

WILLIAM MERRY, P.E., DEE
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
May 18, 2007

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Leo Laska, Chair
Sue McCloud, Vice Chair
Gary Bales
Dave Pendergrass
Ken Gray
Don Jordan
Libby Downey

MEMBERS ABSENT: Joseph Russell
Dave Potter

STAFF PRESENT: William Merry, General Manager
Timothy Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Richard Shedden, Senior Engineer
Richard Norton, Administrative Services Manager
Charles Rees, Finance Manager
Jack Cook, Interim Safety Manager
Glen Evett, Last Chance Mercantile/Hazardous Waste Manager
Harry Hunzie, Materials Recovery Facility Manager
Jeff Lindenthal, Public Education and Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Richard Petitt, Site Manager
Don Prescott, Information Systems Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberly Herring, Public Education Assistant
Amber Watson, Administrative Support Specialist I
Gracie Arreola, Site Support Assistant/OE3 Support Shop Steward
Suzan Fine, Recycling Attendant/SEIU President
Steve Montgomery, Industrial Electrician/OE3 Operations Shop Steward
Clyde Walkup, Materials Recovery Facility Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Tom Buell, Monterey Regional Water Pollution Control Agency
James Dix, Monterey Regional Water Pollution Control Agency
Kathleen Lee, Monterey County Supervisorial District 5
Matt Fore, Monterey County Environmental Health Department
Craig Anthony, Pebble Beach Community Services District
Jerry Verhasselt, Pebble Beach Community Services District
Jack Conner, Waste Management, Inc.
Lewis Leader
Ken Solis

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the May 18, 2007, 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

Suzan Fine addressed the Board and expressed regret regarding the Board's refusal to implement the recommendations of the classification and compensations study for Service Employees International Union employees.

CONSENT AGENDA

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

- 1) **Approve Minutes of April 20, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Issuance of Request for Proposals to Contract for Professional Uniform Services**
- 4) **Authorize Award of Contract to DeMarco Painting & Decorating, Inc, to Conduct Phase I Painting of Interior Structure of Materials Recovery Facility**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) **Adopt Preliminary Budget for Fiscal Year 2007-2008**

The Board reviewed the preliminary budget for fiscal year 2007-08. General Manager explained that substantial changes were made to the preliminary budget following two meetings with the Adhoc Finance/Personnel Committee, wherein staff was requested to reduce expenses to match revenues. Staff revised the preliminary budget, reducing expenses by nearly two million dollars, mostly by not filling positions as they become vacant, reducing operating expenses, and delaying capital spending. Current year revenues were weaker than expected.

Finance Manager Chuck Rees gave the Board a presentation on the current year budget status and the proposed 2007-08 preliminary budget. He thanked staff for efforts made to reduce expenses. The District's current budget has a net income of \$1,278,000 and a reduction in unrestricted cash of \$1,111,000. Staff now anticipated a current year net income of \$684,600 and a decrease in unrestricted cash of \$1,208,400. Budget Revenues are projected to increase by 8% over the current year estimates, and Expenses are projected to be 2% above the current year estimates. The Preliminary Budget includes acceptance of 25,000 tons of regional waste from Santa Cruz County. The Preliminary Budget also includes a previously approved rate increase from \$43 per ton to \$45 per ton on January 1, 2008.

Board discussion followed regarding the proposed reductions in expenses and concerns were expressed regarding the reductions in workforce and delayed capital outlay. Director McCloud expressed concern regarding not filling positions and potential risks in safety and reduction in recycling efforts. General Manager replied that each position would be evaluated as it became vacant weighing a number of operational factors, to determine if it could remain unfilled or if filling the position could be delayed.

The Adhoc Finance/Personnel Committee members expressed gratitude to staff for reducing the budget as requested. Chair Laska stated that the budget presented today was a result of the changes requested by the committee. Director Bales stated that staff had been asked to remain with the status quo for fiscal year 2007-08 in order to provide time to evaluate needs versus the rate structure. Director Pendergrass commended staff for reducing the expense budget; it was always difficult to balance staffing with operational needs versus diversion credits to cities. Director Gray stated that although staff had advised the Board of the reduction in the revenue stream throughout the current fiscal year, it was disappointing to see the impact on District operations. He stressed the need to retain diversion/recycling percentages.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Adopt Preliminary Budget for Fiscal Year 2007-2008.

6) Support Proposed County Landfill Buffer Zone Ordinance

The Board reviewed a memorandum from Senior Engineer Rick Shedden, along with several recent news articles on the topic. General Manager reported that staff had met with officials from the City of Marina on May 9th to discuss the proposed Ordinance. He stated that he had discussed the feasibility of requesting the County to include a 2,500 foot buffer zone around the Monterey Peninsula Landfill with Environmental Health Director Allan Stroh. Mr. Stroh had advised that the ordinance as drafted with a 1,000 foot buffer zone around the Monterey Peninsula Landfill had been under consideration for many years and to make such a change at this time would jeopardize the entire process for the proposed County ordinance. General Manager recommended sending a letter of support, which was given to the Board for review, for the proposed buffer ordinance.

Matt Fore with the Monterey County Environmental Health Department addressed the Board and stated that the 2,500 landfill buffer zone around the Salinas Valley Solid Waste Authority's landfills was agreed upon when the SVSWA was established. He recommended the District send a letter of support in order to get on the record. General Manager also noted that the ordinance's proposed 1,000 foot buffer zone around the District's landfill did not include a buffer zone for the Monterey Regional Water Pollution Control Agency wastewater treatment plant.

Board discussion followed regarding the proposed landfill buffer zone ordinance. Director Bales asked that staff consider including comments in the letter about the increased elevation of the District's landfill over the years.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Letter of Support for County Landfill Buffer Zone Ordinance to Potentially Include Comments Regarding Increased Landfill Elevation.

7) Update on LAFCO Proposed Budget for 2007-2008.

The Board reviewed the revised Proposed LAFCO Budget Worksheet, for Fiscal Year 2007-2008. The budget was revised over the last month and reduced by \$100,000, by reducing or eliminating costs in three reserves: litigation defense, accrued leave benefit liability, and general contingencies. The District's share of the contribution was now \$46,693. General Manager reported that LAFCO would be studying revisions to the current fee schedule during the coming year and intended to include stakeholders in the discussions.

No Action Taken.

8) Report on State Legislation Related to Recycling and Waste Management

The Board reviewed two letters regarding pending state legislation that were sent last month expressing concern over SB 1020 which proposed increases in the state mandated recycling/diversion rate, from 50% to 75% and AB 1610 which proposed increases to the landfill tipping fee, from \$1.40 per ton to as much as \$2.00 per ton.

Chair Laska asked when the proposed tipping fee increase would take effect. General Manager responded that it could be as early as January 2008.

No Action Taken.

STAFF REPORTS

9) Financial, Operating, and Recycling Reports

The Board reviewed the Financial report for March. The Board also reviewed the Recycling and Operating report for April. General Manager reported that the commercial and industrial tonnages continue to decrease as reported last month. Staff is researching the cause for this decrease and will report to the Board, but believes that it may be due to reduced construction activity locally, a slowing of the economy, or material being hauled out of the wasteshed.

10) Report from Public Education and Recycling Manager

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal regarding recent grant applications, workshops, and upcoming events.

11) Report on Acceptance of Regional Waste

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding acceptance of regional waste. General Manager reported that acceptance of waste from Santa Cruz County was going very smoothly. The first load of waste from the Ben Lomand Transfer Station was received on May 1st.

12) Report on Upgraded Waste Screening Program

The Board received a report on the upgraded waste screening program. General Manager stated that at the City Managers meeting of May 18th, he would be outlining the need to adopt the proposed Construction and Demolition Model Ordinances, and recommending an amendment to the City Building Permit applications to include a place for contractors to sign off that they have complied with local rules and regulations related to management of asbestos containing materials and other hazardous materials from their projects. General Manager reported that a letter had been sent to over 400 customers of the District outlining the District's upgraded waste screening program and requesting them to sign a statement that they have read and will follow the District's policy on management of hazardous and prohibited material.

Board discussion followed regarding the need to educate haulers and homeowners, and enforcement responsibilities. Director McCloud expressed dissatisfaction regarding the delays in implementation of the Construction and Demolition Model Ordinances and said that it could be amended later if any changes needed to be made, but it should be moved forward. The Board also expressed concern regarding requesting customers to return the signed hazardous material certification statement instead of requiring them to return it. General Manager responded that staff had considered requiring the signature, but decided on the request since this was an attempt to educate customers. The Board requested staff to report at a future meeting the consequences if haulers did not sign the statement. Director Pendergrass stated that the District should not bear the full burden of policing hazardous waste management rules and that it should be enforced further upstream, such as with the city planning departments. General Manager stated the cities and haulers should include information in their newsletters about hazardous waste management and disposal in order to work together to change behaviors.

13) Status Report Landfill Gas Project

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding the Landfill Gas Project.

OTHER CORRESPONDENCE**14) Notice from Special District Risk Management Authority (SDRMA) RE: Nominations for Board of Directors**

The Board reviewed correspondence from the Special District Risk Management Authority (SDRMA) regarding upcoming nominations for their Board of Directors. Three seats are up for election and the nomination filing deadline is July 6, 2007. General Manager asked that Boardmembers notify him if they would like to be nominated to serve on the SDRMA board since the candidate must be nominated by a resolution of the District Board and this item could be added to the June agenda if necessary. No nominations were received.

GENERAL MANAGER COMMUNICATIONS

General Manager reminded the Board that the Employee Family Picnic was scheduled for Sunday, May 20th, at Toro Park from 11 a.m. to 3 p.m. He also informed the Board that SWANA's annual symposium, Wastecon would be held in Reno, October 16-18, 2007.

CLOSED SESSION

The Board went into closed session at 11:06 a.m. regarding the following:

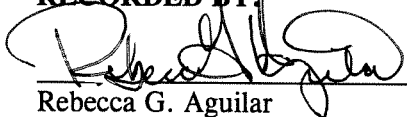
- 1) Conference with Labor Negotiators
District Negotiators: William Merry and Richard Norton
Employee Organizations: Operating Engineers Operation Unit
Operating Engineers Support Personnel Employees
Service Employees International Union
Management Employees

The Board came back into open session at 11:42 a.m. Legal Counsel Wellington announced the Board discussed Item 1 and no action was taken.

ADJOURNMENT

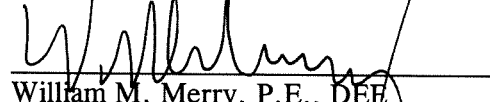
There being no further business to come before the Board at this time, the May 18, 2007 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to June 15, 2007 by Chair Laska at 11:43 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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