



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by WML Date 11/8/07
General Manager

DATE: November 8, 2007
TO: General Manager
FROM: Assistant General Manager
SUBJECT: Acceptance of Regional Waste for Disposal from the City of Watsonville

RECOMMENDATION: That the Board of Directors take the following action: (1) Approve revisions to the Guiding Principles for Acceptance of Regional Waste, and (2) Approve the Waste Disposal Agreement for the acceptance of municipal solid waste from the City of Watsonville for disposal at the Monterey Peninsula Landfill (MPL).

BACKGROUND

District staff, as directed by the Board and pursuant to the short fall of revenue from decreased incoming waste tonnages, has undertaken discussions with neighboring jurisdictions regarding the utilization of the MPL for waste disposal, and the site for other potential waste processing options. These jurisdictions are the County of Santa Cruz, the Salinas Valley Solid Waste Authority (SVSWA), and the City of Watsonville. The MPL has a permitted remaining waste capacity of approximately 40,000,000 tons. With the contractual commitment in place with the County of Santa Cruz (even with the potential fully committed annual tonnage of approximately 100,000 tons per year), the MPL has a reserve capacity of over 37,000,000 tons, representing well over 75 years of capacity at the present fill rate. Exercising the full disposal options with all of the aforementioned jurisdictions would not violate the District's current 75-year disposal reserve policy, established in the "Guiding Principles for Acceptance of Regional Waste".

DISCUSSION

The City of Watsonville currently owns and operates its own permitted landfill. Their current landfill module has about six to seven years of capacity left. The development of a new module will cost the city several million dollars. Watsonville staff recently entered into discussions with the District as a means of deferring the cost of this new module and extending the life of the present module. The City of Watsonville generates approximately 30,000 tons per year of waste and would deliver between 10,000 and 30,000 tons per year of waste for disposal. This tonnage would represent between \$270,000 and \$810,000 in gross revenue to the District on an annual basis.

On October 9, 2007, the City of Watsonville city council approved a draft agreement for the delivery of waste to the MPL. On October 29th, the District received an approved and signed copy of the same basic Waste Disposal Agreement approved by the Board in 2007 for the acceptance of the County of Santa Cruz's waste. The initial waste delivery would be about 10,000 tons per year and could potentially increase from there. The projected delivery of waste from Watsonville, even with the delivery of the full amount of their waste stream (which is not anticipated) would amount to approximately 900,000 tons over 30 years. This represents 2.3% of the currently permitted remaining waste capacity of the MPL. The acceptance of 900,000 tons over 30 years would still leave the District with permitted capacity that exceeds the 75 years identified in the "Guiding Principles". Watsonville has a current waste diversion rate of between 66-73% and anticipates developing additional recycling programs either on their own or in conjunction with the District.

Staff has reviewed the Agreement approved by Watsonville and finds it complete and basically identical to the Agreement approved by the Board for the County of Santa Cruz. Staff has transmitted the Agreement to Counsel's office and anticipates receiving the reviewed agreement approved by the City of Watsonville back from Counsel's office within the next few days. The District's environmental review for the delivery of regional waste has already covered delivery of waste volumes beyond this amount; therefore staff anticipates that no additional environmental review is required. One distinction that should be noted is that the City of Watsonville will primarily deliver waste to the MPL via large capacity packer trucks which hold up to 10-12 tons per load, as opposed to transfer trailer style trucks which carry about 14-18 tons per load. As stated above, the environmental review pertaining to noise, dust, traffic and other impacts covers a traffic count of up to 2,000 vehicles per day. Staff projects about 4 to 10 additional vehicles per day from the Agreement. This additional amount of truck loads per day would not warrant further environmental review beyond that which covered the District's permit revision in FY 2005/2006. Watsonville would be restricted on its hours of delivery to allow for no trips after 4:00 p.m. to be made to the MPL.

GUIDING PRINCIPLES FOR ACCEPTANCE OF REGIONAL WASTE

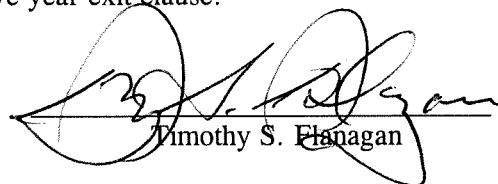
It should be noted that this Agreement meets all of the conditions set forth in the "Guiding Principles for Acceptance of Regional Waste", dated September 16, 2005, with the exception of Principle #9 which speaks to the type of delivery vehicle. Staff recommends that the Board adopt the revised "Guiding Principles" (copy attached) that would allow regional waste to be transported to the MPL by both transfer trailers and waste collection packer trucks. This change would have no adverse impact on the District's operations, and would negate the need for regional waste to be processed through a transfer facility, a step that is not cost-effective for relatively short haul distances. Staff would further recommend that the environmental review and the Negative Declaration received with the permit revision approved by the state in 2005 would be the guiding document related to traffic and other environmental conditions resulting from the acceptance of regional waste in the future.

STRATEGIC PLANNING IMPACT

- A1b: Evaluate fiscal impacts of programs.
- A3a: Evaluate effectiveness and efficiency of existing District operations.
- B: **Evaluate and Develop Strategic Partnerships.**

CONCLUSION

It is therefore recommended that the Board take the following actions: (1) Adopt the revised Guiding Principles for Acceptance of Regional Waste, and (2) Approve the Waste Disposal Agreement between the City of Watsonville and the Monterey Regional Waste Management District for the acceptance of municipal solid waste for disposal at the MPL for up to thirty years, with the stated five year exit clause.


Timothy S. Flanagan

Attachment

GUIDING PRINCIPLES FOR ACCEPTANCE OF REGIONAL WASTE

**September 16, 2005
(Rev. 11/16/07)**

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.

Guiding Principles for Acceptance of Regional (Out-Of-District) Waste

1. Regional waste received will be from public agencies only, by written agreement.
2. The primary need of the public agency will be for short to intermediate-term landfill space while they work to find a long-term solution to their solid waste disposal needs.
3. The sale of the MRWMD excess landfill capacity will be subject to a contract approved by the MRWMD Board of Directors.
4. 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.
5. The regional waste brought to the MRWMD will have been subject to recycling and diversion programs acceptable to meet the State-mandated diversion goals.
6. The MRWMD will have the ability to shorten the contract term should the public agency not demonstrate adequate progress in meeting its long-term solution to solid waste disposal.
7. The acceptance of regional waste will utilize only MRWMD landfill operations and airspace. The regional waste will not require the use of any of the following MRWMD services: materials recovery facility, public recycling drop-off facility, Last Chance Mercantile reuse facility, household hazardous waste collection program, composting facility, and public awareness program.
8. The negotiated landfill disposal fee will include an escalation clause to compensate the MRWMD for future annual increases in costs.
9. The regional waste will be transported to the MRWMD in **either large transfer-trailer -type loads-trucks or waste collection packer trucks** to minimize the impact on public roads and maximize the efficiency of transportation and landfill operations.