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



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 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.
 May 20, 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
 Ian Oglesby, City of Seaside Councilmember
 Bruce Delgado, City of Marina Mayor
 Dennis Allion, City of Del Rey Oaks Councilmember

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

STAFF PRESENT: William Merry, General Manager
 Tim Flanagan, Assistant General Manager
 Rob Wellington, Legal Counsel
 Richard Norton, Administrative Service Manager
 Don Prescott, Information Technology Manager
 Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
 Jack Cook, Safety Manager
 Richard Pettitt, Site Manager
 Harry Hunzie, Material Recovery Facility Manager
 Ron Mooneyham, Equipment Maintenance Manager
 Rebecca Aguilar, Administrative Support Supervisor
 Kimberle Herring, Public Education Coordinator
 Sonia Haro, Administrative Support Specialist II
 Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Teri Wissler Adam, EMC Planning Group
 Charlie Cordova, GreenWaste Recovery
 Teresa Rios, Monterey County Environmental Health Bureau
 David Cariaga, Operating Engineers Business Representative
 Robert Moreno, Salinas Valley Solid Waste Authority
 Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the May 20, 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 public communications.

Emergency Agenda Item:

Chair Laska informed the Board that staff was requesting the addition of an emergency item to the agenda authorizing General Manager to send a letter of in-kind staff support to the California State University-Monterey Bay and the Monterey County Business Council, in their application to the federal Economic Development Administration (EDA) for funding in support of the *EDA i6 Green Challenge*. General Manager stated the request had been received on May 19th, and was due at the EDA by May 26, 2011. Legal Counsel stated that since this item required Board action prior to the next Board meeting, it was appropriate to add it as an emergency item, if approved by the Board.

It was moved by Director Delgado, seconded, and Unanimously Carried To: Add "Authorize General Manager to Send Letter of Support to the California State University-Monterey Bay and the Monterey County Business Council, for Federal Economic Development Administration (EDA) Funding in Support of the EDA i6 Green Challenge" as Emergency Item (E1) to the Agenda.

CONSENT AGENDA

Chair Laska requested that Item 3 be acted on separately to which the Board concurred.

Following a motion by Vice Chair McCloud, and seconded, the Board approved Consent Items 1, 2, and 4 as follows:

- 1) Approve Minutes of April 15, 2011 Regular Board Meeting
- 2) Approve Report of Disbursements
- 4) Deny Claim Against District Filed by Vladimir Grave, and Refer to Special District Risk Management Authority for Further Action

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 3) Adopt Resolution of Appreciation (2011-04) for Retiring Heavy Equipment Operator Ed Lopez

General Manager stated that Mr. Lopez had been an employee of the District for 21 years working as a heavy equipment operator. He had been dedicated and had done a great job, while maintaining an exemplary safety record.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Adopt Resolution of Appreciation (2011-04) for Retiring Heavy Equipment Operator Ed Lopez.

On behalf of the Board, Chair Laska presented Ed with the resolution. He expressed appreciation to Ed for his years of service and wished him the best in his retirement.

5) Accept Report from Finance Committee Chair on Meeting of May 4, 2011

Please refer to the enclosed memo from Chair Laska. The Committee received a presentation from Finance Manager on the preliminary budget for fiscal year 2011/12. Due to concerns by the Finance Committee regarding the proposed 1.5% cost of living adjustment (COLA) to the landfill tipping fee, staff was requested to prepare a listing of key assumptions, recommendations for use of revenue from acceptance of the regional waste resulting from the GreenWaste Recovery (GWR) agreement, and further explanations to justify capital outlay purchases.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Accept Report From Finance Committee Chair on Meeting of May 4, 2011.

6) Adopt Preliminary Budget for Fiscal Year 2011/12

The Board reviewed the Preliminary Budget for Fiscal Year 2011/12 prepared by Finance Manager and staff, which included a 1.5% cost of living adjustment (COLA) to the landfill basic tipping fee. General Manager stated that because the Finance Manager would not be at the meeting, Information Systems Manager Don Prescott would be presenting information requested by the Finance Committee on underlying budget assumptions, an overview of the budget figures, and pros and cons of related to the COLA of the landfill basic tipping fee. The Preliminary Budget for FY 2011/2012 included \$21,195,000 in Revenues, Operating Expenses of \$18,510,000, and Capital Outlay was projected at \$5,591,500.

Information Systems Manager stated that with regard to the anticipated 10-year PG&E agreement for the sale of renewable energy, the District had just been notified by PG&E that they would no longer be pursuing a Power Sales Agreement (PSA) with the District. Staff had been discussing terms and conditions for such a PSA with PG&E for the last two years, and the PSA was ready for signing by both sides. The proposed PSA would have paid the District roughly 10 cents per kilowatt hour for power produced and sold. Loss of this anticipated contract would require a downward adjustment in the budget of \$250,000. Board discussion followed regarding the loss of the agreement and District's options for the sale of the renewable energy while still ensuring its availability to the Regional Water Project (RWP), and staff will be preparing a report on options for the Finance Committee and then the Board.

Information Systems Manager reviewed with the Board a memorandum that noted key assumptions used in preparing the preliminary budget, pros and cons with adopting a COLA, benefits in paying cash for all capital purchases, with the exception of the improvements contemplated in the Facilities Plan and a new power plant to support the RWP, which staff recommended be financed. The current bonds will be paid off during 2013. Information Systems Manager stated that capital outlay purchases for the next two years would be over \$5 million each year and that staff is recommending that the majority of the revenue from the GreenWaste Recovery (GWR) regional waste, which goes directly to the landfill for disposal, would be utilized for capital outlay related to recycling, organics diversion and renewable energy production.

Board discussion followed regarding the key assumptions, level of adequate reserves, and COLA implementation related to the landfill tipping fee. Director Bales stated that the Finance Committee had

been split with regard to the COLA for the tipping fee, due to the increase in revenues resulting from the GWR agreement. He suggested deferring such a COLA for a year. Vice Chair McCloud agreed, although she believed that there were still some unknowns at this time, including items under the closed session portion of the agenda. She suggested tabling this item until after the closed session.

Board discussion continued regarding the COLA and statements were made that gradual increases to the landfill tipping fee, such as those resulting from a COLA, are preferable to larger increases made less frequently, and the need to match escalating expenses. Director Oglesby stated that the District should not rely on the GWR agreement revenue and expressed that if GWR were to exercise their five-year cancellation clause, the need and amount of a fee increase would be much higher. Chair Laska agreed that the GWR revenue was not guaranteed beyond five years, and implementing a COLA to the landfill tipping fee represented a steady funding source.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Table This Item Until After Closed Session.*

- 7) **As Part of the Five Year Review for the Monterey Regional Waste Management District Solid Waste Facility Permit:**
- a) **Adopt an Addendum to the 2004 Mitigated Negative Declaration**
 - b) **Adopt Updated Joint Technical Document for the Monterey Peninsula Landfill, Materials Recovery Facility, and Biosolids and Food Waste Composting Operations (Golder Associates, May 2011)**
 - c) **Adopt Updated Preliminary Closure and Postclosure Maintenance Plan for the Monterey Peninsula Landfill (Golder Associates, May 2011)**

The Board reviewed a memorandum from Senior Engineer Rick Shedden regarding the revisions to the Joint Technical Document (JTD) and the Preliminary Closure and Postclosure Maintenance Plan, as part of the required five year review of the Solid Waste Facilities Permit (SWFP). The review requires that any changes in design and operation in the previous five years, or any proposed changes, be documented in an updated JTD and an updated Preliminary Closure and Postclosure Maintenance Plan.

In the absence of Senior Engineer, Assistant General Manager Tim Flanagan stated that the District's Solid Waste Facilities Permit (SWFP) is one of the most significant operating permits the District is required to hold. The revised SWFP will incorporate an increase to the daily tonnage limits from 3,500 tons per day (tpd) to a weekly 6-day average of 21,000 tons and a 4,500 tpd daily peak; and an increase in the site life of the District's landfill from year 2107 to 2166. The increase in the daily tonnage allowable is a "project" under CEQA, so following Board approval, a notice will be filed starting the 30-day filing notice with the State Clearing House. Once the process is complete, all documents will be submitted to the Monterey County Health Department, as the local enforcement agency (LEA), and CalRecycle for approval.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Adopt an Addendum to the 2004 Mitigated Negative Declaration.*

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Adopt Updated Joint Technical Document for the Monterey Peninsula Landfill, Materials Recovery Facility, and Biosolids and Food Waste Composting Operations.*

It was moved by Director Oglesby, seconded, and *Unanimously Carried To: Adopt Updated Preliminary Closure and Postclosure Maintenance Plan for the Monterey Peninsula Landfill.*

8) **Receive Report on May 5, 2011 SWANA Legislative Task Force (LTF) Meeting and Approve Letter of Support for Senate Bill 568 (Lowenthal)-Polystyrene Food Containers**

General Manager reported on the May 4th LTF teleconference call. He stated that the LTF had discussed a number of bills and proposed regulatory items. AB 1178 (Ma), would prohibit local agencies from restricting or limiting in any way, the importation of solid waste into a county based on place of origin. General Manager stated that because of the timing of this bill, and after informing the Chair and Vice Chair, he had submitted a letter on behalf of the District opposing the bill on the basis of local control (see Agenda Item 14). Local control and decision-making related to recycling and waste management matters has worked better for the District than having decision-making occurring in Sacramento.

With regard to SB 568 (Lowenthal), the Board reviewed a draft letter, prepared by staff, opposing the bill. SB 568 would prohibit a food vendor or restaurant from dispensing prepared food in a Styrofoam container on or after January 1, 2014. Staff is requesting Board approval to send the letter to the Senate Environmental Quality Committee.

Board discussion followed regarding SB 568. Director Pendergrass stated that he opposed state government enforcement on local agencies, and that it was hypocritical to support AB 1178 on the issue of local control and oppose SB 568, which also allowed for local control.

It was moved by Director Downey, seconded, and Supported by Chair Laska, Vice Chair McCloud, and Directors Bales, Delgado, Downey, and Oglesby; Opposed by Directors Allion and Pendergrass To: Approve Letter of Support for Senate Bill 568 (Lowenthal) - Polystyrene Food Containers. Motion Carried.

E1. **Authorize General Manager to Send Letter of Support to the California State University-Monterey Bay and the Monterey County Business Council, for Federal Economic Development Administration (EDA) Funding in Support of the EDA i6 Green Challenge**

The Board reviewed the request from California State University-Monterey Bay (CSUMB) and the Monterey County Business Council (MCBC) for in-kind District staff support to be included in their application to the federal Economic Development Administration (EDA) for funding in support of the *EDA i6 Green Challenge*. The Board also reviewed a draft letter prepared by staff. General Manager stated that if the application is accepted by EDA, the funding would provide assistance to create a regional Green Innovation Cluster that would focus on renewable energy, energy efficiency, reuse, recycling, and green building technology. He stated that the matching staff support would be 50 hours per year for a period of two years.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize General Manager to Send Letter of Support to the California State University-Monterey Bay and the Monterey County Business Council, for Federal EDA Funding in Support of the EDA i6 Green Challenge.

STAFF REPORTS

9) **Review Finance, Operating, and Recycling Reports**

The Board reviewed the financial statements for March 2011. The financial statements for April 2011 were delayed due to the absence of key personnel. Operating Income for March was \$167,249 and

\$1,349,283 year-to-date. The year-to-date Total Operating Expenses of \$12,963,086 are below budget by \$12,664. The year-to-date Operating Revenues are \$14,312,370, above last year by \$1,266,070 and budget by \$1,048,620. Year-to-date revenue from the GreenWaste Recovery/Zanker (GWR) refuse contract is \$1,193,331.

The Board reviewed the Operating Report for April 2011. Total Solid Waste Accepted into the site (excluding Regional Waste) during April 2011 was 23,948 tons, a decrease of 2,822 tons from April 2010. Regional and Contracted Waste increased by 15,647 tons due primarily to the contract for waste from GWR.

10) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal reporting that the new Recycling Buyback Center had opened on May 10th in the Last Chance Mercantile yard. The Buyback Center, which was supported by a grant from CalRecycle, is anticipated to provide a much needed service in this area.

11) Report on Supplying Power to Regional Water Project

The Board reviewed a memorandum from Information Systems Manager Don Prescott providing an update on the Regional Water Project (RWP), along with an article from the *Monterey County Weekly* listing options that could be taken if the RWP were significantly delayed or if it failed. Staff anticipates that discussions with the Marina Coast Water District on the Power Purchase Agreement will begin in the coming weeks.

12) Summary of April 19, 2011 Meeting of Special Districts Association of Monterey County

The Board reviewed a summary on the April 19, 2011 Monterey County Special Districts Association meeting. Director Oglesby attended the meeting as the District representative.

OTHER CORRESPONDENCE

13) Letter from Monterey County Local Agency Formation Commission (LAFCO) RE: Special Districts Representation on LAFCO - Election Results

The Board reviewed a letter from LAFCO Executive Officer Kate McKenna, reporting that Mr. Steve Snodgrass, Board Chair of Pajaro/Sunny Mesa Community Services District was elected Special District Alternate member on the LAFCO Board.

14) Letter to Assembly Appropriations Committee Chair RE: Opposition to AB 1178 (Ma)

The Board reviewed a letter sent to the Assembly Appropriations Committee Chair, as discussed under Agenda Item 8.

15) Letter from Solid Waste Industrial Stormwater Partnership, Et Al. to State Water Resources Control Board RE: Comments to Draft Industrial Stormwater

The Board reviewed a letter, which the District signed on to, developed by a Statewide coalition, including the California Chapters of SWANA. The letter responds proposed regulations targeted to stormwater impacts from landfills.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that elections for the one year term of Chair and Vice Chair of the District Board would be held at the end of the June meeting. Board members who were interested in either of the positions should contact him, Chair Laska, or Legal Counsel Rob Wellington. Elections for the one year term of Chair and Vice Chair of the Monterey Regional Waste Management Authority would be held at the beginning of the annual meeting in July.

General Manager also stated that staff was working with Candy Ingram, District consultant, in preparation of the Strategic Planning Workplan, "The District 2020", resulting from the April 21st Board Strategic Planning workshop.

BOARD COMMUNICATIONS**CLOSED SESSION**

The Board went into closed session at 11:16 a.m. regarding the following:

- 1) **Conference with Property Negotiators:**
 - Property: Methane Gas in District Landfill
 - District Negotiators: William Merry, Tim Flanagan and Don Prescott
 - Negotiating Party: Marina Coast Water District
 - Terms: All Terms and Conditions
- 2) **Conference with Property Negotiators:**
 - Property: Landfill Site Space/Capacity
 - District Negotiators: William Merry and Tim Flanagan
 - Negotiating Party: County of Monterey
 - Terms: All Terms and Conditions

The Board came back into open session at 12:14 p.m. Legal Counsel announced that with regard to closed session agenda Item 1, the Board received information, and provided direction to the General Manager and Legal Counsel. With regard to closed session agenda Item 2, information was provided to the Board, and no other action was taken. With regard to:

- 6) **Adopt Preliminary Budget for Fiscal Year 2011/12**

It was moved by Director Downey, seconded, and Supported by Chair Laska, and Directors Allion, Delgado and Pendergrass; Opposed by Vice Chair McCloud, and Directors Bales, Downey, and Oglesby To: Adopt Preliminary Budget for Fiscal Year 2011/12 to Include 1.5% Cost of Living Adjustment. Motion Failed.

It was moved by Director Downey, seconded, and Supported by Vice Chair McCloud, and Directors Allion, Bales, and Downey; Opposed by Chair Laska, and Directors Delgado, Oglesby, and Pendergrass To: Adopt Preliminary Budget for Fiscal Year 2011/12 Without 1.5% Cost of Living Adjustment. Motion Failed.

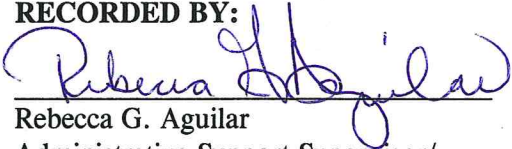
It was moved by Director Downey, seconded, and Supported by Chair Laska, Vice Chair McCloud, and Directors Bales, Delgado, Downey, Allion, and Oglesby; Opposed by Director Pendergrass To: Adopt Preliminary Budget for Fiscal Year 2011/12 Without 1.5% Cost of Living Adjustment with the Understanding That it May be Included in the Final Budget. Motion Carried.

The Final Budget will be presented for adoption in July or August, following completion of negotiations with the employee groups.

ADJOURNMENT

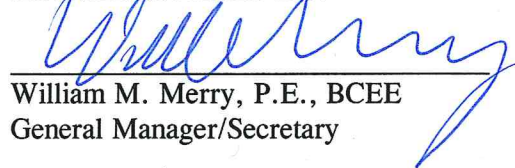
There being no further business to come before the Board at this time, the May 20, 2011 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to June 17, 2011 by Chair Laska at 12:15 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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