



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by Wm Date 11/8/07
General Manager

DATE: October 8, 2007
 TO: General Manager
 FROM: Assistant General Manager
 SUBJECT: Authorization for Letter of Intent to Pursue Regional Discussions with Santa Cruz County and Salinas Valley Solid Waste Management Authority (SVSWA) related to the management of the Organic Portion of the Waste Stream

RECOMMENDATION: Authorize staff to pursue discussions directed towards the drafting of a Request for Proposals for a cooperative Regional Organics Processing Facility at the District for processing, composting, and marketing from the City of Watsonville, Santa Cruz County, and the SVSWA.

BACKGROUND

District staff, as directed by the Board and pursuant to the short fall of revenue from incoming tonnages, has undertaken discussions with neighboring jurisdictions regarding the utilization of the Monterey Peninsula Landfill (MPL) for disposal and the site for other waste processing options. These jurisdictions are the County of Santa Cruz, the SVSWA, and the City of Watsonville. District staff has had specific discussions regarding long-term processing and composting options with Santa Cruz County and the SVSWA.

DISCUSSION

As staff has briefed the Board previously, organic composting (green waste, food waste, and bio-solids), is particularly challenging due to the nature of the development of markets for the sale of the finished material, and the need for a sufficient volume of material to make a project economically feasible. The potential for the development of a joint project with the County, in conjunction with the disposal agreement already in place, is potentially very attractive to the District. The inclusion of the SVSWA tonnage and possibly the City of Watsonville tonnage would most likely make the program even more cost-effective and attractive to third party processors and/or composters if a decision is made to head in that direction. The joint project would make our composting programs financially more viable by reducing our operational costs by spreading our costs over additional tonnages, and by increasing revenues to the District. A combined operation would also allow for the development of stable markets as Santa Cruz County has indicated that they would request that the finished compost product would go back to them "completing the circle" through the utilization of the organic material generated.

The District has both the permits and the environmental review process in place to allow for a much shortened time frame for the County of Santa Cruz and the SVSWA to expand their recycling and composting activities in conjunction with District plans, permits and operations. SVSWA has transmitted their interest in the form of a Letter of Intent (attached) and the County of Santa Cruz is expected to follow suit at a subsequent Board of Supervisors meeting in the near future.

Staff anticipates, pending Board direction and approval, that a series of discussions with staff from the County of Santa Cruz and SVSWA would result in the development of a joint Request for Proposals (RFP) and bring back to the Board a recommendation for a pursuit of action sometime in the next few months. The respective staff would work on the development of a joint RFP and District staff would bring back to the Board any request for funding for the drafting of an RFP if costs in excess of \$10,000 are required. Staff will continue to brief the Board on the progress of the joint RFP development on an on-going and frequent basis.

STRATEGIC PLANNING IMPACT

A1b: Evaluate fiscal impacts of programs.

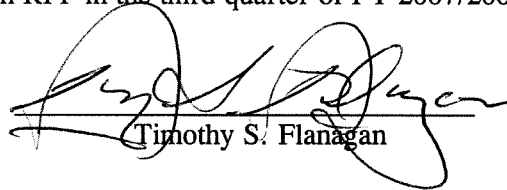
A3a: Evaluate effectiveness and efficiency of existing District operations.

B: Evaluate and Develop Strategic Partnerships.

B2b: Evaluate the creation of a partnership for long term organics management and composting.

CONCLUSION

Staff would request authorization for the transmittal of a Letter of Intent to develop a Long-Term Organics Management RFP for composting on the MPL with the County of Santa Cruz and the SVSWA. Staff anticipates bringing a recommendation for the release of an RFP in the third quarter of FY 2007/2008 for Board approval.



Timothy S. Flanagan

Attachment



"Promoting the environmental health of the Salinas Valley"

Date: 11/5/2007

Tim Flanagan, Assistant General Manager
Monterey Regional Waste Management District
14201 Del Monte Boulevard
Marina, California 93933

Mr. Flanagan:

At this morning's meeting with County of Santa Cruz and the Monterey Regional Waste Management District, you indicated there is a possibility of developing a regional organics program approach that could benefit both of our agencies since it appears the Monterey Regional Waste Management District has composting capabilities.

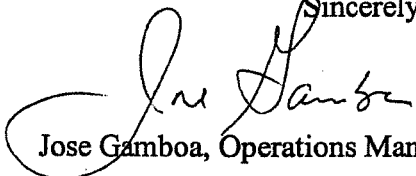
The Authority believes that the development of a more aggressive organics diversion program is essential in order to meet the 75% diversion goal by 2015 established by our Board of Directors, and has planned to develop an organics program in 2008. A Request for Qualifications has been drafted and is intended to be released in a few months.

The Authority is extremely interested, however, in joining with the Monterey Regional Waste Management District in pursuing the possibility of collaborating on an organics processing program at your Marina landfill facility and to evaluate the benefits that could be gained from this collaboration.

This letter, therefore, is to formally inform you of the Authority's interest to collaborate and jointly study the concept of a regional organics project.

I hope that you agree, and I look forward to the opportunity to work with you and the Monterey Regional Waste Management District on this important project. If you have any questions, please feel free to contact me at (831) 775-3006.

Sincerely,


Jose Gamboa, Operations Manager

Cc: Stephen Johnson, General Manager
Susan Warner, Diversion Manager

www.svswa.org

PO Box 2159, Salinas CA 93902-2159 • 128 Sun St. Suite 101, Salinas CA 93901
tel. (831) 775-3006 • fax (831) 755-1322