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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

9:30 a.m., Friday
June 20, 2008Boardroom
Monterey Peninsula Landfill
Marina, CA

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

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Ken Buchert, 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
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist
Clyde Walkup, Materials Recovery Facility Supervisor/OE3 Operations Shop Steward
Steve Montgomery, Industrial Electrician/OE3 Operations Shop Steward

OTHERS PRESENT: Diana Dakik, City of Monterey
Bjorn Lundegard, City of Seaside
Matt Fore, Monterey County Environmental Health Department
Tom Buell, Monterey Regional Waste Pollution Control Agency
Jay Ramos, Waste Management, Inc.
Steve Johnson, Salinas Valley Solid Waste Authority
Lewis Leader



ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the June 20, 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.

CONSENT AGENDA

Director Russell requested Agenda Item 6 be pulled from consent and placed for Board discussion.

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

- 1) **Approve Minutes of May 16, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve Resolution of Appreciation (2008-04) for Retiring Salinas Valley Solid Waste Authority General Manager/Chief Administrative Officer Stephen Johnson**
- 4) **Adopt Resolution of Appreciation (2008-05) for Retiring Monterey Bay Unified Air Pollution Control District Executive Officer Doug Quetin**
- 5) **Authorize Contract with Energy-Tech Consultants to Perform Electrical Engineering Work for the Installation of New Jenbacher 420 Landfill Gas to Energy Engine/Generator in the Amount of \$25,360**

Chair Laska presented the resolution of appreciation to Steve Johnson. Mr. Johnson remarked it was always refreshing to attend a District meeting. Over the years, the District and the Salinas Valley Solid Waste Authority (SVSWA) had coordinated and worked together with various solid waste issues. General Manager stated the District had always maintained a good relationship with SVSWA staff and looked forward to continuing that relationship with new SVSWA General Manager, Patrick Mathews.

PUBLIC HEARINGS AND BOARD ACTIONS**6) Receive Recommendations from Ad Hoc Finance Committee Meeting of June 5, 2008**

The Board reviewed the summary of the ad hoc finance committee meeting of June 5, 2008 prepared by Chair Laska. Director Russell inquired on the status of the formation of the proposed advisory task force and whether the Board needed to approve the formation of such a task force. General Manager replied no, and commented that a draft letter had been included in the packets for Board review and comment. Staff intended to send the letter out to all member agency managers by the end of June. The formation of the task force was discussed at the ad hoc finance committee meeting and the intention would be to hold two or three meetings, beginning in September, with key member agency staff members to receive their input on several District financial and operational issues. The District will need to find resources to fund several state mandates such as increased diversion and AB 32 air emissions requirements. The General Manager stated the District had established a similar task force several years ago when the District Guiding Principles were established.

Director Pendergrass stated the committee was aware that raising rates affected other agencies and the public. Director Russell also inquired about the Clinton Climate Initiative listed in Chair Laska's summary. General Manager responded that the Clinton Climate Initiative was a program that assisted countries around the world in assessing their solid waste management programs and needs, and in the process would provide better control

of world wide green house gas emissions. Participation by Assistant General Manager, and himself would include a two-week site visit to one of 40 participating cities worldwide and, in cooperation with a team consisting of other volunteers and representatives from the host city, prepare a report of recommendations for improvements. This item was on the Agenda for approval, later on in the meeting.

It was moved by Director Jordan, seconded, and *Unanimously Carried To: Receive Recommendations from Ad Hoc Finance Committee Meeting of June 5, 2008.*

7) Consider Adoption of 2.9% Cost of Living Landfill Tipping Fee Increase Effective January 1, 2009

The Board reviewed a Fact Sheet outlining the need and justification for a proposed 2.9% Cost of Living increase to the landfill tipping fee, effective January 1, 2009. General Manager stated the increase, which had been discussed and supported by the ad hoc Finance Committee and by most of the Board, had been incorporated into the Final Budget for FY 2008/2009. He stated the increase was needed to cover rising operational costs such as fuel. A letter was mailed to all District account customers notifying them of the proposed action.

Chair Laska opened the public hearing at 9:46 a.m.; there being no public comments, Chair Laska closed the public hearing at 9:46 a.m.

Director Bales commented that he had requested from staff what the cost increase of 2.9%, \$1.25 per ton, would mean to individual garbage customers in Pacific Grove and staff had responded it would cost approximately \$0.25 per month. Vice Chair McCloud stated that when the District raised its fees, the franchised waste hauler also requested a rate increase to the city, which directly affected city residents through their garbage collection bills. Director Bales expressed the importance of working with city staff to coordinate and ensure that any increases by the District were appropriately identified to the District in the franchised haulers request for garbage collection increases. General Manager stated the SVSWA tip fees were increasing to \$63 per ton on July 1, 2008.

Chair Laska stated the ad hoc finance committee, with staff, has thoroughly looked at various ways of reducing costs and increasing revenues and felt that this cost of living increase was necessary and prudent.

Board discussion followed regarding using District reserves. General Manager responded that without the cost of living increase, the District budget would not cause reserves levels to fall below its 25% reserve level during fiscal year 2008/09, but the reserves would fall below the 25% level in subsequent years. Vice Chair McCloud inquired whether the District could be better served utilizing financial management experts who could also provide input. Director Pendergrass responded that the District had excellent staff, and with the help of the ad hoc finance committee, they had gone over the finances very carefully resulting only in a cost of living increase. Director Bales added that although the cost of fuel had doubled and equipment costs were increasing, the overall budget for fiscal year 2008/09 was less than 2007/08, a tribute to efforts by staff and the finance committee. When AB 939 had first been established in California, the District had committed to helping its member agencies meet the state mandated diversion requirements, which has come at a cost. The committee believed the proposed cost of living increase of 2.9% was the most prudent manner of covering costs.

General Manager stated the District was at a crossroads between continuing with recycling and other programs providing service to customers or in being just a landfill. Lack of funding will result in a reduction of, or end to, costly programs such as recycling and household hazardous waste management. The task force would

provide input on future operations. Assistant General Manager stated the District was operating with a reduction in personnel from the previous year. Director Downey expressed support for the cost of living increase and stated she understood recycling programs cost money and there appeared to be statewide and local interest to do more recycling which would also cost more. She applauded District staff and the ad hoc finance committee for efforts in maintaining its 25% reserve levels. Director Russell stated he would oppose the cost of living increase because the District still had adequate reserves without increasing fees at this time.

It was moved by Director Gray, seconded, and Approved by Chair Laska, Directors Bales, Gray, Pendergrass, Jordan, Downey, and Mettee-McCutchon; Opposed by Vice Chair McCloud and Director Russell To: Adopt 2.9% Cost of Cost of Living Landfill Tipping Fee Increase Effective January 1, 2009.

8) Consider Adoption of Fee Schedule for Copying of Public Records and Board Meeting Packets

The Board reviewed a memorandum from Administrative Support Supervisor Becky Aguilar requesting the Board approve a fee schedule for copying of District documents and monthly Board meeting packets. General Manager stated that most local public agencies have such a fee schedule.

Chair Laska opened the public hearing at 10:08 a.m.; there being no public comments, Chair Laska closed the public hearing at 10:08 a.m.

It was moved by Director Downey, seconded, and Unanimously Carried To: Adopt Fee Schedule for Copying of Public Records and Board Meeting Packets.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION (CONTINUED)

9) Adopt Resolution 2008-06 Approving Final Budget for Fiscal Year 2008/09

The Board reviewed Resolution 2008-06 authorizing the final budget for fiscal year 2008/09. General Manager stated the memorandum prepared by Finance Manager Chuck Rees, showed there were only minor adjustments from the Preliminary Budget presented to the Board in May.

Finance Manager stated that capital outlay had increased \$40,000 due to the increased cost of the roll off truck chassis. Operating Expenses had increased by \$374,000 due to the recently completed negotiations with three of the four employee groups. Operating Expenses were estimated at \$14,483,000, Revenues at \$18,195,000, and Capital Outlay at \$2,544,500.

Director Bales stated that although the District's budget would not fall below its 25% reserve levels, it would still have to use some reserves in 2008/09 and more still in 2009/10 when the District would begin to implement some of the AB 32 requirements. Director Russell inquired about the decrease in miscellaneous revenues because of the discontinuance of sand loading and associated fees. General Manager stated that the primary reason for having Chapin take over the sand operation was to ensure excavation of enough sand to allow for construction of Landfill Module 6. Chapin provided the best royalty payment to the District from among the three firms that submitted proposals. Assistant General Manager stated that with Chapin running the sand operation, the District was able to save in personnel and equipment costs.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Adopt Resolution 2008-06 Approving Final Budget for Fiscal Year 2008/09.

- 10) **Approve Memoranda of Understanding and Revised Discipline and Benefits Policies With (Items May be Continued Until After Closed Session):**
- a) **Operating Engineers Union (OE3) Operations Unit**
 - b) **Operating Engineers Union (OE3) Support Personnel Unit**
 - c) **Management Employees**

The Board reviewed a memorandum from Administrative Services Manager Rich Norton and viewed a revised Discipline and Benefits Policies. General Manager stated the agreements with the three employee groups were

developed within the terms and guidelines provided by the Board. The revised Discipline Policy would provide for matters of discipline and grievances to be heard by the Assistant General Manager first with any appeals being handled by the General Manager.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Approve Memoranda of Understanding and Revised Discipline and Benefits Policies.

- 11) **Approve Amendment to Memorandum of Understanding with Service Employees International Union Unit to Incorporate Cost of Living Adjustments and Revised Discipline Policy**

The Board reviewed a memorandum from Administrative Services Manager Rich Norton related to an amendment to the Memorandum of Understanding with employees of the Service Employees International Union to incorporate the 2.9% cost of living adjustment and revisions to the Discipline Policy.

It was moved by Director Russell, seconded, and Unanimously Carried To: Approve Amendment to MOU with Service Employees International Union Unit to Incorporate Cost of Living Adjustments and Revised Discipline Policy.

- 12) **Approve Compensation Improvements, Negotiated with Bargaining Groups, for Unrepresented Employees**

The Board reviewed a memorandum from General Manager requesting that the compensation improvements negotiated with the bargaining groups be provided to unrepresented employees in accordance with District past practice.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Approve Compensation Improvements, Negotiated with Bargaining Groups, for Unrepresented Employees.

- 13) **Authorize Chair to Cast Two Votes for Representatives to the Local Agency Formation Commission (LAFCO) of Monterey County**

The Board reviewed information from LAFCO regarding the election of two LAFCO Commissioners, including the candidate's statements and a full list of current LAFCO Commissioners. General Manager stated the District had received a letter of support from two candidates after the packet preparation, which had been placed on the dais. LAFCO was requesting that two votes be cast from the list of five candidates and the candidate receiving the most votes would be elected as the Regular Member and the candidate receiving the second highest number of votes would be elected as the Alternate Member.

On a related LAFCO matter, the Board reviewed a copy of the letter the Board directed General Manager to send to LAFCO regarding their 2008/09 Proposed Budget and Work Program. Vice Chair McCloud complimented the General Manager on the content of the letter. General Manager also reported that LAFCO had adopted their final budget on May 19th without revisions.

It was moved by Director Mettee-McCutchon, seconded, and *Unanimously Carried To: Authorize Chair to Cast One Vote for Anne McGowan and One Vote for Vincent Ferrante as Representatives to the Local Agency Formation Commission (LAFCO) of Monterey County.*

14) Authorize General Manager and Assistant General Manager to Participate in the Clinton Climate Initiative, on a One Year Trial Basis

The Board reviewed an outline of the Clinton Climate Initiative Program to which General Manager had requested approval for his and Assistant General Manager's participation, on a one-year trial basis. General Manager stated Steve Johnson was the National Coordinator for the program. The program assists countries around the world in assessing their waste management programs and needs. Program efforts help to control world wide green house gas emissions. As part of the program, he and Assistant General Manager would travel to one of 40 participating cities worldwide for two weeks to assess current waste management programs and needs. They would prepare a report of recommendations for the host country for improvements, in cooperation with other volunteers and representatives from the host city. The hard costs for travel would be paid through the program. Upon Board concurrence, the District would be responsible for the donation of time. The ad hoc Finance Committee had supported the request.

Board discussion followed regarding the General Manager and Assistant General Manager being away at the same time, concern was expressed for their safety in other countries and for District liabilities. Legal Counsel responded that prior to participation, the District would ensure that there was an insurance release clause. General Manager responded that he and the Assistant General Manager would not be gone at the same time. Their participation would be coordinated with District responsibilities and work priorities. On the matter of safety, he stated that it would certainly be taken into consideration when and if they agreed to accept an assignment.

Vice Chair McCloud stated it might be a good idea for other staff members to be involved for purposes of succession planning. Director Downey commented that perhaps only one or the other should participate in light of the District financial condition.

It was moved by Director Russell, seconded, and *Unanimously Carried To: Authorize General Manager and Assistant General Manager to Participate in the Clinton Climate Initiative, on a One Year Trial Basis, and One at a Time.*

STAFF REPORTS

15) Financial, Operating and Recycling Reports

The Board reviewed the Operating Report for May 2008. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) was 29,390 tons. The waste from Santa Cruz County was 1,769 and the City of Watsonville delivered 940 tons during the month of May.

The Board reviewed the financial statements for April 2008 which showed Operating Income of \$185,391. The financial statements for May 2008 were not available.

16) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal that reported on recent community activity related to the polystyrene packaging ordinance, litter concerns and local recycling news.

Director Jordan commended General Manager for his recent presentation to the Seaside Kiwanis Club on District programs and operations.

17) Report on SWANA Legislative Task Force Activity

The Board reviewed the SWANA Legislative Task Force Agenda, which listed the top priority bills, and provided website addresses for further information. General Manager stated the District had sent a letter of opposition to AB 2640, which would mandate increased green waste diversion from landfills even though markets may not exist for such material. He stated that priority bills continue to be those related to increased recycling mandates, such as SB 1020 (Padilla), which would increase diversion levels to 75%.

OTHER CORRESPONDENCE

18) Letter from Sweetser & Associates RE: SWANA Western Regional Symposium Load Checking Training

The Board reviewed a letter from Mr. Larry Sweetser commending the District on its updated waste screening program, which has been very productive in reducing the amount of hazardous material found in the loads of customers.

19) Letter from Monterey County RE: Improper Handling and Disposal of Hazardous Waste by the Kronlund Company of Big Sur

The Board received a copy of a letter from Monterey County to Kronlund Company of Big Sur notifying them of improper disposal of hazardous waste for which they were required to reimburse the county for costs incurred for the investigation, documentation, and sampling, in the amount of \$931. District personnel discovered the hazardous waste in the load of the customer and reported to the county on the incident of illegal disposal.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the District had received a request from the Monterey Herald for public records related to all employee salaries, including employee names. Legal Counsel advised that several other public agencies had received the same request.

The Board reviewed a draft letter which is proposed to be sent to managers of member agencies requesting their participation in meetings of a MRWMD Task Force on Strategic Planning. Vice Chair McCloud suggested having the meeting in the morning or afternoon and not over the lunch period since many make meeting plans for either morning or afternoon.

General Manager reminded the Board that he will be on vacation from July 6th until August 4th. In his absence, Assistant General Manager Tim Flanagan would be in charge.

ELECTION OF OFFICERS FOR FISCAL YEAR 2008/2009

It was moved by Director Jordan, seconded, and Unanimously Carried To: Re-elect Leo Laska as Chair and Sue McCloud as Vice Chair for Fiscal Year 2008/09 for One-Year Terms.

CLOSED SESSION

The Board went into closed session at 10:55 a.m. regarding the following:

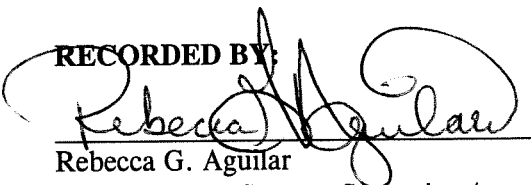
- 1) Conference with Legal Counsel - Existing Litigation
- a) Gracie Arreola v. Monterey Regional Waste Management District, et al.
Monterey County Superior Court Case No. M90896
- 2) Conference with Labor Negotiators:
District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers, Service Employees International Union,
Management Employees

The Board came back into open session at 11:05 a.m. Legal Counsel Buchert announced that during closed session, it had not been necessary for the Board to discuss Item 2. On Item 1, the Board received information, direction had been given and no other action was taken.

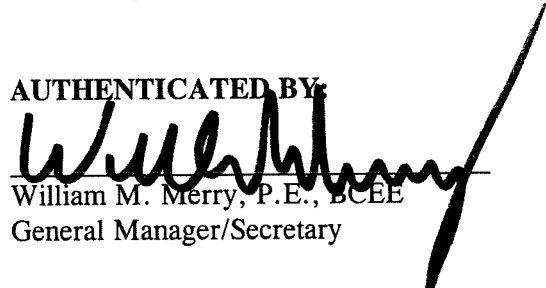
ADJOURNMENT

There being no further business to come before the Board at this time, the June 20, 2008 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to July 18, 2008, by Chair Laska at 11:06 a.m.

RECORDED BY:


Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:


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