



Agenda Report

MEETING DATE: Tuesday, May 25, 2021

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR PALMISANO
Gabriel Gordo, Public Works Administrative Services Manager

SUBJECT: AUTHORIZING ADDITIONAL FUNDS FOR THE SOLID WASTE FUND
TO MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
CONTRACT

STATEMENT OF ISSUES:

Authorizing additional funds to the Monterey Regional Waste Management District Contract (Contract #996)

RECOMMENDED ACTION:

It is recommended that the City Council approve a change order authorizing:

1. An additional \$450,000 to the Monterey Regional Waste Management District contract for the remaining 2020-2021 fiscal year and,
2. Authorizing \$2,000,000 for the same contract for FY 2021-2122.

DISCUSSION:

On August 25, 2020 the City Council approved a contract with Monterey Regional Waste Management District (MRWMD) for the continued disposal services. With the closing of the City landfill, all of the City's waste is now being hauled to MRWMD. The City and MRWMD have had an agreement for solid waste disposal since 2007 and the City has been sending smaller amounts of waste to that facility over many years

The contract established per ton fees for municipal waste, food waste, and recycling processing costs. For FY 2020-2021, The Department estimated annual solid waste utility enterprise disposal charges at \$1.7M based annual average disposal rates over the last few years.

However, contract processing was delayed due to Covid-19 and invoices totaling \$305,150 from fiscal year 2019-2020 were paid in the current fiscal year. Total invoices paid in the current year equals \$1,335,291. As a result, annual contract funds for fiscal year 2020-2021 are not sufficient to cover the cost of the remaining months in the current fiscal year, and additional funds are needed.

Additionally, it is necessary to adjust the contract appropriation for FY 2021-2022 in order to ensure sufficient funds are available. The Solid Waste Enterprise Utility is requesting an authorization of \$2,000,000 for FY 2021-2022. The City produces approximately 47,000 tons of waste per year, and the disposal fee for waste in FY 2021-22 with an annual disposal cost to approximately \$1,733,000. The City produces an average of about 5,500 tons of recyclable materials per year with an estimated cost of \$260,000.

There is no need to modify the MRWMD contract with an additive change order since the MRWMD contract already provides that MRWMD will take all of the City's waste if the City pays the specified per ton rate.

STRATEGIC PLAN:

Proper disposal of wastes is consistent with Goal 03-Infrastructure & Environment in the City's Strategic Plan.

FINANCIAL IMPACT:

Annual waste disposal and recycling costs are paid from the Solid Waste Enterprise Fund, under account 740-570-7361-0000. There is adequate funding to support these costs.

ALTERNATIVE ACTION:

No reasonable alternatives are known at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1) Monterey Regional Waste Management District Contract – Resolution 145-20