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**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

*Home of the Last Chance Mercantile*

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.  
May 21, 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  
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4 (seated at 9:48 a.m.)  
Ian Oglesby, City of Seaside Councilmember  
Kristin Clark, City of Del Rey Oaks Vice Mayor

**MEMBERS ABSENT:**     Bruce Delgado, City of Marina Mayor

**STAFF PRESENT:**     William Merry, General Manager  
Tim Flanagan, Assistant General Manager  
Rob Wellington, Legal Counsel  
Rick Shedden, Senior Engineer  
Richard Norton, Administrative Services Manager  
Chuck Rees, Finance Manager  
Jeff Lindenthal, Public Education and Recycling Manager  
Don Prescott, Information Systems Manager  
Richard Pettitt, Site Manager  
Ron Mooneyham, Equipment Maintenance Manager  
Glen Evett, Last Chance Mercantile/Household Hazardous Waste Facility Manager  
Harry Hunzie, Materials Recovery Facility Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Amber Watson, Administrative Support Specialist II  
Kimberle Herring, Public Education Coordinator  
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward  
Mario Van Cleave, Power Systems Supervisor

**OTHERS PRESENT:**     Bill Monning, 27<sup>th</sup> Assembly District  
Ann McDowell, 27<sup>th</sup> Assembly District  
Charlie Cordova, GreenWaste Recovery  
John Ramirez, Monterey County Environmental Health Bureau  
Matt Fore, Monterey County Environmental Health Bureau  
Teresa Rios, Monterey County Environmental Health Bureau  
Tom Buell, Monterey Regional Water Pollution Control Agency

**OTHERS PRESENT:** Suha Kilic, Pebble Beach Community Services District  
(continued) Jay Ramos, Waste Management, Inc.  
Lewis Leader

### ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and the presence of a quorum established, the May 21, 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 public communications.

### CONSENT AGENDA

It was moved by Director Pendergrass, seconded, and *Unanimously Carried To:*

- 1) **Approve Minutes of April 16, 2010 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve Purchase of Eleven 3-Yard and Three 14-Yard Dumpster-Style Debris Bins from Consolidated Fabricators of Galt, CA, at a Cost of \$11,102.34**
- 4) **Approve Purchase of Landfill Gas Engine Olympus IFlex FX Videoscope (Borescope) from Olympus NDT Inc., of Houston, TX, at a Cost of \$41,135**

### PRESENTATION

- 5) **Presentation by Assemblyman Bill Monning**

Assemblyman Bill Monning addressed the Board, saying that the State continues to face a serious deficit gap and spoke briefly on the State's plan to bridge the gap. He provided that Board with an update on legislation related to recycling and environmental protection. AB 32, which targets the reduction of greenhouse gas emissions, has been the focus of controversy as being too ambitious, although it has generated jobs in "green" technology and construction. In the area of recycling, California has been a pioneer and Monterey County has been a leader in implementing successful recycling programs. He stated that plastic bag use is controversial and past legislation to ban or implement a charge for plastic bags usage has been unsuccessful due to community opposition. AB 1898 (Brownley) would ban use of plastic bags in grocery stores and seems to have majority support in the assembly, including some of the retail associations because they would like to see a uniform law instead of patchwork implementation wherein individual cities adopt plastic bag bans leading to legal issues. SB 918 (Pavley) would expand the ability of local jurisdictions to promote water reuse. He said that any bill is eclipsed by the budget crisis and economic recovery is necessary. He believed that with the help of green energy and recycling, more jobs can be created which would help the recovery.

The Board provided comments to asked questions of Assemblyman Monning regarding unfunded mandates, plastic bag bans and ensuing lawsuits, costs of recycling and local monetary impacts, polystyrene bans, the District business model and its ability to tax, and the State's plan to increase mandatory recycling from 50% to 75%. Vice Chair McCloud requested staff provide Assemblyman Monning with background information on the local polystyrene model ordinance.

Assemblyman Monning expressed support and appreciation for Boardmember comments and District efforts and welcomed Board and staff input on matters related to District operations and specific local impacts from State legislation.

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

#### 6) **Review Finance, Operating and Recycling Reports**

The Board reviewed the financial statements for April 2010. The Operating Income for April is \$142,853 and \$713,251 year-to-date. The year-to-date total Operating Expenses are \$13,895,841 and year-to-date Operating Revenues are \$14,609,092. The total refuse for the last 12 months was 193,498 tons, down 12,209 tons, or 5.9%, from the 12-month period ending April 2009.

The Board reviewed the Operating Report for April 2010. The Total Solid Waste Accepted into the site (excluding Regional Waste) was 26,770 tons, an increase of 2,399 tons from April 2009. Regional Waste increased by 557 tons, due primarily to the new contract for regional waste from Scotts Valley.

The Board also reviewed a letter from First National Bank notifying the District that on April 29, 2010, Pacific Capital Bancorp (PCB) the parent of First National Bank of Central California (FNB), entered into an agreement with Ford Financial Fund (Ford), as part of an overall recapitalization plan. Ford will own approximately 91% of PCB's common stock and will take an active management roll in PCB. Vice Chair McCloud inquired about the District's reserve fund investments and recommended staff speak to FNB about investments for possibly higher percentages.

Vice Chair McCloud stated that with regard to revenues and sales, staff should target sales items such as woodchips and consider advertising to boost sales.

*No Action Taken.*

#### 7) **Accept Report from Finance Committee Chair on Meeting of April 26, 2010**

The Board reviewed a memorandum from Chair Laska summarizing the meeting of the Finance Committee held on April 26<sup>th</sup>. At the meeting, the Committee reviewed the Preliminary budget and requested that staff include a \$5 per ton tip fee increase, beginning January 1, 2011, in the Preliminary Budget.

Board discussion followed regarding the proposed regional water project and the District's ability to provide renewable power to the project while still negotiating a long term agreement with PG&E for the sale of renewable energy.

**It was moved by Director Parker, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of April 26, 2010.**

**8) Adopt Preliminary Budget for Fiscal Year 2010/11**

The Board reviewed the Preliminary Budget for Fiscal Year 2010/11. Finance Manager highlighted that the Preliminary Budget included \$17,685,000 in revenues, due primarily to the proposed landfill tip fee increase of \$5 per ton, effective January 1, 2011. A Fact Sheet outlining the need for the fee increase was provided to the Board. Operating expenses are projected at \$17,353,000 with a net income of \$264,000. Capital outlay is projected at \$2,302,000 and principal payments on bond and lease obligations are \$1,866,000. Unrestricted cash will decrease by \$1,424,000. As requested by the Board, staff also provided a report on cost and savings measures implemented during the last three years.

Board discussion followed regarding the preliminary budget. With regard to the \$210,000 Local Enforcement Agency (LEA) fees paid to Monterey County, the Salinas Valley Solid Waste Authority (SVSWA) is interested in having the Monterey County Board of Supervisors decertify the Monterey County Environmental Health Department (MCEHB) as LEA and allow the State to perform LEA duties to reduce costs. John Ramirez, Director of the MCEHB, addressed the Board and stated that the County, in their LEA role, oversees many programs from regulating landfills and recycling facilities, to outreach and litter abatement. The Board requested Mr. Ramirez provide a presentation on the programs and services the County oversees in their role as LEA. General Manager stated that having a local LEA has its benefits, although there are costs and service related questions that need to be answered before any changes should be made.

With regard to the tip fee increase, Vice Chair McCloud inquired whether a public hearing had been scheduled to which General Manager responded that a public hearing would be properly noticed and placed on the June Board meeting agenda.

*It was moved by Director Parker, seconded, and Unanimously Carried To: Adopt Preliminary Budget for Fiscal Year 2010/11.*

**9) Receive Update on CalRecycle Grant Funding and Authorize Staff to Proceed with Implementation of On-Site Buyback Center**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal requesting Board authorization to implement an on-site buyback center utilizing CalRecycle grant funds.

*It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Staff to Proceed with Implementation of On-Site Buyback Center.*

**STAFF REPORTS****10) Report on Public Education, Recycling and Litter**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal. The District received three awards from the Monterey County Business Council for its public/private partnerships with Keith Day Company (Food Scrap Compost Pilot Program), the Don Chapin Company (Sand Plan and Recycling Facility), and the Offset Project (Waste Free Schools Program). As stated in the memorandum, there has been a lot of recent interest in food waste composting and the District, in cooperation with on-site compost operator Keith Day, holds a permit to compost up to 300 tons per day, including food scraps. Although there is a lot of interest in composting food scraps, there are a number of challenges such as staff training at the source, storage and transportation, as well as associated costs, and acquiring necessary permits.

Following a comment by Director Downey regarding the Converted Organics' composting facility, located in Gonzales, Matt Fore of the MCEHB, addressed the Board and stated that Converted Organics is close to obtaining its permit for food waste composting. District staff stated that it did not necessarily make sense to transport food waste to Gonzales when, in the broader scope, the material could support the proposed regional water project by producing more biogas.

**11) Report on May 12, 2010 Meeting of the Monterey County Integrated Waste Management Task Force**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal summarizing the County Integrated Waste Management Task Force (MCIWMTF) meeting held on May 12, 2010 in Carmel. Revised by-laws were adopted bringing the membership categories up to date. Following adoption of the new by-laws by the County, which should occur within the next 60 days, each individual city will be requested to adopt them and formally appoint a representative to the MCIWMTF. The next meeting of the MCIWMTF is scheduled for September 8, 2010.

**12) Report on Meeting of Special Districts Association of Monterey County on April 22, 2010**

The Board received a memorandum from Director Parker summarizing the meeting of the Special Districts Association of Monterey County held on April 22, 2010.

**13) Report on SWANA Legislative Task Force (LTF) and Legislative Update**

General Manager reported on the May 6, 2010 teleconference call of the Solid Waste Association of North America Legislative Task Force at which several legislative topics were discussed, including AB 32. General Manager reported that an initiative to overturn AB 32 is anticipated for the fall ballot.

**OTHER CORRESPONDENCE**

**14) Letter to Haulers/Collection Service Providers in the Central Coast Region RE: Participation in District Strategic Planning Advisory Task Force Discussions**

The Board received a copy of a letter that was sent to Central Coast region franchised haulers inviting them to participate in a Focus Group of the District's Strategic Planning Advisory Task Force (SPATF) planned for Wednesday, June 2<sup>nd</sup>, from 12:30 to 2:30 p.m. following the regular meeting from 9:30 to 11:30 a.m. Haulers have been asked to provide their input on emerging programs, threats and challenges to solid waste management and recycling programs.

Staff and HF&H Consultants have begun work on alternative funding sources and topics related to updating and consolidating the franchise agreements and will solicit SPATF input.

**GENERAL MANAGER COMMUNICATIONS**

General Manager stated that the District will host a community Open House and Tour on June 12<sup>th</sup>, from 10 a.m. to 2 p.m. The event will showcase District programs including the Materials Recovery Facility, composting, Landfill Gas-to-Energy, the Last Chance Mercantile (LCM), and landfill disposal. Bus tours will be provided and refreshments will be served at the LCM. Local haulers have also been invited to set up a display showcasing the materials they accept in their recycling programs.

**BOARD COMMUNICATIONS**

**CLOSED SESSION**

The Board went into closed session at 11:25 a.m. to discuss the following items:

1) Conference with Labor Negotiators:

District Negotiators: William Merry, Richard Norton, and Tim Flanagan

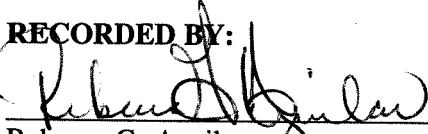
Employee Organizations: Operating Engineers, Represented Hourly Unit, and Management Employees

The Board came back into open session at 12:10 p.m. Legal Counsel Wellington announced that the Board had received information and provided direction to the negotiators. No other action was taken.

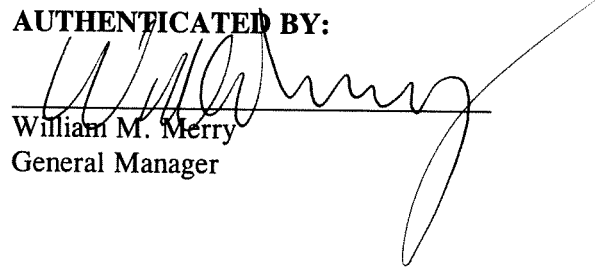
**ADJOURNMENT**

There being no further business to come before the Board at this time, the May 21, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to June 18, 2010 by Chair Laska at 12:11 p.m.

**RECORDED BY:**

  
\_\_\_\_\_  
Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

  
\_\_\_\_\_  
William M. Merry  
General Manager