

BOARD OF DIRECTORS

LEO LASKA
CHAIRSUE McCLOUD
VICE CHAIRGARY BALES
DAVID PENDERGRASS
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO
KRISTIN CLARKWILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEERTIMOTHY S. FLANAGAN
ASST. GENERAL MANAGERRICHARD SHEDDEN, P.E.
SENIOR ENGINEERRICHARD 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

Friday, 9:00 a.m.
November 19, 2010Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Leo Laska (Chair), Pebble Beach Community Services District Boardmember
Sue McCloud (Vice Chair), City of Carmel-by-the-Sea Mayor
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City Mayor
Libby Downey, City of Monterey Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Ian Oglesby, City of Seaside Councilmember
Bruce Delgado, City of Marina Mayor (Seated at 9:42 a.m.)
Kristin Clark, City of Del Rey Oaks Vice Mayor

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Chuck Rees, Finance Manager
Don Prescott, Information Systems Manager
Richard Petitt, Site Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Harry Hunzie, Materials Recovery Facility (MRF) Manager
Jeff Lindenthal, Public Education & Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist II
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Angela Brantley, City of Monterey
Charlie Cordova, GreenWaste Recovery
Mike Noland, Hayashi & Wayland Accounting & Consulting, LLP
Bob Hilton, HF&H Consultants
Matt Fore, Monterey County Environmental Health Bureau
Teresa Rios, Monterey County Environmental Health Bureau
Tom Buell, Monterey Regional Water Pollution Control Agency
Mike Niccum, Pebble Beach Community Services District

OTHERS PRESENT: Roberto Moreno, Salinas Valley Solid Waste Authority
(continued) Felipe Melchor, Waste Management, Inc./Carmel-Marina Corporation
Michael LaRussa, Waste Management, Inc./Carmel-Marina Corporation
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and the presence of a quorum established, the November 19, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:00 a.m.

PUBLIC COMMUNICATIONS

There were no public comments.

CONSENT AGENDA

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

- 1) **Approve Minutes of October 15, 2010 Regular Board Meeting**
- 2) **Approve Report of Disbursements**

PRESENTATIONS

- 3) **Presentation of Annual Audit for Fiscal Year 2009/10**

The Board reviewed a memorandum from Finance Manager Chuck Rees, and the Financial Statements and Independent Auditors Report for the year ended June 30, 2010, prepared by Hayashi & Wayland Accounting & Consulting, LLP (H&W).

Mike Nolan of H&W addressed the Board and reported that the District had received a "clean opinion, with no exceptions noted", which was the highest level of assurance that an auditor could provide. He stated that there were no recommendations for any improvements, as all recommendations given last year had been implemented. He further stated that the Finance Manager and his staff were to be commended for their dedicated efforts and thorough work product. For Fiscal Year 2009/10, operating revenues were \$516,692 above budget, and with strong controls on discretionary expenditures and deferral of capital purchases, the District ended the year with a net operating income of \$672,547 and a decrease in cash of \$280,108 compared to a budgeted decrease of \$899,500.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Accept Annual Audit for Fiscal Year 2009/10.

BOARD WORKSHOP**4) Discussion on Alternative Funding Strategies and Update On Regional Cooperation, and Provide Direction to HF&H Consultants**

General Manager stated that the workshop was to provide Bob Hilton of HF&H Consultants with input prior to the preparation of a draft final report on alternative funding strategies and regional cooperation. He provided the Board with background information regarding the District and its services. He stated that while the services provided by the District have evolved, the District's funding mechanism has not. At the October Board meeting, HF&H provided the Board with a wide range of potential funding mechanisms that are used by other solid waste agencies around the State.

The Board reviewed a color-defined chart summarizing a menu of alternative funding options that incorporated Finance Committee direction to develop a "filtered" or "prioritized" listing with particular emphasis on those areas that (1) generate revenue (2) increase diversion for member agencies', and (3) maximize energy production. District staff also ranked each option with a high (h), medium (m), or low (l) priority to reflect the importance of each option as identified by staff. The options were also identified as short or long term. A glossary, which provided additional detail on each alternative funding option, was also given to the Board for their reference.

Chair Laska asked Mr. Hilton what he expected from the Board at the workshop. Mr. Hilton responded that the Board needed to determine which options were appropriate for the District, and which options the Board was definitely not interested in pursuing. The primary workshop question was to consider what the role of the District was going forward and how funding those needs would be provided. Board discussion followed with various Board members expressing preference or concerns on the various options. Mr. Hilton thanked the Board for their input, which will be incorporated into the draft final report, and presented at the December Board meeting as an executive summary. The Board will be able to provide any final comments at that time.

No Action Taken.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**5) Accept Report from Finance Committee Chair on Meetings of October 20 and November 4, 2010**

The Board reviewed a memorandum from Chair Laska summarizing the October 20th and November 4th meetings of the Finance Committee. The October 20th meeting was principally focused on meeting with the auditors to review the FY 2009/10 Financial Statements/Annual Audit Report. The meeting of November 4th was principally focused on the HF&H Alternative Funding Strategies and Regional Cooperation.

It was moved by Director Parker, seconded, and Unanimously Carried To: Accept Reports From Finance Committee Chair on Meetings of October 20 and November 4, 2010.

6) Accept Report from Personnel Committee Chair on Meeting of November 4, 2010

The Board received a report from Chair Laska summarizing the November 4th ad hoc Personnel Committee meeting. General Manager stated that several items would be discussed during closed session.

It was moved by Director Parker, seconded, and Unanimously Carried To: Accept Report From Personnel Committee Chair on Meeting of November 4, 2010.

7) Approve Draft Annual Report for Fiscal Year 2009/10

The Board reviewed the Draft Annual Report for Fiscal Year 2009/10, prepared by Public Education and Recycling Manager Jeff Lindenthal, and provided comments related to minor edits to the report.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Approve Draft Annual Report for Fiscal Year 2009/10.

STAFF REPORTS**8) Review Finance, Operating, and Recycling Reports**

The Board reviewed the audited financial statements for June 2010, along with the financial statements for September and October 2010. The Operating Income for October was \$248,674 and \$739,638 year-to-date. The year-to-date total Operating Expenses are below budget by 0.53% at \$5,674,342. The year-to-date Operating Revenues are \$6,443,980, above last year by \$339,407 and 3.11% above budget.

The Board also reviewed the Operating Report for October 2010. The Total Solid Waste Accepted into the site (excluding regional waste) was 25,680 tons. Regional Waste received from Watsonville, Capitola, Scotts Valley, and GreenWaste Recovery was 439, 602, 579, and 7,832 tons, respectively.

9) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal reporting on the Big Sur Half Marathon diversion and that the 2009 AB 939 Annual Reports had been approved. Public Education and Recycling Manager also reported that the award-winning film "Bag-It" would be shown at the Golden State Theatre on November 19th, and Board members were invited to attend.

10) Report on Strategic Planning Workplan

The Board reviewed an updated District Strategic Planning Workplan. Chair Laska stated that following the final report from HF&H, it might be necessary to revise and update the Workplan. Vice Chair inquired whether a workshop was being planned for 2011, to which staff responded that a strategic planning workshop, tentatively planned for March or April, will be placed on the 2011 Board Meeting and Other Events calendar for consideration and approval at the December Board meeting.

11) Report on SWANA Legislative Task Force (LTF) and Legislative Update

General Manager reported that the SWANA LTF had held its annual workshop on November 5th and 6th in Sacramento to prepare its Workplan for 2011. He provided the Board with a summary of the workshop discussions. General Manager also reported that staff from CalRecycle had attended the meetings to provide their perspective on what is ahead for 2011, with organics diversion a high priority for the State and anaerobic digestion (AD) as "the next generation" of facilities for processing organics.

12) Report on October 19, 2010 Monterey County Special Districts Association Meeting

The Board received a summary of the October 19th Monterey County Special Districts Association meeting, along with the minutes from the meeting of July 20th.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the State Controller's Office is requesting Special Districts to comply by December 13th in reporting employee wage and compensation information and that the District will comply with the request by the deadline. He also reported that the District's proposal for processing of organics was not selected by the SVSWA. General Manager referred the Board to a thank you letter from Assemblyman Monning's Office, after he participated in an environmental event on October 5th. General Manager informed the Board that Assemblyman Monning's office had again denied the District's request to change legislative language with regard to Board member compensation. Director Pendergrass suggested that Chair Laska speak with Assemblyman Monning directly. Director Oglesby requested that staff provide background information on staff's request thus far to Assemblyman Monning with regard to Board member compensation for their review.

General Manager reminded the Board that the Employee Awards Luncheon will be held following the December Board meeting.

BOARD COMMUNICATIONS

CLOSED SESSION

The Board went into closed session at 11:41 a.m. regarding the following:

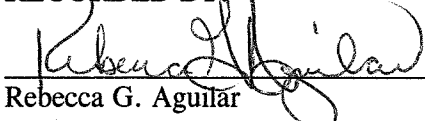
- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers, Hourly Represented Unit, and Management Employees
- 2) Personnel Matter
 - a. Public Employee Performance Evaluation: General Manager

The Board came back into open session at 12:57 p.m. Legal Counsel announced that with regard to Item 1, information was received and no action was taken. With regard to Item 2, information had been received, with discussion held, and the Board had completed the evaluation of the General Manager. No other action was taken.

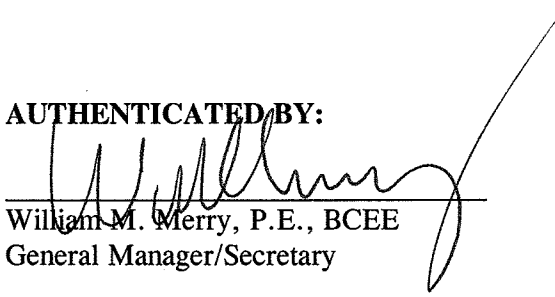
ADJOURNMENT

There being no further business to come before the Board at this time, the November 19, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 17, 2010 by Chair Laska at 12:58 p.m.

RECORDED BY:


Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:


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