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LIBBY DOWNEY
JANE PARKER
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BRUCE DELGADO
KRISTIN CLARK



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.
 February 19, 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
 Ian Oglesby, City of Seaside Councilmember
 Bruce Delgado, City of Marina Mayor (seated at 9:38 a.m.)
 Kristin Clark, City of Del Rey Oaks Vice Mayor

MEMBERS ABSENT: Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

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
 Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
 Harry Hunzie, Materials Recovery Facility Manager
 Jeff Lindenthal, Public Education and Recycling 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

OTHERS PRESENT: Angela Brantley, City of Monterey
 Tom Buell, Monterey Regional Water Pollution Control Agency
 Mike Niccum, Pebble Beach Community Services District
 Patrick Mathews, Salinas Valley Solid Waste Authority
 Kristi Markey, Supervisor Parker's Office
 Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and the presence of a quorum established, the February 19, 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

General Manager stated that a revision had been made to Page 6 of the minutes, under Board Communications, to clarify what had been stated by Director Bales.

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

- 1) **Approve Minutes of January 15, 2010 Regular Board Meeting, as Amended.**
- 2) **Approve Report of Disbursements**
- 3) **Ratify Purchase of Three Used Pick Up Trucks in the Amount of \$22,007**
- 4) **Ratify Purchase of Used Mobile Aerial Lift from Hertz Rentals of Bakersfield, CA, in the Amount of \$66,732.50**
- 5) **Approve Letter to Superior Court of California Responding to Finding in Final Report of the 2009 Monterey County Civil Grand Jury**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 6) **Accept Report from Finance Committee Chair on Meeting of January 25, 2010**

The Board reviewed a memorandum from Chair Laska summarizing the meeting of the January 25th Finance Committee. Chair Laska stated that most of the discussion had been related to the 2009/10 Mid Year Budget status and the effect continued reduced incoming tonnages will have in preparation for the Fiscal Year (FY) 2010/11 Budget. For the current fiscal year budget, staff had estimated receiving 205,000 tons; for FY 2010/11 budget preparations, staff currently recommends that the amount of incoming tonnage be reduced to 185,000 tons.

It was moved by Director Downey, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of January 25, 2010.

- 7) **Financial Reports and Mid Year Budget Review**

General Manager stated the Finance Committee had reviewed the Mid Year budget at their January 25th meeting. Finance Manager provided the Board with an overview of the 2009/10 mid year budget. Finance Manager stated that Net Income is now projected at \$180,000 with Unrestricted Cash of \$708,500 compared to the budget projection of \$459,000 in Net Income, and \$899,500 in Unrestricted Cash. Operating Revenues are projected to be \$362,000 less than budgeted due to a decrease in incoming tonnage from 205,000 tons to 190,000 tons. The decrease in tonnage is being partially offset by Last Chance Mercantile sales, which are projected to increase \$100,000 to \$700,000, and an increase in metal and other recyclable material value. Expenditures are projected

to increase by \$42,000 due to increases in Environmental Services, and Repairs and Maintenance for the power project. The increases are being partially offset by reductions in Salaries and Benefits, Fuels and Oils, and Office Expenses. Capital Outlay is projected to be \$683,000 below budget, due to deferring maintenance, capital purchases projects. Finance Manager stated that deferred projects will likely be included in the budget during the next two fiscal years.

The Board received the financial statements for December 2009 and January 2010. The Operating Income (Loss) for January is (\$177,424) and \$408,162 year-to-date. The year-to-date total Operating Expenses of \$9,806,031 are at budget levels. The year-to-date Operating Revenues are \$10,214,193, below last year and budget by \$93,581 and \$17,474, respectively. Refuse Accepted (excluding Regional Waste) for January decreased by 1,717 tons or 10.9% from last year and by 1,219 tons or 8.0% from last month. The total refuse for the last 12 months was 193,371 tons, down 19,702 tons or 9.2% from the 12-month period ending January 2010.

It was moved by Director Downey, seconded, and Unanimously Carried To: Accept Mid Year Review of 2009/2010 Fiscal Year Budget.

8) Accept Report from Ad Hoc Power Sales Committee Chair on Meeting of January 25, 2010

The Board reviewed a memorandum from Chair Laska summarizing the January 25th ad hoc Power Sales Committee meeting. Chair Laska stated staff is completing discussions with PG&E to sell renewable power under a ten-year agreement at a nominal price of \$0.10 per kilowatt-hour.

It was moved by Director Oglesby, seconded, and Unanimously Carried To: Accept Report from Ad Hoc Power Sales Committee Chair on Meeting of January 25, 2010.

9) Report on January 19th Meeting of Special Districts Association of Monterey County

The Board reviewed a memorandum from Director Parker summarizing the meeting of the Special Districts Association of Monterey County. General Manager stated that there was information regarding the LAFCO budget under Item 15, and that the term of Commissioner Perkins would expire in May 2010 and he would not be seeking reelection. The only two boardmembers eligible to nominate themselves for the position were Chair Laska and Director Bales, both expressed they were not interested in applying for the position.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Accept Report on January 19th Meeting of Special Districts Association of Monterey County.

10) Adopt Resolution 2010-01 In Support of Local Taxpayer, Public Safety and Transportation Protection Act of 2010

The Board reviewed a memorandum from the General Manager and a resolution regarding the support for the Local Taxpayer, Public Safety and Transportation Protection Act of 2010. General Manager stated the Act is supported by the California Special District's Association (CSDA), the League of California Cities, the California State Association of Counties, and many local governments, in an effort to place this matter on the 2010 Ballot as an initiative. The Act would prevent state government from taking local taxpayer funds and would revoke the state's authority to borrow local government funds.

Discussion followed regarding the circulation of petitions. Legal Counsel stated District staff could circulate the petition on their own time, not on District time.

It was moved by Director Downey, seconded, and Unanimously Carried To: Adopt Resolution 2010-01 In Support of Local Taxpayer, Public Safety and Transportation Protection Act of 2010.

STAFF REPORTS**11) Operating and Recycling Reports**

The Board reviewed the Operating Report for January 2010. The Total Solid Waste Accepted into the site (excluding regional waste) was 19,516 tons, a decrease of 4,406 tons (or 18.4%) from January 2009 and the lowest recorded since the opening of the Materials Recovery Facility (MRF) in 1996. Regional Waste was 1,068 tons, down 396 tons (27.0%) from January 2009. Finance Manager stated tonnage seemed to be better for February thus far.

Chair Laska inquired whether there was information available showing the sum of what was being landfilled now and the amount the franchise hauler is getting in the curbside recycling carts, and would that sum equate to what was previously landfilled, instead of just looking at a reduction in waste being generated overall. Finance Manager responded that the reduction in tonnage was more than likely due to both reduced economic activity and higher levels of recycling. Assistant General Manager responded that national data trends show a reduction in waste across the nation and a greater emphasis on reduction of packaging.

Public Education and Recycling Manager stated that the District is tasked with preparing the AB 939 reports to the state on behalf of its member agencies and it would be helpful if District staff was provided with recycling tonnage information from the franchised haulers, which they are required to provide to the cities as part of their franchise agreements, as often as quarterly. He stated the information could be helpful to determine recycling trends and what type of education is needed most, locally, as the District is also listed as the lead agency to provide public education, under the original AB 939 documents.

Board discussion followed regarding the information being provided by the franchise hauler. District staff was directed to send a letter to member agencies with regard to the type of information needed from the franchise hauler that would be useful to District staff in preparing reports and public education activities.

12) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal, in which he provided a summary of the new State Building Code provisions, effective January 12, 2011, requiring 50% diversion of construction and demolition (C&D) material. Public Education and Recycling Manager stated that there are a few member cities that have already adopted a C&D ordinance and that member agencies were fortunate that the District's MRF presently achieves the 50% diversion of incoming co-mingled C&D material.

Vice Chair McCloud inquired about the county-wide C&D ordinance and whether the District could provide information to member agencies regarding the new code requirement and how the District could assist.

General Manager stated discussions would be held with the county on the matter in the next few weeks. He stated that after discussion with the County, staff could provide information to city staff via a letter, a meeting, or through the District's Strategic Planning Advisory Task Force. He stated that the Green Building Committee of the Monterey County Business Council would also be discussing the new code requirement and the impact locally.

13) 2009/10 Strategic Plan Update

The Board was provided with an update to the Strategic Planning Workplan. General Manager stated staff efforts are focused on alternate funding, consolidated franchise agreements in coordination with the Strategic Planning Advisory Task Force, and the proposed upgrades to the MRF, which would enable the District to process commercial and multi-family materials. He stated that the Workplan had also been used in preparation of his 2010 Goals.

Director Delgado inquired on the potential overlapping of services and expenditures as Waste Management, Inc. (WM), was also considering upgrades to their Castroville MRF. He inquired whether the question of dual MRFs or any other overlapping services was in everyone's best interest, could be part of the vision and mission discussion, suggested for the April 29th workshop. General Manager stated that the question of overlapping services and responsibilities had been discussed when the MRFs were first built in the mid 1990s. He stated that during the recent franchise hauler bid solicitation by the county, only two bids were received. One of the bidders, WM, was in a very favorable position with their Castroville MRF, which was one of the reasons they were awarded the contract. He further stated that any upgrades to the franchise hauler's existing MRFs, which would require extensive permitting, to process commercial and multi-family recycling waste stream and the need for such an upgrade, is a question that needs to be resolved. The District already processes some commercial waste. The state is requiring more aggressive recycling of commercial and multi family waste streams. General Manager stated that the District has already invested in the infrastructure and permits to allow more processing of commercial and multi family material to take place at the District's facility. The topic of an upgrade to the District's MRF is suggested for the April 29th workshop.

14) Legislative Update

General Manager reported on a February 4th SWANA Legislative Task Force (LTF) teleconference, at which he was elected Chair for a two-year term. The Board was provided with a membership list for the LTF. The LTF discussed the impact that the state budget will have on the administration's bottle bill proposal. Due to the economy, more recycling of cans and bottles is taking place and the fund has been reduced. The LTF also discussed the State Building Code Requirement for 50% Diversion and an EPA Funded Composting Study. General Manager also reported that senior staff from CalRecycle will attend the March 4th meeting of the LTF to provide an overview of its new role.

OTHER CORRESPONDENCE

15) Letter from LAFCO RE: LAFCO Budget for Fiscal Year 2010/11

The Board reviewed a memorandum, dated February 1, 2010, from LAFCO Executive Officer Kate McKenna with preliminary cost estimates for annual contributions to LAFCO's budget by special districts. Staff is pleased that the contributions are 4% less than the current year, as the District is the second largest contributor among the special districts. General Manager stated that there would be further opportunity to comment on LAFCO's budget, if necessary, at a public hearing tentatively scheduled for March 29th.

16) Letter from LAFCO RE: Call for Nominations for Selection of One Regular LAFCO Commissioner

The Board reviewed a letter, dated January 29, 2010, from Kate McKenna, regarding a call for nominations for the selection of a LAFCO Commissioner. General Manager stated that the term of Tom Perkins representing the King City Cemetery District is expiring in May and he is not seeking reelection. There are two members of the District Board eligible to run, Chair Laska and Director Bales; neither desires to be nominated.

17) Letter From/To Del Mesa Carmel Association RE: Acceptance of Household Hazardous Waste

The Board reviewed a letter the District sent to the Del Mesa Carmel Association (Del Mesa) President on February 10, 2010, in response to her letter, dated January 28, 2010, expressing disappointment on the inability of the District to accommodate their previous request for a waiver of fees for the disposal of batteries and fluorescent light bulbs. In the reply letter that was sent, General Manager presented a short term solution, utilizing a mail-back program provided by WM. General Manager stated that he has discussed this matter with

the Salinas Valley Solid Waste Authority (SVSWA) and the County, and as Chair of the County Integrated Waste Management Task Force, he has requested that this item be placed on the next meeting agenda for discussion toward a countywide solution.

Discussion followed regarding setting precedence for waiver requests and the potential for the bulbs to break during mail shipment. General Manager stated that the short term solution was being conducted as a pilot program to gather information for a possible long term solution, and as such, it should not establish a precedent.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that at the SVSWA Board held a workshop on January 27th, SVSWA staff had presented a proposed arrangement with WM to upgrade the Madison Lane Transfer Station (TS) to include additional processing of commercial wastes; and plans to construct a MRF/TS at the Work Street location. General Manager pointed out on a map the proximity of the District's site to the north county area. The SVSWA proposes to take wastes from north county to a TS located in Salinas. As discussed earlier in the meeting, the District has the infrastructure to handle north county material for processing or waste for disposal, and he questioned whether another MRF, beyond the District's, was needed in the county. At a meeting held in July 2009, with members of the board and senior staff of the SVSWA and the District, it was agreed that duplicate capital spending should be avoided. Director Downey stated that she believed that the SVSWA was not interested in holding another joint meeting of Board members pending completion of discussions by their Board on their ten-year financial plan and expressed concern over whether that meeting would ever actually take place. General Manager responded that the SVSWA has not finished their financial planning process. The SVSWA had approved their audited financial statement at their meeting of February 18, 2010, and questions were raised regarding the SVSWA's debt, and their ability to build additional infrastructure. Board discussion followed regarding subsequent meetings with the SVSWA to discuss matters of mutual interest.

General Manager provided the Board with topic suggestions for the Board Workshop on April 29th. Chair Laska stated that the topic of alternate financing was an item of central discussion and that information from the soon to be chosen consultant would not be available until after the April 29th date. Following Board discussion on various other topics, the Board directed staff to postpone the workshop until after information had been received from the consultant on alternate funding.

General Manager commended Directors Bales and Delgado for taking part in the Ethics AB 1234 webinar training provided by the Special District Risk Management Authority (SDRMA) reducing the District's insurance expenses by \$14,000. They also volunteered to attend SDRMA's Safety/Claims Education Day on March 30th in Sacramento, which will save an additional \$14,000 in insurance premiums and will maximize the discounts available in the governance track for this fiscal year. Director Downey encouraged Board members to complete the training available during the next fiscal year by coordinating with staff, and thereby help reduce insurance premiums.

BOARD COMMUNICATIONS

Director Delgado stated that he was unaware that rigid plastic was recyclable in the curbside recycling bins. After a conversation with a WM representative, he was told that it was recycled at the Castroville MRF. He stated that more public education was needed so that the community was aware of what was recyclable in their curbside recycling bins. Public Education and Recycling Manager replied that it would be helpful to know that information and stated that on the WM website, rigid plastic was not listed as a material that could be placed in those bins. Rigid plastic is accepted for recycling at the District's recycling Z-wall and taken to A&S Metals in Castroville. General Manager stated that it would be useful for WM to have local recycling information in their local commercials, and staff will follow up with WM to inquire about that.

CLOSED SESSION

The Board went into closed session at 11:29 a.m. to discuss the following item:

1) Conference with Labor Negotiators:

District Negotiators: William Merry, Richard Norton and Tim Flanagan

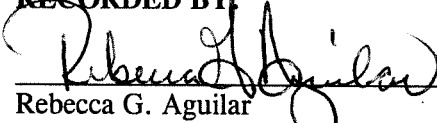
Employee Organizations: Operating Engineers, Represented Hourly Unit, Management Employees

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

ADJOURNMENT

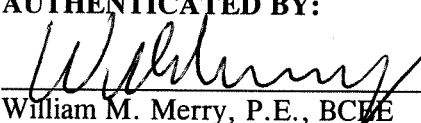
There being no further business to come before the Board at this time, the February 19, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to March 19, 2010 by Chair Laska at 12:11 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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