

The TAC has discussed several options to resolve the current staffing & financial issues. Below are four options for the Board’s discussion that cover the entire spectrum of status quo operating structure to a complete MendoRecycle restructure. The TAC does not have a consensus on a preferred option but is available to discuss the pros and cons of each option.

**Option 1 – Status quo operating structure.** The TAC determined in order to fill the current financial hole and provide funding for ongoing operations, grant applications and county-wide solid waste efforts a surcharge increase of \$3.00 per ton would be necessary. This would result in approximately \$200,000 in additional revenue, which would provide sufficient revenue for the aforementioned activities.

**Option 2 – Status quo operating structure with increase in salary for MendoRecycle General Manager and recruit to fill the position.** It is the hope a higher salary would assist in recruiting a well-qualified candidate with the ability to pursue and manage grants. This option may require an increase in the surcharge, at least initially, until grants can be obtained for ongoing funding. This option could be done with HHW and illegal dump cleanup by MendoRecycle staff or contract out those services.

**Option 3 – Contract out General Manager position and HHW and Illegal Dump Cleanup services.** This option is simpler and most likely has a shorter timeline than adding a Solid Waste Analyst onto City or County staff. It is unknown whether the current \$6.50 surcharge per ton would provide sufficient funding for this option as that will depend on the cost proposals of any potential contractors.

**Option 4 – Hire Solid Waste Analyst onto Member Agency staff (funded by surcharge) and contract out HHW and Illegal Dump Cleanup services.** It is anticipated the current \$6.50 surcharge per ton would provide sufficient funding for this option, including reimbursing the City/County for staffing costs and developing a reserve for special projects, expansion of services, or financial downturns. This option would require an amendment to the JPA to develop clear roles and responsibilities of the parties. Attention would also need to be given to considerations such as legal counsel, Auditor/Treasurer and other services that may be provided by Member Agency or contracted out. See below for details on this option:

**CODES:**

<b>Private</b>	Private contractor providing operational services, possessing: 1.) the ability to assume, by law or by rule, hazardless waste handling permit for Plant Road Facility and 2.) a current hazardless waste transportation permit.
<b>MS/?</b>	Staff of one of the Member agencies’ staff: <b>FB, MC, U, W</b>
<b>IC</b>	Independent Contractor/Consultant (various as needed)
<b>SWA</b>	Solid Waste Analyst to become an employee of a Member Agency (New Hire)
<b>Haulers</b>	City/County Franchise Hauling Companies
<b>TBD</b>	To be decided

**Suggested Task Assignment subject to discussion and final approval:**

<u>Code:</u>	<u>Task</u>
SWA	1. Routine grant applications (Haz waste, oil, mattresses, batteries, etc.)
SWA/IC	2. Non-Routine grant applications. (Other, non-reoccurring)
SWA	3. MSWMA Budget

SWA	4. MSWMA Board meetings Agenda/Minutes
SWA	5. Collection/Accounting for per ton fees.
SWA	6. Collection/Accounting for grant revenue
SWA	7. Debt service, if any, payment on Plant Road yard mortgage note.
MS/U	8. Development of Plant Road Lease and operating contract with private company.
SWA	9. Contract administration of private operating company.
SWA	10. Payment of contract invoices
SWA, MS/?	11. Collection/Payments Caspar fund. (Admin Cost to be billed to CFB/County?)
Private	12. Material acceptance: Ukiah Plant Road yard, mobile evets
SWA/Private	13. Develop Events schedule outside Ukiah for Board Approval
Private	14. Provide trucks and equipment for pickup and processing of accepted material Countywide
Private	15. Operation and maintenance of Plant Road yard.
SWA, MS/?	16. Scheduling for requested illegal dumping cleanup /payment of invoices per contract schedule or other arrangements.
Private/IC	17. Provide illegal dumping cleanup crew, trucks, bins, boxes and equipment
SWA	18. Website management.
SWA/Haulers	19. Educational outreach
SWA	20. Required reporting
SWA	21. Update MSWMA Source Reduction and Recycling Element (Plan)
SWA	22. Update MSWMA Household Hazardous Waste Element (Plan)
SWA	23. Chair/call meetings of Haulers Advisory Committee (Semi-annual or as needed)
SWA	24. Chair/ call meetings of MSWMA Advisory Committee (County and City Local Government Staff) (Semi-annual or as needed)
TBD	25. Consider Formation of MSWMA 3-member Executive Committee: supervisor/ council member/ MCDT Staff person; (similar to LAFCO) to give guidance between infrequent MSWMA Board meetings
Private	26. Operate paint recycling program

**\* Estimated Per Ton Allocation:**

If operational and administration tasks were to be restructured as suggested in Option 4, then it is estimated that the current \$6.50 per ton surcharge would be allocated as follows.

Private Company Contract Services:	\$2.00/ton	(plus, direct routine grant amounts) (1)
Illegal dumping cleanup costs:	\$2.00/ton	(allocated to Member Jurisdictions, TBD)
Administration:	\$1.75/ton	(Includes new hire Solid Waste Analyst position)
Deficit back fill and reserve building	<u>\$0.75/ton</u>	(Cure any FY2021 deficit, and build reserve)
Current per ton rate:	<b>\$6.50/ton</b>	

\* It should be pointed out that a large share of the cost to dispose of hazardous waste are for those amounts paid to third-party vendors who accept this waste for final disposition. These third-party vendor direct costs are a function of the volume of the hazardous waste collected in Mendocino County at the Gate of the Plant Road facility and at Mobile Collection Events. Such direct costs related to disposal are subject to change in the volume of the waste from year to year.

**Comment – Delay in Collection of Surcharge Increase/ Uncovered Costs:**

It should be noted that any Board authorized increase in the MendoRecycle surcharge collected as part of various transfer station gate fees in the county, generally become effective on January 1 of the following year, as part of the once-a-year adjustment described in those transfer station contracts. And, any increase in the MendoRecycle surcharge must also be included as a pass-through adjustment in setting the various January 1 franchise curbside collection rates of the Member jurisdictions. This adjustment allows the curbside haulers to recover the increased MendoRecycle surcharge cost to them

For that reason, should the Board authorize any surcharge increase during Fiscal Year 2022 (12-months ending June 30, 2022), then no increased surcharge revenue would be collected until January 2022, half way through the current MendoRecycle fiscal year. The Board may want to consider a larger increase up-front to help to cover the immediate financial needs.