



Board of Directors

March 21, 2025

Rate Increase Proposal FY 2025-2026

Budget Timeline

March

- Discuss proposed fee changes for purpose of developing budget for FY 2025/26
- Authorize GM to send notification to haulers of projected fee increases for FY 2025/26 subject to final Board approval in May 2025

April

- Receive draft budget for FY 2025/26 and provide direction to staff
- Schedule public hearing for changes to fees

May

- Public hearing to consider changes to fees
- Approval of changes to fees effective July 1, 2025
- Adopt resolution to approve final budget

Summary

Requesting Rate Increase Guidance:

Seek Board's guidance for proposed fee changes for the purpose of developing the preliminary budget for FY 2025/2026 for review by the Board next month

- **Increase Municipal Solid Waste (MSW) and Construction & Demolition fee from \$77/ton to \$81/ton (~ 5.2%)**
- **Increase Single-Stream Recycling fee from \$40/ton to \$41/ton (~2.1%)**
- Increase processing fees by CPI of for the following:
 - **Commercial Organics (food scraps) from \$67/ton to \$69/ton (~4.3%)**
 - **Residential Organics (clean wood, residential yard trimmings & food scraps) from \$47/ton to \$49/ton (~3.0%)**

(No change to minimum charges from FY2024/2025 fee schedule.)

Proposed Rate Changes

Proposed Disposal Fee Increases to be Effective July 1, 2025

Material	Current Rate	Proposed New Rate	% Increase	Projected Revenue Increase
Solid Waste	\$77.00	\$81.00	5.2%	
Construction and Demolition Debris	\$77.00	\$81.00	5.2%	
Clean Wood	\$47.00	\$49.00	4.3%	
Residential Organics (Yard Trimmings & Food Scraps)	\$47.00	\$49.00	4.3%	
Commercial Organics (Food Scraps)	\$67.00	\$69.00	3.0%	

* All fees are on a per ton basis

Rate Increase Considerations

Operations:

- Fund accelerated payment of \$19M CalPERS Unfunded Actuarial Liability
- Increasing cost of capital expenditures
- 5-year labor MOUs and higher cost of employment
- FY 2025/2026 inflation
- Continue path to fund reserves
- Keep pace with cost of ongoing regulatory mandates

Revenues:

- Future outlook to FY 2036
- Volatile recycle materials market

Revenue Target Pros

- **Financial independence** from out-of-district contracts
- **Preservation of landfill life** for future generations
- Steady rate increases over 11-year period will mean **less drastic long-term impact**
- Plan **allows for year-to-year flexibility** with each budget adoption
- Revenue built within the 11-year period can **help fund infrastructure maintenance that would otherwise cost more in the future or new projects with a return on investment**
- **Ability to negotiate favorable contracts**

Revenue Target Cons

- Incremental **increases above CPI**
- Potential **higher per ton rate than neighboring landfills**
- **Moving from lower quartile to market rates**

Proposed Rate Changes

Single-Stream Recycling Processing (MRF) rates:

Hauler	Current Rate	Proposed Rate @ 3.0%	Date of Last Increase
GreenWaste Recovery Monterey Peninsula	\$40.00	\$41.00	N/A
Republic Services of Salinas	\$40.00	\$41.00	7/1/2024
Waste Management	\$40.00	\$41.00	7/1/2024
Recology South Valley	\$40.00	\$41.00	7/1/2024
City of Watsonville	\$40.00	\$41.00	7/1/2024

ReGen Fee Increase Impact – Varies by Jurisdiction based on City Rate Setting Policies

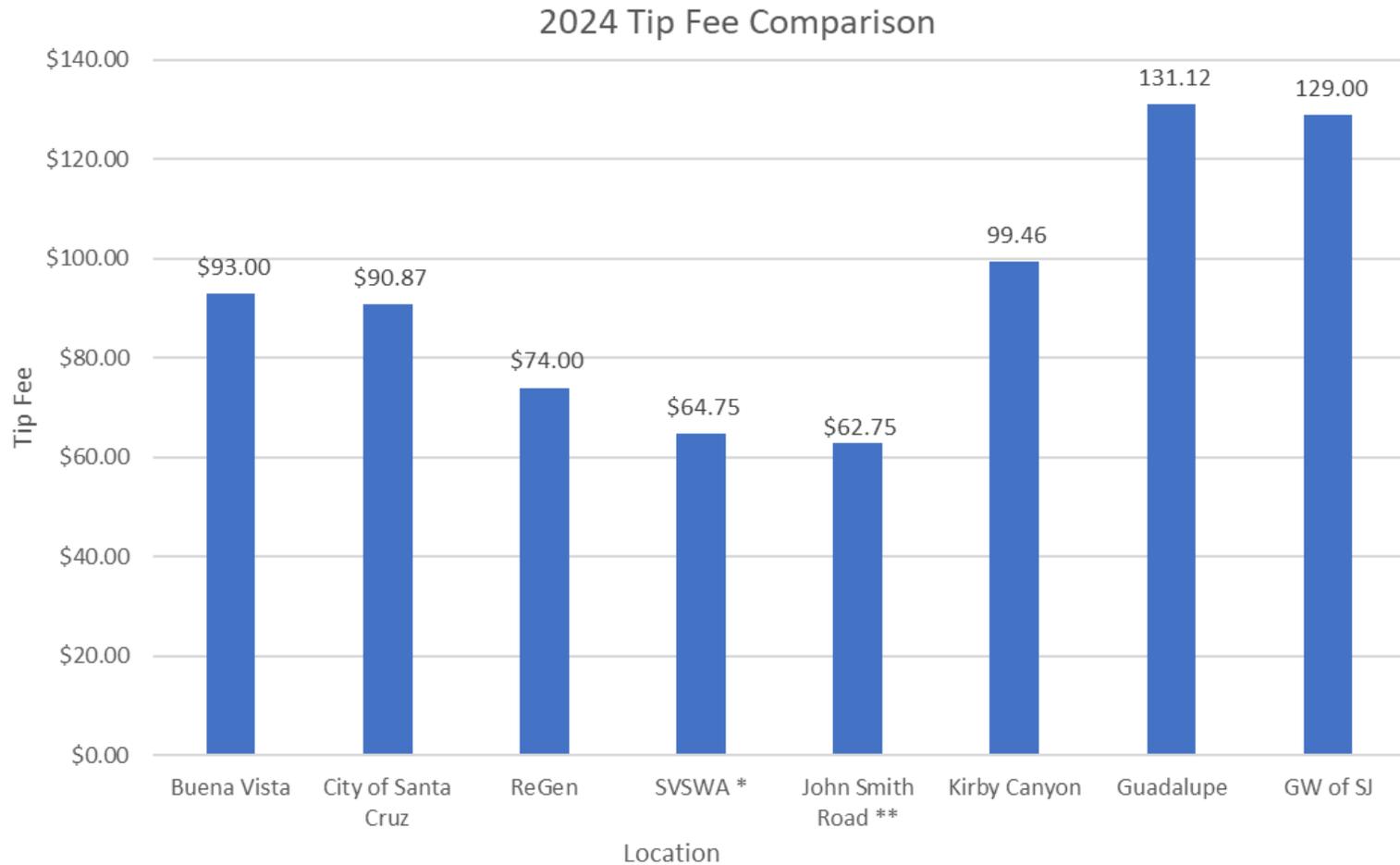
Impact by Jurisdiction – All Increases

\$ increase per month of service – attributable to ReGen increase only

	RESIDENTIAL	COMMERCIAL
	30-35 Gallon	1 Cubic Yard 1/wk
Carmel by the Sea	\$ 0.31	\$ 1.69
Del Rey Oaks	\$ 0.31	\$ 1.91
Marina	\$ 0.23	\$ 1.34
Pacific Grove	\$ 0.29	\$ 1.17
Pebble Beach CSD	\$ 0.27	\$ 0.98
Sand City *	\$ 0.19	\$ 0.88
Seaside	\$ 0.30	\$ 1.27

*Sand City 32-gallon rate is not available. 64-gallon rate is shown.

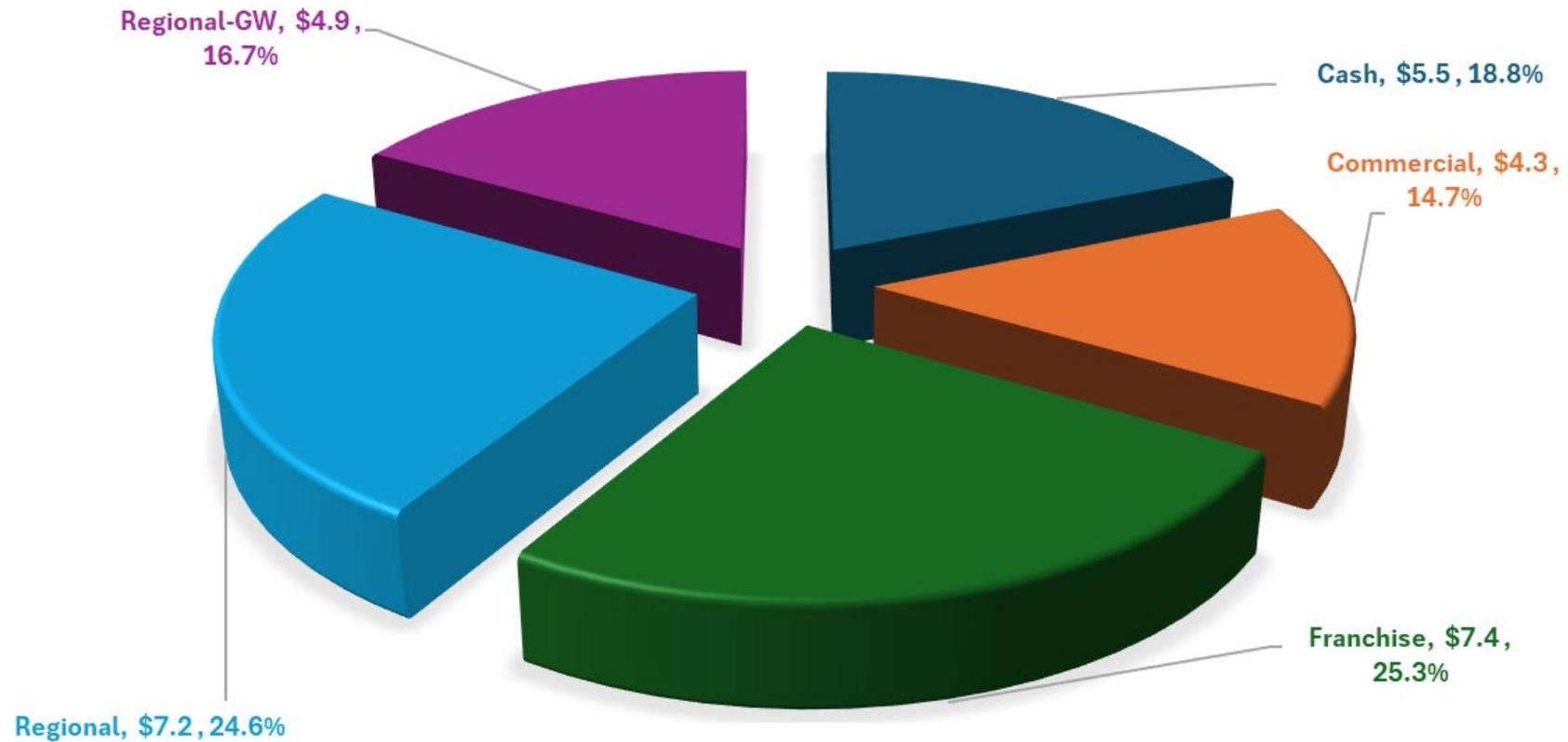
Regional Tip Fee Comparison



* Does not include the Transportation Fee nor the AB939 Fee also charged to the Member Agencies.

** 15-year remaining life, seeking 100-acre landfill expansion

MSW Revenue July 2024 – February 2025



In \$1M



ReGen Monterey

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

**For more information, please
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Revenue Target Model

Fiscal 2024 GW -SJ MSW Revenue

\$ 8,877,499.00

Year	Fee Revenue	3.5% CPI Revenue		5.5% Target	
		3.5% CPI Revenue	Disposal Fee	Revenue	Disposal Fee
F24	\$ -		-		
F25	\$ -	\$ -	77.00		
F26	\$ 10,090,917	\$ 10,484,069	80.00	10,615,120	81.00
F27	\$ 10,693,751	\$ 11,094,766	83.00	11,362,110	85.00
F28	\$ 11,316,662	\$ 11,725,697	86.00	12,271,079	90.00
F29	\$ 11,960,211	\$ 12,377,428	89.00	13,211,861	95.00
F30	\$ 12,624,977	\$ 13,050,538	92.00	14,185,367	100.00
F31	\$ 13,311,548	\$ 13,745,621	95.00	15,337,219	106.00
F32	\$ 14,020,533	\$ 14,463,287	98.00	16,529,471	112.00
F33	\$ 14,752,553	\$ 15,204,161	101.00	17,763,278	118.00
F34	\$ 15,508,244	\$ 16,122,432	105.00	19,039,825	124.00
F35	\$ 16,444,881	\$ 17,071,353	109.00	20,516,947	131.00
F36	\$ 17,412,780	\$ 18,051,781	113.00	22,045,538	138.00

Note: Assumption includes a 2% per annum growth of tonnage excluding tonnage from Green Waste San Jose

Revenue Target Model

Fiscal 2024 C&D Revenue

\$ 6,705,923

Year	Fee Revenue	3.5% CPI Revenue	Disposal Fee	5.5% Target	
				Revenue	Disposal Fee
F24	\$ -		-		
F25	\$ -	\$ -	77.00		
F26	\$ 6,830,407	\$ 7,096,527	80.00	7,185,233	81.00
F27	\$ 7,238,457	\$ 7,509,899	83.00	7,690,861	85.00
F28	\$ 7,660,097	\$ 7,936,968	86.00	8,306,130	90.00
F29	\$ 8,095,708	\$ 8,378,116	89.00	8,942,933	95.00
F30	\$ 8,545,679	\$ 8,833,735	92.00	9,601,886	100.00
F31	\$ 9,010,410	\$ 9,304,228	95.00	10,381,559	106.00
F32	\$ 9,490,312	\$ 9,790,006	98.00	11,188,578	112.00
F33	\$ 9,985,806	\$ 10,291,494	101.00	12,023,726	118.00
F34	\$ 10,497,324	\$ 10,913,060	105.00	12,887,804	124.00
F35	\$ 11,131,321	\$ 11,555,371	109.00	13,887,648	131.00
F36	\$ 11,786,479	\$ 12,219,010	113.00	14,922,331	138.00

Note: Assumption includes a 2% per annum growth of tonnage

Revenue Target Model

Fiscal 2024 Residential Organics

\$ 4,011,885

Year	Fee Revenue	3.5% CPI Revenue	Disposal Fee
F24	\$ -		
F25	\$ -	\$ -	47.00
F26	\$ 4,171,263	\$ 4,348,764	49.00
F27	\$ 4,435,739	\$ 4,616,790	51.00
F28	\$ 4,709,125	\$ 4,893,797	53.00
F29	\$ 4,991,673	\$ 5,180,038	55.00
F30	\$ 5,283,639	\$ 5,475,771	57.00
F31	\$ 5,585,286	\$ 5,781,261	59.00
F32	\$ 5,896,887	\$ 6,096,781	61.00
F33	\$ 6,218,717	\$ 6,422,609	63.00
F34	\$ 6,551,061	\$ 6,759,032	65.00
F35	\$ 6,894,212	\$ 7,106,342	67.00
F36	\$ 7,248,469	\$ 7,464,841	69.00

Note: Assumption includes a 2% per annum growth of tonnage

Revenue Target Model

Fiscal 2024 Commercial Organics		\$ 495,784	
Year	Fee Revenue	3.5% CPI Revenue	Disposal Fee
F24	\$ -	\$ -	
F25	\$ -	\$ -	67.00
F26	\$ 539,949	\$ 556,067	69.00
F27	\$ 567,188	\$ 583,628	71.00
F28	\$ 595,301	\$ 612,070	73.00
F29	\$ 624,311	\$ 649,968	76.00
F30	\$ 662,967	\$ 689,137	79.00
F31	\$ 702,920	\$ 729,613	82.00
F32	\$ 744,205	\$ 771,432	85.00
F33	\$ 786,861	\$ 814,632	88.00
F34	\$ 830,925	\$ 859,252	91.00
F35	\$ 876,437	\$ 905,331	94.00
F36	\$ 923,437	\$ 952,909	97.00

Note: Assumption includes a 2% per annum growth of tonnage

Revenue Target Model

Fiscal 2024 Single-Stream Recycling \$ **2,316,123**

Year	Fee Revenue	3.5% CPI Revenue	Disposal Fee
F24	\$ -	\$ -	
F25	\$ -	\$ -	40.00
F26	\$ 2,492,264	\$ 2,554,571	41.00
F27	\$ 2,605,662	\$ 2,669,215	42.00
F28	\$ 2,722,600	\$ 2,787,423	43.00
F29	\$ 2,843,172	\$ 2,975,412	45.00
F30	\$ 3,034,921	\$ 3,169,806	47.00
F31	\$ 3,233,202	\$ 3,370,785	49.00
F32	\$ 3,438,201	\$ 3,578,536	51.00
F33	\$ 3,650,106	\$ 3,793,248	53.00
F34	\$ 3,869,113	\$ 4,015,117	55.00
F35	\$ 4,095,419	\$ 4,244,344	57.00
F36	\$ 4,329,230	\$ 4,481,133	59.00

Note: Assumption includes a 2% per annum growth of tonnage