

County of Stanislaus  
City of Modesto  
**Solid Waste-to-Energy Executive Committee**  
June 16th, 2022 at 10:00 a.m.  
Tower Conference Room, #6825  
County/City Administration Building  
10<sup>th</sup> Street Place, Modesto  
Public Access Link: <https://msteams.link/Y9NY>  
Public Call-In Line: +1 559-512-3189 ID: 327749446#

AGENDA

- I. Call to Order
- II. Approval of Minutes of the December 16, 2021 meeting
- III. New Business

Any and all of the following agenda items are subject to action by the County of Stanislaus/City of Modesto Solid Waste-to-Energy Executive Committee.

- A. Consider the Annual Rotation of Officers and Secretary for the Solid Waste-to-Energy Executive Committee. (Department of Environmental Resources, Will Richards, 525-6740, [wrichards@envres.org](mailto:wrichards@envres.org))
- B. Consideration of the Fiscal Year 2022-2023 Waste-to-Energy Project Budget. (Department of Environmental Resources, Will Richards, 525-6740, [wrichards@envres.org](mailto:wrichards@envres.org))

IV. Updates

None of the following agenda items are subject to action by the County of Stanislaus/City of Modesto Solid Waste-to-Energy Committee. They are provided for information only.

- A. Update on Contractual Tonnage deliveries at the Stanislaus Resource Recovery Facility. (Department of Environmental Resources, Will Richards, 525-6740, [wrichards@envres.org](mailto:wrichards@envres.org))

V. Written Communications

VI. Public Comment

Members of the public may address the Executive Committee on any item of interest to the public that is within the subject matter jurisdiction of the Agency. No action shall be taken by the Executive Committee on any item not appearing on the agenda unless the matter is too late for the Agenda as set forth in Government Code Section 54954.2 (b). Otherwise, members of the Executive Committee may only (1) briefly

respond to statements made or questions raised, (2) ask questions for clarification, (3) make a brief announcement, (4) make a brief report on his or her own activities, (5) provide a reference to staff or other resources for factual information, (6) request staff to report back to the Executive Committee at a subsequent meeting concerning the matter, or, (7) take action to direct staff to place a matter or business on a future agenda.

VII. Matters Too Late For the Agenda

The Executive Committee may take action on any items of business not appearing on the posted agenda if:

- A. Upon determination by a majority vote of the legislative body that an emergency situation exists; or,
- B. Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of the members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted; or,
- C. The item was posted on the agenda for a prior meeting of the Executive Committee occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

VIII. Upcoming Agenda Items

IX. Schedule of future Solid Waste Executive Committee Quarterly Meetings for 2022

- A. September 15, 2022 at 10:00 a.m.
- B. December 15, 2022 at 10:00 a.m.

X. Adjournment

Posted pursuant to Government Code Section 54954.2 on \_\_\_\_\_  
at \_\_\_\_\_ by \_\_\_\_\_ on the bulletin board at 10th Street  
Place, Modesto.

**County of Stanislaus/City of Modesto  
Waste-To-Energy Executive Committee Meeting Minutes**

Regular Session

Thursday

December 16, 2021

**Committee Members Present:** Chance Condit, Stanislaus County Supervisor; Chris Ricci, City of Modesto Council Member; Mani Grewal, Stanislaus County Supervisor

**Committee Members Absent:** Jenny Kenoyer, City of Modesto Council Member

**Others Present:** Mandip Dhillon, Fidelis Gines, Robert Kostlivy, Jody Hayes, Todd James, Bill Sandhu, Scotty Douglass, Myriah Hill, Jose Sanchez

- I. **Call to Order:** Vice Chairperson Grewal called the meeting to order at 1:04 PM.
- II. **Approval of Minutes:** A motion to approve the minutes of the March 18, 2021 meeting was made by Councilmember Ricci, and seconded by Supervisor Condit. The motion passed.
- III. **New Business:** None
- IV. **Updates:**
  - A. **Update on Contractual Tonnage deliveries at the Stanislaus Resource Recovery Facility:** Stanislaus County Assistant Director of Environmental Resources Mandip Dhillon updated the Committee on the contractual tonnage to the SRRF. There have been 8 partial diversions so far in the 2021-2022 fiscal year and any waste shortages caused by diversions from Covanta to the Fink Road Landfill have been credited to the guaranteed tonnage, totaling 3,053 tons. Dhillon also updated the Committee on the current budget status and noted that the Service Fee Charge is on schedule at 33% of the budget.
- V. **Written Communications:**
  - A. **Received a letter and Press Release from Covanta regarding Ownership Change and new CEO:** The Committee accepted the letter and press release from Covanta into the record.
- VI. **Public Comment:**
  - A. **Member of the Public- Bianca Lopez:** Lopez of the Valley Improvement Project, notified the Committee that the Committee is not in compliance with the Brown Act due to not posting the meeting agendas and minutes on the City of Modesto's website, where accessible to the public. Lopez also noted that the City and County should pursue other waste processing and waste reduction methods that do not involve incineration. She encouraged both agencies to not renew a contract with

Covanta in the coming years, citing legal issues and environmental concerns. Stanislaus County Chief Executive Officer Jody Hayes noted that no contract negotiations have begun for renewal at this time.

VII. **Matters Too Late for The Agenda:** None

VIII. **Schedule of future Executive Committee Meetings for 2022:**

a. TBD

X. **Adjournment:** Vice Chairperson Grewal adjourned the meeting at 1:24 PM.

December 1, 2021

Subject: Covanta Ownership Change and new CEO

Dear Rob & Karin,

I'm writing you directly with two exciting announcements. Yesterday, EQT Infrastructure completed its acquisition of Covanta and today we welcome our new CEO – Azeez Mohammed.

Founded in 1994 and based in Sweden, EQT has deep experience in the waste and energy sectors. EQT was attracted to Covanta's leadership position in the North American Waste-to-Energy market, namely our strong asset base, the resilience of our business model and the deep expertise of our people.

Azeez Mohammad brings broad functional experience in technology, finance, and operations, having worked in 27 different industry segments including sustainability sectors such as solar, wind, hydrogen and electric vehicle charging. His recent work at Bloom Energy, along with his more than 20 years at GE leading multiple standalone industrial businesses in several different countries and continents, gives him a broad understanding of the role we can play in powering today and protecting tomorrow. We are privileged and excited to have Azeez lead us through our next chapter.

With the changes, Covanta is well positioned to deliver on our goal of becoming the most sustainable provider of waste and energy solutions on behalf of our communities and customers. More information can be found in the press release issued yesterday afternoon at the following link:

[EQT Closes on Acquisition of Covanta](#)

Embracing change, we will look to build on our successful past as we move forward. We have always taken great pride in the work we do serving our clients and customers and I know I speak for all of our employee base that we look forward to our continued partnership.

Should you have any immediate questions or concerns, please do not hesitate to contact me directly at [dveenhof@covanta.com](mailto:dveenhof@covanta.com) or my phone contacts.

Sincerely,



**COVANTA AND EQT INFRASTRUCTURE TO CREATE THE LEADING SUSTAINABLE WASTE SOLUTIONS PROVIDER, DRIVING COMPELLING VALUE FOR ALL STAKEHOLDERS**

- EQT Infrastructure completes acquisition of Covanta with first ever sustainability-linked LBO financing in the U.S., with specific KPIs to drive progress
- EQT Infrastructure to increase investments across Covanta’s business, including upgrading equipment, investing in host communities, and integrating into more sustainable aspects of waste disposal
- Covanta appoints new President & Chief Executive Officer, Azeez Mohammed, who brings decades of industrial and energy transition expertise
- Covanta releases 2021 Sustainability Report, highlighting continued progress towards ESG goals and increased community engagement

**MORRISTOWN, N.J. – November 30, 2021** – Covanta Holding Corporation (“Covanta”), a world leader in sustainable waste and energy solutions, today announced the completion of its \$5.3 billion acquisition by the EQT Infrastructure V fund (“EQT Infrastructure”), unveiling its strategy to become the most sustainable provider of waste solutions. Covanta today also announced the appointment of Azeez Mohammed as President & Chief Executive Officer.

Mr. Mohammed will work closely with Covanta’s full team, EQT, and the company’s new Board of Directors to embark on a bold program to generate compelling value for all stakeholders in an increasingly circular economy. As part of this commitment, the deal was completed with the first ever sustainability-linked leveraged buyout (“LBO”) financing in the U.S., featuring environmentally focused KPIs with financial incentives attached to drive meaningful progress.

“I am excited to lead Covanta during this very transformational time,” said Azeez Mohammed, President and Chief Executive Officer at Covanta. “Covanta has been a mainstay in the industry due to its talented team with deep domain experience in the sustainable waste disposal space, robust portfolio of sustainable negative-carbon Waste-to-Energy assets, and growth platform in Covanta Environmental Solutions that provides premium disposal and recycling solutions to broader industrial wastes. Coupled with society’s growing momentum toward decarbonization and pursuit of circular alternatives for managing waste, this creates a compelling value creation story. I look forward to working with our talented team, stellar board, and a growth and sustainable-minded owner in EQT to capitalize on our potential that ensures the preservation of our planet for future generations.”

**Strategic Initiatives**

Building on Covanta’s strong foundation as a leader in the WTE industry, EQT Infrastructure will increase investments across the business, including:

- Leveraging its existing asset base to move higher up the waste value chain by further incorporating recycling, beneficial reuse, and other forms of sustainable waste disposal into its service offering (including building materials and energy feedstocks)
- Upgrading equipment at existing plants to reduce emissions (including baghouses and advanced NOx and SOx control)
- Furthering investments in host communities (including vocational training programs and environmental undertakings)

Alex Darden, Partner and Head of EQT's US Infrastructure platform said, "EQT has a proven track record of working with purpose-driven companies that are integral to the energy transition and growing circular economy, and we are very excited to partner with Azeez and the entire Covanta team." Mr. Darden continued, "As the world faces ever-increasing waste challenges, EQT is committed to investing in critical community, operational, and digital technology initiatives to enhance Covanta's unique ability to provide sustainable, best-in-class solutions. Under EQT's ownership, Covanta will continue to differentiate its service offerings, with a focus on innovation and sustainable energy."

### **First Ever Sustainability-Linked LBO Financing in the U.S.**

Covanta's sustainability-linked financing framework partners its sustainability strategy with its corporate financial strategy. Under the framework, Covanta pledges to meet two long term goals to increase the total WTE processed, as well as waste recycled to reused materials, by 40 percent by 2030. These long-term goals are underpinned by two accompanying KPIs, which must be met by year-end 2025, compared to a 2020 baseline. The company would face significant financial penalties if it fails to meet the following targets:

- Demonstrating a cumulative growth of 2.5 percent of sustainably processed waste, which diverts more waste from landfills, therefore avoiding significant methane emissions
- Showing a 25 percent cumulative growth in waste recycled or reused, which also avoids emissions, as well as supports the development of the circular economy

The KPIs reflect Covanta's greatest net emissions reduction potential. By leveraging sustainable waste management, Covanta's facilities generate energy and avoid landfills, which produce methane, a potent greenhouse gas that is responsible for more than a quarter of today's global warming. Increasing waste recycled or reused optimizes waste output and contributes to the circular economy.

Covanta tracks its long-term sustainability goals and annually publishes a report highlighting its progress and continued commitment to Environmental, Social and Governance initiatives. Alongside today's closing announcement, Covanta released its [2021 Sustainability Report](#), which includes 2020 full-year data and in-depth analysis. Reported progress includes reduced greenhouse gas emissions, more waste diverted from landfills and expanded company-wide employee resource groups.

### **New President & CEO Azeez Mohammed**

Mr. Mohammed brings over 24 years of leadership experience at large global business units, including at major industrial companies. Most recently, he served as Executive Vice President at Bloom Energy where he was responsible for helping countries and customers make the transition from a fossil fuel to a renewable hydrogen economy. Prior to this position, he served as President & CEO of multiple Power &

Energy oriented business units within GE including GE Power Conversion, GE Power and GE Energy Services. His scope included P&L responsibilities for units of several billions of dollars, thousands of employees and a large global footprint. He has broad functional expertise in technology, finance, and operations and has worked in dozens of different industry segments, including sustainability sectors such as solar, hydrogen, and electric vehicle charging. He is also a global player having lived and worked in six states in the United States and seven countries worldwide.

### **About Covanta**

Covanta is a world leader in providing sustainable waste and energy solutions. Waste-to-Energy is a vital part of the waste disposal value chain, offering a far more sustainable alternative to landfilling waste for communities and businesses, with a significantly smaller real estate footprint per ton disposed compared to traditional landfills. The process ensures optimal use of waste by: reducing waste volumes by 90 percent that would otherwise get landfilled; eliminating nearly one ton of greenhouse gases equivalent per ton of municipal solid waste; producing sustainable, highly reliable electricity, capacity, and steam for utilities and industrial customers; and recycling metals found within municipal solid waste.

Annually, Covanta's modern Waste-to-Energy facilities safely convert approximately 21 million tons of waste from municipalities and businesses into clean, renewable electricity to power one million homes and recycle 600,000 tons of metal. Through a vast network of treatment and recycling facilities, Covanta also provides comprehensive industrial material management services to companies seeking solutions to some of today's most complex environmental challenges. For more information, visit [www.covanta.com](http://www.covanta.com).

### **About EQT**

EQT is a purpose-driven global investment organization with more than EUR 70 billion in assets under management across 27 active funds. EQT funds have portfolio companies in Europe, Asia-Pacific and the Americas with total sales of approximately EUR 29 billion and more than 175,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

More info: [www.eqtgroup.com](http://www.eqtgroup.com)

Follow EQT on [LinkedIn](#), [Twitter](#), [YouTube](#) and [Instagram](#)

### **Media Contact (Covanta)**

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**M E M O R A N D U M**

DATE: June 16, 2022

TO: Solid Waste-to-Energy Executive Committee

FROM: Will Richards, Solid Waste Manager, Stanislaus County Department of Environmental Resources

SUBJECT: Consider the Annual Rotation of Officers and Secretary for the Solid Waste-to-Energy Executive Committee

RECOMMENDED ACTION: It is recommended that the Committee consider the annual rotation of Officers and Secretary for the Solid Waste-to-Energy Executive Committee, and appoint County Supervisor Mani Grewal as the Chairperson, and City Councilmember Chris Ricci as the Vice-Chairperson, and County staff as the Secretary to the Committee for the calendar year 2022.

BACKGROUND:

The Agreement between the City of Modesto and County of Stanislaus relating to the Administration of Service Agreement for Supply and Acceptance of Solid Waste specifies that the Executive Committee shall consist of two (2) members of Modesto's City Council and two (2) members of the County's Board of Supervisors, and that a Chairperson be elected from among its members.

Past practice has been to rotate the Officers and Secretary between the City and the County from year to year, with the Vice Chairperson becoming the Chairperson in a subsequent year. Following this traditional practice, County Supervisor Mani Grewal would become Chairperson, and City Councilmember Chris Ricci would be the Vice-Chairperson, and County staff would become Secretary to the Committee.

**M E M O R A N D U M**

DATE: June 16, 2022

TO: Solid Waste-to-Energy Executive Committee

FROM: Will Richards, Solid Waste Manager, Stanislaus County Department of Environmental Resources

SUBJECT: Consideration of the Fiscal Year 2022-2023 Waste-to-Energy Project Budget

RECOMMENDED ACTION:

Consider approval of the Fiscal Year 2022-2023 Waste-to-Energy Project budget.

BACKGROUND:

Amendment No. 1 to the Agreement between the City of Modesto and County of Stanislaus for the administration of the Waste-to-Energy Project requires an annual budget for the project each fiscal year prior to July 1<sup>st</sup>. Historically, after consideration of the budget by the Executive Committee, it was submitted to the City Council and Board of Supervisors for final approval. This was because this budget had been classified as an Enterprise Fund by the County Auditor-Controller's office. Starting with Fiscal Year 2011-2012 Final Budget, however, it was determined that due to the nature of Waste-to-Energy operation, the budget should more appropriately be classified as an Agency Fund, a fund type held by the County as an agent for individuals, private organizations, or other governments. Agency Funds are not reported in the County's annual spending plan. The Auditor-Controller will continue to track the Waste-to-Energy Agency Fund, but outside of the County budget process. This change eliminates the need to obtain final approval on the WTE budget from the County Board of Supervisors and Modesto City Council.

Staff is proposing the Fiscal Year 2022-2023 Budget based on the combination of tonnage provided by the Cities represented from the Regional Agency and the Contracting Communities over the past nine months along with the project costs through the remainder of the contract year ending June 30, 2022.

The Service Agreement is based on the tonnage of Acceptable Waste processed by the facility, currently \$44.14 per ton. Under the terms of the amendment to the administration agreement, the tip fee at the WTE facility would be increased or decreased annually based on the Consumer Price Index (CPI) and be effective on July 1 of each contract year. The CPI increase for July 1, 2022, was calculated to increase by 8.8%. This will increase the \$37.14 per ton payment to Covanta by \$3.27. The increase along

with the \$6 per ton for the AB939 and Household Hazardous Waste programs, and \$1 per ton to cover Fink Road Landfill costs for WTE portion of scale house operations and the Contracting Communities administration costs will increase the total tipping fee to \$47.41 per ton. The proposed budget is based on the above rates and processing of 253,400 tons.

The set aside reserves of \$3.75 million for unforeseen circumstance costs contingency and \$2 million for other contingencies remain in the Fiscal Year 2022-2023 Proposed Budget. Interest on the \$3.75 million unforeseen circumstances account is retained in the account for future use. Interest on the \$2 million contingencies account, by Agreement, is divided 58% to the City and 42% to the County and paid out at the end of each contract year.

Amendment No. 2 to the Agreement between the City of Modesto and County of Stanislaus for the administration of the Waste-to-Energy Project created a Manager I/II position to be housed at the County for the administration of the agreement. The position has been unfilled since 2010, despite no decrease in workload. The workload for the administration of the agreement requires a significant amount of time and has been spread among various staff members. We are seeking to restore this position to assist County staff in effectively managing the Service Agreement and tonnage tracking as required. The current balance of the WTE Agency Fund is sufficient to support this position financially through the remainder of the contract.

The attachment to this agenda item shows account details of the Proposed Fiscal Year 2022-2023 Budget, as well as the current budget approved for Fiscal Year 2021-2022.

REASONS FOR RECOMMENDATION:

Per the agreement between the City of Modesto and Stanislaus County for the administration of the Service Agreement, the Solid Waste-to-Energy Executive Committee considers an annual budget for the Waste-to-Energy Project.

The Contracting Communities are required to bring 243,300 tons annually to Covanta. The proposed Fiscal Year 2022-2023 budget is based on the Contracting Communities delivering a combined total of 253,400 tons. The budgeted tonnage is remaining consistent with the previous two years.

STAFF RECOMMENDATION:

Staff is recommending approval of the proposed budget with the changes above.

**Stanislaus Waste to Energy Project**  
**Proposed Budget FY 2022-2023 (based on 253,400 tons)**

**Revenues**

17000 - RRA Interest Earnings		\$ 90,000
29715 - Other Gov't Agencies	65,000 tons x \$6.41/ton	<b>\$ 416,650</b>
34400 - Disposal Fees (City and Co)	(115,000 + 73,4000) x \$47.41/ton	<b>\$ 8,932,044</b>
34400 - Disposal Fees (cities)	65,000 tons x \$41/ton	<b>\$ 2,665,000</b>
<b>Total Revenues</b>		<b>\$ 12,103,694</b>

**Expenditures**

***	<b>62450 - A87 Indirect Costs (CAP charge)</b>		<b>\$ 277</b>
***	<b>63000 - Professional and Special Services (County Counsel)</b>		<b>\$ 13,000</b>
***	<b>63090 - Accounting (Auditor's CAP charge)</b>		<b>\$ 81</b>
***	<b>63090 - Purchasing</b>		<b>\$ -</b>
	63410 - Administrative Services (City)		\$ 63,350
	63410 - Administrative Services (City Attorney)		\$ 10,000
	63410 - Administrative Services (Interest OF 2M Contingency to City)		\$ 1,160
	63640 - Legal Services		\$0
	66710 - Service Charges (Covanta Service Fee)	253,400 tons x \$40.41/ton (processing fee)	<b>\$ 10,239,894</b>
	70000 - Administrative Services (County LF)	253,400 tons x \$.50/ton	\$ 126,700
	70000 - Administrative Services (County DER)	253,400 tons x \$.25/ton	<b>\$ 63,350</b>
	70000 - Administrative Services (Interest to County)		\$ 840
	73010 - Contributions to Other Agencies - AB939 (City)	115,000 tons x \$3/ton	\$ 345,000
	73010 - Contributions to Other Agencies - HHW (City)	115,000 tons x \$3/ton	\$ 345,000
	73010 - Contributions to Other Agencies - HHW (County)	73,400 tons x \$3/ton	\$ 220,200
	73010 - Contributions to Other Agencies - AB939 (County)	73,400 tons x \$3/ton	<b>\$ 220,200</b>
	73010 - Contributions to Other Agencies - HHW (Cities)	65,000 tons x \$.59/ton (\$41 - \$40.41)	<b>\$ 38,350</b>
	73010 - Contributions to Other Agencies - AB939 (Cities)	65,000 tons x \$.59/ton (\$41 - \$40.41)	<b>\$ 38,350</b>
	74520 - Administrative Support Position Manager I/II		\$156,833
	<b>Total Expenditures</b>		<b>\$ 11,882,585</b>

Notes:

\*\*\* **These are preliminary numbers. Will be subject to change.**

Expenditure:

- 62450 Indirect Costs/All Values
- 63000 Professional and Special Services / County Counsel
- 63090 Auditing and Accounting / Auditor Controller
- 63090 Purchasing
- 63410 Administrative Svcs to City is **\$0.25/ton** @ 253,400 tons
- 63410 Administrative Svcs to City for City Atty
- 63410 Estimated Interest to City on \$2 million reserved for contingencies = \$2K
- 66710 Covanta's Processing Fee is **\$40.41/ton** @ 253,400 tons
- 70000 Administrative Svcs to DER LF is **\$0.50/ton** @ 253,400 tons
- 70000 Administrative Svcs to DER is **\$0.25/ton** @ 253,400 tons less other County charges
- 70000 Estimated Interest to County on \$2 million reserved for contingencies = \$2K
- 73010 Contribution is **\$3/ton** @ 115,000 tons (AB939 - City of Modesto)
- 73010 Contribution is **\$3/ton** @ 115,000 tons (HHW - City of Modesto)
- 73010 Contribution is **\$3/ton** @ 73,400 tons (HHW - County)
- 73010 Contribution is **\$3/ton** @ 73,400 tons (AB939 - County)
- 73010 Contribution is **\$.59/ton** @ 65,000 tons (HHW - Cities)
- 73010 Contribution is **\$.59/ton** @ 65,000 tons (AB939 - Cities)

63640 Legal Services - \$250,000 - will be using WTE -Other Contingency (**Org-61664**)

Revenue:

- 17000 Interest
- 29715 From the Rate Stabilization Funds 65,000 tons @ **\$6.41/ton**
- 34400 Disposal Fees from City of Modesto of 115,000 tons @ **\$47.41/ton**
- 34400 Disposal Fees from County of 73,400 tons at **\$47.41/ton**
- 34400 Disposal Fees from cities of 65,000 tons @ **\$41.00/ton**

**Stanislaus Waste to Energy Project**  
**Approved Budget FY 2021-2022 (based on 253,400 tons)**

**Revenues**

17000 - RRA Interest Earnings		\$ 90,000
29715 - Other Gov't Agencies	65,000 tons x \$4.14/ton	<b>\$ 269,100</b>
34400 - Disposal Fees (City and Co)	(115,000 + 73,4000) x \$44.14/ton	<b>\$ 8,315,976</b>
34400 - Disposal Fees (cities)	65,000 tons x \$40/ton	<b>\$ 2,600,000</b>
<b>Total Revenues</b>		<b>\$ 11,275,076</b>

**Expenditures**

***	<b>62450 - A87 Indirect Costs (CAP charge)</b>		<b>\$ (211)</b>
***	<b>63000 - Professional and Special Services (County Counsel)</b>		<b>\$ 10,000</b>
***	<b>63090 - Accounting (Auditor's CAP charge)</b>		<b>\$ 38</b>
***	<b>63090 - Purchasing</b>		<b>\$ -</b>
	63410 - Administrative Services (City)		<b>\$ 63,350</b>
	63410 - Administrative Services (City Attorney)		<b>\$ 10,000</b>
	63410 - Administrative Services (Interest OF 2M Contingency to City)		<b>\$ 1,160</b>
	63640 - Legal Services		\$250,000
	66710 - Service Charges (Covanta Service Fee)	253,400 tons x \$37.14/ton (processing fee)	<b>\$ 9,411,276</b>
	70000 - Administrative Services (County LF)	253,400 tons x \$.50/ton	\$ 126,700
	70000 - Administrative Services (County DER)	253,400 tons x \$.25/ton	<b>\$ 63,350</b>
	70000 - Administrative Services (Interest to County)		\$ 840
	73010 - Contributions to Other Agencies - AB939 (City)	115,000 tons x \$3/ton	\$ 345,000
	73010 - Contributions to Other Agencies - HHW (City)	115,000 tons x \$3/ton	\$ 345,000
	73010 - Contributions to Other Agencies - HHW (County)	73,400 tons x \$3/ton	\$ 220,200
	73010 - Contributions to Other Agencies - AB939 (County)	73,400 tons x \$3/ton	<b>\$ 220,200</b>
	73010 - Contributions to Other Agencies - HHW (Cities)	65,000 tons x \$2.86/ton (\$40 - \$37.14)	<b>\$ 185,900</b>
	73010 - Contributions to Other Agencies - AB939 (Cities)	65,000 tons x \$2.86/ton (\$40 - \$37.14)	<b>\$ 185,900</b>
	<b>Total Expenditures</b>		<b>\$ 11,438,704</b>

Notes:

\*\*\* **These are preliminary numbers. Will be subject to change. - No Changes made.**

Expenditure:

- 62450 Indirect Costs/All Values
- 63000 Professional and Special Services / County Counsel
- 63090 Auditing and Accounting / Auditor Controller
- 63090 Purchasing
- 63410 Administrative Svcs to City is **\$0.25/ton** @ 253,400 tons
- 63410 Administrative Svcs to City for City Atty
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- 70000 Administrative Svcs to DER is **\$0.25/ton** @ 253,400 tons less other County charges
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- 73010 Contribution is **\$3/ton** @ 115,000 tons (HHW - City of Modesto)
- 73010 Contribution is **\$3/ton** @ 73,400 tons (HHW - County)
- 73010 Contribution is **\$3/ton** @ 73,400 tons (AB939 - County)
- 73010 Contribution is **\$2.86/ton** @ 65,000 tons (HHW - Cities)
- 73010 Contribution is **\$2.86/ton** @ 65,000 tons (AB939 - Cities)

63640 Legal Services - \$250,000 - will be using WTE -Other Contingency (**Org-61664**)

Revenue:

- 17000 Interest
- 29715 From the Rate Stabilization Funds 65,000 tons @ **\$4.14/ton**
- 34400 Disposal Fees from City of Modesto of 115,000 tons @ **\$44.14/ton**
- 34400 Disposal Fees from County of 73,400 tons at **\$44.14/ton**
- 34400 Disposal Fees from cities of 65,000 tons @ **\$40.00/ton**

**M E M O R A N D U M**

DATE: June 16, 2022

TO: Solid Waste-to-Energy Executive Committee

FROM: Will Richards, Solid Waste Manager, Stanislaus County Department of Environmental Resources

SUBJECT: Update on Contractual Tonnage deliveries at the Stanislaus Resource Recovery Facility

RECOMMENDED ACTION:

This item is presented for the Committee’s information only, no action is required.

SCHEDULE 1 APPENDIX DELIVERY SCHEDULE				
FOR CONTRACTING YEAR BEGINNING JULY 1, 2021				
Period	Proposed Guaranteed Tonnage	Actual Tonnage Deliveries	Tons Over/(Under) Guarantee	Diverted Tonnages
July	19,872	19,094	(779)	1,585
August	21,000	22,183	1,183	-
September	20,372	21,457	1,082	-
October	20,244	20,218	(26)	1,468
November	20,500	22,184	1,684	-
December	21,250	21,021	(229)	3,496
January	21,500	21,486	(14)	367
February	20,000	17,492	(2,508)	2,568
March	22,085	18,210	(3,875)	2,142
April	18,300	8,819	(9,481)	12,298
May	17,077	14,309	(2,768)	5,817
June	21,100	-	-	-
<b>Total</b>	<b>243,300</b>	<b>200,472</b>	<b>(10,711)</b>	<b>29,741</b>

FY 21-22 Budget for Service Fee Charges	\$ 9,411,276
Expenses to date (through May 2022)	\$(7,874,816)
Remaining Budget Balance	<u>\$ 1,536,460</u>

DISCUSSION:

After eleven full months into the current fiscal year, there have been nine (9) full diversions and forty-eight (48) partial diversions to the Landfill. The table above shows several months throughout the fiscal year that have closed with shortages when compared against the Proposed Guaranteed Tonnage. The 27,173 tons delivered during Covanta's requested diversion days were credited towards the Contracting Communities' guaranteed tonnage.

BUDGET UPDATE:

The budget total for the Service Fee Charge for Fiscal Year 2021-2022 is \$9,411,276. Expenses through May were \$(7,874,816), leaving a balance of approximately \$1,536,460.