

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



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

9:30 a.m., Friday
February 20, 2009

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT Leo Laska (Chair), Pebble Beach Community Services District
Sue McCloud (Vice Chair), City of Carmel
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City
Joseph P. Russell, City of Del Rey Oaks
Libby Downey, City of Monterey
Jane Parker, Unincorporated Monterey County
Ian Oglesby, City of Seaside
Bruce Delgado, City of Marina

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
Kristi Carriveau, Waste Management
Lewis Leader

FORMALLY WELCOME NEW BOARDMEMBERS JANE PARKER AND IAN OGLESBY

Chair Laska officially welcomed new Boardmembers Jane Parker representing the Unincorporated Monterey County and Ian Oglesby representing the City of Seaside. Although both attended the Board meeting in January, the District has since been officially notified of their appointments to the Board.

INTRODUCTION OF NEW BOARDMEMBER BRUCE DELGADO

Chair Laska introduced new Boardmember Mayor Bruce Delgado representing the City of Marina, and welcomed him to the District Board.

ROLL CALL AND ESTABLISHMENT OF QUORUM

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

PUBLIC COMMUNICATIONS

Kristi Carriveau, Contract Compliance Manager for Waste Management (WM), addressed the Board to respond to a letter request made by the District asking WM for information on recycling activity for member cities. The District's request was at the direction of the Board at their January meeting. She requested, on behalf of Felipe Melchor, District Manager for WM, that the Board place on their March meeting agenda a presentation by WM on their recycling activities.

CONSENT AGENDA

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

- 1) **Approve Minutes of January 16, 2009 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Adopt Resolution 2009-02 Approving Board Policies Related to Personnel Items**
- 4) **Adopt Resolution of Appreciation (2009-03) for Outgoing Unincorporated Monterey County Representative Ila Mettee-McCutchon**
- 5) **Adopt Resolution of Appreciation (2009-04) for Outgoing Seaside Representative Don Jordan**
- 6) **Adopt Resolution of Appreciation (2009-05) for Outgoing Marina Representative Ken Gray**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) Accept Report from Ad Hoc Personnel Committee Chair on Meeting of January 28, 2009

The Board reviewed a memorandum from Chair Laska summarizing the discussion and recommendations from the meeting of the ad hoc Personnel Committee held on January 28th. Chair Laska stated that discussion was held regarding establishing a Board policy relative to labor negotiations and personnel matters, and reducing the District's current reserve level from 25% to 20%, in light of the strained economy. Chair Laska also stated he had appointed Director Delgado as the fourth member of the ad hoc Personnel Committee.

No Action Taken.

8) Accept Report from Finance Committee Chair on Meeting of February 3, 2009

The Board reviewed a memorandum from Chair Laska summarizing the discussion and recommendations from the meeting of the Finance Committee held on February 3rd. Due to economic turmoil, the Committee supported a budgeted reduction in cash and a reduction of the reserve policy from 25% to 20% in preparation of the Budget for FY 2009/10. The Committee had also directed staff to evaluate and produce options to implement and pay for unfunded mandates and report back to the committee at its next meeting, which is scheduled for March 24, 2009. Chair Laska also appointed Director Downey as the fourth member of the Finance Committee.

No Action Taken.

9) Report on Renewable Energy Production, Including Landfill Gas to Energy Project, and Presentation by RMC Water and Environment

The Board reviewed a memorandum from Information Systems Manager Don Prescott. General Manager stated that staff is still working on a short term bridge agreement (up to six months) to sell power to PG&E, as authorized by the Board at the January meeting, while they work on a longer 10-year term Power Purchase and Sales Agreement to sell 5 megawatts of renewable power to PG&E. He stated that the Board had requested that Mr. Lyndel Melton from RMC Water and Environment appear to answer any questions related to the proposed water project and the District's ability to provide renewable power, prior to signing an agreement with PG&E. General Manager referred the Board to an article in Waste Recycling News regarding gasification plants as a means to organic management. Chair Laska stated that the Finance Committee had directed staff to provide information as gasification plant information develops including the need for a feasibility study. Director Parker inquired on the impacts of AB 32 with greenhouse gas emissions. General Manager stated staff would explore this matter and speak with the Monterey Bay Unified Air Pollution Control District on implications.

Mr. Melton addressed the Board to provide a brief presentation and to answer questions related to the recent release of the Environmental Impact Report (EIR) for a proposed Coastal Water Project at Moss Landing. The public comment period will end on April 1, 2009, and there are three alternatives; the CalAm Project with a desalination plant in Moss Landing, the California Public Utilities Commission (CPUC) alternative desalination plant north of Marina still owned by CalAm, and the Regional Water Project, also located north of Marina, which would be owned by the Marina Coast Water District. He stated that the opportunity for the District to provide power to any one of these projects was a win-win proposal and he understood that District staff had identified an alternative power production plan in order to be able to provide renewable power for a water project as well as the ability to enter into a long term power sales agreement with PG&E.

Board discussion followed regarding the alternative projects and consideration of the District as a supplier of renewable power. Mr. Melton stated that an environmental analysis for the power needs of any project is not being considered at this time. Information Systems Manager responded that the District is listed as the primary source of renewable power for the Regional Water Project, although it could provide renewable power to any of the projects. He stated that buying power from PG&E would be very expensive due to standby charges. As the power is needed, the District could provide it, and when the power was not needed, the District would be able to sell it on the grid to PG&E. Director Pendergrass expressed concern regarding the alternative projects negatively impacting CalAm's primary goal of replacing the Carmel River water within the CalAm service area.

The Board also discussed submitting comments in response to the EIR for the CalAm Coastal Water Project during the open comment period.

It was moved by Director Downey, seconded, and Unanimously Carried To: Direct Staff to Prepare a Draft Comment Letter to the Environmental Impact Report for the CalAm Coastal Water Project and Bring Back to the Board at the March Board Meeting for Final Approval.

10) Authorize Two-year Renewal of Agreement with South County Regional Wastewater Authority for Biosolids Disposal for \$30 Per Ton

The Board reviewed a memorandum from Senior Engineer Rick Shedden requesting authorization to renew the existing agreement with South County Regional Wastewater Authority for sludge disposal for an additional two years to February 20, 2011. The agreement includes an increase in the disposal fee from \$25 to \$30 per ton and an annual cost of living increase.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Two-Year Renewal of Agreement with South County Regional Wastewater Authority for Biosolids Disposal for \$30 Per Ton.

11) Authorize Purchase of 20 New Roll-Off Boxes From Wastequip of Lockford, California, at a Cost of \$141,313

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan and Equipment Maintenance Manager Ron Mooneyham requesting authorization to purchase 20 new roll-off boxes from Wastequip at a cost of \$141,313. Assistant General Manager explained that although this was an unanticipated purchase, staff believed it was in the best interests of the District to proceed with the purchase of the new roll off boxes, which complement the recent purchase of two new roll off trucks. The boxes are standard-sized which will enable the District to more easily secure used boxes in the future. Staff has reallocated funds from other non-critical capital purchases from within the overall Capital Outlay Budget for this purchase.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Purchase of 20 New Roll-Off Boxes From Wastequip of Lockford, California, at a Cost of \$141,313.

12) Authorize Assignment of Sunland Garden Products Land Lease and Composting Agreement to Keith Day Trucking

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, along with a letter from Sunland requesting the Board approve the assignment of their current lease to Keith Day Trucking. Assistant General Manager reminded the Board that Sunland had requested in December to have the District forbear the rent on the property they currently were leasing. At the direction of the Board, staff continued discussion with Sunland in order to reach a mutual agreement. The assignment of the agreement to Keith Day would benefit

the District since Keith Day is currently buying the District's greenwaste to produce compost. Sunland will continue to purchase composted material from Keith Day. The agreement will continue on a month-to-month basis as the District proceeds to issue a regional request for proposals for composting, and will extend to December 2010.

Board discussion followed regarding assigning the current lease versus creating a new one with Keith Day and settling the current amount owed to the District by Sunland. Legal Counsel stated the assignment was cleaner and easier because of the terms, and was in the best interest of the District. Assistant General Manager stated that staff is optimistic that once the Board approves the assignment, Sunland will be able to sell some of its operating equipment to Keith Day and settle its outstanding debt with the District.

It was moved by Director Downey, seconded, and Unanimously Carried To: Authorize Assignment of Sunland Garden Products Agreement to Keith Day Trucking.

13) Report on February 17th Meeting of Special Districts Association of Monterey County

The Board reviewed the Special Districts Association of Monterey County (SDAMC) agenda for the February 17th meeting and the draft minutes of the October 21st meeting. Chair Laska stated he had recently appointed Supervisor Parker to represent the District to the SDAMC. Supervisor Parker reported that new officers had been elected at the meeting and attendees had been provided with presentations from Bill Foley, Interim CEO for Natividad Medical Center on their Revitalization Healthcare Safety Net and from Monterey County Assessor Steve Vagnini on declining property values in the county.

No Action Taken.

STAFF REPORTS

14) Financial, Operating, and Recycling Reports

The Board reviewed the financial statements for December 2008 and January 2009. The Operating Income for January was \$84,716 and \$747,688 year-to-date. The year-to-date total Operating Expenses were below budget by 2.13% at \$9,561,564. The year-to-date Operating Revenues were \$10,309,252, below last year and budget by \$38,217 and \$304,498 (1.67%), respectfully. Refuse accepted for January decreased by 2,724 tons or 14.8% from last year and 3,316 tons from last month or 17.4%.

The Board also reviewed the Operating Report for January 2009. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during January 2009 was 23,922 tons, a decrease of 5,039 tons (or 17.4%) from January 2008. The waste from Santa Cruz County was 419 tons in January 2009 (down 843 tons from December 2008). The City of Watsonville delivered 1,044 tons during the month of January 2009 (down 8 tons from December 2008).

General Manager reviewed with the Board a table summarizing Household Hazardous Waste (HHW) turn-ins from the member cities. He stated that the HHW program was free of charge to all Monterey Peninsula residents while the \$500,000 annual cost to operate the program was supported by the landfill tipping fee.

Board discussion followed regarding reduced tonnages and the closure of the Crazy Horse Landfill on February 27th to the public and the potential effect on the District operations. General Manager stated that with the economy, consumers are spending less, and generating less waste.

15) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal in which he reported on the City of Monterey approving the Environmentally Food Packaging Ordinance on February 3rd. He also reported on the new television advertising campaign and the Litter Abatement Task Force Meeting held on February 11th.

Matt Fore addressed the Board and provided information on the upcoming Monterey County Clean Up Day scheduled for April 18, 2009.

16) Report on SWANA Legislative Task Force (LTF) Activity and State Legislation

General Manager reported on SWANA Legislative Task Force Activity and reviewed with the Board "SWANA 09-10 Legislation of Interest as of 2-3-09". General Manager will keep the Board apprised of activity. Items of particular interest were as follows:

- AB 68 (Brownley) Solid waste: single use carryout bags. Requires a 25 cent charge for single use carryout bags. There was a similar bill in the last legislative session. SWANA supported this bill in the last session and continues to do so.
- AB 87 (Davis) Single-use carryout bags: environmental effects: mitigation. This bill, sponsored by LA County, is similar to AB 68, but requires more in terms of extended producer responsibility and it would be implemented sooner. SWANA has no position on this bill.
- AB 283 (Chesbro) Solid waste: extended producer responsibility program, introduced on 2/12/09. SWANA has no position yet, but hopes to support the bill.
- SB 25 (Padilla) Solid waste: diversion. Would require a statewide diversion rate of 75%. SWANA has no position.
- SB 44 (Denham) State government: integrated waste management board: abolish. Would abolish the six-member CIWMB. SWANA has no position.

OTHER CORRESPONDENCE

17) Letter to Franchise Haulers RE: Request for Summary of Recycling Activity for Member Agencies

The Board reviewed letters, dated January 26, 2009, sent to franchise haulers Waste Management and Monterey Disposal requesting they provide information on recycling activity for their cities. The letters were sent as requested by the Board at their January meeting. The information will also be useful for purposes of compliance with AB32 regulatory reporting requirements.

18) Letter From CIWMB RE: Recognition of Monterey County LEA for Excellent Program

The Board reviewed a letter from the California Integrated Waste Management Board summarizing an evaluation conducted on Monterey County Environmental Health Department as the local enforcement agency (LEA) for the State's waste management and recycling programs. The County received an "excellent" review.

19) Correspondence RE: Board Appointments for David Pendergrass, Bruce Delgado, Ian Oglesby and Jane Parker

The Board reviewed correspondence regarding the reappointment of Director Pendergrass to the District Board and the appointments for Directors Delgado, Oglesby, and Parker.

GENERAL MANAGER COMMUNICATIONS

General Manager reminded the Board that the Annual Statement of Economic Interests Form 700 are due and need to be filed with the Monterey County Board of Supervisors Clerk's office no later than April 1, 2009. He also provided the Board with a listing of technical conferences related to recycling and waste management and encouraged them to attend.

BOARD COMMUNICATIONS

CLOSED SESSION

The Board went into closed session at 11:07 a.m. to discuss the following items:

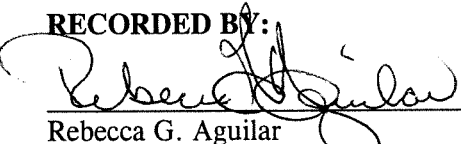
- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers, Service Employees International Union, Management Employees
- 2) Conference with Legal Counsel- Existing Litigation
Arreola v. Monterey Regional Waste Management District, et al
Monterey County Superior Court Case No. M90896
- 3) 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 with regard to closed session Items 1 and 2, the Board had discussed the items and provided direction to staff. With regard to closed session Item 3, the Board tabled the item to the March Board meeting relative only to further consideration of the proposed General Manager Continuity Succession Plan. No other action was taken.

ADJOURNMENT

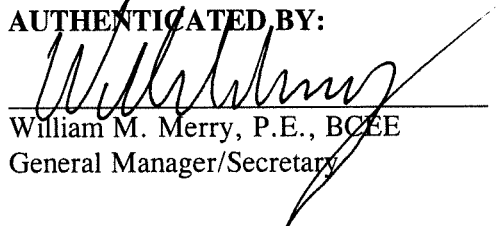
There being no further business to come before the Board at this time, the February 20, 2009 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to March 20, 2009, by Chair Laska at 11:58 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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