

BOARD OF DIRECTORS
 LEO LASKA
 CHAIR
 SUE McCLOUD
 VICE CHAIR
 GARY BALES
 DAVID PENDERGRASS
 LIBBY DOWNEY
 JANE PARKER
 IAN OGLESBY
 BRUCE DELGADO
 DENNIS ALLION



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

Friday, 9:30 a.m.
 August 19, 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
 Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
 Ian Oglesby, City of Seaside Councilmember
 Bruce Delgado, City of Marina Mayor
 Dennis Allion, City of Del Rey Oaks Councilmember

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
 Tim Flanagan, Assistant General Manager
 Rob Wellington, Legal Counsel
 Richard Norton, Administrative Service Manager
 Rick Shedden, Senior Engineer
 Don Prescott, Information Technology Manager
 Chuck Rees, Finance Manager
 Jeff Lindenthal, Public Education and Recycling Manager
 Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
 Jack Cook, Safety Manager
 Richard Pettitt, Site Manager
 Ron Mooneyham, Equipment Maintenance Manager
 Rebecca Aguilar, Administrative Support Supervisor
 Kimberle Herring, Public Education Coordinator
 Sonia Haro, Administrative Support Specialist
 Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Ted Terrasas, Monterey County Environmental Health Bureau
 Mike Niccum, Pebble Beach Community Services District
 Susan Warner, Salinas Valley Solid Waste Authority
 Felipe Melchor, Waste Management
 Jay Ramos, Waste Management
 Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the August 19, 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 comments.

CONSENT AGENDA

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

- 1) **Approve Minutes of July 15, 2011 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize General Manager to Purchase Used Off- Road Water Tanker at a Cost Not to Exceed \$400,000**
- 4) **Award Contract for Painting of Administration Building Exterior, to the Low Bidder D&S Painting, Inc., of Seaside, CA, for the Bid Price of \$23,300**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**5) Accept Report from Finance Committee Chair on Meeting of August 3, 2011**

The Board reviewed a memorandum from Chair Laska summarizing the August 3, 2011 Finance Committee meeting. The Committee discussed the Final Budget for FY 2011/12 and the various reasons regarding the need to include a 2.4% cost of living adjustment (COLA) increase to the landfill tipping fee, effective January 1, 2012. The Final Budget is being presented with and without the COLA.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of August 3, 2011.

6) Accept Report from Personnel Committee Chair on Meeting of August 3, 2011

The Board reviewed a memorandum from Chair Laska summarizing the August 3, 2011 Personnel Committee meeting. In closed session, the Committee received a status update on employee negotiations. In open session, the Committee received written information regarding the upcoming retirement of the Administrative Services Manager and options on filling his position to include cooperative efforts with the Monterey Regional Water Pollution Control Agency. Chair Laska stated that since this is a personnel issue, he has instructed the General Manager to move forward as is appropriate under the General Manager's purview. Director Delgado requested that any changes to the current structure be presented to the Personnel Committee as the changes could affect personnel policies.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Accept Report from Personnel Committee Chair on Meeting of August 3, 2011.

7) Authorize 10-Year Power Sales Agreement with PG&E to Sell Power from Landfill Gas to Energy Units 1 and 4 for a Price of \$92.08 Per Kilowatt Hour

The Board reviewed a memorandum from Information Systems Manager Don Prescott regarding the sale of renewable power from Landfill Gas (LFG) Units 1 and 4. General Manager stated that at the July 2011 meeting, the Board had authorized the amendment of the District's current 30-year agreement with Pacific Gas & Electric (PG&E) for a five year fixed price of \$53.70 per megawatt-hour from Units 2 and 3.

Information Systems Manager provided the Board with various options available to the District for selling power and stated that staff believes that this agreement at this time allows the District an assured contract for power sales, for a set term, with an acceptable degree of flexibility to be able to provide power to a water project. Staff will continue to investigate the opportunity to create a Community Choice Aggregation (CCA) in Monterey County.

Board discussion followed regarding the criteria to create a CCA. Information Systems Manager stated that in order to create a CCA, all of the respective jurisdictions would have to vote in an ordinance agreeing that they wanted to receive their power from a local provider, although PG&E would still distribute the power on their grid. The creation of a CCA in the past has taken about two years. Chair Laska requested staff to provide written information on the process of creating a CCA to the Finance Committee.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Authorize 10-Year Power Sales Agreement with PG&E to Sell Power from Landfill Gas to Energy Units 1 and 4 for a Price of \$92.08 Per Kilowatt Hour.

8) Authorize Continuation of Bird Mitigation Management Plan at a Cost Not to Exceed \$170,000 Annually

The Board reviewed a memorandum from Site Manager Richard Petitt and Assistant General Manager Tim Flanagan regarding the success of the current Bird Mitigation Management Plan and staff request to continue to use Wingmaster Falconry Service at an annual cost of \$170,000. General Manager stated that the District is required under State regulations to control the bird population at the working face of the landfill, and generally away from the site and the use of falcons has resulted in an eco-friendly, low impact method to control unwanted, large populations of birds. This is an important piece of our operating program, and for the reasons set forth in the enclosed memo, staff is recommending continuing it. The term of the contract would run through June 30, 2012.

Director Delgado inquired about the use of a lower cost alternative as specified in the memorandum using District staff and which may involve killing seagulls. Assistant General Manager responded that after careful consideration with regard to increased District liability using the alternative program, staff believed that continuing the current program was better for the District and that staff will continue to evaluate with the current contractor how to reduce the cost. Legal Counsel advised the Board that in past years, concern had been expressed regarding the treatment of the gulls and the use of falcons was an acceptable eco-friendly method to control unwanted, large populations of birds. Chair Laska asked whether the segregation of waste reduces the attraction of the landfill to the gulls. Assistant General Manager responded that the gulls are still attracted to any waste and that it takes three to six years to break the cyclical habits of migrating and local gulls.

Ted Terrasas, Monterey County Local Enforcement Agency (LEA) and with the support of CalRecycle, addressed the Board and stated that the program has been tremendously effective in reducing the bird population. Gulls are resilient birds and he believed that this was the best deterrent method as opposed to shooting them. He stated that during a recent tour of the District's landfill, other LEAs were impressed with the effect of the falcon.

It was moved by Director Pendergrass, seconded, and Supported by Chair Laska, Vice Chair McCloud, and Directors Allion, Bales, Downey, Oglesby, and Pendergrass; Opposed by Director Delgado To: Authorize Continuation of Bird Mitigation Management Plan at a Cost Not to Exceed \$170,000 Annually.

9) Adopt Resolution 2011-08 Approving Final Budget for Fiscal Year 2011/12

The Board reviewed a memorandum and supporting documentation for the Final Budget for FY 2011-2012 from Finance Manager Chuck Rees. The Final Budget was presented without a COLA to the landfill tipping fee, as directed by the Board. However, as an alternative, and as directed and supported by the Finance Committee, staff also provided the Final Budget with a 2.4% cost of living increase to the landfill tipping fee, effective January 1, 2012, and an information sheet in support of the COLA.

Finance Manager explained the variances between the Preliminary Budget approved at the May meeting and the Final Budget. The budget includes \$20,733,000 in revenues, and expenditures of \$23,740,500 including cash operating expenses, capital outlays, debt reduction, and increases in restricted reserves resulting in a \$3,007,500 decrease in unrestricted cash. The Final Budget did not contain any changes to wages or benefits, which may result from final negotiations with the employee groups. With regard to the 2.4% landfill tipping fee COLA, he stated that it would increase the current tipping fee of \$47.00 to \$48.25 and represented approximately a \$0.20 increase to the monthly residential garbage bill. Over a period of five years, if the District were to continue to implement a COLA, it would provide approximately \$3,000,000, which could be used to implement or enhance District programs.

Board discussion followed regarding the Final Budget, the \$1.25 COLA, five-year capital outlay expenditures, and District reserves. Chair Laska stated that as part of the strategic planning, the District anticipated upgrading the Materials Recovery Facility (MRF) to process commercial and multi-family recycling, which would require obtaining bonds.

Felipe Melchor, Waste Management/Carmel-Marina Corp., addressed the Board and stated that WM was supportive of any direction the Board took with regard to the COLA, but requested that if the Board supported a tipping fee increase, they send a letter of support for an increase to WM when it was requested from their respective agencies. Board discussion followed regarding Mr. Melchor's request and the appropriateness of agreeing to his request. Legal Counsel stated that the franchise agreements have language regarding fee increases and it is up to each city to approve any increase request by the franchise hauler accordingly.

It was moved by Vice Chair McCloud, seconded, and Supported by Vice Chair McCloud and Director Downey; Opposed by Chair Laska and Directors Allion, Bales, Delgado, Oglesby, and Pendergrass To: Adopt Resolution 2011-08 Approving Final Budget for Fiscal Year 2011/12 Without a 2.4% Cost of Living Adjustment to the Landfill Tipping Fee. Motion Failed.

Board discussion continued. Vice Chair McCloud expressed concern regarding the public perception if the COLA is approved by the Board. She also stated that the District's Litter Abatement Task Force had not discussed the effect a tip fee increase could have on litter. Chair Laska stated that five years earlier, the Board had agreed that COLA increases were preferred instead of bigger increases at one time. Director Allion inquired on the District's tip fee compared to other surrounding landfills. Finance Manager stated that the tip fees for the other surrounding landfills ranged from \$64 to \$67 per ton. Director Pendergrass stated that the Finance Committee had considered the COLA carefully and that staff had done a good job in reducing costs and balancing revenue. Director Oglesby stated that the District needed to realize the funding for the projects being considered in the future. Director Bales commented that the District is faced with many unfunded mandates and believed that the COLA was justified because of those mandates.

It was moved by Director Delgado, seconded, and *Supported by Chair Laska and Directors Allion, Bales, Delgado, Oglesby, and Pendergrass; Opposed by Vice Chair McCloud and Director Downey To: Adopt Resolution 2011-08 Approving Final Budget for Fiscal Year 2011/12 to Include a 2.4% Cost of Living Adjustment to the Landfill Tipping Fee Effective January 1, 2012. Motion Passed.*

STAFF REPORTS

10) Review Finance, Operating and Recycling Reports

Due to the year-end close and audit procedures, the financial statements were not available. Tipping Fees Revenue for the fiscal year ending June 30, 2011 was \$14,323,000. Total Operating Revenues for the fiscal year were \$19,767,000, primarily due to increased contract tonnages. Preliminary Tipping Fees Revenue for July 2011 was \$1,390,000 and Refuse Accepted (excluding Regional and Contracted Waste) was 16,444 tons.

The Board reviewed the Operating Report for July. Total Solid Waste Accepted into the site (excluding Regional and Contracted Waste) was 24,233 tons. Regional and Contracted waste increased by 17,998 tons from July 2010 due primarily to the new contracted waste from Green Waste Recovery/Zanker.

11) Report on Public Education, Recycling and Litter, Including AB 939/SB 1016 Report

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal, which provided updated AB 939/SB 1016 recycling numbers for member jurisdictions for 2010. Public Education and Recycling Manager also reported on Community Focus Group meeting held on July 21, 2011 at the Marina Library Community, which purpose was to provide feedback on the District's role and identity in the community, its name, and logo. The information received was informative and will be useful to staff going forward.

12) Report on Employee Injuries and Property Loss Incidents for Fiscal Year 2010/11

The Board received a memorandum from Safety Manager Jack Cook summarizing the District's employee injuries and property loss incidents for FY 2010/11. General Manager commended District staff and the Board for efforts in raising safety awareness and participating in various training reducing the District's workers compensation and insurance premiums.

Safety Manager also provided a brief presentation to the Board and stated that through the efforts of each and every employee at the District, the number of incidents and injuries had been steadily reduced and most notable in the MRF, were there were no reportable injuries during the last 12 months, over the course of the 158,000 man-hours worked.

13) Report on Supplying Renewable Power to Proposed Regional Water Project

The Board reviewed a memorandum from Information Systems Manager Don Prescott providing an update on supplying power to the proposed regional water project.

14) Report on August 4, 2011 SWANA Legislative Task Force Meeting

The General Manager provided the Board with a written report on the August 4, 2011 Legislative Task Force meeting in which it was noted that Assemblyman Chesbro has proposed legislation to raise statewide diversion levels to 75% by 2020.

GENERAL MANAGER COMMUNICATIONS

General Manager reminded the Board that the September Board meeting is scheduled to begin at 9 am and will conclude at 10 a.m., to allow time for a special meeting of the Peninsula City Managers from 10 a.m. to noon. The September Board meeting agenda would be tailored to facilitate a one hour meeting.

BOARD COMMUNICATIONS

Director Oglesby provided a summary of the July 19, 2011 Special Districts Association meeting. The next meeting is scheduled for October 18, 2011 at the Shoreline Conference Center in Marina.

CLOSED SESSION

The Board went into closed session at 11:10 a.m. regarding the following:

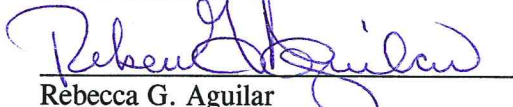
- 1) Conference with Property Negotiators:
Property: Landfill Site Space/Capacity
District Negotiators: William Merry and Tim Flanagan
Negotiating Party: County of Monterey
Terms: All Terms and Conditions
- 2) Conference with Labor Negotiators:
District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers and Management Employees

The Board came back into open session at 11:48 a.m. Legal Counsel announced that with regard to closed session agenda Item 1, no discussion had been held. With regard to closed session agenda Item 2, information was provided to the Board, and instructions were given to the negotiators. No other action was taken.

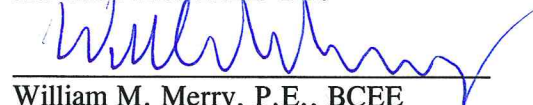
ADJOURNMENT

There being no further business to come before the Board at this time, the August 19, 2011 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to September 16, 2011 by Chair Laska at 11:49 a.m.

RECORDED BY:


Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:


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