



County of Monterey

Item No.14

Board Report

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

Legistar File Number: 26-326

April 28, 2026

Introduced: 4/6/2026

Current Status: Scheduled AM

Version: 1

Matter Type: General Agenda Item

- a. Receive an update addressing the Unified Franchise Agreement (UFA) Solid Waste Hauling commercial rate differences between the Salinas Valley Solid Waste Authority (SVSWA) and Monterey Regional Waste Management District (ReGen) regions based on an independent Special Rate Study; and
- b. Provide directions to staff, as appropriate.

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:

- a. Receive an update addressing the Unified Franchise Agreement (UFA) Solid Waste Hauling commercial rate differences between the Salinas Valley Solid Waste Authority (SVSWA) and Monterey Regional Waste Management District (ReGen) regions based on an independent Special Rate Study; and
- b. Provide directions to staff, as appropriate.

SUMMARY:

The UFA with Waste Management, DBA Carmel Marina Corporation (Waste Management), for waste hauling services in the unincorporated areas of the County, has varying commercial rates between the SVSWA “East” and ReGen “West” regions. The Board of Supervisors requested a cost analysis comparing the commercial rates. The Environmental Health Bureau (EHB) retained MuniEnvironmental, LLC (MUNI), an independent advisor on solid waste policy and practice, to conduct a Special Rate Study of the 2024 commercial solid waste collection rates under the UFA. Staff return today to provide an update of the independent special rate study findings.

DISCUSSION:

On December 3, 2024, the County of Monterey Board of Supervisors approved a new UFA with Waste Management for waste hauling services in the unincorporated areas of the County. The Board also requested a cost analysis comparing commercial rates between the SVSWA “East” and ReGen “West” regions.

On April 22, 2025, EHB presented Waste Management’s cost comparison of East and West commercial rates, which concluded that higher costs in the East region are driven by disposal pricing, fuel costs, labor, and route density differences, and recommended maintaining separate regional rate structures. Following additional Board direction to obtain more detailed and independent evaluation of the drivers of rate differences, EHB retained MUNI, an independent advisor on solid waste policy and practice, to conduct a Special Rate Study of the 2024 commercial solid waste collection rates under the UFA.

Staff return today to update the Board of Supervisors on the findings of MUNI's analysis. The analysis concludes that the observed commercial rate differences between the East and West regions are supported by documented operational and cost-related factors, and that the higher rates in the East region are consistent with higher cost per cubic yard of service.

MUNI's Special Rate Study evaluated whether the commercial rate disparities identified between the East and West regions are supported by operational and cost drivers documented in County records, prior rate studies, Board Reports, and Waste Management's 2024 operational and disposal data. The study is explanatory in nature and focuses on permanent commercial front-loader bin services. Commercial cart services and roll-off services were excluded due to limitations in allocating those costs within available 2024 financial and operational data. The study did not include a financial audit or independent validation of Waste Management's accounting systems.

Key Findings

MUNI's analysis demonstrates that the East and West regions operate under materially different service conditions that directly affect cost per cubic yard (CY) of service:

1. Lower Material Density in the East

- East waste stream averages approximately 91 pounds per cubic yard.
- West waste stream averages approximately 118 pounds per cubic yard.

Because East material is lighter, more container volume must be serviced to collect comparable amounts of material, increasing lifts, route miles, and service hours per ton collected.

2. Higher Disposal Cost per Cubic Yard in the East

- East average disposal rate (including AB 939 fee): approximately \$123 per ton.
- West average disposal rate: approximately \$70 per ton.

Even with lighter material, the higher per-ton disposal rate in the East results in an estimated \$1.54 higher disposal cost per cubic yard compared to the West. This is the single largest individual contributor to the rate differential.

3. Higher Fuel Cost per Cubic Yard in the East

- East fuel cost per CY \approx \$3.69
- West fuel cost per CY \approx \$2.85

Higher route mileage, lower route density, and mixed CNG/diesel fueling contribute to approximately \$0.84 higher fuel cost per CY in the East.

4. Greater Route Miles and Hours per Cubic Yard in the East

The East requires more travel distance and time per cubic yard of service due to its larger geographic area and dispersed customer base, increasing labor, vehicle, and overhead costs.

5. Service Configuration Differences

East services more accounts, averages fewer bins per customer, and operates more routes. This reflects lower route density and more stops per cubic yard of service, increasing cost per unit of service.

6. More Volume Serviced, Less Mass Collected

The East region services more total cubic yards per month but collects less total tonnage than the West, confirming that East operations require more service effort to remove less material.

Relationship to Commercial Rates

The most common commercial service level evaluated (2-cubic-yard bin, one pickup per week) shows East rates approximately 54 percent higher than West rates. MUNI's calculations demonstrate that higher disposal cost per CY, higher fuel cost per CY, and higher labor and routing effort per CY collectively align with this observed rate difference.

Policy Implications

The study supports the conclusion that maintaining separate East and West commercial rate structures reflects the actual cost of providing service in each region. Standardizing rates would shift East's higher operating costs to West customers, resulting in inequitable cost allocation.

OTHER AGENCY INVOLVEMENT:

Waste Management and SVSWA contributed to the rate analysis.

FINANCING:

There are no fiscal provisions; therefore, there is no impact to the General Fund with the acceptance of this analysis update.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Commercial rate analysis promotes equity and transparency. The County supports a solid waste system that is environmentally responsible and maintains stable, mandatory solid waste collection services that protect public health in compliance with Monterey County Code Title 10 - Health and Safety, Chapter 10.41 - Solid Waste Collection and Disposal, Sections 10.41.030(A) and (B).

Mark a check to the related Board of Supervisors Strategic Plan Goals:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy

Prepared by: Charise Walters, Management Analyst III, 755-4708

Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachment:

Board Report

Presentation

2024 Special Rate Study/Solid Waste Rate Disparity

Board Order 25-246