

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

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

9:30 a.m., Friday
December 21, 2007

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Leo Laska, Chair
Sue McCloud, Vice Chair
Gary Bales
David Pendergrass
Ken Gray
Don Jordan
Joseph P. Russell
Libby Downey

MEMBERS ABSENT: Dave Potter

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Richard Norton, Administrative Services Manager
Richard Shedden, Senior Engineer
Charles Rees, Finance Manager
Don Prescott, Information Systems Manager
Jeff Lindenthal, Public Education & Recycling Manager
Jack Cook, Safety Manager
Glen Evett, Last Chance Mercantile/Household Hazardous Manager
Harry Hunzie, Materials Recovery Facility Manager
Ron Mooneyham, Equipment Maintenance Manager
Richard Pettit, Site Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist
Kimberly Herring, Public Education Coordinator
Steve Montgomery, Industrial Electrician/OE3 Operations Shop Steward
Clyde Walkup, MRF Supervisor/OE3 Operations Shop Steward
Victor Aguillon, Heavy Equipment Mechanic
Steve Mahew, Heavy Equipment Mechanic
Jesse Marron, Heavy Equipment Mechanic
Jose Tavares, Heavy Equipment Mechanic
Rodney Barber, Assistant Mechanic II
Israel Hernandez, Assistant Mechanic II
George Sayre, Assistant Mechanic II

OTHERS PRESENT: Kris Nolan, Bianci, Kasavan & Pope, LLP
Daniel Recht, Bianci, Kasavan & Pope, LLP
Angela Brantley, City of Monterey
Kathleen Lee, Monterey County Supervisorial District 5
Tom Buell, Monterey Water Pollution Control Agency
Jose Gamboa, Salinas Valley Solid Waste Authority
Steven Hall, Western Energy
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the December 21, 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.

CONSENT AGENDA

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

- 1) **Approve Minutes of November 16, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve 2008 Calendar of Board Meetings and Other Events**
- 4) **Adopt Resolution 2007-10 Authorizing Five-Year Financing Through Caterpillar Financial Services Corporation for Purchase of Caterpillar 836H Landfill Compactor**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) **Adopt Resolution 2007-11 in Memory of Supervisor Jerry Smith**

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Adopt Resolution 2007-11 in Memory of Supervisor Jerry Smith.

- 6) **Presentation on Maintenance Operation and Introduction of Personnel**

The Board received a staff presentation on the Maintenance Shop Operations from Equipment Maintenance Manager, Ron Mooneyham, outlining day to day tasks performed. Ron explained the decision making process when considering outsourcing repairs and/or making purchases to replace equipment; and also presented several cost saving measures such as the oil filtering machine which allowed for the filtering and reuse of oil. Ron explained the computerized fleet analysis program and stated the District would be considering using a bio-diesel fuel blend and re-refined oil.

Ron acknowledged employees for their expertise and knowledge and introduced them to the Board. He stated he was very fortunate to have this unique team of experienced individuals and acknowledged the Materials Recovery Facility (MRF) Maintenance Crew for their assistance in repairs.

Director Bales commended staff for their fine job and emphasized the importance of “going green” as the District starts to look at all site operations. Vice Chair McCloud commended Ron for his cost saving measures. Chair Laska thanked the equipment maintenance staff, on behalf of the Board, for their dedicated efforts to keep the equipment in top working condition.

No Action Taken.

7) Presentation of Annual Audit for Fiscal Year 2006/07 by Bianci, Kasavan & Pope, LLP, and Finance Manager

The Board reviewed a memorandum from Finance Manager Chuck Rees and the Annual Audit Report for fiscal year 2006/07 from Bianci, Kasavan & Pope, LLP. Chuck gave the Board a brief overview of the audit. Ms. Kris Nolan, CPA and a partner in the firm of Bianci, Kasavan & Pope, LLP, stated the District had received a “clean opinion”. There had been three minor adjusting entries during the audit with no impact on the income statement.

Board discussion followed regarding the auditor’s role in the audit and use of credit cards. Ms. Nolan responded that their role was to test the data and processes, checks and balances, and internal controls. As to the usage of credit cards, Chuck responded he carefully reviews all credit card transactions each month to ensure proper usage. No personal use of credit cards is allowed. Director Russell inquired if there was a written policy on credit card usage, to which General Manager responded staff would look into strengthening the informal policy and making it a written one.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried to: Accept Annual Audit for Fiscal Year 2006/07.

- 8) a. Adopt Resolution 2007-12 Authorizing Purchase of New General Electric Jenbacher 420 Engine/Generator Without Competitive Bidding**
b. Authorize the Purchase of New General Electric Jenbacher 420 Engine/Generator from Western Energy Systems of Philadelphia, PA, for the Purchase Price of \$789,495
c. Approve Project Budget and Authorize Modifications to Landfill Gas to Energy Project

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding the purchase of a new General Electric Jenbacher 420 engine/generator without competitive bidding. Tim explained the 1997 Jenbacher JGS320 engine/generator was reaching the end of its useful life and at 70,000 hours, was past due for another major overhaul at an estimated cost of over \$410,000. After extensive review and consideration, staff had concluded that conducting a major overhaul was not in the best interest of the District and the purchase of a new, upsized, more fuel and emissions efficient engine/generator would be more cost effective. The recommendation for purchasing, without competitive bidding, a Jenbacher as opposed to any other engine/generator was due to the agreement constraints with PG&E with regard to nameplate rating output and maximum throughput to the 5 mega-watt transformer. The use of a Jenbacher would also eliminate the need for facility upgrades at this time. Tim stated staff intended to use any worthwhile parts from the existing engine for future use on the new Jenbacher.

Board discussion followed regarding financing. Finance Manager stated that \$200,000 had been placed in the 2007/08 fiscal year (FY) capital repair budget, and upon placement of the order, \$115,000 (15% of purchase price) would be paid with cash. Since the engine would not be delivered until FY 2008/09, staff proposed financing the balance of this project in the 2008/09 FY budget.

General Manager stated staff had recently met with staff from the Monterey Regional Water Pollution Control Agency regarding a joint project using bio-gas which could include a new generation facility.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: (a) Adopt Resolution 2007-12 Authorizing Purchase of New General Electric Jenbacher 420 Engine/Generator Without Competitive Bidding; (b) Authorize the Purchase of New General Electric Jenbacher 420 Engine/Generator from Western Energy Systems of Philadelphia, PA, for the Purchase Price of \$789,495; and (c) Approve Project Budget and Authorize Modifications to Landfill Gas to Energy Project.*

9) Receive Quarterly Review of Employee Injuries and Property Loss Incidents

The Board reviewed a memorandum from Safety Manager Jack Cook, summarizing incidents and injuries for the period July 1 through September 30, 2007. Staff continues to closely track all incidents as to root cause and will continue to focus on employee training measures and general safety awareness.

Board discussion followed regarding the payment of premiums. Jack explained that the District was part of a bigger pool, under the Special District Risk Management Authority (SDRMA), which out sources its workers compensation insurance to Bragg and Associates.

It was moved by Director Downey, seconded, and *Unanimously Carried To: Receive Quarterly Review of Employee Injuries and Property Loss Incidents.*

10) Consider Salary Adjustment for Assistant General Manager

The Board reviewed memorandum from Administrative Services Manager Rich Norton, recommending a 7.5% salary increase, effective January 1, 2008, for the Assistant General Manager.

Director Bales stated the ad hoc Personnel Committee had reviewed this item and agreed with the recommendation.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Approve 7.5% Salary Adjustment for Assistant General Manager.*

11:06 a.m.: Vice Chair McCloud stated she had to leave, but wanted to comment on Agenda Item #13; she requested staff to take a regional approach with regard to styrofoam waste packaging/waste.

11) Concur in Retaining Law Firm of Jensen & Coeur-Barron to Review Waste Flow Provisions of the Monterey Regional Waste Management Authority Joint Powers Authority (JPA) Agreement

The Board reviewed an engagement letter and agreement from the law firm of Jensen & Coeur-Barron for assistance in updating waste flow provisions of the Monterey Regional Waste Management Authority JPA Agreement. Mr. VerLyn Jensen has experience in this specialized area of law. General Manager stated that at the November meeting, the Board had adopted recommendations from the ad hoc Finance Committee. Several of the recommendations were related to District revenues, including reducing the opportunity for waste to travel outside of the waste shed and the importance for the community to support the District's infrastructure for recycling and waste management by directing wastes be delivered here for management, processing, and/or disposal. Mr. Jensen would provide advice and language on how to strengthen the existing JPA agreement.

Board discussion followed regarding the process to revise the JPA Agreement. Chair Laska inquired whether the Board could legally perform the revision. Legal Counsel responded that Mr. Jensen would provide details, although he believed that the Board could adopt an ordinance with the proposed revisions.

It was moved by Director Gray, seconded, and Unanimously Carried To: Concur in Retaining Law Firm of Jensen & Coeur-Barron.

STAFF REPORTS

12) Operating, Financial and Recycling Reports

The Board reviewed the Operating Report for November 2007. Total solid waste accepted into the site (excluding regional waste from Santa Cruz County) during November 2007 was 28,720 tons, a decrease of 540 tons from October and down 3,182 tons, or (10.0%) from November of last year. The tonnage from Santa Cruz County was 1,594.

The financial statements for November 2007 are enclosed. The Operating Income is \$100,000 for the month and \$878,000 year to date. The year-to-date total Operating Expenses are below budget levels at \$6,716,000. Year-to-date Operating Revenues are \$7,595,000, above last year, but below budget levels.

The Board also reviewed a memorandum from MRF Manager Harry Hunzie reporting on the performance of the new wood grinder. The grinder has successfully doubled the grinding capacity for wood and green waste, thus saving labor costs in the future and providing greater throughput capacity.

13) Report on Public Education, Recycling, and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal. He introduced the new intern, Emily Newman, who would be assisting the public education department. In response to Vice Chair McCloud's request before leaving the meeting, he stated he would be working with Angela Brantley, from the City of Monterey, on drafting an ordinance for packaging, to include styrofoam, for all member cities to consider.

Board discussion followed regarding e-waste recycling. Director Gray inquired what happened to e-waste once it was brought to the District site. Jeff responded that it was sent to E-Recycling of California, a company based in Hayward, CA, for dismantling and that no whole units were sent overseas. He stated that the recent article in the Herald unfortunately had not included District operations and staff would work with Lewis Leader on correcting that issue.

Director Bales inquired whether the District could obtain "green building" certification from the U.S. Green Building Council Leadership Energy and Environmental Design (LEED) under the existing building category. Staff has already begun working towards certification.

OTHER CORRESPONDENCE

14) Letter to Member Agencies RE: Increase to Miscellaneous Waste Handling Fees and Minimum Charges

The Board received a copy of the letter sent on November 30th to member agencies regarding the proposed increases in miscellaneous handling fees and minimum charges. The letter was sent at the Board's request following their November meeting.

GENERAL MANAGER COMMUNICATIONS

General Manager congratulated Chair Laska for his re-election to the Pebble Beach Community Services District Board and re-appointment to the District Board, from January 2008 through December 2011. He also stated copies of the annual report were available to Board members and would also be mailed out in the coming week.

CLOSED SESSION

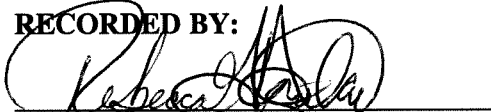
The Board went into closed session at 11:33 a.m. regarding the following:

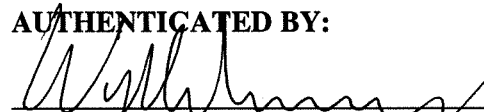
- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers, Service Employees International Union, Management Employees
- 2) Personnel Matter
 - a. Public Employee Compensation: Assistant General Manager

The Board came back into open session at 11:50 p.m. Legal Counsel Wellington announced that with regard to Closed Session Item 1, the Board received information and direction was given to its negotiators; no other action was taken. Closed Session Item 2 was not taken up since the matter had already been acted upon in open session.

ADJOURNMENT

There being no further business to come before the Board at this time, the December 21, 2007 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned in memory of Supervisor Smith by Chair Laska at 11:51 a.m.

RECORDED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:

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