

BOARD OF DIRECTORS

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VICE CHAIRGARY BALES
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LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO
KRISTIN CLARKWILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEERTIMOTHY S. FLANAGAN
ASST. GENERAL MANAGERRICHARD SHEDDEN, P.E.
SENIOR ENGINEERRICHARD 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.
April 16, 2010Boardroom
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
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Bruce Delgado, City of Marina Mayor
Kristin Clark, City of Del Rey Oaks Vice Mayor

MEMBERS ABSENT: Ian Oglesby, City of Seaside Councilmember

STAFF PRESENT: William 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 and Recycling Manager Ron Mooneyham, Equipment Maintenance Manager
Harry Hunzie, Materials Recovery Facility Manager

Amber Watson, Administrative Support Specialist II
Sonia Fregoso, Administrative Support Specialist II
Kimberle Herring, Public Education Coordinator
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Charlie Cordova, Green Waste Recovery
Bob Hilton, HF&H Consultants
Rob Hilton, HF&H Consultants
Carl Niizawa, Marina Coast Water District
Matt Fore, Monterey County Environmental Health Bureau
Teresa Rios, Monterey County Environmental Health Bureau
Tom Buell, Monterey Regional Water Pollution Control Agency
Mike Niccum, Pebble Beach Community Services District
Susan Warner, Salinas Valley Solid Waste Authority
Jennifer Kirkendall
Deanna Chedsey
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and the presence of a quorum established, the April 16, 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 public communications.

CONSENT AGENDA

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

- 1) **Approve Minutes of March 19, 2010 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Declare Surplus and Authorize Disposition of District Equipment**
- 4) **Approve Revisions to Purchasing Policy**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) **Adopt Resolution 2010-02 Honoring the 40th Anniversary of “Earth Day” on April 22nd**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal recommending the Board adopt Resolution 2010-02 honoring the 40th anniversary of the first “Earth Day”, held on April 22, 1970. The memorandum also listed the various Earth Day events scheduled around the Monterey Peninsula. Public Education and Recycling Manager introduced the Bag Monster and the Bottle Beast (volunteers Jennifer Kirkendall and Deanna Chedsey, students at California State University Monterey Bay), who represented the 550 bags and 350 single-use bottles consumed, per capita, per year. The Bag Monster and the Bottle Beast read the resolution aloud. Public Education Coordinator expressed appreciation to the many volunteers that assist the District in promoting and educating the Monterey Peninsula residents.

It was moved by Director Parker, seconded, and Unanimously Carried To: Adopt Resolution 2010-02 Honoring the 40th Anniversary of “Earth Day” on April 22nd.

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

Chair Laska provided the Board with a summary of the Finance Committee meeting held on March 25th, in which staff had provided an overview of the proposed Budget for FY 2010/11. Due to the continued decrease in tonnage and the utilization of reserves, the Committee requested that staff prepare the Preliminary Budget with the inclusion of two options, a \$2.50 per ton and \$5.00 per ton increase to the District tipping fee, beginning January 1, 2011. An increase of \$2.50 per ton would increase the monthly residential garbage bill by approximately \$0.25. The Board also reviewed a draft “Fact Sheet”, which provided justification for the increase.

Board discussion followed regarding a tip fee increase. Vice Chair McCloud commented that community residents are very sensitive to any type of rate increase and she believed that any decision regarding increases should be delayed until HF&H Consultants (HF&H) could provide recommendations for alternate funding, which is due later this year. Director Parker stated that she agreed that the information from HF&H would be useful, although she also believed that the District had delayed a tip fee increase long enough and it was now necessary. Members of the Finance Committee commented that they had held detailed discussions with staff regarding the need for an increase and had reviewed several alternatives, such as reduced staffing or services. The Committee agreed that it was important to maintain the District's financial health while still providing vital services to the community. There are also many other factors such as state requirements, outside of the District's control, that increase costs. Director Delgado expressed that in comparison to other local entities, the District's tipping fees were the lowest, and although he appreciated the lower rates for the community, he also believed that at some point it was necessary to consider an increase. Vice Chair McCloud requested that staff provide information on where and how the cost savings and deferrals have been implemented.

Legal Counsel advised the Board regarding the "pass through" increases included in some of the member agencies' agreements with the franchise hauler and their ability to deny the "pass through" until the franchise hauler could provide justification for the need.

At the request of Director Downey, Finance Manager provided a brief description of how a \$2.50 to \$5.00 increase would allow for the purchase of much needed equipment and ability to make capital improvements without decreasing the District reserves and thereby decreasing the District's bond rating, which Standard & Poor's has just increased from "A" to "AA-", a significant strengthening of their opinion of the District's financial condition. A \$2.50 increase would provide an additional \$200,000 per year. Various scenarios will be provided to the Finance Committee at their April 26th meeting to determine the tip fee increase amount that will be recommended and included in the Preliminary Budget for FY 2010/11.

General Manager commented that the draft Fact Sheet outlined what a delay in implementing a tip fee increase could cause, such as further reductions to staffing levels, shortening operating hours, and reductions to services and programs, which could lead to lower recycling rates and lowered District reserves.

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

7) Award Contract to HF&H Consultants, LLC, of Walnut Creek, CA, for Phase II Franchise Agreement Procurement Strategy Work at a Cost of \$19,220

The Board reviewed a memorandum from Finance Manager Chuck Rees recommending awarding a contract to HF&H to conduct Phase II Franchise Agreement procurement strategy work at a cost of \$19,220. General Manager reminded the Board that they had approved the Phase I alternative funding work of the HF&H proposal at the March meeting at a cost of \$58,255. The Board had also directed staff to discuss additional reductions in costs with HF&H. As a result of those discussions, HF&H had offered to reduce the overall Phase I and Phase II costs from \$83,175 to \$75,975, by reducing the number of agencies surveyed in Phase I, eliminating one meeting in Phase II, and a price reduction of \$4,200 for conducting both Phases concurrently. General Manager stated that at the request of the Board, Bob Hilton of HF&H would present their approach to the Phase I work, speak to the value and timing of the Phase II work, and answer questions.

Mr. Hilton addressed the Board and stated that his intent in providing a presentation to the Board was to ensure they were comfortable in HF&H's approach on Phase I work and also to get Board input. He stated that HF&H provides services to public agencies only, not to private companies, and they would be looking at those agencies in comparison to the District. HF&H would be meeting and working with District staff to develop different alternate funding scenarios, both short and long term, and would plan to report back to the Board and the District's Strategic Planning Advisory Task Force (SPATF) prior to pursuing any one scenario. He stated that HF&H intends to provide a full report to the Board by September.

Board discussion followed regarding the Phase I and Phase II work. Director Delgado stated that he believed that surveying six agencies for the additional \$1,500 could potentially save much more long term and whether the work would include consideration of consolidation of services and functions with the franchised haulers. General Manager stated that the District is considering improvements to its Materials Recovery Facility (MRF) to meet State mandates and discussions should be held regarding franchised haulers' proposed expansions or upgrades to their MRFs. Mr. Hilton stated that the District's biggest asset was its infrastructure, property, and permits.

The Board expressed concern with Phase II work and member agencies' ability to independently decide to accept and implement HF&H recommendations. Mr. Hilton stated that consolidation of all member agencies' franchise agreements was not included in the Phase II work; the Phase II work would focus on policies, programs, facilities, and contractual considerations as well as timelines that each agency could consider in advance of the 2015 franchise agreement expiration dates.

Vice Chair McCloud inquired whether a model franchise agreement has been prepared, to which General Manager responded that staff anticipated preparing such a model during 2010. Board discussion followed regarding franchise hauler participation in the meetings of the SPATF and the potential for a conflict of interest. Director Downey stated that the SPATF had agreed that a Focus Group that would include the franchise haulers would be formed.

It was moved by Director Delgado, seconded, and Unanimously Carried To: Award Contract to HF&H Consultants, LLC, of Walnut Creek, CA, for Phase II Franchise Agreement Procurement Strategy Work at a Cost of \$19,220, and Maintain Original Proposal of Surveying Six Agencies in Phase I.

8) Authorize General Manager to Submit a Proposal in Response to Request for Proposals (RFP) from Salinas Valley Solid Waste Authority for Organics Processing, Product Marketing, and Diversion Services

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan. General Manager reported that staff had reviewed the Salinas Valley Solid Waste Authority's (SVSWA) RFP and concluded that the District could submit a competitive proposal. Staff has been notified that the SVSWA has delayed the acceptance of proposals until August because of contractual issues, but Board approval at this time would allow staff to submit a proposal when the SVSWA reissues their RFP.

Board discussion followed regarding where the services would be conducted. General Manager stated that although the RFP did not specify where the services would be performed, the District would carefully consider the best option to provide the services, within the framework of the RFP, and in the best interest of the SVSWA.

It was moved by Director Delgado, seconded, and Unanimously Carried To: Authorize General Manager to Submit a Proposal in Response to Request for Proposals from Salinas Valley Solid Waste Authority for Organics Processing, Product Marketing, and Diversion Services.

9) Approve Increase to the Monterey County Illegal Dumping and Litter Abatement Task Force Disposal Coupon Program from \$1,250 to \$2,500 Annually

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal requesting the Board to increase the annual amount of the Disposal Coupon Program from \$1,250 to \$2,500. The Disposal Coupons are used for community clean up events and for abatement of illegal dump sites. The SVSWA has allocated \$2,500 annually. The Monterey County Environmental Health Department (MCEHD) does an excellent job of managing the program from screening requests to tracking program usage.

Director Delgado inquired on the number of events and volume the \$1,250 supported. Finance Manager responded that it depended on the event and type of material collected, but perhaps two dozen events annually and 20 tons of material. Vice Chair McCloud requested that the California Highway Patrol be advised of the program.

Matt Fore of the MCEHD addressed the Board and expressed appreciation to the Board for their consideration of this item. He further stated that the franchise haulers have also contributed to this program by providing drop boxes and other equipment and the coupons are very valuable during special events such as the Annual Clean Up Day.

It was moved by Director Bales, seconded, and Unanimously Carried To: Approve Increase to Monterey County Illegal Dumping and Litter Abatement Task Force Disposal Coupon Program from \$1,250 to \$2,500 Annually.

STAFF REPORTS

10) Finance, Operating and Recycling Reports

The Board reviewed the financial statements for March 2010. The Operating Income for March was \$203,798 and \$534,676 year-to-date. The year-to-date total Operating Expenses of \$12,547,347 are below budget by \$69,153. The year-to-date Operating Revenues are \$13,082,022, and \$72,978 below budget. Refuse Accepted (excluding Regional Waste) for March increased by 2,936 tons from February and 465 tons from March 2008.

The Board also reviewed the Operating Report for March 2010. The Total Solid Waste Accepted into the site (excluding Regional Waste) during March was 25,588 tons. Regional Waste increased by 731 tons due primarily to the new contract with Scotts Valley.

11) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager reporting that the County Board of Supervisors had approved a policy to regulate and limit the use of polystyrene food packaging at their April 6th meeting. He also reported that the District had submitted an application for the Monterey County Business Council's (MCBC) Partnership Excellence Awards for the Food Scrap Compost Pilot Program and had been named in the submission of two other applications. General Manager invited the Board to attend the MCBC's luncheon on April 23rd where the award winners would be announced.

12) Update on Special District Risk Management Authority Board Member Training Classes for Calendar Year 2010 and Report on March 30, 2010 Safety Education Day

The Board reviewed a memorandum from Administrative Services Manager Rich Norton reporting on the March 30, 2010 Special District Risk Management Authority (SDRMA) Safety Education Day, which he and Directors Bales and Delgado attended. General Manager thanked Directors Bales and Delgado for their attendance which enabled the District to obtain insurance premium discounts from SDRMA for fiscal year 2009/10. The Board was also provided with list of additional SDRMA training opportunities for the remainder of 2010 for their consideration. In order to maximize savings, two Boardmembers must attend a workshop and two Boardmembers must participate in a webinar.

13) Update on District Providing Renewable Power to Regional Water Project

The Board reviewed a memorandum from Information Systems Manager Don Prescott, which provided an update on District plans to supply renewable power to a proposed regional desalination plant supporting the Regional Water Project. General Manager stated that District staff had met with staff from Marina Coast Water District (MCWD) to discuss the environmental work for the desalination plant. Carl Niizawa of the MCWD addressed the Board and provided a brief overview of the project schedule and stated this was a great opportunity for the District to provide "green" power for resource recovery projects.

GENERAL MANAGER COMMUNICATIONS


General Manager stated that Assemblyman Bill Monning would provide a presentation at the May Board meeting related to recycling, waste management, and green house gas emissions. He also reported that John Ramirez had been promoted to Director of the MCEHD following the retirement of Allan Stroh.

General Manager stated that on April 9th, he and Keith Day (District on-site composting operator) had provided a presentation to the Fort Ord Reuse Authority on the District's organic management program, including processing of greenwaste, woodwaste, food scraps and biosolids and the value of composting the material instead of landfilling it.

ADJOURNMENT

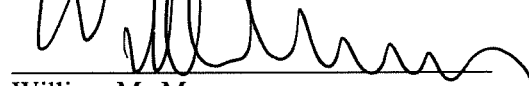
There being no further business to come before the Board at this time, the April 16, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to May 21, 2010 by Chair Laska at 11:47 a.m.

RECORDED VIA TAPE BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



William M. Merry
General Manager