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# MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

*Home of the Last Chance Mercantile*

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.  
October 15, 2010

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 (Seated at 9:42 a.m.)  
Kristin Clark, City of Del Rey Oaks Vice Mayor

**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 Services Manager  
Chuck Rees, Finance Manager  
Don Prescott, Information Systems Manager  
Richard Petitt, Site Manager  
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager  
Harry Hunzie, Materials Recovery Facility (MRF) Manager  
Jeff Lindenthal, Public Education & Recycling Manager  
Jack Cook, Safety Manager  
Ron Mooneyham, Equipment Maintenance Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Amber Watson, Administrative Support Specialist II  
Kimberle Herring, Public Education Coordinator  
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

**OTHERS PRESENT:** Angela Brantley, City of Monterey  
Graciela Cabada, CSU-Monterey Bay Student  
Jorel Madiera, CSU-Monterey Bay Student  
John Singer, CSU-Monterey Bay Student  
Susan Morse, CSU-Monterey Bay Business Instructor  
Charlie Cordova, GreenWaste Recovery

**OTHERS PRESENT:** Bob Hilton, HF&H Consultants  
**(continued)** Matt Fore, Monterey County Environmental Health Bureau  
Tom Buell, Monterey Regional Water Pollution Control Agency  
Suha Kilic, Pebble Beach Community Services District  
Dave Meza, Salinas Valley Solid Waste Authority  
Felipe Melchor, Waste Management, Inc.  
Lewis Leader

### ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and the presence of a quorum established, the October 15, 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

District Public Education and Recycling Coordinator, Kimberle Herring, introduced CSUMB Instructor Susan Morse, who was touring the site, along with a class of her Business Economic students.

### CONSENT AGENDA

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

- 1) **Approve Minutes of September 17, 2010 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Extended Leave of Absence for District Employee**

### OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 4) **Receive Presentation from HF&H Consultants On Alternative Funding Strategies and Update on Regional Cooperation, and Provide Direction to Consultant**

As part of the presentation, and in preparation for discussion, the Board received a memorandum from HF&H Consultants (HF&H) summarizing the results of a funding strategy survey of six other agencies throughout California, along with a summary of the feedback received from the District's Strategic Planning Advisory Task Force (Task Force) regarding regional cooperation opportunities. General Manager stated that Bob Hilton of HF&H would provide a preliminary report on alternative funding strategies, answer any questions, and take input from the Board that would be incorporated into a final report for presentation at the December Board meeting.

Mr. Hilton addressed the Board and stated that the District's disposal-based funding for reduction, reuse and recycling strategies were not sustainable with the current decline in incoming refuse tonnage. He stated that the initial strategy for financing the recycling and other programs was to educate the public, but he believed that the public was now aware that recycling programs cost money. One of the problems with disposal-based funding is that as diversion has increased, revenue has decreased, translating into higher tip fees in an effort to recover lost revenue. This has created the need to look at alternative funding strategies.

Mr. Hilton stated that HF&H, working with staff and the Task Force, had identified alternate funding options in an effort to address the problem by aligning the funding sources in a sustainable way, which requires diversification of the funding sources. He listed District programs that are funded from tip fees, such as the Materials Recovery Facility (MRF) operations, the Household Hazardous Waste (HHW) operations, public education and outreach, and the Last Chance Mercantile. All options that were identified were listed, and listed as *Short Term* and *Long Term*, prior and post 2015, and in the categories of *Funding*, *Organizational*, and *Operational*.

*Short Term Funding* options included a surcharge on loads with high recyclable content, doubling the per ton tipping fee to encourage diversion, a surcharge on collection rates, and charging for recycling. *Long Term Funding* options included land lease for related uses (e.g. collection yard), county-wide parcel tax to cover HHW costs, member agency business license fees to cover commercial outreach/recycling costs, sales tax to cover education/outreach costs, and advanced disposal/recycling fees to cover HHW costs.

*Short Term Organizational* options included establishing disposal & flow control arrangements with member agencies, and flow-control construction and demolition (C&D) material through member agency C&D ordinances. *Long Term Organizational* options were to define the District's role in diversion for member agencies, establish regional AB 939 agency & fees, consolidate franchising with District, franchise fee from collection contractor to District, and contract administration fees from collection contract(s).

*Short Term Operational* options included market excess landfill capacity regionally as the District is doing, and market recyclables processing/composting capacity regionally, which is feasible since the District already has the permits in place. *Long Term Operational* options included develop and market conversion technologies, develop and market clean fueling station (CNG/LNG), develop green energy park, provide infrastructure to process commercial & multi-family waste, and regional take-back ordinances on HHW.

Mr. Hilton stated that the survey of other agencies' funding strategy was taken to see what other agencies were doing. The Task Force survey feedback was also helpful, although there was no unanimity. He believed this may have been because the Task Force needed more information or was looking at the information from the cities viewpoint instead of the District's regional viewpoint. There was fairly wide support for the development of "green energy" at the District's site, leasing space at the District site for related uses such as vehicle parking, maintenance, container storage, and/or administrative building site for a future collection service provider, and marketing the District's landfill capacity and organics/recyclables processing for regional waste. There was also consensus to continue to explore flow control agreements with member agencies to improve recycling and the flow of C&D materials to the District facilities. He provided information on other feedback received and asked for the Board's input regarding the options in order to prepare the final report on alternative funding strategies for the December meeting.

Mr. Hilton shared with the Board the discussions on regional cooperation which had consisted of three elements - trends and opportunities in infrastructure, programs, and policies; franchise agreement business terms; and permanent strategies. He believed there was a benefit for member agencies to work together to improve the terms of the existing agreements and also a benefit of having consistent, not necessarily identical, business terms and arrangements in the agreements. Individual member agencies would retain flexibility for specific, unique needs. He stated that there was broad support for looking at infrastructure planning, in terms of what types of facilities and programs are needed over the next 10-15 years to respond to regulatory changes as well as the needs of the community, and what the role of the District was versus the role of others in providing those needs. He stated that it was very important for member agencies to not enter into any contract extensions as it might compromise the ability to consider other alternatives.

Board discussion followed regarding the presentation and the list of options. Director Delgado inquired about the waste flow commitment in connection with the JPA bonds. District Legal Counsel stated that prior to issuing the bonds, JPA member agencies committed to bring waste collected by the franchise haulers to the District site. General Manager stated that although flow control applied to franchise hauler agreements, a broader definition of flow control, to include C&D and organic waste, would be beneficial to support the existing, and any future, improvements to infrastructure. Vice Chair McCloud expressed concern with the possibility of reduced waste after 2013 in connection with the Regional Water Project and the District's commitment to provide the renewable power. Several Board members expressed concern over certain items on the list and the ability to provide input to HF&H without further discussion of those items. Discussion continued regarding the best way to discuss and provide timely input. It was the Board's consensus to start the November Board meeting at 9 a.m. and extend the meeting until 1 p.m. to allow time for discussion on this item. HF&H will attend the November and December Board meetings to participate in the discussions.

No Action Taken.

**5) Accept Report on September 15, 2010 Strategic Planning Advisory Task Force Meeting**

The Board reviewed the minutes from the September 15<sup>th</sup> Strategic Planning Advisory Task Force meeting. The meeting was the last meeting scheduled prior to HF&H completing their work for 2010 and presenting their final report to the Board at their December meeting.

**6) Reduce the Scheduled Increases to the Solid Waste (Basic Rate) Tipping Fee from \$5.00 to \$0.75 Per Ton, and to the Greenwaste Tipping Fee from \$3.00 to \$0.50 Per Ton, Resulting in a New Solid Waste Tipping Fee of \$47.00 Per Ton and a New Greenwaste Tipping Fee of \$23.00 Per Ton, Effective January 1, 2011**

The Board reviewed a memorandum from Finance Manager Chuck Rees, along with an estimated Cash Statement Summary, which included deliveries of regional waste for disposal, since September 13<sup>th</sup> through the year 2015, as anticipated from the recently executed GreenWaste Recovery (GWR) agreement. General Manager stated that the Finance Committee had considered this matter because of the additional \$1.6 million of guaranteed revenue from the GWR agreement, and recommended that the scheduled increases to the solid waste (basic rate) tipping fee and the greenwaste tipping fee, be reduced from \$5.00 to \$0.75 per ton and from \$3.00 to \$0.50 per ton, respectively. General Manager also explained that traditionally the greenwaste rate has been half of the solid waste rate in an effort to incentivize greenwaste recycling.

Board discussion followed regarding the reasoning of rolling back the Board-approved tipping fee increases. Director Delgado expressed that it seem that the District had been very frugal in recent years and the additional revenue could be utilized to initiate repairs and capital outlay expenditures that had been delayed. General Manager stated that future tipping fee adjustments will be considered further during preparation of the Fiscal Year 2011/2012 Budget and that staff had indicated that the District could hold off for one year prior to the Board approving the \$5 increase.

Felipe Melchor, General Manager for Waste Management, Inc (WMI), addressed the Board and stated that WMI is supportive of the \$0.75 tip fee increase and stressed that it was important to know the Board's decision soon in order to notify the member agencies in a timely manner (i.e., a 90 day notice).

**It was moved by Director Delgado, seconded, and Unanimously Carried To: Reduce the Scheduled Increases to the Solid Waste (Basic Rate) Tipping Fee from \$5.00 to \$0.75 Per Ton, and to the Greenwaste Tipping Fee from \$3.00 to \$0.50 Per Ton, Resulting in a New Solid Waste Tipping Fee of \$47.00 Per Ton and a New Greenwaste Tipping Fee of \$23.00 Per Ton, Effective January 1, 2011.**

**7) Accept Report from Personnel Committee Chair on Meeting of October 4, 2010**

The Board reviewed a memorandum from Chair Laska summarizing the October 4<sup>th</sup> ad hoc Personnel Committee meeting.

**It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Accept Report from Personnel Committee Chair on Meeting of October 4, 2010.**

**STAFF REPORTS****8) Review Finance, Operating, and Recycling Reports**

The Board reviewed the financial statements for the months of June, July, and August. August year-to-date Operating Income is \$302,288. The August year-to-date Total Tipping Fee Revenue was \$2,163,528 (0.6% above budget) and Total Operating Expenses were \$2,793,393.

The financial statements for September 2010 were not available due to the early date of the meeting, although the Total Tipping Fee revenue is projected to be \$1,120,000 or \$70,000 above budget due to the new regional waste contract with GWR. Staff reported that Hayashi & Wayland will present the annual audit for Fiscal Year 2009/10 at the November Board meeting.

The Operating Report for September 2010 was reviewed by the Board. The Total Solid Waste Accepted into the site (excluding regional waste) was 24,334 tons. Regional Waste tonnage increased by 5,294 due primarily to the GWR contract.

**9) Report on Public Education, Recycling and Litter**

The Board reviewed a memorandum from Recycling and Public Education Manager Jeff Lindenthal. District staff has been busy with public outreach, particularly in the hospitality community. The latest calculations of the AB 939 Recycling Rates through 2009 were provided to the Board, using the new SB 1016 annual per capita disposal rates for each jurisdiction. District member agencies are successfully achieving diversion rates of approximately 65% to 70%. Recycling and Public Education Manager also reported that a local screening of the film "Bag-It" is scheduled for November 19<sup>th</sup> at the Golden State Theatre. He also provided a summary of local efforts to promote more convenient drop off of expired prescription drugs.

The Board also reviewed an article from the *Monterey County Weekly* on the Salinas Valley Solid Waste Authority's (SVSWA) intention to select a vendor to construct and operate the first commercial scale conversion technology plant in the U.S., at a cost in the range of \$100 million. The project developer stated that those costs would not be applied to local rate payers, but rather recovered from the sale of energy and fuel produced.

**10) Report on Regional Water Project**

The Board reviewed a memorandum from Information Systems Manager Don Prescott, in which he reported that the Memorandum of Understanding for support of the Regional Water Project has been signed by three of the four agencies. The Monterey County Water Resources Agency would be considering the matter at their October meeting.

**11) Report on SWANA Legislative Task Force (LTF) and Legislative Update**

General Manager provided the Board with summaries of End of Session Legislation, Product Stewardship Laws passed for Paint (AB 1343) and Carpet (AB 2398), Climate Change Legislation, and of the US House, H.R. 5809-the Safe Drug Disposal Act of 2010. He mentioned that several communities around the state are preparing ordinances to ban single-use bags, or to place a fee upon them, in response to the defeat of AB 1998 due to lack of support in the State Senate.

General Manager also reported that the LTF would hold their annual Workshop in Sacramento on November 5<sup>th</sup> and 6<sup>th</sup> and would be meeting with senior level CalRecycle staff. The LTF will also be preparing a Workplan for 2011 at the workshop.

**12) List of Landfill Terminology**

The Board was provided with a list of various terms used by the solid waste industry and by District staff.

**OTHER CORRESPONDENCE****13) Letter to Monterey County Planning Director RE: Support for Inclusion of 1,000 Foot Landfill Buffer Zone in Monterey County General Plan**

The Board reviewed a letter sent to the Monterey County Planning Director, at the direction of the Board following their September meeting. Staff learned that at their deliberations in late September, the Board of Supervisors changed the word "may" to "shall" in reference to establishing a buffer zone around active landfills in the county, within which residential development would be restricted or prohibited.

**14) Letter from Solid Waste Industry Group (SWIG) to CalRecycle Project Manager RE: Proposal for Best Management Practice (BMP) Covering Seismic Events in Site-Specific Non-Water Quality Corrective Action Plans**

The Board reviewed a letter from the Solid Waste Industry Group (SWIG) to CalRecycle Project Manager regarding the Proposal for Best Management Practice (BMP) Covering Seismic Events in Site-Specific Non-Water Quality Corrective Action Plans. As reported at the September meeting, the State is preparing new regulations that would significantly increase the design criteria the State would apply in reviewing financial assurance reports for landfills. This increased design standard could be very costly to each landfill operator to conduct the studies and to prepare the engineering studies, if adopted. The SWANA LTF joined as a signatory to the letter and District staff concluded it would be in the District's best interest to do the same.

**GENERAL MANAGER COMMUNICATIONS**

General Manager reported that the Pebble Beach Community Services District, in cooperation with their hauler, Waste Management, Inc. (WMI), Phillips Services Corporation (PSC), and District staff, had carried out another successful annual one day HHW collection event. He also reported that the quarterly meeting of the Special District Managers would be held on October 19<sup>th</sup> at the District's administrative offices, with a tour of the District operations immediately following the meeting.

**BOARD COMMUNICATIONS**

Director Downey expressed concern regarding the expensive conversion technology development project the SVSWA is proposing to undertake and stated that it may be advisable for mutual Board members to meet to discuss options. Chair Laska stated that it is very difficult to meet if the SVSWA is not available and if they desire to move forward with any project, it is their decision to make.

**CLOSED SESSION**

The Board went into closed session at 11:30 a.m. regarding the following:

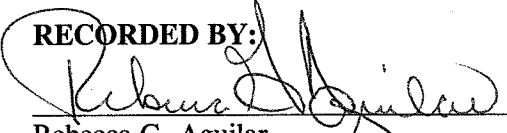
- 1) Personnel Matter
  - a. Extended Leave of Absence for District Employee
- 2) Conference with Labor Negotiators:  
District Negotiators: William Merry, Richard Norton, and Tim Flanagan  
Employee Organizations: Operating Engineers, Hourly Represented Unit, and Management Employees

The Board came back into open session at 12:17 p.m. Legal Counsel announced that Item 1 had not been discussed as action had been taken in open session. With regard to Item 2, the Board had received information from staff and the consultant, and provided direction to the negotiators. No other action was taken.

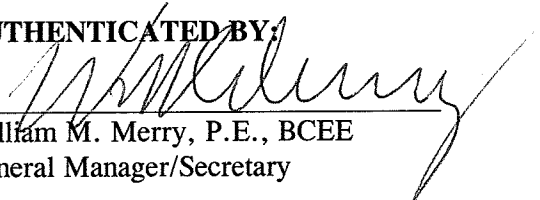
**ADJOURNMENT**

There being no further business to come before the Board at this time, the October 15, 2010 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to November 19, 2010 by Chair Laska at 12:18 p.m.

**RECORDED BY:**

  
Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

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