

BOARD OF DIRECTORS

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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

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 REGULAR MEETING MINUTES

9:30 a.m., Friday
May 15, 2009

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
Joseph P. Russell, City of Del Rey Oaks Mayor
Libby Downey, City of Monterey Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Ian Oglesby, City of Seaside Councilmember
Bruce Delgado, City of Marina Mayor

MEMBERS ABSENT: None

STAFF PRESENT: William M. 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 & Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Glen Evett, Last Chance Mercantile Manager
Harry Hunzie, Materials Recovery Facility (MRF) Manager
Jack Cook, Safety Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
Amber Watson, Administrative Support Specialist
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Matt Fore, Monterey County Environmental Health Department
Gabriela Carbajal, Monterey County Environmental Health Department
Tom Buell, Monterey Regional Water Pollution Control Agency
Mike Niccum, Pebble Beach Community Services District

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the May 15, 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**CONSENT AGENDA**

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

- 1) **Approve Minutes of April 17, 2009 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 April 20, 2009**

The Board reviewed a memorandum from Chair Laska summarizing the discussion and recommendations from the meeting of the Finance Committee held on April 20th. Chair Laska stated that the Preliminary Budget for 2009/10 was discussed in detail. The Preliminary budget provides for no reduction in program hours, continuation of a hiring freeze for non-essential positions, continued deferral of some capital outlay, and no increase to the landfill tipping fees.

Board discussion was held regarding the Carmel Area Wastewater District's (CAWD) meeting decision to send their biosolids to Kings County for a savings ranging from \$13,000 to \$39,000, and a revenue loss annually of approximately \$75,000 to the District. District staff attended the April 23rd CAWD Board meeting and spoke in support of sending the biosolids to the District, where the infrastructure is in place to securely handle the material. Although the CAWD Board opted to send the material to Kings County, they directed their staff to continue discussions with the District for sending biosolids there in the future. Vice Chair McCloud requested staff to write a letter to CAWD asking about the contract and specifying District concerns. Director Bales inquired about the biosolids study conducted last year. General Manager stated that a meeting with the Monterey Regional Water Pollution Control Agency (MRWPCA) and CAWD to discuss the study prepared by Carollo Engineers was scheduled for May 29th.

No Action Taken

- 4) **Adopt Preliminary Budget for Fiscal Year 2009/10**

The Board reviewed the Preliminary Budget for Fiscal Year 2009/10. General Manager stated this would be the third year the District has implemented a hiring freeze for non essential positions and deferred capital and maintenance spending. The proposed Preliminary Budget does not anticipate an increase to the current basic landfill tipping fee of \$46.25 per ton, although staff has grave concerns regarding the state of the economy and anticipates continued reduced tonnage.

Finance Manager Chuck Rees reviewed a chart which showed that incoming tonnage was at 1996 levels. He reviewed the budget figures with the Board and stated that the Preliminary budget included \$17,540,000 in revenues, a \$655,000 decrease compared to the 2008/09 budget, due to a 12.5% decrease in tonnages. It also included operating expenses of \$16,740,000 and non-operating expenses of \$79,000 resulting in net income of \$721,000. Capital project expenditures total \$2,203,500 and principal payments on bond and debt obligations are \$1,815,000. Unrestricted cash will decrease by \$817,500 for the fiscal year. Finance Manager stated that of the overall capital outlay budget, 41% or \$910,000 was due to compliance issues such as AB 32.

Board discussion followed regarding the Preliminary Budget, the overall tonnage reductions, the overall percentage reduction in expenses, and the 25% reserve level. Finance Manager responded that the District was very restricted with regard to overall percentage reductions to express without changing its programs. Many of the District's expenditures are mandated with little or no flexibility in achieving compliance with the rules and regulations of the State. Staff has implemented measures to control or reduce costs wherever possible. There is no statutory requirement for setting the reserve level at 25%; rather it was a Board policy set years ago. The reserve lever was adopted as a prudent decision to allow the District to continue to operate in the event that a major customer, such as a franchise hauler, was late in making their payments.

Director Delgado stated that although it had been discussed at the Strategic Planning Workshop that any increases to the tipping fee would be postponed, he questioned the reasoning in not raising the tipping fee since most other local landfills or transfer station fees were well above the District's fees. General Manager responded that District staff has been working to review its programs and processes to reduce spending. Chair Laska stated that the Finance Committee had directed staff to review alternative revenue sources prior to consideration of any tipping fee increases. He stated that the District's structure of absorbing state mandates by tipping fee revenue may not be sustainable in the future. The District has been efficient in its operations, increasing landfill capacity, while reducing its debt, while other entities may have higher overhead and operating costs and more limited landfill capacity.

Vice Chair McCloud questioned taking action adopting the Preliminary Budget without first discussing items related to personnel. Legal Counsel stated that discussion related to personnel could be undertaken in closed session as listed on the agenda.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Defer Action Until After the Closed Session with Regard to Personnel Items Related to the Adoption of the Preliminary Budget for Fiscal Year 2009/10.

5) Provide Direction to General Manager Relative to Retaining a Firm to Assist in Securing Federal Stimulus Package Funds

The Board reviewed memorandum from the General Manager regarding the feasibility of the District applying for federal stimulus funds. General Manager stated that he has spoken to knowledgeable sources on this matter, and although several proposed District projects and programs would appear to be eligible for funding, based on the criteria, the ability to qualify for the funds was unclear and uncertain. Other non county or city entities already had federal funding mechanisms in place, facilitating their ability to receive stimulus funding. The District has not received federal funds of this nature.

General Manager stated that retaining the services of an outside consultant, may increase the likelihood of securing such funds further, but some of the District's proposed projects may not be "shovel-ready", nor has the Board necessarily approved those projects. The District has also submitted several projects to be included in the County's application for stimulus funding.

The Board reviewed a proposal from Troutman Sanders Strategies (TSS) in which they would assist the District in seeking federal funding. Board discussion followed regarding the TSS proposal and the viability of the District receiving funds for any of its projects. Vice Chair McCloud inquired whether TSS could prepare a report specifically recommending which District project had weighted validity to receive funds. Legal Counsel stated that he did not believe a firm such as TSS would provide that type of service, since they were in the business of lobbying, although District staff could inquire. He suggested having a law firm specializing in stimulus funding review the District's list of projects and provide a recommendation. The Board directed staff to request that TSS include a written report relative to the viability of stimulus funding for specific District projects, in their proposal to the District.

No Action Taken.

STAFF REPORTS

6) Financial, Operating, and Recycling Reports

The financial statements for April 2009 were not provided to the Board due to the early date of the Board meeting. The total refuse for the last 12 months was 209,085 tons, down 21,192 tons or 9.2% from the 12-month period ending April 2008.

The Operating Report for April 2009 was reviewed by the Board. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) was 24,371 tons, a decrease of 2,450 tons from April 2008. Santa Cruz County delivered 4 loads, down 1,637 tons from last year. The City of Watsonville delivered 1,178 tons, up 316 tons from March 2009.

7) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal which provided a summary of Earth Day activities, collaboration with local colleges, and the District's use of new janitorial products to improve environmental performance and reduce costs. Public Education and Recycling Manager verbally reported on the Litter Abatement Task Force (LATF) meeting held on May 13th. The LATF discussed enforcement issues surrounding the scavenging of recyclables. They also agreed that another media event regarding the impact of litter would be scheduled at Windows on the Bay in Monterey within the next six months. At the LATF meeting, District staff was asked to provide the Environmentally Friendly Fast Food Packaging Model Ordinance to Monterey County city managers.

Gabriela Carbajal, with the Monterey County Environmental Health Department and coordinator for the Clean Monterey County Day event provided a preliminary report on the event. She thanked District staff for their assistance in the event in which over 1,000 volunteers participated county-wide. On the Peninsula, clean up occurred at 27 sites with over six tons of material collected. General Manager applauded the County for their efforts in conducting another successful clean up day.

8) Report on April 21, 2009 Meeting of Special Districts Association of Monterey County

Director Parker, as the District's representative, provided a report on the April 21, 2009 meeting of the Special Districts Association of Monterey County (SDAMC) where she spoke on opportunities for cities, the County, and Special Districts to work together in this difficult economy.

9) Report on State Recycling and Solid Waste Management Legislation

General Manager provided the Board with a summary of legislation, of greatest interest to the District, related to recycling and solid waste as follows:

- **AB 283 (Chesbro)** – Extended Producer Responsibility. SWANA Supports if Amended. This is a comprehensive bill that would require greater product stewardship by producers.
- **AB 479 (Chesbro)** – Solid Waste: Diversion. SWANA Opposes. This bill would increase diversion levels to 60% by 2015, requires other diversion efforts, and has considerable opposition.
- **AB 1173 (Huffman)** – Recycling: compact fluorescent lamps. Huffman's CoS Requesting SWANA Supports. This bill would create and allocate funds to establish a statewide system for take back and collection of fluorescent tubes. If certain details in the take-back provisions and fund allocations are worked out with the author, SWANA will support this bill.
- **SB 25 (Padilla)** – Solid Waste: Diversion. SWANA Opposes. This bill would require a statewide diversion rate of 60% by 2015, along with other provisions, and a \$2.13 per ton increase to the landfill tipping fee.

General Manager suggested writing letters of support for AB 283 and AB 1173 and letters of opposition on AB 479 and SB 25. Board discussion followed regarding the reasons to support or oppose and requested the General Manager provide rationale in order for the Board to consider writing letters of support for or opposition to these bills.

OTHER CORRESPONDENCE**10) Letter to Monterey County Integrated Waste Management Task Force Members RE: Appointment to the Task Force**

The Board reviewed a letter the District sent to members of the Monterey County Integrated Waste Management Task Force (MCIWMTF) asking that they ensure a representative attend the meetings of the MCIWMTF on their behalf.

GENERAL MANAGER COMMUNICATIONS

General Manager thanked Boardmembers for attending the Strategic Planning Workshop on April 29th. All Board members attended. There had been good discussion and staff appreciated the feedback received from the Board. A summary of the meeting will be provided to the Board at a future meeting.

General Manager reported that following an inquiry regarding meeting attendance reimbursement, he had provided Article 3 from the Public Resources Code for Garbage and Refuse Disposal Districts (which governs the District), that allows Board members to receive up to \$50 per meeting, but no more than \$100 per month. Several Boardmembers are appointed to other District committees and may attend more than two meetings in a month. Board discussion followed and staff was directed to review this issue further with Legal Counsel and report back to the Board.

BOARD COMMUNICATIONS

CLOSED SESSION

The Board went into closed session at 11:25 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, 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

The Board came back into open session at 11:57 a.m. Legal Counsel Wellington announced that relative to the items on the agenda, the Board received information and discussion was held. No other action was taken.

With regard to the following item:

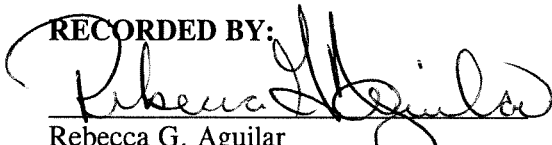
- 4) **Adopt Preliminary Budget for Fiscal Year 2009/10**

It was moved by Director Parker, seconded, and Unanimously Carried To: Adopt Preliminary Budget for Fiscal Year 2009/10.

ADJOURNMENT

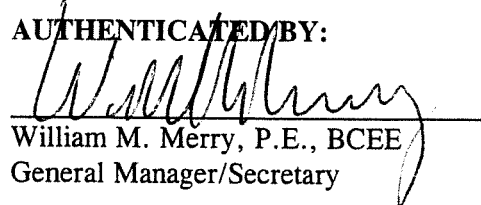
There being no further business to come before the Board at this time, the May 15, 2009 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to June 19, 2009 by Chair Laska at 11:59 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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