

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
February 15, 2008

Boardroom
Monterey Peninsula Landfill
Marina, CA

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

MEMBERS ABSENT: Ken Gray

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 Pettitt, Site Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist
Kimberle Herring, Public Education Coordinator
Emily Newman, Public Education Intern
Steve Montgomery, Industrial Electrician/OE3 Operations Shop Steward
Clyde Walkup, MRF Supervisor/OE3 Operations Shop Steward
Liz Calcagno, Accounting Technician I
Lynette Mooneyham, Accounting Assistant II
Rosemary Perez, Accounting Assistant II
Tina Reid, Accounting Technician II

OTHERS PRESENT: Angela Brantley, City of Monterey
Dave Fortune, City of Seaside
John Ramirez, Monterey County Environmental Health Department
Mike Niccum, Pebble Beach Community Services District
Kendra Sand, Surfrider Foundation
Lewis Leader
Lacey Real

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the February 15, 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.

PUBLIC COMMUNICATIONS

Mike Niccum, new General Manager for Pebble Beach Community Services District, addressed the Board to introduce himself and stated his goal was to continue the excellent relationship with the District.

PRESENTATIONS

1) Three Year Award to Director Don Jordan

Chair Laska presented Director Don Jordan with a three-year longevity award, representing the City of Seaside, and thanked him on behalf of the Board, for his service.

CONSENT AGENDA

Chair Laska inquired on Item 4, whether the Caterpillar compactor could serve in a backup role. Equipment Maintenance Manager responded the District had a backup compactor already and the compactor being declared surplus was not computer controlled, and could not be "CARB" retrofitted and therefore would not meet the proposed AB 32 CARB requirements.

Vice Chair McCloud asked whether a request for proposal (RFP) should be issued with regard to Item 5 to ensure the lowest cost. Senior Engineer responded that the last time the District had issued an RFP, Golder's bid had been the lowest, responsive bid at \$108,000 and the extended contract was in the same amount. General Manager also stated Bill Fowler with Golder Associates was uniquely qualified with over 18 years consulting with the District.

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

- 2) Approve Minutes of January 18, 2008 Regular Board Meeting**
- 3) Approve Report of Disbursements**
- 4) Declare Surplus Property and Authorize Disposition of District Equipment**
- 5) Authorize Three Year Contract Extension for Golder Associates to Conduct Ground Water Monitoring Services at Monterey Peninsula Landfill**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

6) Financial Reports and Mid Year Budget Review

The Board reviewed the Mid Year Budget information and memorandum from Finance Manager Chuck Rees. Finance Manager stated the mid year budget had been reviewed by the adhoc Finance Committee. A major concern with the fiscal year 2007/08 budget was the decline in revenue due to reduced tonnage from the commercial and industrial accounts. Mid year estimates of end of year operating revenues are estimated to be \$985,000 less than budgeted. Staff has implemented measures to reduce costs and total expenditures are expected to be below budget by \$340,000. Capital outlay is expected to be \$621,500 below budget mostly due to deference of projects that are not critical to operations.

Board discussion followed regarding competitive power sales. General Manager responded that the renewable power is sold at market rates on the grid. Vice Chair McCloud requested that the next time a mid year review was provided, actual six-month figures be used instead of projections on the full year based on six months.

It was moved by Director Potter, seconded, and *Unanimously Carried To: Accept Mid Year Review of 2007/2008 Fiscal Year Budget.*

7) Presentation on Finance and Accounting Operations

Finance Manager Chuck Rees provided a brief overview of the accounting operations. He introduced the accounting staff, responsible for overseeing all accounting transactions at the scales and the Last Chance Mercantile, as well as accounts receivables, payables, and payroll.

General Manager acknowledged the excellent work carried out by Chuck and the entire accounting staff.

No Action Taken.

8) Adopt Recommendations Resulting From Ad Hoc Finance Committee Meeting of January 28, 2008

The Board reviewed a memorandum from Board Chair Laska which summarized the ad hoc Finance Committee meeting of January 28, 2008 with recommendations from the Committee. Chair Laska stated the recommendations were based on declining revenues which were causing staff to delay maintenance and capital outlays where possible to result in a balanced budget.

General Manager stated the committee had supported a joint bio-solids feasibility study with the Monterey Regional Water Pollution Control Agency (MRWPCA) and the Carmel Area Wastewater District (CAWD) which was Item 11 on the agenda. The committee has also directed staff to prepare justification for an increase to the basic tipping fee, based on the cost of living consumer price index (CPI) for consideration in conjunction with the 2008/09 budget. They also directed staff to prepare justification for an increase to the basic tipping fee based on increased costs resulting from state mandates and new initiatives on diversion/recycling and waste processing.

Chair Laska stated that it was reasonable to consider cost of living increases since wages were based on the CPI. Vice Chair McCloud requested that any justification include where the District has tried to cut costs in order to justify any increases, especially in light of franchised haulers' request for increases based on the current tipping fee. Chair Laska responded that staff had also been directed to determine what percentage of the franchise hauler residential garbage bill resulted from landfill disposal tipping fees and had directed the

General Manager to meet with city managers to see if they would be interested in having District staff provide assistance with the franchise agreements to ensure a more consistent level of service and achieve maximum diversion for the cities. A stakeholders meeting would also be held to discuss issues related to waste management and recycling outlining the financial implications, and to clarify the District's position to achieve state mandates.

Legal Counsel advised the Board that it would be in the best interest of their individual cities to have city staff members review the franchise agreements to ensure their hauler is abiding by and providing the services called for in the agreement. He stated that the District had assisted in the preparation of a draft franchise agreement in 1995. Chair Laska stated a goal would be to have all of the member agencies franchise agreements expire at the same time in order to have the opportunity to negotiate all peninsula contracts at once to bring clarity and uniformity to the franchise agreement process and provisions. He suggested providing a list of topics to city managers so they could think about issues surrounding the individual franchise agreements. Assistant General Manager stated a recent matrix showed that many agreements would expire in 2010 with others expiring in 2015. Staff would intend on gathering further information for consideration and consolidation.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Adopt Recommendations of the Ad Hoc Finance Committee From Their Meeting of January 28, 2008.

9) Schedule a Public Hearing for March 21, 2008, to Adopt Punitive Measures for Non-Compliance with District's Hazardous Materials Policy and Upgraded Waste Screening Program

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding punitive measures for customers that refuse to, or fail to, comply with the District's request that they sign a certification in compliance with the District's Hazardous Materials Policy on management of hazardous materials. The District has sent out notices to account customers several times over the year and approximately 300 out of 530 customers have signed the certification.

Assistant General Manager commented that as part of the upgraded screening program, more physical and visual load inspections are being conducted daily through the diligent efforts of staff at the Household Hazardous Waste Program and the Materials Recovery Facility. Staff requested Board authorization to hold a public hearing at which time the Board could consider adoption of a series of measures for customers who fail to or refuse to sign the certification to include assessment of a higher disposal fee, loss of charge account privileges, providing the names of non-compliant customers to the Lead Enforcement Agency (County Environmental Health Department) and/or subject those customers to targeted waste screening.

General Manager stated that public outreach has helped to make the public aware of the District's upgraded waste screening program. He referred the Board to the letter under Agenda Item 19, in which the Monterey Bay Unified Air Pollution Control District (MBUAPCD) had decided not to move forward on the District's request to remove the NESHAP exemption from their regulations. Under the exemption, single family residences are not required to inspect for and remove asbestos containing material prior to demolition. The MBUAPCD is proposing a "serious campaign" of public outreach, education, and training of asbestos abatement and management and staff will seek to work cooperatively with the MBUAPCD staff in their outreach campaign, while working with District customers on the upgraded waste screening program. Legal Counsel stated the letter had been forwarded to the District's Special Legal Counsel and the Monterey County District Attorney's office.

Board discussion followed expressing disappointment on the MBUAPCD decision and with the implications of the letter. The Board discussed options to enforce contractors to follow certain guidelines to which Legal

Counsel responded that without the removal of the NESHAP exemption, it would be difficult to stipulate contractors to follow any type of guidelines. The Board requested that a notice about the public hearing be sent to all District account customers. Vice Chair McCloud inquired whether any of the customers who had not signed were large accounts, and if so, suggested a last attempt be made to obtain a signed certification from them.

It was moved by Director Bales, seconded, and Unanimously Carried To: Schedule a Public Hearing for March 21, 2008 to Consider Adoption of Punitive Measures for Non-Compliance with District's Hazardous Materials Policy and Upgraded Waste Screening Program and Send Notice to All District Account Customers.

10) Authorize Issuance of Request for Proposals for Compensation Study for Management Employees

The Board reviewed a memorandum from Administrative Services Manager Rich Norton regarding issuance of a request for proposals to conduct a compensation study for management employees.

It was moved by Chair Laska, seconded, and Unanimously Carried To: Defer This Item Until After the Closed Session.

11) Authorize a Joint Agreement Between the Monterey Regional Water Pollution Control Agency (MRWPCA), Carmel Area Wastewater District (CAWD) and the District to Retain Carollo Engineers of Sacramento to Provide Engineering Services and to Prepare a Monterey Regional Bio-Solids Plan at a Cost of \$50,000

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding a joint biosolids feasibility study with the MRWPCA and the CAWD in order to determine the best way to manage bio-solids in the community. The cost of the study is \$50,000 as proposed by Carollo Engineers of Sacramento, CA. General Manager commented that the Adhoc Finance Committee had discussed the issue in detail at their meeting held on January 28th. He added that he recommended a percentage share of 40% for the District, 40% for the MRWPCA, and 20% for the CAWD when the agreement is prepared.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize a Joint Agreement Between the MRWPCA, CAWD and the District to Retain Carollo Engineers of Sacramento, CA to Provide Engineering Services and to Prepare a Monterey Regional Bio-Solids Plan at a Cost of \$50,000.

12) Receive Staff Report and Provide Direction on Proposed County Landfill Buffer Zone Ordinance

The Board reviewed a memorandum from Senior Engineer Rick Shedden regarding the County's proposed Landfill Buffer Zone Ordinance and staff request to send a letter to the County supporting the ordinance and requesting that the proposed ordinance be strengthened by requiring deed restriction language that would provide notice and advise new homeowners of the proximity of their land to the Monterey Peninsula Landfill. Upon the Board's approval, the letter will be sent to the County, requesting they consider adding this provision to the proposed Ordinance. Similar letters, without the deed restriction, have been sent over the last few years in support of the proposed ordinance. General Manager stated the first Community Stakeholder meeting on the proposed county Ordinance was held on February 12th at the Marina Public Library with no significant comments.

Legal Counsel stated he concurred with the deed restriction language request in order to minimize potential for future litigation. Director Russell inquired whether the 2,500-foot was arbitrary and expressed displeasure

with the County restricting property owner's land usage. General Manager replied that over the years, a 2,500 foot buffer zone had been discussed, but through discussions with the Armstrong's and their developer, and the City of Marina, the District had agreed to a 1,000-foot buffer zone around the Monterey Peninsula Landfill.

It was moved by Director Potter, seconded, and Approved by Chair Laska, Vice Chair McCloud, Directors Bales, Pendergrass, Jordan, Downey, and Potter; Opposed by Director Russell To: Send Letter to Monterey County Health Department In Support of Proposed Landfill Buffer Zone Ordinance and Request to Add Deed Restriction Language.

13) Authorize a Joint Feasibility Study with the Salinas Valley Solid Waste Authority To Investigate Possible Changes to North Monterey County Waste Flow Boundaries and Management of Waste

The Board reviewed a memorandum from General Manager summarizing a meeting held between Board members of the Salinas Valley Solid Waste Authority (SVSWA) and the District on February 1st. Among the issues discussed were the matter of the two North County waste collection contracts and where the North County waste should go for disposal after the closure of Crazyhorse Landfill at the end of 2008. The question resulted in this request to explore a joint feasibility study to investigate a possible adjustment to the boundaries or redirection of the waste flow to be more geographical and logistically logical while remaining revenue neutral to both organizations. General Manager stated the memorandum had been written in partnership with SVSWA General Manager Steve Johnson, and an identical memorandum would be presented to the SVSWA Board at their meeting of February 14th.

Chair Laska commented he and Director Bales had been present at the meeting as well as George Worthy and Lou Calcagno representing the SVSWA and there was a strong interest in pursuing this issue. The timeline to conduct the study in order to make a determination is important since the Crazy Horse Landfill is planned for closure at the end of 2008. Upon concurrence of both Boards, staff would proceed with a feasibility study which would identify and quantify options in order to achieve the most advantageous arrangement for the District, the SVSWA, and the citizens of the County.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize a Joint Feasibility Study with the SVSWA.

14) Accept for Review a Draft Model Environmentally Acceptable Food Packaging Ordinance

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal and a draft Model Ordinance. Public Education and Recycling Manager stated the draft Ordinance was developed in cooperation with member agency staff, and with community input. The ordinance had been reviewed by the Peninsula litter task force and discussion held on how fast food packaging contributes to the litter problem. There is no local market for polystyrene. The Board's input, along with input from the community over the next month, will be considered in the final Ordinance. Staff intends to bring back a final ordinance at the March Board meeting for consideration.

Board discussion followed regarding the usage of polystyrene and its inability to be recycled locally. Director Pendergrass expressed the concern regarding government imposing a ban on communities. Some businesses were already having problems remaining competitive and perhaps requiring more expensive take-out packaging might not be financially feasible. He suggested a volunteer program initially instead to see if it was cost effective. Vice Chair McCloud stated that other communities have implemented similar effective programs. Public Education and Recycling Manager stated language would be included in the ordinance

where restaurant owners could file an exemption if the cost was not effective. Director Russell stated this was a model ordinance only which each individual city could consider and adopt within their city.

No Action Taken.

15) Receive Quarterly Review of Employee Injuries and Property Loss Incidents and Minutes of the December 20, 2007 and January 31, 2008 Safety Committee Meetings

The Board received a quarterly review from Safety Manager Jack Cook reporting on employee injuries and incidents, along with the meeting minutes of the Safety Committee for December 20, 2007, and January 31, 2008. Safety Manager stated staff has been working very closely with the workers compensation carrier, Bragg & Associates, to ensure timelier handling of claims.

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

STAFF REPORTS

16) Operating and Recycling Reports

The Board reviewed the January 2008 operating report and February 2008 recycling report. The total solid waste accepted into the site (excluding regional waste from Santa Cruz County) during January 2008 was 28,960 tons, an increase of 5,177 tons from December and up 928 tons, or (3.3%) from January of last year. The tonnage from Santa Cruz County was 1,722 in January.

17) Report on Public Education, Recycling, and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal regarding 2nd Annual Monterey County Clean-Up Day scheduled on April 19th, from 8 a.m. to noon to be held in conjunction with Earth Day. He also reported on the February 1st California Integrated Waste Management Board (CIWMB) AB 939 workshop and the Home Composting Workshop held on February 23rd.

John Ramirez, Monterey County Environmental Health Department, addressed the Board and stated that the purpose of the Clean-Up Day was to rid the communities of illegal dumping materials and litter. He provided background information regarding the establishment of Clean-Up Day and commented that volunteers for the event have increased significantly. He urged community members to volunteer to coordinate a site and contact the Health Department if they were interested.

Director Bales inquired on the CIWMB workshop and the CIWMB seeking to increase the disposal fee paid to the State by \$0.60 per ton bringing the total to \$2.00 per ton. He expressed the need to educate the public on fees mandated by the State making it necessary to increase District disposal fees to the public.

18) Strategic Plan Update

The Board received an updated copy of the Strategic Planning Workplan (2007-2017). Staff has been conscientiously working on tasks outlined in the Workplan and providing the Board with updates monthly as they occur through memorandums and other Board reports. Staff intends to provide an updated Workplan quarterly.

OTHER CORRESPONDENCE**19) Letter from Monterey Bay Unified Air Pollution Control District Re: Denial of Request to Amend NESHAP Exemption for Single Family Dwellings**

The Board reviewed a letter dated January 29, 2008 from the Monterey Bay Unified Air Pollution Control District (MBUAPCD) in response to the District's September 2007 letter request to remove the NESHAP exemption for single family dwellings. The MBUAPCD Advisory Committee opted to not move forward on the District's request, but rather intends to conduct a "serious campaign" of public information and training on the subject of management of asbestos containing demolition material.

20) Letter to Monterey Regional Water Pollution Control District Re: Inter-Agency Committee Meeting

The Board reviewed a letter dated February 1, 2008 to the Monterey Regional Water Pollution Control Agency requesting an inter agency committee meeting between Board members. Chair Laska and Director Gray were appointed in September of 2006 to serve on the committee. The purpose of the meeting would be to discuss current and future programs for bio-solids and the management of bio-gas.

21) Letter from City of Capitola Re: Participation in Proposed Composting Program

The Board reviewed a letter dated January 31, 2008 from the City of Capitola applauding the District efforts to pursue long-term solutions to the reduction of solid waste materials. The City has established a 75% diversion goal by 2010 and will be pursuing a food waste composting program and is interested in the proposed regional organics composting program.

22) Letter from SWANA Re: Thank you to General Manager for Participating on Panel Discussion at 12th Annual Senior Executive Seminar

The Board reviewed a letter received January 28, 2008 from the Solid Waste Association of North America (SWANA) thanking the General Manager for speaking at the 12th Annual Senior Executive Seminar in New Orleans, LA, which contributed to the great success of the event.

GENERAL MANAGER COMMUNICATIONS

General Manager reported the District had received no violations during the 18 month inspection conducted of the District's operations on January 24, 2008 by the California Integrated Waste Management Board staff along with the County LEA. They spent a lot of time going through files and records and were quite complimentary, a tribute to the fine efforts of staff, and file consultant, Laura Dadiw.

General Manager reminded the Board that the Form 700s are due at the Monterey County Clerk's office no later than April 1, 2008. With the exception of Director Potter, all Boardmembers need to submit two original signed statements; one for the District and another for the Authority.

BOARD COMMUNICATIONS

Chair Laska announced that Director Russell had replaced Director Bales on the adhoc Personnel Committee.

CLOSED SESSION

The Board went into closed session at 11:25 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

The Board came back into open session at 12:24 p.m. Legal Counsel Wellington announced that with regard to the Closed Session Item, the Board received information and direction was given to its negotiators; no other action was taken. No other action was taken. On the matter of:

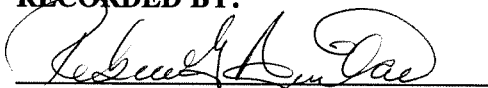
10) Authorize Issuance of Request for Proposals for Classification and Compensation Study for Management Employees

It was moved by Director Russell, seconded, and Unanimously Carried To: Authorize Issuance of Request for Proposals for Classification and Compensation Study for Management Employees.

ADJOURNMENT

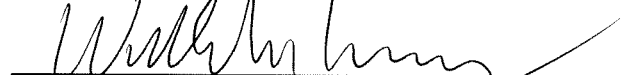
There being no further business to come before the Board at this time, the February 15, 2008 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to March 21, 2008 by Chair Laska at 12:25 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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