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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.
June 21, 2013

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

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

MEMBERS ABSENT: Dennis Allion (Vice Chair), City of Del Rey Oaks Councilmember

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Daylene Alliman, Human Resources Manager
Chuck Rees, Finance Manager
Jeff Lindenthal, Public Education and Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Glen Evett, Last Chance Mercantile/Household Hazardous Waste Manager
Jack Cook, Safety Manager
Richard Petitt, Site Manager
Clyde Walkup, Materials Recovery Facility Operations Supervisor/OE3 Representative
Kimberle Herring, Public Education Coordinator
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Ted Terrasas, City of Monterey
Hans Uslar, City of Monterey
Tom Frutchey, City of Pacific Grove/Monterey Bay Area City Managers
Brennen Jensen, Emerging Ecologies
Emily Hanson, Green Waste Recovery
Keith Day, Keith Day Trucking
Lew Bauman, Monterey County Administrative Offices
John Ramirez, Monterey County Environmental Health
Teresa Rios, Monterey County Environmental Health
Brad Hageman, Monterey Regional Water Pollution Control Agency
Mike Niccum, Pebble Beach Community Services District

OTHERS PRESENT: Doug Kenyon, Republic Services of Salinas
(continued) J.D. Black, Salinas Valley Solid Waste Authority
Patrick Mathews, Salinas Valley Solid Waste Authority
Cesar Zuniga, Salinas Valley Solid Waste Authority
Delane Hurley, State of California Department of Parks and Recreation
Angie Mendoni, Waste Management

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the June 21, 2013 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 comments from the public.

CONSENT AGENDA

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

- 1) Approve Minutes of May 17, 2013 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Approve Amendments to Memorandums of Understanding with Operating Engineers Local 3 (OE3) Support Personnel and Operations Units to Incorporate a 2.99% Cost of Living Adjustment (COLA); and with the Management and OE3 Laborer and Sales Clerks Units to Incorporate a 2.4% COLA
- 4) Approve 2.4% COLA for Unrepresented Employees

PUBLIC HEARING TO CONSIDER:

- 5) a) Reduction in Hours of Operation for:
Household Hazardous Waste (HHW) Facility Effective July 1, 2013
Last Chance Mercantile (LCM) Effective July 1, 2013
Administrative Office, Scales, and Site Gate Effective November 4, 2013
- b) A 7.25% Landfill Tipping Fee Increase and Miscellaneous Tipping Fee Increases Effective January 1, 2014

General Manager stated that the public hearing was duly noticed in the *Herald* and the *Monterey County Weekly*, and notices were provided to account customers with their monthly invoices. Notices were also posted around the site.

Assistant General Manager Tim Flanagan provided the Board with a presentation, which outlined tipping fees from other local waste acceptance sites and results from a customer survey with regard to the reduction in hours of operation.

Staff noted that no comments were received prior to the public hearing. Chair Laska opened the public hearing at 9:47 a.m. No public comments were received and the public hearing was closed at 9:48 a.m.

Board discussion was held regarding the fee increases and reduction in hours, and their impacts. Director McCloud commended staff for the information provided in the memorandum and for conducting a survey of District customers. She inquired about the tipping fee increase for food scraps and its impact with the new anaerobic digestion (AD) pilot project. Assistant General Manager stated that the tip fee increase was needed to offset District costs in assisting Zero Waste Energy (ZWE) with operation of the AD facility. Public Education and Recycling Manager stated that at a recent meeting of the food scraps compost program adhoc coalition, he had presented the proposed tip fee increase and no negative feedback had been received. Director Delgado inquired what type of increase would be needed if the District were to continue to operate with the same hours and replace staff lost through the voluntary early retirement incentive. Finance Manager Chuck Rees responded that an increase of approximately 8.25%, instead of 7.25%, would be needed.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 6) **Approve Reduction in Hours of Operation for:**
a) **Household Hazardous Waste (HHW) Facility Effective July 1, 2013**
b) **Last Chance Mercantile (LCM) Effective July 1, 2013**

The Board reviewed a memorandum from Assistant General Manager. If approved, the hours for the HHW facility would be Wednesday through Saturday, 9 a.m. to 4 p.m., and closed on Monday and Tuesday. The hours for the LCM would be Tuesday through Saturday, 9 a.m. to 4 p.m., and closed on Monday.

Directors McCloud and Delgado requested that staff prepare a press release, to carefully explain the need and justification for the reduction in hours and increase in the tipping fees, and its impact on customers.

It was moved by Director Pendergrass, seconded, and *Unanimously Carried To: Approve Reduction in Hours of Operation for the Household Hazardous Waste (HHW) Facility and Last Chance Mercantile (LCM) Effective July 1, 2013.*

- c) **Administrative Office, Scales, and Site Gate Effective November 4, 2013**

The Board reviewed a memorandum from Assistant General Manager. Staff was recommending making the change effective on November 4th which will allow time to process the permit with the County and coincides with the ending of daylight savings time. If approved, the hours for the scales and site gate would be 7 a.m. to 4 p.m., Monday through Friday, and Saturdays 8 a.m. to 4 p.m., and the administrative office hours would be 8 a.m. to 4 p.m., Monday through Friday.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Approve Reduction in Administrative Office, Scales, and Site Gate, Effective November 4, 2013.*

- 7) **Approve 7.25% Landfill Tipping Fee Increase and Miscellaneous Tipping Fee Increases Effective January 1, 2014**

The Board received a Fact Sheet and other related information for the proposed increases. The proposed increase of \$3.50 per ton would increase the Basic Tipping Fee from \$48.25 per ton to \$51.75 per ton.

It was moved by Director Pendergrass, seconded, and *Approved by Chair Laska, and Directors Bales Delgado, McCloud, Oglesby, Parker, and Pendergrass; Opposed by Director Downey To: Approve 7.25% Landfill Tipping Fee Increase and Miscellaneous Tipping Fee Increases Effective January 1, 2014.*

8) Accept Report from Finance Committee Chair on Meeting of May 29, 2013

The Board reviewed a memorandum from Chair Laska, summarizing the meeting of the Finance Committee. The primary purpose of the meeting was to review and discuss the Final Budget for FY 2013/14, Landfill Gas Power Sales, and the Proposal from the City Managers' Group to participate in a County-Wide Solid Waste Study.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of May 29, 2013.*

9) Adopt Resolution 2013-13 Approving Final Budget for Fiscal Year 2013/14

The Board reviewed the Final Budget information from the Finance Manager. General Manager stated that at the May Board meeting, the Board had adopted the Preliminary Budget, and that the Final Budget had been reviewed with the Finance Committee. Finance Manager outlined the changes from the Preliminary Budget to the Final Budget.

Director McCloud inquired whether the recent difficulties and related expenses with the Landfill Gas project were included in the budget. Finance Manager responded no. Staff was still uncertain on the full cost impact. Director Parker expressed appreciation to staff for the layout of the budget information and the clarity of budget expenses and revenues.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Adopt Resolution 2013-13 Approving Final Budget for Fiscal Year 2013/14.*

10) Authorize General Manager to:

- a) **Negotiate Agreement to Participate in a Process to Explore Collaborative Approaches to Solid Waste Management Subject to Acceptable terms and Conditions, to Include a Proposed Countywide Study on Solid Waste Management Programs and Systems; and**
- b) **Authorize General Manager to Begin Discussions toward Commencing Negotiations for a Long Term Contract to Accept Waste from the Unincorporated Areas of Monterey County Not Within the District Boundaries**

General Manager reviewed with the Board information provided in their packets including:

- Letter dated May 6, 2013 from Tom Frutche, Chair of City Managers Group
- Response Letter dated May 24, 2013, from Chair Laska to Tom Frutchey
- Latest version of Request for Proposals (RFP) for Countywide Study, edited in redline by District staff
- Clean version of RFP, with all edits accepted

General Manager also provided the Board with a Salinas Valley Solid Waste Authority (SVSWA) June 20, 2013 staff memorandum regarding this matter, and the issue of carving out Supervisorial District 2 waste (North County), which had been discussed at the SVSWA June 20, 2013 Board meeting.

In his manager's report, General Manager provided the Board with background information on the proposed countywide study. He stated that the May 24th response letter, which provided concerns and comments, had been sent at the direction of the Board. The letter also stated that a more straightforward approach may be to begin

discussions with the County toward negotiating a contract to accept waste. General Manager also stated that staff recommended participating in the study because it could provide an opportunity for a more efficient countywide system for municipal solid waste management

Board discussion followed regarding benefits and anticipated results, and cost structure of the study. Legal Counsel reminded the Board that in the May 24th letter, the District had also requested that the RFP should be revised to indicate that consolidation or merger was not being considered and that if the city managers group was willing to consider that, then the issue of the cost allocation should be open for discussion as well. Director Bales expressed concern with taking action since the District had not yet received a response from the city managers group.

Mr. Lew Bauman, Administrative Officer for Monterey County, addressed the Board and expressed appreciation to the Board for considering the matter. He stated that the District was a well-run, award winning facility, and that the SVSWA had inherited significant challenges at inception. Mr. Bauman stated that by allowing the District General Manager's participation, issues could be discussed and the end result could meet the collective objectives of all parties involved, without considering consolidation or merger.

Mr. Tom Frutchey, City Manager for Pacific Grove, addressed the Board and stated that the city managers would be discussing the District's letter at their meeting later that day, and that although the District may not have a direct need for the study, participation would provide an opportunity for increased efficiencies county-wide. He agreed there was a difficulty in communication since their meeting coincided with the District's meeting day. He also stated that the city managers would be discussing a phased approach for the study in an effort to reduce costs and determine whether further phases were necessary. General Manager suggested meeting with representatives from the city managers group, the County, and the SVSWA in an effort to minimize the two-month delay of communication.

Mr. Patrick Mathews, General Manager for the SVSWA, addressed the Board to relay the discussion held at the SVSWA June 20th Board meeting. He stated that the SVSWA Board had agreed to participate in the study, but also agreed that revisions were necessary to the RFP wording to make the study more broad and not necessarily focused on lowest cost, since landfilling has been and continues to be the lowest cost to process waste. The SVSWA Board was committed to processing waste to the highest level at probably a higher cost, but beneficial to future generations. He stated that his Board was also open to sending refuse to the District for landfilling, but not before the SVSWA had processed the waste to the highest level. The matter of carving out only north county waste was not acceptable to the SVSWA Board. Mr. Mathews stated that the SVSWA is looking at recovery technology different than the District's Materials Recovery Facility and Anaerobic Digestion Project; and that the SVSWA Board was not opposed to consideration of a merger or consolidation.

Mr. Doug Kenyon of Republic Services addressed the Board and stated that with every issue an opportunity arises and he believed this issue was an opportunity for the District to participate in finding a solution beneficial to the entire county. Mr. Mike Niccum, General Manager of the Pebble Beach Community Services District, addressed the Board and stated that the city managers believed that having an outside consultant perform a study would result in a win-win situation. Mr. Niccum stated that he believed this was a good time to look at all of the facilities within the county since the South county cities would be engaging in the same solid waste RFP process as the Monterey peninsula cities were currently engaged in.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize General Manager to Participate in a Process to Scope Collaborative Approaches to Solid Waste Management Subject to Acceptable Terms and Conditions.

Director Bales departed at 11:36 a.m.

11) Receive Report on the Landfill Gas (LFG) Project and Ratify Purchase of 5,000 Volt Transformer from Sunbelt Transformer of Bakersfield, CA, in the Amount of \$161,000 (Including Sales Tax and Freight), Not Including Installation

The Board reviewed a memorandum from Assistant General Manager regarding the recent failure of a ten year old transformer, located between the LFG engine generators/switchgear and the utility grid. Staff is uncertain on the penalties that may be imposed by PG&E for failure to deliver power, since June 1st marked the beginning of the peak delivery season.

Assistant General Manager expressed appreciation to staff for working diligently to assess the problem and to get personnel and equipment on its way for repairs. Director McCloud suggested that staff look at options and alternatives to eliminate reoccurrence of this type of failure in the future.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Receive Report on the Landfill Gas (LFG) Project and Ratify Purchase of 5,000 Volt Transformer from Sunbelt Transformer of Bakersfield, CA, in the Amount of \$161,000 (Including Sales Tax and Freight), Not Including Installation.

12) Authorize Purchase of Materials Recovery Facility Sort Line Conveyor from Krause Manufacturing of Bellingham, WA, at a Total Cost of \$209,000 Including Sales Tax, Freight, Removal and Installation

The Board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham. Funds for this purchase are included in the Capital Outlay Budget for FY 2013/14.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Authorize Purchase of Materials Recovery Facility Sort Line Conveyor from Krause Manufacturing of Bellingham, WA, at a Total Cost of \$209,000 Including Sales Tax, Freight, Removal and Installation.

STAFF REPORTS

13) Review Financial, Operating and Recycling Reports

The Board reviewed the financial statements for the month of May 2013. The Operating Income is \$420,483 and \$1,622,326 year-to-date. The year-to-date total Operating Expenses are below budget by \$596,484 at \$17,015,432.

The year-to-date Operating Revenues are above budget by \$52,342 and above last year by \$627,478. Year-to-date tipping fee revenues are \$14,733,929, above last year by \$1,349,714 and budget by \$553,096 due primarily to the increased Contract Waste. Accepted tonnage for the month of May 2013 increased by 0.4% (in-District tons down 3.2% and Contract and Regional Waste up 4.8%) from April 2013. The Board also reviewed the Operating Report for May 2013.

14) Report on Public Education, Recycling and Litter, Including June 12, 2013 Technical Advisory Committee (TAC) Meeting

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal, which included a summary of the June 12th TAC meeting.

15) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported that CalRecycle may just be reporting directly to the legislature instead of producing a Report on efforts to achieve the 75% recycling goal statewide. Stakeholders are continuing efforts to meet with CalRecycle to be able to make comments. The Extended Producer Responsibility (EPR) bills ran into road blocks and will be brought back in the next session in 2014. General Manager also reported on the following bills:

- AB 323 (Chesbro) – Organics / ADC.
- AB 1126 (Gordon) – Conversion Technology.
- SB 254 (Hancock) – Mattress EPR.
- SB 804-Solid Waste – Energy.

OTHER CORRESPONDENCE

16) Letter to Monterey County Local Agency Formation Commission (LAFCO) RE: 2013/14 Proposed Budget and Work Program

The Board reviewed a letter that was sent to LAFCO, as directed by the Board at the May Board meeting, regarding concerns raised by the District that LAFCO member agency contributions were subsidizing the costs of services that are provided by LAFCO, rather than charging those applicants a fee that more fully covers the actual services requested, or as needed. General Manager reported that the District will be invited to provide further input at a LAFCO Budget and Finance Committee meeting in the fall.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the District was the recipient of CalRecycle's HHW Grant Program HD20 Funding Solicitation in the amount of \$9,670, which will be used to support HHW activities. He also reported that the Community Choice Aggregation (CCA), whereby consumers could purchase renewable power, is moving forward with the participation of Monterey and Santa Cruz Counties, and the cities of Scotts Valley, Capitola, Watsonville, Santa Cruz, and Seaside. Pacific Grove has requested a presentation tentatively scheduled for their July 17th council meeting. The CCA has raised \$10,000 from the private sector toward the costs for a feasibility study and has launched an informational website: www.montereybaycca.org.

General Manager stated that a ribbon cutting to mark the opening of the new Module 5 landfill liner is planned as part of the July 19th Board meeting. The meeting will begin at 9 a.m. and a bus will be available to transport Board members from the administration building to the site of the ribbon cutting at Module 5.

BOARD COMMUNICATIONS

There were no Board communications.

ELECTION OF OFFICERS FOR FISCAL YEAR 2013/14

Chair Laska opened the floor for nominations. Director Downey nominated Director Bales for Chair to which no second was obtained. Director McCloud believed it appropriate for Vice Chair Allion to be the successor. Discussion was held regarding the benefits of having continuity with officers.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Elect Dennis Allion as Chair and Elect Leo Laska as Vice Chair for Fiscal Year 2013/14.*

CLOSED SESSION

The Board went into closed session at 11:48 a.m. regarding the following:

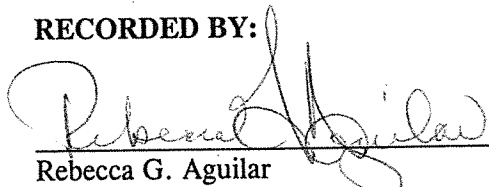
- 1) Conference with Property Negotiators:
 - Property: Landfill Site Space/Capacity
 - District Negotiators: William Merry and Tim Flanagan
 - Negotiating Party: County of Monterey/Salinas Valley Solid Waste Authority
 - Terms: All Terms and Conditions

The Board came back into open session at 12:08 p.m., and Legal Counsel announced that in closed session, the Board had received information and discussion was held; no action was taken.

ADJOURNMENT

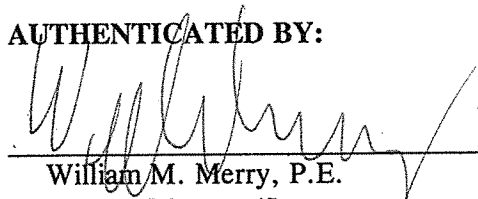
There being no further business to come before the Board at this time, the June 21, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to July 19, 2013 by Chair Laska at 12:09 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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