

## BOARD OF DIRECTORS

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VICE CHAIR

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DAVID PENDERGRASS  
LIBBY DOWNEY  
JANE PARKER  
IAN OGLESBY  
BRUCE DELGADO  
KRISTIN CLARK



# MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

*Home of the Last Chance Mercantile*

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 REGULAR MEETING MINUTES

Friday, 9:30 a.m.  
January 15, 2010

Boardroom  
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  
Bruce Delgado, City of Marina Mayor  
Kristin Clark, City of Del Rey Oaks Vice Mayor

**MEMBERS ABSENT:** Jane Parker, (Unincorporated) Monterey County Supervisor, District 4  
Ian Oglesby, City of Seaside Councilmember

**STAFF PRESENT:** William M. Merry, General Manager  
Rob Wellington, Legal Counsel  
Tim Flanagan, Assistant General Manager  
Rick Shedden, Senior Engineer  
Richard Norton, Administrative Services Manager  
Ron Mooneyham, Equipment Maintenance Manager  
Chuck Rees, Finance Manager  
Don Prescott, Information Systems Manager  
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager  
Harry Hunzie, Materials Recovery Facility Manager  
Jeff Lindenthal, Public Education and Recycling Manager  
Jack Cook, Safety Manager  
Richard Petitt, Site Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Amber Watson, Administrative Support Specialist  
Kimberle Herring, Public Education Coordinator  
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward  
Leo Martinez, Sr, Laborer II  
Marino Dominguez, Laborer II  
Jeaneva Fresquez, MRF Operator I  
Sal Delgado, MRF Operator II  
Genaro Jaurrieta, Laborer II  
Eric Sanico, MRF Supervisor

**OTHERS PRESENT:** Doug Kenyon, BFI Waste Services  
Angela Brantley, City of Monterey  
Kate Hurley, Keith Day Company  
Keith Day, Keith Day Company  
Matt Fore, Monterey County Environmental Health Department  
Tom Buell, Monterey Regional Water Pollution Control Agency  
Mark Buntter, NIR/Republic Services  
Suha Kilic, Pebble Beach Community Services District  
Jose Gamboa, Salinas Valley Solid Waste Authority  
Kristi Markey, Supervisor Parker's Office  
Felipe Melchor, Waste Management  
Michael LaRussa, Waste Management  
Stephanie Moreno, Waste Management  
Jay Ramos, Waste Management  
Lewis Leader

### ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the January 15, 2010, 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

There were no comments from the public.

### CONSENT AGENDA

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

- 1) Approve Minutes of December 18, 2009 Regular Board Meeting
- 2) Approve Report of Disbursements

### PRESENTATIONS

- 3) **Three-year Award to Director Libby Downey**

On behalf of the Board, Chair Laska congratulated Director Downey, who represents the City of Monterey, and presented her with a three-year service award. He expressed appreciation for her valuable input on the Board and, in particular, her participation on the Board subcommittees. Director Downey commented that she enjoyed serving on the District Board.

- 4) **Presentation on Green Waste Processing by Materials Recovery Facility Manager, and Composting Operation by Keith Day**

A presentation on green waste processing at the District was provided to the Board by Materials Recovery Facility (MRF) Manager Harry Hunzie. Since the MRF operations began in 1996, the greenwaste accounts for a large percentage of the diversion occurring in the MRF. Once processed, the green waste is used as mulch, compost, biomass fuel, and it is mixed with biosolids to create a soil cover material for the landfill.

A presentation was also provided by Keith Day focusing on the composting of the green waste and food waste materials which originate from District operations. The finished product is provided in different blends to agricultural farmers, vineyards, and nurseries. Compost produced by Keith Day is also available at the District by the ton or by the bag. Chair Laska expressed appreciation for the presentations, which had been very informative and had generated discussion by the Board.

#### OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

**5) Authorization to Issue Request for Proposals for Consultant Services for Greater Regional Waste Management System Cooperation: Alternative Funding and Franchise Agreements**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal regarding the issuance of a Request for Proposals (RFP) to engage the services of a consultant to assist staff in identifying funding mechanisms, with an associated revenue stream, for the District, and a comprehensive review and analysis of existing franchise agreements on the issues of short and long term financing models and greater regional waste management system cooperation.

General Manager stated the RFP would be sent to several firms who specialize in this type of work. Tonnages to the landfill continue to decline due to successes in recycling and as a result of poor economic conditions, resulting in decreased revenue for the District. He shared an email chain from members of the California Resource Recovery Association, which concluded that had proven to be in the best interest and value of communities to thoroughly review and bid franchise agreements every 15 years. The review and analysis of the franchise agreements would continue the work conducted by Hilton Farnkopf & Hobson (HF&H) on a consolidated approach to the member agency franchise agreements, as presented to the Board at the December meeting. The Board also received a letter submitted by Director Parker, who was not able to attend the meeting, supporting approval of the RFP issuance.

Board discussion followed regarding the RFP and its content. Director Downey stated the City of Monterey is satisfied with their current franchise agreement and questioned whether focus should be placed on alternate funding first. Director Bales inquired whether individual costs could be provided for short term funding, long term funding, and the franchise agreements. Vice Chair McCloud agreed with Director Bales and suggested the RFP contain two phases with the alternative long and short term funding mechanisms provided first for review, and then determine whether it is in the best interest of the District and member agencies to pursue consolidated franchise agreements. She also requested that a timeline for obtaining the information from the consultant be included in the RFP and that the RFP be sent to as many consultants as possible. General Manager stated that staff would include a timeline in the RFP as it was anticipated that information gained could be available for preparation of the 2010/11 budget, and for discussion with the Advisory Task Force prior to reporting to the Board by the fall of 2010. Vice Chair McCloud urged staff to scrutinize the RFP to ensure that it was specific to the District's immediate needs. General Manager stated staff would do so.

Director Pendergrass stated that the RFP was non-binding and there would be ample opportunity later for individual cities to opt out of the consolidation of franchise agreements if they chose to do so. Public Education and Recycling Manager stated that many jurisdictions in California were involved in this same process to explore alternative funding mechanisms and to review franchise agreements.

Felipe Melchor, District Manager for Waste Management/Carmel Marina Corporation (WM) addressed the Board and stated that WM did not believe that another consultant was necessary to provide additional information on the issue of consolidated franchise agreements. The Board had received a report at the December meeting by HF&H and as he had stated at that meeting, WM had not been included in any discussions regarding this issue. He stated that WM was in a better position to provide the information the Board needed to determine the best services for

the member agencies. Director Delgado asked Mr. Melchor if WM would be supportive of a competitive bid process if WM were provided the opportunity to provide input. Mr. Melchor stated he would be supportive.

Director Bales asked Legal Counsel whether there could be a conflict of interest in allowing the current franchise hauler to participate in the bid preparation process. Legal Counsel responded that with regard to alternate funding sources, there was a real synergy to identifying cost savings for member agencies and ratepayers. He noted that with regard to the franchise agreement bid process, based on information provided, other entities had apparently realized savings of millions of dollars. He reminded the Board that, as Director Oglesby stated at the December Board meeting, the haulers and the cities work together, but they do not hold the same interest. He stated his opinion that member agencies should continue to work with their hauler on services, but turning over the franchise agreement bid process to WM and their consultants to make that determination would be a conflict of interest, and not in the best interest of member agencies.

General Manager stated that the reason to hire a consultant was so member agencies could determine what type of franchise agreement is appropriate and incorporate activities the District or the hauler should be doing. He used the example of food waste hauling and the confusion as to who is responsible or involved in that process. He stated that clearly the hauler should be involved as should the District, since one of the greatest assets the District possesses is the land and the permits to support these programs. Director Pendergrass commented that a perceived conflict of interest could also arise if the District does not take into consideration individual city's needs and interest.

Vice Chair McCloud stated that given the reasons mentioned by Legal Counsel, and others, the District and its member agencies are best served by having a third party prepare recommendations for Board review and consideration. She recommended that the RFP be completed in two phases, with the first phase providing findings and recommendations for alternative funding to the landfill tipping fee, and short and long term funding strategies. Depending on the outcome of the first phase and after Board and staff review, it could determine whether the second phase, which would be to provide findings and recommendations on the issue of consolidated franchise agreements, was necessary and should be conducted. She also recommended the RFP be sent to as many firms as possible.

***It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Issuance of Request for Proposals for Consultant Services as Phase I: Alternative Funding for Long and Short Term, and Phase II: Franchise Agreement Consolidation.***

**6) Award Contract to American Environmental Group West, Inc. of Concord, CA to Install Nine New Landfill Gas Extraction Wells and Three New Perimeter Monitoring Wells at a Cost Not to Exceed of \$158,239**

The Board reviewed a memorandum from Senior Engineer Rick Shedden regarding the installation of nine landfill gas extraction wells and three perimeter wells, necessary for two reasons. The nine extraction wells will help to control landfill gas migration, and increase the collection efficiency of the well field and the amount of landfill gas delivered for fuel in the production of renewable power. The three new perimeter wells will be part of a system of monitoring wells to detect migration of landfill gas and are required by State regulations.

***It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Award Contract to American Environmental Group West, Inc. of Concord, CA to Install Nine New Landfill Gas Extraction Wells and Three New Perimeter Monitoring Wells at a Cost Not to Exceed of \$158,239.***

**STAFF REPORTS**

**7) Financial, Operating, and Recycling Reports**

Due to the early date of the Board meeting, the Board did not receive the financial statements for December 2009, although preliminary numbers show revenues were down 14% from November 2009 and down 22% from December 2008.

The Board reviewed the Operating Report for December 2009. Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) was 21,348 tons, a decrease of 2,769 tons (13%) from November 2009. Santa Cruz County delivered one load, down 12 tons from November 2009. The City of Watsonville delivered 864 tons, down 152 tons (17%) from November 2009.

**8) Summary of 2009 District Accomplishments**

The Board reviewed a memorandum and a summary from Public Education and Recycling Manager regarding 2009 District Accomplishments. The Board found the summary to be informative and useful. Vice Chair McCloud requested that staff include the addition of the Environmentally Friendly Food Packaging Model Ordinance to list of accomplishments for the District. Director Bales requested that the summary be sent to member agencies with the Board meeting highlights.

**9) Request Board Member Participation in Insurance Company Training Classes to Allow District to Receive Discounts on Insurance Premiums**

The Board received a memorandum and information from Administrative Services Manager Rich Norton regarding insurance premium discounts, up to \$28,000 annually, if Board members participate in training provided or approved by the District's insurance carrier, Special District Risk Management Authority (SDRMA). Board members were requested to consider and notify staff if they are able to participate in any of the trainings as outlined in the information provided.

**10) Report on LAFCO Policy on Annual Contributions to Commissions Operating Expenses**

The Board received a copy of a memorandum from Local Agency Formation Commission (LAFCO) Executive Officer Kate McKenna regarding LAFCO policy on required annual contributions in the event a member agency is not able to pay their annual contributions as required by law.

**11) Meeting of Special Districts Association of Monterey County (SDAMC) on January 19, 2010**

The Board reviewed the agenda for the January 19<sup>th</sup> meeting of the Special Districts Association of Monterey County (SDAMC) as well as the minutes of the July 21, 2009 meeting and the notes from the October 20, 2009 meeting. General Manager stated that he and Director Parker will attend the meeting.

**OTHER CORRESPONDENCE**

**12) Letter From/To Del Mesa Carmel RE: Universal Waste Management**

The Board reviewed a letter from the General Manager of Del Mesa Carmel located in Carmel Valley requesting a waiver of fees for the disposal of batteries and fluorescent light bulbs. The Board also reviewed a response letter from District General Manager outlining District procedures for handling of universal and household hazardous waste pursuant to the rules and regulations of the State Department of Toxic Substances Control.

General Manager stated he had spoken to Del Mesa Carmel General Manager prior to sending his response. Vice Chair McCloud requested that staff explore alternative methods for acceptance of universal waste from multi family facilities such as this.

**13) Letter To Member Agency City Managers RE: Franchise Agreements**

The Board received a copy of the letter that was sent to District member agency city managers requesting their participation in discussions regarding the franchise agreements and to request that during the next 12 months they not grant their franchised hauler a contract extension.

**14) Letter To California Energy Commission RE: Alternative and Renewable Fuel Infrastructure**

The Board received a copy of the letter, approved by the Board at the December meeting, to the California Energy Commission (CEC), notifying the CEC of the District's willingness to install four electrical charging stations on the District site. General Manager reported that more information will be provided to the Board on this matter as it develops.

**15) Letter From Monterey County Food Bank RE: Thank You for Donation**

The Board reviewed a letter from the Monterey County Food Bank thanking District employees for their generous contributions to the Food Bank of Monterey County. The contributions were made under the coordination effort of Public Education Coordinator Kimberle Herring,

**GENERAL MANAGER COMMUNICATIONS**

General Manager reported that the District had received a letter from Monterey County Superior Court with regard to the Final Report of the 2009 Monterey County Civil Grand Jury. The report contains a finding with regard to a Regional Water Project that requires a formal response by the District.

General Manager also requested input from the Board on topics they would like to have discussed at the planned Board workshop scheduled for April 29, 2010. The Board requested staff prepare a list of topics and bring back to the Board for input at the February Board meeting.


**BOARD COMMUNICATIONS**

Director Bales commented on an ad he had recently seen by Waste Management, which provided information on single-stream recycling for their Monterey Peninsula cities. He stated that the ad was misleading, since single stream recycling was not provided to the City of Pacific Grove.


**ADJOURNMENT**

There being no further business to come before the Board at this time, the January 15, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to February 19, 2010 by Chair Laska at 11:42 a.m.

**RECORDED BY:**

  
Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

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