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# MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

*Home of the Last Chance Mercantile*

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

9:30 a.m., Friday  
November 16, 2007

Boardroom  
Monterey Peninsula Landfill  
Marina, CA

**MEMBERS PRESENT:** Leo Laska, Chair  
Sue McCloud, Vice Chair  
Gary Bales  
David Pendergrass  
Ken Gray  
Don Jordan  
Joseph P. Russell

**MEMBERS ABSENT:** Libby Downey  
Dave Potter

**STAFF PRESENT:** William Merry, General Manager  
Tim Flanagan, Assistant General Manager  
Rob Wellington, Legal Counsel  
Jack Cook, Safety Manager  
Glen Evett, Last Chance Mercantile/Household Hazardous Manager  
Harry Hunzie, Materials Recovery Facility Manager  
Jeff Lindenthal, Public Education & Recycling Manager  
Ron Mooneyham, Equipment Maintenance Manager  
Richard Norton, Administrative Services Manager  
Richard Petitt, Site Manager  
Don Prescott, Information Systems Manager  
Charles Rees, Finance Manager  
Richard Shedden, Senior Engineer  
Rebecca Aguilar, Administrative Support Supervisor  
Amber Watson, Administrative Support Specialist  
Kimberly Herring, Public Education Coordinator  
Mario Van Cleave, Power Systems Supervisor  
Steve Montgomery, Industrial Electrician/OE3 Operations Shop Steward  
Ernie Mangubat, Power Systems Technician  
Clyde Walkup, MRF Supervisor/OE3 Operations Shop Steward

**OTHERS PRESENT:** Angela Brantley, City of Monterey  
Bjorn Lundegard, City of Seaside  
Matt Fore, Monterey County Environmental Health Department  
Kathleen Lee, Monterey County Supervisorial District 5  
Tom Buell, Monterey Water Pollution Control Agency  
Jose Gamboa, Salinas Valley Solid Waste Authority  
Lewis Leader

### ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the November 16, 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.

### CONSENT AGENDA

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

- 1) **Approve Minutes of October 19, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Award Contract to R.E. Murrill/Cover-all of Sherman Oaks, CA to Supply and Install Fabric Covered Structure at the Last Chance Mercantile Yard**

### ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

#### **4) Presentation on Landfill Gas (LFG) Facility Operations and Introduction of Personnel**

General Manager stated that the District had received the Gold Excellence Award for Landfill Gas Utilization from the Solid Waste Association of North America at their annual Symposium in October. He introduced Mario Van Cleave, Power Systems Supervisor, to the Board.

Mr. Van Cleave provided the Board with a presentation on the Landfill Gas (LFG) Facility Operations, which generates 4.6 megawatts of renewable power and enough electricity to power 4,600 homes. He also introduced LFG facility employees and thanked them for all of their efforts. Mr. Van Cleave highlighted the various steps that are taken in order to monitor environmental and safety compliance, while carrying out the day-to-day operations of the plant.

General Manager acknowledged LFG staff for their dedicated efforts to keep the project running so successfully, while reducing greenhouse gas emissions and bringing in nearly \$2 million in annual revenues for the District.

Board discussion followed regarding warning systems if gas leaks occur, current safety and security measures, and the impacts resulting from the implementation of AB 32, which requires the reduction of greenhouse gas (GHG) emissions. General Manager stated the bill targeted landfills as one of the prime emitters of GHG.

Staff believes the District's landfill emissions are significantly reduced by the LFG collection and control system. District staff is exploring options for operation of the LFG facility, including a partnership with an entity that would operate the project while still providing revenue to the District. Vice Chair McCloud requested staff to adequately compare revenue versus expenditure to ensure the District received the maximum revenue possible from the project. Director Russell inquired whether the agreements for acceptance of regional waste included provisions for potential GHG emission regulations changes. General Manager responded that such provisions were included in the agreement, to address future regulatory changes.

Chair Laska thanked Mr. Van Cleave and his staff on behalf of the Board for a job well done.

*No Action Taken.*

**5) Authorize Issuance of Request for Proposals for Compensation Study for Management Employees**

The Board reviewed a memorandum from Administrative Services Manager Rich Norton regarding conducting a compensation study as required by the current memorandum of understanding for the management unit.

Jeff Lindenthal, Public Education and Recycling Manager, representing the Management employees requested that the Board postpone any action on this item until after the upcoming negotiations were initiated.

**It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Table Agenda Item 5 Until After the Closed Session.**

**6) Consider Adoption of Punitive Measures for Non-Compliance with District's Hazardous Materials Policy and Upgraded Waste Screening Program**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding the District's Hazardous Materials Policy and Upgraded Waste Screening Program and implementation of punitive measures for customers who have not responded to the District's request for a signed certification. General Manager stated these measures were in response to Board action taken at the October meeting upgrading the District's waste screening program. Legal Counsel stated that after careful consideration and discussion of several punitive measures, the simplest way to deal with non-compliance may be loss of access to District facilities until the certification is signed. The District would give those customers plenty of advance notice that the District intends to adopt a mandatory policy and that the certification needed to be signed.

Director Bales expressed concern regarding those customers being turned away at the scales and the potential for illegal dumping to occur. Legal Counsel responded that the District was only requesting charge account customers to sign the certification since they used the District facilities frequently and it would not be in their best interest not to comply. Vice Chair McCloud requested that the customer notice include language stating that other customers have signed the certification. Director Gray commented that the delay could be because the certification had to reach the person authorized to sign it. Legal Counsel stated the notification could contain language that the certification should be forwarded to the authorized person and that the customer should notify the District if additional time was needed in order to obtain a signature.

General Manager stated he and Public Education and Recycling Manager had appeared before the Monterey Bay Unified Air Pollution Control District (MBUAPCD) Technical Advisory Committee (TAC) on November 1<sup>st</sup>, to request removal of their Rule 424 exemption which exempts single family residences from a requirement to inspect for asbestos containing material (ACM) prior to demolition. A quorum was not present

for the TAC meeting, so it will be heard again when the TAC meets on February 8, 2008. General Manager stated MBUAPCD staff seemed to be disinclined to remove the exemption because of the cost involved to administer such a program and the cost to the homeowner.

Board discussion continued regarding the notification process and the pros and cons of a public outreach program.

**No Action Taken.**

**7) Adopt Recommendations of Ad Hoc Finance Committee**

The Board reviewed a memorandum from Chair Laska, which summarized the October 25<sup>th</sup> meeting of the Ad Hoc Finance Committee and contained a set of recommendations related to District finances. Chair Laska commented the meeting had been very productive.

As explained in the memorandum, and as part of the recommendations related to District finances, District staff would be meeting with city managers and other stakeholders to discuss matters related to declining tonnages, declining revenue, and impacts on District recycling programs when Peninsula wastes are disposed at other landfills in the region. Staff would also be requesting Board approval to increase several miscellaneous fees on the MRWMD Waste Disposal Fee Schedule, scheduled for discussion under Item 8.

General Manager stated that as outlined in the recommendations, District staff could assist member city's staff with hauler franchise contracts, including enhancing recycling and diversion programs for residents and commercial accounts in an effort to more efficiently administrate the contracts. District staff was directed to create a matrix of member cities showing the expiration dates for the hauler contracts.

Director Russell commented he was glad the Committee was not supportive of increasing rates above the scheduled increases on January 1, 2008 to \$45 per ton, but rather recommended trimming expenses to match revenues. Chair Laska added that the committee had discussed this issue in great detail and would only consider an increase as a last resort and after all other alternatives had been considered. Director Gray commented that it was the committee's intent to hold rates at the current level, currently \$43 per ton, but that might not be possible given the current circumstances.

**It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Adopt Recommendations of Ad Hoc Finance Committee.***

**8) Schedule a Public Hearing for December 21, 2007 to Consider and Approve Miscellaneous Tipping Fee Increases Effective January 1, 2008**

The Board reviewed a memorandum from Information Systems Manager Don Prescott outlining the reasons and need for the miscellaneous fee increases. As outlined in the memorandum, the fee increases are needed to cover the increased costs for services which have occurred over the last several years, and will generate approximately \$500,000 in additional revenues annually for the District.

Vice Chair McCloud requested that in consideration of the holidays, the public hearing be postponed until January. Director Bales stated he had recently communicated to the Pacific Grove City Council information regarding fee increases approved in 2005, and following receipt of his letter, the City had requested he

provide them with timely information regarding any future fee increases. Although he realized these fee increases were for special handling, he requested District staff to send a letter to the cities notifying them of the proposed increases. He further requested that staff clearly state these were not tipping fee increases, but rather increases pertaining to items which required special processing or handling and would only apply to customers requiring the service. Director Bales also requested that District staff offer to appear before the city councils to provide additional information. He inquired from Legal Counsel if the District needed to provide the cities with information justifying the proposed increases. Legal Counsel responded the increases were not subject to Proposition 218 requirements, but there was a government code section that stated that the fee could not exceed the cost of providing the service. Director Russell inquired whether staff had this information. General Manager responded that although it is difficult to quantify costs for some of the items, staff had developed such costs and the need for such increases.

Legal Counsel advised the Board that the franchised haulers were not always paying attention to their contracts with the cities and it would be prudent for city staff to review the contract provisions to ensure that the haulers were in compliance in providing services to the cities.

***It was moved by Director Russell, seconded, and Unanimously Carried To: Schedule a Public Hearing for January 18, 2008 to Consider and Approve Miscellaneous Fee Increases Effective February 1, 2008; and Direct Staff to Contact Member Jurisdictions and Offer to Provide Presentation Regarding Increases.***

**9) Approve Draft Annual Report for Fiscal Year 2006/2007**

The Board reviewed the Draft Annual Report for Fiscal Year 2006/2007. General Manager commended Public Education and Recycling Manager Jeff Lindenthal and Public Education Coordinator Kimberle Herring, for their combined efforts in preparing the report, with assistance from many staff members.

***It was moved by Director Bales, seconded, and Unanimously Carried To: Approve Draft Annual Report for Fiscal Year 2006/2007.***

**10) Approve Revisions to District Guiding Principles for Acceptance of Regional Waste**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding acceptance of regional waste for disposal from the City of Watsonville and its impact on the District's Guiding Principles for Acceptance of Regional Waste. The revisions would be to include the City of Watsonville, and to accept delivery from packer-style collection vehicles in addition to large semi-tractor trailer transfer vehicles.

Assistant General Manager stated the additional waste would enhance revenue and that the agreement was similar to the agreement negotiated with the County of Santa Cruz, and although the City of Watsonville did not have a transfer station, they had adopted a 75% recycling goal for the city. The use of packer-style collection vehicles would not impact local roadways or the District's current Facilities Permit since it was anticipated that only 4 to 10 loads would be brought in per day.

Board discussion followed regarding the terms of the agreement. Director Russell stated the District needed to be consistent in terms of rationale regarding waste flow and increased traffic.

***It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Approve Revisions to District Guiding Principles for Acceptance of Regional Waste.***

**11) Approve Agreement with City of Watsonville to Accept Waste for Disposal**

As discussed in Item 10, and as per the memorandum from Assistant General Manager Tim Flanagan, staff was requesting the Board to approve an agreement with the City of Watsonville to deliver 10,000 to 30,000 tons of waste for disposal which would generate between \$270,000 and \$810,000 in annual gross revenue.

Legal Counsel stated the agreement was basically the same agreement approved with the County of Santa Cruz.

**It was moved by Director Gray, seconded, and Unanimously Carried To: Approve Agreement with City of Watsonville to Accept Waste for Disposal.**

**12) Authorize Letter of Intent to Pursue Regional Discussions with Santa Cruz County and the Salinas Valley Solid Waste Authority related to Management of the Organic Portion of the Waste Stream**

The Board reviewed a memorandum from Assistant General Manager requesting authorization from the Board to send a Letter of Intent to pursue regional discussions, related to the management of organic material, with the Salinas Valley Solid Waste Authority and the County of Santa Cruz. Composting organic fractions of the waste stream, including food wastes, was particularly challenging since developing a local market for the resale of the finished material would be difficult and there would need to be sufficient volume to make the project economically feasible. Combining the organic portions of the waste stream in a central composting operation could be in everyone's best interest. Each entity would need to commit to return the finished compost back to their city/community. Staff anticipates coming back to the Board early in 2008 requesting authorization to issue a request for proposals.

**It was moved by Director Gray, seconded, and Unanimously Carried To: Authorize Letter of Intent to Pursue Regional Discussions with Santa Cruz County and the Salinas Valley Solid Waste Authority related to Management of the Organic Portion of the Waste Stream.**

**13) Review Financial Reports and Quarterly Review of 2007/2008 Fiscal Year Budget**

The Board reviewed the financial statements for September and October 2007. Operating Income was \$107,000 and \$271,000, respectively. The year-to-date total Operating Income, Expenses, and Revenue are below budget levels at \$778,000, \$5,291,000, and \$6,070,000, respectively.

The Board also reviewed a memorandum from Finance Manager Chuck Rees summarizing the first quarter finances through September 2007. Finance Manager stated staff was working hard to minimize expenses and in reviewing operations in order to reduce costs. He stated that tonnage continues to decline and that historically the first quarter of the fiscal year was better than the second quarter due to the reduction in daylight hours and increased inclement weather.

General Manager commended the Finance Manager for all of his efforts in balancing his heavy work load with the District finances, especially during recent financial constraints. General Manager also commended Finance Manager for preparing the October financial statements in time to them into the Board packets.

**No Action Taken.**

**14) Receive Safety Committee Minutes of October 18, 2007**

The Board received the Safety Committee Minutes of the October 18, 2007 meeting.

*No Action Taken.*

**STAFF REPORTS****15) Operating and Recycling Reports**

The Board reviewed the Operating Report for October 2007. Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County) during October 2007 was 29,260 tons, an increase of 1,741 tons from September and down 3,176 tons, or (9.8%) from October of last year. The tonnage from Santa Cruz County was 1,721 in October.

**OTHER CORRESPONDENCE****16) Letter from the Department of Conservation (DOC) RE: Beverage Container Recycling and Litter Reduction Grant Award**

The Board reviewed a letter from the DOC notifying that the District's grant application had been selected for funding based on technical merit.

**17) Letter from Director Bales to Pacific Grove City Manager RE: MRWMD Rate Increases**

The Board reviewed a letter Director Bales sent to the Pacific Grove City Manager in response to an inquiry from the City Manager related to the District's tipping fee increases adopted in early 2005.

**18) Letter to FORA Administrative Committee RE: MRWMD Joint Powers Agreement**

The Board reviewed a letter sent to the Fort Ord Reuse Authority (FORA) on October 12, 2007 requesting the opportunity to speak to the FORA Board regarding provisions of the Monterey Regional Waste Management Authority Joint Powers Agreement related to waste flow. General Manager stated he had appeared on October 31<sup>st</sup> before the FORA Administrative Committee and had addressed the matter of waste traveling outside of the waste shed and requested that member agencies work together to uphold the agreement provisions for waste flow and support of the District's infrastructure for waste management. Assistant General Manager had also appeared before the full FORA Board on November 9<sup>th</sup> with the same request. As a result, the City of Marina had volunteered to take the lead to organize a community meeting involving FORA member agencies, developers and other stakeholders in the community.

**19) Letter to Salinas Valley Solid Waste Authority RE: Proposed Meeting**

The Board reviewed a letter sent to the Salinas Valley Solid Waste Authority (SVSWA) on October 31, 2007 requesting a meeting of the SVSWA and the District to discuss matters of mutual interest related to recycling, waste disposal, and future plans for regional waste management. General Manager stated Steve Johnson, General Manager for SVSWA, had agreed in holding such a meeting, which would include Chair Laska and Director Bales, and to schedule it in the near future.

### GENERAL MANAGER COMMUNICATIONS

General Manager stated the Monterey County Weekly (November 1, 2007 issue) had contained a nice article regarding the seagull population at the landfill and various means to control them.

General Manager also reminded the Board that the District's annual employee awards and recognition luncheon, would follow the December 21<sup>st</sup> Board meeting and invited all Board members to attend.

### BOARD COMMUNICATIONS

The Board reviewed a memorandum from Directors Bales and Jordan summarizing their attendance at SWANA's WasteCon, October 2007 in Reno.

### CLOSED SESSION

The Board went into closed session at 11:14 a.m. regarding the following:

- 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
  - a) Don Prescott v. Monterey Regional Waste Management District, et al.  
Monterey County Superior Court Case No. M75658
- 3) Personnel Matter
  - a. Public Employee Performance Evaluation: General Manager

The Board came back into open session at 12:08 p.m. Legal Counsel Wellington announced that on Closed Session Item 1, the Board received information and direction was given, with no other action taken. On Open Session Agenda Item 5, a motion had been made to continue this item, at the request of the management staff, until negotiations begin. On Closed Session Item 2, the Board received information that this matter had been resolved.

Legal Counsel continued that on the matter of Closed Session Item 3, lengthy discussion had been held. Chair Laska stated the Board had reviewed the General Manager's goals and requested he periodically provide the Board with updates. Going forward, the Board reiterated that it had strong concerns related to finance issues and requested the General Manager to continue to have it be one his primary concerns and continue to put forth extra effort in that regard.

**It was moved by Director Jordan, seconded, and Unanimously Carried To: Authorize a 5% Salary Adjustment for the General Manager Effective January 1, 2008.**

**It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Request a Staff Report and Recommendation Regarding Assistant General Manager's Salary.**

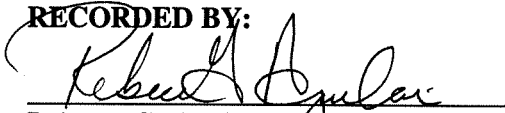
**It was moved by Director Bales, seconded, and Unanimously Carried To: Accept General Manager's 2008 Goals.**



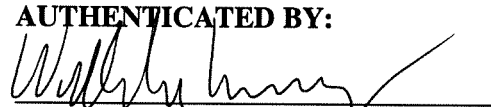
**ADJOURNMENT**

There being no further business to come before the Board at this time, the November 16, 2007 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 21, 2007 by Chair Laska at 12:13 p.m.

**RECORDED BY:**

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

**AUTHENTICATED BY:**

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