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DISTRICT ENGINEER

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ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Movement

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
November 16, 2012

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

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

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Rick Shedden, Senior Engineer
Daylene Alliman, Human Resources Manager
Chuck Rees, Finance Manager
Jeff Lindenthal, Public Education and Recycling Manager
Harry Hunzie, Material Recovery Facility/Landfill Gas Facility Manager
Richard Petitt, Site Manager
Glen Evett, LCM /HHW Manager
Clyde Walkup, Materials Recovery Facility Supervisor
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist
Abram Meza, Household Hazardous Waste Technician
Jimmy Perez, Senior Household Hazardous Waste Technician

OTHERS PRESENT: Sharon Friedrichsen, City of Carmel
Ted Terrasas, City of Monterey
Charlie Cordova, Green Waste Recovery
Michael Gross, Green Waste Recovery
Brad Hagemann, Monterey Regional Water Pollution Control Agency
Mike Niccum, Pebble Beach Community Services District
Robert Moreno, Salinas Valley Solid Waste Authority
Felipe Melchor, Waste Management

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the November 16, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no public comments.

Emergency Agenda Item:

Chair Laska informed the Board that staff was requesting to add an emergency item to the agenda, to request authorization to submit a grant application to the California Energy Commission for development and installation of a conversion system to produce vehicle fuel from landfill gas. General Manager stated that there was an opportunity to apply for this grant, but the submission date was November 30, 2012. Legal Counsel stated that since this matter arose after the meeting agenda had been sent out and the matter required Board action before the next Board meeting, it was appropriate to add it as an emergency item, if approved by the Board.

It was moved by Director Parker, seconded, and Unanimously Carried To: Add "Adopt Resolution 2012-11 Authorizing Submittal of Grant Application to California Energy Commission for Development and Installation of System to Convert Landfill Gas (LFG) to Compressed Natural Gas (CNG) to Produce Vehicle Fuel" as Emergency Item (E1) to the Agenda.

CONSENT AGENDA

Director McCloud requested that Item 5 be pulled from the agenda, to which the Board agreed.

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

- 1) Approve Minutes of October 19, 2012 Regular Board Meeting**
- 2) Accept Summary of October 19, 2012 Board Workshop on Landfill Gas Utilization**
- 3) Approve Report of Disbursements**
- 4) Accept Report from Personnel Committee Chair on Meeting of October 31, 2012**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) Approve Draft 2013 Board Meeting Calendar**

The Board reviewed a draft 2013 Calendar of Board Meetings and Other Events. Director McCloud questioned the activity in the third week in September and asked if a Board workshop would be held in April. Staff clarified that a half day Board workshop is scheduled for Wednesday, May 1, and also clarified that events occurring in the third week in September were industry conferences, which staff or Board members may be attending.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Approve 2013 Board Meeting Calendar and Other Events.*

PRESENTATIONS

6) Accept Report on Household Hazardous Waste Program

The Board reviewed a memorandum and received a presentation from Last Chance Mercantile/Hazardous Materials Manager Glen Evett on the Household Hazardous Waste (HHW) program statistics for the past several years.

The District's HHW collection program began in 1987 and was one of the first permanent programs of its type in the U.S. District residents can turn in paint, used motor oil, household cleaners, pesticides, and various other household hazardous materials at no charge. A unique aspect of the program is the "drop and swap" component, whereby usable hazardous materials that have been dropped off in the HHW program, are made available to the public for free at the Last Chance Mercantile (LCM). The HHW program has been able to consistently reuse 35% of all materials collected which significantly reduces program costs. The annual cost to operate the HHW program in 2011 was \$592,000, plus overhead and administrative costs. The new PaintCare Extended Producer Responsibility (EPR) program, similar to the electronic waste recycling program (fee is charged at the time of purchase and the money is used to fund a paint recycling program), is a good example of policy that can reduce costs to local government. Staff is reviewing District HHW program operations and future options, in search of ways to reduce costs, and increase efficiencies. Future options under consideration include door-to-door collection and one-day mobile collection events.

Board discussion followed regarding staffing levels and shortening the hours of operation of the HHW program. Staff stated that staffing levels had increased by one, a few years ago, because of the need to perform regulatory required waste screening activities (load checks) more frequently, in an effort to reduce illegal disposal of HHW. The Board expressed concern with reducing the hours of operation in the HHW program, which could lead to increased illegal dumping. Discussion was also held on public awareness of the program, which some felt may need to be increased. Last Chance Mercantile/Hazardous Materials Manager introduced Hazardous Materials Technicians Jimmy Perez and Abram Meza.

General Manager acknowledged Pebble Beach Community Services District (PBCSD) General Manager Mike Niccum for the PBCSD's efforts in holding a successful annual one-day hazardous materials collection event, in which District staff and Waste Management participated.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Accept Report on Household Hazardous Waste Program.*

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) Accept Report from Finance Committee Chair on Meeting of October 31, 2012

The Board reviewed a memorandum from Chair Laska in which discussion was held on reduced incoming tonnage and how it affected the overall budget. Revenue projections for FY 2012/13 are \$1.3 million below budget and will be reviewed, and as appropriate, adjusted at the mid-year Budget review. Staff provided the Committee with several options aimed toward balancing the budget, which will be discussed further at the

November 28th meeting. Staff also provided a report on revenues received from the sale of electricity generated by the landfill gas (LFG) project in recent years.

Director Delgado asked if the Finance Committee would be holding discussion on future landfill tipping fee rate increases for further discussion with the full Board. Chair Laska replied that other options are first being considered, although a landfill tipping fee rate increase has not been ruled out.

General Manager referred the Board to the Table that had been provided in their packet, summarizing revenue from the LFG project. He stated that although the LFG to energy project has been a good and worthwhile project, there have been many challenges over the years in its operation. One of the current challenges is with the Permit to Operate, issued from the Monterey Bay Air Pollution Control District (MBUAPCD), which regulates stack emissions and the increased impact resulting from soloxanes in the LFG, which are causing decreased engine performance which in turn affects engine emissions. Related to power sales, staff continues to be optimistic that a contract can be obtained to sell the renewable energy from the LFG at a competitive price.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of October 31, 2012.

8) Authorize Extended Leave of Absence for District Employee (Item May be Continued Until After Closed Session)

In his Report, General Manager stated that this matter had been brought forward in accordance with District Policy which states that “Unpaid Leave of Absence may be granted to regular employees for a maximum, normally of (1) year, by the Board of Directors on recommendation of the General Manager. The Board may, in such cases as is deemed best, extend such leave of absence for a greater period than one (1) year. The General Manager may grant unpaid leave of absence for up to three months.” The employee has been off of work since May 31, 2012, following a Family and Medical Leave. He recommended that the Board defer action on this item until after closed session, to which the Board agreed.

9) Authorize Amendments to Memoranda of Understanding with Employee Bargaining Units to Implement Voluntary Early Retirement Incentive (Item May be Continued Until After Closed Session)

In his Report, General Manager stated that due to the reduction of incoming refuse tonnage and the reduction of the “put or pay” waste in the Green Waste Recovery (GWR) contract from 125,000 tons to 75,000 tons annually, the District was anticipating a reduction in the anticipated amount of revenue for FY 2012/13 of about \$1 3 million. While the District was in a position to defer capital and some maintenance expenditures for the remainder of FY 2012/13, a critical revenue shortfall is anticipated, beginning in FY 2013/14. The District’s Reduction in Staffing Policy states that the District is required to evaluate alternatives that are designed to achieve a reduction in personnel costs in a manner that will enable the District to avoid or limit layoffs while still meeting its needs. With the recent signing of AB 340, which eliminates a PERS members’ ability to purchase additional retirement service credit, there may be a narrow window of opportunity to offer a voluntary severance package to eligible employees (age 55 and older who have a minimum of 5 years of vested service with the District). Staff believes that this incentive provides the best and most efficient opportunity to reorganize operations, and to avoid more challenging and difficult to implement measures that other reduction in staff methods might create. The Board agreed to defer action on this item until after discussion in closed session.

E1. *Adopt Resolution 2012-11 Authorizing Submittal of Grant Application to California Energy Commission for Development and Installation of System to Convert Landfill Gas (LFG) to Compressed Natural Gas (CNG) to Produce Vehicle Fuel*

The Board reviewed a Resolution regarding the District's intent to submit a grant application to the California Energy Commission (CEC), in which the District could receive an award of up to \$1,750,000 for the development of a regional landfill gas to vehicle fuel system for its own vehicles, plus light duty trucks, refuse collection trucks, and other appropriate vehicles, in conjunction with other local governments and solid waste haulers.

Board discussion was held regarding the complete cost of installing a conversion system, scalability, the need to match grant funding, and competing entities. General Manager stated that the grant request was for \$1,750,000, which is anticipated to include all or a portion of the cost of converting existing District vehicles so they could run on CNG. The District would match funds in the form of staff and dedication of land. Director Downey commented that the City of Monterey had tried and then moved away from a similar system, years ago. General Manager stated that newer technology was more efficient, and petroleum based fuel prices are now higher. He stated that the Board might wish to consider funding a pilot project if the District is not successful in obtaining grant monies, and that the District would presumably be competing with other landfills with LFG projects, as well as other bioenergy projects.

Michael Gross of GWR spoke in favor of the conversion system and stated that GWR would anticipate using the CNG station since their trucks are already bringing waste to the District.

It was moved by Director Parker, seconded, and Unanimously Carried To: Adopt Resolution 2012-11 Authorizing Submittal of Grant Application to California Energy Commission for Development and Installation of System to Convert Landfill Gas (LFG) to Compressed Natural Gas (CNG) to Produce Vehicle Fuel.

STAFF REPORTS

10) Financial, Operating, and Recycling Reports

The Board reviewed the financial statements for September 2012. Year-to-date Total Operating Expenses are below budget by \$293,644 and Year-to-date Total Salary Expenses are below budget by \$126,667. The year-to-date Operating Revenues are above budget by \$159,799 and Year-to-date tipping fee revenues are \$4,105,717, above last year by \$86 and budget by \$238,217. Finance Manager cautioned that the revenue during the winter months is historically much lower than the summer months.

The Operating Report for October 2012 was reviewed by the Board. The Total Solid Waste Accepted into the site (excluding regional and contracted waste from Santa Cruz County, Watsonville, Capitola, Scotts Valley and GreenWaste Recovery) during October 2012 was 24,544 tons. The tonnage from regional and contracted waste from Watsonville, Capitola, Scotts Valley, and Green Waste Recovery was 57, 621, 630, and 10,740, respectively.

Director Downey asked if staff could provide information on much the District spends on recycling for each city since it was the basis of charging a lower tipping fee for regional waste since it went directly to the landfill for disposal, and the District did not incur recycling expense in processing the waste. Finance Manager replied that staff is aware of the cost of providing recycling to all member agencies together. Director Delgado stated that recycling was not the only benefit the District provided to member cities.

11) Public Education and Recycling, Including Report on Carpet Recycling Pilot Project

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal. The District has begun a carpet recycling pilot project with a goal of quantifying the cost and benefits of diverting it from disposal. The primary benefit of diversion is to keep heavy and bulky material out of the landfill and to obtain diversion credit; however, the cost to divert this material exceeds the revenue derived from the tipping fee. Staff is working to identify opportunities to lower carpet recycling program costs to try and make it more sustainable on a long-term basis.

Director Delgado inquired if there was an opportunity to assess an additional fee for acceptance of carpet as is done with mattresses. Director McCloud stated that Hope Services picks up mattresses for free.

Public Education and Recycling Manager also reported that the District has implemented a "blog" (<http://mrwmd.tumblr.com>) to communicate with customers, utilizing a new social media tool.

12) Status Report on Anaerobic Digester (AD) Pilot Project

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal providing a status report on the AD project construction. An open house is being planned for January and operation of the unit is scheduled to begin in early 2013.

13) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported that the Solid Waste Association of North America (SWANA) California Chapter's Legislative Task Force (LTF) held its annual meeting on November 9-10, 2012 in San Diego, and discussion was held on prioritization of anticipated legislative and regulatory topics and preparation of the 2013 Work Plan.

OTHER CORRESPONDENCE

14) Letter to California Public Utilities Commission RE: Successful Implementation of SB 1122 (Bioenergy Procurement)

The Board reviewed a letter sent to the Public Utilities Commissioners in order to provide input as a policy is developed for implementation of SB 1122. The District signed on to the letter, along with a number of other public and private entities.

GENERAL MANAGER COMMUNICATIONS

General Manager congratulated Mayor Delgado and Directors Downey and Oglesby on their re-elections. He stated that a letter had been sent to the cities of Sand City, Seaside, Marina and Del Rey Oaks on re-appointments to the District Board for terms ending December 31, 2012.

BOARD COMMUNICATIONS

There were no Board communications.

CLOSED SESSION

The Board went into closed session at 11:06 a.m. regarding the following:

1) Personnel Matter:

- a. Extended Leave of Absence for District Employee

2) Conference with Labor Negotiators:

District Negotiators: William Merry, Tim Flanagan, and Daylene Alliman
Employee Organizations: Management Unit; Operating Engineers Local 3 (OE3) Operations Unit; OE3 Support Personnel Unit; OE3 Laborers & Sales Clerks Unit

3) Conference with Property Negotiators:

Property: Landfill Site Space/Capacity
District Negotiators: William Merry and Tim Flanagan
Negotiating Party: County of Monterey, Salinas Valley Solid Waste Authority
Terms: All Terms and Conditions


The Board came back into open session at 12:50 p.m. and it was announced that in the closed session: 1) the Board authorized the General Manager to provide the additional leave of absence to a District employee as requested by the General Manager; 2) the Board received information from its negotiators and by a 5-3 (Bales, Downey and Laska) vote gave direction to the District's negotiators to proceed with the side letter amendments to the Memoranda of Understanding with the employee bargaining units to implement the voluntary early retirement incentive program; and 3) received information regarding the real property negotiations matter, but took no action.

ADJOURN THE MEETING IN MEMORY OF RETIRED EMPLOYEE ED LOPEZ

General Manager reported that Ed Lopez, District Heavy Equipment Operator for 21 years prior to his retirement on May 31, 2011, had passed away on October 27th.

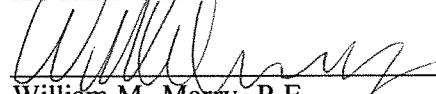
There being no further business to come before the Board at this time, the November 16, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned in memory of Ed Lopez by Chair Laska at 12:51 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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