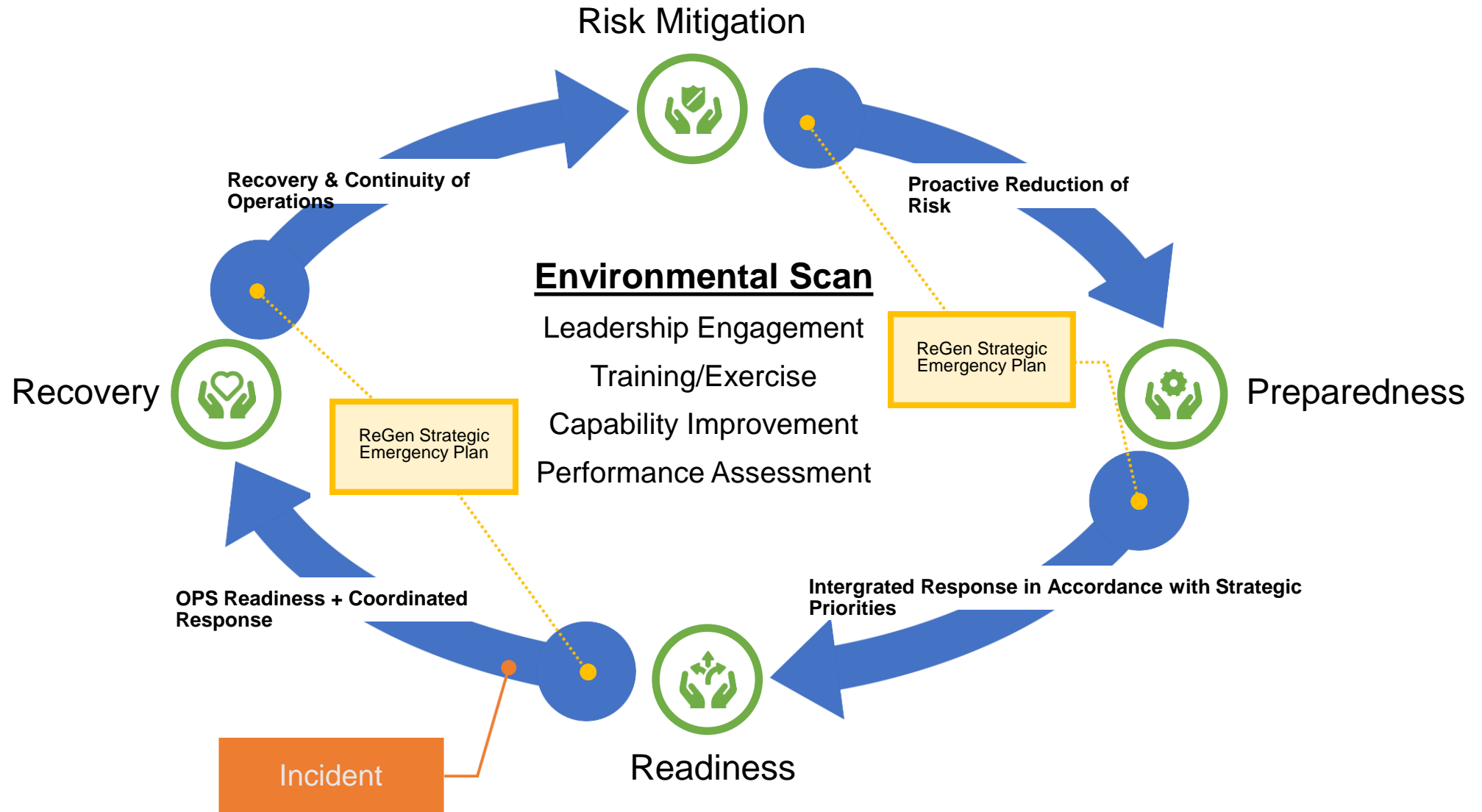
❖ 3-Phase Improvement Plan:

- **Phase 1:** Notified Local Authorities; Enforced additional assets controls; Acquired 3rd party overnight security contract (Sliver Point); Began install preparation for first wave of additional cameras.
- **Phase 2:** Evaluation improvements for fencing surrounding LCM & HWW; Begin install preparation for second wave security cameras.
- **Phase 3:** Begin Install for final wave of security cameras.

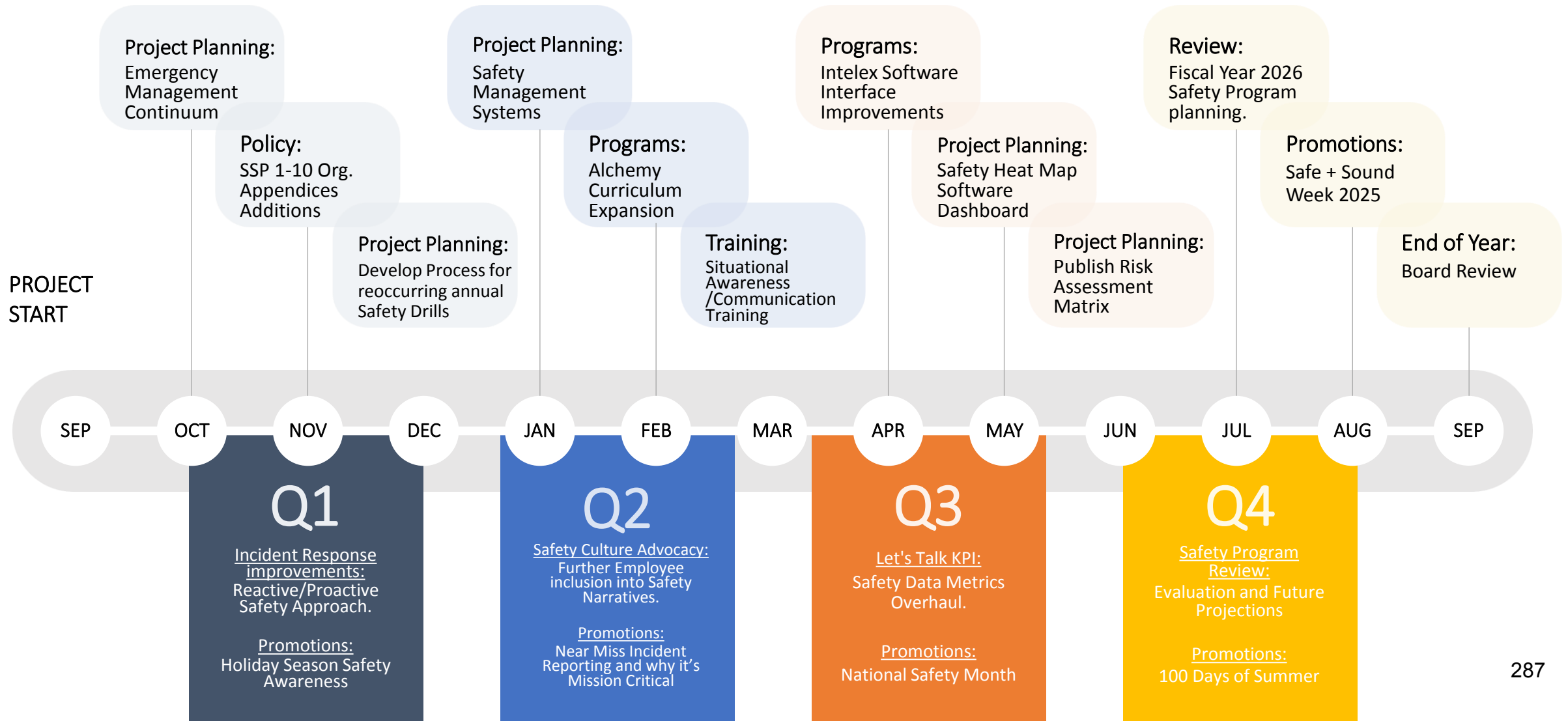
Incident Management Improvements



Emergency Management Continuum



2025 Quarthey Milestone Agenda – Safety Program





ReGen Monterey

14201 Del Monte Blvd.
Salinas, CA 93908
831-384-5313

ReGenMonterey.org
@ReGenMonterey

ReGen Monterey
is the public name of
Monterey Regional Waste
Management District

For more information, please contact:

Felipe Melchor
General Manager
fmelchor@ReGenMonterey.org

Meeting Date: September 20, 2024

- **West End** - ReGen Monterey team members attended the annual West End Celebration and engaged with over 1,500 attendees. We had a wonderful time educating the public about our recycling and composting programs and were able to encourage participation by handing out over 500 kitchen pails.

We also gave out 1,000 free stainless-steel cups for free water refills in collaboration with Disaster Kleenup Specialists. Additionally, partners including BrewBus Monterey, Other Brother Beer and Post No Bills were generous in offering \$1 discount on coffee and beer with one of our reusable cups. Thank you to these businesses for your generosity and commitment to sustainability at West End.

- **Engine #4 Repair** - ReGen Monterey's power plant produces five megawatts of electricity. Extracting landfill gas through wells and converting it into renewable energy, which powers all the operations. The plant features four generators, each driven by a landfill gas engine. Recently Jenbacher engine #4 spun a connecting rod bearing damaging, the crankshaft. Due to the number of hours on this engine, the recommendation is to replace the engine with a short block.
- **Clean California** - marks three years of progress.
 - 50,000 tires collected
 - 12,000 mattresses collected
 - 6 million cubic yards of litter collected- enough to cover 9 lanes of interstate 5 with an inch of trash from San Diego to Canadian Border
 - 18,000 jobs created
 - Launched in July of 2021 \$1.2 billion dollar initiative

These statistics are a reminder that people generate waste, and if people don't handle it properly (recycled, treatment facilities, or landfill disposal), their waste causes problems for the community and the environment.

- **CalRecycle and ReGen focus on battery risks during collection**- Great news - our social media and video campaigns about battery risk caught the attention of the communications team at CalRecycle. Last week, they asked to interview Felipe, Eric, and Zoe, we collected and sent video clips for them to create a series of social media posts. Thankfully, it looks like CalRecycle will be making a major push to decrease the disposal of batteries and e-waste in curbside carts through legislation and disposal programs. It's awesome that they saw ReGen Monterey take the initiative to implement a comprehensive communications campaign on this subject and wanted to feature us in their campaign.

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GENERAL MANAGER COMMUNICATIONS

