

BOARD OF DIRECTORS

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VICE CHAIR

GARY BALES
SUE McCLOUD
DAVID PENDERGRASS
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO



WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
July 20, 2012

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Leo Laska (Chair), Pebble Beach Community Services District Boardmember
Dennis Allion, City of Del Rey Oaks Councilmember
Gary Bales, City of Pacific Grove
Sue McCloud (Vice Chair), City of Carmel-by-the-Sea
David Pendergrass, City of Sand City Mayor
Libby Downey, City of Monterey Vice Mayor
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Ian Oglesby, City of Seaside Councilmember
Bruce Delgado, City of Marina Mayor

MEMBERS ABSENT: NONE

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Richard Shedden, Senior Engineer
Chuck Rees, Finance Manager
Jeff Lindenthal, Public Education and Recycling Manager
Richard Petitt, Site Manager
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
Ida Gonzales, Administrative Support Specialist
Clyde Walkup, MRF Operations Supervisor/OE3 Representative

OTHERS PRESENT: Charlie Cordova, Green Waste Recovery
Teresa Rios, Monterey County Environmental Health Bureau
Warren Pete Poitras
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the July 20, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:35 a.m.

PUBLIC COMMUNICATIONS

There were no public comments.

CONSENT AGENDA

Following a motion by Director Pendergrass, and seconded, the Board approved the following actions:

- 1) Approve Minutes of June 15, 2012 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Adopt Resolution 2012-06 Establishing District Investment Policy Guidelines for Fiscal Year 2012/13
- 4) Declare Surplus and Authorize Disposition of District Equipment
- 5) Authorize Purchase of Information Technology Equipment at a Cost Not to Exceed \$73,300

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 6) Accept Report from Finance Committee Chair on Meeting of June 27, 2012

The Board reviewed a memorandum from Chair Laska summarizing discussion from the June 27, 2012 Finance Committee meeting. Items discussed included a Financial Update, the procurement process for the member agency Franchise Agreements and Material Recovery Facility (MRF) Improvement Project (Upgrade), and operations and future plans of the Landfill Gas Project (LFG).

Board discussion followed regarding the memorandum of agreement (MOA) for reimbursement of franchise agreement assistance cost. General Manager stated that all costs to date on the model franchise agreement (MFA) have been incurred by the District and the proposed MOA would have the selected hauler reimburse the District for any future costs related to the procurement of a contract.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of June 27, 2012.

- 7) Accept Report from Finance Committee Chair on Special Meeting of July 12, 2012

The Board reviewed a memorandum from Chair Laska summarizing discussion from the July 12, 2012 special meeting of the Finance Committee. In open session, the Finance Committee discussed the need to submit an application to PG&E for an Interconnection Study. In closed session, information was received and discussion held on two items; direction was provided to staff and no action was taken.

General Manager reported that with regard to the interconnection study, staff learned that the cost may be higher than the initial \$10,000 discussed with the Finance Committee. Staff will provide more information to the Finance Committee at their July 25, 2012 meeting, and anticipates that any costs for the interconnection study will be recovered from the sale of renewable energy.

Board discussion followed regarding other options to conducting the study. Director McCloud requested that staff provide financing information for any future expansion of the LFG project. Director Delgado requested that information also be provided about the expected revenue from the expanded LFG project.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Special Meeting of July 12, 2012.

8) Receive Staff Report on Status of Compost and Recycling Use Permit and Adopt Updated Mitigation Monitoring and Reporting Program for the Ongoing Composting and Recycling Operations

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal regarding the application for the Composting Site Use Permit. General Manager stated that following recent discussion with Monterey County staff and their legal counsel, the District will circulate an environmental document for the AD pilot demonstration project for public review and comment.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Table Action on Adoption of an Updated Mitigation Monitoring and Reporting Program for the Ongoing Composting and Recycling Operations, to the August 20, 2012 Board Meeting, Pending Circulation of the Environmental Documents.

9) Accept Report on Landfill Gas Project and Authorize Scope of Work from D. Edwards Incorporated in the Amount of \$54,835

The Board reviewed a memorandum from Information Systems Manager Don Prescott regarding long term plans of the LFG project and progress made to evaluate whether there is excess LFG available, its best utilization, and any necessary improvements, if needed. General Manager stated that staff is recommending the assistance of Dave Edwards, Inc. (DEI) to prepare a master plan for the District that lays out short, medium, and long term strategic improvements to the LFG system that are consistent with the District's strategic goals and ensures environmental compliance while maximizing the beneficial use of LFG at the site. General Manager stated that the work DEI has conducted thus far has been with the knowledge and support of the Finance Committee. Staff intends to provide more information to the Finance Committee and would report to the full Board for approval of any expanded LFG project.

Board discussion followed regarding future water projects and the ability to provide renewable energy to any project. Following a question regarding not doing anything with the LFG, General Manager responded that the District is regulated to collect and handle excess LFG, whether by flare or other means. He provided a brief overview on how LFG develops. Director Oglesby stated that the District is obligated to ensure that there is no leakage of LFG at whatever cost and although the cost to retain DEI may seem high, staff needs to explore any potential to obtain revenue from the sale of the excess LFG.

Board discussion continued regarding financing options and whether the expansion project had been included in the five-year capital outlay. Finance Manager responded that the project was not as there are many options that still need to be reviewed. Director McCloud commented that this project and the anaerobic digester project would be a good opportunity to provide the public with information on what the District does. Director Bales stated that the District was going through a period of expenditures and the Finance Committee had considered this relative to the retention of DEI and supported staff recommendation.

It was moved by Director Delgado, seconded, and *Unanimously Carried To: Accept Report on Landfill Gas Project and Authorize Scope of Work from D. Edwards Incorporated in the Amount of \$54,835.*

10) **Item Removed**

11) **Authorize Chair to Cast Vote for One Candidate for Special District Alternate Member Seat on the Local Agency Formation Commission (LAFCO) of Monterey County**

The Board reviewed information from LAFCO regarding the four candidates seeking election to the one seat as alternate LAFCO Commissioner.

Candidate Warren Pete Poitras addressed the Board to state his reasons for seeking to represent Special Districts on LAFCO as an alternate. Board discussion followed regarding the candidates.

It was moved by Director Parker, seconded, and *Unanimously Carried To: Authorize Chair to Cast Vote for Warren Pete Poitras as Special District Alternate Member on the Local Agency Formation Commission (LAFCO) of Monterey County.*

12) **Authorize Chair to Cast Ballot to Elect a Representative to California Special Districts Association Board of Directors in Region 3**

The Board received information on the candidate seeking election to the California Special Districts Association Board of Directors in Region 3.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Authorize Chair Laska to Cast Ballot for Vince Ferrante of the Moss Landing Harbor District for Region 3 Director on the California Special Districts Association Board.*

STAFF REPORTS

13) **Financial, Operating and Recycling Reports**

The Board reviewed the financial statements for May 2012. The financial statements for June 2012 have been delayed due to the year-end close and audit procedures. Mixed Waste revenues for the month June 2012 are estimated at \$1,140,000. The Operating Income for May is \$48,293 and year-to-date total Operating Expenses of \$17,337,795 are above budget by \$131,963. The year-to-date Operating Revenues are \$18,010,281, below last year at this time. Refuse Accepted (excluding Regional and Contract Waste) for June decreased by 2,210 tons from last year and decreased by 459 tons from last month. The total refuse for the last 12 months are at all time low of 184,404 tons down 6,872 tons or 3.6% from the 12 month period ended June 2011. Director McCloud inquired why operating expenses were above budget. The Finance Manager responded that overage was mainly due to unexpected repairs and maintenance on the LFG project and heavy equipment.

The Board reviewed the Operating Report for June 2012. The Total Solid Waste Accepted into the site (excluding Regional and Contract Waste) during June 2012 was 25,428 tons, a decrease of 2,694 tons from June 2011. Regional and Contracted Waste decreased by 4,173 tons due primarily to the City of Watsonville and reducing deliveries and lower tons from GreenWaste/Zanker (GWR). General Manager stated that staff had anticipated that local tonnage would have leveled off and the continued reduced tonnage is a concern going forward. Staff intends to speak to GWR regarding the lower tonnage.

14) Report on July 17, 2012 Meeting of Monterey County Special Districts Association

The Board received a summary of the July 17, 2012 meeting of the Monterey County Special Districts Association prepared by Public Education and Recycling Manager.

15) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported that AB 298 (Brownley - Single Use Carryout Bags) passed the Senate Environmental Quality Committee. The SWANA Legislative Task Force (LTF) discussed the importance of the bag definition and agreed that AB 298 was fine provided it does not preempt local ordinances flexibility. He also reported that there was considerable discussion on current provisions of AB 480 (Solorio) and concerns over captive insurance; it was decided that the LTF would not change its current oppose position.

OTHER CORRESPONDENCE

There was no correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the City of Monterey had initiated its Plastic Bag Ban effective July 1, 2012. He also reported that he had attended the California Special District's Association Leadership Forum on July 15-17, 2012 and would be on the panel of the two-day Biogas USA West Conference in San Francisco, October 10-11, 2012.

Lastly, he stated that although he had reported in his manager's report that staff was considering canceling the August meeting, pressing matters had arisen and the August Board would be held at its regular date and time of August 17, 2012 at 9:30 a.m.

BOARD COMMUNICATIONS

There were no Board communications.

CLOSED SESSION

The Board went into closed session at 10:38 a.m. regarding the following:

- 1) Conference with Property Negotiators:
Property: Easement Along Charlie Benson Lane
District Negotiators: William Merry and Tim Flanagan
Negotiating Parties: Dole Fresh Vegetables
Terms: All Terms and Conditions

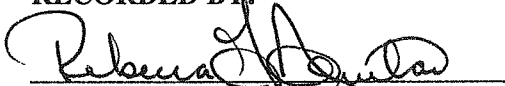
- 2) Conference with Property Negotiators:
Property: Landfill Site Space/Capacity
District Negotiators: William Merry and Tim Flanagan
Negotiating Party: County of Monterey
Terms: All Terms and Conditions

The Board came back into open session at 11:25 a.m. (*Director Parker retired at 11:05 a.m.*) and Legal Counsel announced that with regard to Items 1 and 2, information was received by the Board and no action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the July 20, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to August 17, 2012 by Chair Laska at 11:26 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



William M. Merry, P.E.
General Manager/Secretary