

WILLIAM MERRY, P.E., BCEE  
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 19, 2008

Boardroom  
Monterey Peninsula Landfill  
Marina, CA

**MEMBERS PRESENT** Leo Laska, Chair  
Sue McCloud, Vice Chair  
Gary Bales  
David Pendergrass  
Ken Gray  
Joseph P. Russell  
Don Jordan  
Libby Downey  
Ila Mettee-McCutchon

**MEMBERS ABSENT:** None

**STAFF PRESENT:** William M. Merry, General Manager  
Tim Flanagan, Assistant General Manager  
Rob Wellington, Legal Counsel  
Rick Shedden, Senior Engineer  
Richard Norton, Administrative Services Manager  
Charles Rees, Finance Manager  
Don Prescott, Information Systems Manager  
Jeff Lindenthal, Public Education & Recycling Manager  
Glen Evett, Last Chance Mercantile/Household Hazardous Manager  
Ron Mooneyham, Equipment Maintenance Manager  
Harry Hunzie, Materials Recovery Facility Manager  
Richard Pettitt, Site Manager  
Jack Cook, Safety Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Amber Watson, Administrative Support Specialist  
Clyde Walkup, Materials Recovery Facility Supervisor/OE3 Operations Shop Steward

**OTHERS PRESENT:** Doug Yount, City of Marina  
Lesley Milton, City of Monterey  
Bjorn Lundegard, City of Seaside  
Matt Fore, Monterey County Environmental Health Department  
Greg Antosz, Monterey Regional Water Pollution Control Agency  
Suha Kilic, Pebble Beach Community Services District  
Juan Batista, Sunland Garden Products  
Mark Parreira, Sunland Garden Products  
Kristi Carriveau, Waste Management, Inc.  
Felipe Melchor, Waste Management, Inc.  
Lewis Leader

### **ROLL CALL AND ESTABLISHMENT OF QUORUM**

Notice having been duly given and the presence of a quorum established, the December 19, 2008, 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 stated Director Don Jordan was attending the meeting via teleconference, from the location of 1265 Mescal Street, Seaside, California.

Chair Laska requested that Agenda Items 9, 10, and 11 be deferred until after the closed session, to which the Board concurred.

### **PUBLIC COMMUNICATIONS**

Vice Chair McCloud commented she had recently had the opportunity to watch, via television, a presentation the General Manager and Public Education and Recycling Manager had provided to the City of Monterey Planning Commission regarding polystyrene and acknowledged them on a job well done.

### **CONSENT AGENDA**

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

- 1) **Approve Minutes of November 21, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve 2009 Calendar of Board Meetings and Other Events**
- 4) **Approve Purchase of Two Used Pickup Trucks**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) **Receive Report from Chair on December 10, 2008 Ad Hoc Power Sales Committee Meeting**

The Board reviewed a memorandum from Chair Laska summarizing the December 10<sup>th</sup> meeting of the ad hoc Power Sales Committee. Further information was provided under Agenda Item 6.

*No Action Taken.*

6) **Receive Status Report on Proposed Power Purchase and Sales Agreement with PG&E to Sell Renewable Power from the Landfill Gas to Energy Facility**

The Board reviewed a memorandum from Information Systems Manager Don Prescott. General Manager commented that staff continues to work on a proposed agreement to sell power to PG&E at a rate of \$0.0998 per kilowatt-hour (kW-hr). He stated progress had been slower than anticipated, although PG&E is anxious to acquire the District's five megawatts of renewable power in order to receive the renewable energy credits (RECs). Staff anticipates bringing documents for Board approval at the January meeting.

Director Russell inquired why District staff had met with the City of Marina staff to discuss the project. General Manager replied the meeting had been at the request of Director Gray, to review the proposed agreement and to discuss the plan to be able to deliver power to a proposed water project. Director Gray commented the City has agreed to facilitate the discussions for the water project and wanted to ascertain that the agreement with PG&E did not preclude the sale of power to a future water project. Doug Yount, City of Marina Development Services Director, addressed the Board and thanked District staff for meeting with him and Anthony Altfeld, Marina City Manager, to discuss this issue since all of the proposed facilities and projects were within the city's sphere of influence. Director Downey stated District staff had also met with the City of Monterey staff, also at her request.

Vice Chair McCloud commented she was pleased that Lyndel Melton of RMC would be present at the January Board meeting to answer any questions related to future power deliveries to a planned water project and requested that, in the future, other cities be made aware that District staff is available to meet with city staff to answer any questions or concerns related to water issues.

Board discussion followed regarding availability of power to a future water project and formal support of the water project. General Manager and several Board members expressed concern regarding formally supporting a project that may not materialize and might become controversial in the future. Director Bales stated he was glad that the PG&E agreement would offer flexibility so the District could provide power to a future water project, the regional water treatment facility, or any other community project. General Manager stated that District staff is considering the feasibility of constructing a second power generation facility to utilize landfill gas, and that the power could be made available for other projects such as the proposed water project.

*No Action Taken.*

**7) Receive Report from Chair on December 10, 2008 Finance Committee Meeting**

The Board reviewed a memorandum from Chair Laska on the meeting of the Finance Committee, held on December 10<sup>th</sup>. Chair Laska stated the Finance Committee had received information from staff that tonnages into the site continue to decrease, worsening an already reduced revenue stream. He stated some discussion was held on the need for a tip fee increase, but staff had been directed to re-evaluate this need during preparation of the budget for fiscal year 2009/10. The matter of having a single solid waste agency in the County was discussed and the direction the Committee provided to the General Manager was to have the County facilitate any such discussions involving the Salinas Valley Solid Waste Authority and the District.

Board discussion followed regarding the reduction in revenue for recycled commodities, such as cardboard and scrap metal.

*No Action Taken.*

**8) Receive Report from Chair on December 2, 2008 Ad Hoc Personnel Committee Meeting**

The Board received a report from Chair Laska regarding the December 2, 2008 Ad Hoc Personnel Committee Meeting. Vice Chair McCloud requested this item be deferred until after the closed session to which the Board concurred.

*Deferred to After Closed Session.*

**9) Authorize Contract with Liebert Cassidy Whitmore to Assist with Labor Negotiations (Item May be Continued Until After Closed Session)**

*Deferred to After Closed Session.*

**10) Consider Approval of Salary Adjustments for Designated Positions and Corresponding Amendments to Memoranda of Understanding with Bargaining Groups (Item May be Continued Until After Closed Session)**

*Deferred to after Closed Session.*

**11) Consider One-Time Use of Health Insurance Savings to Partially Offset Employee Contributions Required with 21% Rate Increase for Family Coverage (Item May be Continued Until After Closed Session)**

*Deferred to After Closed Session.*

**12) Consider Request from On-Site Compost Operator, Sunland Gardens Products, to Forbear Expenses Related to Use of District Property**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, along with a letter from Sunland Gardens, requesting the District to forbear the rent for leasing 60 acres, amounting to \$42,000 per year, along with the cost for water used in their operations. General Manager stated that Sunland is faced

with severe financial constraints and is no longer taking any of the District's ground up greenwaste material which they use to produce high quality compost. He stated that during the last few years, Sunland has expressed interest in obtaining a long term lease in order for them to be able to move their bagging operation, which is currently in Watsonville, to the District site. General Manager stated the composting markets are very competitive. Additionally, there is a high level of interest in the proposed request for proposals to locate a regional compost operation at the District site. Staff recommended denial of Sunland's request and allow the General Manager to negotiate with Sunland or other potential compost operators as appropriate, to produce viable alternatives for future property use.

Juan Batista, owner of Sunland Gardens, addressed the Board and expressed appreciation to District staff for their assistance. He stated that although Sunland was faced with some financial difficulties, they still believed they could strategize and market the District's quality greenwaste and create a partnership with the District and share the profits. He stated that bringing in another composter might be viable in the short term for the District, but he did not believe it was sustainable. He provided the Board with information on their other endeavors, such as commercial soils, and stated Sunland was interested in moving their entire operation to the District site.

Board discussion followed regarding Sunland's request, greenwaste revenue, and sustainability of a composting project.

***It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Continue with the Current Contract, with No Forbearance, and Have Staff Continue Discussions with Sunland to Reach an Agreement, and Bring Back to the Board at a Future Meeting.***

## **STAFF REPORTS**

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

The Board reviewed the financial statements for November 2008. The Board also reviewed the Operating Report for November 2008 and the AB 939 Recycling Rates as of December 15, 2008. General Manager commended staff on their efforts to maximize revenue and minimize expenditures. Staff will be providing a mid year budget review at the January meeting.

### **14) Report on Public Education, Recycling and Litter**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal. Director Downey commended staff on their outstanding display at the Monterey Green Building Expo held on December 3<sup>rd</sup>. General Manager stated that the attendance at the Expo had been better than last year and expressed appreciation to Monterey City staff for coordinating the Expo.

### **15) Update on Strategic Plan (2007-2017)**

The Board reviewed an updated Strategic Workplan (2007-2017). General Manager stated staff has been able to utilize the Workplan as a guideline for District operations since it was created in 2007.

## 16) Update on Acceptance of Regional Waste

The Board reviewed several recent newspaper articles related to regional waste management. General Manager reported that the Santa Cruz County Board of Supervisors had halted plans to develop an "EcoPark", due to lack of money and lack of remaining landfill capacity and/or space to carry out the plan. They had also backed away from a plan to locate a plasma arc conversion technology facility at the Buena Vista Landfill due to the developer's failure to produce required environmental emissions data and failure to answer related feasibility questions.

## GENERAL MANAGER COMMUNICATIONS

General Manager reported that on December 8<sup>th</sup>, the District convened the second meeting of its Strategic Planning Advisory Task Force and expressed appreciation to all the member agencies that were represented, as well as to Chair Laska and Director Gray for their attendance and participation. He stated that there was support among the Task Force for the District to set a 75% diversion goal. Staff will report on the Advisory Task Force meeting at the January Board meeting. Vice Chair McCloud requested that, at a future Board meeting, staff provide details on how cities can attain 75% diversion.

General Manager also reported that former Assemblyman Laird had been appointed to the California Integrated Waste Management Board for a two-year term, effective December 1, 2008 and he had contacted Mr. Laird's office to extend an invitation to have him tour the District's facilities.

## BOARD COMMUNICATIONS

### CLOSED SESSION

The Board went into closed session at 10:48 a.m. to discuss the following items:

#### 1. Conference with Labor Negotiators:

District Negotiators: William Merry, Richard Norton and Tim Flanagan

Employee Organizations: Operating Engineers, Service Employees International Union, Management Employees

- 9) Authorize Contract with Liebert Cassidy Whitmore to Assist with Labor Negotiations (*Open session item, but related to Conference with Labor Negotiators*)
- 10) Consider Approval of Salary Adjustments for Designated Positions and Corresponding Amendments to Memoranda of Understanding with Bargaining Groups (*Open session item, but related to Conference with Labor Negotiators*)
- 11) Consider One-Time Use of Health Insurance Savings to Partially Offset Employee Contributions Required with 21% Rate Increase for Family Coverage (*Open session item, but related to Conference with Labor Negotiators*)

2. Conference with Legal Counsel- Existing Litigation  
Arreola v. Monterey Regional Waste Management District, et al  
Monterey County Superior Court Case No. M90896
3. Personnel Matter
  - a. Public Employee Performance Evaluation: General Manager

The Board came back into open session at 12:18 p.m. Legal Counsel Wellington announced that during closed session, the Board discussed the closed session Agenda items, to include open session Agenda items 9, 10, and 11, inasmuch as they related to the Conference with Labor Negotiators item, as agreed by the Board. With regard to Items 10 and 11, the Board discussed the matters and gave direction to the General Manager. The Board also directed General Manager to prepare a policy outlining how personnel issues are brought before the Board.

With regard to Item 9, the Board approved a letter contract with Liebert Cassidy Whitmore, directing however a revised letter indicating services would be for general labor and employment law matter, as well as for possible negotiations and negotiation-related issues, and only "as needed", with a copy of the revised letter to be provided to the Board at the January meeting.

With regard to closed session Agenda Item 3, the Board agreed to continue the matter to the January Board meeting. No other action was taken.

With regard to:

**8) Receive Report from Chair on December 2, 2008 Ad Hoc Personnel Committee Meeting**

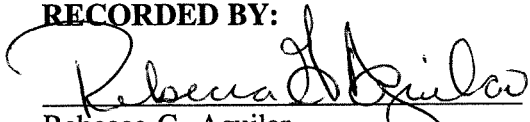
No further discussion was held regarding the December 2, 2008 Ad Hoc Personnel Committee Meeting.

**No Action Taken.**

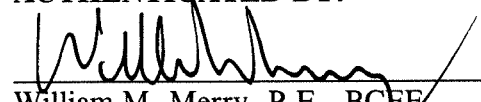
**ADJOURNMENT**

There being no further business to come before the Board at this time, the December 19, 2008 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to January 16, 2009, by Chair Laska at 12:19 p.m.

**RECORDED BY:**

  
\_\_\_\_\_  
Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

  
\_\_\_\_\_  
William M. Merry, P.E., BCEE  
General Manager/Secretary