

WILLIAM MERRY, P.E., BCEE
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

9:30 a.m., Friday
September 19, 2008

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT Leo Laska, Chair
Sue McCloud, Vice Chair
Gary Bales
David Pendergrass
Joseph P. Russell
Don Jordan
Libby Downey
Ila Mettee-McCutchon

MEMBERS ABSENT: Ken Gray

STAFF PRESENT: William M. Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Rick Shedden, Senior Engineer
Richard Norton, Administrative Services Manager
Charles Rees, Finance Manager
Don Prescott, Information Systems Manager
Jeff Lindenthal, Public Education & Recycling Manager
Glen Evett, Last Chance Mercantile/Household Hazardous Manager
Ron Mooneyham, Equipment Maintenance Manager
Richard Petitt, Site Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist
Kimberle Herring, Public Education Coordinator
Clyde Walkup, Materials Recovery Facility Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Bjorn Lundegard, City of Seaside
Matt Fore, Monterey County Environmental Health Department
Tom Buell, Monterey Regional Waste Pollution Control Agency
Brad Hagemann, Monterey Regional Waste Pollution Control Agency
Keith Israel, Monterey Regional Waste Pollution Control Agency
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the September 19, 2008, 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

With regard to Item #4, Vice Chair McCloud inquired what the cost would be to repair the current wheel loader. Equipment Maintenance Manager responded that the cost to repair or replace the various components to be CARB compliant would exceed the cost of a new machine.

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

- 1) **Approve Minutes of August 15, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Purchase of a New Tink Bucket for Wheel Loader from Quinn Company of Salinas, CA in the Amount of \$33,703.30**
- 4) **Authorize Request for Proposals for Purchase of New Wheel Loader**

PRESENTATIONS

5) Thirty-Five Year Award to Legal Counsel Robert Wellington

Chair Laska presented an award to Legal Counsel Rob Wellington and thanked him on behalf of the Board for his 35 years of service to the District. Chair Laska stated Director Bales had been instrumental in the hiring process of legal counsel. Director Bales stated that legal advice was provided by the county legal counsel prior to hiring Mr. Wellington.

Legal Counsel Wellington stated the District had been the first public agency he ever represented and he now represents many public agencies. He thanked the Board and staff for the opportunity to work with the District.

6) Presentation on District Public Education and Community Outreach Program

The Board received a presentation on public education and community outreach programs from Public Education and Recycling Manager Jeff Lindenthal and Public Education Coordinator Kimberle Herring. Public Education and Recycling Manager introduced Kimberle Herring and Mike Perry, an intern from the Monterey Institute of International Studies (MIIS) assisting with the program. He stated the program provided community outreach through school presentations and tours, home compost workshops, and District communication through the website, brochures, flyers, annual report, media relations, and press releases. The program also provided assistance to member agencies with AB 939 reporting, grant applications, litter abatement task force, and policy development.

Chair Laska thanked the Public Education and Recycling Manager and Public Education Coordinator for their informative presentation. Director Bales stated that when the public education program was first implemented, it was never visualized that the program would be as successful as it is and commended staff for their efforts.

Vice Chair McCloud asked if District public education staff could provide member cities with a list of recycling resources. Public Education and Recycling Manager responded affirmatively, adding that staff is available to provide recycling information and requested that city staff call the District with any questions.

General Manager stated the District had received two first-place awards for the "Green Garden" exhibit at the 2008 Monterey County Fair. The awards included the *Water-Wise Landscape Award*, from the Water Awareness Committee of Monterey County, and a first place award in the *Home Garden Improvement* category which included a \$1,000 prize. He thanked Public Education Coordinator for her passion, creativity and commitment on the project, which resulted in the awards.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) Receive Report from Chair of Ad Hoc Finance Committee on Meeting of August 22, 2008

The Board reviewed a memorandum from Chair Laska summarizing discussions of the ad hoc Finance Committee meeting of August 22nd. Chair Laska stated the Committee had received information on operations and finances and had discussed reducing operating hours in order to reduce expenses. The primary topics of discussion were the proposed tip fee increase for biosolids and the current and future plans for management of biosolids. He stated the Committee supported raising the tipping fee for biosolids to \$30 per ton, beginning January 1, 2009. The committee also received staff information on the Landfill Gas to Energy Project and future power sales. Chair Laska stated the Strategic Planning Advisory Task Force, composed of member agency representatives, would hold its first meeting on October 8, 2008 in order to discuss future waste management programs within the District.

No Action Taken.

8) Receive Staff Report and Schedule Public Hearing to Consider Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$23 Per Ton (Average) to \$30 Per Ton

The Board reviewed a memorandum from Senior Engineer Rick Shedden regarding a proposed tip fee increase for the acceptance of biosolids for processing and disposal from \$23 per ton (average) to \$30 per ton. Staff is requesting the Board schedule a public hearing for October 17, 2008. General Manager stated the District Board has been considering a tip fee increase for biosolids for over a year and the increase would include biosolids from all sources, including Santa Clara County effective January 1, 2009. Written notice was provided to the generators of biosolids in late 2007 that the District was considering an increase to as much as \$35 per ton, so accommodations could be made in their planning and budgeting. Staff has held discussions on the topic with staff from the Monterey Regional Water Pollution Control Agency (MRWPCA) for about three years.

The MRWPCA and the District jointly retained the consulting firm of R3 to review the District's expenses to manage biosolids and R3 has concluded that the proposed rate increase to \$30 per ton is "reasonable". The ad hoc Finance Committee considered this matter in their meeting of August 22nd and supported the staff recommendation to raise the tip fee. Although staffs of the MRWPCA and the District have also met to review and discuss the R3 report, the MRWPCA delivered a letter requesting the Board delay scheduling a public hearing in order to allow their staff more time to consider the basis and justification for the fee increase.

Keith Israel, General Manager of the MRWPCA, addressed the Board and stated that the MRWPCA and the District has a long history of working together and would like to continue that relationship. The MRWPCA

request would enable MRWPCA staff to understand the methodology used to establish the proposed tip fee. The MRWPCA agreed that any increase would be effective January 1, 2009.

Director Downey asked when the last tip fee increase for biosolids had been implemented. Assistant General Manager responded that the last increase had taken place in 2004. He also stated that the actual cost to handle the biosolids was around \$38 per ton, but staff was recommending increasing the tip fee to \$30, the cost of disposing the biosolids. General Manager stated that the MRWPCA service area included the City of Salinas, and portions of Monterey County, which were not in the District service area, yet benefited from the lower rate when it did not cover the cost for the service.

Director Pendergrass stated he sat on the MRWPCA board as well, and expressed concern that the R3 report had not been provided as timely to the MRWPCA as it had been to the District and recommended delaying scheduling of a public hearing for one month to allow staff to meet and discuss the report at greater length. Director Bales stated the ad hoc Finance Committee had discussed the report in great length and realized that there were many factors involved, and hoped that by delaying the public hearing, the agencies could reach an agreement. Chair Laska stated that for over a year, the ad hoc Finance Committee had been considering rate increases and asking staff to delay any increases and reduce expenses instead. Staff had complied, but it could no longer delay charging what it costs the District to handle or dispose of this material.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Schedule Public Hearing for November 21, 2008, to Consider Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$23 Per Ton (Average) to \$30 Per Ton.

9) Approve Revisions to Harassment and Discrimination Policy

The Board reviewed a memorandum from Administrative Services Manager Rich Norton regarding the revised District Harassment and Discrimination Policy. General Manager stated this item had been carried over from the August meeting to allow final review and comment by legal counsel. The existing District policy is out of date, necessitating the need for an updated and revised policy.

Director Bales stated that he had asked at the last meeting how employees would be notified and trained on the revised policy and whether a consultant would provide the training. Administrative Services Manager responded that the training would be provided in-house, although the required two-hour training for supervisors had been conducted by a consultant. Legal Counsel stated he would work with staff to determine if a consultant would be used.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Approve Revisions to Harassment and Discrimination Policy.

10) Adopt Resolution 2008-10 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase and Installation of a New GE Jenbacher Model JGS 420 Engine/Generator

The Board reviewed a memorandum from Finance Manager Chuck Rees regarding financing for the purchase and installation of a new engine/generator. General Manager stated the unit is scheduled to be installed in November, following the peak summer energy demand season. Finance Manager stated that he had solicited financing rates from three firms and Municipal Finance was able to offer a finance rate of 4.25%.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Adopt Resolution 2008-10 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase and Installation of a New GE Jenbacher Model JGS 420 Engine/Generator.

11) Authorize General Manager to Make Contributions to SWANA's Applied Research Foundation, Not to Exceed \$5,000 Annually

The Board reviewed a letter from the Solid Waste Association of North America requesting an annual contribution to its Applied Research Foundation (ARF) in the amount of \$0.01 for every ton of refuse received by the District. General Manager stated that the District has supported the ARF in past years and derived considerable benefit from its active role in and support of the ARF. In particular the Benchmarking of MSW Landfills Report contained several specific, measurable benchmarks used in the industry and here at the District to measure landfill operations performance in a continuing effort to improve operating efficiencies.

General Manager reminded the Board that when this request had come before the Board last year, the Board had directed him to send a letter expressing concerns over funding of the ARF. He stated that the ARF had renewed its efforts in raising funds as summarized in a letter and recent email to the District. The amount of the contribution request of \$3,242 is based on the tonnage of waste managed per year, multiplied by \$0.01 per ton.

Director Bales stated that last year the ARF had proposed to raise their contribution rate to \$0.02 per ton which is why the Board had requested additional information. He was supportive of the contribution since it seemed the ARF had provided sufficient information, maintained the \$0.01 per ton, and the District benefited from the information gained.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize General Manager to Make Contributions to SWANA's Applied Research Foundation, Not to Exceed \$5,000 Annually.

12) Authorize Chair to Cast Vote for LAFCO Special District Regular Member

The Board reviewed information from LAFCO requesting a second round of balloting for election of one Independent Special District Regular Member to serve a four-year term on the Local Agency Formation Commission of Monterey County. The Board also reviewed background statements from Ms. McGowan and Mr. Champion. General Manager stated that due to a tie vote (14-14), no representative was elected on the first round of balloting. The District Board had voted for Ms. McGowan on the first round voting conducted at the June meeting.

It was moved by Director Mettee-McCutchon, seconded, and Unanimously Carried To: Authorize Chair to Cast Vote for Anne McGowan for LAFCO Special District Regular Member.

13) Receive Six-Month Staff Report on Upgraded Waste Screening Program

The Board reviewed a memorandum from Household Hazardous Waste and Last Chance Mercantile Manager Glen Evett regarding the upgraded waste screening program, provided at the Board's request for a six month follow-up on the program.

Household Hazardous Waste and Last Chance Mercantile Manager stated he was happy to report that 432 out of the 512 charge customers had signed the certification related to the management of hazardous waste. Additional signage had been placed and reports indicated that customers are doing a better job in keeping hazardous materials out of the wastestream.

Board discussion followed regarding the 80 account customers who had not signed the certification and what measures were being taken to enforce compliance with the punitive measures. Household Hazardous Waste and Last Chance Mercantile Manager stated that most of the customers who had not signed the certification had not recently used their accounts.

Matt Fore of the Monterey County Environmental Health Department addressed the Board and stated the County was very pleased with the results from the Upgraded Waste Screening Program and commended the Board and staff for their leadership on the matter.

14) Report on SWANA Legislative Task Force Activity (LTF) and State Legislation

General Manager reported that among the 850 legislative bills lined up waiting for the Governors signature, 6 bills were on the SWANA LTF "support list". He stated that there was considerable interest among a growing contingent in California, and the nation, for extended producer responsibility (EPR), which would have manufacturers assume greater responsibility when manufacturing products, including how long the product will last, how it will be recycled or disposed, including an upfront program to take back products at the end of their useful life. Vice Chair McCloud asked staff to keep the Board informed on this issue.

15) Update on Strategic Plan (2007-2017)

The Board reviewed an updated Strategic Planning Work Plan (2007-2017). General Manager stated that the document has been useful in directing and focusing staff efforts with programs, planning and finances.

STAFF REPORTS

16) Financial, Operating and Recycling Reports

The Board reviewed pre-audit financial statements for June 2008. General Manager stated the decline in the economy has resulted in less trash being generated which in turn has negatively impacted finances of the District and similar waste management agencies around the state. The pre-audit Operating Income for the fiscal year 2007/08 is \$1,235,000 which is \$44,000 above the mid year estimate. Unrestricted Cash as of June 30, 2008 is \$7,734,000 or \$1,328,000 above the mid year estimate due primarily to the delay in capital spending. The preliminary August financials show Total Operating Revenues were \$1,450,000 (4.4% below budget) down from July due primarily to a 10% decrease in accepted solid waste.

Chair Laska inquired about the recent investment crisis and how it may affect the District's investments. Finance Manager responded that information provided by the Local Agency Investment Fund (LAIF) indicated that the District's investments were affected only marginally by the recent financial crisis, due to the very conservative manner and policies for investments with the LAIF.

The Operating Report for August 31, 2008 was also reviewed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during August 2008 was 26,290 tons. Tonnage from Santa Cruz County was 1,835 in August 2008 and the City of Watsonville delivered 1,049 tons during the month of August 2008.

17) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager which provided information on recent recycling activity. Vice Chair McCloud asked if a public service announcement could be released regarding the "No Drugs Down the Drain" campaign. General Manager responded staff would coordinate the announcement with the MRWPCA and the county.

GENERAL MANAGER COMMUNICATIONS

General Manager stated that the topic of power sales and related landfill gas to energy topics would carry significant implications to the District in the next few months. Once PG&E releases its pricing, it will be important to move quickly on a power sales contract. Chair Laska stated that because of the power sales topic being so closely related to the District's finances, it would be best at this time to form an ad hoc Power Sales Committee and to appoint the same membership as that of the ad hoc Finance Committee to serve on the newly formed committee.

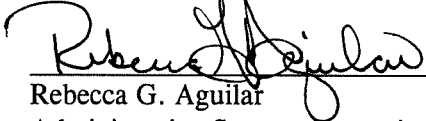
BOARD COMMUNICATIONS

Director Jordan thanked General Manager for his good efforts in keeping the Board informed by returning with reports as directed, and with reports on current issues and future challenges.

ADJOURNMENT

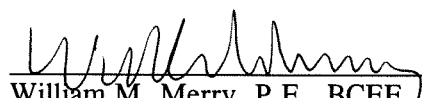
There being no further business to come before the Board at this time, the September 19, 2008 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to October 17, 2008, by Chair Laska at 11:12 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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