

BOARD OF DIRECTORS

LEO LASKA
CHAIRSUE McCLOUD
VICE CHAIRGARY BALES
DAVID PENDERGRASS
KEN GRAY
JOSEPH P. RUSSELL
DON JORDAN
LIBBY DOWNEY
DAVE POTTER

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

WILLIAM MERRY, P.E., DEE
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 REGULAR MEETING MINUTES

9:30 a.m., Friday
January 18, 2008Boardroom
Monterey Peninsula Landfill
Marina, CA

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

MEMBERS ABSENT: Dave Potter

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 Petitt, Site Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist
Clyde Walkup, MRF Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Lisa Murphy, City of Capitola
Angela Brantley, City of Monterey
Craig Pearson, City of Santa Cruz
Mary Arman, City of Santa Cruz
Bjorn Lundegard, City of Seaside
Kathleen Lee, Monterey County Supervisorial District 5

Matt Fore, Monterey County Environmental Health Department
Tom Buell, Monterey Water Pollution Control Agency
Craig Anthony, Pebble Beach Community Services District
Steve Johnson Salinas Valley Solid Waste Authority
Patrick Matthews, Santa Cruz County
Meloyde Serino, Santa Cruz County
Rich Merrill, Shaw Environmental, Inc.
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the January 18, 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.

PRESENTATIONS

1) Three Year Award to Director Joseph P. Russell

Chair Laska presented Director Joseph P. Russell with a three-year longevity award, representing the City of Del Rey Oaks, and thanked him on behalf of the Board, for his service.

CONSENT AGENDA

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

- 2) Approve Minutes of December 21, 2007 Regular Board Meeting**
- 3) Approve Report of Disbursements**
- 4) Authorize Request for Proposals for Preparation of Annual Audit for Fiscal Years 2007/08 through 2009/10**

PUBLIC HEARING TO CONSIDER INCREASE TO MISCELLANEOUS WASTE HANDLING FEES AND MINIMUM CHARGES EFFECTIVE FEBRUARY 1, 2008

General Manager commented that the proposed fee increases had been advertised in the *Herald*, as required, on January 6th and 12th with no comments received from the public. On November 30, 2007, a letter had been sent to all District city managers, Pebble Beach Community Services District General Manager, and the County, informing them of the proposed fee increase. As a result, the City of Pacific Grove had requested that he and Director Bales appear at their January 16th Council meeting. Public Education and Recycling Manager Jeff Lindenthal and Site Manager Richard Pettit also attended the council meeting. General Manager stated the Pacific Grove City Council were complimentary of District programs and supportive of the proposed miscellaneous fee increases.

Director Bales stated the presentation made to the Pacific Grove City Council had provided the opportunity to highlight District operations and answer questions.

Chair Laska opened the public hearing at 9:37 a.m. for any comments. There being no public comments, the public hearing was closed by Chair Laska.

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Adopt Resolution 2008-01 Approving Increases to Miscellaneous Waste Handling Fees and Minimum Charges Effective February 1, 2008

The Board reviewed a memorandum from Information Systems Manager Don Prescott regarding the proposed fee increases which reflect increased costs in District operations, resulting from increased regulatory and enforcement oversight as well as changes in District operational objectives.

Board discussion followed regarding the cost to manage small business hazardous waste and electronic waste. Legal Counsel stated public agencies could only charge the actual cost to provide services and the proposed increases would cover just that amount. Staff offered that the state now had a program in place to reimburse the District for certain electronic waste collected and processed.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Adopt Resolution 2008-01 Approving Increases to Miscellaneous Waste Handling Fees and Minimum Charges Effective February 1, 2008.*

6) Presentation on Air Quality Regulatory Impacts (AB 32) on District Operations, by The Shaw Group

General Manager stated Rich Merrill, the Regional Director for Air Quality Services with The Shaw Group (formerly EMCON) was present at the meeting to provide the Board with a presentation on AB 32, and current, pending and probable air quality rules and regulations that were expected to impact District waste management operations. He stated that the California Air Resources Board (CARB) has targeted landfills for greenhouse gas (GHG) emissions. The presentation would highlight significant anticipated efforts and costs to comply with regulatory emission impacts of on-road and off-road vehicles, landfill gas emissions, and implications for future plans for landfill, landfill gas, composting, and recycling operations.

Mr. Merrill stated that AB 32 had received significant publicity, but there were other regulations that could impact the District operations. AB 32 required the CARB to establish rules and regulations effective 2010 to reduce GHG to 1990 levels by 2020 and would require an accelerated Gas Collection and Control Systems (GCCS) schedule. The District currently has a GCCS, but it would be required to monitor and control landfill surface emissions in a manner that is not currently required, and at a considerable cost.

Mr. Merrill stated that locally, the District was regulated by the Federal Operating Permit Program (Title V), Air Toxics Hot Spots Program (AB 2588), Air Toxics Control Measures for Stationary Diesel Fueled Engines (ATCM), and the Monterey Bay Unified Air Pollution Control District Rules and Regulations (specifically the local rules and regulation not captured in the Title V permit). He provided an overview of what the District needed to do in order to stay in compliance. Pending regulations included the Off-Road Diesel Powered Mobile Sources which included vehicles with engines as small as 25 horsepower (hp) to greater than 2500 hp.

This would impact most of the District vehicles which under the new regulations would have a higher emissions rate than allowed. Mr. Merrill also provided information on future regulations on composting, bio-reactor landfills, and GHG emission reduction credits. He estimated the District's cost to comply with future regulations through 2013 could be as much as \$1,000,000.

Board discussion followed regarding the current, pending, and future regulations, placement of another landfill gas engine/generator, measurement of GHG emissions, and the enforcement process related to AB 32.

Director Bales commented that implementation of these new regulations would come at a significant cost to the District and the Board and staff needed to be proactive in educating the public as to why a fee increase would be necessary in the near future.

General Manager thanked Mr. Merrill for his presentation, and concluded by saying the Shaw Group had worked effectively with District and MBUAPCD staff for many years and Mr. Merrill's expertise on air emissions had proved helpful.

No Action Taken.

7) Authorize Staff to Negotiate a Contract with The Don Chapin Company for Sand Excavation and Marketing Project

The Board reviewed a memorandum from Senior Engineer Rick Shedden seeking Board authorization to negotiate a contract for sand excavation and marketing. Senior Engineer stated that District staff had received three proposals and after an extensive selection process, had selected The Don Chapin Company, as the most qualified, responsible and responsive company providing the best value to the District based on the criteria established in the request for proposals. Staff anticipated bringing a negotiated agreement for Board approval at the March 2008 meeting.

Board discussion followed regarding the criteria process and prevailing wages. Legal Counsel responded he would review the question of prevailing wages to be paid for the work anticipated in the Agreement.

General Manager stated the prime importance with the project was the ability and commitment of the firm to move the amount of soil necessary, by a certain date, to make room for installation of the Module 6 landfill liner. Additionally, this was a long term contract with a significant capital investment required by the contractor.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Authorize Staff to Negotiate a Contract with The Don Chapin Company for Sand Excavation and Marketing Project.

8) Receive Report on Polystyrene Fast Food Packaging and Proposed Ban

The Board reviewed a memorandum and a Polystyrene (PS) Fact Sheet from Public Education and Recycling Manager Jeff Lindenthal. General Manager stated this issue had come from the November 2007 meeting of the District Litter Abatement Task Force. Public Education and Recycling Manager stated that staff, working with interested member agency staff, was in the process of preparing a comprehensive policy, including a work plan for implementation, which cities County-wide could use in adopting a PS ban for fast food packaging. A meeting was held on January 16th with stakeholders including representatives of the Hospitality Association and the California Restaurant Association to discuss this issue. He provided some examples of PS being considered under the ban. Public Education and Recycling Manager stated that the problem with PS was that it was not biodegradable and it could break down into smaller pieces which were harmful to wildlife when ingested. He stated that there were several alternative biodegradable packaging containers that could be used. A number of California cities have passed laws banning the use of PS takeout packaging.

Director Pendergrass stated staff needed to be realistic and consider the economies of scale in implementing such a ban. Director Jordan expressed some uncertainty with such a ban. Vice Chair McCloud stated that PS

provided a means to harm wildlife and alternatives would be given for use by local restaurants. Public Education and Recycling Manager stated that compostable food waste containers may prove more useful especially in light of an anticipated food waste recycling program. He also stated that a measured approach would be considered in order to allow restaurants enough time to consider alternative food takeout containers.. PS meat trays used in supermarkets are not anticipated to be part of the proposed ban. Director Downey requested that examples of alternatives, such as potato starch products, be provided at a future meeting.

Lisa Murphy from the City of Capitola addressed the Board and applauded Board and staff regional efforts. The City of Capitola was the first in the region to ban PS and there had been a lot of positive feedback from the public and voluntary compliance from many restaurants. A higher demand for alternative products had also reduced the cost for the alternative.

Director Laska stated that the proposed ban policy would be brought back to the Board for approval and would serve as a model policy that each city could consider for adoption.

No Action Taken.

9) Receive Report on January 15, 2008 Meeting of Special Districts Association of Monterey County

The Board reviewed the agenda for the January 15th Special Districts Association of Monterey County meeting and the minutes from the meeting held on October 16, 2007. General Manager stated he had attended and reported that related to District concerns over LAFCO's budget, the Special Districts now had a representative, Ann McGowan, on LAFCO's budget committee.

No Action Taken.

STAFF REPORTS

10) Financial, Operating and Recycling Reports

The Operating Reports for December 2007 were reviewed by the Board. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County) during December 2007 was 23,783 tons, a decrease of 4,937 tons from November and down 1,625 tons, or (6.4%) from December of last year. The tonnage from Santa Cruz County was 1,526 in December.

The financial statements for December 2007 were not provided to the Board, but will be provided at the February meeting. Preliminary information shows Operating Income for the month at a loss of less than \$20,000. Total Tipping Fee Revenue is below budget for the month and year-to-date by 1.7% and 3.9% respectfully. Year-to-date Salary Expenses are at budget levels. Year-to-date Operating Revenues are above last year by 2.7%, but below budget levels by 1.9%.

General Manager stated that the District had submitted an application to the U.S. Department of Energy's Renewable Energy Production Incentive (REPI) Program, to request incentive rebates for generation of renewable power from two of the landfill gas to energy units which qualify for such incentives, the 1 megawatt Jenbacher unit installed in 2002 and the 1.6 megawatt Caterpillar unit installed in 2006. Staff anticipates receiving approximately \$25,000, perhaps more, in incentive payments. General Manager expressed appreciating to Information System Manager Don Prescott for his efforts to summarize the data and prepare the applications.

11) Report on Public Education, Recycling, and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal summarizing recent activities and staff efforts on litter and recycling.

Director Bales commented that the Pacific Grove Council was very supportive of public education efforts and supportive of increased public education and outreach efforts.

12) Report on Acceptance of Regional Waste

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan which provided an update on staff activity with other regional agencies related to current and planned operations, such as composting, waste diversion, landfilling and landfill gas operations.

Board discussion followed regarding composting efforts and development of the market for the finished product. Vice Chair McCloud suggested preparing a one-page marketing sheet for distribution to member jurisdictions. Director Russell inquired on biosolids management. General Manager responded that staff has discussed current bio-solids management practices with the Monterey Regional Water Pollution Control Agency (MRWPCA) and the Carmel Area Wastewater District with agreement in creating a sustainable mutually beneficial program and planned to come back to the Board at a future meeting with a request to conduct a joint feasibility study. Biogas has also been part of the discussions with the MRWPCA and both issues have been discussed with the ad hoc Finance Committee. Mention was made that a portion of the MRWPCA service area includes Salinas; and that the county receives all diversion credit, at no cost to them, for bio-solids diverted from landfilling. District staff is trying to help bring equity on these issues. Director Pendergrass stated that all factors need to be considered when making decisions and in determining costs to other agencies.

13) Report on 2007 Landfill Sliver Fill Construction Quality Assurance Project

The Board reviewed a memorandum from Senior Engineer Rick Shedden, along with an Executive Summary Report on the construction quality assurance work performed by Vector Engineers on the final cover for the landfill sliver fill this fall. General Manager acknowledged the good work by Senior Engineer, Site Manager, Operators, and site workers.

14) Report on SWANA Legislative Task Force and 2008 Work Plan

The Board reviewed the 2008 Work Plan for the SWANA Legislative Task Force which provided the top 8 priorities for the Statewide Legislative Task Force for 2008, including AB 32.

GENERAL MANAGER COMMUNICATIONS

General Manager reported he had attended the SWANA Senior Executive Seminar in New Orleans from January 10-12 and had participated in a panel discussion on waste flow control. Staff was working on strengthening the provisions of the Joint Powers Authority (JPA) Agreement with regard to flow control and in support of the District recycling infrastructure.

General Manager reported the County was proceeding with stakeholder meetings related to the proposed ordinance which would establish buffer zones around active and closed landfills in the County. The proposed ordinance continues to call for a 1,000 foot buffer zone around the Monterey Peninsula Landfill, with no residential development within the

buffer zone. District staff will attend all three of the proposed stakeholder meetings, as the County has requested. The stakeholder meetings are all scheduled for 6:00 p.m. on the following dates:

- Tuesday, February 12th (Marina Public Library)
- Tuesday, February 19th (Prunedale Grange Hall)
- Tuesday, February 26th (King City)

BOARD COMMUNICATIONS

Director Bales inquired about the waste screening program. General Manager responded that the program was under review and development with regard to punitive measures for those customers who have not signed the certification letter. Staff planned on bringing more information to the Board at the February meeting. Director Bales requested that a report be provided to the Board at a future meeting regarding progress of the program.

Vice Chair McCloud requested that a new telephone system be included in the budget with the staff directory at the beginning of the recording.

CLOSED SESSION

The Board went into closed session at 11:37 a.m. regarding the following:

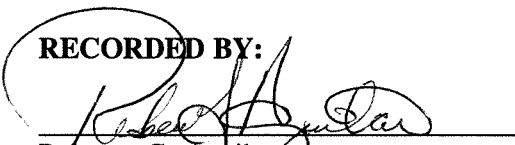
- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers, Service Employees International Union, Management Employees

The Board came back into open session at 12:02 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.

ADJOURNMENT

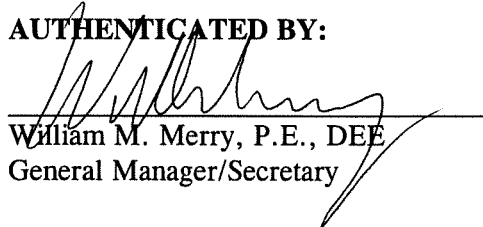
There being no further business to come before the Board at this time, the January 18, 2008 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to February 15, 2008 by Chair Laska at 12:03 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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