



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by Wmm Date 10/12/07  
General Manager

DATE: October 12, 2007  
TO: General Manager  
FROM: Assistant General Manager  
SUBJECT: Update on Acceptance of Regional Waste for Disposal and Processing

**RECOMMENDATION: No action is required.** This is a report to the Board on the status of the acceptance of municipal solid waste for disposal and processing from the City of Watsonville, Santa Cruz County, and the Salinas Valley Solid Waste Authority (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. 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 District has a reserve capacity of over 37,000,000 tons, representing well over 75 years of capacity at the present fill rate. Disposal options with all of the aforementioned jurisdictions would not impact the District's current guiding principle of a 75 year disposal reserve.

District staff has had discussions regarding long-term disposal options with the City of Watsonville. Staff has had additional discussions with the County of Santa Cruz and the SVSWA regarding the potential for waste processing and recycling joint ventures. A brief summary of the discussions is included below.

### City of Watsonville

The City of Watsonville currently owns and operates its own permitted landfill. Their current landfill operation has about six to seven years of capacity left in its current module. 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 \$800,000 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. The initial waste delivery would be about 10,000 tons per year and potentially increase from there. This agreement is the same basic agreement as the District's agreement with the County of Santa Cruz. Watsonville has a current waste diversion rate of between 66-73%. Staff anticipates receiving the draft agreement approved by the City of Watsonville 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. Staff would anticipate bringing a final agreement with the City of Watsonville to the Board for approval at the November or December meeting.

### County of Santa Cruz

The County of Santa Cruz is in the process of identifying suitable areas within their county for the development of enhanced waste processing, composting, and recycling activities. Santa Cruz County staff has requested District staff to evaluate the potential for the acceptance of some regional waste for recycling and composting activities here at the District for both the short-term and the long-term. Of special interest to Santa Cruz County is the area of organic waste material for composting. 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 to expand their recycling and composting activities in conjunction with District plans, permits and operations.

As staff has briefed the Board previously, organic composting (green waste, food waste, 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 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. Staff anticipates a series of further discussions with staff from the County of Santa Cruz and would hope to bring back to the Board a recommendation for a pursuit of action sometime in the next several months.

On the matter of biosolids processing, a meeting has been scheduled for November 15<sup>th</sup> between General Managers of the Monterey Regional Water Pollution Control Agency (MRWPCA), the Carmel Area Wastewater District (CAWD) and the District to discuss biosolids management. The CAWD General Manager requested to be included in the already planned biosolids meeting. It would seem appropriate to convene the Interagency Committee (between Agency and the District), which includes Board members, following the meeting of the General Managers.

### Salinas Valley Solid Waste Authority

District and SVSWA staffs have begun preliminary discussions regarding the potential for processing recyclable material from the SVSWA service area. The same joint approach concept that makes sense for the County of Santa Cruz from an environmental and financial standpoint would seem on the surface to make sense for the SVSWA. Initial discussions will be taking place over the next several weeks. No specific timeframes

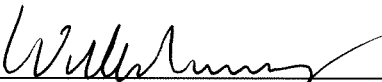
or dates have been set or discussed. As far as waste disposal potential goes, the SVSWA has expressed no interest in delivering waste to the MPL for disposal. The Crazy Horse Landfill is scheduled to close in 2009. The SVSWA's ten-year contractual agreement with Norcal for disposal of waste from southern Santa Clara County terminates in 2013.

### **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 biosolids (organics) management.

### **CONCLUSION**

No specific action is required of the Board at this point in time. Staff anticipates bringing a disposal agreement with the City of Watsonville back to the Board in November or December.

  
for Timothy S. Flanagan