



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD, DEL REY OAKS, CALIFORNIA 93940
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Staff Report

DATE: June 23, 2026

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Adopt Resolution 2026-21 Amending Exhibit A & B of the Memorandum of Understanding between ReGen Monterey and Member Agencies for Fiscal Year 2026/27.

CEQA: This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an organizational activity of the City that will not result in direct or indirect physical changes in the environment.

Recommendation

Adopt Resolution 2026-21 amending the Memorandum of Understanding (MOU) regarding cooperative assistance to comply with Senate Bill 1383, food waste reduction and organics recycling regulations, incorporating changes in the annual cost of program activities; and authorizing the City Manager to execute the MOU.

Discussion

This request is submitted for City Council consideration and action. The ReGen Memo is attached and gives a detailed description of SB 1383 legislation and regulations, the MOU scope of services, and the amendments to Exhibits A & B of the MOU.

Fiscal Impacts

The City's share of regional costs for implementation of SB 1383 in FY 2026/27 is \$15,390. This amount is reflected as an agency fee in the solid waste, recycling, and organics collection rate adjustment.

ATTACHMENTS:

- ReGen Memo and Exhibits A & B
- Resolution 2026-21

Respectfully Submitted,

John Guertin
City Manager

RESOLUTION NO. 2026-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS APPROVING AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING BETWEEN REGEN MONTEREY AND MEMBER AGENCIES REGARDING COOPERATIVE ASSISTANCE TO COMPLY WITH SB 1383, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE MOU

WHEREAS, in September 2016, the Governor signed into law Senate Bill 1383 (SB 1383) establishing methane emissions reduction targets, and in November 2020, CalRecycle issued regulations to implement SB 1383; and

WHEREAS, ReGen's Technical Advisory Committee developed a Memorandum of Understanding to conduct tasks to comply with CalRecycle SB 1383 regulations on a regional basis; and

WHEREAS, regional implementation costs included in the Memorandum of Understanding must be updated annually; and

WHEREAS, the City's share of regional implementation costs is reflected as an agency fee in the solid waste, recycling, and organics collection rate adjustment.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Del Rey Oaks does hereby:

1. Amend the Memorandum of Understanding (MOU) regarding cooperative assistance to comply with Senate Bill 1383, Food Waste Reduction and Organics Recycling Regulations, incorporating changes in the annual cost of program activities; and
2. Authorize the City Manager to execute the amended MOU (Exhibit A).

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DEL REY OAKS, this 23rd day of June, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

Scott Donaldson, Mayor

Karen Minami, City Clerk

MEMORANDUM OF UNDERSTANDING

BETWEEN THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT AND ITS
MEMBER AGENCIES REGARDING ASSISTANCE WITH COMPLIANCE WITH
CALIFORNIA SENATE BILL 1383

This Memorandum of Understanding (“MOU”) is made and entered into as of the date of the signatures set forth below by and between the MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT (“District”, “MRWMD”), a California Garbage and Refuse Disposal District, and its member agencies including the cities of CARMEL-BY-THE-SEA, DEL REY OAKS, MARINA, MONTEREY, PACIFIC GROVE, SAND CITY, and SEASIDE; THE PEBBLE BEACH COMMUNITY SERVICES DISTRICT; and THE COUNTY OF MONTEREY (“Member Agencies”). Collectively these entities shall be known herein as “Parties” or individually as a “Party.”

Recitals

- A. The State of California has passed legislation, known as Senate Bill 1383, California’s Short-Lived Climate Pollutants regulation. The regulation will have significant impact on each Member Agency, with the goal of reducing organic material being landfilled by 75% by 2025, compared to a 2014 basis. The legislation mandates that Member Agencies undertake certain activities around the handling of organic waste materials collected within their jurisdictions. The regulation also requires 20% recovery of edible food by 2025 to direct it to a beneficial use and thus prevent it from entering the waste stream. Regulations take effect, and local program implementation will begin, on January 1, 2022.
- B. The Member Agencies have determined that it is in their best interest to coordinate their activities related to this legislation. This coordination is being facilitated by the District’s Technical Advisory Committee (TAC) comprised of staff from each Member Agency, the three Haulers in the District service area (Haulers), Salinas Valley Recycles (SVR) and MRWMD.
- C. The Member Agencies have further determined that the District has the expertise and resources necessary to implement some of these activities on the Member Agencies’ behalf and have now requested that the District incur costs to provide these activities.
- D. The Member Agencies have agreed to reimburse the District for proportionate shares of certain designated annual costs incurred by the District for these activities.
- E. The form and content of this MOU have been presented to the TAC, and the TAC has recommended it for approval by the Parties

NOW THEREFORE, in consideration of the mutual benefits to be derived by the District and the Member Agencies, and of the promises contained in this MOU, the Parties agree as

follows:

Section 1. Recitals: The recitals set forth above are incorporated into this MOU.

Section 2. Purpose: The purpose of this MOU is to provide a structure for the Member Agencies to reimburse the District for SB 1383 related activities it performs on behalf of the Member Agencies.

Section 3. Voluntary: This MOU is voluntarily entered into by the Parties for the purpose of facilitating the implementation of SB 1383.

Section 4. Term: This MOU shall become effective on the last day of its execution by a Party and shall remain in effect until terminated by the Parties.

Section 5. Scope of Work, Costs & Cost Sharing: The scope of work, and associated costs, are set out in Exhibit A, entitled Detailed Activities and Costs, attached hereto and incorporated herein. Allocation of such costs to the Member Agencies is set out in Exhibit B, entitled Member Agencies' Annual Proportionate Shares and Costs, attached hereto and incorporated herein. Exhibit C outlines estimated individual Member Agencies' allocations related to the Department of Resources Recycling and Recovery (CalRecycle) SB 1383 Local Assistance Grant Program (OWR1: 2021-22), attached hereto and incorporated herein. Exhibit D defines the estimated annual procurement requirements of organic material and estimated cost per ton of compost for each Member Agency, attached hereto and incorporated herein.

No later than March 1 of each year, and at such other times as directed by the Parties, the TAC shall meet to consider and, if deemed necessary, modify Exhibits A, B, C, and/or D subject to direction from the governing bodies of each Member Agency to its TAC representative.

Section 6. The District Agrees:

(a) District staff will manage activities as identified in Exhibit A, C, and D which activities include contracting with third party vendors when reasonably necessary and paying those vendors for contracted costs.

(b) Two times per year, on dates to be determined by the TAC, District will invoice Member Agencies for each Member Agency's proportionate share of costs as shown in Exhibit B with each invoice to be fifty percent (50%) of the Member Agency's share of costs.

(c) Upon award of CalRecycle SB 1383 Local Assistance Grant Program funds, the District will invoice Member Agencies for their full allocation of grant funds as shown in Exhibit C. Four times during the grant term, aligned with dates identified by CalRecycle grant Terms & Conditions, the District shall report to Member Agencies a summary of actual grant expenditures and progress toward grant tasks to date.

(d) District will maintain an accounting of activities and expenses and provide reconciliation of payments annually. Material differences between estimated costs and actual incurred costs will result in either: 1) an adjustment made to the final annual payment for each Member Agency, or 2) such cost difference shall be incorporated into the subsequent year cost allocation.

(e) In year one only, in recognition of expected continuation of improved recycling revenues for the District from recyclable material sales, the District will off-set \$140,000 of the costs identified in Exhibit A. This off-set is reflected in the cost allocations set out in Exhibit B for FY 2021-22.

Section 7. The Member Agencies Agree:

(a) To reimburse the District for all expenses incurred by the District under this MOU in accordance with each Member Agency's proportionate share as shown on Exhibit B, C, and D.

(b) To make a full-faith effort to cooperate with one another and with the District to achieve the purposes of this MOU by providing information, reviewing information in a timely manner, and informing their respective administration and governing bodies.

Section 8. Termination. Any Party may terminate its participation in this MOU upon giving written notice to the District no later than April 1 of any calendar year during the term of this MOU. Within ten days following a Party's termination date, such party shall pay District all charges then due and payable and shall pay when determined any additional charges that shall later come due under the MOU, subject to the limits set out in Exhibits A, B, C, and D.

Section 9. General Provisions.

(a) This MOU is binding and for the benefit of the respective successors, heirs, and assigns of each Party and the District; provided however, no Party may assign its respective rights or obligations under this MOU without the prior written consent of the District.

(b) This MOU is governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

(c) If any provision of this MOU is determined by any court to be invalid, illegal, or unenforceable to any extent, then the remainder of this MOU will not be affected, and this MOU will be construed as if the invalid, illegal, or unenforceable provision had never been contained in this MOU.

(d) Waiver by the District or any Party to this MOU of any term, condition, or covenant of this MOU will not constitute a waiver of any other term, condition, or covenant.

Waiver by the District or any Party of any breach of the provisions of this MOU will not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOU.

(e) This MOU may be executed in any number of counterparts, each of which is an original but all of which taken together will constitute one and the same instrument, provided, however, that such counterparts have been delivered to all parties to this MOU.

(f) All parties acknowledge they have been represented, or have had the opportunity to be represented, by counsel in the preparation and negotiation of this MOU. Accordingly, this MOU will be construed according to its fair language. Any ambiguities will be resolved in a collaborative manner by the District and the Parties and must be rectified by amending this MOU.

(g) This MOU supersedes and replaces all prior MOUs between the District and the Parties hereto relating to the subject matter of this MOU.

IN WITNESS WHEREOF, the District and the Parties have caused this MOU to be executed by their duly authorized representatives as of the date of their respective signatures.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF CARMEL-BY-THE-SEA

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF DEL REY OAKS

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF MARINA

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF MONTEREY

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF PACIFIC GROVE

By: _____

DATE: _____

APPROVED AS TO FORM:

SAND CITY

By: _____

DATE: _____

APPROVED AS TO FORM:

CITY OF SEASIDE

By: _____

DATE: _____

APPROVED AS TO FORM:

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

By: _____

DATE: _____

APPROVED AS TO FORM:

COUNTY OF MONTEREY

By: _____

DATE: _____

APPROVED AS TO FORM:

Exhibit A
Detailed Activities and Costs
FY 2026-2027

Task #	SB 1383 Fee Category	Detail	FY 26/27 Budget	Notes
1	HF&H General Support & TAC meetings	Task #5 (general support) & task #6 (monthly TAC meetings) of HF&H FY 2026 proposal	\$ 14,000	
2	Edible Food Recovery Capacity Building	\$50,000 for ReGen portion of grant allocations \$10,500 for grant administration	\$ 60,500	Grants offered jointly by ReGen & SVR. County is omitted from this line item.
3	Edible Food Recovery Program Administration	Capacity Assessment Updates - Living Document FRO Annual Capacity Survey Updates Other support (TBD): Edible Food Outreach - Follow-up target groups Organics Collections Outreach - Follow-up target groups School Food Waste Reductions - Targeted groups Conference presentations	\$ 15,635	ReGen member agency portion only. Split 50/50 with SVR.
4	Outreach & Technical Assistance to FROs and EFGs	Outreach and technical assistance for food recovery organizations (FROs) and Edible Food Generators (EFGs), Careit App support	\$ 19,170	Previously funded by CalRecycle LAGP grants.
5	Edible Food Generator Inspections for Tier 1 & 2	Inspections only	\$ 4,602	Omits County of Monterey as they perform their own inspections
6	Commercial and Multi-Family Organics Outreach	Provide outreach, education, and technical assistance support to targeted multi-family and commercial businesses	\$ 9,450	Previously funded by CalRecycle LAGP grants.
7	Public Education	Design/creation of public education materials (\$5k). Does not include production or distribution of materials created. Continuation of Sort with Heart campaign (\$25k media placement inclusive of booking fees).	\$ 30,000	Sort with Heart campaign previously funded by CalRecycle LAGP grant.
8	Contamination Monitoring (Lid Flipping)		\$ 18,400	Omits County of Monterey due to WM Smart Truck.
9	Recyclist Fees	Cloud-based recordkeeping and reporting system shared by haulers, jurisdictions and processor.	\$ 14,002	Omits County & City of Monterey, who subscribe separately.
10	ReGen Monterey Staff Time	Coordination and Hosting of Monthly TAC Meetings Hosting and/or participating in TAC Subcommittees SB 1383 Program Coordination and Implementation CalRecycle Reporting Support - Electronic Annual Report & Implementation Records	\$ 75,000	
SB 1383 Total			\$ 260,759	

SB 1383 Procurement of Organic Material (Cost per member agency feeds directly into Exhibit B)			
Member Agency	Annual Procurement Target (tons of compost)	Cost @ \$5/ton using direct-service provider agreement	Notes
Carmel-by-the-Sea	187	\$ 935.00	*The County of Monterey has separate procurement MOU w/ ReGen through 2027. Their amount is not included in this total.
Del Rey Oaks	78	\$ 390.00	
Marina	1,017	\$ 5,085.00	
Monterey	1,317	\$ 6,585.00	
Pacific Grove	721	\$ 3,605.00	
Sand City	18	\$ 90.00	
Seaside	1,491	\$ 7,455.00	
Pebble Beach CSD	210	\$ 1,050.00	
Unincorporated County (West)*	3071	\$ 15,355.00	
ReGen Monterey Total	8,110	\$ 40,550.00	

HF&H Franchise Management Fees		
Task #	FY 26/27 Budget	Notes
1. Review Contractor's Quarterly Reports	\$16,000	Franchise Management services are for GreenWaste member agencies only (omitting the City and County of Monterey).
2. Review Contractor's Annual Report	\$3,000	
3. Review Franchise Fee Payments	\$3,000	
4. Review Contractor's Annual Rate Adjustments	\$50,000	
8. Monitor Contract Compliance	\$24,000	
Franchise Management Total	\$96,000	

Exhibit A Total	\$ 381,954
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Exhibit B
Member Agencies' Annual Proportionate Shares of Costs*
FY 2026-2027

Table 1				
HF&H General Support; EFR Capacity, Admin & Technical Assistance; COM & MFD Outreach; Pub Ed; & ReGen Staff Time*				
	Population			
	#	%	Per Agency Cost/Year	With \$8,500 Minimum
Carmel	3,220	2.9%	\$ 5,981	\$ 8,500
DRO	1,592	1.5%	\$ 2,957	\$ 8,500
Marina	22,359	20.4%	\$ 41,529	\$ 37,943
PG	15,090	13.8%	\$ 28,028	\$ 25,608
PBCSD	4,531	4.1%	\$ 8,416	\$ 8,500
Sand City	325	0.3%	\$ 604	\$ 8,500
Seaside	32,366	29.5%	\$ 60,116	\$ 54,925
Monterey City	30,218	27.5%	\$ 56,126	\$ 51,280
County	53,915		\$ 20,000	\$ 20,000
TOTAL	163,616		\$ 223,755	\$ 223,755

*SB 1383 tasks 1-4, 6, 7 & 10

Table 2				
Edible Food Generator Inspections and Contamination Monitoring*				
	Population			
	#	%	Per Agency Cost/Year	With \$1,500 Minimum
Carmel	3,220	2.9%	\$ 675	\$ 1,500
DRO	1,592	1.5%	\$ 334	\$ 1,500
Marina	22,359	20.4%	\$ 4,688	\$ 3,800
PG	15,090	13.8%	\$ 3,164	\$ 2,565
PBCSD	4,531	4.1%	\$ 950	\$ 1,500
Sand City	325	0.3%	\$ 68	\$ 1,500
Seaside	32,366	29.5%	\$ 6,786	\$ 5,501
Monterey City	30,218	27.5%	\$ 6,336	\$ 5,136
County	53,915		\$ -	\$ -
TOTAL	163,616		\$ 23,002	\$ 23,002

*SB 1383 tasks 5 & 8

Table 3		
SB 1383 Procurement of Organic Material		
	Population	
	Annual Procurement Target (tons of compost)	Cost @ \$5/ton using direct-service provider agreement
Carmel	187	\$ 935
DRO	78	\$ 390
Marina	1,017	\$ 5,085
PG	721	\$ 3,605
PBCSD	210	\$ 1,050
Sand City	18	\$ 90
Seaside	1,491	\$ 7,455
Monterey City	1,317	\$ 6,585
TOTAL	5,039	\$ 25,195.00

Table 4				
HF&H Franchise Management Fees and Recyclist Fees*				
	Population			
	#	%	Per Agency Cost/Year	With \$5,000 Minimum
Carmel	3,220	4.1%	\$ 4,456	\$ 5,000
DRO	1,592	2.0%	\$ 2,203	\$ 5,000
Marina	22,359	28.1%	\$ 30,944	\$ 28,571
PG	15,090	19.0%	\$ 20,884	\$ 19,283
PBCSD	4,531	5.7%	\$ 6,271	\$ 5,790
Sand City	325	0.4%	\$ 450	\$ 5,000
Seaside	32,366	40.7%	\$ 44,794	\$ 41,358
TOTAL	79,483		\$ 110,002	\$ 110,002

*SB 1383 task 9

Member Agencies will be invoiced an annual amount not to exceed column below titled "With Minimums"

Table 5 - Total Costs by Agency				
	Population			
	#	%	Per Agency Cost/Year	With Minimums
Carmel	3,220	2.0%	\$ 12,047	\$ 15,935
DRO	1,592	1.0%	\$ 5,884	\$ 15,390
Marina	22,359	13.7%	\$ 82,246	\$ 75,399
PG	15,090	9.2%	\$ 55,681	\$ 51,060
PBCSD	4,531	2.8%	\$ 16,687	\$ 16,840
Sand City	325	0.2%	\$ 1,212	\$ 15,090
Seaside	32,366	19.8%	\$ 119,151	\$ 109,239
Monterey City	30,218	18.5%	\$ 69,047	\$ 63,001
County	53,915	33.0%	\$ 20,000	\$ 20,000
TOTAL	163,616	100.0%	\$ 381,954	\$ 381,954

* Member agencies' proportionate costs subject to adjustment annually in accordance with any change in scope and total costs.

MEMO



Meeting Date: May 22, 2026

To: Board of Directors
From: Director of Communications, Zoë Shoats
Approved by: General Manager, Felipe Melchor

Subject: Approve FY27 Amendments to Exhibits A & B of the MOU between ReGen Monterey and its Member Jurisdictions Regarding Compliance with California's Senate Bill 1383

RECOMMENDATION

Approve FY27 Amendments to Exhibits A & B of the MOU between ReGen Monterey and its Member Jurisdictions regarding compliance with California's Senate Bill 1383.

BACKGROUND

The State of California has passed legislation, known as Senate Bill 1383, California's Short-Lived Climate Pollutants legislation. The regulation has significant impact on each Member Agency with the goal of reducing organic material being landfilled by 75% by 2025, compared to a 2014 basis. The legislation mandates that Member Agencies undertake certain activities around the handling of organic waste materials collected within their jurisdictions. The regulation also requires 20% recovery of edible food by 2025 to direct it to a beneficial use and thus, prevent it from entering the waste stream. Regulations took effect and local program implementation began on January 1, 2022.

In 2021, the Member Agencies determined that it was in their best interest to coordinate their activities related to this legislation. This coordination is being facilitated by ReGen Monterey's Technical Advisory Committee (TAC) comprised of staff from each Member Agency, the three haulers in our service area (Haulers) and ReGen Monterey.

The Member Agencies determined that ReGen Monterey has the expertise and resources necessary to implement shared activities on the Member Agencies' behalf and requested that ReGen incur costs to provide these activities. The Member Agencies have agreed to reimburse ReGen for proportionate shares of certain designated annual costs incurred by ReGen for these activities under a Memorandum of Understanding (MOU) between the Monterey Regional Waste Management District (DBA ReGen Monterey) and its Member Agencies Regarding Assistance with Compliance with California Senate Bill 1383.

The purpose of the MOU is to provide a structure for the Member Agencies to reimburse ReGen Monterey for SB 1383 related activities it performs on behalf of the Member Agencies. The MOU was voluntarily entered into by the Parties for the purpose of facilitating the implementation of SB 1383.

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@ReGenMonterey

Let's not waste this.

The MOU was adopted by the ReGen Monterey Board on June 18, 2021, the Member Agencies soon thereafter, and became effective July 1, 2021.

- **Exhibit A** - Detailed Activities and Costs: Contains the scope of work, and associated costs related to general SB 1383 activities. (Enacted June 2021, updated annually.)
- **Exhibit B** - Member Agencies' Annual Proportionate Shares and Costs: Allocation of such costs to the Member Agencies. (Enacted June 2021, updated annually.)

DISCUSSION

Each year ReGen Monterey staff identifies expected expenses associated with jurisdictional compliance of SB 1383 and compiles those expenses in Exhibit A of the MOU. Expenses include items such as program administration; public education; monitoring; reporting; and edible food recovery capacity building, program administration, and outreach.

These expenses are then broken down to proportional percentages per population in Exhibit B.

The draft budget is first presented to the TAC for review, feedback, and consensus. It then is presented to the ReGen Monterey Board of Directors and Member Agencies' Councils and Boards for approval.

The amendment to Exhibits A and B of the MOU would apply to FY 27 and in lieu of exhibits covering previous fiscal years.

New for FY 2027 are some activities that were previously funded by CalRecycle Local Assistance Grant Program (LAGP) that now must be funded directly by the Member Agencies. This includes mandated programs for procurement of organic material (compost); commercial and multi-family organics outreach; and increased funding for increased public education to continue with media spending for the *Sort with Heart* campaign. Overall, the expired grant funds and other cost increases have necessitated a year-over year cumulative increase of 7% to achieve compliance. This shared funding strategy remains an immense value for our Member Agencies to achieve compliance with SB 1383.

FISCAL IMPACT

None. These are the costs that ReGen Monterey incurs and is then reimbursed by our Member Agencies, with invoicing occurring twice annually.

CONCLUSION

ReGen Monterey will continue to support its Member Agencies with SB 1383 compliance in a way that provides cost savings for the communities we serve.

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