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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.  
November 20, 2009

Boardroom  
Monterey Peninsula Landfill  
Marina, CA

**MEMBERS PRESENT** Leo Laska (Chair), Pebble Beach Community Services District Boardmember  
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  
Kristin Clark, City of Del Rey Oaks Vice Mayor

**MEMBERS ABSENT:** Sue McCloud (Vice Chair), City of Carmel-by-the-Sea Mayor  
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

**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  
Chuck Rees, Finance Manager  
Don Prescott, Information Systems Manager  
Jeff Lindenthal, Public Education and Recycling Manager  
Jack Cook, Safety Manager  
Richard Petitt, Site Manager  
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Amber Watson, Administrative Support Specialist  
Kimberle Herring, Public Education Coordinator  
Lynette Mooneyham, Accounting Assistant II  
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

**OTHERS PRESENT:** Sydney Moe, City of Seaside  
Mike Nolan, Hayashi & Wayland, LLC  
Matt Fore, Monterey County Environmental Health Dept.  
Eric Mangahis, Monterey County Environmental Health Dept.  
Brad Hagemann, Monterey Regional Water Pollution Control Agency  
Mike Niccum, Pebble Beach Community Services District  
Justin Brown, Quinn Company  
Jose Gamboa, Salinas Valley Solid Waste Authority  
Stephanie Moreno, Waste Management  
Lewis Leader

**ROLL CALL AND ESTABLISHMENT OF QUORUM**

Notice having been duly given and the presence of a quorum established, the November 20, 2009, 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 comments from the public.

**CONSENT AGENDA**

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

- 1) **Approve Minutes of October 16, 2009 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve Purchase of New Volvo VHD64B Truck with McLellan Water Tank System from Central Valley Truck Center of Fresno, in the Amount of \$188,739.29**
- 4) **Approve Purchase of New Caterpillar Model 324DL Excavator from Quinn Company of Salinas, in the Amount of \$224,112.50**
- 5) **Approve Transmittal of Electronic Mail Ballots for Elections of Independent Special District Representatives to the Local Agency Formation Commission (LAFCO) of Monterey County**

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

- 6) **Accept Report from Finance Committee Chair on Meeting of October 26, 2009**

The Board received a memorandum from Chair Laska summarizing the October 26, 2009 Finance Committee meeting. Chair Laska stated that the Committee discussed District finances and reduced tonnages, and reviewed the Annual Audit Report thoroughly with staff and the auditors, Hayashi and Wayland.

*It was moved by Director Bales, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of October 26, 2009.*

- 7) **Presentation of Annual Audit for Fiscal Year 2008/09**

The Board received a memorandum from Finance Manager Chuck Rees along with the Financial Statements and Independent Auditors Report for the year ended June 30, 2009. General Manager stated the audit had been completed with considerable input from the Finance Manager and accounting staff. As Chair Laska had stated, the Finance Committee had thoroughly reviewed the audit at their meeting on October 26<sup>th</sup> and had the opportunity to ask questions of the auditors.

Finance Manager stated that it was staff's responsibility to provide the auditors with all of the information for the 45-page audit and H&W staff had been very diligent in its review. He expressed appreciation to the accounting staff. Finance Manager reviewed and provided detail on Total Liabilities and Net Assets (\$40,037,077), Total Operating Revenues (\$16,815,997), and Total Operating Expenses (\$16,794,592). Although revenues were below budget by \$1.4 million, the District ended the fiscal year with operating income of \$21,405 and an increase in cash of \$244,407 due to the strong controls on expenditures and personnel costs, and delaying maintenance and capital purchases. Finance Manager stated that maintenance and capital expenditures would have to be made at some point in the future.

Assistant General Manager credited staff for restructuring personnel and controlling operational expenditures to allow the District to end the fiscal year with net operating income of \$21,405 instead of drawing \$800,000 from reserves as initially budgeted. Director Delgado asked whether his summary of purchases deferred, reductions in personnel costs, better cooperation between departments, and increased efficiency with newer equipment, resulted in the District not having to use reserves. Finance Manager responded that his was a correct summary.

Mike Nolan of Hayashi & Wayland (H&W) addressed the Board and stated the District had received a "clean" audit and an "unqualified report", and the financial statements provided were correct in all "material" aspects.

Board discussion followed regarding the audit. It was noted that in the auditor's management letter, the auditors suggested staff implement the last component of the accounting software. The Board directed staff to implement the accounting component and have the General Manager include that implementation in his goals for 2010.

*It was moved by Director Bales, seconded, and Unanimously Carried To: Accept Annual Audit for Fiscal Year 2008/09.*

**8) Accept Report from Ad Hoc Personnel Committee Chair on Meeting of November 6, 2009**

The Board received a memorandum from Chair Laska summarizing the November 6<sup>th</sup> ad hoc Personnel Committee meeting. The Committee received staff reports on matters related to staffing and personnel, and reviewed the General Manager's achievement of his performance goals for 2009. The Committee also received his proposed performance goals for 2010.

*It was moved by Director Bales, seconded, and Unanimously Carried To: Accept Report from Ad Hoc Personnel Committee Chair on Meeting of November 6, 2009.*

**9) Authorize General Manager to Issue a Request for Proposals for Bird Abatement Services and to Retain a Licensed Falconer Under a Pilot Program Lasting Through June 30, 2010, at a Cost Not-To-Exceed \$80,000. (Item May be Continued Until After Closed Session)**

The Board reviewed a memorandum from Senior Engineer along with the Survey of Gull Usage at Marina Landfill prepared by Mr. Roberson in 1997. General Manager stated that staff had prepared the report outlining the history of bird abatement efforts with landfill operations. The proposed pilot program for bird abatement is aimed primarily at the large population of seagulls, a nuisance at the landfill site with current abatement efforts not as effective as staff would like, although they meet State requirements for bird control measures. The use of falcons has been successful at other California landfills and at some Monterey County Vineyards.

Chair Laska asked that any action on this item be deferred until after Board discussion in closed session to which the Board agreed. He requested public comments and there were none.

**10) Receive Report from Carollo Engineers on Biosolids Handling Evaluation**

The Board reviewed a memorandum from Assistant General Manager and the recommendation section from the Carollo Report on biosolids handling. Assistant General Manager stated the District has been working in collaboration with the Monterey Regional Water Pollution Control Agency (MRWPCA) and the Carmel Area Wastewater District (CAWD) for the past three years on the issue of how to most cost effectively carry out biosolids handling and disposal. The District's current method for managing the biosolids is to either compost it to create a vegetative landfill cover or landfill it at a state mandated ratio of 5 to 1 refuse to sludge. The Carollo Report considered other management options at estimated costs per wet ton ranging from \$79 to \$331.

Assistant General Manager stated that since the MRWPCA is located within unincorporated Monterey County, the County receives all of the 25,000 tons of AB 939 diversion credit annually when the biosolids are diverted from the landfill. The District has currently stockpiled 300,000 tons of stabilized biosolids, enough for its long term landfill cover needs. If the District begins to landfill the biosolids, the County would lose approximately 9% of their AB 939 diversion credit. Staff will continue discussions with MRWPCA and Monterey County to evaluate options and determine the most suitable alternative in managing the biosolids.

Board discussion followed regarding the Carollo Report and whether purchase of diversion credits or revenue sharing with the County was an option. Director Bales expressed disappointment that the \$60,000 cost of the report, shared by the three agencies, had not provided any cost effective alternatives to landfilling. Legal Counsel inquired whether purchase of diversion credits was an option to discuss with the County.

Matt Fore from the Monterey County Environmental Health Department addressed the Board and stated that the loss of diversion credits for the County would be critical, especially with the State considering increasing the diversion mandate from 50% to 75%. He expressed appreciation to District staff for their consideration of the County in their efforts to find a more cost effective alternative to landfilling. Mr. Fore stated that although the discussion and focus has been in looking for viable solutions, he would relay to the County the issue of diversion credit purchase or revenue sharing and bring back a response to the District.

The Board also discussed the issue of transporting biosolids out of the area. General Manager expressed appreciation to the MRWPCA for their commitment to manage their biosolids locally. District and MRWPCA staffs are working together and continuing discussions so that their respective Boards are being given the same and timely information. Brad Hagemann, MRWPCA Assistant General Manager, addressed the Board to agree with District General Manager. He stated that he is looking at what other solutions are being developed locally with regard to biosolids in an effort to find a solution that is viable to all parties.

**STAFF REPORTS**

**11) Financial, Operating, and Recycling Reports**

The Board reviewed the financial statements for September and October 2009. The Operating Income for October was \$98,555 and \$671,331 year-to-date. The year-to-date total Operating Expenses are below budget by 0.99% at \$5,440,191. The year-to-date Operating Revenues are \$6,111,523, above last year by \$15,514, and 1.51% above budget.

The Board also reviewed the Operating Report for October 2009. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during October 2009 was 25,291 tons. The tonnage from Santa Cruz County and the city of Watsonville was 1,192 in October 2009.

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

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal reporting on the Fort Ord Reuse Authority (FORA) clean-up event. General Manager reported that the City of Del Rey Oaks had a first reading of an ordinance prohibiting the use of polystyrene take out food packaging at their November 17<sup>th</sup> meeting.

Director Delgado stated that an appreciation BBQ potluck was being held on December 5<sup>th</sup> for volunteers of the FORA clean up event. He expressed appreciation for the District's help and extended an invitation to the BBQ.

**13) Report on Regional Waste**

The Board received a summary on a meeting held on July 20<sup>th</sup> between three Board members from the District and three from the Salinas Valley Solid Waste Authority (SVSWA). General Manager stated that a follow-up meeting has been delayed pending work by the SVSWA to complete long term financial analysis efforts related to their operational costs and plans for new facilities.

Director Downey stated that since discussion of the consolidation of the two agencies was placed on hold pending the outcome of any follow-up meetings, she requested that staff work on moving those meetings forward and provide monthly updates to the Board on this topic. Board discussion followed regarding a merger of the two agencies. Chair Laska stated that although a merger could occur in the future, it should not stand in the way of the two agencies working together on joint areas of mutual interest and benefit, such as the delivery of North County waste to the District site for processing and disposal.

**14) Report on October 20, 2009 Meeting of Special Districts Association of Monterey County**

The Board received a summary from Director Parker on the October 20<sup>th</sup> meeting of the Special Districts Association of Monterey County (SDAMC).

**GENERAL MANAGER COMMUNICATIONS**

General Manager reported that on November 4<sup>th</sup>, and at the request of Mayor Garcia, a presentation on the District operations was provided by Director Bales and the General Manager to the Pacific Grove City Council, highlighting recycling efforts, renewable energy production, and future program plans and financial challenges.

He also reported that at the December 2<sup>nd</sup> District Strategic Planning Advisory Task Force meeting, District consultant Hilton, Farnkopf & Hobson (HF&H) would be providing a presentation detailing the pros and cons of a consolidated franchise process, which is available for consideration for the District member agencies in 2013/14. He urged that Boardmembers have a representative from their city attend this important meeting.

**BOARD COMMUNICATIONS**

**CLOSED SESSION**

The Board went into closed session at 11:15 a.m. to discuss the following items:

- 1) Conference with Legal Counsel – Anticipated Litigation; Significant Exposure to Litigation (one case)
- 2) Personnel Matter
  - a. Public Employee Performance Evaluation: General Manager

The Board came back into open session at 12:20 p.m. Legal Counsel Wellington announced that with regard to Item 1, the Board had received information and held discussion. No other action was taken. With regard to Item 2, the Board completed the General Manager's annual evaluation and accepted the achievement of his performance goals for 2009. With regard to the General Manager's 2010 goals, the Board provided comments and requested the goals be brought back to the Board at the December meeting for final approval. The Board concluded that the General Manager was doing a fine job and would take up the matter of Compensation of General Manager and Assistant General Manager in open session.

On the matter of:

- 9) **Authorize General Manager to Issue a Request for Proposals for Bird Abatement Services and to Retain a Licensed Falconer Under a Pilot Program Lasting Through June 30, 2010, at a Cost Not-To-Exceed \$80,000. (Item May be Continued Until After Closed Session)**

*It was moved by Director Downey, seconded, and Unanimously Carried To: Authorize General Manager to Issue a Request for Proposals for Bird Abatement Services and to Retain a Licensed Falconer Under a Pilot Program Lasting Through June 30, 2010, at a Cost Not-To-Exceed \$80,000.*

**Compensation of General Manager and Assistant General Manager**

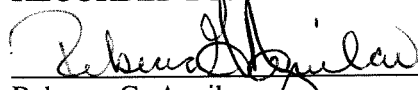
During closed session discussion, the Board discussed the matter of compensation for the General Manager and the Assistant General Manager. The Board reviewed alternative methods to restore the cost of living and management adjustments they had voluntarily declined in July 2009.

*It was moved by Director Downey, seconded, and Unanimously Carried To: Approve Alternative 2 - Effective April 1, 2010, Restore the Cost of Living and Management Adjustments for the General Manager and Assistant General Manager, Voluntarily Declined in July 2009.*

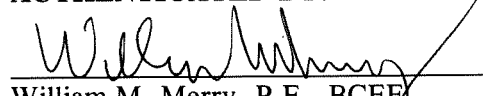
**ADJOURNMENT**

There being no further business to come before the Board at this time, the November 20, 2009 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 18, 2009 by Chair Laska at 12:23 p.m.

**RECORDED BY:**

  
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Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

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