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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

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

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

RICHARD NORTON
ADMIN. SERVICES MGR.

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

9:30 a.m., Friday
April 20, 2007

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Leo Laska, Chair
Sue McCloud, Vice Chair
Gary Bales (departed at 11 a.m.)
Dave Pendergrass
Ken Gray
Joseph Russell
Libby Downey

MEMBERS ABSENT: Don Jordan
Dave Potter

STAFF PRESENT: William Merry, General Manager
Timothy Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Richard Norton, Administrative Services Manager
Charles Rees, Finance Manager
Don Prescott, Information Systems Manager
Harry Hunzie, Materials Recovery Facility Manager
Richard Petitt, Site Manager
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberly Herring, Public Education Assistant
Amber Watson, Administrative Support Specialist I
Suzan Fine, Recycling Attendant/SEIU President

OTHERS PRESENT: Leslie Milton, City of Monterey
Bjorn Lundegard, City of Seaside
Kate McKenna, Local Agency Formation Commission
Kathleen Lee, Monterey County Supervisorial District 5
Matt Fore, Monterey County Environmental Health Department
Craig Anthony, Pebble Beach Community Services District
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the April 20, 2007, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:30 a.m. Chair Laska informed the public that the District Board and management staff held its strategic Planning Session on April 18th in order to plan short and long term goals for the District.

PUBLIC COMMUNICATIONS

Matt Fore, Monterey County Environmental Health Department, addressed the Board to provide information regarding Monterey County's 2nd Annual Cleanup Day. He stated that the event was much larger than the first year and it would showcase the tools currently provided to residents of Monterey County for illegal dumping and littering: the free disposal coupon voucher, the adopt-a-roadway, and the adopt-a-highway programs. He noted the cleanup events scheduled around the Monterey Peninsula. General Manager expressed appreciation to Mr. Fore for bringing the information to the Board, and to Kathleen Lee, from Director Potter's office, who has been actively involved with the District's Litter Abatement Task Force.

CONSENT AGENDA

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

- 1) **Approve Minutes of March 16, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Ratify Purchase of Used Flat Bed Truck for Last Chance Mercantile**
- 4) **Ratify Extension of Wood Grinding Contract with Vision Recycling**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) **Provide Direction on Proposed County Landfill Buffer Zone Ordinance**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, a draft letter to the Monterey County Planning Department, and a draft County Ordinance establishing landfill buffer zones and buffer zone districts. General Manager stated that the ordinance would establish a 1,000 or 2,500 foot buffer zone around Monterey County landfills. The ordinance would also prohibit residential development and restrict some commercial development around the District's landfill. He stated that there have been some landfills around the country that have been shut down because of encroachment from residential development. General Manager stated that staff had not met with the City of Marina to re-examine this issue as it had been five years since it had last been discussed. Chair Laska stated that during the Strategic Planning Session, Boardmembers were in favor of establishing the buffer zone. Director Gray suggested General Manager schedule a meeting with Marina City Manager and other staff. He asked that he be included in the meeting and provide Boardmembers with a map depicting a 1,000 and a 2,500 buffer zone and its impact on surrounding land. Director McCloud requested Legal Counsel to review the ordinance.

No Action Taken.

6) Authorize Issuance of Request for Proposals for Phase I Painting of Interior Structure of Materials Recovery Facility (MRF)

The Board reviewed a memorandum from Materials Recovery Facility Manager Harry Hunzie and a Request for Proposals (RFP) to qualified contractors to paint the interior steel structure of the Materials Recovery Facility (MRF) on the sort line side. General Manager stated that funds for the work are included in the Capital Outlay-Facility Improvements budget for FY 06-07.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Issuance of Request for Proposals for Phase I Painting of Interior Structure of Materials Recovery Facility (MRF).

7) Authorize Call for Bids for Installation of Fire Protection Pumps and Appurtenances

The Board reviewed a memorandum from Senior Engineer Rick Shedden, requesting authorization to call for bids on repairs to the Brown Bulb Well, and for improvements to the site fire protection system. General Manager stated the Board had directed staff to evaluate options available to provide the necessary fire suppression water for the District. Staff retained a consultant and the chosen option had been to patch a hole in the casing and insert a smaller submersible pump, thus reducing the amount of sand pulled into the well. As a result, the production rate of the well had been reduced over 300 gallons per minute (gpm) to 32 gpm. The City of Marina Fire Chief has indicated that the lower production is adequate for now, but would have to be increased prior to any future expansion of the District facilities. Funds for this work have been included in the FY 07-08 Capital Outlay Budget.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Call for Bids for Installation of Fire Protection Pumps and Appurtenances.

8) Authorize Call for Bids to Supply and Install Canvas Enclosed Structure at the Last Chance Mercantile Yard

The Board reviewed a memorandum from HHW/LCM Manager Glen Evett requesting Board authorization to issue a call for bids for the installation of a two sided, open ended canvas covered area in the yard of the Last Chance Mercantile to provide better protection of sale items during wet weather. The District received a grant from the California Integrated Waste Management Board in the amount of \$28,000 to assist with the budgeted \$50,000 cost for the structure.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Authorize Call for Bids to Supply and Install Canvas Enclosed Structure at the Last Chance Mercantile Yard.

9) Authorize Call for Bids for Replacement of Backup Landfill Gas Skid

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan requesting authorization to issue a call for bids to replace the backup landfill gas skid. Assistant General Manager stated that originally staff was going to refurbish the existing non-operational gas skid at an estimated cost of approximately \$330,000. The backup skid was sent to Texas for the overhaul, but the conclusion was that for the same amount of money, it could be replaced with a new skid. Since this was originally budgeted as a repair or refurbishment, and not as a new purchase, staff was requesting a call for bids.

It was moved by Director Downey, seconded, and Unanimously Carried To: Authorize Call for Bids for Replacement of Backup Landfill Gas Skid.

10) Adopt Resolution 2007-03 and Authorize Scope of Work from Hertlein Associates to Provide Power, Controls, and Field Wiring for Electric Wood Grinder

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, along with Resolution 2007-03 and Hertlein Industries' proposed Scope of Work. General Manager stated that at the August 2006 meeting, the Board had authorized staff to issue a call for bids for the acquisition of a new wood grinder. Peterson Pacific was the low bidder and the Board authorized the purchase at their December 2006 meeting. He stated that Hertlein Industries had been involved with the electrical design and construction of the MRF processing equipment when the MRF was constructed in 1996, and during the last 11 years. Hertlein was uniquely experienced and qualified to provide and install the power, controls and field wiring required for the installation of the new electric wood grinder. The upgrade to the system would enable the District to not have to rely on internal controls. The grinder would also be mobile allowing for more flexibility.

Funds in the amount of \$700,000 had been included in the 06-07 Capital Outlay budget. At the January 2007 meeting, the Board approved an increase to \$850,000, projected by staff and Hertlein, since firm pricing for the electrical components, wiring, switchgear, and labor installation had not been available. The final cost for the purchase, installation, and startup of the new grinder would be \$955,089, therefore staff was asking for Board approval of the additional \$105,089 and authorization by resolution to have Hertlein Industries perform the scope of work because of their expertise in the District's wood grinding operations, and therefore it would not in the public's best interest to bid this work out.

Director Russell inquired about the priority of this project and using funds allocated to other projects. Assistant General Manager stated that staff had identified projects that could be placed on hold in order to proceed with this higher priority item. Director Bales concluded that since the system would not have to rely on internal controls, the system would automatically switch off if the power was interrupted in order to ensure the District was able to meet contractual provisions for power sales. Assistant General Manager affirmed the conclusion.

It was moved by Director Russell, seconded, and Unanimously Carried To: Adopt Resolution 2007-03 and Authorize Scope of Work from Hertlein Associates to Provide Power, Controls, and Field Wiring for Electric Wood Grinder.

11) Accept March 22, 2007 Safety Committee Meeting Minutes

The Board reviewed the minutes of March 22, 2007 safety committee meeting, currently chaired by Interim Safety Manager Jack Cook. General Manager also informed the Board that the workers compensation experience modifier had changed from 103% to 149% for next fiscal year. The modifier was calculated on a rolling, three-year basis, replacing FY 02-03 which had \$87,000 in claim expenses, with FY 05-06 with \$265,000 in claim expenses, which would increase the premium cost by as much as \$200,000. He stated that despite staff efforts to reduce work hazards and improve District safety, there had been six serious injuries that included lost workdays and expensive medical treatment in FY 05-06.

Vice Chair McCloud inquired whether District staff was trained in CPR and first aid, if trained personnel were available for all shifts, and if the District partnered in training with the Monterey Regional Water Pollution Control Agency (MRWPCA). Administrative Services Manager responded that training was provided to District employees annually and shifts assured that trained personnel were available at all times in case of an emergency. The District had partnered in the past with the MRWPCA. General Manager stated the District also has an Emergency Response Team trained to respond to hazardous materials spills, and other incidents. He also expressed appreciation to the City of Marina for their responsiveness.

Director Russell inquired whether the District insurance carrier had ever conducted an inspection to provide insight on safety related matters. Administrative Service Manager responded that several years ago, the Special Districts Risk Management Authority had conducted an inspection and provided feedback.

Director Bales asked how long the District would be impacted by the 05-06 year, to which Administrative Services Manager responded that staff was hopeful that next year would be better since currently there were less injuries for 06-07. Director Bales expressed frustration with the increase since the District had invested in the last few years to improve safety and requested staff conduct an analysis on what could be done to improve the District's safety record.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Accept March 22, 2007 Safety Committee Meeting Minutes.

12) Provide Direction on LAFCO's Proposed FY 2007-2008 Budget and Work Program

The Board reviewed the Local Agency Formation Commission's (LAFCO) proposed FY 2007-2008 Budget and Work Program. General Manager commented that the proposed budget outlined the budget item increases of 25% over last year's budget, principally to establish a litigation reserve and Exhibit B of the report depicted the funding allocations for individual cities, the county, and special districts. Contributions are calculated according to formulas approved by State Law, and the District will pay nearly \$52,000, a 27% increase from the 2006/2007 budget.

Kate McKenna, LAFCO's Executive Officer, was at the meeting and provided a brief presentation on the proposed budget and an overview of LAFCO's mission, their composition, and who they served. She noted there was no salary increases anticipated for staff and provided the cost allocation formula, which provided for the District to pay 16% of the proposed budget. The major reason for the increase was due to litigation exposure. She stated that any recovery from litigation could be reflected in next year's budget.

Board discussion followed regarding the cost allocation formula, continued increases in the upcoming years, and the benefits of participating on LAFCO and paying higher fees than others who used LAFCO services more frequently. The Board recommended a special fee assessment for more frequent users of LAFCO services. Chair Laska expressed concern that any recovery from litigation would not be reflected in next year's cost allocation and stated that LAFCO needed to be careful with special district allocations since they may decide to not participate in LAFCO. He suggested that LAFCO take a harder look on ways to decrease funding. The Board also discussed indemnification clauses.

Ms. McKenna stated she would forward Board comments to LAFCO's budget and finance committee. District Board directed staff to send a letter to LAFCO expressing Board concerns.

No Action Taken.

13) Provide Direction on State Legislation Related to Recycling and Waste Management

The Board reviewed a summary of legislation provided by the SWANA Legislative Task Force (LTF).

General Manager noted the following pieces of legislation of particular interest to the solid waste industry:

- **AB6 (Houston):** Greenhouse gases and market based compliance mechanisms (will be used a placeholder as the legislative session progresses).
- **AB1109 (Huffman):** Energy resources, lighting efficiency, hazardous waste (would require schedules and levels of reduction of mercury and lead, per lumen, in general purpose fluorescent light bulbs).
- **AB1610 (Nunez):** proposes to increase solid waste fees from \$1.40 per ton to as much as \$2.00 per ton.

- **SB1016 (Wiggins):** proposes an alternative compliance mechanism for calculating community waste diversion.
- **SB1020 (Padilla):** proposes to increase solid waste diversion from 50% to 75% by 2012.

General Manager requested the Board to authorize sending a letter opposing AB1610's intent to raise the CIWMB fees from \$1.40 to as much as \$2.00 unless it was amended, since there was no justification for the increase. The letter would ask that justification be provided in the bill as well as provide local entities enough time to incorporate the increase into their budgets. The increase should not be used to pay for landfill closure/post closure costs. Director McCloud requested that General Manager contact Deanna Sessums, from the League of California Cities, regarding the proposed legislation if possible prior to sending the letter.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Opposition Letter Regarding AB1610 Increasing CIWMB Fees from \$1.40 to \$2.00 Per Ton.

General Manager also requested authorization to send a letter expressing concern on SB 1020 which proposed increases from 50% to 75% in diversion. Board discussion followed regarding increased diversion.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Letter of Concern Regarding SB1020 Increasing Waste Diversion Rates.

14) Provide Direction on Updated Waste Screening Program

General Manager reported that District staff continued to make improvements to its waste screening program. Staff also proposes to request the local building departments to amend their building permit and demolition permit procedures to have contractors sign off that they have complied with asbestos management requirements of the Monterey Bay Unified Air Pollution Control District. The Board reviewed two draft documents involving proposed modifications to demolition and building permits. The first document would require a revision to each jurisdiction's building permit process to include a section with language related to the presence of hazardous materials. The second document would require a revision to each jurisdiction's demolition permit process to include a section related to management of asbestos containing material.

Board discussion followed regarding the proposed revisions and concerns were expressed over whose responsibility it should be to ensure that hazardous waste is properly managed and not put into the wastestream.

No Action Taken.

STAFF REPORTS

15) Financial, Operating, and Recycling Reports

The Board reviewed the financial statement for the month of February. The Board also reviewed the March operating and recycling reports.

16) Public Education, Recycling, and Litter Report

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal providing updates on grant applications, public workshops, and upcoming events. The Board also reviewed several articles on litter and the recent ban in San Francisco of plastic grocery bags.

General Manager reported that on April 9th filming of the District's renewable landfill gas to energy project, was conducted and would be included in an upcoming event titled "Save Our Selves", planned around global warming. He also reported that on April 13th, a film crew interviewed several District employees, to shoot recycling footage for an upcoming documentary centered on the new Trader Joe's being constructed on the old Safeway site in the City of Monterey. Daniels and House Construction, who is performing the Trader Joe's general contract work, is producing this documentary on deconstruction and material reuse.

17) Information Technology Status Report

The Board reviewed a memorandum from Information Systems Manager Don Prescott detailing recent and pending information technology projects.

18) Landfill Sliver Fill Final Cover Construction Report

The Board reviewed a memorandum from Senior Engineer Rick Shedden, and the executive summary from Vector Engineer's Final Construction Report for 2006 Landfill Sliver Fill work. The sliver fill construction was very successful and will be resumed again for the 2007 summer months.

19) Report on April 10, 2007 Meeting of Special Districts Association of Monterey County

The Board reviewed the agenda of the April 10th meeting of the Special Districts Association of Monterey County, along with the minutes of the January 16th meeting. General Manager reported that at the April 10th meeting, presentations were given on the Board of Supervisors 2006 General Plan.

OTHER CORRESPONDENCE

20) Letter from SWANA RE: Appreciation for District's Participation in SWANA's 30th Annual Landfill Gas Symposium

The Board reviewed two letters from SWANA staff, one to Assistant General Manager and the other to the General Manager, expressing appreciation for the District's support during the 30th Annual LFG Symposium held in Monterey in March.

21) Letter to City of Capitola Re: Acceptance of Waste

The Board reviewed a letter sent to the City of Capitola recently regarding the continued acceptance of Capitola waste.

22) Letter from Monterey County Business Council Re: District Membership Renewal

The Board reviewed a letter from the Monterey County Business Council (MCBC) regarding the District's membership fees. General Manager reported that he would serve as Chair of the MCBC Competitive Cluster (C2) Green Building Committee for 2007.

GENERAL MANAGER COMMUNICATIONS

General Manager reminded the Board that the annual District employee picnic was scheduled for Sunday, May 20th, from 11 a.m. to 3 p.m., at Toro Park. He invited to them to attend.

BOARD COMMUNICATIONS

Director Downey mentioned that last year on Earth Day not many people had attended the Clean County event and she hope to see more involvement this year. She expressed appreciation for the canvas tote bags that District staff will be handing out in conjunction with Earth Day and educating the public on alternatives to using plastic bags. She also expressed appreciation for the insight that had been provided at the Strategic Planning Session.

CLOSED SESSION

The Board went into closed session at 11:19 a.m. regarding the following:

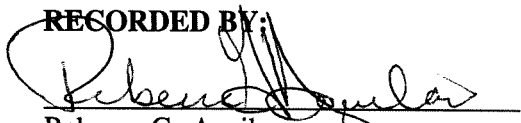
- 1) Conference with Property Negotiators
Property: Landfill Site Space/Capacity
District Negotiators: William Merry, Tim Flanagan, and Rick Shedden
Negotiating Parties: Santa Clara County, Santa Cruz County,
Salinas Valley Solid Waste Authority
Terms: All Terms and Conditions
- 2) Conference with Legal Counsel - Anticipated Litigation
a) Significant Exposure to Litigation Pursuant to Subdivision (b) of Section 54965.9: 1 case
- 3) Conference with Labor Negotiators
District Negotiators: William Merry and Richard Norton
Employee Organizations: Service Employees International Union

The Board came back into open session at 11:42 a.m. Legal Counsel Wellington announced the Board discussed Items 1, 2, and 3, and no action was taken.

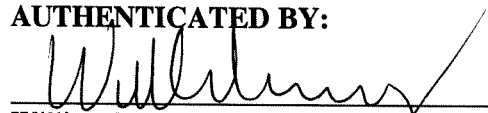
ADJOURNMENT

There being no further business to come before the Board at this time, the April 20, 2007 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to May 18, 2007 by Chair Laska at 11:43 a.m.

RECORDED BY:


Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:


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