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DISTRICT ENGINEER

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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

9:30 a.m., Friday
September 21, 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
Libby Downey (absent from 10:06 to 11:00 a.m.)

MEMBERS ABSENT: Dave Potter

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Glen Evett, Last Chance Mercantile/Household Hazardous 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
Clyde Walkup MRF Supervisor/OE3 Operations Shop Steward
Genaro Jaurrietta, Laborer II, SEIU Shop Steward
Randy Evanger, Heavy Equipment Supervisor
Chauncey Hendley, Heavy Equipment Operator
Ed Lopez, Heavy Equipment Operator
Curtis Marshall, Maintenance Supervisor
Ted Melicia, Senior Maintenance Worker
Alejandro Montejano, Laborer II
Beverly Morris, Maintenance Worker II

OTHERS PRESENT: Angela Brantley, City of Monterey
Matt Fore, Monterey County Environmental Health Department
Kathleen Lee, Monterey County Supervisorial District 5
Tom Buell, Monterey Regional Water Pollution Control Agency
David Cariaga, Operating Engineers Local 3
Craig Anthony, Pebble Beach Community Services District
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the September 21, 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 Director Pendergrass, and seconded, the Board approved the following actions:

- 1) **Approve Minutes of August 17, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Declare Surplus Property and Authorize Disposition of District Equipment**
- 4) **Authorize Purchase of Office Equipment at a Cost of \$14,245.35 from Peninsula Business Interiors of Salinas**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) **Presentation by Staff on Landfill Operations and Introduction of Heavy Equipment Operators and Site Personnel**

The Board received a presentation from Site Manager Richard Pettit on site operations. Employees representing the landfill, sand pit, scales, landfill gas collection system, and miscellaneous site operations were shown while performing their duties in the various operations. Many employees from those operations were present at the meeting and were introduced to the Board.

Chair Laska thanked all of the employees, on behalf of the Board, for the fine work they perform and for their dedication in carrying out their duties.

No Action Taken.

- 6) **Authorize Issuance of Request for Proposals from Contractors to Provide Services Related to the Excavation and Marketing of Sand at the District's Site**

The Board reviewed a memorandum from Senior Engineer Rick Shedden requesting Board approval to issue a Request for Proposals (RFP), to provide long-term services related to the excavation and marketing of sand.

General Manager explained the District needed assistance in marketing the surplus fill sand in order to move it as efficiently as possible to make room for future landfill modules. Sand sales have dropped off over the last several years. Staff projects that an average of 250,000 tons of sand per year needs to be moved over the next nine years in preparation of Landfill Module 6. Export volumes have dropped to approximately 130,000 tons per year. If the annual volume of sand exported does not keep pace with the need for removal, the District could be faced with the cost of double handling the material, or loss of valuable landfill capacity.

Board discussion followed regarding sand sales reductions, contract language and negotiation. General Manager responded there were no clear singular reasons why sand sales have dropped; however, construction activity has recently decreased, which is primarily where the sand is used. Staff anticipates bringing a recommendation of a firm to the December meeting. The Board expressed concern that such a partnership with a firm may have an impact on revenues historically received from the sand operation. Staff replied that the primary goal was to move sand to create future landfill space, but that revenues were anticipated as part of the agreement.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Issuance of Request for Proposals for Services Related to the Excavation and Marketing of Sand at the District's Site.

7) Authorize Issuance of Request for Proposals for Classification and Compensation Study for Management Employees

Chair Laska asked that this item be tabled until after the closed session.

It was moved by Director Downey, seconded, and Unanimously Carried To: Table this Agenda Item Until After the Closed Session.

8) Authorize Three-Year Contract with Vector Engineering, Inc., of Grass Valley, Not to Exceed \$80,340, for Landfill Sliver Fill Final Cover Construction Quality Assurance (CQA)

The Board reviewed a memorandum from Senior Engineer Rick Shedden requesting Board authorization for a three-year contract with Vector Engineering for Construction Quality Assurance (CQA) work on the sliver fill final cover. General Manager stated the CQA work was required by the California Regional Water Quality Control Board to certify that the final cover was constructed in accordance with the approved engineering construction drawings and an approved CQA plan. Staff has been very pleased with Vector's performance in the past. Vector successfully completed similar CQA work for the District last year.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Three-Year Contract with Vector Engineering, Inc., of Grass Valley, Not to Exceed of \$80,340, for Landfill Sliver Fill Final Cover Construction Quality Assurance (CQA).

Director Downey retired at 10:06 a.m.

9) Authorize Contract with Shaw Environmental, Inc., Of San Jose, Not to Exceed \$15,000, to Review Air Quality Compliance Issues Associated With District Waste Management Operations

The Board reviewed a memorandum from Senior Engineer Rick Shedden requesting Board authorization for a contract with Shaw Environmental, Inc. to review air quality compliance issues associated with waste management operations. General Manager stated there has been a significant effort put forth by the California

Air Resources Board towards implementation of last year's passage of Assembly Bill 32. The state has set greenhouse gas reductions goals, with landfill gas emissions as a target. The review by Shaw would provide the District with a roadmap related to site air emissions.

Board discussion followed regarding contract language and terms, and specific anticipated results. Senior Engineer stated Shaw would provide anticipated estimates over the next five to ten years. Director Russell inquired whether the review would include estimates of landfill gas collection efficiency and production of landfill gas. General Manager responded that the state was collecting data on collection system efficiencies and the effort by Shaw would provide initial data in that regard. While this review may help to better determine the efficiency of the District's landfill gas system, the value of the final report would be in providing a roadmap of regulatory requirements related to site operations.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Contract with Shaw Environmental, Inc., of San Jose, in Amount Not to Exceed \$15,000, to Review Air Quality Compliance Issues Associated with District Waste Management Operations.

10) Receive Report from Ad Hoc Finance Committee

The Board reviewed a memorandum from Chair Laska summarizing the August 27th meeting of the Ad Hoc Finance Committee. Chair Laska stated several issues had been discussed which were primarily focused on revenues and expenses. General Manager stated the recommendations from the Committee were intended to improve revenues and to further reduce operating expenses. Staff has begun work to prepare a financial Strategic Operating Plan, which would contain measures to increase revenue and to reduce expenses. The Plan will be presented to the Ad Hoc Finance Committee for discussion at their next meeting in October, and will then be brought to the full Board for consideration.

The Board reviewed the Joint Exercise of Powers (JPA) Agreement for the Monterey Regional Waste Management Authority (MRWMA). General Manager stated the MRWMA was formed and bonds were issued to pay for the Materials Recovery Facility and other capital improvements related to recycling in the mid 1990s. The JPA Agreement stipulates that materials and waste flow shall be kept within the watershed and directed to the District's recycling and landfill facilities. The District's financial strength depends upon a firm commitment by all of its member agencies to work together and to direct material and waste to District facilities. Without such a commitment on the part of the cities and the County, waste can be and is being hauled to other regional landfills. Staff believed that it would be in the best interest of the MRWMA, the District, and its member agencies to strengthen waste flow provisions of the JPA Agreement.

Vice Chair McCloud inquired whether the agreement could be enforced to which Legal Counsel responded that each individual jurisdiction could enforce it. She concurred with the suggestion of convening a meeting of District member agencies to include city managers and public works directors to provide them with information on the matter. Such a meeting would insure that the same information was being received by all, which they could then take back to their cities for consideration. She expressed concern about raising landfill tipping fees since it might lead to illegal dumping thus compromising the recent efforts to reduce litter. She further expressed that the Model Construction and Demolition (C&D) Ordinance was not being implemented with the same alacrity in all cities.

General Manager commented the District has developed a number of programs in addition to the landfill operations, all of which contribute to the integrated waste management system providing service to Peninsula residents and businesses. Some other landfills in the region are not required to provide the same level of services so they can charge a lower tipping fee for providing just landfill operations. Additionally, he stated that there

were a number of communities in the county that have adopted the C&D ordinance, which includes language regarding hazardous materials management. Staff will continue to encourage adoption of the C&D ordinance with those that have not adopted it yet.

Board discussion followed regarding waste flow control and whether it applied to private haulers. Legal Counsel replied that the reason the JPA Agreement needed to be strengthened was to clarify who it applied to and what type of permits it referenced. General Manager stated it was not in the public interest to allow waste to flow out of the watershed for a number of reasons. Having the waste flow to the District's Monterey Peninsula Landfill supported local services and community infrastructure, and provided the needed revenue to continue to provide those services. Director Russell commented the high tipping fees were the primary reason waste was taken elsewhere and questioned the ability to enforce the JPA Agreement. General Manager responded that the District has taken on the financial burden of providing certain services such as the Household Hazardous Waste (HHW) Program which costs approximately \$500,000 per year to operate, or approximately \$2 per ton, with no associated revenue. The program is provided at no cost to District residents. Another method to pay for such a program may be via residential garbage bills since the HHW program is only free to residents of the District, not businesses.

Board discussion followed regarding franchise agreements. Chair Laska commented that a loss of tonnage translated into a loss of revenue with the net result being a higher landfill tipping fee for the public and he was supportive of ensuring waste flowed to the District site. Director Pendergrass expressed opposition to General Manager's suggestion of billing residents directly for expenses related to the HHW program since the District was established to serve the residents and needed to find a way to operate more efficiently. Director Gray stated that with the increased effort on recycling, less waste was being disposed in the landfill; there were many tradeoffs to be considered when making decisions. Vice Chair McCloud commented that a reduction in the reserve level below 25% should be considered only as a last resort. She also requested that the recommendations under Declining Tonnages be amended, when convening meetings with the city managers and public works directors, to include member agency citizens and FORA. Chair Laska responded it was the committee's intent to look at all financial aspects of the District's operations and the thought was to only temporarily reduce the reserves in consideration of the District finances.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Adopt Recommendations of Ad Hoc Finance Committee, as Amended, With the Understanding That Reserves Would Only be Reduced Below the 25% Level as a Last Resort.

11) Report on Upgraded Waste Screening Program

The Board reviewed a memorandum from General Manager summarizing recent efforts by staff to bring closure to the upgrades to the District's waste screening program and to bring the item to the Board in October for action. This item would also be discussed in the closed session.

No Action Taken.

STAFF REPORTS

12) Financial, Operating, and Recycling Reports

The Board reviewed the draft financial statement for the month of June which shows Total Operating Revenues of \$1,556,215. Total Operating Expenses were \$1,425,681 and Net Operating Income was \$130,000.

The Operating Report for August was also reviewed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County) was 31,169 tons. The tonnage from Santa Cruz County was 1,892.

The Board also reviewed the AB 939 Recycling Rates, as of September 12, 2007, showing diversions levels through the second quarter of 2007. The Recycling Rates for the Peninsula communities range from 47% up to a high of 68% for the City of Monterey.

13) Report on Public Education, Recycling, and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal.

14) Report on Acceptance of Regional Waste

The Board reviewed a memorandum from General Manager, summarizing recent efforts by staff to explore possible partnerships with the Salinas Valley Solid Waste Authority and the City of Watsonville in managing their wastestream. General Manager stated Santa Cruz County was facing opposition in their efforts to handle the wastestream and District staff would be meeting with them to discuss options to manage the organic, greenwaste, and construction demolition portions of their wastestream.

15) Report on Recycling and Waste Management Legislation

The Board reviewed a summary report received from SWANA's legislative representative, Paul Yoder, and a Californians Against Waste (CAW) summary reporting on last minute activity in the Legislature prior to adjournment until January 2008.

OTHER CORRESPONDENCE

16) Letter to MBUAPCD RE: Request MBUAPCD Board to Remove the NESHAP Exemption for Single Family Dwellings

The Board reviewed a letter sent to the Monterey Bay Unified Air Pollution Control District (MBUAPCD) Board dated September 14, 2007 requesting they remove the NESHAP exemption for single family dwellings. Staff is concerned that since no inspection is necessary in the demolition of single family dwellings, asbestos containing material (ACM) goes undetected. The letter also requested the MBUAPCD to work with city and county building departments and local landfills in the proper disposition of ACM.

17) Letter to Monterey County Health Department RE: Consumer Confidence Report for Calendar Year 2006, MRWMD Domestic Water Supply System Serving On-Site Operations

The Board reviewed a letter dated June 22, 2007 sent to the Monterey County Health Department with regard to the Consumer Confidence Report in compliance with the District's Potable Water Supply Permit.

18) Letter to Monterey County Health Department RE: Biannual Potable Water Supply Monitoring Report for Lead and Copper

The Board reviewed a letter dated August 24, 2007 sent to the Monterey County Health Department regarding the District's Domestic Water Quality Report submitted to document compliance with California's Lead and Copper Rule.

19) Letters To and From SWANA RE: Applied Research Foundation Disposal Group Fees for 2007

The Board reviewed a letter dated August 24, 2007 sent to SWANA requesting additional information about the Applied Research Foundation membership and fees. The letter was sent at the Board's request seeking information prior to any further contributions. The Board also reviewed a letter dated September 7, 2007 from SWANA in response.

20) Letter From Mayor of County of Maui RE: Thank You for Tour of Facilities

The Board reviewed a letter dated August 3, 2007 from the Mayor of the County of Maui, HI, expressing appreciation to District staff for the tour received on July 13th.

21) Letter to MRWPCA RE: Request Meeting of Interagency Committee

The Board reviewed a letter dated September 14, 2007 sent to the Monterey Regional Water Pollution Control Agency requesting a meeting of the Interagency Committee in order to discuss items of mutual interest, such as biosolids and biogas management.

GENERAL MANAGER COMMUNICATIONS

General Manager reported in his Manager's report that a meeting had been scheduled for September 25th, with officials from the City of Marina, and Director Gray, to discuss the proposed buffer zone and related waste management matters. He also reported on the explosion at the Buena Vista Landfill Gas-to-Energy Power Plant and on the need to updated the by-laws of the County Integrated Waste Management Task Force.

CLOSED SESSION

Legal Counsel corrected closed session agenda Item 1 from "Pending" to "Potential" Litigation. The Board went into closed session at 10:49 a.m. regarding the following:

- 1) Conference with Legal Counsel – Matters of Potential Litigation
- 2) Conference with Labor Negotiators:
District Negotiators: William Merry and Richard Norton
Employee Organizations: Operating Engineers, Service Employees International Union, Management Employees
- 3) Conference with Legal Counsel - Existing Litigation
 - a) Don Prescott v. Monterey Regional Waste Management District, et al.
Monterey County Superior Court Case No. M75658

Director Downey returned to the meeting at 11:00 a.m.

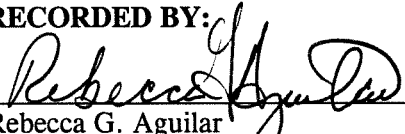
The Board came back into open session at 11:58 a.m. Legal Counsel Wellington announced that on Item 7: **Authorize Issuance of Request for Proposals for Classification and Compensation Study for Management Employees**, it had been moved and seconded, and *Unanimously Carried To: Table this Agenda Item Until the October Board Meeting Pending Additional Information Obtained from the California Special Districts Association Conference.*

On Closed Session Items 1, 2, and 3, the Board received information, and direction was given to staff. No other action was taken.

ADJOURNMENT

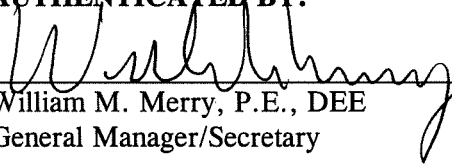
There being no further business to come before the Board at this time, the September 21, 2007 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to October 19, 2007 by Chair Laska at 12:05 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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