

BOARD OF DIRECTORS

LEO LASKA  
CHAIR

SUE McCLOUD  
VICE CHAIR

GARY BALES  
DAVID PENDERGRASS  
LIBBY DOWNEY  
JANE PARKER  
IAN OGLESBY  
BRUCE DELGADO  
DENNIS ALLION



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WILLIAM MERRY, P.E., DEE  
GENERAL MANAGER/  
DISTRICT ENGINEER

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 18, 2011

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 (seated at 10:05 a.m.)  
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4  
Ian Oglesby, City of Seaside Councilmember  
Bruce Delgado, City of Marina Mayor  
Dennis Allion, City of Del Rey Oaks Councilmember

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Tim Flanagan, Assistant General Manager  
Rob Wellington, Legal Counsel  
Richard Shedden, Senior Engineer  
Richard Norton, Administrative Service Manager  
Don Prescott, Information Technology Manager  
Chuck Rees, Finance Manager  
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager  
Jack Cook, Safety Manager  
Jeff Lindenthal, Public Education & Recycling Manager  
Richard Petitt, Site Manager  
Ron Mooneyham, Equipment Maintenance Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Kimberle Herring, Public Education Coordinator  
Amber Watson, Administrative Support Specialist II  
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward  
Rodney Barber, OE3 Operations Shop Representative  
Nancy Novoa, LSC Representative

**OTHERS PRESENT:** Charlie Cordova, GreenWaste Recovery  
Greg Ryan, GreenWaste Recovery/Zanker Road Resource Management, Ltd.  
Teresa Rios, Monterey County Environmental Health Bureau  
Ted Terrasas, Monterey County Environmental Health Bureau  
Tom Buell, Monterey Regional Water Pollution Control Agency  
Suha Kilic, Pebble Beach Community Services District

**OTHERS PRESENT:** Michael Kovac, Rick Albert Machinery  
(continued) Patrick Mathews, Salinas Valley Solid Waste Authority  
Jay Ramos, Waste Management, Inc.  
Lewis Leader

**NEW BOARDMEMBER FROM DEL REY OAKS**

Chair Laska welcomed Councilmember Dennis Allion to the District Board, who is replacing Director Kristin Clark, representing the City of Del Rey Oaks.

**ROLL CALL AND ESTABLISHMENT OF QUORUM**

With notice duly given and the presence of a quorum established, the January 21, 2011 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**

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

- 1) **Approve Minutes of January 21, 2011 Regular Board Meeting**
- 2) **Approve Report of Disbursements**

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

- 3) **Accept Report from Finance Committee Chair on Meeting of February 2, 2011**

The Board reviewed a memorandum from Chair Laska summarizing the February 2, 2011 Finance Committee meeting. Committee members received a detailed review by the Finance Manager on the Mid-Year Budget. The Committee also supported the proposed amendments to the GreenWaste Recovery (GWR) agreement.

*It was moved by Director Parker, seconded, and Unanimously Carried To: Accept Report From Finance Committee Chair on Meeting of February 2, 2011.*

- 4) **Receive Financial Reports and Mid-Year Budget Review**

The financial statements for January were reviewed by the Board. Operating Income was \$49,894.58 with a year-to-date total of \$1,077,491.45. The year-to-date total Operating Expenses are \$10,134,007.67 and year-to-date Operating Revenues are \$11,211,499.12.

The Board reviewed a memorandum on the Mid-Year Budget from Finance Manager Chuck Rees summarizing the changes in the budget at mid-year. The District's mid-year estimate shows an increase in net income of \$1,228,000, from the budgeted net income of \$316,000, to \$1,544,000, and an increase in unrestricted cash of \$416,000 from the budgeted reduction of \$1,947,000.

Finance Manager stated that operating revenues are anticipated to increase due to higher than anticipated refuse tonnage and regional waste tonnage, along with higher revenue at the Last Chance Mercantile and increased scrap metal value. Finance Manager stated that the new contract with GWR has significantly improved the projected results of operations and unrestricted cash balances. Total expenditures are expected to be above budgeted figures by \$412,000 due to increases in contractual services, fuel and oil, professional services, repairs and maintenance, and taxes/surcharges/permits. Capital outlay has also been reduced to \$1,023,000 below budget for a total capital spending of \$1,854,000. Staff continues to respond to the decrease in refuse tonnage over the past several years by deferring projects that will not cause significant operational interruptions. Cash payments for debt reduction are projected to be \$150,000 below budget levels.

Board discussion followed regarding the mid-year budget estimates. Vice Chair McCloud inquired whether the GWR agreement revenue and costs could be computed separately. Finance Manager stated that he is considering alternate methods of summarizing the GWR totals.

**It was moved by Director Parker, seconded, and Unanimously Carried To: Receive Financial Reports and Mid-Year Budget Review.**

- 5) **Authorize General Manager to Execute an Amendment to GreenWaste Recovery/Zanker Road Resource Management, Ltd., (GWR) Disposal Agreement To:**
- a) **Increase Annual Guaranteed Tonnage from 75,000 to 125,000 Tons; and**
  - b) **Reduce Disposal Fee by \$0.50 Per Ton for Tonnage Over 125,000; and**
  - c) **Extend Term of Agreement from 15 to 20 Years; and**
  - d) **Annually Accept an Estimated 30,000 Tons of Alternate Daily Cover at a Disposal Fee of \$12 Per Ton**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding proposed amendments to the GWR agreement. Assistant General Manager stated that the current agreement has worked well for both the District and GWR, and if approved, the amendments would guarantee an additional one million dollars in annual revenue. The Finance Committee supported the proposed amendments.

Mr. Greg Ryan with GWR addressed the Board and stated that the proposed changes to the agreement would make the District the sole delivery site for approximately 180,000 tons of annual GWR waste. Following a question from Director Allion regarding revenue, Assistant General Manager provided background information leading up to the acceptance of regional waste from Santa Cruz County, the cities of Watsonville, Capitola, and Scotts Valley, and GWR.

Board discussion followed regarding the makeup of the waste being delivered to the District site by GWR, whether further permitting review would be necessary and previous concerns regarding the lower tipping fee. Mr. Ryan responded that 99% of the material being brought to the District was residual waste. Senior Engineer responded that no additional permitting was necessary. Legal Counsel responded that staff had conducted the steps necessary when the original agreement had been negotiated. Director Delgado suggested that staff prepare a one-page summary to quickly respond to why regional waste was accepted at the lower tip fee rate.

Director Downey was seated at 10:05 a.m.

It was moved by Director Parker, seconded, and *Unanimously Carried To: Authorize General Manager to Execute an Amendment to GreenWaste Recovery/Zanker Road Resource Management, Ltd., (GWR) Disposal Agreement.*

6) **Approve Award of Contract to Vector Engineering of Grass Valley, CA, in the Amount of \$142,878 for Module 5 Landfill Liner Design Services**

The Board reviewed a memorandum from Senior Engineer Rick Shedden. Assistant General Manager stated that as although Vector Engineering did not propose the lowest price to complete the design work, staff had concluded that their proposal was the most responsive to the District's Request for Proposals and was in the best interests of the District. Vector also has recent experience on projects of this type, including the design of Module 4. The cost for the required services will be billed on a time and materials basis, with an amount not-to-exceed \$142,878, which is within the \$150,000 included in the Fiscal Year 2010/11 Capital Outlay Budget.

Board discussion followed regarding the total cost of the Module 5 project and whether any local firms had submitted a proposal. Senior Engineer responded that the projected total cost of the project is \$3.5 million and no local firms had provided a proposal.

It was moved by Director Pendergrass, seconded, and *Unanimously Carried To: Approve Award of Contract to Vector Engineering of Grass Valley, CA, in the Amount of \$142,878 for Module 5 Landfill Liner Design Services.*

7) **Approve Purchase of New Caterpillar Excavator from Quinn Caterpillar of Salinas, CA, at a Total Cost of \$228,569.87**

The Board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham. Assistant General Manager stated that Equipment Maintenance Manager had invested a substantial amount of work in procuring this piece of equipment to ensure the needs of the District are met. The District had received four proposals and of those, only three met the requirements of the District. Staff was recommending purchase of the second to the lowest cost proposal for a Caterpillar excavator from Quinn Caterpillar in Salinas. Assistant General Manager stated that the District had purchased the same model excavator last year and staff was very satisfied operating it. Quinn was also located in Salinas, which made repair response faster. Equipment Maintenance Manager provided the Board with information on the exceptions that had been included in the proposals.

Board discussion followed regarding the exceptions taken by the lowest proposal. Michael Kovac of Rick Albert Machinery (RAM) addressed the Board and provided a rebuttal letter in response to the District not selecting RAM, the proposal with the lowest cost, to provide the new excavator. He stated that they did not believe that the exceptions taken were unacceptable, and it was more of a personal preference to select the Caterpillar excavator. Equipment Maintenance Manager responded that the cyclonic air system, necessary due to the dusty conditions of site operations, and the swing bearing guard were not offered by RAM.

It was moved by Director Parker, seconded, and *Unanimously Carried To: Approve Purchase of New Caterpillar Excavator From Quinn Caterpillar of Salinas, CA, at a Total Cost of \$228,569.87.*

8) **Adopt Resolution 2011-01 Authorizing General Manager to Execute a 10-Year Agreement With Pacific Gas & Electric for the Sale of Renewable Power Produced by the District's Landfill Gas to Energy Facility**

The Board reviewed a memorandum from Information Systems Manager Don Prescott regarding PG&E's request that the Board authorize the General Manager to enter into a 10-year Power Sales Agreement (PSA), by way of a resolution. Chair Laska clarified for the Board that they had previously authorized the General Manager sign a 10-year agreement in early 2010.

*It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Adopt Resolution 2011-01 Authorizing General Manager to Execute a 10-Year Agreement With Pacific Gas & Electric for the Sale of Renewable Power Produced by the District's Landfill Gas to Energy Facility.*

9) **Approve General Manager Goals for 2011**

The Board reviewed the General Manager's Goals for 2011. Chair Laska stated that the Board had previously reviewed the goals during closed session at the January meeting.

Board discussion followed regarding the non-specificity of some of the goals and the inability to quantify and evaluate some of them. Revisions were suggested and Director Oglesby commented that if revisions were to be made, the Board should bring back this item to the March meeting, when the General Manager was present.

*It was moved by Director Delgado, seconded, and Supported by Chair Laska, and Directors Allion, Bales, Delgado, Downey, Oglesby, Parker, and Pendergrass; Opposed by Vice Chair McCloud To: Approve General Manager Goals for 2011. Motion Passed.*

10) **Adopt General Manager Performance Evaluation Procedure**

The Board reviewed the General Manager Performance Evaluation Procedures, which had previously been reviewed by the Board during closed session at the January meeting. Board discussion followed regarding the language for any compensation adjustments. Vice Chair McCloud provided revised language.

*It was moved by Director Parker, seconded, and Unanimously Carried To: Adopt General Manager Performance Evaluation Procedure, as Amended.*

11) **Accept Report from Personnel Committee Chair on Meeting of February 2, 2011**

The Board reviewed a memorandum from Chair Laska summarizing the February 2, 2011 Personnel Committee meeting. Topics of discussion were mainly focused on the upcoming employee negotiations.

*It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Accept Report From Personnel Committee Chair on Meeting of February 2, 2011.*

**STAFF REPORTS**

**12) Review Operating and Recycling Reports**

The Board reviewed the Operating Report for January 2011. The Total Solid Waste Accepted into the site, excluding regional waste, was 21,856 tons, a decrease of 431 tons from December 2010 and an increase of 2,313 tons from January 2010. Regional Waste was 0, 813.78, 613.5, 575.62, and 7,163.42 from Santa Cruz County, Watsonville, Capitola, Scotts Valley, and GreenWaste Recovery, respectively.

**13) Report on January 18, 2011 Special Districts Association of Monterey County Meeting**

The Board reviewed a memorandum from General Manager summarizing the January 18, 2011 Special Districts Association of Monterey County meeting. The next meeting of the group will be on April 19, 2011 at 6 p.m. at the Shoreline Conference center in Marina.

**14) Report on Legislative Matters**

The Board received information on legislative matters discussed at the Solid Waste Association of North America (SWANA) Legislative Task Force (LTF) teleconference meeting held on February 3<sup>rd</sup>.

**OTHER CORRESPONDENCE**

**15) Letter from Special Districts Risk Management Authority (SDRMA) RE: Nomination for SDRMA Board of Directors 2011 Election**

The Board reviewed correspondence from SDRMA regarding nominations for the three seats on their Board of Directors. The nomination filing deadline is May 4, 2011. No Boardmembers expressed interest in being nominated for the SDRMA Board.

**16) Letter to Matt Fore RE: Appreciation of Service**

The Board reviewed a letter sent by Chair Laska to Matt Fore, former Supervising Environmental Health Specialist with the County, expressing appreciation for his efforts on solid waste management topics in the community.

**GENERAL MANAGER COMMUNICATIONS**

In his manager's report, the General Manager provided the Board with a summary on his attendance at the SWANA Senior Executives Seminar held in Austin, Texas, January 26-28. The Board also received information regarding the SWANA Western Regional Symposium, which will be held May 16-19, 2010 at the Embassy Suites in Seaside. Board members were encouraged to attend all or a portion of the annual symposium on waste management topics.

The General Manager was not in attendance at this meeting due to his participation in United Nations Department of Economic and Social Affairs-Division for Sustainable Development-Intersessional Conference on Building Partnerships for Moving towards Zero Waste, being held in Tokyo, Japan, from February 16-18, 2011.

**BOARD COMMUNICATIONS**

**17) Consider Appointments to District Committees**

The Board reviewed a Committee Assignment List as revised and provided by Chair Laska. Director Downey inquired whether the Interagency Committee included discussion on the Regional Water Project to which Chair Laska responded that it possibly could. She stated that she had requested to be appointed to that committee and requested she be removed from the Strategic Initiatives Committee. Director Allion agreed to serve in her place.

Vice Chair McCloud commented that more needed to be done to educate the public about recycling at large venues. She stated that the pictographs provided on the containers at the recent AT&T event had not been sufficient in order for people to know what type of material was to be placed in that particular container. Public Education and Recycling Manager stated that the challenge was having enough people on the grounds, although the preliminary tallies showed that recycling had almost doubled over last year's event.

**CLOSED SESSION**

The Board went into closed session at 11:15 a.m. regarding the following:

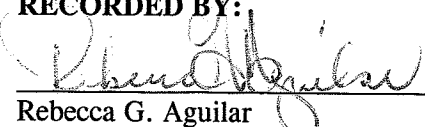
- 1) **Conference with Property Negotiators:**  
**Property:** Landfill Site Space/Capacity  
**District Negotiators:** William Merry and Tim Flanagan  
**Negotiating Parties:** Green Waste Recovery/Zanker Road Resource Management  
**Terms:** All Terms and Conditions
- 2) **Conference with Labor Negotiators:**  
**District Negotiators:** William Merry, Richard Norton and Tim Flanagan  
**Employee Organizations:** Operating Engineers, Hourly Represented Unit, and Management Employees

The Board came back into open session at 11:55 a.m. Legal Counsel announced that with regard to closed session agenda Item 1, the Board received information from the District's negotiators and provided direction; no other action was taken. With regard to closed session agenda Item 2, no discussion was held as action was taken in open session.

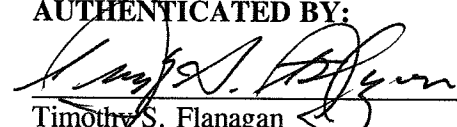
**ADJOURNMENT**

There being no further business to come before the Board at this time, the February 18, 2011 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to March 18, 2011 by Chair Laska at 11:56 a.m.

**RECORDED BY:**

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

**AUTHENTICATED BY:**

  
\_\_\_\_\_  
Timothy S. Flanagan  
Assistant General Manager