

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



BOARD OF DIRECTORS

LEO LASKA
 CHAIR

SUE McCLOUD
 VICE CHAIR

GARY BALES
 DAVID PENDERGRASS
 JOSEPH P. RUSSELL
 LIBBY DOWNEY
 JANE PARKER
 IAN OGLESBY
 BRUCE DELGADO

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

9:30 a.m., Friday
 January 16, 2009

Boardroom
 Monterey Peninsula Landfill
 Marina, CA

MEMBERS PRESENT Leo Laska, Chair
 Sue McCloud, Vice Chair
 Gary Bales
 David Pendergrass
 Ken Gray
 Joseph P. Russell
 Libby Downey
 Jane Parker (departed at 11:20 a.m.)
 Ian Oglesby

MEMBERS ABSENT: None

STAFF PRESENT: William M. Merry, 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
 Ron Mooneyham, Equipment Maintenance Manager
 Harry Hunzie, Materials Recovery Facility Manager
 Richard Petitt, 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: Angela Brantley, City of Monterey
 Matt Fore, Monterey County Environmental Health Department
 Tom Buell, Monterey Regional Water Pollution Control Agency
 Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the January 16, 2009, 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 Vice Chair McCloud, and seconded, the Board approved the following actions:

- 1) **Approve Minutes of December 19, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**

PRESENTATIONS**3) Five Year Award to Chair Leo Laska**

Vice Chair McCloud presented Chair Laska with a five-year service award. She expressed appreciation to Chair Laska, on behalf of the Board, for his leadership and for serving as Chair for the past two years. His knowledge and experience as an engineer provided valuable input to the Board and District operations.

Chair Laska thanked the Board and staff for making his representation of Pebble Beach Community Services District an interesting one and stated that it was rewarding to be involved with an organization that was self sustaining.

General Manager also expressed appreciation to Chair Laska on behalf of staff and agreed with Vice Chair McCloud that Chair Laska's background in engineering was of great value on the District Board.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**4) Financial Reports and Mid Year Budget Review**

The Board reviewed a memorandum and mid year budget information from Finance Manager Chuck Rees. Finance Manager stated that the current year finances have been complicated due to the slowdown affecting the economy. The District started the year with \$7.7 million in unrestricted cash. Of this, \$3.6 million is 25% of cash operating expenses set aside for working capital reserves. The fiscal year budget forecast an \$814,500 reduction in the District's unrestricted cash. At mid-year, the reduction in the cash is projected to total \$403,500, a significant improvement (\$411,000) over the budget.

The Finance Manager reviewed with the Board a graph on historical refuse tonnages into the site which showed decreases in tonnages beginning in 2005. Management staff has worked diligently to stay within the budget. Expenditures are expected to be below budget by \$200,000 primarily due to the reduced cost of fuel, salaries and benefits. Capital Outlay is expected to be \$609,000 below budget as staff is deferring projects that will not cause significant operational interruptions. Cash payments for debt reduction are expected to be \$227,000 below budget.

Board discussion followed regarding unrestricted cash and District reserves. Director Russell commented that the District's projected unrestricted cash was healthy at over \$7 million. Finance Manager agreed, but stated that the

five-year financial projection was not as good and that staff would be reviewing it as part of the fiscal year 2009/10 budget preparation. He reminded the Board that of the unrestricted cash, 25% of estimated cash operating expenses were set aside for working capital reserves.

The financial statements for December 2008 were not available due to the early Board meeting for January. General Manager reported that Refuse Accepted (excluding Regional Waste) for December increased by 2,091 tons or 12.3% from last year and 3,488 tons from last month or 22.4%. The increase was primarily from a single non recurring haul of mill scale material from the CEMEX plant in Davenport.

Director Gray complimented staff on being prudent in reducing expenditures while maintaining a healthy reserve. District staff will review ways of increasing revenue as part of the 2009/10 Budget process and five year financial projection.

It was moved by Director Parker, seconded, and Unanimously Carried To: Accept Mid Year Review of 2008/09 Fiscal Year Budget.

5) Authorize General Manager to Sign Interim Agreement with PG&E to Sell Renewable Power Generated from the Landfill Gas to Energy Facility

The Board reviewed a memorandum from Information Systems Manager Don Prescott regarding an interim agreement with PG&E to sell renewable power. General Manager stated that Information Systems Manager has been working diligently on preparing documents to amend the Power Purchase and Sales Agreement (PPSA) with PG&E, to sell power at a price of \$0.0998 per kilowatt-hour (kWh) for a term of 19 years, but the final agreement is not ready for Board consideration. As an interim measure, and to receive higher payments from PG&E for energy deliveries, staff is requesting authorization to allow General Manager to sign an interim agreement for up to six months with PG&E while the 10-year Agreement is developed into a final form. General Manager stated that the interim agreement would be reviewed by District Legal Counsel prior to signing.

Information Systems Manager stated that the terms of the interim agreement would be more favorable than those of the existing power sales agreements with the District receiving about 7.4 cents per kWh. General Manager stated that staff had planned to have Lyndel Melton of RMC provide a presentation at the meeting to answer any questions related to future power deliveries to a planned water project, but staff would have him make a presentation in the future and prior to finalizing the 10-year agreement with PG&E.

Board discussion followed regarding the interim agreement terms. Information Systems Manager stated that although the interim agreement was for one year, the District had to only provide a 45-day notice to cancel it, and he hoped to have a final agreement by May 1st. Vice Chair McCloud requested that the presentation by Mr. Melton be provided sooner, perhaps at the February meeting.

It was moved by Director Downey, seconded, and Unanimously Carried To: Authorize General Manager to Sign an Interim Agreement with PG&E to Sell Renewable Power Generated from the Landfill Gas to Energy Facility.

6) Receive Mid Year Review of Employee Injuries and Property Loss Incidents

The Board received a report from Safety Manager Jack Cook regarding employee injuries and property loss incidents for the first half (July through December) of fiscal year 2008/09. General Manager stated that Safety Manager is doing a good job working with staff to effectively deliver safety training and messages to all employees.

Vice Chair McCloud inquired on the high amount of incidents in the Materials Recovery Facility (MRF). Safety Manager responded that the MRF is the biggest operation on the District's site with a lot of activity and heavy equipment. General Manager noted that there were no back injuries for the first half of the current fiscal year.

No Action Taken.

7) Receive Minutes from the December 3, 2008 District Strategic Planning Advisory Task Force Meeting

The Board reviewed the December 3, 2008 meeting minutes of the District Strategic Planning Advisory Task Force. General Manager reported the minutes will be used as discussion points for the Board Strategic Planning Workshop, planned for April 29, 2009.

Board discussion followed regarding the minutes. General Manager stated that the issue of increasing revenues by way of a tip fee increase will be discussed with the Finance Committee. He has assured the member agency Advisory Task Force and the Board that he will provide presentations to member agencies before calendaring an increase on a Board agenda. On the subject of waste flow control, District staff is concerned about mixed waste going out of the District's watershed and General Manager commented that each member agency should have language in their development and building permits that support the District's infrastructure by directing demolition materials and waste to District facilities.

Other discussion was held on a single franchise hauler contract and a single county-wide waste management agency. Chair Laska stated that although there may be visible advantages to having only one waste management agency county-wide, no discussions have been held recently with the Salinas Valley Solid Waste Authority staff or Board. General Manager also commented on the possibility of a 75% District-wide diversion goal as the state legislation will again be considering a 75% waste diversion goal during this next two-year session. Vice Chair McCloud reminded staff that the Board had requested at the December meeting that they provide a presentation on how member agencies could attain 75% diversion.

No Action Taken.

8) Authorize General Manager to Solicit Proposal from The Ingram Group to Facilitate Board Strategic Planning Workshop in April 2009

General Manager stated that a Strategic Planning Workshop of the Board and management staff was scheduled for Wednesday, April 29, 2009, from 8:30 a.m. to 2:00 p.m. The last workshop held in April 2007 was facilitated by Candace Ingram of The Ingram Group. At that time, the Board had considered three proposals and Ms. Ingram's proposal was selected for the work. General Manager commented that she had also facilitated a management workshop in early 2008 and facilitated the workshops of the MRWMD Strategic Planning Advisory Task Force in late 2008. Staff has been pleased with her work and would like to move forward to retain her services for the Board/staff workshop as she has become very knowledgeable on District operations.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize General Manager to Solicit Proposal From The Ingram Group to Facilitate Board Strategic Planning Workshop in April 2009.

9) Adopt Resolution 2009-01 Designating the District's Representative to The Special Districts Association of Monterey County

The Board reviewed Resolution 2009-01. General Manager reported that on May 16, 2003, the Board adopted Resolution 2003-05 authorizing membership in the Special Districts Association of Monterey County and

Designating District Representatives. The resolution specifically named Director Jim Perrine as the District's representative. The only substantial change with the proposed Resolution 2009-01 is to not specifically name the designee, but rather to allow the designee to be "the Board Chair or designee."

It was moved by Director Parker, seconded, and Unanimously Carried To: Adopt Resolution 2009-01 Designating the District's Representative to The Special Districts Association of Monterey County.

10) Appoint New Representative to The Special Districts Association of Monterey County

The Board reviewed the agenda for the January 20th meeting of the Monterey County Special Districts Association, along with the minutes from their meeting of October 21, 2008. General Manager stated Chair Laska needed to appoint a replacement for Director Jordan who had served as the District representative since February 2005.

Chair Laska stated Director Jordan also served on the ad hoc personnel committee and since it was still not determined who would represent the City of Marina for the next four years, he believed it would be best to wait until the February Board meeting to consider appointments for the aforementioned and the finance committee.

It was moved by Chair Laska, seconded, and Unanimously Carried To: Defer the Appointment of New Representative to Special Districts Association of Monterey County to the February 20, 2009 Board Meeting.

STAFF REPORTS

11) Operating and Recycling Reports

The Board reviewed the Operating Report for December 2008. The Total Solid Waste Accepted into the site (excluding regional waste) was 26,514 tons, an increase of 2,730 tons (or 11.5%) from December 2007. Regional waste tonnage from Santa Cruz County was 1,262 tons and 1,052 tons from the City of Watsonville.

12) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal. As mentioned in the memorandum, the District has several television advertisements currently running.

Director McCloud reported that the e-waste event in Carmel had been successful with over five tons of waste collected. Director Bales expressed that there were some concerns regarding recyclable material shipments to other countries, although District staff has assured that District recyclable material is processed in an environmentally responsible manner. Public Education and Recycling Manager encouraged member agencies to procure the same assurance from their franchise hauler. Director Russell inquired whether District staff could request this information on behalf of member agencies and report back to the Board. General Manager responded staff would send out a letter to the franchise haulers.

Vice Chair McCloud suggested the District run the television ads in Spanish because of the local demographics. Public Education and Recycling Manager responded that radio ads run in Spanish and he would explore the possibility of Spanish television ads. General Manager commented that the ads were also being shown on the District's website.

Director Pendergrass reflected on Styrofoam and the inability to recycle it. He felt that staff should find a way to have it recycled and expressed dissatisfaction with banning material that is recyclable. Public Education and Recycling Manager stated recycling costs money which is a message that should be acknowledged. He stated that the recycling industry is also looking into the topic of Extended Producer Responsibility so that local governments do not have to subsidize the cost for recycling when local markets don't exist and/or the costs to recycle a commodity are excessively high.

13) Report on 2008 District Accomplishments

The Board reviewed a memorandum from Public Education and Recycling Manager along with a summary of District Accomplishments during 2008. General Manager stated the summary had been developed for internal discussion with all staff members, but had found it to be a useful reminder of the accomplishments made during the year. Director Downey stated it was an impressive summary and Director Bales requested it be included with the Board meeting highlights that is sent to member agencies.

14) Report on Kirby Canyon Landfill Illegal Waste Hauling

The Board reviewed recent newspaper articles related to an alleged illegal scheme to dispose of waste at the Kirby Canyon Landfill in San Jose. The articles allege that a local waste broker bribed employees at the landfill to misclassify incoming waste or allow it to bypass the scales at a reduced or no cost. The Board also reviewed a letter sent by the General Manager to the City of San Jose on September 13, 2007, wherein the District raised concerns regarding the lack of tracking waste origins, types and amounts diverted; and whether mandatory state and local fees were collected for wastes leaving the District washed and being disposed at the Kirby Canyon Landfill. General Manager stated that the State may lower AB939 diversion numbers if it is determined wastes bypassed the scale and were landfilled. He stated the District does an excellent job of ensuring that waste is appropriated correctly. The District did not receive a reply from the City of San Jose.

OTHER CORRESPONDENCE

15) Letter Dated December 17, 2008 From California Air Resources Board RE: Reporting of Green House Gas Emissions

The Board reviewed a letter from the California Air Resources Board notifying on new reporting requirements for greenhouse gas (GHG) emissions, beginning with registration by facility operators by January 8, 2009. The District has already registered and has staff has begun work to be in compliance of this costly, unfunded state mandate.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that new California Integrated Waste Management Board (CIWMB) member John Laird had toured the District site on January 6th and had been impressed by the District's pragmatic and cost effective programs and facilities. He had a particular interest in the concept of extended producer responsibility in an effort to reduce packaging, waste, and unfunded mandates on local government. General Manager also reported that the proposed SB 44 would abolish the CIWMB and transfer its duties, responsibilities, powers, jurisdiction, liabilities, and functions to the Department of Conservation.

General Manager also reported that a meeting of the Ad Hoc Personnel Committee was scheduled for January 28th.

General Manager provided the revised work scope from Liebert Cassidy Whitmore. Donna Williamson, of Liebert Cassidy Whitmore, will provide assistance with labor relations and negotiations, as needed and as necessary.

General Manager also reported on the upcoming February 28th closure of Crazy Horse Landfill. One of the disposal options for self haul residents and businesses in North County, and the closest and least expensive in most cases, is to use the District's Monterey Peninsula Landfill.

BOARD COMMUNICATIONS

Director Parker stated that she was pleased to be a member on the District Board and expressed appreciation to staff on the packet preparation which was very informative.

CLOSED SESSION

The Board went into closed session at 11:22 a.m. to discuss the following items:

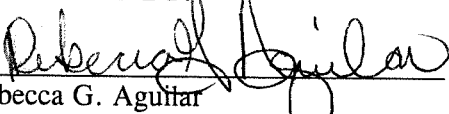
- 1) Personnel Matter
 - a. Public Employee Performance Evaluation: General Manager

The Board came back into open session at 11:58 a.m. Legal Counsel Wellington announced that during closed session, the Board had discussed the General Manager's performance and had conducted its evaluation. The Board accepted the General Manager's goals for 2009 and expressed its appreciation for his satisfactory performance. The Board will continue this performance evaluation matter to the February Board meeting relative only to further consideration of the proposed General Manager Succession Plan. No other action taken.

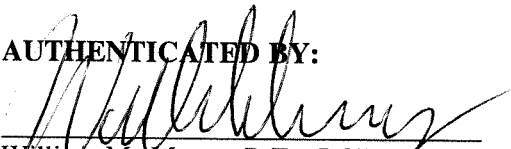
ADJOURNMENT

There being no further business to come before the Board at this time, the January 16, 2009 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to February 20, 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