



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: RES 20-136, **Version:** 1

Adopt a resolution to:

- a. Approve the Memorandum of Understanding by and between the Salinas Valley Solid Waste Authority and the County of Monterey regarding the Litter Abatement Program for a period concluding June 30, 2021, for an amount not to exceed \$100,000;
- b. Approve the Memorandum of Understanding by and between the Monterey Regional Waste Management District and the County of Monterey regarding the Litter Abatement Program for a period concluding June 30, 2021, for an amount not to exceed \$25,000;
- c. Authorize the Resource Management Agency Director or Director's designee to execute the Memorandums of Understanding; and
- d. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2020-21 Adopted Budget, General Fund, Fund 001, Litter Control, Appropriation Unit RMA002, decreasing appropriations and estimated revenue by \$75,000 to accurately reflect MOU funding (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Approve the Memorandum of Understanding by and between Salinas Valley Solid Waste Authority and the County of Monterey regarding the Litter Abatement Program for a period concluding June 30, 2021, for an amount not to exceed \$100,000;
- b. Approve the Memorandum of Understanding by and between Monterey Regional Waste Management District and the County of Monterey regarding the Litter Abatement Program for a period concluding June 30, 2021, for an amount not to exceed \$25,000;
- c. Authorize the Resource Management Agency Director or Director's designee to execute the Memorandums of Understanding; and
- d. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2020-21 Adopted Budget, General Fund, Fund 001, Litter Control, Appropriation Unit RMA002, decreasing appropriations and estimated revenue by \$75,000 to accurately reflect MOU funding (4/5th vote required).

SUMMARY:

Monterey County operates a Litter Abatement Program (Program), which provides for the collection and disposal of litter, debris, and hazardous materials dumped illegally along County roads and public rights-of-way and on public lands. The Program has two parts: 1) Base Program, which entails annual work performed to clear rights-of-way, and 2) Additive Program [also referred to as *Expanded Program*], which provides expanded support to the Base Program. Annually, the Program removes 150-200 tons of household and industrial materials from County roadways. Though crews operate seven (7) days a week, the volume of illegal dumping is beyond their capacity to remove it, making an Additive Program necessary.

On March 24, 2020, the Board of Supervisors directed staff to expand the Program in areas where illegal dumping is prevalent. The Resource Management Agency (RMA) and Health Department-Environmental Health Bureau (EHB) began working with the Salinas Valley Solid Waste Authority (SVSWA) and Monterey Regional Waste Management District (MRWMD) to develop a coordinated program where County contractors would collect waste to mitigate illegal dumping throughout the County. The County requested that SVSWA and MRWMD contribute \$100,000 each to the new Additive Program, with the County providing an additional

\$100,000 toward it, where the financing source is from the Transient Occupancy Tax (TOT) allocation that the Road Fund receives, for an overall increase of \$300,000 for the expanded program. However, the proposed amended Memorandums of Understanding (MOUs) with SVSWA and MRWMD provide funding commitments of \$100,000 and \$25,000, respectively, for Fiscal Year (FY) 2020-21, reducing the actual Additive Program funding from \$300,000 to \$225,000. Both waste companies agree that extension of the term and funding of the MOUs may be possible after reviewing the results of the fiscal year's Additive Program.

The FY 2020-21 Litter Abatement Program Adopted Budget includes funding of \$382,826 for providing base services, plus \$200,000 (initial projection of \$100,000 each from SVSWA and MRWMD) for the expanded effort. The County's \$100,000 contribution toward the Additive Program is included in the Road Fund, bringing the combined total of the County's Litter Program to \$682,826. However, due to impacts from COVID-19, MRWMD reduced its contribution to \$25,000. As a result of this change, RMA requests the Board approve a reduction to both appropriations and revenue in the FY 2020-21 Litter Abatement Adopted Budget to reflect MRWMD's actual contribution of \$25,000 and accurately reflect MOU funding. The revised budget for the expanded program will appropriately reflect a budget of \$225,000, from the Adopted Budget amount of \$300,000.

DISCUSSION:

SVSWA and MRWMD are committed to promoting sustainable, environmentally sound, cost-effective practices through systems of waste reduction, reuse, recycling, innovative technology, and education. Providing funding support for contractors hired by the County to clean up illegal dumping sites before blight can spread, further demonstrates this commitment. In 2019, the County entered into separate MOUs with SVSWA and MRWMD to receive funding from the agencies to expand the Litter Abatement Program. The 2019 MOUs restricted the use of these funds to non-profit partners; however, when staff attempted to formalize agreements with the non-profits, satisfactory terms to secure the needed services could not be reached. As a result, the 2019 MOU funding was not used.

Based on the March 2020 Board direction, RMA and EHB approached the respective agencies to amend the MOUs to extend the term, refund the expanded Program, and allow the funds to be used for contracted services. MRWMD approved the funding for the Additive Program and the substantive draft MOU (Attachment A) on June 19, 2020, and the Chair of its Board of Directors signed the draft MOU on August 11, 2020. SVSWA's budget committee agreed to fund the Program on March 23, 2020, and the SVSWA Board of Directors will consider approving the draft MOU (Attachment B) at its meeting on August 20, 2020.

The FY 2020-21 Litter Control Adopted Budget, Appropriation Unit RMA002, included the presumption that SVSWA and MRWMD would collectively provide \$200,000 toward the expanded Program. Upon reviewing the proposed FY 2020-21 MOU, SVSWA agreed to provide the County \$100,000 to match up to 50 percent (50%) of Program third-party costs (costs); however, MRWMD advised that it will only commit \$25,000 to match up to 50% of costs due to a change in its financial circumstances related to the COVID-19 outbreak. Following approval of the MOUs by the Board and County solicitation for Requests for Proposals from contractors to remove illegal dumping, the enhanced litter abatement efforts are anticipated to begin in Fall 2020.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has approved the draft MOUs as to form. On July 29, 2020, the Board of Supervisors' Budget Committee voted to support the recommendation. The County's Litter Control Program is funded under the RMA Appropriation Unit RMA002 and for FY 2020-21 the new Additive Part of the Litter Abatement Program is a planned, cooperative effort among MRWMD, SVSWA, EHB, and third-party

contractors.

FINANCING:

The FY 2020-21 Litter Control Adopted Budget, Appropriation Unit RMA002, included the presumption that SVSWA and MRWMD would collectively provide \$200,000 for the Litter Abatement Program. Under the terms of the draft MOUs, SVSWA and MRWMD will reimburse the County up to 50 percent (50%), but no more than \$100,000 and \$25,000, respectively, for third-party labor costs associated with the additive portion of the Program. The County will incur costs and submit invoices to SVSWA and MRWMD for reimbursement per the MOUs; therefore, a temporary impact to cashflow will result until reimbursement payments are received.

Based on the terms of the MOUs, for the County to receive the full \$125,000 from SVSWA and MRWMD, the County would need to expend \$250,000. Staff anticipates exceeding expenditures using a combination of contracted services, internal staff, and related costs. The FY 2020-21 Adopted Budget for Litter Control is \$582,826, and \$100,000 is budgeted in the FY 2020-21 Road Fund Adopted Budget, Fund 002, Appropriation Unit RMA012.

If the recommended action is approved, the FY 2020-21 Adopted Budget appropriations and revenue for General Fund, Fund 001, Litter Control, Appropriation Unit RMA002, will be reduced by \$75,000 to accurately reflect funding per the MOUs. The Program's base funding remains unchanged.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation supports the Board of Supervisors' Strategic Initiative for Administration by ensuring accurate, timely, and transparent fiscal accounting and effective resource management which enables the RMA to complete essential public services.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Shawne Ellerbee, Assistant Director of Resource Management Agency
Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A-MOU MRWMD
Attachment B-MOU SVSWA
Attachment C-Draft Resolution
(Attachments are on file with the Clerk of the Board)